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SAARCFINANCE Governors' Symposium 2011

Welcome Remarks*

Subir Gokarn

Governor Dr. Subbarao, distinguished Governors, Dr. Reddy, Mr. Caruana, Mr. Ninan, Mrs. Thorat, Deputy Governors, our guests from South Asian Association for Regional Co-operation (SAARC) central banks and friends. On behalf of the Reserve Bank of India, I extend a warm welcome to you all to the SAARCFINANCE Governors' Symposium 2011 on the theme of Financial Stability. Just to refresh your memories, the last Governors' Symposium organised by us under Dr. Reddy was in 2005 at Mumbai which dealt with the theme of 'Communications Policy of Central Banks'.

2. Financial Stability is indeed the most appropriate theme for this meeting. The recent financial crisis also termed as 'The Great Recession' clearly brought financial stability to the centre stage of public policymaking. The global financial crisis that swept the economic and financial systems across the world during the last three years has shaken our beliefs in some near-truths.

3. One, it has questioned the premise that price stability and financial stability are complementary. Rather financial stability can be jeopardised even in an environment of price stability and macroeconomic stability.

4. Two, it is now impossible to imagine sustained growth without financial stability. Any disruption in the financial system anywhere in the world has the potential of affecting the real economy not only in that country but also elsewhere. We have seen that domestic and global financial stability are not mutually exclusive domains. With increasing financial globalisation, there was a growing realisation about this, but the extent of transmission of disruptions during the recent financial turmoil through different channels, namely finance, trade and confidence channel was unthinkable before the crisis. It also came as an unpleasant revelation that even those countries which had not contributed to the immediate causes of the crisis had to bear the brunt of an unwholesome international financial climate. Hence, domestic financial stability cannot become a realistic goal in the absence of a conducive global environment.

5. Three, the two-speed recovery, accompanied by a widening of global economic imbalances is at the centre of a new configuration of risks. These are visible on a variety of fronts – sovereign debt risks, financial fragility, the search for yield, and related stresses in emerging market economies and foreign exchange markets. Hence, in the current environment, financial stability has to be viewed not only in terms of lessons from the crisis, but also in terms of the future risks and challenges.

6. There is, thus, a clear recognition of the importance of financial stability policy. However, several questions have arisen, to which we still do not have answers. We may attempt to address at least a few of them. I would like to highlight the prominent ones.

7. First, as increasing number of central banks start including financial stability in their policy mandates along with price stability, we need to consider whether financial stability has to shift from being an implicit variable to an explicit variable of the economic policy. As a recent International Monetary Fund (IMF) Survey (December 2010) pointed out, although financial stability is a formal mandate in most of the countries, the definition of financial stability is informal in almost 80 per cent of the respondents. If financial stability is to be made an explicit objective for central banks, the search for an operational definition and measurment of financial stability come to the forefront.

8. In this context, it is important to recognise that financial stability, difficult enough to define, is even more difficult to measure. Though, theoretically, one

*Welcome remarks by Dr. Subir Gokarn, Deputy Governor, Reserve Bank of India at the SAARCFINANCE Governors' Symposium on the theme 'Financial Stability' in Kumarakom, Kerala during June 10-11, 2011.

would prefer composite indicators of financial stability (threshold or benchmark values) over individual variables as indicators of financial system stability, in practical terms, assessments of financial stability revolve around monitoring several indicators about the health of the institutions, markets and infrastructure. Considering that the construction of a single aggregate measure of financial stability is a difficult task given the complex nature of financial systems, it would be useful to have an appropriate template and methodology for the key indicators.

9. As an initial step, the IMF in December 2010 conducted a stock-taking survey of international experiences with financial stability and the evolving macroprudential policy framework covering 63 countries and European Central Bank, which also included all the G20 countries and those subject to mandatory Financial Sector Assessment Program (FSAP).

10. Second, the appropriate role of the central banks in maintaining financial stability and their relationship with other relevant bodies has intensified as new arrangements are being put in place in several countries and being planned in others. Under the reformed financial stability framework, the allocation of responsibilities with respect to financial stability and instruments to manage stability are still being rigorously debated worldwide.

