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SPEECHES

*The fight against inflation: a measure of our institutional development**

Raghuram G. Rajan

I thank the Tata Institute of Fundamental Research (TIFR) for inviting me to give this Foundation Day lecture. I have always seen TIFR with awe from afar. Some explanation is in order. My roommate in my first year at MIT was Dr. Renganathan Iyer, who is one of the smartest mathematicians I know – he used to help me understand my tutorials in real analysis. And he never missed an occasion to tell me how much smarter everyone else at TIFR was. Perhaps Renga was being modest, but I half expected on coming here today to see everyone with gigantic heads housing enormous brains. It is a relief to find that, outwardly, you all look normal. Seriously, however, I think the continuing success of TIFR suggests to us that when India wants to set up world class institutions, it can. While the Institute was fortunate to have a visionary like Dr. Homi Bhabha as its founding director, the institution has been built by the collective efforts of dedicated researchers like you all. Congratulations on a job well done!

In my speech today, I thought I would describe our efforts to build a different kind of institution, not one that delves into the deepest realms of outer space or into the tiniest constituents of an atom, but one that attempts to control something that affects your daily life; inflation. There are parallels between the institution building you have done, and what we are setting up to control inflation, though clearly our efforts are much less tied to investigating the very fabric of the universe and more towards influencing human behavior. Ultimately, both require a fundamental change in mindset.

The Costs of Inflation

High inflation has been with us in India for the last four decades. Most recently, we have experienced an average of more than 9 per cent inflation between 2006 and 2013.

What are the costs of having high inflation? Clearly, everyone understands the costs of hyper-inflation, when prices are rising every minute. Money is then a hot potato that no one wants to hold, with people rushing straight from the bank to the shops to buy goods in case their money loses value along the way. As people lose faith in money, barter of goods for goods or services becomes the norm, making transacting significantly more difficult; How much of a physics lecture would you have to pay a taxi driver to drive you to Bandra; moreover would the taxi driver accept a physics lecture in payment; perhaps you would have to lecture a student, and get the student to sing to the taxi driver…you get the point, transacting becomes difficult as hyperinflation renders money worthless.

Hyperinflation also has redistributive effects, destroying the middle class' savings held in bonds and deposits. The horrors of hyperinflation in Austria and Germany in the 1920s still make scary reading.

So clearly, no one wants hyperinflation. But what if inflation were only 15 per cent per year? Haven't countries grown fast over a period of time despite high

* Foundation Day Lecture of Dr. Raghuram G. Rajan, Governor, Reserve Bank of India, at Tata Institute of Fundamental Research, June 20, 2016, Mumbai.

inflation? The answer is yes, but perhaps they could have grown faster with low inflation.[1] After all, the variability of inflation increases with its level, as does the dispersion of prices from their fundamental value in the economy. This makes price signals more confusing – is the price of my widget going up because of high demand or because of high generalised inflation? In the former case, I can sell more if I produce more, in the latter case I will be left with unsold inventory. Production and investment therefore become more risky.

Moreover, high and variable inflation causes lenders to demand a higher fixed interest rate to compensate for the risk that inflation will move around (the so-called inflation risk premium), thus raising the cost of finance. The long term nominal (and real) interest rates savers require rises, thus making some long-duration projects prohibitively costly.

These effects kick in only when inflation is noticeably high. So it is legitimate to ask, 'At what threshold level of inflation does it start hurting growth?' Unfortunately, this question is hard to answer – developing countries typically have higher inflation, and developing countries also have higher growth. So one might well find a positive correlation between inflation and growth, though this does not mean more inflation causes more growth. For this reason, the literature on estimating threshold effects beyond which inflation hurts growth is both vast as well as inconclusive. Most studies find that double digit inflation is harmful for growth but are fuzzier about where in the single digits the precise threshold lies.[2]

The Inflation Target

Nevertheless, given the limited evidence, why do most countries set their inflation goal in the low single digits – 2 to 5 per cent rather than 7 to 10 percent? Three reasons come to mind. First, even if inflation is at a moderate level that does not hurt overall growth, the consequences of inflation are not evenly distributed. While higher inflation might help a rich, highly indebted, industrialist because his debt comes down relative to sales revenues, it hurts the poor daily wage worker, whose wage is not indexed to inflation.[3] Second, higher inflation is more variable. This raises the chance of breaching any given range around the target if it is set at a higher level. To the extent that a higher target is closer to the threshold, this makes it more likely the country will exceed the threshold and experience lower growth. Third, inflation could feed on itself at higher levels – the higher the target, the more chances of entering regions where inflation spirals upwards.

The received wisdom in monetary economics today is therefore that a central bank serves the economy and the cause of growth best by keeping inflation low and stable around the target it is given by the government. This contrasts with the earlier prevailing view in economics that by pumping up

[1] In fact, in a seminal paper, Fischer (1993) presents cross-country evidence to show that growth is negatively associated with inflation, and the causality runs from inflation to growth.

[2] For example, Bruno and Easterly (1995) suggest 40 per cent as a danger point, beyond which increases in inflation are very likely to lead to a growth crisis. In contrast, Khan and Senhadji (2000) estimate that the threshold above which inflation significantly slows growth is 1-3 per cent for industrial countries and 7-11 percent for developing countries.

[3] According to Easterly and Fischer (2001), 'a growing body of literature on balance—but not unanimously—tends to support the view that inflation is a cruel tax'.

demand through dramatic interest rate cuts, the central bank could generate sustained growth, *albeit* with some inflation. That view proved hopelessly optimistic about the powers of the central bank.

There is indeed a short run trade-off between inflation and growth. In layman's terms, if the central bank cuts the interest rate by 100 basis points today, and banks pass it on, then demand will pick up and we could get stronger growth for a while, especially if economic players are surprised. The stock market may shoot up for a few days. But you can fool all of the people only some of the time. If the economy is producing at potential, we would quickly see shortages and a sharp rise in inflation. People will also start expecting the central bank to disregard inflation (that is, be hopelessly dovish according to the bird analogies that abound) and embed high inflationary expectations into their decisions, including their demand for higher wages. If contrary to expectations, the central bank is committed to keeping inflation under control, it may then be forced to raise interest rates substantially to offset that temporary growth. The boom and bust will not be good for the economy, and average growth may be lower than if the cut had not taken place. This is why modern economics also says there is no long run trade-off between growth and inflation – the best way for a central bank to ensure sustainable growth is to keep demand close to potential supply so that inflation remains moderate, and the other factors that drive growth, such as good governance, can take center stage.[4]

[4] I am being a bit loose here. The short run tradeoff works because economic actors can be surprised by unexpected loosening, and the surprise can have positive growth effects. In the long run, the central bank loses its power to surprise, and the public embeds its correct forecast of how much inflation the central bank will create into all nominal variables such as interest rates. To the extent that high inflation is harmful for growth and welfare, a central bank that continuously tries to give short run positive surprises will entrench long run high inflation, which will be bad for growth.

Put differently, when people say 'Inflation is low, you can now turn to stimulating growth', they really do not understand that these are two sides of the same coin. The RBI always sets the policy rate as low as it can, consistent with meeting its inflation objective. Indeed, the fact that inflation is fairly close to the upper bound of our target zone today suggests we have not been overly hawkish, and were wise to disregard advice in the past to cut more deeply. If a critic believes interest rates are excessively high, he either has to argue the government-set inflation target should be higher than it is today, or that the RBI is excessively pessimistic about the path of future inflation. He cannot have it both ways, want lower inflation as well as lower policy rates.

At the same time, the RBI does not focus on inflation to the exclusion of growth. If inflation rises sharply, for instance, because of a sharp rise in the price of oil, it would not be sensible for a central bank to bring inflation within its target band immediately by raising interest rates so high as to kill all economic activity. Instead, it makes sense to bring inflation back under control over the medium term, that is, the next two years or so, by raising rates steadily to the point where the bank thinks it would be enough to bring inflation back within the target range. Let me emphasize that this is not a prediction of either the path of oil prices or a forecast of our monetary actions, lest I read in the paper tomorrow 'RBI to raise rates'. More generally, the extended glide path over which we are bringing inflation in check appropriately balances inflation and the need for reasonable growth.

Arguments against what we are doing

There are many who believe we are totally misguided in our actions. Let me focus on four criticisms. First, we focus on the wrong index of inflation. Second, we have killed private investment by keeping rates too high. Somewhat contradictorily, we are also hurting the pensioner by cutting rates too sharply. Third, monetary policy has no effects on inflation when the economy is supply constrained, so we should abandon our attempt to control it. Fourth, the central bank has little control over inflation when government spending dominates (what in the jargon is called 'fiscal dominance').

The Wrong Index

Historically, the RBI targeted a variety of indicators, putting a lot of weight on the Wholesale Price Inflation (WPI). Theoretically, reliance on WPI has two problems. First, what the common citizen experiences is retail inflation, that is, Consumer Price Inflation (CPI). Since monetary policy 'works' by containing the public's inflation expectations and thus wage demands, Consumer Price Inflation is what matters. Second, WPI contains a lot of traded manufactured goods and commodity inputs in the basket, whose price is determined internationally. A low WPI could result from low international inflation, while domestic components of inflation such as education and healthcare services as well as retail margins and non-traded food are inflating merrily to push up CPI. By focusing on WPI, we could be deluded into thinking we control inflation, even though it stems largely from actions of central banks elsewhere. In doing so we neglect CPI which is what matters to our common man, and is more the consequence of domestic monetary policy.

The Effective Real Interest Rate, Investments, and Savings

Of course, one reason critics may advocate a focus on WPI is because it is low today, and thus would mean low policy rates. This is short-sighted reasoning for when commodity prices and global inflation picks up, WPI could well exceed CPI. There is, however, a more subtle argument; the real interest rate is the difference between the interest rate a borrower pays and inflation – it is the true cost of borrowing in terms of goods like widgets or dosas. If policy interest rates are set to control CPI, they may be too high for manufacturers who see their product prices appreciating only at the WPI rate. I am sympathetic to the argument, but I also think the concern is overblown. Even if manufacturers do not have much pricing power because of global competition, their commodity suppliers have even less. So a metal producer benefits from the fall in coal and ore prices, even though they may not get as high a realisation on metal sales as in the past. The true measure of inflation for them is the inflation in their profits, which is likely significantly greater than suggested by WPI.

A second error that is made is to attribute all components of the interest rate paid by the borrower to monetary policy. For heavily indebted borrowers, however, a large component of the interest rate they pay is the credit risk premium banks charge for the risk they may not get repaid. This credit risk premium is largely independent of where the RBI sets its policy rate.

So when someone berates us because heavily indebted industrialists borrow at 14 per cent interest with WPI at 0.5 per cent, they make two important errors in saying the real interest rate is 13.5 per cent. First, 7.5 per cent is the credit spread, and would not be significantly lower if we cut the policy rate (at 6.5 per cent today) by another 100 basis points. Second, the inflation that matters to the industrialist is not the

0.5 per cent at which their output prices are inflating, but the 4 per cent at which their profits are inflating (because costs are falling at 5 per cent annually). The real risk free interest rate they experience is 2.5 per cent, a little higher than elsewhere in the world, but not the most significant factor standing in the way of investment. Far more useful in lowering borrowing rates is to improve lending institutions and borrower behavior to bring down the credit risk premium, than to try and push the RBI to lower rates unduly.

The policy rate in effect plays a balancing act. As important as real borrowing rates for the manufacturer are real deposit rates for the saver. In the last decade, savers have experienced negative real rates over extended periods as CPI has exceeded deposit interest rates. This means that whatever interest they get has been more than wiped out by the erosion in their principal's purchasing power due to inflation. Savers intuitively understand this, and had been shifting to investing in real assets like gold and real estate, and away from financial assets like deposits. This meant that India needed to borrow from abroad to fund investment, which led to a growing unsustainable current account deficit.

In recent years, our fight against inflation also meant the policy rate came down only when we thought depositors could expect a reasonable positive real return on their financial savings. This has helped increase household financial savings relative to their savings in real assets, and helped bring down the current account deficit. At the same time, I do get a lot of heart-rending letters from pensioners complaining about the cut in deposit rates. The truth is they are better off now than in the past, as I tried to explain in a previous lecture, but I can understand why they are upset when they see their interest income diminishing.

The bottom line is that in controlling inflation, monetary policy makers effectively end up balancing the interests of both investors and savers over the business cycle. At one of my talks, an industrialist clamored for a 4 per cent rate on his borrowing. When I asked him if he would deposit at that rate in a safe bank, leave alone invest in one of his risky friends, he said 'No!' Nevertheless, he insisted on our cutting rates significantly. Unfortunately, policy makers do not have the luxury of inconsistency.

Supply Constraints

Food inflation has contributed significantly to CPI inflation, but so has inflation in services like education and healthcare. Some argue, rightly, that it is hard for RBI to directly control food demand through monetary policy. Then they proceed, incorrectly, to say we should not bother about controlling CPI inflation. The reality is that while it is hard for us to control food demand, especially of essential foods, and only the government can influence food supply through effective management, we can control demand for other, more discretionary, items in the consumption basket through tighter monetary policy. To prevent sustained food inflation from becoming generalised inflation through higher wage increases, we have to reduce inflation in other items. Indeed, overall headline inflation may have stayed below 6 percent recently even in periods of high food inflation, precisely because other components of the CPI basket such as 'clothing and footwear' are inflating more slowly.

Fiscal Dominance

Finally, one reason the RBI was historically reluctant to lock itself into an inflation-focused framework is because it feared government over-spending would make its task impossible. The possibility of fiscal dominance, however, only means that given the inflation objective set by the government, both the government and the RBI have a role to play. If the government overspends, the central bank has to compensate with tighter policy to achieve the inflation objective. So long as this is commonly understood, an inflation-focused framework means better coordination between the government and the central bank as they go towards the common goal of macro stability. I certainly believe that the responsible recent budget did create room for the RBI to ease in April.

Pragmatic Inflation Focus

As you will understand from all that I have been saying, monetary policy under an inflation focused framework tries to balance various interests as we bring inflation under control. In doing so, we have to have a pragmatic rather than doctrinaire mindset. For example, emerging markets can experience significant capital inflows that can affect exchange rate volatility as well as financial stability. A doctrinaire mindset would adopt a hands-off approach, while the pragmatic mindset would permit intervention to reduce volatility and instability. Nevertheless, the pragmatic mind would also recognise that the best way to obtain exchange rate stability is to bring inflation down to a level commensurate with global inflation.

Similarly, while financial stability considerations are not explicitly in the RBI's objectives, they make their way in because the RBI has to keep growth in mind while controlling inflation. So if the RBI's monetary policies are contributing to a credit or asset price bubble that could lead to a systemic meltdown and growth collapse, the RBI will have to resort to corrective monetary policy if macro-prudential policy alternatives are likely to prove ineffective.

The Transition to Low Inflation

The period when a high inflation economy moves to low inflation is never an easy one. After years of high inflation, the public's expectations of inflation have been slow to adjust downwards. As a result, they have been less willing to adjust their interest expectations downwards. Household financial savings are increasing rapidly as a fraction of overall household savings, but not yet significantly as a fraction of GDP.[5] Some frictions in the interest rate setting market do not also help. Even while policy rates are down, the rates paid by the government on small savings are significantly higher than bank deposit rates, as are the effective rates on tax free bonds. I am glad the government has decided to link the rates on small savings to government bond rates, but these rates will continuously have to be examined to ensure they do not form a high floor below which banks cannot cut deposit rates. All in all, bank lending rates have moved down, but not commensurate with policy rate cuts.

The wrong thing to do at such times is to change course. As soon as economic policy becomes painful, clever economists always suggest new unorthodox painless pathways. This is not a problem specific to emerging markets, but becomes especially acute since

[5] Data from household surveys also suggest that household financial savings are moving up. For example, two recent financial inclusion surveys for selected states in India – Financial Inclusion Insights survey conducted by InterMedia and the FinScope survey implemented by the Small Industries Development Bank of India (SIDBI) – suggest that among individuals 'who have a bank account', the fraction who saved through bank deposits increased from 60 per cent in 2013 to 98 per cent in 2015. Of those who 'save money', the fraction saving through a bank increased from 67 per cent in 2013 to 93 per cent in 2015. Of those who 'save money', the fraction 'saving at home' has declined dramatically from 90 per cent in 2014 to 6 per cent in 2015.

every emerging market thinks it is unique, and the laws of economics operate differently here. In India, at least we have been consistent. Flipping through a book of cartoons by that great economist, R. K. Laxman, I found one that indicated the solution for every ill in 1997 when the cartoon was published, as now, is for the RBI to cut interest rates by a hundred basis points. Arguments change, but clever solutions do not.

Decades of studying macroeconomic policy tells me to be very wary of economists who say you can have it all if only you try something out of the box. Argentina, Brazil and Venezuela tried unorthodox policies with depressingly orthodox consequences. Rather than experiment with macro-policy, which brings macro risks that our unprotected poor can ill afford, better to be unorthodox on microeconomic policy such as those that define the business and banking environment. Not only do we have less chance of doing damage if we go wrong, but innovative policy may open new paths around old bottlenecks. Specifically, on its part the RBI has been adopting more liberal attitudes towards bank licensing, towards financial inclusion, and towards payment technologies and institutions in order to foster growth.

Institution Building

Let me return to institution building. We had gotten used to decades of moderate to high inflation, with industrialists and governments paying negative real interest rates and the burden of the hidden inflation tax falling on the middle class saver and the poor. What is happening today is truly revolutionary – we are abandoning the ways of the past that benefited the few at the expense of the many. As we move towards embedding institutions that result in sustained low inflation and positive real interest rates, this requires all constituencies to make adjustments. For example, if industrialists want significantly lower rates, they have to support efforts to improve loan recovery so that banks and bond markets feel comfortable with low credit spreads. The central and state governments have to continue on the path of fiscal consolidation so that they borrow less and thus spend less on interest payments. Households will have to adjust to lower nominal rates, but must recognise that higher real rates make their savings more productive. They will find it worthwhile to save more to finance the enormous investment needs of the country.

Adjustment is difficult and painful in the short run. We must not get diverted as we build the institutions necessary to secure a low inflation future, especially because we seem to be making headway. The Government has taken the momentous step of both setting a CPI based inflation objective for the RBI as well as a framework for setting up an independent monetary policy committee. In the days ahead, a new governor, as well as the members of the committee will be picked. I am sure they will internalise the frameworks and institutions that have been set up, and should produce a low inflation future for India.

The rewards will be many. Our currency has been stable as investors have gained confidence in our monetary policy goals, and this stability will only improve as we meet our inflation goals. Foreign capital inflows will be more reliable and increase in the longer maturity buckets, including in rupee investments. This will expand the pool of capital available for our banks and corporations. The government will be able to borrow at low rates, and will be able to extend the maturity of its debt. The poor will not suffer disproportionately due to bouts of sharp inflation, and the middle class will not see its savings eroded. All this awaits us as we stay the course. Thank you very much for your patience in listening to me.

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*Resolving Stress in the Banking System**

Raghuram G. Rajan

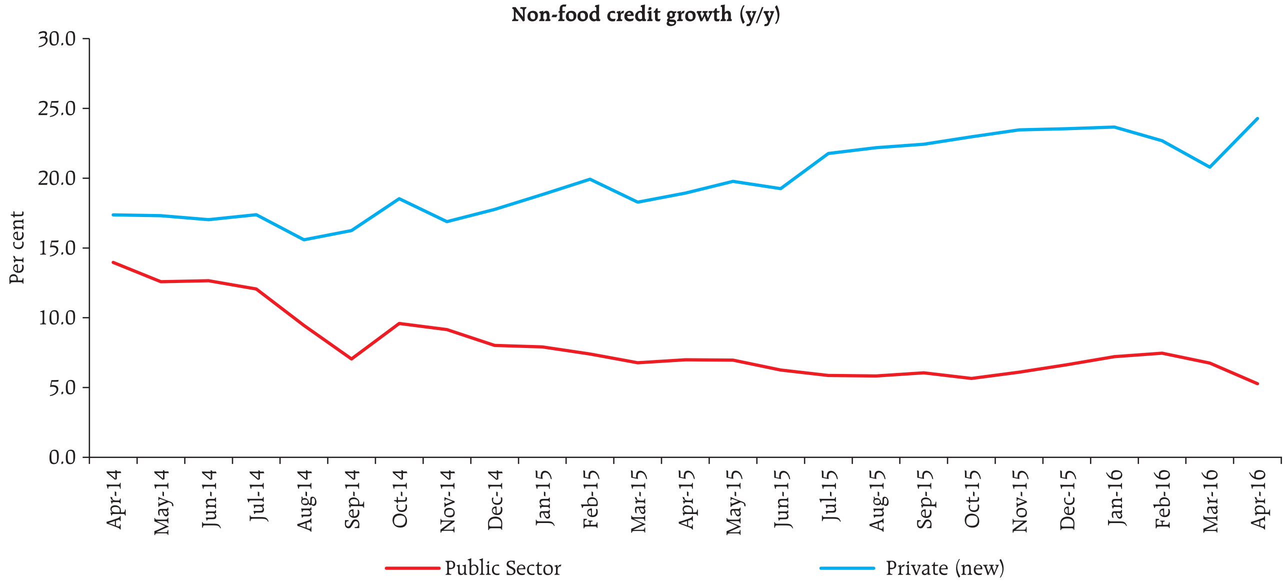
Thank you very much for inviting me to give this talk. Ordinarily, in a city like Bengaluru, we would talk about startups. Today, however, I want to talk about the resolution of financial distress. I will argue that the slowdown in credit growth has been largely because of stress in the public sector banking and not because of high interest rates. As such, what is required is a clean-up of the balance sheets of public sector banks, which is what is underway and needs to be taken to its logical conclusion. Specifically, I will describe what we have been doing in India to change the culture surrounding the loan contract. To start, let us look at public sector credit growth compared with the growth in credit by the new private banks.

Public Sector Lending vs Private Sector Lending

As chart 1 (Credit in India) shows, public sector bank non-food credit growth has been falling relative to credit growth from the new private sector banks (Axis, HDFC, ICICI, and IndusInd) since early 2014. This is reflected not only in credit to industry (Chart 2), but also in micro and small enterprise credit (Chart 3).[2] The relative slowdown in credit growth, *albeit* not so dramatic, is also seen in agriculture (Chart 4), though growth is picking up once again. Whenever one sees a slowdown in lending, one could conclude there is no demand for credit – firms are not investing. But what we see here is a slowdown in lending by public sector banks *vis-a-vis* private sector banks. Why is that?

The immediate conclusion one should draw is that this is something affecting credit supply from the public sector banks specifically, perhaps it is the lack of bank capital. Yet if we look at personal loan growth

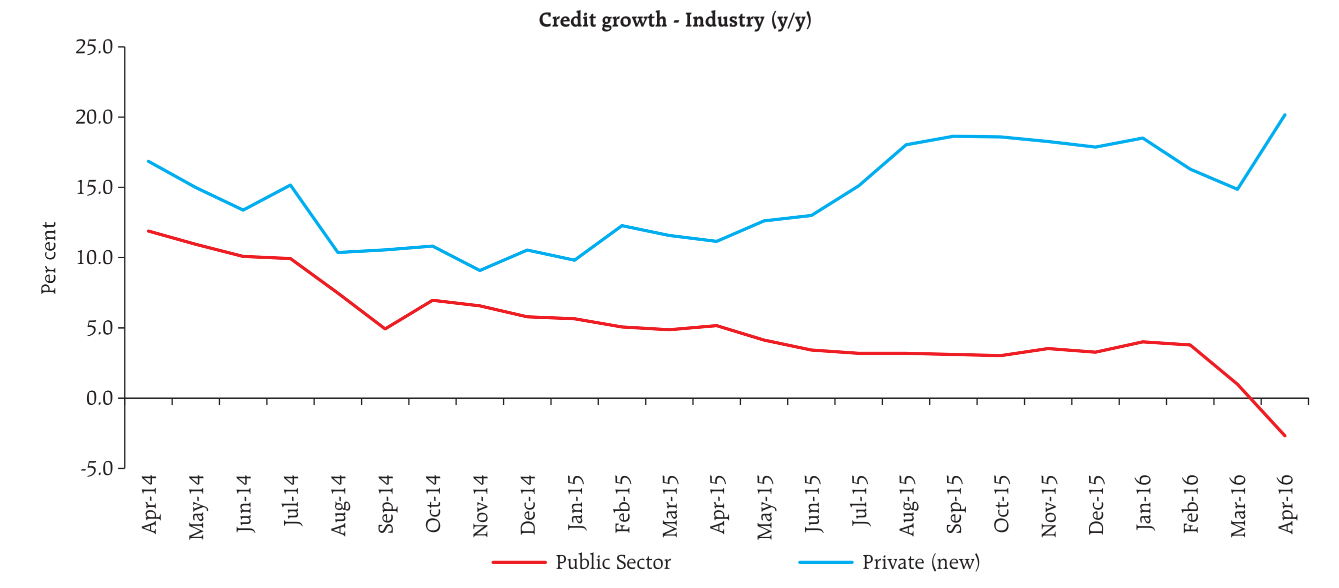
Chart 1: Non food credit growth



* Speech by Dr. Raghuram G. Rajan, Governor, Reserve Bank of India, at ASSOCHAM – Interactive Meet with Industry & Trade, June 22, 2016, Bengaluru.

[1] In Chart 2, the latest negative growth April number may be an aberration because of UDAY bonds being transferred from bank loan books to investments.

Chart 2: Credit to Industry



(Chart 5), and specifically housing loans (Chart 6), public sector bank loan growth approaches private sector bank growth. The lack of capital therefore cannot be the culprit. Rather than an across-the-board shrinkage of public sector lending, there seems to be a shrinkage in certain areas of high credit exposure, specifically in loans to industry and to small enterprises. The more appropriate conclusion then is that public sector banks were shrinking exposure to infrastructure and industry risk right from early 2014 because of mounting distress on their past loans. Private sector banks, many of which did not have these past exposures, were more willing to service the mounting demand from both their traditional

Chart 3: Credit to Micro and Small Enterprise

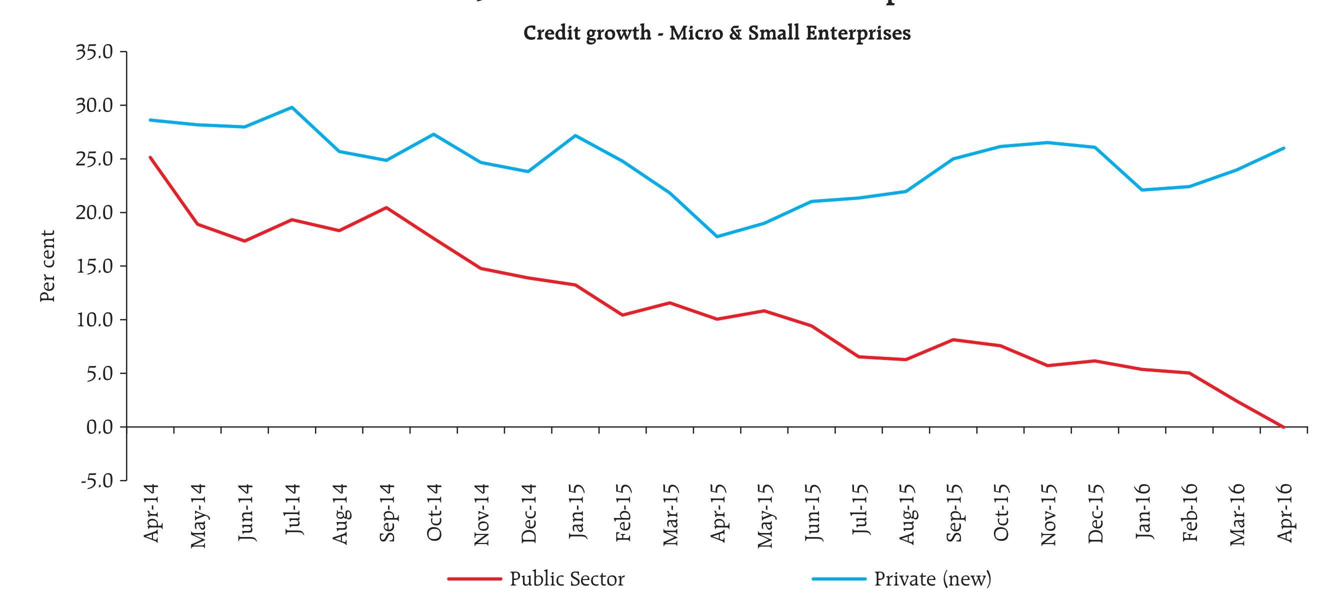
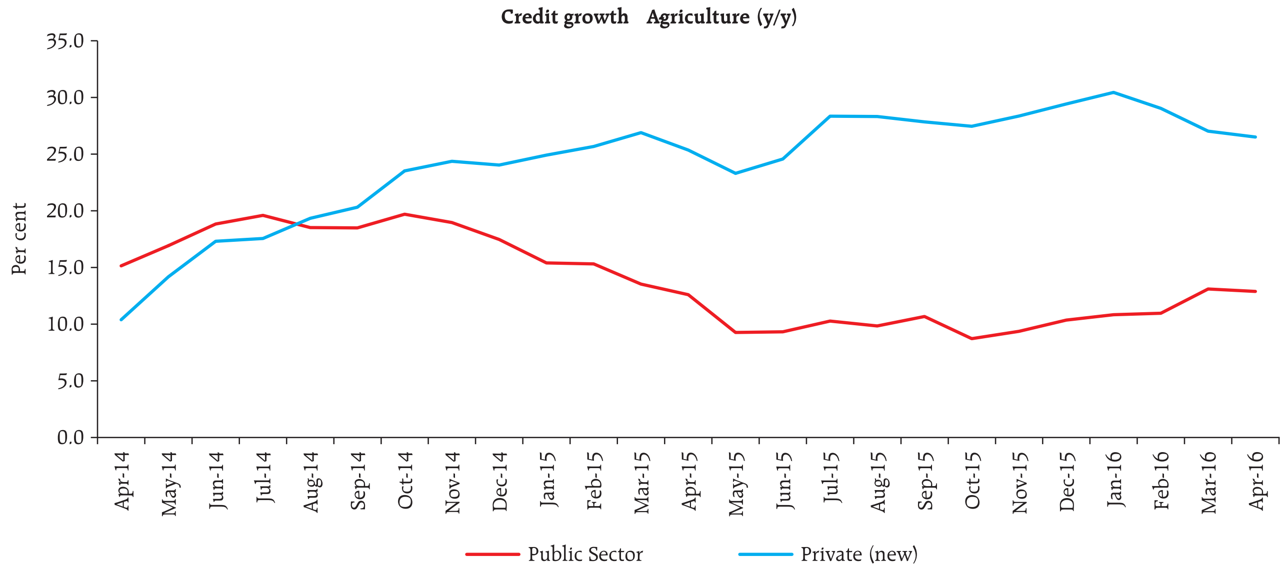


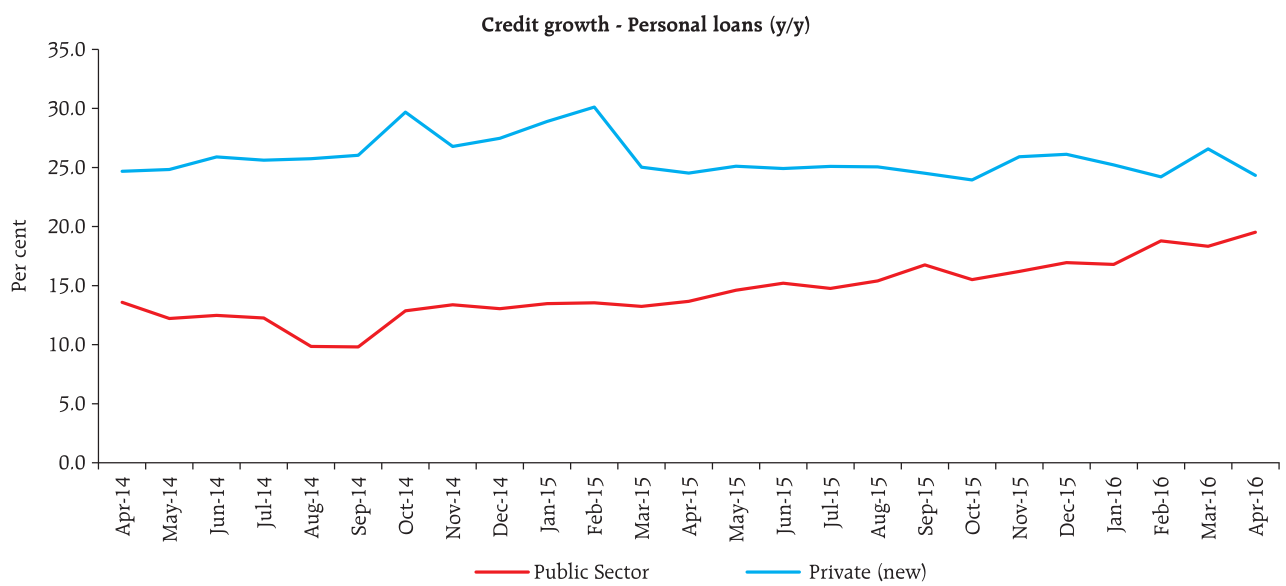
Chart 4: Credit to Agriculture

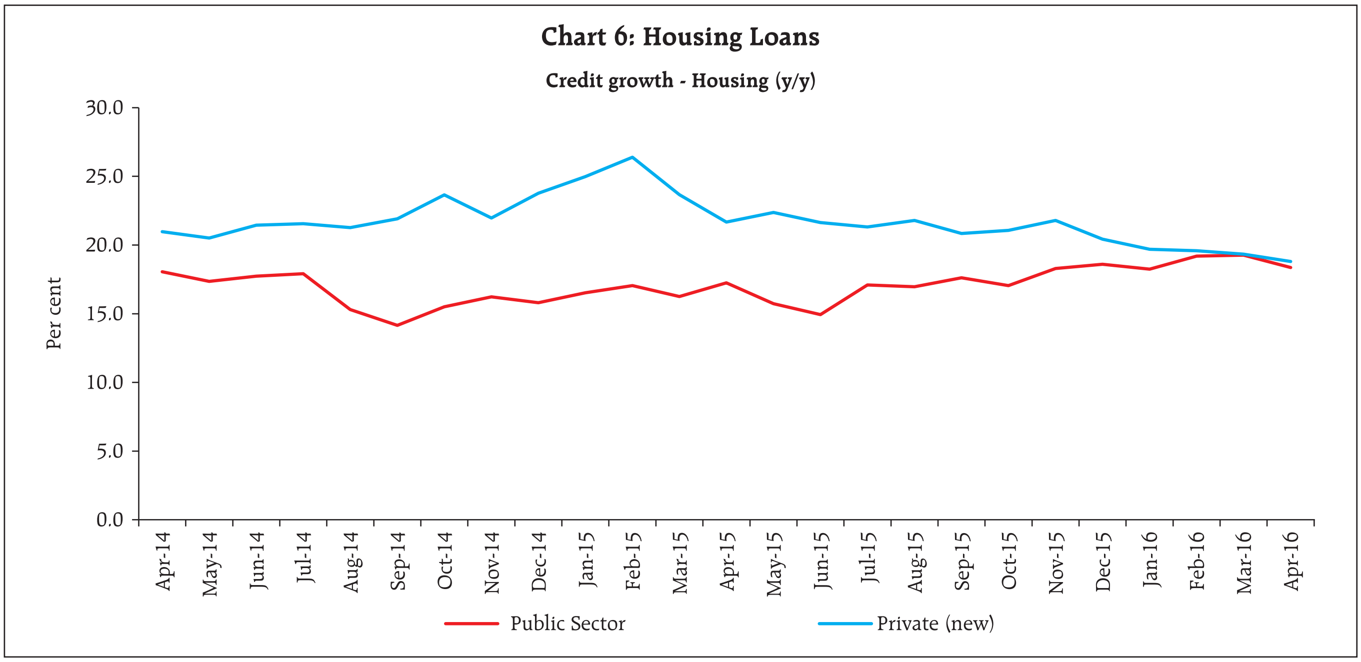


borrowers, as well as some of those corporates denied by the public sector banks. Given, however, that public sector banks are much bigger than private sector banks, private sector banks cannot substitute fully for the slowdown in public sector bank credit. We absolutely need to get public sector banks back into lending to industry and infrastructure, else credit and growth will suffer as the economy picks up.