11. Third, the financial stability mandate for central banks may have implications for monetary policy as well. Although a predominant focus on price stability may have yielded low and stable inflation in terms of prices of goods and services, the lowering of returns in the commodity/service producing sectors could have diverted the search for yields to the financial sector. This has called into question the pre-crisis consensus on the best practice in monetary policy framework as the one characterised by 'a single target' (*i.e.*, price stability) and 'a single instrument' (*i.e.*, short-term policy interest rate). The financial stability mandate and governance arrangements for central banks must be compatible with their monetary policy responsibilities.

12. Fourth, as it is being widely recognised that analysis through a micro-prudential lens makes policymakers prone to ignoring the implications for systemic stability of financial market, including those stemming from information frictions, moral hazard implicit in too-big-to-fail firms outside regulatory purview and the negative externalities when firms are too-interconnected-to-fail. While supplementing micro-prudential approach by a macro-prudential approach, the role of the central bank needs to be designed taking into account the synergies and conflicts in the assignment of functions to various policy agencies.

13. Fifth, the financial regulatory reforms spearheaded at the international level by the G20 aims at increasing the resilience of the global financial system. In the process, the international best practice trajectory itself has shifted upwards with the introduction of Basel III and other reforms. Nevertheless, when it comes to country-specific implementation in an internationally consistent manner, there are several practical challenges. Any substantial adjustments in the financial sector in tandem with the international prescriptions in some SAARC economies might have implications for steady-state growth in individual economies as well trade and financial co-operation within the region. Further, many countries are still recovering from the crisis and any new impositions may disrupt this. Moreover, unlike developed economies, the SAARC economies also need to factor in the inter-linkages between growth and socio-economic outcomes. Even a small decline in growth may have magnitudinally wider repercussions as growth is critically linked with inter-regional equity and poverty. Hence, the region needs to calibrate the time and magnitude of adjusting to the global 'new normal'.

14. Sixth, for SAARC countries, because they are at different stages of development, there may be some other features of the financial sector which pose challenges to the stability of the system which are not there in advanced economies. For example, it is important to ensure that the crucial goals of financial literacy and financial inclusion are not ignored in the

overdrive for financial stability. In India, the newly created Financial Stability and Development Council (FSDC) has included financial literacy and inclusion in its mandate apart from those of macroprudential and financial stability responsibilities.

15. Against this backdrop, let me now introduce to you the format of the Conference. We will cover the Conference theme in two special talks and two technical sessions. We begin with the keynote address by our Governor Dr. Subbarao followed by presentation by two guest speakers, Mr. Jaime Caruana, General Manager, Bank for International Settlements and Dr. Y. V. Reddy, former Governor, Reserve Bank of India. Then we move on to the presentation of papers and discussions where participants from fellow SAARC member-countries shall share their country experience on financial stability. It will be interesting to notice the differences/similarities in mandates, powers and accountability arrangements that are needed in different circumstances. For convenience, we have spread the discussions over two technical sessions. This will be followed up with a panel discussion of Governors, dealing with future challenges. The panel discussion will be moderated by Mr. T. N. Ninan, President of Editors' Guild of India.

16. Friends and colleagues, I trust we will have fruitful discussions during the day that will set the outline of our reaction function to the global developments in financial stability. With these words, I once again welcome you all to the Conference. I wish you all a pleasant stay in Kumarakom. This is one of the premier tourist locations in the country, combining aesthetic appeal with the pursuit of ecological sustainability, which is an apt metaphor for the issues and concerns that we will talk about during the rest of the day.

Financial Stability Mandate of Central Banks: Issues in the International and Indian Context*

Duvvuri Subbarao

Financial stability has come centre stage in the post-crisis scenario. The discourse has been quite broad spectrum – ranging from first principles such as the definition of financial stability to intellectually involved issues like the implication of financial stability for growth and welfare. Although the crisis originated in the advanced economies, we, in emerging economies too have been affected by it, and indeed by much more than we had thought possible. This contagion brought home a simple message. In a rapidly globalising world, national and international financial stability are inter-linked. They are really two sides of the same coin.

2. From that perspective, the international efforts now under way to put in place institutional arrangements and policies for preserving financial stability are relevant for us here in South Asia too. That explains the choice of the topic 'Financial Stability' for this South Asian Association for Regional Cooperation (SAARC) Governors' Symposium.

3. I have great pleasure in welcoming all the delegates to this symposium. In particular, I want to acknowledge the presence here of colleague Governors and Heads of Delegation from Afghanistan, Bangladesh, Bhutan, the Maldives, Nepal, Pakistan and Sri Lanka. A special welcome to Jaime Caruana, General Manager of the Bank for International Settlements (BIS) and formerly Governor of the Bank of Spain, and to our very own Dr. Y. V. Reddy, my distinguished predecessor at the Reserve Bank and now an internationally renowned expert on financial stability. Between the two of them, they bring not only years of rich central banking experience but valuable international expertise and enormous intellectual acumen. Lastly, and importantly, a special welcome to Shri T. N. Ninan, President, Editors Guild of India, one of India's most erudite economic journalists and a very influential thought leader, who will be moderating the Governors' panel discussion later today.

4. Holding this symposium on financial stability here in the backwaters of Kerala, God's Own Country, was a deliberate decision. It has now become fashionable to refer to the global crisis that we had just gone through as a 'financial tsunami'. Maybe we can extend that metaphor. If the crisis was a tsunami, the placid backwaters of Kumarakom represent the financial stability that we aspire to.

5. Given the depth and breadth of exposure that all of you, especially colleague Governors, bring to this forum, it will be presumptuous on my part to anticipate and debate all the issues that will come up. I will attempt something much less ambitious. Just by way of a curtain raiser, I will try to give an assessment of the global debate on financial stability and outline what we are doing here in India.

Financial Stability and Central Banks

6. Given that central banks have been at the heart of this crisis – being blamed for getting the world into the crisis and being praised for leading from the front in getting the world out of the crisis – a question that naturally arises is whether the crisis could have been averted if central banks had an explicit mandate for financial stability. There are two presumptions behind this question: first, that central banks neglected financial stability because they had no explicit mandate, and second, that in some sense, financial stability falls within the purview of a central bank mandate. Evidently, there are no settled views on these presumptions but they do raise a host of important issues. Let me try and flag them.

*Welcome address by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India, at the SAARCFINANCE Governors' Symposium at Kumarakom, Kerala on June 10, 2011.

Financial Stability – Why is It Important?

7. Given the enormity of the crisis the world has just gone through, to ask why financial stability is important will sound inane, perhaps even outlandish. But that perception comes from the benefit of hindsight. Remember financial stability was not on anyone's radar screen during the period of the Great Moderation. So, let me address the question of why financial stability is important.

8. That financial stability is important for the macroeconomy is perhaps obvious. What clearly distinguishes a financial crisis from other types of economic crises, as evidenced by the history of crises since the Great Depression of the 1930s, is that financial crises are deeper, the recovery from them is protracted and they leave behind deep scars by way of output and employment foregone. The Great Recession of 2008/09 bears this out. Global income, trade and industrial production had fallen more sharply in the first twelve months of this crisis than in the first twelve months of the Great Depression. Two years after the crisis, much of the world is still in a recovery phase. And there are apprehensions that there may be a permanent loss of output – a 'new normal' as it were. So, on all parameters, the depth of the crisis, the length of the recovery and its lasting impact, this crisis has taken a devastating toll on global growth and welfare – conclusive evidence of why financial stability is vital from a macroeconomic perspective.

9. More specifically, financial stability is particularly important to central banks because their ability to deliver on the growth and inflation objectives is conditional on a financially stable environment. At the heart of the monetary policy actions of a central bank is the adjustment of short-term interest rates in the expectation that it will transmit to interest rates at the long end and thereby influence aggregate demand and inflation. The channel for this monetary transmission can get clogged, or in extreme cases even completely choked, if there is no financial stability. Recall that at the depth of this crisis, when credit and money markets went into a seizure, advanced country central banks tested the limits of policy action. Finding that they were unable to revive market confidence even after pushing policy interests down to near zero or even zero, they had to top up interest rate action with initiatives variously termed quantitative easing and credit easing. What this experience demonstrated is that financial stability is a necessary pre-condition for monetary policy effectiveness.

The Role of Central Banks in Financial Stability

10. So, the surmise, from the experience of the crisis, is that financial stability is a necessary – although not sufficient – condition for the central bank to deliver on its mandate. The follow-on question then is what is it to do about it? More precisely, what is the role, if any, of a central bank in preventing financial instability, and what is its role in managing financial instability should it occur?