These charts refute another argument made by those who do not look at the evidence – that stress in the corporate world is because of high interest rates. Interest rates set by private banks are usually equal or higher than rates set by public sector banks. Yet their credit growth does not seem to have suffered. The logical conclusion therefore must be that it is not the level of interest rates that is the problem. Instead,

Chart 5: Personal Loans





stress is because of the loans already on PSB balance sheets, and their unwillingness to lend more to those sectors to which they have high exposure.

There are two sources of distressed loans – the fundamentals of the borrower not being good, and the ability of the lender to collect being weak. Both are at work in the current distress.

The Sources of Lending Distress: Bad Fundamentals

Why have bad loans been made? A number of these loans were made in 2007-2008. Economic growth was strong and the possibilities limitless. Deposit growth in public sector banks was rapid, and a number of infrastructure projects such as power plants had been completed on time and within budget. It is at such times that banks make mistakes. They extrapolate past growth and performance to the future. So they are willing to accept higher leverage in projects, and less promoter equity. Indeed, sometimes banks signed up to lend based on project reports by the promoter's investment bank, without doing their own due diligence. One promoter told me about how he was pursued then by banks waving checkbooks, asking him to name the amount he wanted. This is the historic phenomenon of irrational exuberance, common across countries at such a phase in the cycle.

The problem is that growth does not always take place as expected. The years of strong global growth before the global financial crisis were followed by a slowdown, which extended even to India, showing how much more integrated we had become with the world. Strong demand projections for various projects were shown to be increasingly unrealistic as domestic demand slowed down. Moreover, a variety of governance problems coupled with the fear of investigation slowed down bureaucratic decision making in Delhi, and permissions for infrastructure projects became hard to get. Project cost overruns escalated for stalled projects and they became increasingly unable to service debt.

I am not saying that there was no malfeasance – the country's investigative agencies are looking into some cases such as those where undue influence was used in getting loans, or where actual fraud has been committed by diverting funds out of a company, either through over-invoicing imports sourced *via* a promoter-owned subsidiary abroad or exporting to related shell companies abroad and then claiming they defaulted. I am saying that, typically, there were factors other than malfeasance at play, and a number of genuine committed entrepreneurs are in trouble, as are banks that made reasonable business decisions given what they knew then.

The Sources of Lending Distress: Poor Monitoring and Collection

The truth is, even sensible lending will entail default. A banker who lends with the intent of never experiencing a default is probably over-conservative and will lend to too few projects, thus hurting growth. But sensible lending means careful assessment up front of project prospects, which I have argued may have been marred by irrational exuberance or excessive dependence on evaluations by others. Deficiencies in evaluation can be somewhat compensated for by careful post-lending monitoring, including careful documentation and perfection of collateral, as well as ensuring assets backing promoter guarantees are registered and tracked. Unfortunately, too many projects were left weakly monitored, even as costs increased. Banks may have expected the lead bank to exercise adequate due diligence, but this did not always happen. Moreover, as a project went into distress, private banks were sometimes more agile in securing their positions with additional collateral from the promoter, or getting repaid, even while public sector banks continued supporting projects with fresh loans. Promoters astutely stopped infusing equity, and sometimes even stopped putting in effort, knowing the project was unlikely to repay given the debt overhang.

The process for collection, despite laws like SARFAESI intended to speed up secured debt collection, has been prolonged and costly, especially when banks face large, well-connected promoters. The government has proposed reforms to the judicial process, including speeding up the functioning of the Debt Recovery Tribunals, which should make it easier for banks to collect, but those legislative reforms are before Parliament. Knowing that banks would find it hard to collect, some promoters encouraged them to 'double-up' by expanding the scale of the project, even though the initial scale was unable to service debt. Of course, the unscrupulous among the promoters continued to divert money from the expanded lending, increasing the size of the problem on bank balance sheets.

The inefficient loan recovery system then gives promoters tremendous power over lenders. Not only can they play one lender off against another by threatening to divert payments to the favored bank, they can also refuse to pay unless the lender brings in more money, especially if the lender fears the loan becoming a Non-Performing Asset. Sometimes promoters can offer miserly one-time settlements (OTS) knowing that the system will ensure the banks can collect even secured loans only after years. Effectively, loans in such a system become implicit equity, with a tough promoter enjoying the upside in good times, and forcing banks to absorb losses in bad times, even while he holds on to his equity.

Cleaning Up the Banks: Principles

The world over, there are three cardinal rules when faced with incipient distress.

1) *Viability does not depend on the debt outstanding, but on economic value. Debt may have to be written down to correspond to what is viable.*

   Because of changed circumstances, demand may be lower and project cash flows may be significantly lower than projected earlier. The project has economic value when completed – in the sense that operating cash flows are positive, but much less than the interest on the debt it carries. If the debt is not written down, the project continues as an NPA, even while the promoter, knowing it cannot repay, loses interest. If neglected, the project may stop generating any cash flows and the assets may depreciate rapidly.

2) *Complete projects that are viable, even if it requires additional funds infusion.*

   Stalled projects do not get any better over time. If there are small investments needed to complete the project, and the promoter has no funds, it may still make sense to lend to it, even while writing down the overall debt. Essentially, the new loan makes it possible to generate operating cash flows to service some debt, even if not all the outstanding debt.

3) *Don't throw good money after bad money simply because there is an unreliable promise that debt will become serviceable.*

   This is the opposite of (2). If the project is unviable, doubling its size does not make it any more viable. Promoters that have over-borrowed often propose an increase in scale so that the bank's outstanding debt and new loans will all become serviceable. Perhaps it would be better for the bank to write down its loans to the initial project, rather than going deeper into the hole because the promoter may incur new cost-overruns as he expands. An incompetent or unreliable promoter will remain so even when scale expands.

Bank Moral Hazard

Unfortunately, the incentives built into the public sector banking system have made it more difficult for public sector bank executives to follow these principles (I should add that some private sector bank executives have also not been immune on occasion). The short tenure of managers means they are unwilling to recognise losses immediately, and more willing to postpone them into the future for their successors to deal with. Such distorted incentives lead to overlending to or 'ever-greening' unviable projects. Unfortunately, also, the taint of NPA immediately makes them reluctant to lend to a project even if it is viable, for fear that the investigative agencies will not buy their rationale for lending. The absence of sound and well documented loan evaluation and monitoring practices by banks makes such an outcome more likely. So excessive lending to bad projects and too little lending to viable ones can coexist.

The Regulator's Dilemma

For regulator who wants the banking system to clean up so it can start lending again, this creates a variety of objectives, which can be somewhat conflicting. First, we want banks to recognise loan distress and disclose it, not paper over it by ever-greening unviable projects. Loan classification is merely good accounting – it reflects what the true value of the loan might be. It is accompanied by provisioning, which ensures the bank sets aside a buffer to absorb likely losses. If the losses do not materialise, the bank can write back provisioning to profits. If the losses do materialise, the bank does not have to suddenly declare a big loss, it can set the losses against the prudential provisions it has made. Thus the bank balance sheet then represents a true and fair picture of the bank's health, as a bank balance sheet is meant to.

Second, we want them to be realistic about the project's cash generating capacity, and structure lending and repayment to match that.

Third, we want them to continue lending to viable projects, even if they had to be restructured in the past and are NPAs.

The problem is that any forbearance in labeling loans NPAs on restructuring makes it easier to avoid disclosure and indulge in ever-greening. On the other hand, strict disclosure and classification rules could imply a cessation of lending to even viable projects. There are no clean solutions here given the kind of incentives in the system, and given the absence of an operational bankruptcy code in India. Therefore, the RBI has had to adopt a pragmatic approach to the clean-up, creating new enabling processes.

The RBI's Approach

Our first task was to make sure that all banks had information on who had lent to a borrower. So we created a large loan database (CRILC) that included all loans over ₹5 crore, which we shared with all the banks. The CRILC data included the status of each loan – reflecting whether it was performing, already an NPA or going towards NPA. That database allowed banks to identify early warning signs of distress in a borrower such as habitual late payments to a segment of lenders.

The next step was to coordinate the lenders through a Joint Lenders' Forum (JLF) once such early signals were seen. The JLF was tasked with deciding on an approach for resolution, much as a bankruptcy forum does. Incentives were given to banks for reaching quick decisions. We have also tried to make the forum more effective by reducing the need for everyone to agree, even while giving those who are unconvinced by the joint decision the opportunity to exit.

We also wanted to stop restructuring of unviable projects by banks who want to avoid recognising losses – so we ended the ability of banks to restructure projects without calling them NPA in April 2015. At the same time, a number of long duration projects such as roads had been structured with overly rapid required repayments, even though cash flows continued to be available decades from now. So we allowed such project payments to be restructured through the 5/25 scheme provided the long dated future cash flows could be reliably established. Of course, there was always the possibility of banks using this scheme to evergreen, so we have monitored how it works in practice, and continue tweaking the scheme where necessary so that it achieves its objectives.

Because promoters were often unable to bring in new funds, and because the judicial system often protects those with equity ownership, together with SEBI we introduced the Strategic Debt Restructuring (SDR) scheme so as to enable banks to displace weak promoters by converting debt to equity. We did not want banks to own projects indefinitely, so we indicated a time-line by which they had to find a new promoter.

All these new tools (including some I do not have the space to describe) effectively created a resolution system that replicated an out-of-court bankruptcy. Banks now had the power to resolve distress, so we could push them to exercise these powers by requiring recognition. This is what the Asset Quality Review, completed in October 2015 and subsequently shared with banks, sought to accomplish. Since then banks have classified existing distressed loans appropriately, and since March 2016 are looking at their weak-but-not-yet-distressed portfolio for necessary actions. There is a change in culture, and banks have been quite willing to get into the spirit of the AQR. Many have gone significantly beyond our indications in what they have cleaned up by the quarter ending March 2016. Of course, once the banks have properly classified a non-performing loan and provisioned against it, their incentive to evergreen or avoid writing down the debt to appropriate levels is diminished.

Nevertheless, clean-up is ongoing work. The SDR scheme dealt with weak promoters. But some promoters are competent even while their projects are overly indebted. The 'Scheme for Sustainable Structuring of Stressed Assets' (S4A) is an optional framework for the resolution of large stressed accounts. The S4A envisages determination of the sustainable debt level for a stressed borrower, and bifurcation of the outstanding debt into sustainable debt and equity/quasi-equity instruments which are expected to provide upside to the lenders when the borrower turns around. Thus capable-but-over-indebted promoters have some incentive to perform, and because the project is not deemed an NPA if adequate provisions are made, public sector banks continue lending to it if necessary.

Most recently, the government is contemplating a fund to lend into distressed situations, with significant participation by third parties, so that new loans can be made to viable distressed projects. Provided decision making is not dominated by banks whose very loans are distressed, this could be an effective vehicle to speed up resolution.

Why So Many Schemes and Why the Constant Tinkering

The sources of borrower distress are many, and we have sought to provide lenders with a menu of options to deal with it, even while limiting their discretion to paper over the problem. Effectively the RBI has been trying to create an entirely new bad loan resolution process in the absence of an effective bankruptcy system. We have had to tinker, since each scheme's effectiveness, while seemingly obvious when designing, has to be monitored in light of the distorted incentives in the system. As we learn, we have adapted regulation. Our objective is not to be theoretical but to be pragmatic, even while subjecting the system to increasing discipline and transparency.

The good news is that banks are getting into the spirit of the cleanup, and pursuing reluctant promoters to take the necessary steps to rehabilitate projects. Indebted promoters are being forced to sell assets to repay lenders. We will shortly license a number of new Asset Reconstruction Companies (ARCs) to provide a deeper market for stressed assets. We are also working on a framework to enhance efficiency and transparency of price discovery in sale of stressed assets by banks to ARCs. Bank investors, after initially getting alarmed by the size of the disclosures, have bid up PSB bank shares. To the extent that these are still trading at a fraction of book value, there is still room for upward valuation if the banks can improve the prospects of recovery. The new schemes, as well as the improving economy, should help.

Fraud and Willful default

Even while we make it easier for committed promoters to restructure when they experience bad luck or unforeseen problems, we should reduce the ability of the fraudster or the willful defaulter, who can pay but simply is disinclined to do so, or the fraudster, to get away. This is why it is extremely important that banks do not use the new flexible schemes for promoters who habitually misuse the system (everyone knows who these are) or for fraudsters. The threat of labeling a promoter a willful defaulter could be effective in the former case, and we have coordinated with SEBI to increase penalties for willful defaulters. For fraudsters, quick and effective investigation by the investigative agencies is extremely important. We should send the message that no one can get away, and I am glad that the Prime Minister's Office is pushing prosecution of large frauds. The RBI has set up a fraud monitoring cell to coordinate the early reporting of fraud cases to the investigative agencies. And for those who have diverted money out of their companies, especially into highly visible assets abroad, a stern message sent by bankers sitting together with investigative agencies should help send the message that the alternatives to repayment can be harsh.

Bank Risk Aversion

Bankers often argue that the easiest people to label in a fraud are the bankers themselves, who often could be victims rather than perpetrators. Similarly, they accuse the vigilance authorities of excessive zeal when loans go bad, of immediately suspecting bankers of malfeasance when the bad loan could be an unintended consequence of sensible risk taking. Unfortunately, all too often, such investigations also uncover sloppy due diligence or loan monitoring by bankers. After the fact, it is hard to distinguish sensible risk taking from carelessness or from corruption. While the vigilance authorities continuously attempt to reassure bankers that they are not vigilantes, the bankers themselves know that their own enthusiasm and deficiencies can expose them to unwarranted accusations of corruption.

Certainly, part of the solution is for bankers to pull up their socks. But another part of the solution is to not label a banker based on the outcome of a single loan but instead look for a pattern across loans. A banker who makes an excessive number of bad loans compared to his cohort deserves, at the very least, to be questioned. But the banker who makes the occasional bad loan amidst a lot of good ones probably needs to be rewarded. Such pattern-based monitoring by bank authorities, with serious punishment through vigilance action only if there is evidence of money changing hands, could control malfeasance while rewarding risk taking. This does require some changes in the current system, including de-emphasising the committee based approach to loan approval in banks, which appears to diffuse responsibility for loan decisions.

What Responsibility does the RBI have?

Bankers sometimes turn around and accuse regulators of creating the bad loan problem. The truth is bankers, promoters, and circumstances create the bad loan problem. The regulator cannot substitute for the banker's commercial decisions or micromanage them or even investigate them when they are being made. Instead, in most situations, the regulator can at best warn about poor lending practices when they are being undertaken, and demand banks hold adequate risk buffers. The important duty of the regulator is to force timely recognition of NPAs and their disclosure when they happen. Forbearance may be a reasonable but risky regulatory strategy when there is some hope that growth will pick up soon and the system will recover on its own. Everyone – banker, promoter, investors, and government officials – often urge such a strategy because it kicks the problem down the road, hopefully for someone else to deal with. The downside is that when growth does not pick up, the bad loan problem is bigger, and dealing with it is more difficult. It is when the bad loan problem is allowed to accumulate through forbearance or non-recognition that regulators have the difficult task of bringing the system back on track. That is the problem we have had to deal with at the RBI.

As I have shown you, the consequence since early 2014 of the past build-up of stressed loans was a slowdown in public sector bank lending in certain sectors. The cessation of the RBI forbearance and the Asset Quality Review in mid 2015 were therefore not responsible for the slowdown. Instead, high distressed exposures in certain sectors were already occupying PSB management attention and holding them back. The only way for them to supply the economy's need for credit, which is essential for higher economic growth, was to clean up and recapitalise.

The silver lining message in the slower credit growth is that banks have not been lending indiscriminately in an attempt to reduce the size of stressed assets in an expanded overall balance sheet, and this bodes well for future slippages. In sum, to the question of what comes first, clean up or growth, I think the answer is unambiguously 'Clean up!'. Indeed, this is the lesson from every other country that has faced financial stress. It is important, therefore, that the clean-up proceeds to its conclusion, without any resort to regulatory forbearance once again.

Sometimes, easier monetary policy is proposed as an answer to reducing the bad debt problem. For the heavily indebted promoter, however, easier monetary policy will typically bring no relief. Even with lower policy rates, the bank, which is typically not made whole even if it grabs all the borrower's cash flows, has no incentive to reduce the interest rate the borrower can pay. And few banks are competing for that borrower's business, so there is no competition to force down loan rates. The bottom line is that easier monetary policy is no answer to serious distress, contrary to widespread belief.

What can the Government do?

The government is in the process of speeding up the debt recovery process, and creating a new Bankruptcy system. These are important steps to improve the resolution process. In the near term, however, two actions will pay large dividends.

The first is to improve the governance of public sector banks so that we are not faced with this situation again. The Government, through the Indradhanush initiative, has sent a clear signal that it wants to make sure that public sector banks, once healthy, stay healthy. Breaking up the post of Chairman and Managing Director, strengthening Board and management appointments through the Banks Board Bureau, decentralising more decisions to the professional board, finding ways to incentivise management, all these will help improve loan evaluation, monitoring and repayment.

The second is to infuse bank capital, with some of the infusion related to stronger performance, so that better banks have more room to grow. Capital infusion into weak banks should ideally accompany an improvement in governance, but given the need for absorbing the losses associated with balance sheet clean up, better that government capital be infused quickly. Governments are sometimes reluctant to infuse bank capital because there are so many more pressing demands for funds. Yet, there are few higher return activities than capitalising the public sector banks so that they can support credit growth. Finally, the Economic Survey has suggested that the RBI should capitalise public sector banks. This seems a non-transparent way of proceeding, getting the banking regulator once again into the business of owning banks, with attendant conflicts of interest.

Better that the RBI pay the government the maximum dividend that it can, retaining just enough surplus buffers that are consistent with good central bank risk management practice. Indeed, this is what we do, and in the last three years, we have paid all our surplus to the government. Separately, the government can infuse capital into the banks. The two decisions need not be linked. Alternatively, a less effective form of capital, if the government cannot buy bank equity directly with cash, is for it to issue the banks 'Government Capitalisation Bonds' in exchange for equity. The banks would hold the bonds on their balance sheet. This would tie up part of their balance sheet, but would certainly be capital.

Conclusion

The cleaning up of bank balance sheets, and the restoration of credit growth are vital, related elements in the growth agenda. The government and the RBI are helping our public sector bankers in this difficult but critical task. I know the process is working, so public sector banks will soon be set to finance the enormous needs of this economy once again.

*Foreign Exchange Market & Cross-border Transactions: Some Random Reflections**

Harun R. Khan

Shri C. Venkat Nageshwar, Chairman, Foreign Exchange Dealers Association of India (FEDAI), Shri Ravi Sinha, Acting Consul General of India in Hong Kong, Shri D. G. Patwardhan, outgoing CEO of FEDAI, Shri Ashwani Sindhwani, incoming CEO of FEDAI, distinguished speakers and panellists and delegates to the Conference. It is a great pleasure to be here today in this modern city of Hong Kong which Wikipedia describes as *world's most competitive economy, the world's most visited city, and among the world's most significant financial centres with a very high financial development index.* My sincere thanks to the FEDAI for inviting me to inaugurate their 11th Annual Convention. These Annual events of FEDAI have been quite well known in recent times for the wide participation of the foreign exchange market participants, for the depth and detail of the deliberations, and of course, for the idyllic locations chosen. I am sure that this Convention too would excel its predecessors in all aspects.

2. FEDAI was formed in 1958, when Foreign Exchange Regulation Act, 1947 was in force and life was rather simple. The Bretton-Woods arrangement was in force, there was a fixed exchange rate regime with Rupee pegged to the pound sterling and tranquillity reigned in the markets, such as there were. Mandate of FEDAI was simple too: setting the basic rules for inter-bank and customer transactions pertaining to computation of rates and settlements. Forex market and FEDAI have traversed a long way since then in keeping with the momentous changes that have taken place in financial markets in general and forex market in particular, globally as well as in India. Though not formally designated as a Self-Regulatory Organisation (SRO), it has effectively played such a role and the smooth transition and transformation experienced by the Indian foreign exchange market over the years can be ascribed to FEDAI in no small measure. I am sure FEDAI will continue to play such a role in future with greater élan.

3. In modern times, the economic and market conditions have been evolving rapidly and whenever we find ourselves in the cusp of transformational events, there is a global dimension involved. Today, the Indian economy is reported to be more integrated with the rest of the world than US and China in the sense that trade-GDP ratio for India (at 49.6 per cent) is higher than that for China (41.2 per cent) and US (30 per cent). If we also look at a wider parameter of Global Connectedness Index developed by Pankaj Ghemawat and Steven A. Altman, India's score and rank is pretty high, *e.g.*, in 2013 our rank at 71 was ahead of China at 84 in a universe of 140 countries. The quest for mobilising resources for India's vast investment needs also has a pronounced outward-looking refrain. As we engage more and more with the rest of the world, the cross border transactions not only increase in magnitude but also become more complex. Even as we grapple with issues, such as, how to improve the ease of doing business to attract foreign investment and how to contain the potential instability due to increased cross border engagements, the critical factor that influences our thinking and policy setting is the conditions in the foreign exchange market. In this backdrop, I shall discuss today a few select themes

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relating to 'foreign exchange market and cross border transactions,' keeping in view the broad topics of this conference, allowing freedom in foreign exchange markets and internationalisation of Indian Rupee.

Foreign Exchange Market: Freedom with Stability

4. The modern foreign exchange market as we know it evolved after the Bretton Woods system broke down in early 1970's and the global currencies became freely floating. It may be recalled that in the Bretton Woods regime the currencies were almost fixed *vis-a-vis* US dollar and the exchange rate carried within a narrow band. US dollar in turn was linked to gold with a guarantee of the US monetary authorities. When the US Government withdrew this guarantee on August 15, 1971 the currency market went into turmoil and a floating rate regime came into existence. Floating rate regimes were experienced earlier for example, during the 30's when the markets were volatile and disorderly in the extreme and were shut down for extended periods. It may be of some passing interest to note that Reserve Bank of India Act,1934 was framed during this period and the preamble said '*….And whereas in the present disorganisation of the monetary systems of the world it is not possible to determine what will be suitable as a permanent basis for the Indian monetary system….*'

5. The floating exchange rate regime that came into existence in early 70's has remained in force for four and half decades. It is not that there has not been occasions of disorderliness and turbulence in the market but the regime has not been over turned.

6. Three interrelated factors have contributed to the evolution of foreign exchange market as we see it now. First, there has been tremendous improvement in global communication infrastructure gone are the days when trading and settlement used to be done over telegraphic systems (hence the term cable rate). The modern communication network has reached the time and space gap and the only limitation now is the diurnal motion of the earth. Secondly, this period also coincided with quantum advancement in computing capacity. This has helped in improving the communication network. But more importantly it has made trading and settlement quite easier. It is possible for the trader as well as the back office to instantaneously understand the implication of a trade. The ultimate culmination of this is of course 'algorithm trading'. Thirdly, along with the development in computation, sophisticated mathematical models have evolved to engineer complex and bespoke financial products. A combination of these three factors has brought about a foreign exchange market that is truly global, liquid and large.

7. Notwithstanding the complexity and sophistication of the foreign exchange market, the fundamental principle remains simple yet profound. The foreign exchange market deals with currencies and a foreign currency is but a commodity vis-a-vis the domestic currency. The price is the exchange rate. Any price has two determinants. The supply factor and the demand factor. The first can be seen to be derived from the cost of production and the second from the factors that affect demand, utility for instance. In the foreign exchange market, the first factor which ultimately determines the exchange rate in the long run is the purchasing power parity or the inflation differential. The second factor that causes exchange rate movement in the short run is the expected earnings from exchange rate dynamics. In the simplest of cases it is derived from interest rate differential but in the real world the exchange rate demonstrates random walk and behaves like any other financial asset. It will be important here to remember that both the factors play equally important role in determination of the price. To quote Alfred Marshall, '*We might as reasonably dispute whether it is the upper or the lower blade of a pair of*

scissors that cuts a piece of paper, as whether value is governed by utility or cost of production. It is true that when one blade is held still, and the cutting is effected by moving the other, we may say with careless brevity that the cutting is done by the second; but the statement is not strictly accurate, and is to be excused only so long as it claims to be merely a popular and not a strictly scientific account of what happens (Marshall [1890] 1997, 290).'

8. The exchange rate is a key macro-economic variable. It shapes a country's balance of payments and engagement with the rest of the world. It affects a country's export competiveness, of course in conjunction with other factors and its income and employment to the extent that export sector is important for the economy. It determines the cost of import and to the extent that import constitutes articles essential for investment and growth, can act as a retarding factor. It affects the price level through the linkages provided by the tradeable sector.

9. As we have seen earlier foreign currency behaves like a financial asset. The prices of all financial assets are forward looking and are based on the expectation of the future state of the world. As such a country can face large capital inflows or outflows depending on whether its future is perceived to be promising or discouraging. This in turn can affect the exchange rate which may not be in consonance with the fundamentals of the real economy for example the appreciation of the Rupee in 2007-08 was caused by large capital inflows attracted by a buoyant and promising economy but affected the export sector adversely. The reverse was perhaps the case in the East Asian crisis. The capital flows also pose challenge for the monetary policy setting. I allude to the much discussed Mundell-Fleming trilemma, *i.e.*, it is impossible to have an open capital account, independent monetary policy and fixed exchange rate. Capital account openness and independent monetary policy framework could lead to flexible exchange rate which can be disorderly and volatile.

10. The reason I am discussing these issues in some detail is to emphasise the criticality of the exchange rate. The importance of exchange rate cannot be over emphasised for developing countries. For instance, it has got special importance for India like unemployment for Americans and inflation for Germans. The memory of the 60's and 70's when the critical shortage of foreign exchange reserves forced us to resort to the PL 480 for meeting the food requirement of the country are pretty strong. Exchange rate movement either way can affect us adversely. Appreciation could hurt our exports and depreciation would make the imports expensive. Given that our large part of imports comprises crude, fertiliser, capital goods and intermediates, increase in the cost of imports due to depreciation of currency can hurt our growth and employment and affect the fiscal balance.

11. In this backdrop, there are two questions that need to be posed. First, how to ensure that the exchange rate remains stable and, as is stated in the preamble to FEMA, 1999, how to preserve orderliness in the foreign exchange market? Second, the exchange rate will be stable and not fixed, and therefore, there will be some volatility in the foreign exchange market. Therefore, how to enable those affected by the exchange rate to cope with the risk inherent in a volatile market?

12. I will deal with the second problem first. As long as the inflation differential between India and the other countries remain positive, the Indian currency will exhibit depreciation over the long term. However, in a world dominated by capital flows, there can be significant deviations from the long-term path indicated by the Real Effective Exchange Rate (REER). REER itself, one should note, is a function of several dynamic

factors and variables and hence, may not serve as very accurate anchor as the base period loses its relevance in the face of more recent developments. Even in the case of US dollar, the deviation from the long term represented by the REER is known to have been of the order of 80 per cent. Such volatility affects the earnings and balance sheet of all firms that have contracted or even economic exposures. The approach to resolve this problem is to provide a deep and liquid foreign exchange derivatives market to enable market participants to hedge their foreign exchange risk. I have spoken about the derivatives market in detail elsewhere and do not wish to deal with it in detail here.[1] The most straightforward derivatives are the forward contracts or their exchange traded counterpart, the currency futures where the payoffs are simple and linear. While the pricing of these derivatives are fairly simple based on the interest rate differentials, the use of these products by the market participants is mostly motivated by their expectations of the future spot rate. Ordinarily, if you have a foreign exchange receivable or payable and if you have entered into a forward sale or buy contract, your exposure is evened out and you should not be bothered about what happens to the exchange rate. However, the concept of mark-to-market is not only in the books of accounts but also in the people's minds. Not unexpectedly, a cloth manufacturer and exporter decides her hedging strategy based on her own view of the expected future spot price as different from the forward price and of course often based on advice of 'experts'. As I have mentioned earlier, the foreign exchange rate exhibits random walk in the short run and the best prediction of tomorrow's rate is today's rate. About 'expert' advices, I can only paraphrase Samuelson's famous words, *'To prove that Wall Street is an early omen of movements still to come in GNP, commentators quote economic studies alleging that market downturns predicted four out of the last five recessions. That is an understatement. Wall Street indexes predicted nine out of the last five recessions! And its mistakes were beauties.'*[2] Now, after havingbooked a forward contract, one tracks the path of the spot rate and starts revelling or repenting about the imagined gains or losses!