11. Before the crisis, the stereotype view was that price stability and financial stability complement each other *i.e.,* monetary policy and policies for financial stability are mutually reinforcing. The crisis has proved that wrong. Note that we saw the global financial sector come to the brink of collapse in the midst of a period of extraordinary price stability. Indeed the experience of the crisis has prompted an even stronger assertion – that there is a trade-off between price stability and financial stability, and that the more successful a central bank is with price stability, the more likely it is to imperil financial stability. The argument goes as follows. The extended period of steady growth and low and stable inflation during the Great Moderation lulled central banks into complacency. They thought they had discovered the Holy Grail and declared victory. Only with the benefit of hindsight is it now clear that the prolonged period of price stability blindsided policy makers to the cancer of financial instability growing in the underbelly.

12. So that much is now clear. Central banks should be mindful of financial stability concerns. But does it necessarily mean that they should take care of it themselves? A review of the pre-crisis institutional arrangements for financial sector regulation across different countries suggests different answers. Abstracting from the details, it is possible to see two stylized models. The first is a model where the central bank is just a minder of inflation with no regulatory

responsibilities, the rationale being that a central bank will be able to deliver on its price stability objective more effectively if it is not burdened by other responsibilities. The other model is one where a central bank has also some, and in a few cases, the entire responsibility for regulating the financial sector, and, hence, has an implicit responsibility for financial stability.

13. The experience of the crisis has generated a vigorous debate on whether a central bank can remain immune to financial stability concerns no matter how limited its mandate. Using a metaphor which is by now notoriously famous, is the central bank's job confined just to mopping up the mess after the bubble has burst? This is not a totally settled debate, but the dominant view post-crisis is that central banks should have a substantial role in the financial stability function. Once again, abstracting from all the nuanced positions, there are three main arguments.

(i) The first argument is that monetary policy and financial stability are generally inter-linked. Policies in one dimension have implications for the other. For example, monetary policy can affect systemic risk through the asset price channel. Interest rates represent the opportunity cost of holding assets and an accommodative monetary policy can influence credit expansion for financing asset purchases. Should this happen in times of excessive optimism, it can lead to asset price bubbles threatening systemic stability. The causation can run in the reverse direction too – policies for financial stability can influence the monetary dimension. For example, as I said earlier, measures aimed at strengthening the resilience of the financial system potentially buttress monetary policy by preventing sharp financial disruptions. This inter-dependency between the two dimensions suggests that the central bank, with inherent responsibility for monetary policy, should also act as a systemic regulator in charge of financial stability. With such a mandate, a central bank can take a holistic view of policy options by factoring in costs and benefits in both dimensions.

(ii) The second argument in favour of giving central banks a more substantive role in the financial stability function flows from the lesson of the crisis that a collection of healthy financial institutions does not necessarily make a healthy financial system. Systemic safety can be jeopardised by procyclicality. As the crisis demonstrated, there is a strong collective tendency among financial entities to overexpose themselves to the same type of risk during an upturn and become overly risk averse during a downturn. Importantly, individual institutions, indeed microprudential oversight too, fail to take into account the spillover impact of the actions of the rest of the financial system on them. Hence, the growing emphasis, as part of the post-crisis regulatory reform, on macroprudential supervision at the systemic level to complement microprudential regulation at the institutional level. There are synergies to be gained by co-locating the responsibility for both microprudential regulation and macroprudential supervision in one institution. The grass-root level knowledge from microprudential regulation can be used to look out for fault lines at the systemic level; *vice versa*, systemic level insights from macroprudential supervision will be useful in instituting safeguards at the micro level. The logical candidate for housing both the microprudential regulation and macroprudential supervision is the central bank.

(iii) By far the strongest argument in support of integrating financial stability and monetary policy flows from the lender of last resort (LOLR) function of the central bank. The central bank, it is argued, can discharge its LOLR function more efficiently if its mandate extends beyond merely monitoring financial institutions to taking preventive action. This becomes possible if the central bank is also the systemic regulator in charge of financial stability.

14. Even as the case for giving a substantive responsibility for financial stability to the central bank is persuasive, the central bank itself will have a challenging task in managing the relative prioritisation across its multiple objectives. This is less straightforward than it seems especially as there are important trade-offs. For example, in India we mandate banks to hold 24 per cent of their net demand and time liabilities (NDTL) in a liquid portfolio under the statutory liquidity ratio (SLR) regime.[1] While the SLR regime provides strength to the banking system and is hence stability enhancing, the large pre-emption that it entails reduces the flow of credit to productive sectors with potentially adverse impact on investment and growth. As such, the SLR regime poses a growth-stability trade-off dilemma for the Reserve Bank.