13. The other way of hedging risk is by using non-linear derivative options. Once non-linearity is brought into hedging strategy, the universe becomes virtually unlimited. Any combination of linear derivatives will still have linear payoffs. But combination of non-linear derivatives with themselves or with linear derivatives can result in payoffs of varying complexity. Such complex products along with a future that is shrouded in ignorance can have pretty unpleasant outcomes and sometimes even threaten market stability.

14. In this backdrop we have adopted a gradualist approach in respect of regulation and expansion of forex derivatives market, keeping in view certain uncertainties we have witnessed in the global and local level macro-economic environment. On the one hand, we are committed to enable any entity, whether resident or non-resident, with an exposure to the exchange rate of Rupee to hedge it using onshore derivatives and on the other, we have been circumspect about introducing new products, such as, complex options including the so-called exotics for reasons no other than the misuse of the products, either not matching with one's risk or even for buying risk with a speculative strategy. As I see it, the universe of permitted derivatives will expand and even undertaking a derivative transaction will become simpler. All this,

[1] 'Indian Derivatives Markets – Striking a Balance between Risk Protection and Liquidity' address by Shri Harun R. Khan, Deputy Governor of the Reserve Bank of India, at the Finance Conclave 2015 organised by the SP Jain Institute of Management & Research, Mumbai, 17 January 2015.

[2] Science and Stocks, Newsweek, September 1966

however, depends on how stable the currency markets remain and how responsibly the market participants behave. I hardly need to stress that in all financial transactions in general and derivative transactions in particular, the principle *caveat venditor* applies just as strongly as the principle *caveat emptor.*

Regulating Cross-Border Transactions: Responsibility & Responsiveness

15. Now I come to the first question I had posed earlier, that is, how to ensure stability of the exchange rate. The obvious response that springs to one's mind is intervention by the central bank. Intervention, however, is to be used only in extreme situations and cannot be a part of the policy framework. Intervention has got costs and other implications like negative carry of the foreign exchange reserves, interference with the monetary policy framework, cost of sterilization of intervention operations, *etc.*, depending upon whether intervention consist of buying or selling foreign exchange. The strategy, therefore, seems to be a combination of some capital controls and flexible exchange rate. Earlier this year, the Bank of Japan Governor Kuroda was reported to have advised China to '*impose capital controls to defend the yuan rather than keep burning through currency reserves*' [3]. The role of capital controls, rather active capital account management, in preserving stability in the external sector and foreign exchange market has now been well recognised in the aftermath of the global financial crisis. Some studies have shown that capital controls measures for capital account management are desirable in certain circumstances even when the exchange rate is flexible. Here, I can cite the examples of how we have been calibrating the outflows permitted under the Liberalised Remittance Scheme (LRS) and the inflows under the External Commercial Borrowings (ECB) framework in the Indian context.

16. During the FERA regime, there was complete exchange control. Not only capital account, even current account transactions were also subject to control measures. During the acute foreign exchange crisis, the capital accounts were opened up slightly for the expatriate non-resident Indians by way of incentivised accounts, access to the secondary market in equities, *etc.* Since the liberalisation process started in the early 1990s, the capital account has been progressively liberalised. We were courageous enough to think of full capital account convertibility on two occasions – in 1997 and in 2007. Unfortunately, because of unfolding of global macro-economic developments, the implementation of the path to full capital account convertibility remained on the drawing board stage. Our commitment to progressive liberalisation of the capital account has of course remained steadfast through the problems ranging from the post-Pokhran II global reactions to the recent global financial crisis.

17. What has been our approach to management of capital account? One way of looking at the issue is to see how it affects three different segments of the economy – the non-financial firms and businesses, the individuals and the financial firms. As far as the first segment is concerned, a more open capital account provides better access to resources and investible funds, brings in better technology and management practices and improves their valuation. Right since the first days of opening up of capital account, the emphasis has been to ensure that the real sector is not deprived of the benefits of an open capital account. We can say that, in effect, the capital account is fully open for most of the real business sector. The restrictions are in respect of individuals and the financial sector. In a resource starved country, enabling individuals, particularly those

[3] Bloomberg – January 23, 2016

with high net-worth, to transfer their wealth to foreign places is surely a low priority policy objective. As far as the financial sector is concerned, the restrictions stem from the premise that it is this segment which creates systemic vulnerabilities in an open economy.

18. There is another way of classifying capital flows, *viz.*, by the asset class – equity, debt and immovable property. The distinction between equity and debt is too well known. The two financial contracts have their own structures and implications. From the limited perspective of external sector stability, suffice it to say that while a capital inflow in the nature of equity poses little stability issues (except in socially or economically sensitive sectors where foreign ownership may not be considered appropriate) debt contracts can lead to build up of significant risks at the firm and more importantly at the systemic level. History stands witness to this proposition. Whether it is Latin America or East Asian countries or Greece in recent times, financial and economic stability were rooted in borrowing a foreign currency or in a currency over which the country had no control.

19. The regime for foreign debt is dictated by the concern for excessive indebtedness in foreign currency which can sow the seeds of instability. Take the example of the ECB the regime as is in force today. The prudential focus of the current ECB framework is to provide a nudge towards long term borrowing to mitigate rollover risk and/or borrowing in Rupees so that currency risk is not borne by the borrowers, discouraging borrowing by those who do not have any natural hedge by way of foreign currency earnings or earnings linked to the exchange rate, all-in-cost-ceiling to prevent poor quality borrowers from accessing risky foreign currency loans and encouraging borrowings from long-term lenders/investors like sovereign wealth funds, insurance companies and pension funds.

20. Here, I would like to mention two inter-related issues in the passing. Often, we hear mention of foreign currency borrowings as a source of cheap funds. Is it really cheap? In a perfect market with no capital account restrictions there should not be any opportunity for arbitrage between a fully hedged foreign currency borrowing and a Rupee borrowing on the one hand and when the borrowing is long-term with coupons and repayments spread over the lifetime of the borrowing and between the cost of hedging and the long term average rate of depreciation on the other. Thus, as far as the cash flows are concerned, it would not matter whether an Indian firm avails of foreign currency borrowing or Rupee borrowing. The arbitrage opportunities that exist are due to market imperfections and barrier to arbitrage. But whether foreign currency borrowing is truly cheaper requires deeper study with long-term data. The second issue relates to whether foreign currency borrowings should be hedged? It is intuitive to expect that those whose revenues are neither in foreign currency nor are indexed to the exchange rate should not leave the currency mismatch unhedged. Although it may be argued that the cost of hedging is often more than the rate of long term depreciation of the Rupee, it is worth asking the question whether one can trust one's instinct to remain unhedged hoping and betting that one would be able to ride on the best part of the exchange rate cycle or protect oneself against possible adversities in line with a prudential risk management framework. This choice has to be very carefully evaluated.

21. Coming back to the issue of other asset class of equity, it needs to be noted that the regime for foreign investment in equity is pretty permissive – be it as foreign direct investment or foreign portfolio investment. As far as I can see, the only two high level restrictions: (i) in a few sectors where the extent of

foreign investment is capped due to their sensitive nature and, (ii) in the stipulation that the issue or transfer of securities should be at fair value. But as always, the devil often is in the detail. Obviously, the investment should be in equity securities. Some leeway is provided through hybrid securities – fully and compulsorily convertible preference shares and debentures. The other hybrid securities such as partially convertible debentures, optionally convertible debentures or equities with embedded optionality are not treated at par with equities and hence not permitted as instruments for making foreign direct investment.

22. Most of the details of the structures in the foreign direct investment regime comes from the concern to allay the appreciation that a FDI should not be used as a camouflage for debt. But how complex does the structure become! In a manner of speaking, every investment is an act of speculation. Every investor must have an expectation about future state of affairs and the cash flows or return that will accrue to him. Every act of investment is subject to the usual information asymmetry. Therefore, every investment contract must provide for the probable states of affairs and how the investor will protect himself against the uncertainties and the information problems. Straitjacketing investment contracts, thus, often results in disputes, or worse, much needed investment shying away from socially useful sectors. Here I would like to refer to cases where hybrid instruments (*e.g.*, optionally convertible preference shares) are issued with the option to exit linked to pre-determined milestones. This becomes imperative as investment strategy of many investors (*e.g.*, Private Equities) is often different and there is need for a reasonable exit option under certain circumstances without any assured return.

23. This problem is aggravated by the way the FEMA is structured. Unlike in case of current account transactions, where the principle is that everything that is not specifically forbidden is allowed, in case of capital account transactions the principle is that only anything that is not allowed is forbidden. This makes a great demand on the framers of regulations, lest the investment and business is subject to the limitations of their perceptions. The way business is done is forever evolving and it is a difficult job for the regulators to keep pace with it. There is a very good case for relooking at this principle and align the regulatory approaches for current and capital account transactions. Even as we liberalise capital account more and more, the universe of restrictions shrinks and the regulatory structure will be simpler if it mentions what is prohibited rather than what is allowed.

24. As we move to more liberalisation and rationalisation of regulations, there have been some unsettling developments in the recent past. Advance remittance for imports without any corresponding imports into India, receipt of advances for exports without exports materialising for a long time and more recently the revelations of the so called 'Panama Papers'. In case of Panama Papers, on the basis of reports, it is suspected that some Indian individuals may have been involved in setting up of businesses maintaining balances abroad illegally. Investigations are on and the situation can be assessed only on conclusion of the process when full details are available. The question that troubles us is should the unfolding of these events influence our approach to regulating cross-border transactions?

25. On this subject I cannot help recalling what the Finance Minister Yashwant Sinha said in the Lok Sabha on November 19, 1999 while replying to a debate on

the Foreign Exchange Management Bill. I quote *'What we are trying to do through this legislation is to bring the entire management of foreign exchange in line with the changes which have taken place as a result of liberalisation on current account. I strongly refute with all the emphasis at my command that this piece of legislation is going to help the blackmarketeers, the black money operators or the hawala operators. This is a figment of the imagination of a section of the Members of this House and I refute it as I said with all the emphasis at my command. This is in terms of meeting a new situation which has come about as a result of liberalisation of the foreign exchange management and the Act will only facilitate that management. That is the reason why we are introducing this legislation. We have already introduced the Prevention of Money Laundering Bill. The two legislations, I will suggest, should be considered together because they cover the entire gamut of the issues that are involved in these two pieces of legislation.'*

26. Often what comes across as contraventions of FEMA indeed are issues related to tax evasion or money laundering. I wonder if it would not be more appropriate to deal with these wrongs within the framework of tax and money laundering laws. It is nobody's case that these wrong doers should go unpunished; indeed the punishment should be swift and exemplary. What I am emphasising is that this should not colour our perception in respect of cross border transactions and mould our regulatory approach in a regressive fall back to the FERA mindset. After all, countries with no foreign exchange laws do have such wrongs and do effectively deal with them. There is a case for avoiding any possible attempts for regression into FERA regime. This will of course be helped by Authorised Dealers in foreign exchange collecting, collating and sharing the information so as to ensure that the regulatory intent is not compromised in letter and spirit.

27. Just a word in passing on the internationalisation of the Rupee in recognition of the fact that this is one of the themes of this Conference today. This has been an exciting topic of discussion amongst the academia and market participants in recent times. In the annual conference of FEDAI held in Zurich in 2012[4], I had alluded to this aspect in some detail keeping in view the seven prerequisites for moving towards internationalisation of a currency as laid down by Peter Kennen. The issues relating to pace and sequence of internationalisation; in fact, even its definition and desirability, continue to be raised with a lot of passion. I must mention that the Rupee was in a sense an international currency till the 60's and it was even a legal tender in parts of Africa and much of Gulf. Those were the Bretton Woods days of fixed exchange rate and the Rupee was linked to the Sterling. After a quarter century of near autarchy in currency, the 90's saw a flexible exchange rate regime, complete convertibility on the current account and gradual opening up of the capital account. Today, Indian holding of global assets including the official reserves and the global holding of Indian assets are very large. India has tremendous growth prospects and even in these days of tardy growth around the globe, the Indian growth story continues to be a beacon of light. The world obviously wants to have a share of this pie and Indian assets continue to be valued and attractive. But with this will come the exposure to the volatility of

[4] 'Musings on the FEDAI, the forex market and the Indian Rupee' address by Shri Harun R. Khan, Deputy Governor of the Reserve Bank of India, at the 7th Annual Conference of the Foreign Exchange Dealers Association of India (FEDAI), Zurich, 5 April 2012.

Indian Rupee and the need for hedging the risk. The NDF market came into existence to address this need and, no wonder, continues to thrive. The correct approach to address this problem is not to engage in an *ad hominem* tirade against the NDF market and its participants but to address the genuine need by increasing the access to domestic onshore market to all those who have a legitimate Rupee exposure. Several steps have been taken in this direction and more are in the offing.

28. In a sense, internationalisation of Rupee is rather a process than an event. The pace of the process depends upon how fast the capital account opens up which in turn depends upon the evolving macroeconomic conditions and the financial stability concerns. Rupee cannot be an international currency by issue of a fiat. Pound Sterling in its time or US Dollar today achieved the status of the leading international currency of the day because the inherent strength of their economies and their financial markets and not by any administrative proclamation. The conditions necessary for greater internationalisation of Indian Rupee in terms of its acceptability in trade and other cross-border transactions, as a reserve currency and reaching much higher level of capital account convertibility will be ensuring the macro-economic stability, and having a deep and liquid financial market. In the interim, the measures taken and planned for using Indian Rupee in trade denomination and settlement, particularly with our neighbouring countries, where intra-regional trade volumes are very low, should be taken forward. And also the facilities for onshore hedging of all non-resident entities for their increasing capital account exposure including off-shore Rupee bonds issued by multilateral institutions and Indian corporates should be eased further.

Concluding thoughts

29. As I prepare to hang my boots after a long campaign, various shades of feelings and emotions flash across my mind. I have had an almost four decade long association with the country's central bank and with its financial system. This is a pretty long period in the modern times. Around the time I joined the Reserve Bank, momentous things were happening around the globe. The Bretton Woods System had broken down, so had the Smithsonian Agreement. Following the Jamaica Agreement of Jan 1976, the flexible exchange rate regime had been officially endorsed. The European Exchange Rate Mechanism was being conceived and would be introduced in 1979, to culminate in a single currency two decades later.

30. Closer home, though the 'draconian' legislations FERA, enacted in 1973 and COFEPOSA, in 1974 were at their prohibitive peak, we had begun to emerge from the dark ages. The Green Revolution had taken roots mitigating the pressure on our BoP for importing foodgrains and the remittances from the expatriates were buoyant. Both put together, had eased our external sector management. Since then, despite ups and downs, we have grown in strength in the management of our external sector, which in turn has catalysed our quest for growth and development. Though much remains to be done, the achievements are not to be scoffed at. To mention just one statistic, the life expectancy at birth was 41 years in 1960, 54 years in 1978 and has gone up to almost 70 years at the latest count.

31. A vibrant financial sector is an inevitable part of a developed modern society. In due process of development of the financial sector, it culminates in seamless integration with the rest of the world. In the

meantime, it is the responsibility of the regulators to steer the process in a non-disruptive and facilitative manner. I hope that we have achieved that to a large extent and I personally feel happy and proud to have played some part in that process. We are now ready for transiting to a more developed economy and advanced society. As the Prime Minister paraphrased Walt Whitman in his recent address to the US Congress '*The orchestra have sufficiently tuned their instruments, the baton has given the signal, and …..there is a new symphony in play*' I shall enjoy the music from my comfortable perch outside the burden of responsibility.

32. I wish the convention all success and would like to convey my best wishes to all the participants for whatever endeavours they may choose to pursue.

Thank you all.

ARTICLE

International Banking Statistics of India: 2015

*International Banking Statistics of India: 2015**

This article presents an analysis of trends in international liabilities and claims of banks in India at quarterly intervals for the year 2015[1]. For this purpose, International Banking Statistics (IBS) collected as per the reporting system of the Bank for International Settlements (BIS) is used. From a global perspective, the article provides a broad picture of international claims and liabilities of banks in India on the other countries. Among other financial statistics compiled by the BIS, the International Banking Statistics (IBS) presents a sketch of international exposure of banking system worldwide, covering role of banks in intermediating international flows, exposure of national banking system to country risks, liquidity risks and transfer risks. IBS comprises Locational Banking Statistics (LBS) and Consolidated Banking Statistics (CBS). This article presents analysis of the LBS based on international liabilities and claims by type of instrument/ components, currency, country of residence and sector of counterparty / transacting unit and nationality of reporting banks. The data on CBS gives international/ foreign claims as per residual maturity and sector of borrower. The related data were released through the RBI website on June 30, 2016.

Background

The BIS has been collecting various sets of data on financial statistics (http://www.bis.org/statistics/about_banking_stats.htm) and aligning with the requirement from time to time. The data on IBS gives international/ foreign claims as well as liabilities as per residual maturity and sector of borrower along with the exposures by country of immediate borrower and on the reallocation of claims (*i.e.* risk transfers) to the country of ultimate risk with the exposures on derivatives, guarantees and credit commitments.

CGFS Stage 2 enhancements:

The global financial crises in 2007-08 highlighted the need for improved data for financial stability analysis, including possible enhancements to BIS international banking statistics. In the year 2010, the Committee on Global Financial System (CGFS) established an *adhoc* group to work on statistical data gaps at the BIS and its member central banks. Liaising with other groups working on statistical matters, it reviewed and prioritised a large number of potential enhancements of the international banking statistics, surveyed reporting banks regarding the cost implications of enhanced reporting, and prepared specific proposals for review by the Committee. The enhancements were being implemented in two stages. Stage 1 focused on data that were being already collected by many central banks and hence did not require additional reporting by individual financial institutions. Stage 2 enhancements involved data that require additional reporting by financial institutions.

The CGFS enhancements on IBS reporting are explained in the Annex-I.

The Reserve Bank of India has implemented the CGFS Stage 2 enhancements of international banking statistics in all the banks in India with effect from December end 2015 and started reporting both locational and consolidated banking statistics to BIS. Simplified overview of the BIS international banking statistics are explained in Annex-II.

International banking activity for all countries contracted during the year 2015

1. Aggregate of cross border liabilities and claims of banks in all BIS reporting countries based on Locational Banking Statistics (LBS) recorded negative growth in all the quarters in 2015 (Table 1).

* Prepared in the Banking Statistics Division of the Department of Statistics and Information Management, Mumbai.

[1] Previous articles on the subject were published in various issues of Reserve Bank of India Bulletin; the last one based on 2014 data on IBS was published in July 2015. Methodological and conceptual issues relating to IBS were published in September 2012 issue as Annex.

Table 1: Crossborder Liabilities and Claims for All Reporting Countries based on Locational Banking Statistics

(Amount outstanding in US$ Trillion)

As on (end)	Claims		Liabilities	
Mar-2009	29.14	(-17.8)	24.98	(-19.5)
Jun-2009	29.86	(-13.4)	25.33	(-15.6)
Sep-2009	30.21	(-8.2)	25.48	(-10.9)
Dec-2009	29.52	(-3.7)	24.99	(-5.3)
Mar-2010	29.21	(0.2)	24.77	(-0.9)
Jun-2010	28.45	(-4.7)	24.43	(-3.6)
Sep-2010	30.58	(1.2)	26.17	(2.7)
Dec-2010	29.76	(0.8)	25.66	(2.7)
Mar-2011	30.98	(6.1)	26.68	(7.7)
Jun-2011	31.13	(9.4)	26.75	(9.5)
Sep-2011	31.20	(2.0)	27.08	(3.5)
Dec-2011	29.80	(0.1)	25.88	(0.8)
Mar-2012	30.22	(-2.4)	26.27	(-1.5)
Jun-2012	29.11	(-6.5)	25.08	(-6.2)
Sep-2012	29.48	(-5.5)	25.35	(-6.4)
Dec-2012	29.18	(-2.1)	25.11	(-3.0)
Mar-2013	28.68	(-5.1)	24.62	(-6.3)
Jun-2013	28.34	(-2.6)	24.60	(-1.9)
Sep-2013	28.57	(-3.1)	24.57	(-3.1)
Dec-2013	28.98	(-0.7)	25.93	(3.3)
Mar-2014	29.61	(3.2)	26.40	(7.3)
Jun-2014	29.94	(5.7)	26.65	(8.4)
Sep-2014	29.26	(2.4)	26.03	(5.9)
Dec-2014	28.53	(-1.5)	25.44	(-1.9)
Mar-2015	28.09	(-5.1)	25.00	(-5.3)
Jun-2015	27.66	(-7.6)	24.45	(-8.3)
Sep-2015	27.38	(-6.4)	24.18	(-7.1)
Dec-2015	26.43	(-7.4)	23.17	(-8.9)

Notes : 1. Data as reported under Locational Banking Statistics to the BIS by all reporting Countries.
2. The figures in parenthesis denote annual growth rates.

Source : http://stats.bis.org/bis-stats-tool/org.bis.stats.ui.StatsApplication/StatsApplication.html

Deceleration in International liabilities but acceleration in international claims of banks in India (based on LBS)

2. Reserve Bank of India collects IBS data from banks operating in India as well as abroad on quarterly basis. The international liabilities of banks in India recorded a gradual deceleration during the last four quarter (Chart 1). On the other hand, annual growth in international claims showed a steady increase since June 2015 (Chart 1).

3. While international liabilities of banks in India stood at US$173,212 million at end December 2015, international claims of banks in India stood at US$76,047 million. The shares of international liabilities and claims of banks in India in total international liabilities and claims of all reporting countries (world)/banks stood at around 0.7 per cent and 0.3 per cent at end December 2015.

Share of NRE and FCNR (B) deposits in total international liabilities remained unchanged throughout the year

4. After a sharp jump in December 2013 in the share of FCNR(B) deposits due to the special concessional dollar swap window announced (in August 2013) by

Chart 1: International Liabilities and Claims of Banks in India - Annual Growth

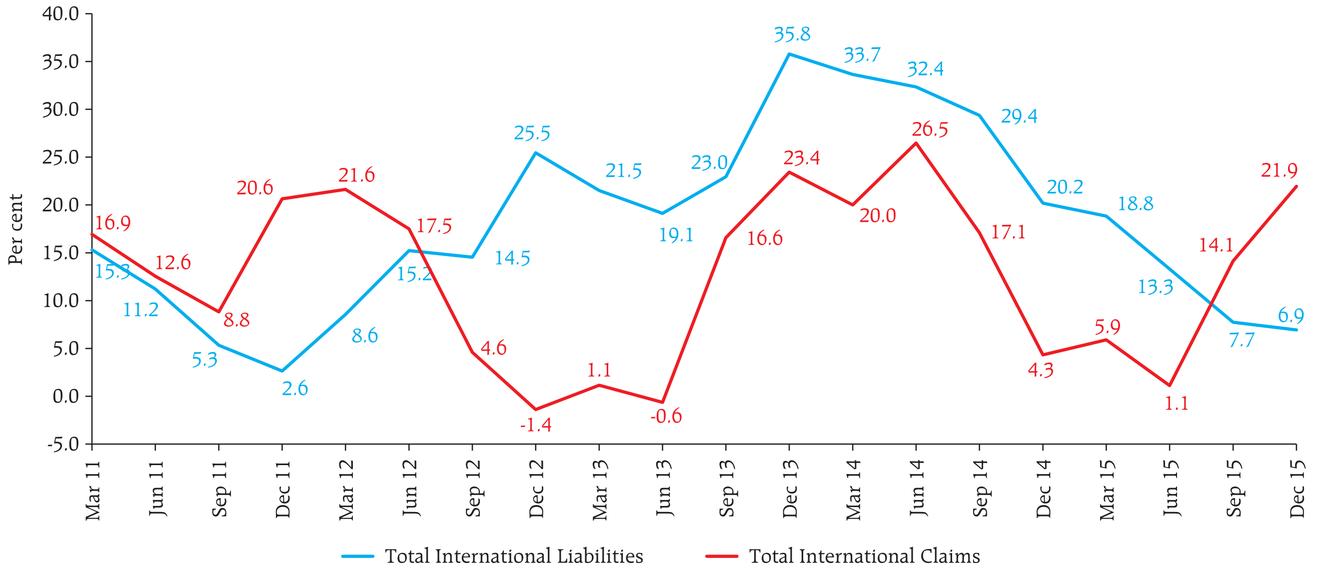
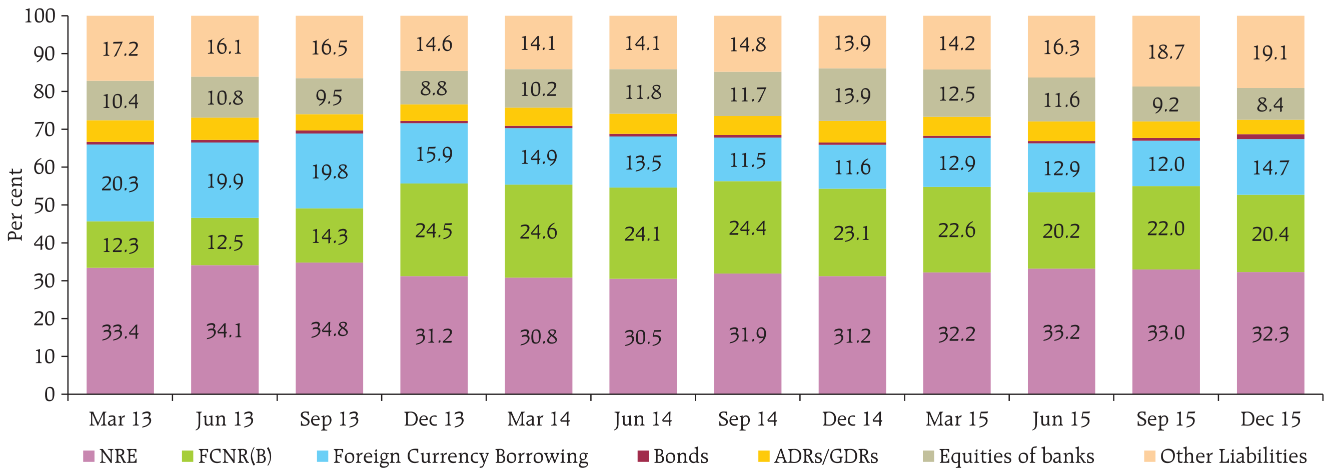


Chart 2: Components of International Liabilities



Note: Other liabilities include Resident Foreign Currency (RFC) A/Cs deposits, Exchange Earners Foreign Currency (EEFC) A/Cs deposits, Other foreign currency deposits (including Inter-bank Foreign Currency deposits), VOSTRO balances and balances in exchange houses and in term deposits, Non-Resident Ordinary (NRO) Rupee Accounts, Embassy accounts, Foreign Institutional Investors' (FII) Accounts, ESCROW A/Cs deposits, Floating Rate Notes (FRN), Other Own Issues of International Debt Securities and Capital/remittable profits of foreign banks in India and other unclassified international liabilities.

the RBI, the share declined slightly and remained steady in 2015 (Chart 2). Also, share of outstanding Non-Resident External (NRE) Rupee deposits remained almost at the same level during 2015 (Chart 2).

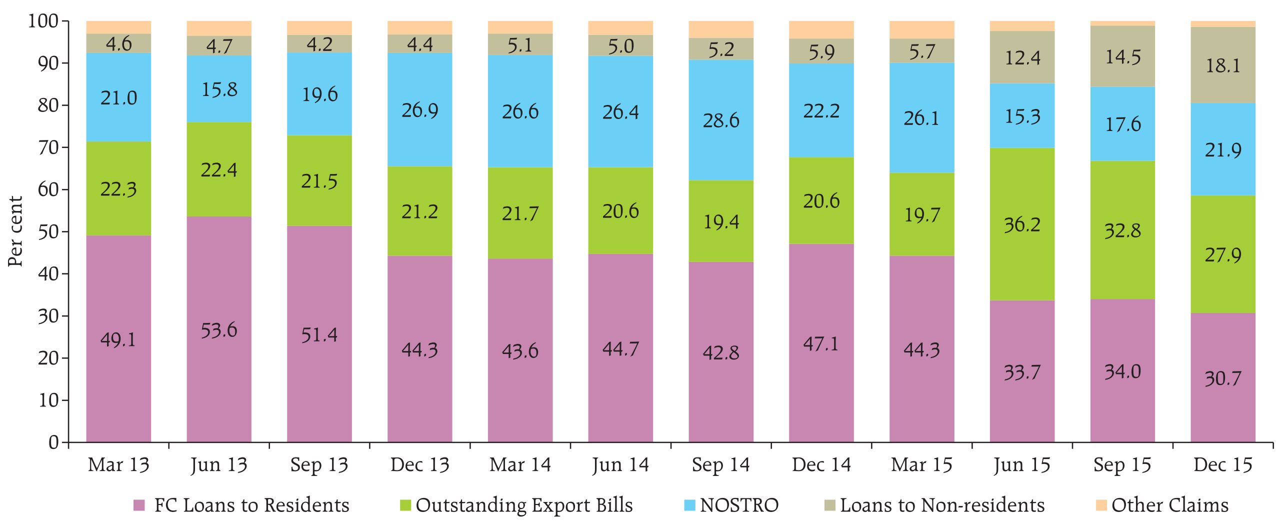
5. Share of Foreign Currency Borrowings of banks in total international liabilities increased to 14.7 per cent at end December 2015 from 11.6 per cent a year ago (Chart 2).

Increase in share of 'Loans to non-residents' in international claims

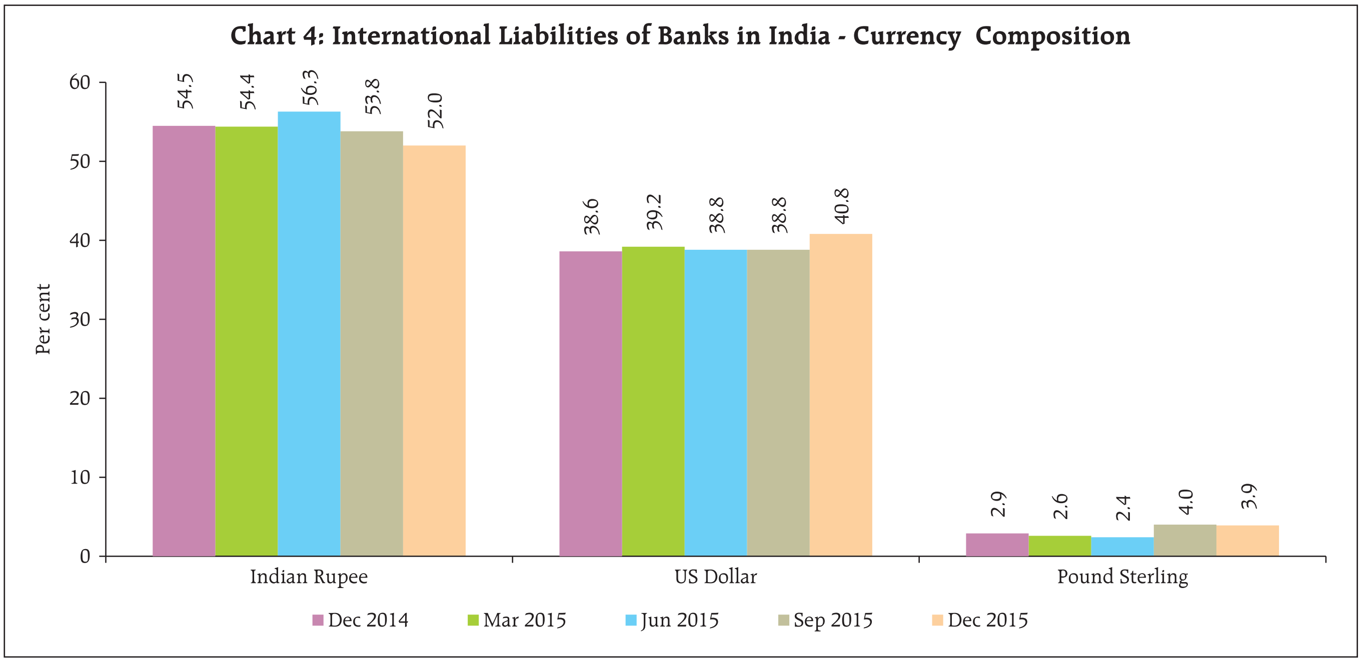
6. The share of 'Loans to Non-Residents' in international claims expanded at end December 2015 compared to that in a year ago (Chart 3).