15. Such conflicts across the multiple objectives of the central banks can become more common in crisis situations. During the Asian Crisis, for example, countries raised interest rates to stem capital outflows and contain currency depreciation. These external sector adjustments took a heavy toll on the domestic macroeconomic situation by way of corporate losses, higher NPAs for banks, lower output and higher unemployment, all of which eroded financial stability. The management of the recent crisis is an example in the reverse. To restore financial stability, central banks stretched conventional expansionary policies to the limits and also pursued unconventional policies. Some analysts contend that the costs of this extraordinary monetary accommodation will unfold over time by way of lower output and higher inflation.

Regulatory Architecture for Financial Stability

16. I have argued the case for central banks having a substantive role for financial stability. Clearly, this cannot be an exclusive responsibility. In most jurisdictions, there are other financial sector regulators, and the government too, who have to share this responsibility. That raises the question: what regulatory architecture is best suited for preserving financial stability? There is no definitive answer. As several analysts have pointed out, the crisis hit countries alike, irrespective of their regulatory architecture. For example, the US with multiple regulators and the UK with a unified regulator were both hit alike. But as we emerge out of the crisis, some broad contours of reform are emerging.

17. These contours reflect two clear trends: first, a decisive shift towards giving increased responsibility for both macroprudential oversight and microprudential regulation to central banks; and second, institutionalisation of collegial arrangements involving the central bank, other regulators and the government, with the primary responsibility of identifying threats to financial stability. The councils can make recommendations for appropriate prudential standards in the interest of safety of the financial system, but notably, not for forbearance or relaxations. The two seemingly paradoxical trends make eminent sense and supplement each other.

18. A brief review of the situation across advanced economies shows that even as details differ, the thrust is the same. In the US, the Financial Stability Oversight Council (FSOC) is headed by the Treasury Secretary and comprises the Fed chairman and the heads of all the regulatory agencies. The FSOC will monitor systemic risks, designate non-bank financial firms as systemically important and subject them to Fed supervision, approve proposals from Fed to break up large banks and allow orderly resolution of failing systemically important financial institutions.

19. The European Union (EU) has opted for a council approach with significant responsibility for the central banks. An agreement has been reached on creating new supervisory bodies for the EU which became operational at the beginning of 2011, subject to approval by individual member states. The European Systemic Risk Board (ESRB) is chaired by the President of the European Central Bank (ECB) and is a part of the European System of Financial Supervision, which also comprises the three newly created systemic authorities for banking, insurance and occupational pensions and for securities markets.

[1]Incidentally, Basel III package finalised last year has a liquidity buffer provision similar to our SLR requirement.

20. In the UK, there is a paradigm shift underway in terms of the institutional arrangements for micro-prudential as well as macro-prudential regulation. The Government announced plans to: (i) shift the responsibility for prudential oversight from the Financial Services Authority (FSA) to a new Prudential Regulation Authority (PRA) under the Bank of England; (ii) set up a Financial Policy Committee (FPC) within the Bank of England to 'monitor macro issues that may threaten economic and financial stability'; and (iii) set up a Financial Conduct Authority (FCA) which will be responsible for the conduct of business across various financial services and for consumer protection. The FPC will be a committee of the Bank of England's Court of Directors and is to be chaired by the Governor. It will also comprise a representative each of the Treasury, the PRA and the FCA. In anticipation of a legislation to create the FPC, an interim FPC has been established with its composition closely mimicking that of the proposed statutory body.

21. The above trends implicitly acknowledge that while all financial sector regulators, and indeed the government, have a role in maintaining financial stability, from an effectiveness and accountability perspective and for preventing as well as managing a crisis, it is imperative to enjoin the executive responsibility for financial stability to a single entity and that the central bank is best positioned to be that single entity. The participation of, and indeed co-ordination by the finance ministry, underlines its role in crisis management and resolution.

Financial Stability and Central Bank Autonomy

22. The much-prized autonomy of central banks has come under assault post-crisis with an influential view gaining ground that one of the principal causes of the crisis was the unbridled autonomy of central banks. The standard argument for central bank autonomy is that autonomy enhances the credibility of the central bank's inflation management credentials. Monetary policy typically acts with a lag, and price stability, therefore, has to be viewed in a medium-term perspective. Having autonomy frees the central bank from the pressure of responding to short-term developments, deviating from its inflation target and thereby compromising its medium-term inflation goals. Even as the importance of central bank autonomy in monetary policy is now broadly accepted, there is a growing view that central bank decision-making has to become transparent and that central bankers have to be more accountable for the outcomes of their decisions.