7. The share of 'Foreign Currency Loans to Residents' in international claims recorded sharp deceleration

Chart 3: Components of International Claims



Note: Other Claims includes Foreign Currency /TTs, etc., in hand, Investments in Equities Abroad, Capital supplied to and receivable profits from foreign branches of Indian banks and other unclassified international claims.



during the year 2015 and stood at 30.7 per cent in December 2015 as compared to 47.1 per cent a year ago (Chart 3).

Marginal rise in share of USD in currency composition of international liabilities

8. The currency composition of the international liabilities have remained more or less unchanged since quarter ended December 2015.

9. The share of the USD in the international liabilities increased marginally to 40.8 per cent as compared with 38.6 per cent a year ago (Chart 4).

10. In case of international claims, USD remained the dominant currency; however, its share declined to 78.6 per cent in December 2015 from 86.2 per cent a year ago. The share of ₹ in the international claims showed a corresponding increase in December 2015 as compared to a year ago (Chart 5).

Deceleration in international liabilities and claims of non-bank sector

11. The growth of international liabilities of non-bank sector declined by 0.7 per cent in December 2015. The share of the non-bank sector in the international liabilities declined from 83.1 per cent in December 2014 to 77.2 per cent in December 2015 (Statement-2 (₹) of data release).

12. However, the share of non-bank sector in the international claims increased to 71.6 per cent at end December 2015 from 68.5 per cent over a year ago (Statement-2 (₹) of data release).

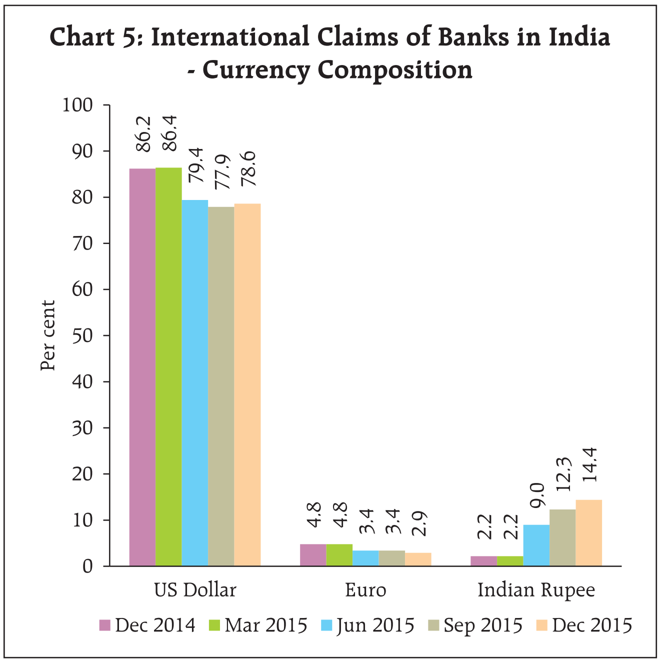
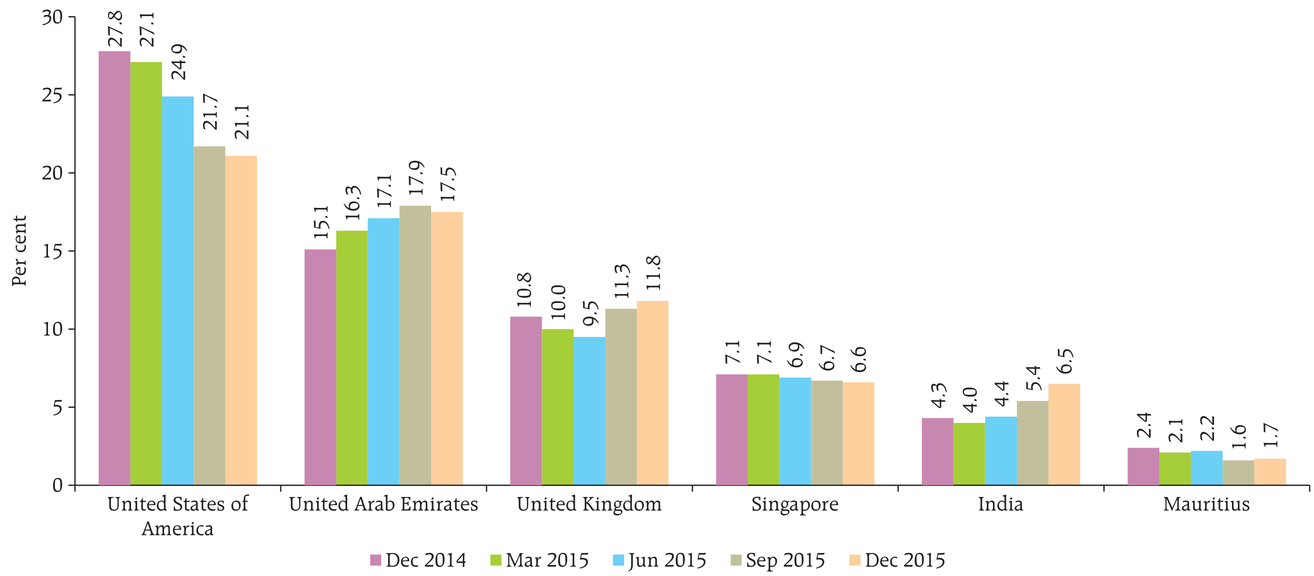


Chart 6: International Liabilities of Banks in India According to Country of Residence of Transacting Units



Share of international liabilities towards USA went down

13. The overall decline in the international liabilities during 2015 is reflected in the liabilities towards major countries (Chart 6), more particularly towards the USA.

Decline in international claims in respect of India

14. Decline in international claims was observed in respect of India and USA whereas it recorded increase in respect of Hong Kong and UAE (Chart 7).

Chart 7: International Claims of Banks in India According to Country of Residence of Transacting Units

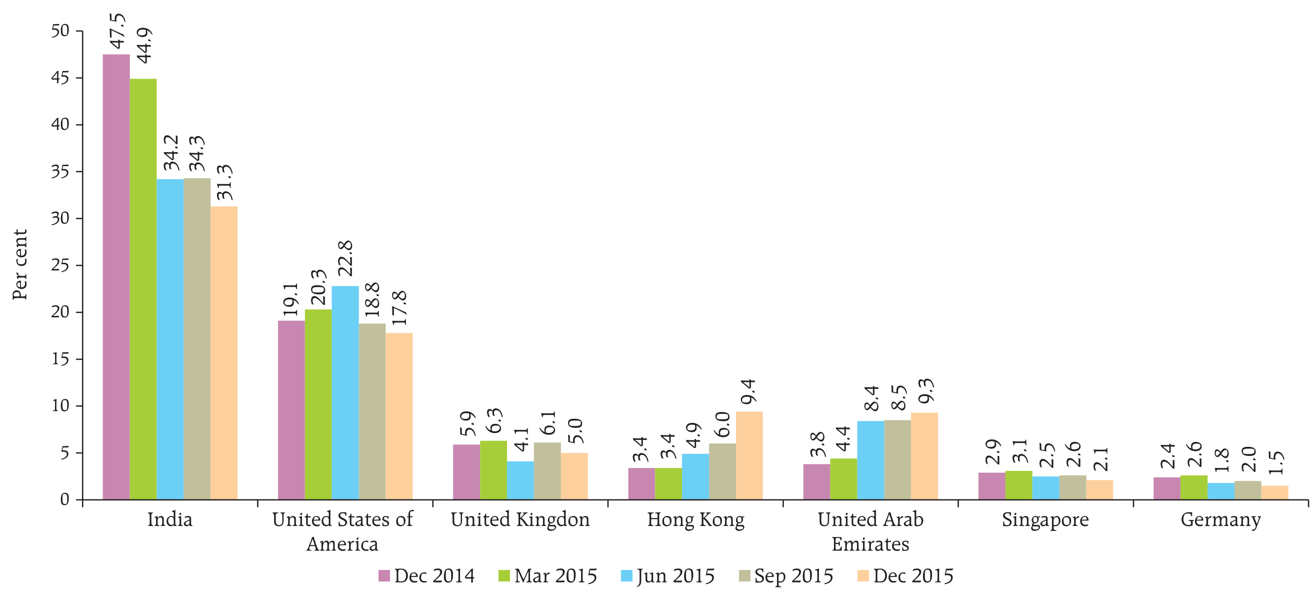
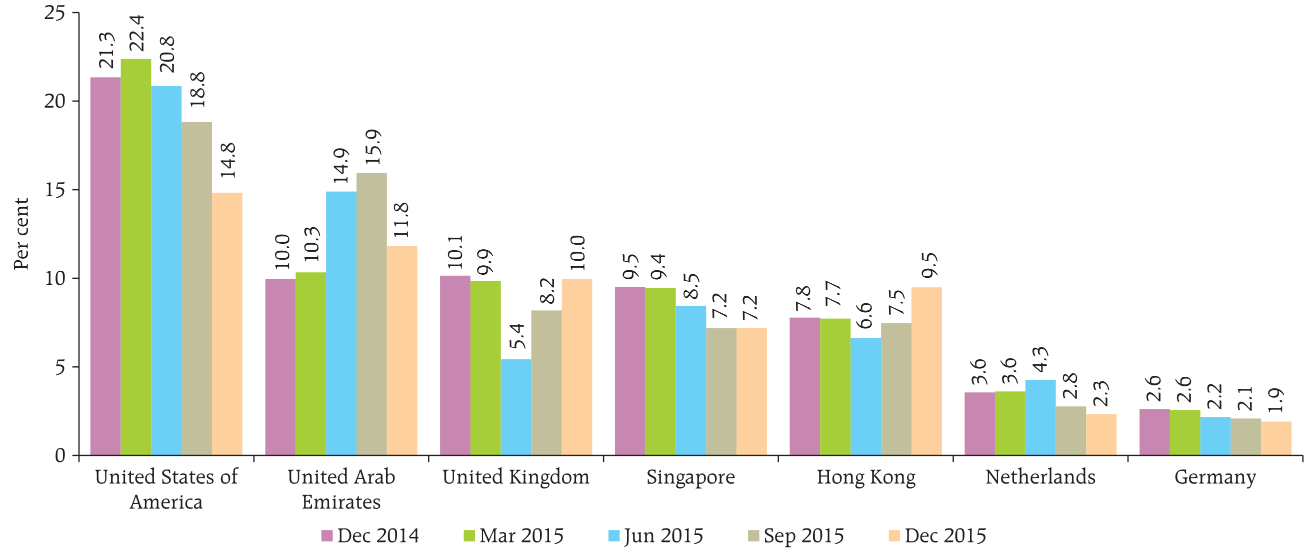


Chart 8: Consolidated International Claims of Banks on countries other than India on Immediate Country Risk Basis



International claims[2] on immediate risk basis grew at relatively slow pace (based on CBS)

15. In December end,2015, the shares of the international claims towards Hong Kong increased while those towards USA, Singapore and Netherlands decreased as compared to the position in the same period of the previous year (Chart 8).

Higher foreign claims on ultimate risk basis for select countries(based on CBS)

16. The foreign claims on ultimate risk basis increased to ₹4,050 billion in December 2015 from ₹3,093 billion observed a year ago. (Statement-10 (₹) of data release).

17. The contingent claims on ultimate risk basis, arising out of guarantees and credit commitments stood at ₹1,272 billion and ₹398 billion, respectively,in December 2015 as against ₹981 billion and ₹167 billion, respectively, observed over a year ago. However, the contingent claims on ultimate risk basis arising from derivatives, in December 2015 increased substantially (44.3 per cent) as compared to previous year's level (Statement-10 (₹) of data release). The sharp change was due to significant increase in derivative exposures of some banks.

18. The share of international liabilities on ASEAN country group in total international liabilities recorded very slow downward trend during the year 2015, whereas the share of claims in total international claims of the mentioned group declined to 2.9 per cent in December 2015, after reaching its highest of 4.0 per cent in June 2015 (Table 2).

19. The share of both liabilities and claims in the respective totals on G10 countries recorded moderate deceleration during the year 2015 (Table 2).

20. The share of international liabilities towards SAARC countries other than India increased to 0.4 per cent in December 2015 as compared to 0.2 per cent in the previous year; whereas the share of international claims on these countries declined to 0.7 per cent in December 2015 (Table 2).

[2] International claims (A + B) are defined as banks' cross-border claims (A) plus local claims of foreign affiliates in foreign currencies (B). Foreign claims are defined as the sum of international claims (A + B) and local claims in local currency (C).

Table 2: International Exposures of banks in India on Different Country Groups (Other than India)

₹ billion

Groups	International Liabilities									
	Dec-14		Mar-15		Jun-15		Sep-15		Dec-15	
All Countries	**10715.23**	**(100.0)**	**10925.45**	**(100.0)**	**10889.81**	**(100.0)**	**10561.07**	**(100.0)**	**11458.82**	**(100.0)**
ASEAN	912.68	(8.5)	937.07	(8.6)	917.03	(8.4)	877.70	(8.3)	939.43	(8.2)
G10	4936.97	(46.1)	4850.39	(44.4)	4518.09	(41.5)	4192.18	(39.7)	4623.11	(40.3)
SAARC (excl. India)	20.54	(0.2)	23.37	(0.2)	18.12	(0.2)	23.03	(0.2)	43.42	(0.4)
Western Asia	2398.68	(22.4)	2614.76	(23.9)	2888.73	(26.5)	2949.53	(27.9)	3006.72	(26.2)
BRICS (excl. India)	144.23	(1.3)	143.33	(1.3)	105.53	(1.0)	116.99	(1.1)	144.99	(1.3)
Groups	**International Claims**									
	Dec-14		Mar-15		Jun-15		Sep-15		Dec-15	
All Countries	**4125.70**	**(100.0)**	**4503.75**	**(100.0)**	**4251.08**	**(100.0)**	**4881.21**	**(100.0)**	**5030.92**	**(100.0)**
ASEAN	134.74	(3.3)	161.30	(3.6)	171.73	(4.0)	183.11	(3.8)	146.25	(2.9)
G10	1324.84	(32.1)	1532.08	(34.0)	1438.05	(33.8)	1494.07	(30.6)	1386.51	(27.6)
SAARC (excl. India)	43.42	(1.1)	54.04	(1.2)	45.77	(1.1)	42.57	(0.9)	37.15	(0.7)
Western Asia	252.95	(6.1)	287.48	(6.4)	468.15	(11.0)	575.27	(11.8)	594.47	(11.8)
BRICS (excl. India)	67.64	(1.6)	71.85	(1.6)	72.49	(1.7)	68.27	(1.4)	60.32	(1.2)

Notes:
1. The groups mentioned above may not be mutually exclusive.
2. ASEAN country group includes: Singapore, Brunei Darussalam, Myanmar, Cambodia, Indonesia, Laos, Malaysia, Philippines, Thailand and Vietnam. (As per Association of Southeast Asian Nations).
3. G10 country group includes: Japan, Italy, Belgium, United States of America, France, United Kingdom, Germany, Canada, Netherlands, Sweden, Switzerland (As per BIS).
4. SAARC countries includes: Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, Maldives, Afghanistan.
5. Western Asia Includes: Azerbaijan, Iran, Armenia, Oman, Yemen, Lebanon, Syria, Iraq, UAE, Qatar, Bahrain, Kuwait, Saudi Arabia (As per UNIDO).
6. BRICS country group includes Brazil, Russia, China and South Africa.
7. Figures in brackets denote percentage shares to totals.

21. Western Asia group recorded substantial increase in both the share of claims and liabilities in the respective totals during the year 2015 (Table 2).

22. The total international claims on BRICS countries (excluding India) of banks in India declined during 2015.

Annex-I: CGFS Enhancements in IBS

The Stage 1 enhancements relate exclusively to the LBS and involve the following changes:

- **Full financial balance sheet:** The LBS will be broadened to cover reporting banks' total financial claims and liabilities, not just their international positions. This involves the addition of banks' local currency positions against residents of the reporting country; a further refinement of the foreign currency breakdown in the LBS/N; and an improvement in the completeness and consistency of the reported data acrossreporting jurisdictions.
- **Counterparty-country information:** A counterparty-country dimension will be added to the LBS/N. This will make it possible to see simultaneously: (a) the nationality of the reporting institutions; (b) the location of the reporting institutions; and (c) the location of the counterparties (*e.g.* the liabilities of German banks in the United Kingdom to counterparties in Japan). Currently, the LBS/N only cover cross-border claims andliabilities *vis-à-vis* counterparties in all other countries combined.

The Stage 2 enhancements affect both the LBS and the CBS and are intended to supportbetter measures of the following international banking activities:

- **Country credit risk:** In the CBS, exposures to residents of the country where the reporting bank is headquartered, and consistent measures of the size of banks' totalbalance sheet, will be added.
- **International bank credit:** A more granular counterparty-sector breakdown will be introduced in both the CBS and the LBS. This will facilitate more nuanced analysis of banks' reliance on and exposure to the non-bank financial sector. It will also help in monitoring cross-border credit flows and the dynamics of credit booms in particular countries, as these are often fueled by international credit. In addition, in the LBS/R the data will distinguish between domestic banks, foreign branches and foreign subsidiaries, allowing analysts to see how the balance sheet positions ofthese bank types differ.
- **Banks' funding pattern:** A breakdown of banks' funding by broad instrument type –deposits, short- and long-term debt securities, derivatives, other liabilities, and total equity – will be added to the CBS/IR. In addition, a basic maturity split – short- and long-term by remaining maturity – will be added for banks' debt securities liabilities in the LBS/N. These data will be useful in gauging which bank nationalities arereliant on less stable funding sources, such as short-term debt.

Source: CGFS Papers No 47 Improving the BIS international banking statistics- Nov 2012; BIS

Table A1

Simplified overview of the BIS international banking statistics

Data reported from Q2 2012 are shown in **blue (Stage 1)** and from Q4 2013 in **red (Stage 2)**

	Locational banking statistics		Consolidated banking statistics	
	By residence (LBS/R)	**By nationality (LBS/N)**	**Immediate risk basis (CBS/IR)**	**Ultimate risk basis (CBS/UR)**
Reporting countries	44	43	31	24
Business reported	Financial assets and liabilities (incl derivatives)		Financial assets (excl derivatives), total assets and liabilities (incl derivatives), capital, risk transfers	Financial assets (excl derivatives), other potential exposures (incl derivatives)
Breakdowns reported				
Bank type	All reporting banks, domestic banks, foreign subsidiaries, foreign branches, consortium banks	not available	All reporting banks, domestic banks, inside-area foreign banks[1], outside-area foreign banks[2]	Domestic banks
Bank nationality	not available	≥43	≥31	≥24
Type of position	Cross-border, local		Total, international (cross-border plus local in FX), local in LC	Total, cross-border, local in all currencies
Currency	Local, USD, EUR, JPY, GBP, CHF, others (optional)		*For local in LC positions*: >160	not available
Maturity	*For liabilities*: debt securities (of which: ≤1 year)		*For international claims*: ≤1 year, 1–2 years, >2 years	not available
Instrument	Loans and deposits, debt securities, other instruments	*For liabilities*: debt securities	*For assets*: claims, total assets, risk-weighted assets *For liabilities*: deposits, debt securities (of which: ≤1 year), derivatives, other liabilities *For capital:* total equity, Tier 1 capital	*For other potential exposures*: derivatives, credit commitments, guarantees extended
Counterparty country	>200 (incl reporting country)	≥76 (incl reporting country)	>200 (incl reporting country)	
Counterparty sector	Banks[3] (of which: related offices, central banks), non-banks[4], non-bank financial institutions, non-financial sector (general government, non-financial corporations, households)		Official sector (incl central banks), banks (excl central banks), non-bank private sector, non-bank financial institutions, non-financial private sector (non-financial corporations, households)	

[1] Inside-area foreign banks not consolidated by their parent are encouraged to report the same breakdowns as domestic banks. [2] Report international claims only. [3] Prior to Q4 2013, reported for LBS/N only. [4] Prior to Q4 2013, reported for LBS/R only.

Source: Bank for International Settlements:(2013)-'Guidelines for reporting the BIS international banking statistics: version incorporating stage 1 & stage 2 enhancements recommended by CGFS, March:page 2 Table A1'.

PRESS RELEASE OF WORKING PAPER AND OCCASIONAL PAPER

India's Potential Output Revisited

Measurement of Central Bank Output – Methodological Issues for India

India's Potential Output Revisited

Barendra Kumar Bhoi and Harendra Kumar Behera

The Working Paper titled *'India's Potential Output Revisited'* was published under the Reserve Bank of India Working Paper Series on April 21, 2016. This paper is co-authored by Barendra Kumar Bhoi and Harendra Kumar Behera.[1]

In India, the debate on 'potential growth and output gap' has been intensified due to revision in the GDP estimates with change in base year and its underlying methodology. This paper provides the estimates of potential growth and output gap, for the first time in India, on a quarterly basis using production function approach in addition to revisiting the estimates of potential output by conventional statistical methods for the period 1980Q2 – 2015Q4. The results from different methods suggest that output gap, *i.e.*, the percentage deviation of actual output from its potential level, has been negative since Q3 of 2012, though the gap is closing slowly. According to different estimates, India's potential growth had increased steadily from its low level of around 5 per cent in 1980s to about 6 per cent during 1992-2002 and accelerated to around 8 per cent during 2003-2008. However, the potential growth fell significantly in the aftermath of global financial crisis to around 7 per cent during 2009-2015. The production function analysis further confirms that the potential growth has fallen in the recent years mainly due to decline in the contribution of capital stocks and total factor productivity. The semi-structural technique, *viz.*, multivariate Kalman filter, suggests that India's potential growth for the most recent period is about 6.8 per cent with a band of (+/-) 50 bps at 95 per cent confidence interval. Key to accelerate India's potential growth lies with higher level of capital formation as its contribution dominates *vis-à-vis* the contribution of labour and total factor productivity.

[1] Barendra Kumar Bhoi and Harendra Kumar Behera are Principal Adviser and Assistant Adviser, respectively, in the Monetary Policy Department, Reserve Bank of India, Mumbai. The views expressed in the paper are those of the authors and not of the institution to which they belong.

Measurement of Central Bank Output – Methodological Issues for India

P. Bhuyan

The Working Paper titled *'Measurement of Central Bank Output – Methodological Issues for India'* was published under the Reserve Bank of India Working Paper Series on April 28, 2016. This paper is authored by P. Bhuyan.[1]

The paper deliberates on methodological issues relating to the measurement of central bank output in the Indian context. Central Statistics Office (CSO) in the Ministry of Statistics and Programme Implementation (MoSPI), Government of India (GoI) compiles the output of the economy including that of the Reserve Bank. In the earlier series of GDP, output of the RBI compiled by CSO was partly market and partly non-market. Entire output of the RBI, however, is now treated by CSO as non-market in the new series of GDP with 2011-12 as base. Cost approach as per SNA 2008 is adopted to measure the output of the RBI. Output of the RBI witnessed downward revision of around 87 per cent as per the new method.

The paper argues that collective nature of the RBI activities could be the primary reason to treat all its output as non-market as per SNA 2008 recommendations and not the non-separation of market from non-market output. An alternative perpetual inventory method (APIM) is presented in the paper to estimate consumption of fixed capital. The paper discusses some aspects in connection with measurement of the RBI output and proposes a method to measure the same.

[1] P. Bhuyan is Director, Department of Statistics and Information Management, Reserve Bank of India, Mumbai. The views expressed in the paper are those of the author and not of the institution to which he belongs.

CURRENT STATISTICS

Contents

Notes: .. = Not available.
– = Nil/Negligible.
P = Preliminary/Provisional. PR = Partially Revised.

No. 1: Select Economic Indicators

Item	2015-16	2014-15		2015-16	
		Q3	Q4	Q3	Q4
	1	2	3	4	5
1 Real Sector (% Change)					
1.1 GVA at Basic Prices	7.2	6.7	6.2	6.9	7.4
1.1.1 Agriculture	1.2	-2.4	-1.7	-1.0	2.3
1.1.2 Industry	8.8	3.4	6.9	10.3	9.2
1.1.3 Services	8.2	11.7	8.3	8.5	8.1
1.1a Final Consumption Expenditure	6.6	5.3	1.6	7.4	7.6
1.1b Gross Fixed Capital Formation	3.9	3.7	10.0	1.2	-1.9
	2015-16	2015		2016	
		Apr.	May	Apr.	May
	1	2	3	4	5
1.2 Index of Industrial Production	0.1	3.0	2.5	-0.8	-
2 Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	9.3	11.8	10.8	8.7	9.5
2.1.2 Credit	10.9	9.8	9.4	8.7	9.8
2.1.2.1 Non-food Credit	10.9	10.1	9.5	8.9	10.1
2.1.3 Investment in Govt. Securities	5.4	14.0	13.9	4.6	5.2
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	13.1	11.3	11.3	14.4	12.5
2.2.2 Broad Money (M3)	10.5	10.8	10.8	11.0	10.1
3 Ratios (%)					
3.1 Cash Reserve Ratio	4.00	4.00	4.00	4.00	4.00
3.2 Statutory Liquidity Ratio	21.50	21.50	21.50	21.50	21.25
3.3 Cash-Deposit Ratio	4.8	4.9	4.9	4.8	4.7
3.4 Credit-Deposit Ratio	77.7	75.4	75.5	75.9	75.8
3.5 Incremental Credit-Deposit Ratio	89.8	29.2	37.9	-8.7	1.9
3.6 Investment-Deposit Ratio	28.1	29.5	29.9	28.3	28.7
3.7 Incremental Investment-Deposit Ratio	16.9	40.3	51.6	33.9	49.9
4 Interest Rates (%)					
4.1 Policy Repo Rate	6.75	7.50	7.50	6.50	6.50
4.2 Reverse Repo Rate	5.75	6.50	6.50	6.00	6.00
4.3 Marginal Standing Facility (MSF) Rate	7.75	8.50	8.50	7.00	7.00
4.4 Bank Rate	7.75	8.50	8.50	7.00	7.00
4.5 Base Rate	9.30/9.70	9.75/10.25	9.75/10.00	9.30/9.70	9.30/9.70
4.6 MCLR	-	-	-	8.90/9.15	8.90/9.15
4.7 Term Deposit Rate >1 Year	7.00/7.50	8.0/8.5	8.0/8.5	7.0/8.0	7.0/7.5
4.8 Savings Deposit Rate	4.00	4.00	4.00	4.00	4.00
4.9 Call Money Rate (Weighted Average)	7.35	7.51	7.52	6.49	6.44
4.10 91-Day Treasury Bill (Primary) Yield	7.27	7.94	7.85	6.81	6.85
4.11 182-Day Treasury Bill (Primary) Yield	7.17	7.90	7.90	6.91	6.95
4.12 364-Day Treasury Bill (Primary) Yield	7.11	7.91	7.83	6.91	6.96
4.13 10-Year Government Securities Yield	7.42	7.89	7.64	7.44	7.48
5 RBI Reference Rate and Forward Premia					
5.1 INR-US$ Spot Rate (₹ Per Foreign Currency)	66.33	63.40	63.76	66.52	67.41
5.2 INR-Euro Spot Rate (₹ Per Foreign Currency)	75.10	68.49	69.91	75.73	75.54
5.3 Forward Premia of US$ 1-month (%)	6.78	7.67	7.34	7.22	6.59
3-month (%)	6.63	7.51	7.28	6.80	6.44
6-month (%)	6.57	7.44	7.09	6.57	6.42
6 Inflation (%)					
6.1 All India Consumer Price Index	4.9	4.9	5.0	5.4	5.8
6.2 Consumer Price Index for Industrial Workers	5.6	5.8	5.7	5.9	6.6
6.3 Wholesale Price Index	-2.5	-2.4	-2.2	0.3	0.8
6.3.1 Primary Articles	0.2	0.5	-1.1	2.3	4.6
6.3.2 Fuel and Power	-11.6	-13.0	-9.4	-4.8	-6.1
6.3.3 Manufactured Products	-1.1	-0.5	-0.5	0.7	0.9
7 Foreign Trade (% Change)					
7.1 Imports	-15.3	-6.4	-15.9	-24.2	-13.2
7.2 Exports	-15.9	-14.4	-19.7	-6.6	-0.8

Reserve Bank of India

No. 2: RBI - Liabilities and Assets

(₹ Billion)

Item	As on the Last Friday/ Friday						
	2015-16	2015	2016				
		Jun.	May 27	Jun. 3	Jun. 10	Jun. 17	Jun. 24
	1	2	3	4	5	6	7
1 Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	16,512.44	14,774.35	17,110.79	17,138.55	17,262.74	17,228.43	17,105.03
1.1.2 Notes held in Banking Department	0.16	0.17	0.14	0.14	0.17	0.17	0.17
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	**16,512.60**	**14,774.51**	**17,110.94**	**17,138.70**	**17,262.91**	**17,228.60**	**17,105.20**
1.2 Assets							
1.2.1 Gold Coin and Bullion	694.86	646.18	698.63	715.90	715.90	715.90	715.90
1.2.2 Foreign Securities	15,804.14	14,115.63	16,399.40	16,410.36	16,535.19	16,499.40	16,376.69
1.2.3 Rupee Coin	3.14	2.24	2.44	1.97	1.35	2.83	2.15
1.2.4 Government of India Rupee Securities	10.46	10.46	10.46	10.46	10.46	10.46	10.46
2 Banking Department							
2.1 Liabilities							
2.1.1 Deposits	6,481.57	5233.19	4,996.03	5,047.98	5,081.39	5,003.64	5,246.34
2.1.1.1 Central Government	1.01	1.01	1.00	1.01	1.00	1.00	1.00
2.1.1.2 Market Stabilisation Scheme	–	–	–	–	–	–	–
2.1.1.3 State Governments	1.99	0.42	0.42	0.43	0.42	0.43	0.42
2.1.1.4 Scheduled Commercial Banks	3,906.19	3,652.14	3,839.48	3,914.53	3,860.91	3,920.78	3,940.21
2.1.1.5 Scheduled State Co-operative Banks	37.97	32.52	33.73	34.22	34.87	34.68	34.20
2.1.1.6 Non-Scheduled State Co-operative Banks	14.07	11.82	14.37	13.74	13.99	13.78	13.58
2.1.1.7 Other Banks	211.08	187.25	209.61	211.32	210.61	211.76	212.30
2.1.1.8 Others	2,309.26	1348.03	897.40	872.74	959.57	821.20	1,044.62
2.1.2 Other Liabilities	9,627.82	8678.34	9,957.08	10,129.65	9,926.68	10,091.41	10,178.54
2.1/2.2 Total Liabilities or Assets	**16,109.39**	**13,911.52**	**14,953.10**	**15,177.63**	**15,008.06**	**15,095.04**	**15,424.88**
2.2 Assets							
2.2.1 Notes and Coins	0.16	0.17	0.14	0.14	0.17	0.17	0.17
2.2.2 Balances held Abroad	6,553.25	7,130.21	6,340.45	6,587.39	6,258.20	6,458.93	6,645.90
2.2.3 Loans and Advances							
2.2.3.1 Central Government	–	–	–	74.74	22.20	–	–
2.2.3.2 State Governments	11.92	8.75	5.56	6.80	26.20	4.48	10.60
2.2.3.3 Scheduled Commercial Banks	2,465.69	772.05	957.40	695.99	875.50	799.48	827.43
2.2.3.4 Scheduled State Co-op.Banks	–	–	–	–	–	–	–
2.2.3.5 Industrial Dev. Bank of India	–	–	–	–	–	–	–
2.2.3.6 NABARD	–	–	–	–	–	–	–
2.2.3.7 EXIM Bank	–	–	–	–	–	–	–
2.2.3.8 Others	145.93	50.73	52.81	44.30	53.90	54.55	52.26
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	–	–	–	–	–	–	–
2.2.4.2 Government Treasury Bills	–	–	–	–	–	–	–
2.2.5 Investments	6,122.94	5,198.64	6,761.01	6,910.90	6,910.95	6,911.65	7,020.48
2.2.6 Other Assets	809.50	750.98	835.72	857.37	860.94	865.78	868.04
2.2.6.1 Gold	631.16	586.98	634.58	650.27	650.27	650.27	650.27