23. With central banks assuming increasing responsibility for financial stability, the autonomy question has acquired an additional dimension and greater urgency. The main apprehension is that a formalised mechanism for co-ordination between the government and the central bank for financial stability will alter the level, content, process and frequency of interaction between the two, and over time this will erode the autonomy of the central bank. It is argued that it will be difficult to keep monetary policy and policies for financial stability strictly apart, and a formal forum for co-ordination would facilitate 'spillover' into monetary policy.

24. This issue is non-trivial, and can become quite contentious in maturing economies where institutions for checks and balances are not ingrained. Nevertheless, it is not an insurmountable problem. It is possible to build and respect Chinese walls between decision-making for monetary policy and decision making for financial stability. In the US, for example, the FOMC (Federal Open Markets Committee) is responsible for monetary policy decisions while the Board of Governors of the Federal Reserve is responsible for financial stability decisions. Countries like Brazil and Sweden have a different model – they aim at extracting synergies between monetary and financial stability decisions through a single board.

25. The burden of my argument, therefore, is that with sensitivity and understanding on both sides and through appropriate institutional mechanisms, it is possible to ensure that a central bank is able to effectively discharge its financial stability responsibility without compromising its autonomy.

Indian Position on the Issue of Financial Stability

26. Where do we in India stand on this issue of financial stability? Historically, the Reserve Bank has

played an important role in preserving financial stability – drawing from its wide mandate as the regulator of the banking system and of the payment and settlement systems, regulator of the money, forex, government securities and credit markets, as banker to banks, as also the lender-of-the last resort. This unique combination of responsibilities for monetary policy combined with macroprudential regulation and microprudential supervision with an implicit mandate for systemic oversight has allowed the Reserve Bank to exploit the synergies across various dimensions. The micro-level information coming from supervision of individual institutions has been a valuable input for shaping the macro perspective. On the other hand, the broad understanding from macroprudential regulation has been effective in instituting prudential safeguards at the micro institution level.

27. Even as the Reserve Bank has implicitly been the systemic regulator in India, financial stability cannot be its exclusive responsibility. Other financial sector regulators such as the Securities and Exchange Board of India (SEBI), the Insurance Regulatory and Development Authority (IRDA) and the Pension Funds Regulatory and Development Authority (PFRDA) too have important responsibilities. Beyond the regulators, the crisis has demonstrated the importance of the co-ordinating role the Government has to play, especially in crisis times.

28. Across most jurisdictions, the post-crisis focus has been on shifting responsibilities and mandates among regulators. India has been somewhat different in this regard; our focus has been more on establishing an institutional mechanism for co-ordination among regulators and between the regulators and the Government. This has culminated in the establishment, in December 2010, of the Financial Stability and Development Council (FSDC) to be chaired by the Finance Minister. The FSDC is to be assisted by a sub-committee to be chaired by the Governor of the Reserve Bank. This sub-committee has replaced the erstwhile High Level Co-ordination Committee on Financial Markets (HLCC FM). The Government has held out a clear assurance that the setting up of the FSDC will not in any way erode the autonomy of the regulators.

29. In terms of governance structure, the two-tier framework of FSDC and the sub-committee presents an interesting case. The crisis has clearly demonstrated the need for explicit delineation of responsibilities for financial stability across agencies and an agreed protocol for co-ordination among such agencies. The crisis has at the same time brought forth the critical stake of the sovereign in ensuring financial stability – the spillover costs in a crisis have to be borne by the governments. However, the sovereign itself may not be the agency best suited to take on the mantle of financial stability – in most jurisdictions, including India, it is the central banks which have the natural mandate for this responsibility. In the Indian context, the proposed structure attempts to strike a balance between the government's objective of ensuring financial stability to reduce the probability of a crisis and the operative arrangements involving the central bank and other regulators. While the Sub-Committee under the Governor of the Reserve Bank is expected to evolve as a more active, hands-on body for financial stability in normal times, the FSDC would have broad oversight and will assume central role in crisis times.