No. 3: Liquidity Operations by RBI

(₹ Billion)

Date	Liquidity Adjustment Facility				MSF	Standing Liquidity Facilities	OMO (Outright)		Net Injection (+)/ Absorption (-) (1+3+5+6+8-2-4-7)
	Repo	Reverse Repo	Variable Rate Repo	Variable Rate Reverse Repo			Sale	Purchase	
	1	2	3	4	5	6	7	8	9
May 2, 2016	187.26	23.53	37.00	–	11.50	–	–	–	212.23
May 3, 2016	148.94	19.24	185.04	–	0.25	–	–	–	314.99
May 4, 2016	74.93	33.75	–	–	0.25	–	–	–	41.43
May 5, 2016	34.46	24.38	–	–	5.50	–	–	–	15.58
May 6, 2016	53.99	25.23	147.75	–	13.65	–	–	–	190.16
May 7, 2016	128.43	15.66	–	–	10.00	–	–	–	122.77
May 9, 2016	214.68	25.44	240.02	–	6.25	–	–	–	435.51
May 10, 2016	205.33	26.65	364.85	–	4.50	–	–	–	548.03
May 11, 2016	172.14	10.45	–	–	5.20	–5.20	–	100.14	261.83
May 12, 2016	203.52	31.07	146.75	–	0.76	1.90	–	–	321.86
May 13, 2016	183.73	172.46	190.06	–	3.05	–	–	–	204.38
May 16, 2016	192.91	38.11	–	–	3.15	–0.70	–	–	157.25
May 17, 2016	124.97	31.03	385.08	–	–	–4.60	–	–	474.42
May 18, 2016	52.81	39.44	–	–	0.40	5.30	–	–	19.07
May 19, 2016	99.76	13.35	–	–	6.12	–	–	–	92.53
May 20, 2016	156.90	11.43	185.03	–	7.50	–	–	–	338.00
May 21, 2016	–	12.27	–	–	1.50	–	–	–	–10.77
May 23, 2016	192.26	13.07	–	–	11.80	–	–	–	190.99
May 24, 2016	211.58	23.14	271.05	–	0.35	–1.40	–	–	458.44
May 25, 2016	211.41	74.23	–	–	0.40	1.40	–	–	138.98
May 26, 2016	140.13	81.96	–	–	0.25	–	–	150.00	208.42
May 27, 2016	65.52	267.17	166.00	–	–	–0.90	–	–	–36.55
May 30, 2016	99.46	32.32	–	–	0.19	0.90	–	–	68.23
May 31, 2016	87.85	77.90	86.05	–	–	–	–	–	96.00

No. 4: Sale/ Purchase of U.S. Dollar by the RBI

i) Operations in OTC segment

Item	2015-16	2015	2016	
		May	Apr.	May
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	10,209.00	2,578.00	1,339.00	554.00
1.1 Purchase (+)	63,299.00	6,013.00	2,639.00	4,369.00
1.2 Sale (–)	53,090.00	3,435.00	1,300.00	3,815.00
2 ₹ equivalent at contract rate (₹ Billion)	630.89	165.05	88.36	37.20
3 Cumulative (over end-March) (US $ Million)	10,209.00	8,009.00	1,339.00	1,893.00
(₹ Billion)	630.89	511.42	88.36	125.56
4 Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ Million)	–4,253.00	1,862.00	–4,003.00	–5,748.00

ii) Operations in currency futures segment

Item	2015-16	2015	2016	
		May.	Apr.	May.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	0.00	0.00	0.00	0.00
1.1 Purchase (+)	9462.00	0.00	260.00	790.00
1.2 Sale (–)	9462.00	0.00	260.00	790.00
2 Outstanding Net Currency Futures Sales (–)/ Purchase (+) at the end of month (US $ Million)	0.00	0.00	0.00	0.00

No. 4 A : Maturity Breakdown (by Residual Maturity) of Outstanding Forwards of RBI (US $ Million)

Item	As on May 31, 2016		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	2,945	190	2,755
2. More than 1 month and upto 3 months	1,395	0	1,395
3. More than 3 months and upto 1 year	18,257	26,038	-7,781
4. More than 1 year	150	2,267	-2,117
Total (1+2+3+4)	**22,747**	**28,495**	**-5,748**

No. 5: RBI's Standing Facilities

(₹ Billion)

Item		As on the Last Reporting Friday						
	2015-16	2015	2016					
		May 29	Jan. 22	Feb. 19	Mar. 18	Apr. 29	May 27	Jun. 24
	1	2	3	4	5	6	7	8
1 MSF	0.1	13.1	26.2	21.5	0.1	12.5	–	–
2 Export Credit Refinance for Scheduled Banks								
2.1 Limit	–	127.1	–	–	–	–	–	–
2.2 Outstanding	–	39.9	–	–	–	–	–	–
3 Liquidity Facility for PDs								
3.1 Limit	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
3.2 Outstanding	27.7	20.6	22.3	22.9	27.7	27.6	23.4	22.1
4 Others								
4.1 Limit	–	–	–	–	–	–	–	–
4.2 Outstanding	–	–	–	–	–	–	–	–
5 Total Outstanding (1+2.2+3.2+4.2)	27.8	73.5	48.5	44.4	27.8	40.1	23.4	22.1

Money and Banking

No. 6: Money Stock Measures

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		May 29	Apr. 29	May 13	May 27
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	15,981.0	14,462.2	16,500.4	16,781.0	16,612.8
1.1 Notes in Circulation	16,415.6	14,918.9	16,979.8	17,276.1	17,110.8
1.2 Circulation of Rupee Coin	211.6	190.5	211.6	211.6	211.6
1.3 Circulation of Small Coins	7.4	7.4	7.4	7.4	7.4
1.4 Cash on Hand with Banks	653.7	654.7	698.4	714.2	717.0
2 Deposit Money of the Public	10,124.7	9,200.4	10,256.1	9,637.6	9,976.7
2.1 Demand Deposits with Banks	9,970.2	9,087.5	10,123.0	9,505.6	9,843.7
2.2 ‘Other’ Deposits with Reserve Bank	154.5	112.8	133.1	132.0	133.0
3 M_1 (1 + 2)	**26,105.7**	**23,662.6**	**26,756.6**	**26,418.6**	**26,589.6**
4 Post Office Saving Bank Deposits	607.8	489.1	607.8	607.8	607.8
5 M_2 (3 + 4)	**26,713.4**	**24,151.6**	**27,364.3**	**27,026.4**	**27,197.3**
6 Time Deposits with Banks	90,437.7	84,517.1	92,315.3	92,595.2	92,497.2
7 M_3 (3 + 6)	**116,543.4**	**108,179.7**	**119,071.9**	**119,013.8**	**119,086.7**
8 Total Post Office Deposits	2,076.2	1,771.2	2,076.2	2,076.2	2,076.2
9 M_4 (7 + 8)	**118,619.5**	**109,950.9**	**121,148.0**	**121,089.9**	**121,162.9**

No. 7: Sources of Money Stock (M_3)

(₹ Billion)

Sources	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		May 29	Apr. 29	May 13	May 27
	1	2	3	4	5
1 Net Bank Credit to Government	**32,410.3**	**31,907.9**	**34,975.3**	**35,035.6**	**35,511.7**
1.1 RBI's net credit to Government (1.1.1–1.1.2)	4,250.0	4,235.6	6,168.5	6,152.2	6,301.3
1.1.1 Claims on Government	6,167.0	5,215.6	6,492.3	6,619.7	6,756.3
1.1.1.1 Central Government	6,162.2	5,212.1	6,473.9	6,593.2	6,750.7
1.1.1.2 State Governments	4.8	3.5	18.4	26.5	5.6
1.1.2 Government deposits with RBI	1,917.0	980.1	323.8	467.4	455.0
1.1.2.1 Central Government	1,916.6	979.6	323.3	467.0	454.5
1.1.2.2 State Governments	0.4	0.4	0.4	0.4	0.4
1.2 Other Banks' Credit to Government	28,160.3	27,672.4	28,806.8	28,883.3	29,210.4
2 Bank Credit to Commercial Sector	**78,219.1**	**71,093.8**	**77,947.1**	**77,885.6**	**77,884.9**
2.1 RBI's credit to commercial sector	200.8	64.2	82.7	81.3	75.8
2.2 Other banks' credit to commercial sector	78,018.3	71,029.6	77,864.4	77,804.3	77,809.1
2.2.1 Bank credit by commercial banks	72,776.5	66,063.4	72,606.2	72,531.6	72,541.5
2.2.2 Bank credit by co-operative banks	5,203.2	4,909.5	5,218.0	5,230.7	5,225.8
2.2.3 Investments by commercial and co-operative banks in other securities	38.5	56.6	40.1	41.9	41.7
3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	**24,907.1**	**23,585.1**	**25,160.1**	**25,103.7**	**25,143.3**
3.1 RBI's net foreign exchange assets (3.1.1–3.1.2)	23,834.8	22,351.4	24,087.8	24,031.4	24,071.0
3.1.1 Gross foreign assets	23,836.8	22,351.6	24,089.8	24,033.5	24,073.1
3.1.2 Foreign liabilities	2.0	0.2	2.0	2.1	2.1
3.2 Other banks' net foreign exchange assets	1,072.3	1,233.7	1,072.3	1,072.3	1,072.3
4 Government's Currency Liabilities to the Public	**219.1**	**198.0**	**219.1**	**219.1**	**219.1**
5 Banking Sector's Net Non-monetary Liabilities	**19,212.1**	**18,605.1**	**19,229.6**	**19,230.2**	**19,672.2**
5.1 Net non-monetary liabilities of RBI	9,541.7	8,571.7	9,716.0	9,666.3	9,797.3
5.2 Net non-monetary liabilities of other banks (residual)	9,670.4	10,033.4	9,513.6	9,563.9	9,874.8
M_3 (1+2+3+4–5)	**116,543.4**	**108,179.7**	**119,071.9**	**119,013.8**	**119,086.7**

No. 8: Monetary Survey

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		May 29	Apr. 29	May 13	May 27
	1	2	3	4	5
Monetary Aggregates					
NM_1 (1.1 + 1.2.1+1.3)	26,105.7	23,662.6	26,756.6	26,418.6	26,589.6
NM_2 (NM_1+ 1.2.2.1)	65,448.3	60,425.6	66,931.4	66,714.2	66,836.2
NM_3 (NM_2 + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	116,523.6	107,730.4	118,997.3	118,882.4	118,973.6
1 Components					
1.1 Currency with the Public	15,981.0	14,462.2	16,500.4	16,781.0	16,612.8
1.2 Aggregate Deposits of Residents	97,398.4	90,783.2	99,400.5	99,051.5	99,280.6
1.2.1 Demand Deposits	9,970.2	9,087.5	10,123.0	9,505.6	9,843.7
1.2.2 Time Deposits of Residents	87,428.2	81,695.6	89,277.5	89,545.8	89,437.0
1.2.2.1 Short-term Time Deposits	39,342.7	36,763.0	40,174.9	40,295.6	40,246.6
1.2.2.1.1 Certificates of Deposit (CDs)	2,068.2	2,531.7	2,506.0	2,474.4	2,261.6
1.2.2.2 Long-term Time Deposits	48,085.5	44,932.6	49,102.6	49,250.2	49,190.3
1.3 'Other' Deposits with RBI	154.5	112.8	133.1	132.0	133.0
1.4 Call/Term Funding from Financial Institutions	2,989.8	2,372.2	2,963.3	2,918.0	2,947.0
2 Sources					
2.1 Domestic Credit	116,136.6	107,770.8	118,599.7	118,897.6	119,372.4
2.1.1 Net Bank Credit to the Government	32,410.3	31,907.9	34,975.3	35,035.6	35,511.7
2.1.1.1 Net RBI credit to the Government	4,250.0	4,235.6	6,168.5	6,152.2	6,301.3
2.1.1.2 Credit to the Government by the Banking System	28,160.3	27,672.4	28,806.8	28,883.3	29,210.4
2.1.2 Bank Credit to the Commercial Sector	83,726.3	75,862.9	83,624.4	83,862.1	83,860.7
2.1.2.1 RBI Credit to the Commercial Sector	200.8	64.2	82.7	81.3	75.8
2.1.2.2 Credit to the Commercial Sector by the Banking System	83,525.5	75,798.6	83,541.7	83,780.8	83,784.9
2.1.2.2.1 Other Investments (Non-SLR Securities)	5,412.0	4,709.8	5,605.6	5,904.7	5,907.3
2.2 Government's Currency Liabilities to the Public	219.1	198.0	219.1	219.1	219.1
2.3 Net Foreign Exchange Assets of the Banking Sector	21,586.9	19,887.7	22,159.9	22,131.0	22,121.9
2.3.1 Net Foreign Exchange Assets of the RBI	23,834.8	22,351.4	24,087.8	24,031.4	24,071.0
2.3.2 Net Foreign Currency Assets of the Banking System	–2,247.8	–2,463.7	–1,927.8	–1,900.4	–1,949.0
2.4 Capital Account	18,310.9	19,067.7	18,946.3	18,924.3	19,057.1
2.5 Other items (net)	3,108.1	1,058.3	3,035.0	3,441.0	3,682.8

No. 9: Liquidity Aggregates

(₹ Billion)

Aggregates	2015-16	2015	2016		
		May	Mar.	Apr.	May
	1	2	3	4	5
1 NM_3	**116,523.6**	**107,730.4**	**116,523.6**	**118,997.3**	**118,973.6**
2 Postal Deposits	2,076.2	1,771.2	2,076.2	2,076.2	2,076.2
3 L_1 (1 + 2)	**118,599.8**	**109,501.6**	**118,599.8**	**121,073.5**	**121,049.7**
4 Liabilities of Financial Institutions	29.3	29.3	29.3	29.3	29.3
4.1 Term Money Borrowings	26.6	26.6	26.6	26.6	26.6
4.2 Certificates of Deposit	0.3	0.3	0.3	0.3	0.3
4.3 Term Deposits	2.5	2.5	2.5	2.5	2.5
5 L_2 (3 + 4)	**118,629.1**	**109,531.0**	**118,629.1**	**121,102.8**	**121,079.0**
6 Public Deposits with Non-Banking Financial Companies	351.6	..	351.6	..	..
7 L_3 (5 + 6)	**118,980.6**	..	**118,980.6**	..	..

No. 10: Reserve Bank of India Survey

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		May 29	Apr. 29	May 13	May 27
	1	2	3	4	5
1 Components					
1.1 Currency in Circulation	16,634.6	15,116.9	17,198.8	17,495.1	17,329.9
1.2 Bankers' Deposits with the RBI	5,018.3	3,941.1	4,244.8	4,185.5	4,097.2
1.2.1 Scheduled Commercial Banks	4,738.7	3,708.9	3,982.7	3,925.8	3,839.5
1.3 'Other' Deposits with the RBI	154.5	112.8	133.1	132.0	133.0
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	21,807.4	19,170.9	21,576.8	21,812.6	21,560.1
2 Sources					
2.1 RBI's Domestic Credit	7,295.3	5,193.2	6,985.9	7,228.5	7,067.4
2.1.1 Net RBI credit to the Government	4,250.0	4,235.6	6,168.5	6,152.2	6,301.3
2.1.1.1 Net RBI credit to the Central Government (2.1.1.1.1 + 2.1.1.1.2 + 2.1.1.1.3 + 2.1.1.1.4 – 2.1.1.1.5)	4,245.6	4,232.5	6,150.5	6,126.2	6,296.2
2.1.1.1.1 Loans and Advances to the Central Government	–	–	–	–	–
2.1.1.1.2 Investments in Treasury Bills	–	–	–	–	–
2.1.1.1.3 Investments in dated Government Securities	6,159.5	5,209.9	6,471.0	6,591.6	6,748.3
2.1.1.1.3.1 Central Government Securities	6,149.0	5,199.4	6,460.6	6,581.1	6,737.8
2.1.1.1.4 Rupee Coins	2.8	2.2	2.8	1.6	2.5
2.1.1.1.5 Deposits of the Central Government	1,916.6	979.6	323.3	467.0	454.5
2.1.1.2 Net RBI credit to State Governments	4.3	3.1	18.0	26.1	5.1
2.1.2 RBI's Claims on Banks	2,844.5	893.3	734.8	994.9	690.2
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	2,844.5	892.9	734.8	994.9	690.2
2.1.3 RBI's Credit to Commercial Sector	200.8	64.2	82.7	81.3	75.8
2.1.3.1 Loans and Advances to Primary Dealers	27.0	20.6	25.8	25.8	23.4
2.1.3.2 Loans and Advances to NABARD	–	–	–	–	–
2.2 Government's Currency Liabilities to the Public	219.1	198.0	219.1	219.1	219.1
2.3 Net Foreign Exchange Assets of the RBI	23,834.8	22,351.4	24,087.8	24,031.4	24,071.0
2.3.1 Gold	1,334.3	1,229.3	1,334.3	1,333.2	1,333.2
2.3.2 Foreign Currency Assets	22,500.6	21,122.2	22,753.7	22,698.4	22,738.0
2.4 Capital Account	8,728.0	8,137.0	8,878.9	8,783.4	8,869.2
2.5 Other Items (net)	813.7	434.6	837.1	882.9	928.1

No. 11: Reserve Money - Components and Sources

(₹ Billion)

Item	Outstanding as on March 31/ last Fridays of the month/ Fridays						
	2015-16	2015	2016				
		May 29	Apr. 29	May 6	May 13	May 20	May 27
	1	2	3	4	5	6	7
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 + 2.4 + 2.5 – 2.6)	21,807.4	19,170.9	21,576.8	21,705.0	21,812.6	21,869.8	21,560.1
1 Components							
1.1 Currency in Circulation	16,634.6	15,116.9	17,198.8	17,376.0	17,495.1	17,448.4	17,329.9
1.2 Bankers' Deposits with RBI	5,018.3	3,941.1	4,244.8	4,197.5	4,185.5	4,290.7	4,097.2
1.3 'Other' Deposits with RBI	154.5	112.8	133.1	131.4	132.0	130.7	133.0
2 Sources							
2.1 Net Reserve Bank Credit to Government	4,250.0	4,235.6	6,168.5	6,352.3	6,152.2	6,166.7	6,301.3
2.2 Reserve Bank Credit to Banks	2,844.5	893.3	734.8	660.9	994.9	1,068.7	690.2
2.3 Reserve Bank Credit to Commercial Sector	200.8	64.2	82.7	84.5	81.3	76.9	75.8
2.4 Net Foreign Exchange Assets of RBI	23,834.8	22,351.4	24,087.8	24,039.0	24,031.4	24,228.0	24,071.0
2.5 Government's Currency Liabilities to the Public	219.1	198.0	219.1	219.1	219.1	219.1	219.1
2.6 Net Non- Monetary Liabilities of RBI	9,541.7	8,571.7	9,716.0	9,650.8	9,666.3	9,889.6	9,797.3

No. 12: Commercial Bank Survey

(₹ Billion)

Item	Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month				
	2015-16	2015	2016		
		May 29	Apr. 29	May 13	May 27
	1	2	3	4	5
1 Components					
1.1 Aggregate Deposits of Residents	90,777.0	84,562.7	92,734.7	92,380.7	92,604.1
1.1.1 Demand Deposits	8,984.4	8,097.8	9,131.2	8,516.0	8,854.5
1.1.2 Time Deposits of Residents	81,792.6	76,464.9	83,603.5	83,864.6	83,749.6
1.1.2.1 Short-term Time Deposits	36,806.7	34,409.2	37,621.6	37,739.1	37,687.3
1.1.2.1.1 Certificates of Deposits (CDs)	2,068.2	2,531.7	2,506.0	2,474.4	2,261.6
1.1.2.2 Long-term Time Deposits	44,986.0	42,055.7	45,982.0	46,125.5	46,062.3
1.2 Call/Term Funding from Financial Institutions	2,989.8	2,372.2	2,963.3	2,918.0	2,947.0
2 Sources					
2.1 Domestic Credit	104,595.6	96,849.6	105,250.0	105,551.5	105,878.3
2.1.1 Credit to the Government	26,384.0	26,084.7	27,038.7	27,114.5	27,432.6
2.1.2 Credit to the Commercial Sector	78,211.6	70,764.9	78,211.3	78,437.1	78,445.7
2.1.2.1 Bank Credit	72,776.5	66,063.4	72,606.2	72,531.6	72,541.5
2.1.2.1.1 Non-food Credit	71,724.0	64,898.1	71,565.5	71,423.2	71,434.9
2.1.2.2 Net Credit to Primary Dealers	97.8	61.9	74.4	74.4	71.1
2.1.2.3 Investments in Other Approved Securities	14.9	19.4	14.8	16.0	15.3
2.1.2.4 Other Investments (in non-SLR Securities)	5,322.4	4,620.2	5,516.0	5,815.0	5,817.7
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1–2.2.2–2.2.3)	–2,247.8	–2,463.7	–1,927.8	–1,900.4	–1,949.0
2.2.1 Foreign Currency Assets	1,847.4	1,447.5	2,137.3	2,127.1	2,133.7
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	3,009.6	2,821.5	3,037.8	3,049.3	3,060.2
2.2.3 Overseas Foreign Currency Borrowings	1,085.6	1,089.7	1,027.3	978.2	1,022.5
2.3 Net Bank Reserves (2.3.1+2.3.2–2.3.3)	2,294.6	3,390.2	3,871.0	3,569.7	3,790.7
2.3.1 Balances with the RBI	3,874.4	3,708.9	3,982.7	3,925.8	3,839.5
2.3.2 Cash in Hand	578.9	574.2	623.0	638.8	641.5
2.3.3 Loans and Advances from the RBI	2,158.7	892.9	734.8	994.9	690.2
2.4 Capital Account	9,341.1	10,689.0	9,825.8	9,899.2	9,946.2
2.5 Other items (net) (2.1+2.2+2.3–2.4–1.1–1.2)	1,534.5	152.2	1,669.4	2,023.0	2,222.7
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	3,960.4	3,353.7	3,762.6	3,722.3	3,776.7
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	–431.8	–509.2	–406.0	–499.1	–433.0

No. 13: Scheduled Commercial Banks' Investments

(₹ Billion)

Item	As on March 18, 2016	2015	2016		
		May. 29	Apr. 29	May. 13	May. 27
	1	2	3	4	5
1 SLR Securities	26,255.1	26,104.1	26,925.7	27,130.5	27,447.9
2 Commercial Paper	817.9	572.4	779.4	841.8	861.7
3 Shares issued by					
3.1 PSUs	77.1	80.0	76.4	76.5	78.0
3.2 Private Corporate Sector	435.5	380.9	438.3	440.6	445.9
3.3 Others	55.9	32.3	65.1	52.9	62.9
4 Bonds/Debentures issued by					
4.1 PSUs	930.7	801.5	1,203.9	1,151.8	1,146.6
4.2 Private Corporate Sector	1,324.4	1,118.9	1,300.3	1,288.1	1,270.7
4.3 Others	511.2	510.0	652.0	658.8	678.0
5 Instruments issued by					
5.1 Mutual funds	641.7	578.3	470.8	691.0	669.9
5.2 Financial institutions	629.0	620.8	631.2	613.6	604.1

No. 14: Business in India - All Scheduled Banks and All Scheduled Commercial Banks

(₹ Billion)

Item	As on the Last Reporting Friday (in case of March)/ Last Friday							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2015-16	2015	2016		2015-16	2015	2016	
		May	Apr.	May		May	Apr.	May
	1	2	3	4	5	6	7	8
Number of Reporting Banks	214	213	218	214	147	146	148	147
1 Liabilities to the Banking System	**2,312.4**	**1,712.4**	**2,329.4**	**2,226.8**	**2,250.3**	**1,639.7**	**2,260.0**	**2,157.1**
1.1 Demand and Time Deposits from Banks	1,583.2	1,244.6	1,604.4	1,537.8	1,522.1	1,174.7	1,537.7	1,471.3
1.2 Borrowings from Banks	645.0	396.8	642.5	578.6	644.0	394.5	639.8	575.5
1.3 Other Demand and Time Liabilities	84.2	71.0	82.5	110.3	84.2	70.5	82.5	110.3
2 Liabilities to Others	**103,899.7**	**96,611.3**	**105,726.6**	**106,094.1**	**101,303.1**	**94,199.8**	**103,019.4**	**103,410.6**
2.1 Aggregate Deposits	95,756.3	89,702.8	97,840.3	98,237.4	93,272.9	87,384.2	95,253.2	95,664.3
2.1.1 Demand	9,095.8	8,290.1	9,258.1	9,063.2	8,890.0	8,097.8	9,037.6	8,854.5
2.1.2 Time	86,660.5	81,412.7	88,582.2	89,174.3	84,382.9	79,286.4	86,215.6	86,809.8
2.2 Borrowings	3,011.5	2,386.6	2,997.9	2,976.7	2,989.8	2,372.2	2,959.6	2,947.0
2.3 Other Demand and Time Liabilities	5,131.9	4,522.0	4,888.4	4,880.0	5,040.4	4,443.4	4,806.6	4,799.3
3 Borrowings from Reserve Bank	**2,324.7**	**968.1**	**886.5**	**957.4**	**2,324.7**	**967.7**	**886.5**	**957.4**
3.1 Against Usance Bills /Promissory Notes	–	–	–	–	–	–	–	–
3.2 Others	2,324.7	968.1	886.5	957.4	2,324.7	967.7	886.5	957.4
4 Cash in Hand and Balances with Reserve Bank	4,571.0	4,398.2	4,727.3	4,601.4	4,448.8	4,283.1	4,603.4	4,480.9
4.1 Cash in Hand	586.7	586.4	633.9	654.4	574.38	574.2	620.7	641.5
4.2 Balances with Reserve Bank	3,984.4	3,811.8	4,093.4	3,947.1	3,874.4	3,708.9	3,982.7	3,839.5
5 Assets with the Banking System	**2,980.4**	**2,578.1**	**2,963.2**	**3,046.3**	**2,604.0**	**2,213.0**	**2,573.4**	**2,661.2**
5.1 Balances with Other Banks	1,759.6	1,640.2	1,760.6	1,891.8	1,616.8	1,479.9	1,605.1	1,739.2
5.1.1 In Current Account	124.9	113.1	152.6	141.0	108.8	97.2	134.0	126.2
5.1.2 In Other Accounts	1,634.7	1,527.2	1,608.0	1,750.9	1,508.0	1,382.7	1,471.1	1,613.1
5.2 Money at Call and Short Notice	513.6	290.2	478.0	406.3	348.9	144.4	325.5	269.7
5.3 Advances to Banks	273.3	190.8	275.7	288.3	260.5	182.0	260.9	257.7
5.4 Other Assets	433.8	456.8	448.9	459.8	377.8	406.7	381.9	394.6
6 Investment	**27,000.9**	**26,819.6**	**27,695.3**	**28,215.9**	**26,255.1**	**26,104.1**	**26,925.7**	**27,447.9**
6.1 Government Securities	26,981.7	26,797.8	27,668.7	28,192.9	26,239.3	26,084.7	26,910.3	27,432.6
6.2 Other Approved Securities	19.2	21.7	26.6	23.0	15.8	19.4	15.5	15.3
7 Bank Credit	**74,689.6**	**68,081.0**	**74,535.7**	**74,750.9**	**72,496.1**	**66,063.4**	**72,322.9**	**72,541.5**
7a Food Credit	1,215.2	1,299.2	1,203.4	1,269.3	1,052.5	1,165.4	1,040.7	1,106.6
7.1 Loans, Cash-credits and Overdrafts	72,492.8	65,857.9	72,337.0	72,602.3	70,337.2	63,872.3	70,166.8	70,437.8
7.2 Inland Bills-Purchased	264.3	336.5	276.1	277.6	257.1	330.8	267.1	267.9
7.3 Inland Bills-Discounted	1,313.5	1,238.4	1,303.2	1,279.7	1,288.7	1,218.1	1,275.8	1,250.1
7.4 Foreign Bills-Purchased	205.5	205.7	227.5	208.2	204.4	204.9	226.3	207.3
7.5 Foreign Bills-Discounted	413.6	442.5	391.8	383.2	408.8	437.2	386.9	378.4

No. 15: Deployment of Gross Bank Credit by Major Sectors

(₹ Billion)

Item	Outstanding as on				Growth (%)	
	Mar. 18, 2016	2015	2016		Financial year so far	Y-o-Y
		May 29	Apr. 29	May 27	2016-17	2016
	1	2	3	4	5	6
1 Gross Bank Credit	**66,500**	**61,516**	**66,450**	**66,457**	**-0.1**	**8.0**
1.1 Food Credit	**1,031**	**1,027**	**935**	**892**	**–13.5**	**–13.2**
1.2 Non-food Credit	**65,469**	**60,489**	**65,515**	**65,565**	**0.1**	**8.4**
1.2.1 Agriculture & Allied Activities	**8,829**	**7,779**	**9,033**	**8,992**	**1.8**	**15.6**
1.2.2 Industry	**27,307**	**26,389**	**26,615**	**26,633**	**–2.5**	**0.9**
1.2.2.1 Micro & Small	3,715	3,851	3,628	3,602	–3.0	–6.5
1.2.2.2 Medium	1,148	1,246	1,089	1,088	–5.2	–12.7
1.2.2.3 Large	22,444	21,292	21,899	21,943	–2.2	3.1
1.2.3 Services	**15,411**	**14,372**	**15,766**	**15,713**	**2.0**	**9.3**
1.2.3.1 Transport Operators	997	921	1,042	1,051	5.4	14.2
1.2.3.2 Computer Software	191	178	191	189	–1.3	6.0
1.2.3.3 Tourism, Hotels & Restaurants	371	369	373	373	0.7	1.2
1.2.3.4 Shipping	104	105	100	101	–3.6	–4.0
1.2.3.5 Professional Services	1,046	844	1,211	1,133	8.3	34.2
1.2.3.6 Trade	3,811	3,702	3,841	3,858	1.2	4.2
1.2.3.6.1 Wholesale Trade	1,686	1,806	1,683	1,705	1.1	–5.6
1.2.3.6.2 Retail Trade	2,125	1,896	2,158	2,153	1.3	13.6
1.2.3.7 Commercial Real Estate	1,776	1,659	1,841	1,825	2.8	10.0
1.2.3.8 Non-Banking Financial Companies (NBFCs)	3,527	3,206	3,654	3,484	–1.2	8.7
1.2.3.9 Other Services	3,587	3,389	3,512	3,699	3.1	9.2
1.2.4 Personal Loans	**13,922**	**11,949**	**14,101**	**14,227**	**2.2**	**19.1**
1.2.4.1 Consumer Durables	178	157	187	186	4.9	18.5
1.2.4.2 Housing	7,468	6,484	7,582	7,663	2.6	18.2
1.2.4.3 Advances against Fixed Deposits	667	603	642	624	–6.4	3.5
1.2.4.4 Advances to Individuals against share & bonds	64	51	50	57	–10.6	11.8
1.2.4.5 Credit Card Outstanding	377	324	410	421	11.7	30.0
1.2.4.6 Education	682	635	680	679	–0.4	7.0
1.2.4.7 Vehicle Loans	1,529	1,297	1,515	1,546	1.1	19.2
1.2.4.8 Other Personal Loans	2,958	2,398	3,035	3,050	3.1	27.2
1.2A Priority Sector	**22,259**	**20,094**	**22,462**	**22,452**	**0.9**	**11.7**
1.2A.1 Agriculture & Allied Activities	8,826	7,779	9,022	8,990	1.9	15.6
1.2A.2 Micro & Small Enterprises	8,476	8,110	8,449	8,480	0.1	4.6
1.2A.2.1 Manufacturing	3,715	3,851	3,628	3,602	–3.0	–6.5
1.2A.2.2 Services	4,761	4,258	4,822	4,879	2.5	14.6
1.2A.3 Housing	3,423	3,218	3,448	3,474	1.5	8.0
1.2A.4 Micro-Credit	188	171	189	187	–1.0	8.9
1.2A.5 Education Loans	601	580	596	582	–3.1	0.4
1.2A.6 State-Sponsored Orgs. for SC/ST	5	4	6	6	11.1	63.1
1.2A.7 Weaker Sections	4,774	3,981	4,854	4,886	2.3	22.7
1.2A.8 Export Credit	424	414	452	442	4.4	6.8

No. 16: Industry-wise Deployment of Gross Bank Credit

(₹ Billion)

Industry	Outstanding as on				Growth (%)	
	Mar. 18, 2016	2015	2016		Financial year so far	Y-o-Y
		May 29	Apr. 29	May 27	2016-17	2016
	1	2	3	4	5	6
1 Industry	**27,307**	**26,389**	**26,615**	**26,633**	**–2.5**	**0.9**
1.1 Mining & Quarrying (incl. Coal)	**390**	**357**	**368**	**341**	**–12.6**	**–4.6**
1.2 Food Processing	**1,501**	**1,662**	**1,467**	**1,468**	**–2.2**	**–11.7**
1.2.1 Sugar	400	407	389	388	–2.9	–4.6
1.2.2 Edible Oils & Vanaspati	199	204	194	196	–1.7	–3.8
1.2.3 Tea	36	32	32	32	–10.8	1.2
1.2.4 Others	866	1,020	853	852	–1.6	–16.5
1.3 Beverage & Tobacco	**181**	**184**	**171**	**170**	**–6.5**	**–7.9**
1.4 Textiles	**2,058**	**2,010**	**2,039**	**2,034**	**–1.2**	**1.2**
1.4.1 Cotton Textiles	1,035	990	1,015	1,008	–2.6	1.8
1.4.2 Jute Textiles	22	22	20	20	–9.0	–8.6
1.4.3 Man-Made Textiles	208	211	201	206	–0.9	–2.4
1.4.4 Other Textiles	793	787	803	800	0.9	1.7
1.5 Leather & Leather Products	**105**	**103**	**104**	**104**	**–1.2**	**0.6**
1.6 Wood & Wood Products	**95**	**98**	**101**	**101**	**6.9**	**3.5**
1.7 Paper & Paper Products	**355**	**340**	**342**	**341**	**–3.8**	**0.4**
1.8 Petroleum, Coal Products & Nuclear Fuels	**512**	**523**	**519**	**526**	**2.7**	**0.7**
1.9 Chemicals & Chemical Products	**1,645**	**1,520**	**1,574**	**1,570**	**–4.6**	**3.3**
1.9.1 Fertiliser	285	235	256	255	–10.5	8.7
1.9.2 Drugs & Pharmaceuticals	535	508	517	516	–3.5	1.4
1.9.3 Petro Chemicals	365	327	350	357	–2.2	9.1
1.9.4 Others	461	450	450	442	–4.0	–1.7
1.10 Rubber, Plastic & their Products	**374**	**365**	**362**	**369**	**–1.3**	**1.0**
1.11 Glass & Glassware	**89**	**88**	**85**	**85**	**–4.8**	**–3.8**
1.12 Cement & Cement Products	**543**	**563**	**543**	**532**	**–2.1**	**–5.6**
1.13 Basic Metal & Metal Product	**4,160**	**3,836**	**4,187**	**4,164**	**0.1**	**8.5**
1.13.1 Iron & Steel	3,115	2,840	3,147	3,126	0.4	10.1
1.13.2 Other Metal & Metal Product	1,046	996	1,040	1,038	–0.7	4.2
1.14 All Engineering	**1,542**	**1,524**	**1,526**	**1,535**	**–0.4**	**0.7**
1.14.1 Electronics	382	380	376	377	–1.5	–0.8
1.14.2 Others	1,159	1,144	1,150	1,159	–0.0	1.3
1.15 Vehicles, Vehicle Parts & Transport Equipment	**690**	**698**	**682**	**686**	**–0.6**	**–1.8**
1.16 Gems & Jewellery	**727**	**706**	**704**	**693**	**–4.7**	**–1.9**
1.17 Construction	**745**	**734**	**787**	**766**	**2.7**	**4.3**
1.18 Infrastructure	**9,648**	**9,278**	**9,190**	**9,273**	**–3.9**	**–0.1**
1.18.1 Power	5,799	5,674	5,382	5,386	–7.1	–5.1
1.18.2 Telecommunications	913	885	941	951	4.1	7.5
1.18.3 Roads	1,775	1,680	1,756	1,827	2.9	8.8
1.18.4 Other Infrastructure	1,161	1,038	1,112	1,109	–4.5	6.8
1.19 Other Industries	**1,945**	**1,799**	**1,865**	**1,876**	**–3.6**	**4.3**

No. 17: State Co-operative Banks Maintaining Accounts with the Reserve Bank of India

(₹ Billion)

Item	Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday					
	2014-15	2015	2016			
		Feb, 27	Jan, 29	Feb, 05	Feb, 19	Feb, 26
	1	2	3	4	5	6
Number of Reporting Banks	31	31	31	31	31	31
1 Aggregate Deposits (2.1.1.2+2.2.1.2)	422.3	411.9	472.7	472.6	475.8	476.6
2 Demand and Time Liabilities						
2.1 Demand Liabilities	148.1	139.0	151.6	153.7	152.6	155.0
2.1.1 Deposits						
2.1.1.1 Inter-Bank	33.7	24.5	29.3	29.2	27.0	29.0
2.1.1.2 Others	77.7	75.4	80.2	79.7	80.8	80.3
2.1.2 Borrowings from Banks	9.3	11.7	7.6	8.8	9.6	10.3
2.1.3 Other Demand Liabilities	27.4	27.5	34.4	36.0	35.1	35.4
2.2 Time Liabilities	854.6	852.1	886.3	885.3	882.9	881.0
2.2.1 Deposits						
2.2.1.1 Inter-Bank-Bank	499.2	504.5	484.0	483.0	475.8	475.5
2.2.1.2 Others	344.6	336.5	392.5	392.9	395.0	396.3
2.2.2 Borrowings from Banks	0.1	–	0.5	–	3.0	–
2.2.3 Other Time Liabilities	10.8	11.0	9.3	9.4	9.1	9.2
3 Borrowing from Reserve Bank	–	–	0.4	0.4	0.4	0.4
4 Borrowings from a notified bank / Government	450.9	441.2	443.1	453.9	447.3	444.7
4.1 Demand	174.9	174.9	149.3	158.6	154.0	156.4
4.2 Time	276.0	266.2	293.8	295.3	293.3	288.3
5 Cash in Hand and Balances with Reserve Bank	40.5	38.4	41.2	41.9	42.2	40.4
5.1 Cash in Hand	2.4	2.3	2.2	2.1	2.3	2.1
5.2 Balance with Reserve Bank	38.1	36.1	39.0	39.8	39.9	38.3
6 Balances with Other Banks in Current Account	10.0	6.0	5.7	5.6	5.9	7.1
7 Investments in Government Securities	282.4	277.9	286.1	289.1	289.3	289.4
8 Money at Call and Short Notice	198.8	172.0	166.0	167.7	160.5	162.8
9 Bank Credit (10.1+11)	426.4	423.0	467.6	471.0	473.6	477.4
10 Advances.						
10.1 Loans, Cash-Credits and Overdrafts	426.4	423.0	467.5	471.0	473.5	477.4
10.2 Due from Banks	709.2	700.0	702.3	706.4	719.5	705.7
11 Bills Purchased and Discounted	0.1	0.1	–	–	–	–

Prices and Production

No. 18: Consumer Price Index (Base: 2012=100)

Group/Sub group	2015-16			Rural			Urban			Combined		
	Rural	Urban	Combined	May 15	Apr. 16	May 16	May 15	Apr. 16	May 16	May 15	Apr. 16	May 16
	1	2	3	4	5	6	7	8	9	10	11	12
1 Food and beverages	**129.2**	**129.8**	**129.4**	**124.4**	**131.8**	**133.7**	**126.1**	**131.8**	**134.6**	**125.0**	**131.8**	**134.0**
1.1 Cereals and products	125.3	123.9	124.9	123.5	127.4	127.6	123.8	124.9	125.0	123.6	126.6	126.8
1.2 Meat and fish	130.9	132.1	131.3	127.1	135.4	137.4	129.7	139.3	142.1	128.0	136.8	139.1
1.3 Egg	122.1	120.5	121.5	117.3	123.4	124.5	111.3	119.9	127.0	115.0	122.0	125.5
1.4 Milk and products	129.2	128.2	128.8	127.7	131.3	132.7	126.6	130.2	130.4	127.3	130.9	131.8
1.5 Oils and fats	115.7	107.6	112.7	112.5	118.2	118.3	105.2	108.9	109.6	109.8	114.8	115.1
1.6 Fruits	132.7	125.6	129.4	134.1	138.1	138.4	130.8	131.1	133.5	132.6	134.8	136.1
1.7 Vegetables	142.1	148.5	144.2	128.5	134.1	141.7	135.6	136.8	151.4	130.9	135.0	145.0
1.8 Pulses and products	146.4	166.1	153.0	124.3	162.7	166.1	142.6	176.9	182.8	130.5	167.5	171.7
1.9 Sugar and confectionery	96.0	91.7	94.5	97.6	105.0	107.4	90.8	109.1	111.1	95.3	106.4	108.6
1.10 Spices	125.9	134.7	128.8	120.7	131.4	132.3	128.8	140.4	141.5	123.4	134.4	135.4
1.11 Non-alcoholic beverages	122.3	119.2	121.0	120.2	125.4	126.0	117.7	121.1	121.5	119.2	123.6	124.1
1.12 Prepared meals, snacks, sweets	133.2	132.6	132.9	129.8	137.4	138.3	129.9	135.9	136.3	129.8	136.7	137.4
2 Pan, tobacco and intoxicants	**130.9**	**135.6**	**132.2**	**126.7**	**135.5**	**136.3**	**131.3**	**141.5**	**142.2**	**127.9**	**137.1**	**137.9**
3 Clothing and footwear	**130.2**	**123.5**	**127.5**	**126.8**	**134.4**	**134.8**	**121.6**	**125.8**	**126.2**	**124.7**	**131.0**	**131.4**
3.1 Clothing	130.7	124.3	128.2	127.3	135.0	135.5	122.4	126.8	127.2	125.4	131.8	132.2
3.2 Footwear	127.0	118.7	123.6	124.1	130.6	131.0	117.4	120.5	120.7	121.3	126.4	126.7
4 Housing	**--**	**121.7**	**121.7**	**--**	**--**	**--**	**119.6**	**125.6**	**126.0**	**119.6**	**125.6**	**126.0**
5 Fuel and light	**124.4**	**115.3**	**121.0**	**121.9**	**127.0**	**127.4**	**114.9**	**114.6**	**115.0**	**119.2**	**122.3**	**122.7**
6 Miscellaneous	**118.9**	**116.3**	**117.6**	**116.9**	**121.7**	**122.5**	**115.2**	**118.2**	**118.7**	**116.1**	**120.0**	**120.7**
6.1 Household goods and services	124.5	120.4	122.6	121.5	128.0	128.5	118.7	122.8	123.2	120.2	125.5	126.0
6.2 Health	121.9	117.3	120.1	119.4	125.2	125.7	114.9	120.0	120.3	117.7	123.2	123.7
6.3 Transport and communication	113.7	109.7	111.5	113.3	114.4	115.0	110.8	110.0	110.7	112.0	112.1	112.7
6.4 Recreation and amusement	119.6	117.4	118.4	116.7	123.2	123.5	116.0	119.5	119.8	116.3	121.1	121.4
6.5 Education	124.2	125.4	124.9	120.5	127.9	129.1	122.0	127.6	128.0	121.4	127.7	128.5
6.6 Personal care and effects	114.0	113.4	113.7	112.3	118.4	119.7	112.4	117.6	118.5	112.3	118.1	119.2
General Index (All Groups)	**126.1**	**123.0**	**124.7**	**122.4**	**129.0**	**130.3**	**120.7**	**125.3**	**126.6**	**121.6**	**127.3**	**128.6**

Source: Central Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.

No. 19: Other Consumer Price Indices

Item	Base Year	Linking Factor	2015-16	2015	2016	
				May	Apr.	May
	1	2	3	4	5	6
1 Consumer Price Index for Industrial Workers	2001	4.63	265	258	271	275
2 Consumer Price Index for Agricultural Labourers	1986-87	5.89	835	811	848	860
3 Consumer Price Index for Rural Labourers	1986-87	–	839	816	854	866

Source: Labour Bureau, Ministry of Labour and Employment, Government of India.

No. 20: Monthly Average Price of Gold and Silver in Mumbai

Item	2015-16	2015	2016	
		May	Apr.	May
	1	2	3	4
1 Standard Gold (₹ per 10 grams)	26,534	27,093	28,818	29,639
2 Silver (₹ per kilogram)	36,318	38,991	38,656	40,693

Source: Business Standard/Business Line/The Economic Times, Mumbai for Gold and Silver prices in Mumbai.

No. 21: Wholesale Price Index

(Base: 2004-05 = 100)

Commodities	Weight	2015-16	2015	2016		
			May	Mar.	Apr. (P)	May (P)
	1	2	3	4	5	6
1 ALL COMMODITIES	**100.000**	**176.7**	**178.0**	**175.3**	**177.0**	**179.4**
1.1 PRIMARY ARTICLES	**20.118**	**249.6**	**244.2**	**246.1**	**249.3**	**255.3**
1.1.1 Food articles	**14.337**	**262.1**	**251.3**	**259.5**	**263.8**	**271.1**
1.1.1.1 Food Grains	4.090	253.0	240.0	259.7	258.9	266.4
1.1.1.1.1 Cereals	3.373	235.2	230.5	241.3	237.4	241.1
1.1.1.1.2 Pulses	0.717	336.7	284.6	346.5	360.4	385.8
1.1.1.2 Fruits & Vegetables	3.843	254.0	238.8	226.2	241.8	257.1
1.1.1.2.1 Vegetables	1.736	268.5	224.8	212.4	221.9	253.9
1.1.1.2.2 Fruits	2.107	242.0	250.3	237.5	258.3	259.8
1.1.1.3 Milk	3.238	250.6	249.7	253.9	254.6	255.6
1.1.1.4 Eggs, Meat & Fish	2.414	288.0	277.9	300.8	300.5	305.0
1.1.1.5 Condiments & Spices	0.569	342.6	313.2	347.3	347.7	353.8
1.1.1.6 Other Food Articles	0.183	245.1	247.0	236.5	251.5	243.8
1.1.2 Non-Food Articles	**4.258**	**219.5**	**216.7**	**219.8**	**225.6**	**226.4**
1.1.2.1 Fibres	0.877	207.2	208.9	208.9	213.6	220.6
1.1.2.2 Oil Seeds	1.781	214.9	216.2	211.6	219.4	222.1
1.1.2.3 Other Non-Food Articles	1.386	233.8	230.0	239.2	242.8	241.0
1.1.2.4 Flowers	0.213	215.7	166.3	206.9	214.4	191.3
1.1.3 Minerals	**1.524**	**216.2**	**254.3**	**192.9**	**179.5**	**186.2**
1.1.3.1 Metallic Minerals	0.489	286.3	332.1	254.0	239.3	250.1
1.1.3.2 Other Minerals	0.135	203.8	211.8	195.4	197.5	195.9
1.1.3.3 Crude Petroleum	0.900	180.0	218.5	159.3	144.4	150.0
1.2 FUEL & POWER	**14.910**	**179.8**	**192.1**	**172.4**	**175.4**	**180.3**
1.2.1 Coal	2.094	189.9	189.9	189.9	189.9	189.9
1.2.2 Mineral Oils	9.364	179.5	200.4	168.5	173.3	181.1
1.2.3 Electricity	3.452	174.3	170.5	172.3	172.3	172.3
1.3 MANUFACTURED PRODUCTS	**64.972**	**153.4**	**154.3**	**154.1**	**155.0**	**155.7**
1.3.1 Food Products	**9.974**	**174.2**	**172.3**	**179.6**	**183.4**	**185.3**
1.3.1.1 Dairy Products	0.568	206.7	208.3	204.3	203.9	206.5
1.3.1.2 Canning, Preserving & Processing of Food	0.358	165.1	167.4	166.5	166.2	168.7
1.3.1.3 Grain Mill Products	1.340	178.7	173.2	183.3	183.5	183.5
1.3.1.4 Bakery Products	0.444	150.5	152.4	149.9	150.0	150.3
1.3.1.5 Sugar, Khandsari & Gur	2.089	167.1	165.5	183.0	192.7	198.1
1.3.1.6 Edible Oils	3.043	148.6	147.1	149.7	152.4	152.4
1.3.1.7 Oil Cakes	0.494	250.4	242.1	255.5	263.3	263.3
1.3.1.8 Tea & Coffee Proccessing	0.711	192.8	195.3	196.6	199.1	203.7
1.3.1.9 Manufacture of Salt	0.048	201.5	209.7	199.8	199.8	199.8
1.3.1.10 Other Food Products	0.879	207.9	203.4	216.5	220.4	222.6
1.3.2 Beverages, Tobacco & Tobacco Products	**1.762**	**206.5**	**205.9**	**211.8**	**216.2**	**219.0**
1.3.2.1 Wine Industries	0.385	137.5	136.1	145.1	145.1	145.2
1.3.2.2 Malt Liquor	0.153	181.3	180.3	186.4	185.0	194.8
1.3.2.3 Soft Drinks & Carbonated Water	0.241	167.7	168.0	170.4	170.9	183.4
1.3.2.4 Manufacture of Bidi, Cigarettes, Tobacco & Zarda	0.983	247.0	246.5	252.0	260.1	260.4
1.3.3 Textiles	**7.326**	**140.2**	**141.1**	**139.9**	**139.9**	**140.6**
1.3.3.1 Cotton Textiles	2.605	156.6	158.3	155.8	156.1	157.6
1.3.3.1.1 Cotton Yarn	1.377	166.2	169.2	164.6	165.2	167.2
1.3.3.1.2 Cotton Fabric	1.228	145.8	146.0	145.8	145.8	146.8
1.3.3.2 Man-Made Textiles	2.206	131.3	134.0	129.1	128.6	128.8
1.3.3.2.1 Man-Made Fibre	1.672	130.1	134.2	127.2	126.6	126.8
1.3.3.2.2 Man-Made Fabric	0.533	134.9	133.5	134.8	134.9	135.0
1.3.3.3 Woollen Textiles	0.294	153.3	161.1	151.6	151.6	151.6
1.3.3.4 Jute, Hemp & Mesta Textiles	0.261	219.2	200.2	238.1	239.0	241.4
1.3.3.5 Other Misc. Textiles	1.960	115.8	115.4	116.3	116.4	116.3
1.3.4 Wood & Wood Products	**0.587**	**195.7**	**196.5**	**197.0**	**198.0**	**197.0**
1.3.4.1 Timber/Wooden Planks	0.181	164.5	162.5	165.8	165.6	163.0
1.3.4.2 Processed Wood	0.128	193.9	192.5	195.3	195.3	195.3
1.3.4.3 Plywood & Fibre Board	0.241	227.3	231.7	228.0	231.0	230.6
1.3.4.4 Others	0.038	150.0	149.3	154.4	152.0	150.8

No. 21: Wholesale Price Index (Concld.)

(Base: 2004-05 = 100)

Commodities	Weight	2015-16	2015	2016		
			May	Mar.	Apr. (P)	May (P)
	1	2	3	4	5	6
1.3.5 Paper & Paper Products	**2.034**	**154.5**	**153.3**	**155.8**	**155.3**	**155.4**
1.3.5.1 Paper & Pulp	1.019	151.3	151.5	151.1	151.0	151.3
1.3.5.2 Manufacture of boards	0.550	135.6	134.4	136.5	133.9	134.0
1.3.5.3 Printing & Publishing	0.465	184.3	179.8	189.3	189.9	190.1
1.3.6 Leather & Leather Products	**0.835**	**144.9**	**144.1**	**145.8**	**145.7**	**145.7**
1.3.6.1 Leathers	0.223	116.1	118.1	115.7	114.7	114.5
1.3.6.2 Leather Footwear	0.409	160.6	159.4	161.5	161.7	161.9
1.3.6.3 Other Leather Products	0.203	144.9	141.7	147.4	147.4	147.4
1.3.7 Rubber & Plastic Products	**2.987**	**147.2**	**149.1**	**145.3**	**145.7**	**146.0**
1.3.7.1 Tyres & Tubes	0.541	176.8	177.0	176.1	176.5	177.2
1.3.7.1.1 Tyres	0.488	177.5	177.7	176.4	176.5	176.7
1.3.7.1.2 Tubes	0.053	170.6	170.6	173.3	176.8	182.0
1.3.7.2 Plastic Products	1.861	136.3	138.9	133.5	133.8	134.1
1.3.7.3 Rubber Products	0.584	154.6	155.9	154.3	155.2	155.1
1.3.8 Chemicals & Chemical Products	**12.018**	**150.5**	**151.3**	**149.6**	**149.9**	**150.1**
1.3.8.1 Basic Inorganic Chemicals	1.187	155.3	155.8	154.5	154.9	154.4
1.3.8.2 Basic Organic Chemicals	1.952	140.2	143.5	137.8	138.8	139.2
1.3.8.3 Fertilisers & Pesticides	3.145	155.0	153.6	155.9	155.9	156.0
1.3.8.3.1 Fertilisers	2.661	158.2	156.7	158.9	159.0	159.1
1.3.8.3.2 Pesticides	0.483	137.7	136.2	139.0	139.0	139.2
1.3.8.4 Paints, Varnishes & Lacquers	0.529	152.2	152.4	152.0	151.5	151.5
1.3.8.5 Dyestuffs & Indigo	0.563	141.9	141.7	142.0	142.6	142.9
1.3.8.6 Drugs & Medicines	0.456	129.6	130.2	128.6	128.6	128.7
1.3.8.7 Perfumes, Cosmetics, Toiletries etc.	1.130	163.2	162.9	163.2	163.9	163.8
1.3.8.8 Turpentine, Plastic Chemicals	0.586	154.1	154.1	153.7	153.6	153.3
1.3.8.9 Polymers including Synthetic Rubber	0.970	146.0	147.6	144.4	144.8	145.0
1.3.8.10 Petrochemical Intermediates	0.869	150.1	156.4	144.0	144.7	145.4
1.3.8.11 Matches, Explosives & other Chemicals	0.629	153.9	154.7	152.6	153.0	153.0
1.3.9 Non-Metallic Mineral Products	**2.556**	**177.3**	**176.1**	**178.4**	**179.3**	**178.7**
1.3.9.1 Structural Clay Products	0.658	198.4	196.4	198.5	198.9	200.0
1.3.9.2 Glass, Earthenware, Chinaware & their Products	0.256	141.5	140.4	142.7	142.6	142.9
1.3.9.3 Cement & Lime	1.386	173.6	172.3	175.7	176.9	175.4
1.3.9.4 Cement, Slate & Graphite Products	0.256	179.2	179.6	177.0	178.5	177.4
1.3.10 Basic Metals, Alloys & Metal Products	**10.748**	**154.6**	**160.2**	**153.4**	**153.9**	**154.9**
1.3.10.1 Ferrous Metals	8.064	141.7	148.4	139.3	140.0	141.2
1.3.10.1.1 Iron & Semis	1.563	139.4	147.8	136.3	137.0	138.2
1.3.10.1.2 Steel: Long	1.630	148.8	156.7	146.9	147.6	149.4
1.3.10.1.3 Steel: Flat	2.611	132.5	140.6	130.8	131.6	133.8
1.3.10.1.4 Steel: Pipes & Tubes	0.314	127.8	132.3	123.8	124.1	125.8
1.3.10.1.5 Stainless Steel & alloys	0.938	160.6	163.8	157.6	158.1	157.0
1.3.10.1.6 Castings & Forgings	0.871	144.0	145.9	140.2	140.8	139.8
1.3.10.1.7 Ferro alloys	0.137	149.8	150.9	148.2	149.5	152.4
1.3.10.2 Non-Ferrous Metals	1.004	164.2	166.7	163.1	163.0	163.5
1.3.10.2.1 Aluminium	0.489	137.3	141.7	135.1	135.0	136.0
1.3.10.2.2 Other Non-Ferrous Metals	0.515	189.7	190.6	189.7	189.6	189.5
1.3.10.3 Metal Products	1.680	210.4	212.8	215.8	215.5	215.8
1.3.11 Machinery & Machine Tools	**8.931**	**135.0**	**135.0**	**135.1**	**135.0**	**135.5**
1.3.11.1 Agricultural Machinery & Implements	0.139	149.1	149.5	149.3	149.0	149.6
1.3.11.2 Industrial Machinery	1.838	153.5	153.1	153.5	153.4	154.0
1.3.11.3 Construction Machinery	0.045	141.5	141.5	141.5	141.5	141.5
1.3.11.4 Machine Tools	0.367	167.6	165.8	175.8	175.8	175.8
1.3.11.5 Air Conditioner & Refrigerators	0.429	120.8	120.7	121.2	121.2	121.2
1.3.11.6 Non-Electrical Machinery	1.026	127.6	127.6	128.0	127.6	128.4
1.3.11.7 Electrical Machinery, Equipment & Batteries	2.343	138.2	137.9	138.0	138.1	139.2
1.3.11.8 Electrical Accessories, Wires, Cables etc.	1.063	155.5	157.4	152.9	153.2	152.6
1.3.11.9 Electrical Apparatus & Appliances	0.337	121.8	121.7	122.0	121.8	123.8
1.3.11.10 Electronics Items	0.961	89.2	89.3	89.5	89.4	89.4
1.3.11.11 IT Hardware	0.267	91.7	91.7	91.7	91.7	91.7
1.3.11.12 Communication Equipments	0.118	99.0	98.5	99.6	98.5	98.1
1.3.12 Transport, Equipment & Parts	**5.213**	**138.1**	**137.7**	**139.0**	**139.1**	**139.3**
1.3.12.1 Automotives	4.231	137.1	136.6	138.3	138.4	138.6
1.3.12.2 Auto Parts	0.804	140.3	140.4	140.1	140.2	140.1
1.3.12.3 Other Transport Equipments	0.178	151.0	152.6	150.4	150.4	150.9

Source: Office of the Economic Adviser, Ministry of Commerce and Industry, Government of India.

No. 22: Index of Industrial Production (Base:2004-05=100)

Industry	Weight	2014-15	2015-16	April-April		April	
				2015-16	2016-17	2015	2016
	1	2	3	4	5	6	7
General Index	**100.00**	**176.9**	**181.1**	**177.9**	**176.4**	**177.9**	**176.4**
1 Sectoral Classification							
1.1 Mining and Quarrying	14.16	126.5	129.3	121.9	123.6	121.9	123.6
1.2 Manufacturing	75.53	186.1	189.8	188.5	182.6	188.5	182.6
1.3 Electricity	10.32	178.6	188.7	177.2	203.0	177.2	203.0
2 Use-Based Classification							
2.1 Basic Goods	45.68	167.8	173.8	167.3	175.4	167.3	175.4
2.2 Capital Goods	8.83	258.0	250.5	248.0	186.3	248.0	186.3
2.3 Intermediate Goods	15.69	153.8	157.7	153.2	158.8	153.2	158.8
2.4 Consumer Goods	29.81	178.9	184.3	186.5	184.2	186.5	184.2
2.4.1 Consumer Durables	8.46	231.0	257.0	258.7	289.3	258.7	289.3
2.4.2 Consumer Non-Durables	21.35	158.3	155.5	157.9	142.6	157.9	142.6

Source : Central Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.

Government Accounts and Treasury Bills

No. 23: Union Government Accounts at a Glance

(Amount in ₹ Billion)

Item	Financial Year	April–May			
	2016-17 (Budget Estimates)	2016-17 (Actuals)	2015-16 (Actuals)	Percentage to Budget Estimates	
				2016-17	2015-16
	1	2	3	4	5
1 Revenue Receipts	13,770.2	656.9	523.6	4.8	4.6
1.1 Tax Revenue (Net)	10,541.0	496.9	198.9	4.7	2.2
1.2 Non-Tax Revenue	3,229.2	160.0	324.7	5.0	14.6
2 Capital Receipts	6,010.4	2,323.6	2,104.7	38.7	33.1
2.1 Recovery of Loans	106.3	3.9	2.4	3.7	2.2
2.2 Other Receipts	565.0	29.8	16.1	5.3	2.3
2.3 Borrowings and Other Liabilities	5,339.0	2,289.9	2,086.2	42.9	37.5
3 Total Receipts (1+2)	**19,780.6**	**2,980.5**	**2,628.3**	**15.1**	**14.8**
4 Non-Plan Expenditure	14,280.5	2,074.8	2,007.3	14.5	15.3
4.1 On Revenue Account	13,274.1	1,902.1	1,813.6	14.3	15.0
4.1.1 Interest Payments	4,926.7	547.1	484.5	11.1	10.6
4.2 On Capital Account	1,006.4	172.7	193.7	17.2	18.2
5 Plan Expenditure	5,500.1	905.7	621.1	16.5	13.3
5.1 On Revenue Account	4,036.3	746.1	437.3	18.5	13.3
5.2 On Capital Account	1,463.8	159.6	183.8	10.9	13.6
6 Total Expenditure (4+5)	**19,780.6**	**2,980.5**	**2,628.3**	**15.1**	**14.8**
7 Revenue Expenditure (4.1+5.1)	17,310.4	2,648.2	2,250.9	15.3	14.7
8 Capital Expenditure (4.2+5.2)	2,470.2	332.3	377.4	13.5	15.6
9 Revenue Deficit (7-1)	**3,540.1**	**1,991.2**	**1,727.3**	**56.2**	**43.8**
10 Fiscal Deficit {6-(1+2.1+2.2)}	**5,339.0**	**2,289.9**	**2,086.2**	**42.9**	**37.5**
11 Gross Primary Deficit [10-4.1.1]	**412.3**	**1,742.7**	**1,601.8**	**422.6**	**161.0**

Source: Controller General of Accounts, Ministry of Finance, Government of India.

No. 24: Treasury Bills – Ownership Pattern

(₹ Billion)

Item	2015-16	2015	2016					
		May 29	Apr. 22	Apr. 29	May 6	May 13	May 20	May 27
	1	2	3	4	5	6	7	8
1 91-day								
1.1 Banks	436.1	437.3	477.1	471.1	496.5	463.7	452.1	473.3
1.2 Primary Dealers	219.0	376.1	315.4	345.9	366.5	336.9	346.9	343.8
1.3 State Governments	453.0	525.3	392.1	452.1	482.1	407.9	450.9	490.9
1.4 Others	362.4	318.2	227.4	297.6	261.7	334.4	348.3	420.3
2 182-day								
2.1 Banks	186.5	270.0	244.2	243.6	240.5	250.8	249.7	241.1
2.2 Primary Dealers	412.7	345.8	338.1	347.4	347.3	341.9	364.2	346.9
2.3 State Governments	50.0	7.1	55.7	55.7	55.7	55.7	55.7	55.7
2.4 Others	62.9	145.1	136.9	128.1	131.6	126.5	105.2	130.7
3 364-day								
3.1 Banks	442.8	362.9	429.7	426.4	451.3	490.3	483.6	459.4
3.2 Primary Dealers	662.6	591.3	647.8	650.6	662.1	647.8	681.8	670.1
3.3 State Governments	19.6	12.0	19.6	19.6	19.6	19.6	19.6	19.6
3.4 Others	354.9	465.5	382.5	383.1	346.7	382.0	354.7	390.5
4 14-day Intermediate								
4.1 Banks	–	–	–	–	–	–	–	–
4.2 Primary Dealers	–	–	–	–	–	–	–	–
4.3 State Governments	1,224.9	782.7	1,136.5	1,071.4	1,059.8	1,021.3	1,012.6	1,040.1
4.4 Others	10.1	7.7	14.8	7.8	7.1	6.3	5.6	11.0
Total Treasury Bills (Excluding 14 day Intermediate T Bills) #	3,662.4	3,856.7	3,666.6	3,821.4	3,861.4	3,857.6	3,912.7	4,042.3

14D intermediate T-Bills are non-marketable unlike 91D, 182D and 364D T-Bills. These bills are 'intermediate' by nature as these are liquidated to replenish shortfall in the daily minimum cash balances of State Governments

No. 25: Auctions of Treasury Bills

(Amount in ₹ Billion)

Date of Auction	Notified Amount	Bids Received			Bids Accepted			Total Issue (6+7)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)
		Number	Total Face Value		Number	Total Face Value				
			Competitive	Non-Competitive		Competitive	Non-Competitive			
	1	2	3	4	5	6	7	8	9	10
91-day Treasury Bills										
2016-17										
Apr. 27	90	80	369.07	65.00	49	90.00	65.00	155.00	98.33	6.8121
May 4	90	78	442.08	51.10	62	90.00	51.10	141.10	98.32	6.8536
May 11	90	69	445.48	16.10	52	90.00	16.10	106.10	98.32	6.8536
May 18	90	84	778.52	66.11	61	90.00	66.11	156.11	98.32	6.8536
May 25	90	82	502.13	40.00	63	90.00	40.00	130.00	98.32	6.8536
182-day Treasury Bills										
2016-17										
Apr. 20	60	61	188.67	–	35	60.00	–	60.00	96.67	6.9083
May 4	60	50	171.46	0.10	24	60.00	0.10	60.10	96.66	6.9298
May 18	60	70	174.11	0.10	43	60.00	0.10	60.10	96.65	6.9513
364-day Treasury Bills										
2016-17										
Apr. 12	60	53	151.91	–	29	60.00	–	60.00	93.56	6.9022
Apr. 27	60	70	205.41	0.02	29	60.00	0.02	60.02	93.55	6.9137
May 11	60	69	216.20	–	30	60.00	–	60.00	93.52	6.9480
May 25	60	67	166.26	–	30	60.00	–	60.00	93.51	6.9595

Financial Markets

No. 26: Daily Call Money Rates

(Per cent per annum)

As on	Range of Rates	Weighted Average Rates
	Borrowings/ Lendings	Borrowings/ Lendings
	1	2
May 2, 2016	5.00-6.75	6.47
May 3, 2016	5.50-6.85	6.40
May 4, 2016	5.00-6.70	6.40
May 5, 2016	5.40-6.70	6.34
May 6, 2016	4.50-6.75	6.37
May 7, 2016	4.50-6.75	6.41
May 9, 2016	5.50-6.85	6.55
May 10, 2016	5.50-6.75	6.53
May 11, 2016	5.40-6.80	6.56
May 12, 2016	4.50-6.80	6.47
May 13, 2016	4.75-6.75	6.47
May 16, 2016	4.00-6.70	6.41
May 17, 2016	5.50-6.70	6.44
May 18, 2016	4.50-6.65	6.41
May 19, 2016	4.00-6.90	6.53
May 20, 2016	5.40-6.65	6.38
May 23, 2016	5.40-6.75	6.47
May 24, 2016	5.40-6.85	6.48
May 25, 2016	5.40-6.70	6.49
May 26, 2016	5.40-6.60	6.33
May 27, 2016	4.00-6.60	6.39
May 30, 2016	5.40-6.60	6.38
May 31, 2016	5.00-6.60	6.41
June 1, 2016	5.40-6.60	6.31
June 2, 2016	5.40-6.45	6.28
June 3, 2016	5.30-6.60	6.26
June 4, 2016	4.75-6.50	5.68
June 6, 2016	5.40-6.60	6.31
June 7, 2016	5.40-6.95	6.42
June 8, 2016	5.40-6.75	6.47
June 9, 2016	5.40-6.70	6.42
June 10, 2016	4.00-6.40	6.15
June 13, 2016	5.40-6.60	6.38
June 14, 2016	5.40-6.60	6.36
June 15, 2016	5.40-6.70	6.37

Note: Includes Notice Money.

No. 27: Certificates of Deposit

Item	2015	2016			
	May 29	Apr. 15	Apr. 29	May 13	May 27
	1	2	3	4	5
1 Amount Outstanding (₹ Billion)	2,556.7	2,383.2	2,541.3	2,516.4	2,305.0
1.1 Issued during the fortnight (₹ Billion)	226.7	142.3	206.6	77.8	93.2
2 Rate of Interest (per cent)	7.91-8.50	7.06-8.03	7.10-7.80	7.30-7.62	7.12-7.66

No. 28: Commercial Paper

Item	2015	2016			
	May 31	Apr. 15	Apr. 30	May 15	May 31
	1	2	3	4	5
1 Amount Outstanding (₹ Billion)	2,986.7	3,406.2	3,356.8	3,774.7	3,632.0
1.1 Reported during the fortnight (₹ Billion)	683.9	918.1	564.6	1,032.9	911.1
2 Rate of Interest (per cent)	7.79-12.11	6.84-11.22	6.88-13.23	7.08-13.29	6.77-12.75

No. 29: Average Daily Turnover in Select Financial Markets

(₹ Billion)

Item	2015-16	2015	2016					
		May 29	Apr. 22	Apr. 29	May 6	May 13	May 20	May 27
	1	2	3	4	5	6	7	8
1 Call Money	221.1	179.9	373.7	317.3	213.9	290.1	260.0	314.5
2 Notice Money	49.3	54.5	7.3	110.4	57.4	2.1	1.7	1.9
3 Term Money	4.9	2.6	12.3	8.8	10.1	10.2	9.8	9.0
4 CBLO	1,287.6	1,120.6	1,225.0	1,386.8	1,197.5	1,105.6	1,670.3	1,470.3
5 Market Repo	1,245.0	1,155.6	1,261.5	1,702.8	1,399.9	1,588.9	1,495.3	1,768.6
6 Repo in Corporate Bond	1.2	0.8	7.9	0.8	0.5	0.4	–	0.9
7 Forex (US $ million)	55,332	54,921	74,575	68,409	58,759	51,945	57,873	58,309
8 Govt. of India Dated Securities	712.8	716.6	999.3	1,034.0	918.3	707.5	707.4	659.8
9 State Govt. Securities	27.5	14.2	44.1	25.5	35.0	36.8	22.9	39.7
10 Treasury Bills								
10.1 91-Day	40.8	37.0	23.1	38.0	19.5	35.6	40.8	28.2
10.2 182-Day	11.8	10.0	29.5	13.5	5.2	9.4	14.0	4.4
10.3 364-Day	19	12.8	15.2	30.3	17.4	14.2	4.8	13.1
10.4 Cash Management Bills		–	–	–	–	–	–	–
11 Total Govt. Securities (8+9+10)	811.9	790.6	1,111.1	1,141.5	995.4	803.5	789.9	745.2
11.1 RBI	4.5	1.8	10.1	30.3	1.3	20.3	1.1	31.8

No. 30: New Capital Issues By Non-Government Public Limited Companies

(Amount in ₹ Billion)

Security & Type of Issue	2015-16		2015-16 (Apr.-May)		2016-17 (Apr.-May) *		May 2015		May 2016 *	
	No. of Issues	Amount	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	10
1 Equity Shares	**87**	**240.0**	**7**	**93.8**	**10**	**44.2**	**2**	**4.9**	**5**	**8.5**
1A Premium	78	225.7	7	92.5	9	41.0	2	4.8	5	7.9
1.1 Prospectus	73	142.5	5	18.8	9	43.4	2	4.9	4	7.7
1.1.1 Premium	65	134.2	5	17.8	8	40.3	2	4.8	4	7.2
1.2 Rights	14	97.5	2	75.0	1	0.8	–	–	1	0.8
1.2.1 Premium	13	91.4	2	74.6	1	0.7	–	–	1	0.7
2 Preference Shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 Prospectus	–	–	–	–	–	–	–	–	–	–
2.2 Rights	–	–	–	–	–	–	–	–	–	–
3 Debentures	**9**	**27.1**	**1**	**4.1**	**4**	**19.0**	**–**	**–**	**2**	**12.3**
3.1 Convertible	–	–	–	–	–	–	–	–	–	–
3.1.1 Prospectus	–	–	–	–	–	–	–	–	–	–
3.1.2 Rights	–	–	–	–	–	–	–	–	–	–
3.2 Non-Convertible	9	27.1	1	4.1	4	19.0	–	–	2	12.3
3.2.1 Prospectus	9	27.1	1	4.1	4	19.0	–	–	2	12.3
3.2.2 Rights	–	–	–	–	–	–	–	–	–	–
4 Bonds	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
4.1 Prospectus	–	–	–	–	–	–	–	–	–	–
4.2 Rights	–	–	–	–	–	–	–	–	–	–
5 Total (1+2+3+4)	**96**	**267.2**	**8**	**97.9**	**14**	**63.2**	**2**	**4.9**	**7**	**20.8**
5.1 Prospectus	82	169.7	6	22.9	13	62.4	2	4.9	6	20.1
5.2 Rights	14	97.5	2	75.0	1	0.8	–	–	1	0.8

* : Data is Provisional

Source: Based on prospectus/advertisements issued by companies, replies to Reserve Bank's questionnaire and information received from SEBI, stock exchanges, press reports, etc.

External Sector

No. 31: Foreign Trade

Item	Unit	2015-16	2015	2016				
			May	Jan.	Feb.	Mar.	Apr.	May
		1	2	3	4	5	6	7
1 Exports	₹ Billion	17,144.2	1,425.7	1,419.1	1,419.8	1,527.7	1,372.4	1,483.4
	US $ Million	262,003.7	22,346.8	21,101.2	20,806.6	22,793.4	20,647.8	22,170.6
1.1 Oil	₹ Billion	1,985.8	154.9	137.1	131.5	145.5	132.5	137.2
	US $ Million	30,423.5	2,427.8	2,038.8	1,926.7	2,171.1	1,992.9	2,050.7
1.2 Non-oil	₹ Billion	15,158.5	1,270.8	1,282.0	1,288.3	1,382.1	1,240.0	1,346.2
	US $ Million	231,580.2	19,919.0	19,062.4	18,879.9	20,622.3	18,654.9	20,120.0
2 Imports	₹ Billion	24,859.3	2,089.7	1,934.4	1,860.9	1,809.3	1,689.2	1,903.1
	US $ Million	380,356.3	32,753.0	28,763.8	27,271.4	26,995.5	25,413.7	28,443.5
2.1 Oil	₹ Billion	5,400.7	544.8	339.0	325.8	321.7	375.9	397.3
	US $ Million	82,879.9	8,538.7	5,040.0	4,774.8	4,799.9	5,655.9	5,938.6
2.2 Non-oil	₹ Billion	19,458.6	1,544.9	1,595.5	1,535.1	1,487.6	1,313.3	1,505.7
	US $ Million	297,476.4	24,214.3	23,723.8	22,496.6	22,195.6	19,757.8	22,504.9
3 Trade Balance	₹ Billion	–7,715.0	–663.9	–515.3	–441.1	–281.6	–316.8	–419.7
	US $ Million	–118,352.6	–10,406.2	–7,662.6	–6,464.8	–4,202.1	–4,765.9	–6,272.9
3.1 Oil	₹ Billion	–3,414.9	–389.9	–201.8	–194.3	–176.2	–243.5	–260.1
	US $ Million	–52,456.4	–6,110.9	–3,001.2	–2,848.1	–2,628.8	–3,663.0	–3,887.9
3.2 Non-oil	₹ Billion	–4,300.1	–274.0	–313.5	–246.8	–105.4	–73.3	–159.6
	US $ Million	–65,896.2	–4,295.3	–4,661.3	–3,616.7	–1,573.3	–1,102.8	–2,385.0

Source: DGCI&S and Ministry of Commerce & Industry.

No. 32: Foreign Exchange Reserves

Item	Unit	2015	2016					
		Jun. 26	May 20	May 27	Jun. 3	Jun. 10	Jun. 17	Jun. 24
		1	2	3	4	5	6	7
1 Total Reserves	**₹ Billion**	**22,563**	**24,178**	**24,021**	**24,311**	**24,154**	**24,312**	**24,375**
	US $ Million	**355,222**	**360,905**	**360,194**	**363,465**	**363,234**	**363,826**	**360,798**
1.1 Foreign Currency Assets	₹ Billion	20,988	22,580	22,425	22,682	22,526	22,683	22,745
	US $ Million	330,501	336,939	336,227	339,222	338,979	339,574	336,580
1.2 Gold	₹ Billion	1,233	1,333	1,333	1,366	1,366	1,366	1,366
	US $ Million	19,340	20,043	20,043	20,329	20,329	20,329	20,329
1.3 SDRs	SDRs Million	2,889	1,066	1,066	1,066	1,066	1,066	1,066
	₹ Billion	258	101	101	101	101	101	101
	US $ Million	4,064	1,498	1,498	1,495	1,504	1,503	1,490
1.4 Reserve Tranche Position in IMF	₹ Billion	84	164	163	163	162	163	163
	US $ Million	1,317	2,425	2,425	2,419	2,421	2,420	2,399

No. 33: NRI Deposits

(US$ Million)

Scheme	Outstanding				Flows	
	2015-16	2015	2016		2015-16	2016-17
		May	Apr.	May	Apr.-May	Apr.-May
	1	2	3	4	5	6
1 NRI Deposits	**126,929**	**118,469**	**127,079**	**126,671**	**4,652**	**632**
1.1 FCNR(B)	45,316	44,149	45,468	45,295	1,325	–21
1.2 NR(E)RA	71,468	64,775	71,548	71,348	3,199	660
1.3 NRO	10,145	9,546	10,063	10,028	128	–7

No. 34: Foreign Investment Inflows

(US$ Million)

Item	2015-16	2015-16	2016-17	2015	2016	
		Apr.-May	Apr.-May	May	Apr.	May
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1–1.1.2)	**36,021**	**7,824**	**3,565**	**4,060**	**2,017**	**1,547**
1.1.1 Direct Investment to India (1.1.1.1–1. 1.1.2)	**44,907**	**8,748**	**6,195**	**4,497**	**3,900**	**2,294**
1.1.1.1 Gross Inflows/Gross Investments	**55,559**	**10,535**	**7,456**	**5,390**	**4,531**	**2,925**
1.1.1.1.1 Equity	41,112	7,606	5,496	3,926	3,437	2,059
1.1.1.1.1.1 Government (SIA/FIPB)	3,574	581	582	503	453	129
1.1.1.1.1.2 RBI	32,494	6,404	2,185	3,179	1,154	1,031
1.1.1.1.1.3 Acquisition of shares	3,933	470	2,578	168	1,755	823
1.1.1.1.1.4 Equity capital of unincorporated bodies	1,111	151	151	76	76	76
1.1.1.1.2 Reinvested earnings	10,413	1,543	1,543	772	772	772
1.1.1.1.3 Other capital	4,034	1,386	417	693	322	95
1.1.1.2 Repatriation/Disinvestment	**10,652**	**1,787**	**1,262**	**893**	**631**	**631**
1.1.1.2.1 Equity	10,524	1,745	1,247	872	623	623
1.1.1.2.2 Other capital	128	42	15	21	8	8
1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3–1.1.2.4)	**8,886**	**924**	**2,630**	**437**	**1,883**	**747**
1.1.2.1 Equity capital	6,486	713	1,752	393	1,398	354
1.1.2.2 Reinvested Earnings	3,337	556	556	278	278	278
1.1.2.3 Other Capital	3,382	535	692	206	392	300
1.1.2.4 Repatriation/Disinvestment	4,320	880	370	440	185	185
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3–1.2.4)	**–4,130**	**2,393**	**2,507**	**–1,907**	**2,012**	**494**
1.2.1 GDRs/ADRs	373	273	–	–	–	–
1.2.2 FIIs	–4,016	2,008	749	–1,962	1,133	–385
1.2.3 Offshore funds and others	–	–	–	–	–	–
1.2.4 Portfolio investment by India	487	–111	–1,758	–56	–879	–879
1 Foreign Investment Inflows	**31,891**	**10,217**	**6,071**	**2,153**	**4,029**	**2,042**

No. 35: Outward Remittances under the Liberalised Remittance Scheme (LRS) for Resident Individuals

(US$ Million)

Item	2015-16	2015	2016		
		May	Mar.	Apr.	May
	1	2	3	4	5
1 Outward Remittances under the LRS	**4,642.6**	**106.0**	**635.2**	**632.2**	**628.3**
1.1 Deposit	109.9	5.1	17.7	18.6	13.1
1.2 Purchase of immovable property	90.8	6.5	13.2	11.7	9.1
1.3 Investment in equity/debt	317.9	18.3	72.3	29.2	25.8
1.4 Gift	533.0	35.5	60.2	70.5	62.4
1.5 Donations	3.9	0.6	0.5	0.5	0.3
1.6 Travel	651.4	1.0	117.4	182.0	229.1
1.7 Maintenance of close relatives	1,372.1	14.3	208.2	202.3	175.1
1.8 Medical Treatment	17.2	0.4	2.0	1.5	1.2
1.9 Studies Abroad	1,200.0	12.5	117.1	68.3	90.4
1.10 Others	346.4	11.8	26.7	47.6	21.7

No. 36: Indices of Real Effective Exchange Rate (REER) and Nominal Effective Exchange Rate (NEER) of the Indian Rupee

Item	2014-15	2015-16	2015	2016	
			June	May	June
	1	2	3	4	5
36-Currency Export and Trade Based Weights (Base: 2004-05=100)					
1 Trade-Based Weights					
1.1 NEER	74.07	74.75	74.87	73.51	73.32
1.2 REER	108.96	112.07	111.32	110.97	110.68
2 Export-Based Weights					
2.1 NEER	75.22	76.45	76.70	75.07	74.79
2.2 REER	111.25	114.44	113.87	113.34	112.92
6-Currency Trade Based Weights					
1 Base: 2004-05 (April-March) =100					
1.1 NEER	68.60	67.86	68.78	66.08	65.95
1.2 REER	119.92	123.57	123.52	123.88	123.65
2 Base: 2014-15 (April-March) =100					
2.1 NEER	100.00	98.93	100.27	96.33	96.14
2.2 REER	100.00	103.05	103.00	103.31	103.11

No. 37: External Commercial Borrowings (ECBs) – Registrations

(Amount in US$ Million)

Item	2015-16	2015	2016	
		May	Apr.	May
	1	2	3	4
1 Automatic Route				
1.1 Number	671	51	45	50
1.2 Amount	13,412	2,305	303	473
2 Approval Route				
2.1 Number	46	2	1	6
2.2 Amount	10,961	90	2	845
3 Total (1+2)				
3.1 Number	717	53	46	56
3.2 Amount	24,373	2,395	305	1,318
4 Weighted Average Maturity (in years)	6.20	6.47	5.60	5.20
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over 6-month LIBOR or reference rate for Floating Rate Loans	1.45	1.44	2.27	1.67
5.2 Interest rate range for Fixed Rate Loans	0.00-13.00	0.00-10.00	0.00-13.20	1.00-14.00

No. 38: India's Overall Balance of Payments

(US $ Million)

Item	Jan-Mar 2015 (PR)			Jan-Mar 2016 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**284,463**	**254,314**	**30,149**	**252,123**	**248,848**	**3,274**
1 CURRENT ACCOUNT (1.1+ 1.2)	**134,244**	**134,951**	**–707**	**124,652**	**124,990**	**–338**
1.1 MERCHANDISE	**71,818**	**103,379**	**–31,560**	**65,831**	**90,586**	**–24,755**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**62,426**	**31,573**	**30,854**	**58,821**	**34,404**	**24,417**
1.2.1 Services	41,380	21,344	20,036	39,413	23,336	16,077
1.2.1.1 Travel	5,648	3,626	2,023	5,904	3,580	2,324
1.2.1.2 Transportation	3,865	4,011	–145	3,550	3,666	–115
1.2.1.3 Insurance	503	239	263	520	249	271
1.2.1.4 G.n.i.e.	115	237	–122	133	230	–97
1.2.1.5 Miscellaneous	31,248	13,231	18,017	29,306	15,611	13,695
1.2.1.5.1 Software Services	17,995	613	17,382	18,064	736	17,328
1.2.1.5.2 Business Services	7,072	7,379	–307	7,291	8,664	–1,373
1.2.1.5.3 Financial Services	1,383	577	805	983	596	387
1.2.1.5.4 Communication Services	518	184	334	601	344	257
1.2.2 Transfers	17,534	1,110	16,425	15,729	768	14,961
1.2.2.1 Official	44	219	–175	41	225	–185
1.2.2.2 Private	17,490	891	16,600	15,689	542	15,146
1.2.3 Income	3,512	9,119	–5,607	3,679	10,300	–6,621
1.2.3.1 Investment Income	2,593	8,444	–5,851	2,839	9,749	–6,910
1.2.3.2 Compensation of Employees	919	675	245	839	551	288
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**149,447**	**119,363**	**30,085**	**127,313**	**123,858**	**3,455**
2.1 Foreign Investment (2.1.1+2.1.2)	**84,592**	**61,599**	**22,993**	**66,942**	**59,683**	**7,259**
2.1.1 Foreign Direct Investment	15,850	6,580	9,271	16,114	7,318	8,797
2.1.1.1 In India	14,134	3,646	10,487	14,752	3,367	11,384
2.1.1.1.1 Equity	10,153	3,574	6,579	10,895	3,343	7,553
2.1.1.1.2 Reinvested Earnings	2,735	–	2,735	3,098	–	3,098
2.1.1.1.3 Other Capital	1,246	72	1,174	758	25	733
2.1.1.2 Abroad	1,717	2,933	–1,217	1,363	3,950	–2,588
2.1.1.2.1 Equity	1,717	1,195	522	1,363	2,367	–1,004
2.1.1.2.2 Reinvested Earnings	–	834	–834	–	834	–834
2.1.1.2.3 Other Capital	–	904	–904	–	749	–749
2.1.2 Portfolio Investment	68,741	55,019	13,723	50,828	52,366	–1,538
2.1.2.1 In India	68,543	54,837	13,706	50,540	51,327	–787
2.1.2.1.1 FIIs	67,272	54,837	12,436	50,540	51,327	–787
2.1.2.1.1.1 Equity	53,992	48,344	5,648	40,988	40,805	183
2.1.2.1.1.2 Debt	13,280	6,493	6,788	9,552	10,522	–970
2.1.2.1.2 ADR/GDRs	1,271	–	1,271	–	–	–
2.1.2.2 Abroad	198	182	16	288	1,038	–751
2.2 Loans (2.2.1+2.2.2+2.2.3)	**34,399**	**30,109**	**4,290**	**32,714**	**31,444**	**1,270**
2.2.1 External Assistance	1,802	1,036	766	2,134	1,147	987
2.2.1.1 By India	15	97	–82	15	126	–111
2.2.1.2 To India	1,787	939	848	2,119	1,021	1,098
2.2.2 Commercial Borrowings	6,976	6,057	919	7,025	9,381	–2,356
2.2.2.1 By India	388	51	337	1,926	1,646	280
2.2.2.2 To India	6,588	6,006	582	5,099	7,735	–2,636
2.2.3 Short Term to India	25,621	23,016	2,605	23,556	20,917	2,639
2.2.3.1 Suppliers' Credit > 180 days & Buyers' Credit	25,621	22,406	3,215	22,505	20,917	1,588
2.2.3.2 Suppliers' Credit up to 180 days	–	610	–610	1,051	–	1,051
2.3 Banking Capital (2.3.1+2.3.2)	**22,999**	**21,340**	**1,659**	**18,939**	**27,941**	**–9,002**
2.3.1 Commercial Banks	21,810	21,340	470	18,904	27,941	–9,036
2.3.1.1 Assets	146	6,752	–6,606	3,001	12,954	–9,952
2.3.1.2 Liabilities	21,665	14,588	7,077	15,903	14,987	916
2.3.1.2.1 Non-Resident Deposits	16,866	12,866	4,000	15,052	10,664	4,388
2.3.2 Others	1,189	–	1,189	34	–	34
2.4 Rupee Debt Service	–	23	–23	–	22	–22
2.5 Other Capital	7,457	6,292	1,165	8,718	4,767	3,951
3 Errors & Omissions	**771**	**–**	**771**	**158**	**–**	**158**
4 Monetary Movements (4.1+ 4.2)	–	**30,149**	**–30,149**	–	**3,274**	**–3,274**
4.1 I.M.F.	–	–	–	–	–	–
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	–	30,149	–30,149	–	3,274	–3,274

No. 39: India's Overall Balance of Payments

(₹ Billion)

Item	Jan-Mar 2015 (PR)			Jan-Mar 2016 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**17,704**	**15,828**	**1,876**	**17,019**	**16,798**	**221**
1 CURRENT ACCOUNT (1.1+ 1.2)	**8,355**	**8,399**	**–44**	**8,414**	**8,437**	**–23**
1.1 MERCHANDISE	**4,470**	**6,434**	**–1,964**	**4,444**	**6,115**	**–1,671**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**3,885**	**1,965**	**1,920**	**3,971**	**2,322**	**1,648**
1.2.1 Services	2,575	1,328	1,247	2,661	1,575	1,085
1.2.1.1 Travel	352	226	126	399	242	157
1.2.1.2 Transportation	241	250	–9	240	247	–8
1.2.1.3 Insurance	31	15	16	35	17	18
1.2.1.4 G.n.i.e.	7	15	–8	9	16	–7
1.2.1.5 Miscellaneous	1,945	823	1,121	1,978	1,054	924
1.2.1.5.1 Software Services	1,120	38	1,082	1,219	50	1,170
1.2.1.5.2 Business Services	440	459	–19	492	585	–93
1.2.1.5.3 Financial Services	86	36	50	66	40	26
1.2.1.5.4 Communication Services	32	11	21	41	23	17
1.2.2 Transfers	1,091	69	1,022	1,062	52	1,010
1.2.2.1 Official	3	14	–11	3	15	–12
1.2.2.2 Private	1,089	55	1,033	1,059	37	1,022
1.2.3 Income	219	568	–349	248	695	–447
1.2.3.1 Investment Income	161	526	–364	192	658	–466
1.2.3.2 Compensation of Employees	57	42	15	57	37	19
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**9,301**	**7,429**	**1,872**	**8,594**	**8,361**	**233**
2.1 Foreign Investment (2.1.1+2.1.2)	5,265	3,834	1,431	4,519	4,029	490
2.1.1 Foreign Direct Investment	986	410	577	1,088	494	594
2.1.1.1 In India	880	227	653	996	227	768
2.1.1.1.1 Equity	632	222	409	735	226	510
2.1.1.1.2 Reinvested Earnings	170	–	170	209	–	209
2.1.1.1.3 Other Capital	78	4	73	51	2	50
2.1.1.2 Abroad	107	183	–76	92	267	–175
2.1.1.2.1 Equity	107	74	32	92	160	–68
2.1.1.2.2 Reinvested Earnings	–	52	–52	–	56	–56
2.1.1.2.3 Other Capital	–	56	–56	–	51	–51
2.1.2 Portfolio Investment	4,278	3,424	854	3,431	3,535	–104
2.1.2.1 In India	4,266	3,413	853	3,412	3,465	–53
2.1.2.1.1 FIIs	4,187	3,413	774	3,412	3,465	–53
2.1.2.1.1.1 Equity	3,360	3,009	352	2,767	2,755	12
2.1.2.1.1.2 Debt	827	404	422	645	710	–65
2.1.2.1.2 ADR/GDRs	79	–	79	–	–	–
2.1.2.2 Abroad	12	11	1	19	70	–51
2.2 Loans (2.2.1+2.2.2+2.2.3)	**2,141**	**1,874**	**267**	**2,208**	**2,123**	**86**
2.2.1 External Assistance	112	64	48	144	77	67
2.2.1.1 By India	1	6	–5	1	8	–7
2.2.1.2 To India	111	58	53	143	69	74
2.2.2 Commercial Borrowings	434	377	57	474	633	–159
2.2.2.1 By India	24	3	21	130	111	19
2.2.2.2 To India	410	374	36	344	522	–178
2.2.3 Short Term to India	1,595	1,432	162	1,590	1,412	178
2.2.3.1 Suppliers' Credit > 180 days & Buyers' Credit	1,595	1,395	200	1,519	1,412	107
2.2.3.2 Suppliers' Credit up to 180 days	–	38	–38	71	–	71
2.3 Banking Capital (2.3.1+2.3.2)	**1,431**	**1,328**	**103**	**1,278**	**1,886**	**–608**
2.3.1 Commercial Banks	1,357	1,328	29	1,276	1,886	–610
2.3.1.1 Assets	9	420	–411	203	874	–672
2.3.1.2 Liabilities	1,348	908	440	1,074	1,012	62
2.3.1.2.1 Non-Resident Deposits	1,050	801	249	1,016	720	296
2.3.2 Others	74	–	74	2	–	2
2.4 Rupee Debt Service	–	1	–1	–	2	–2
2.5 Other Capital	464	392	73	589	322	267
3 Errors & Omissions	**48**	–	**48**	**11**	–	**11**
4 Monetary Movements (4.1+ 4.2)	–	**1,876**	**–1,876**	–	**221**	**–221**
4.1 I.M.F.	–	–	–	–	–	–
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	–	1,876	–1,876	–	221	–221

No. 40: Standard Presentation of BoP in India as per BPM6

(US $ Million)

Item	Jan-Mar 2015 (PR)			Jan-Mar 2016 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**134,243**	**134,930**	**–687**	**124,651**	**124,969**	**–318**
1.A Goods and Services (1.A.a+1.A.b)	**113,198**	**124,723**	**–11,525**	**105,244**	**113,921**	**–8,678**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**71,818**	**103,379**	**–31,560**	**65,831**	**90,586**	**–24,755**
1.A.a.1 General merchandise on a BOP basis	71,818	94,841	–23,023	68,053	85,295	–17,242
1.A.a.2 Net exports of goods under merchanting	–	–	–	–2,222	–	–2,222
1.A.a.3 Nonmonetary gold	–	8,538	–8,538	–	5,291	–5,291
1.A.b Services (1.A.b.1 to 1.A.b.13)	**41,380**	**21,344**	**20,036**	**39,413**	**23,336**	**16,077**
1.A.b.1 Manufacturing services on physical inputs owned by others	23	8	15	40	26	14
1.A.b.2 Maintenance and repair services n.i.e.	37	68	–31	31	83	–51
1.A.b.3 Transport	3,865	4,011	–145	3,550	3,666	–115
1.A.b.4 Travel	5,648	3,626	2,023	5,904	3,580	2,324
1.A.b.5 Construction	420	315	105	499	314	185
1.A.b.6 Insurance and pension services	503	239	263	520	249	271
1.A.b.7 Financial services	1,383	577	805	983	596	387
1.A.b.8 Charges for the use of intellectual property n.i.e.	74	1,206	–1,131	97	1,088	–991
1.A.b.9 Telecommunications, computer, and information services	18,555	914	17,642	18,750	1,192	17,558
1.A.b.10 Other business services	7,072	7,379	–307	7,291	8,664	–1,373
1.A.b.11 Personal, cultural, and recreational services	279	299	–20	338	150	188
1.A.b.12 Government goods and services n.i.e.	115	237	–122	133	230	–97
1.A.b.13 Others n.i.e.	3,405	2,466	940	1,277	3,499	–2,222
1.B Primary Income (1.B.1 to 1.B.3)	**3,512**	**9,119**	**–5,607**	**3,679**	**10,300**	**–6,621**
1.B.1 Compensation of employees	919	675	245	839	551	288
1.B.2 Investment income	2,107	8,075	–5,967	2,419	9,589	–7,170
1.B.2.1 Direct investment	1,146	3,333	–2,187	1,406	4,525	–3,119
1.B.2.2 Portfolio investment	28	1,635	–1,607	26	1,886	–1,860
1.B.2.3 Other investment	101	3,107	–3,005	160	3,177	–3,017
1.B.2.4 Reserve assets	832	1	831	826	1	825
1.B.3 Other primary income	485	369	116	421	160	261
1.C Secondary Income (1.C.1+1.C.2)	**17,533**	**1,088**	**16,445**	**15,729**	**747**	**14,982**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	17,490	891	16,600	15,689	542	15,146
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	16,963	804	16,159	15,155	463	14,692
1.C.1.2 Other current transfers	527	86	441	534	80	454
1.C.2 General government	42	198	–155	40	205	–165
2 Capital Account (2.1+2.2)	**84**	**77**	**7**	**73**	**62**	**11**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	7	20	–13	27	7	20
2.2 Capital transfers	77	57	20	46	55	–9
3 Financial Account (3.1 to 3.5)	**149,365**	**149,456**	**–91**	**127,240**	**127,091**	**149**
3.1 Direct Investment (3.1A+3.1B)	**15,850**	**6,580**	**9,271**	**16,114**	**7,318**	**8,797**
3.1.A Direct Investment in India	14,134	3,646	10,487	14,752	3,367	11,384
3.1.A.1 Equity and investment fund shares	12,888	3,574	9,313	13,994	3,343	10,651
3.1.A.1.1 Equity other than reinvestment of earnings	10,153	3,574	6,579	10,895	3,343	7,553
3.1.A.1.2 Reinvestment of earnings	2,735	–	2,735	3,098	–	3,098
3.1.A.2 Debt instruments	1,246	72	1,174	758	25	733
3.1.A.2.1 Direct investor in direct investment enterprises	1,246	72	1,174	758	25	733
3.1.B Direct Investment by India	1,717	2,933	–1,217	1,363	3,950	–2,588
3.1.B.1 Equity and investment fund shares	1,717	2,029	–312	1,363	3,201	–1,838
3.1.B.1.1 Equity other than reinvestment of earnings	1,717	1,195	522	1,363	2,367	–1,004
3.1.B.1.2 Reinvestment of earnings	–	834	–834	–	834	–834
3.1.B.2 Debt instruments	–	904	–904	–	749	–749
3.1.B.2.1 Direct investor in direct investment enterprises	–	904	–904	–	749	–749
3.2 Portfolio Investment	**67,471**	**55,019**	**12,452**	**50,828**	**52,366**	**–1,538**
3.2.A Portfolio Investment in India	67,272	54,837	12,436	50,540	51,327	–787
3.2.1 Equity and investment fund shares	53,992	48,344	5,648	40,988	40,805	183
3.2.2 Debt securities	13,280	6,493	6,788	9,552	10,522	–970
3.2.B Portfolio Investment by India	198	182	16	288	1,038	–751
3.3 Financial derivatives (other than reserves) and employee stock options	**2,942**	**4,642**	**–1,701**	**4,858**	**2,330**	**2,528**
3.4 Other investment	**63,102**	**53,066**	**10,036**	**55,441**	**61,803**	**–6,363**
3.4.1 Other equity (ADRs/GDRs)	1,271	–	1,271	–	–	–
3.4.2 Currency and deposits	18,055	12,866	5,189	15,086	10,664	4,422
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	1,189	–	1,189	34	–	34
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	16,866	12,866	4,000	15,052	10,664	4,388
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	13,723	15,567	–1,845	13,011	27,804	–14,793
3.4.3.A Loans to India	13,320	15,419	–2,100	11,070	26,033	–14,962
3.4.3.B Loans by India	403	148	255	1,941	1,771	169
3.4.4 Insurance, pension, and standardized guarantee schemes	54	54	–0	28	709	–681
3.4.5 Trade credit and advances	25,621	23,016	2,605	23,556	20,917	2,639
3.4.6 Other accounts receivable/payable - other	4,379	1,562	2,817	3,760	1,709	2,051
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	–	**30,149**	**–30,149**	–	**3,274**	**–3,274**
3.5.1 Monetary gold	–	–	–	–	–	–
3.5.2 Special drawing rights n.a.	–	–	–	–	–	–
3.5.3 Reserve position in the IMF n.a.	–	–	–	–	–	–
3.5.4 Other reserve assets (Foreign Currency Assets)	–	30,149	–30,149	–	3,274	–3,274
4 Total assets/liabilities	**149,365**	**149,456**	**–91**	**127,240**	**127,091**	**149**
4.1 Equity and investment fund shares	71,790	58,826	12,964	61,517	51,426	10,091
4.2 Debt instruments	71,925	58,919	13,006	61,963	70,681	–8,719
4.3 Other financial assets and liabilities	5,650	31,711	–26,062	3,760	4,984	–1,224
5 Net errors and omissions	**771**	–	**771**	**158**	–	**158**

No. 41: Standard Presentation of BoP in India as per BPM6

(₹ Billion)

Item	Jan-Mar 2015 (PR)			Jan-Mar 2016 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**8,355**	**8,398**	**-43**	**8,414**	**8,436**	**-21**
1.A Goods and Services (1.A.a+1.A.b)	**7,045**	**7,762**	**-717**	**7,104**	**7,690**	**-586**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**4,470**	**6,434**	**-1,964**	**4,444**	**6,115**	**-1,671**
1.A.a.1 General merchandise on a BOP basis	4,470	5,903	-1,433	4,594	5,758	-1,164
1.A.a.2 Net exports of goods under merchanting	–	–	–	–150	–	-150
1.A.a.3 Nonmonetary gold	–	531	-531	–	357	-357
1.A.b Services (1.A.b.1 to 1.A.b.13)	**2,575**	**1,328**	**1,247**	**2,661**	**1,575**	**1,085**
1.A.b.1 Manufacturing services on physical inputs owned by others	1	0	1	3	2	1
1.A.b.2 Maintenance and repair services n.i.e.	2	4	-2	2	6	-3
1.A.b.3 Transport	241	250	-9	240	247	-8
1.A.b.4 Travel	352	226	126	399	242	157
1.A.b.5 Construction	26	20	7	34	21	12
1.A.b.6 Insurance and pension services	31	15	16	35	17	18
1.A.b.7 Financial services	86	36	50	66	40	26
1.A.b.8 Charges for the use of intellectual property n.i.e.	5	75	-70	7	73	-67
1.A.b.9 Telecommunications, computer, and information services	1,155	57	1,098	1,266	80	1,185
1.A.b.10 Other business services	440	459	-19	492	585	-93
1.A.b.11 Personal, cultural, and recreational services	17	19	-1	23	10	13
1.A.b.12 Government goods and services n.i.e.	7	15	-8	9	16	-7
1.A.b.13 Others n.i.e.	212	153	58	86	236	-150
1.B Primary Income (1.B.1 to 1.B.3)	**219**	**568**	**-349**	**248**	**695**	**-447**
1.B.1 Compensation of employees	57	42	15	57	37	19
1.B.2 Investment income	131	503	-371	163	647	-484
1.B.2.1 Direct investment	71	207	-136	95	305	-211
1.B.2.2 Portfolio investment	2	102	-100	2	127	-126
1.B.2.3 Other investment	6	193	-187	11	214	-204
1.B.2.4 Reserve assets	52	0	52	56	0	56
1.B.3 Other primary income	30	23	7	28	11	18
1.C Secondary Income (1.C.1+1.C.2)	**1,091**	**68**	**1,023**	**1,062**	**50**	**1,011**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	1,089	55	1,033	1,059	37	1,022
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	1,056	50	1,006	1,023	31	992
1.C.1.2 Other current transfers	33	5	27	36	5	31
1.C.2 General government	3	12	-10	3	14	-11
2 Capital Account (2.1+2.2)	**5**	**5**	**0**	**5**	**4**	**1**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	–	1	-1	2	0	1
2.2 Capital transfers	5	4	1	3	4	-1
3 Financial Account (3.1 to 3.5)	**9,296**	**9,302**	**-6**	**8,589**	**8,579**	**10**
3.1 Direct Investment (3.1A+3.1B)	**986**	**410**	**577**	**1,088**	**494**	**594**
3.1.A Direct Investment in India	880	227	653	996	227	768
3.1.A.1 Equity and investment fund shares	802	222	580	945	226	719
3.1.A.1.1 Equity other than reinvestment of earnings	632	222	409	735	226	510
3.1.A.1.2 Reinvestment of earnings	170	–	170	209	–	209
3.1.A.2 Debt instruments	78	4	73	51	2	50
3.1.A.2.1 Direct investor in direct investment enterprises	78	4	73	51	2	50
3.1.B Direct Investment by India	107	183	-76	92	267	-175
3.1.B.1 Equity and investment fund shares	107	126	-19	92	216	-124
3.1.B.1.1 Equity other than reinvestment of earnings	107	74	32	92	160	-68
3.1.B.1.2 Reinvestment of earnings	–	52	-52	–	56	-56
3.1.B.2 Debt instruments	–	56	-56	–	51	-51
3.1.B.2.1 Direct investor in direct investment enterprises	–	56	-56	–	51	-51
3.2 Portfolio Investment	**4,199**	**3,424**	**775**	**3,431**	**3,535**	**-104**
3.2.A Portfolio Investment in India	4,187	3,413	774	3,412	3,465	-53
3.2.1 Equity and investment fund shares	3,360	3,009	352	2,767	2,755	12
3.2.2 Debt securities	827	404	422	645	710	-65
3.2.B Portfolio Investment by India	12	11	1	19	70	-51
3.3 Financial derivatives (other than reserves) and employee stock options	**183**	**289**	**-106**	**328**	**157**	**171**
3.4 Other investment	**3,927**	**3,303**	**625**	**3,742**	**4,172**	**-429**
3.4.1 Other equity (ADRs/GDRs)	79	–	79	–	–	–
3.4.2 Currency and deposits	1,124	801	323	1,018	720	299
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	74	–	74	2	–	2
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	1,050	801	249	1,016	720	296
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	854	969	-115	878	1,877	-999
3.4.3.A Loans to India	829	960	-131	747	1,757	-1,010
3.4.3.B Loans by India	25	9	16	131	120	11
3.4.4 Insurance, pension, and standardized guarantee schemes	3	3	0	2	48	-46
3.4.5 Trade credit and advances	1,595	1,432	162	1,590	1,412	178
3.4.6 Other accounts receivable/payable - other	273	97	175	254	115	138
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	–	**1,876**	**-1,876**	–	**221**	**-221**
3.5.1 Monetary gold	–	–	–	–	–	–
3.5.2 Special drawing rights n.a.	–	–	–	–	–	–
3.5.3 Reserve position in the IMF n.a.	–	–	–	–	–	–
3.5.4 Other reserve assets (Foreign Currency Assets)	–	1,876	-1,876	–	221	-221
4 Total assets/liabilities	**9,296**	**9,302**	**-6**	**8,589**	**8,579**	**10**
4.1 Equity and investment fund shares	4,468	3,661	807	4,153	3,471	681
4.2 Debt instruments	4,476	3,667	809	4,183	4,771	-589
4.3 Other financial assets and liabilities	352	1,974	-1,622	254	336	-83
5 Net errors and omissions	**48**	–	**48**	**11**	–	**11**

No. 42: International Investment Position

(US$ Million)

Item	As on Financial Year /Quarter End							
	2015-16		2015				2016	
			Mar.		Dec.		Mar.	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	1	2	3	4	5	6	7	8
1 Direct Investment Abroad/in India	141,626	293,432	132,741	265,352	139,038	282,093	141,626	293,432
1.1 Equity Capital and Reinvested Earnings	96,961	280,267	91,457	254,055	95,122	269,456	96,961	280,267
1.2 Other Capital	44,665	13,165	41,283	11,298	43,916	12,637	44,665	13,165
2 Portfolio Investment	2,461	225,026	1,429	233,593	1,710	225,535	2,461	225,026
2.1 Equity	2,317	141,864	1,050	153,641	1,568	141,693	2,317	141,864
2.2 Debt	144	83,162	378	79,952	143	83,842	144	83,162
3 Other Investment	45,994	393,341	46,594	388,070	41,656	387,232	45,994	393,341
3.1 Trade Credit	2,913	82,275	5,495	83,692	4,548	79,547	2,913	82,275
3.2 Loan	6,713	171,252	5,664	176,867	3,683	171,460	6,713	171,252
3.3 Currency and Deposits	20,861	127,109	19,432	115,313	17,322	122,800	20,861	127,109
3.4 Other Assets/Liabilities	15,507	12,705	16,003	12,198	16,103	13,424	15,507	12,705
4 Reserves	360,177	–	341,639	–	350,381	–	360,177	–
5 Total Assets/ Liabilities	550,258	911,799	522,402	887,015	532,786	894,859	550,258	911,799
6 IIP (Assets - Liabilities)		–361,541		–364,613		–362,074		–361,541

Payment and Settlement Systems

No. 43: Payment System Indicators

System	Volume (Million)				Value (₹ Billion)			
	2015-16	2016			2015-16	2016		
		Mar.	Apr.	May		Mar.	Apr.	May
	1	2	3	4	5	6	7	8
1 RTGS	**98.34**	**9.87**	**8.33**	**8.71**	**1,035,551.64**	**122,783.80**	**86,459.34**	**95,526.09**
1.1 Customer Transactions	93.95	9.48	7.97	8.34	700,899.82	84,661.99	55,515.68	64,939.73
1.2 Interbank Transactions	4.37	0.39	0.35	0.37	123,678.19	15,383.37	12,895.59	11,392.85
1.3 Interbank Clearing	0.016	0.001	0.001	0.001	210,973.63	22,738.44	18,048.07	19,193.51
2 CCIL Operated Systems	**3.12**	**0.30**	**0.26**	**0.29**	**807,370.42**	**75,011.74**	**72,044.93**	**81,983.85**
2.1 CBLO	0.22	0.02	0.01	0.02	178,335.28	14,477.88	12,227.47	16,217.58
2.2 Govt. Securities Clearing	1.02	0.10	0.10	0.10	269,778.20	24,457.10	24,716.41	27,902.87
2.2.1 Outright	0.88	0.09	0.09	0.08	97,285.41	9,671.40	11,476.80	9,053.82
2.2.2 Repo	0.134	0.013	0.010	0.014	172,492.78	14,785.70	13,239.61	18,849.05
2.3 Forex Clearing	1.89	0.18	0.15	0.17	359,256.94	36,076.76	35,101.05	37,863.40
3 Paper Clearing	**1,096.37**	**98.05**	**88.17**	**85.06**	**81,860.79**	**7,716.89**	**7,098.80**	**6,475.30**
3.1 Cheque Truncation System (CTS)	958.39	88.24	78.95	77.24	69,889.15	6,928.50	6,257.62	5,784.87
3.2 MICR Clearing	–	-	-	-	–	–	–	–
3.2.1 RBI Centres	–	-	-	-	–	–	–	–
3.2.2 Other Centres	–	-	-	-	–	–	–	–
3.3 Non-MICR Clearing	137.98	9.81	9.22	7.81	11,971.64	788.39	841.18	690.43
4 Retail Electronic Clearing	**3,141.53**	**328.22**	**316.86**	**307.49**	**91,408.14**	**11,136.33**	**9,168.85**	**8,533.02**
4.1 ECS DR	224.75	9.23	2.03	1.21	1,651.50	68.56	14.35	5.03
4.2 ECS CR (includes NECS)	39.00	3.51	1.36	0.52	1,059.44	87.70	34.15	8.97
4.3 EFT/NEFT	1,252.88	129.24	111.84	117.50	83,273.11	10,226.36	8,324.52	7,732.54
4.4 Immediate Payment Service (IMPS)	220.81	25.98	26.78	27.66	1,622.26	198.73	210.44	216.18
4.5 National Automated Clearing House (NACH)	1,404.08	160.26	174.85	160.59	3,801.83	554.98	585.39	570.30
5 Cards	**10,038.67**	**917.42**	**913.05**	**941.82**	**29,397.65**	**2,610.20**	**2,621.93**	**2,715.38**
5.1 Credit Cards	791.67	72.83	73.43	78.36	2,437.02	229.75	230.13	250.39
5.1.1 Usage at ATMs	6.00	0.61	0.59	0.57	30.41	2.80	2.87	2.83
5.1.2 Usage at POS	785.67	72.22	72.84	77.78	2,406.62	226.94	227.26	247.56
5.2 Debit Cards	9,247.00	844.59	839.61	863.47	26,960.63	2,380.45	2,391.80	2,464.99
5.2.1 Usage at ATMs	8,073.39	731.72	721.47	729.60	25,371.36	2,245.82	2,244.34	2,310.25
5.2.2 Usage at POS	1,173.61	112.87	118.14	133.86	1,589.27	134.63	147.46	154.74
6 Prepaid Payment Instruments (PPIs)	**748.02**	**72.05**	**69.30**	**70.95**	**487.58**	**57.16**	**46.72**	**49.95**
6.1 m-Wallet	603.98	53.44	48.76	50.31	205.84	23.79	22.93	24.35
6.2 PPI Cards	143.47	18.56	20.49	20.60	253.77	30.19	21.68	23.43
6.3 Paper Vouchers	0.56	0.06	0.04	0.04	27.97	3.17	2.11	2.18
7 Mobile Banking	**389.49**	**49.48**	**48.38**	**60.76**	**4,040.91**	**572.80**	**519.17**	**608.45**
8 Cards Outstanding	**686.33**	**686.33**	**685.13**	**743.23**	–	–	–	–
8.1 Credit Card	24.51	24.51	24.86	25.09	–	–	–	–
8.2 Debit Card	661.82	661.82	660.27	718.13	–	–	–	–
9 Number of ATMs (in actuals)	**212061**	**212061**	**212887**	**214271**	–	–	–	–
10 Number of POS (in actuals)	**1385668**	**1385668**	**1400792**	**1415582**	–	–	–	–
11 Grand Total (1.1+1.2+2+3+4+5+6)	**15,126.04**	**1,425.90**	**1,395.96**	**1,414.32**	**1,835,102.59**	**196,577.67**	**159,392.50**	**176,090.09**

Note : Data for latest 12 month period is provisional.

Occasional Series

No. 44: Small Savings

(₹ Billion)

Scheme		2014-15	2014	2015		
			Nov.	Sep.	Oct.	Nov.
		1	2	3	4	5
1 Small Savings	**Receipts**	**2,411.58**	**180.81**	**265.03**	**283.61**	**299.50**
	Outstanding	**6,323.39**	**6,241.25**	**6,442.01**	**6,484.22**	**6,533.80**
1.1 Total Deposits	**Receipts**	**2,137.49**	**164.50**	**231.47**	**249.76**	**262.92**
	Outstanding	**3,961.81**	**3,939.16**	**4,060.35**	**4,089.45**	**4,122.42**
1.1.1 Post Office Saving Bank Deposits	Receipts	1,142.29	85.71	120.46	136.52	147.59
	Outstanding	474.28	449.23	523.51	538.88	550.64
1.1.2 MGNREG	Receipts	–	–	–	–	–
	Outstanding	–	–	–	–	–
1.1.3 National Saving Scheme, 1987	Receipts	0.44	0.04	–0.03	–0.01	–
	Outstanding	36.89	37.02	35.61	35.28	35.11
1.1.4 National Saving Scheme, 1992	Receipts	0.03	–	0.01	–	0.01
	Outstanding	2.32	2.39	1.92	1.89	1.87
1.1.5 Monthly Income Scheme	Receipts	215.69	16.21	27.89	29.64	30.00
	Outstanding	2,005.57	2,015.64	1,972.90	1,966.65	1,959.13
1.1.6 Senior Citizen Scheme	Receipts	30.11	2.52	8.93	12.34	12.19
	Outstanding	179.75	195.20	175.95	180.26	187.85
1.1.7 Post Office Time Deposits	Receipts	330.69	25.73	38.44	35.05	36.19
	Outstanding	517.57	482.39	593.86	608.33	623.19
1.1.7.1 1 year Time Deposits	Outstanding	361.53	334.30	423.58	434.37	445.10
1.1.7.2 2 year Time Deposits	Outstanding	20.31	19.49	22.76	23.41	24.27
1.1.7.3 3 year Time Deposits	Outstanding	41.42	40.29	42.72	43.15	43.64
1.1.7.4 5 year Time Deposits	Outstanding	94.31	88.31	104.80	107.40	110.18
1.1.8 Post Office Recurring Deposits	Receipts	418.24	34.29	35.77	36.22	36.94
	Outstanding	745.13	757.01	756.24	757.81	764.28
1.1.9 Post Office Cumulative Time Deposits	Outstanding	0.08	0.06	0.09	0.08	0.08
1.1.10 Other Deposits	Outstanding	0.22	0.22	0.27	0.27	0.27
1.2 Saving Certificates	**Receipts**	**192.52**	**11.18**	**29.70**	**30.24**	**28.70**
	Outstanding	**1,834.10**	**1,825.66**	**1,855.14**	**1,866.58**	**1,877.07**
1.2.1 National Savings Certificate VIII issue	Receipts	165.84	11.07	6.90	6.39	6.65
	Outstanding	856.08	821.32	871.40	872.16	872.72
1.2.2 Indira Vikas Patras	Receipts	0.04	–	–	–	–
	Outstanding	8.87	8.91	8.90	8.90	8.90
1.2.3 Kisan Vikas Patras	Receipts	5.54	0.07	2.09	2.14	2.10
	Outstanding	848.41	910.91	740.74	728.38	716.99
1.2.4 Kisan Vikas Patras - 2014	Receipts	21.1	0.04	20.71	21.71	19.95
	Outstanding	26.71	0.04	127.34	149.1	169.09
1.2.5 National Saving Certificate VI issue	Outstanding	–0.82	–0.80	–0.87	–0.87	–0.86
1.2.6 National Saving Certificate VII issue	Outstanding	–0.53	–0.52	–0.55	–0.54	–0.54
1.2.7 Other Certificates	Outstanding	95.38	85.80	108.18	109.45	110.77
1.3 Public Provident Fund	**Receipts**	**81.57**	**5.13**	**3.86**	**3.61**	**7.88**
	Outstanding	**527.48**	**476.43**	**526.52**	**528.19**	**534.31**

Source: Accountant General, Post and Telegraphs.

No. 45: Ownership Pattern of Government of India Dated Securities

(Per cent)

Category	2015				2016
	Mar.	Jun.	Sep.	Dec.	Mar.
	1	2	3	4	5
1 Commercial Banks	43.30	43.14	43.03	43.59	41.81
2 Non-Bank PDs	0.31	0.35	0.54	0.35	0.33
3 Insurance Companies	20.87	21.37	22.09	21.90	22.18
4 Mutual Funds	1.89	2.37	2.69	2.52	2.09
5 Co-operative Banks	2.62	2.73	2.64	2.71	2.75
6 Financial Institutions	2.07	0.70	0.60	0.68	0.72
7 Corporates	1.25	1.12	0.84	0.86	1.28
8 Foreign Portfolio Investors	3.67	3.59	3.57	3.68	3.65
9 Provident Funds	7.58	7.08	7.17	7.11	6.01
10 RBI	13.48	13.06	12.08	12.07	13.47
11 Others	2.96	4.49	4.75	4.51	5.72

Explanatory Notes to the Current Statistics

Table No. 1
1.2 & 6: Annual data are averages of months.
3.5 & 3.7: Relate to ratios of increments over financial year so far.
4.1 to 4.4, 4.8, 4.12 & 5: Relate to the last day of the month/financial year.
4.5, 4.6 & 4.7: Relate to five major banks on the last Friday of the month/financial year.
4.9 to 4.11: Relate to the last auction day of the month/financial year.

Table No. 2
2.1.2: Include paid-up capital, reserve fund and Long-Term Operations Funds.
2.2.2: Include cash, fixed deposits and short-term securities/bonds, *e.g.*, issued by IIFC (UK).

Table No. 4
Maturity-wise position of outstanding forward contracts is available at http://nsdp.rbi.org.in under ''Reserves Template''.

Table No. 5
Special refinance facility to Others, i.e. to the EXIM Bank, is closed since March 31, 2013.

Table No. 6
For scheduled banks, March-end data pertain to the last reporting Friday.
2.2: Exclude balances held in IMF Account No.1, RBI employees' provident fund, pension fund, gratuity and superannuation fund.

Table Nos. 7 & 11
3.1 in Table 7 and 2.4 in Table 11: Include foreign currency denominated bonds issued by IIFC (UK).

Table No. 8
NM_2 and NM_3 do not include FCNR (B) deposits.
2.4: Consist of paid-up capital and reserves.
2.5: includes other demand and time liabilities of the banking system.

Table No. 9
Financial institutions comprise EXIM Bank, SIDBI, NABARD and NHB.
L_1 and L_2 are compiled monthly and L_3 quarterly.
Wherever data are not available, the last available data have been repeated.

Table No. 15 & 16
Data are provisional and relate to select banks which cover 95 per cent of total non-food credit extended by all scheduled commercial banks (excludes ING Vysya which has been merged with Kotak Mahindra since April 2015).
Export credit under priority sector relates to foreign banks only.
Micro & small under item 2.1 includes credit to micro & small industries in manufacturing sector.
Micro & small enterprises under item 5.2 includes credit to micro & small enterprises in manufacturing as well as services sector.
Priority Sector is as per old definition and does not conform to FIDD Circular FIDD.CO.Plan.BC.54/04.09.01/2014-15 dated April 23, 2015.

Table No. 17
2.1.1: Exclude reserve fund maintained by co-operative societies with State Co-operative Banks
2.1.2: Exclude borrowings from RBI, SBI, IDBI, NABARD, notified banks and State Governments.
4: Include borrowings from IDBI and NABARD.

Table No. 24
Primary Dealers (PDs) include banks undertaking PD business.

Table No. 30
Exclude private placement and offer for sale.
1: Exclude bonus shares.
2: Include cumulative convertible preference shares and equi-preference shares.

Table No. 32
Exclude investment in foreign currency denominated bonds issued by IIFC (UK), SDRs transferred by Government of India to RBI and foreign currency received under SAARC SWAP arrangement. Foreign currency assets in US dollar take into account appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen and Australian Dollar) held in reserves. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI holding rates.

Table No. 34
1.1.1.1.2 & 1.1.1.1.1.4: Estimates.
1.1.1.2: Estimates for latest months.
'Other capital' pertains to debt transactions between parent and subsidiaries/branches of FDI enterprises.
Data may not tally with the BoP data due to lag in reporting.

Table No. 35
1.10: Include items such as subscription to journals, maintenance of investment abroad, student loan repayments and credit card payments.

Table No. 36
Increase in indices indicates appreciation of rupee and vice versa. For 6-Currency index, base year 2012-13 is a moving one, which gets updated every year. REER figures are based on Consumer Price Index (combined). Methodological details are available in December 2005 and April 2014 issues of the Bulletin.

Table No. 37
Based on applications for ECB/Foreign Currency Convertible Bonds (FCCBs) which have been allotted loan registration number during the period.

Table Nos. 38, 39, 40 & 41
Explanatory notes on these tables are available in December issue of RBI Bulletin, 2012.

Table No. 43
1.3: Pertain to multiateral net settlement batches.
3.1: Pertain to three centres – Mumbai, New Delhi and Chennai.
3.3: Pertain to clearing houses managed by 21 banks.
6: Available from December 2010.
7: Include IMPS transactions.
9: Includes ATMs deployed by Scheduled Commercial banks and White Label ATMs (WLA). WLA are included from April 2014 onwards.

Table No. 45
The holdings of RBI have been revised since December 2014, based on the revised liquidity management framework.

Detailed explanatory notes are available in the relevant press releases issued by RBI and other publications/releases of the Bank such as **Handbook of Statistics on the Indian Economy**.

Recent Publications of the Reserve Bank of India

Name of Publication	Price	
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1. Reserve Bank of India Bulletin 2016	₹200 per copy (over the counter) ₹240 per copy (inclusive of postage) ₹2,800 (one year subscription - inclusive of postage)	US$ 11 per copy (inclusive of postage) US$ 130 (one-year subscription) (inclusive of air mail courier charges)
2. Handbook of Statistics on the Indian States 2015-16	₹550 (Normal) ₹600 (inclusive of postage)	US$ 22 (inclusive of air mail courier charges)
3. Handbook of Statistics on the Indian Economy 2014-15	₹400 (Normal) ₹450 (inclusive of postage) ₹300 (concessional) ₹375 (concessional with postage)	US$ 40 (inclusive of air mail courier charges)
4. Report on Currency and Finance 2009-12 Fiscal-Monetary Co-ordination	₹515 (normal) ₹555 (inclusive of postage)	US$ 16 per copy (inclusive air mail courier charges)
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8. CD Compendium of Articles on State Finances (1950-51 to 2010-11)	₹280 (over the counter) ₹305 (inclusive of postal charges) ₹210 (concessional) ₹235 (concessional inclusive of postage)	US$ 8 (inclusive of air mail book post charges)
9. Mint Road Milestones RBI at 75	₹1,650 per copy (over the counter)	US$ 50 per copy (inclusive of air mail courier charges)
10. India's Financial Sector, An Assessment Vol. I to VI 2009	₹2,000 per copy (over the counter) ₹2,300 per copy (inclusive postal charges) ₹1,500 per copy (concessional price) ₹1,800 per copy (concessional inclusive of postage)	US$ 40 per set and US$ 120 per set (inclusive of air mail courier charges)
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12. Report of the committee on Fuller Capital account Convertibility (Tarapore Committee Report II)	₹140 per copy (normal) ₹170 (per copy by post)	US$ 25 per copy ((inclusive of air mail courier charges)
13. A Profile of Banks 2012-13	₹80 per copy (over the counter) ₹110 per copy (inclusive of postal charges)	US$ 7 per copy (inclusive of air mail courier charges)

Name of Publication	Price	
	India	Abroad
14. Selected Banking Indicators 1981 to 2002 (On CD-ROM)	₹250 per CD (over the counter) ₹300 per CD (including postal charges)	US$ 75 (per CD) (inclusive of air mail courier charges)
15. Statistical Tables Relating to Banks in India 2012-13	₹240 per copy (over the counter) ₹300 (inclusive of postage)	US$ 13 per copy (inclusive of air mail courier charges)
16. Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks 1981-2003 (on CD-ROM)	₹185 per copy (over the counter) ₹240 per copy (including postal charges)	US$ 20 per copy US$ 55 per copy (inclusive of air mail courier charges)
17. Basic Statistical Returns of Scheduled Commercial Banks in India Vol. 41 March 2012	₹270 per copy (over the counter) ₹310 per copy (inclusive of postal charges)	US$ 10 per copy (inclusive of air mail courier charges)
18. Private Corporate Business Sector in India - Selected Financial Statistics from 1950-51 to 1997-98	₹500 per CD (over the counter)	US$ 100 per CD ROM (inclusive of air mail courier charges)
19. Banking Glossary (2012)	₹80 per copy (over the counter) ₹120 per copy (inclusive of postal charges)	
20. Anuvad Ke Vividh Aayam (Hindi)	₹165 per copy (over the counter) ₹205 per copy (inclusive of postal charges)	

Notes

1. Many of the above publications are available at the RBI website (www.rbi.org.in).
2. Time Series data are available at the Database on Indian Economy (http://dbie.rbi.org.in).
3. The Reserve Bank of India History 1935-1997 (4 Volumes), Challenges to Central Banking in the Context of Financial Crisis and the Regional Economy of India: Growth and Finance are available at leading book stores in India.

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