30. There is another interesting dimension to the mandate of the FSDC. Note that the acronym also includes the letter 'D' which stands for development. In the budget speech, the Finance Minister indicated that the development role will cover issues like financial inclusion and financial literacy which, by their very nature, are shared objectives of the Government and the regulators and have to be pursued synergistically. I am pointing this out to emphasise that in India we view financial inclusion as a fundamental aspect of financial stability.

31. Since the Reserve Bank has historically had a macroprudential overview, not all the governance issues surrounding financial stability are new to us. Nevertheless, there are always unknown unknowns, and the system should be able to respond to them when they turn into known unknowns. Now that the regulatory architecture of the FSDC is in place, it is important for the Government and the regulators in India to develop conventions and practices which will serve the goal of preserving financial stability without eroding the autonomy of the regulators.

Summing Up

32. Let me now sum up. I have highlighted why financial stability is important for the macroeconomy and for the central banks. I have argued that central banks should have a substantive, although not exclusive, responsibility for financial stability even as this might involve the central banks having to manage some critical trade-offs. It is in recognition of the synergy between the basic monetary functions that the central bank conducts and of the policies required for preserving financial stability that, across several jurisdictions, including in more mature advanced economies, there is a post-crisis move towards giving central banks more formalised, explicit responsibility for financial stability.

33. At the same time, there is recognition everywhere, regardless of the regulatory architecture, that preserving financial stability requires co-ordination among regulators, and between regulators and governments. Even in the midst of a general refrain that central banks, and indeed all regulators, should become more transparent and be more accountable, it is generally acknowledged that these co-ordination mechanisms, especially as between the government and the regulators, must function in ways that do not compromise the autonomy of the regulators. How these co-ordination mechanisms will evolve and how much value they will add is yet too early to determine. The test really will be how effectively we can prevent the next crisis, and how effectively we will manage it, should one occur.

34. The recent best seller, *Lords of Finance*, likens central bankers to the Greek mythological character Sisyphus. Sisyphus was condemned by Gods to roll a huge boulder up a steep hill, only to watch it roll down and having to endlessly repeat the task. The challenge for central banks is still bigger. They have to manage multiple boulders at the same time. Only if they succeed in that multi-Sisyphean effort will they be able to preserve financial stability. Let me finish on that sombre note.

Chasing the Monsoon

35. Before I do so, however, I want to let our foreign friends here know that 'chasing the monsoon' is a national pastime in India from June through September. The emotional well-being of the country as well as our economic prospects are determined by the monsoon that breaks here off the coast of Kerala every year in early June. We invite you to enjoy this wonderful experience of celebrating the great Indian monsoon.

Monetary Policy in a World with Macroprudential Policy*

Jaime Caruana

Introduction

Ladies and gentlemen, it is a privilege to be able to speak today to this distinguished group of Governors. As for my subject, I will focus on how monetary policy might need to adjust to the implementation of new macroprudential frameworks. To speak on this topic in India is almost presumptuous, given that the Reserve Bank of India is among those central banks, mainly Asian ones, that have successfully combined both monetary policy and macroprudential measures. So please take my remarks more as an invitation to a productive debate – one in which your contribution will be immensely valuable.

Much has already been done to ensure that financial supervision and regulation incorporate a systemic view of risks and to establish effective macroprudential frameworks. Basel III will increase the resilience of the banking system and will introduce a macroprudential overlay. Oversight bodies and macroprudential authorities will actively monitor systemic risk and act to constrain excessive leverage and maturity transformation. These are just two important elements that will have healthy long-lasting effects on the financial system and economy. As we know, however, more needs to be done to strengthen the financial system.

To be sure, a more stable, more resilient and less procyclical banking system will also improve the effectiveness of monetary policy transmission. But to understand the full impact on monetary policy, we need to understand how the new macroprudential frameworks will change the behaviour of the financial system and the real economy. These changes mean that monetary policy will have to adapt. How it adapts will depend on the way in which macroprudential and macro policies interact. This brings to the fore not only technical issues but also policy and governance considerations.

Perhaps it is too early for definite conclusions. Key reforms are still under way. For example, the Basel III liquidity ratios will improve liquidity management in banks, but may also affect capital markets and monetary policy transmission mechanisms. These effects will need to be analysed closely during the scheduled observation period.

Today, however, I would like to offer some tentative thoughts on some propositions and principles. My main focus will be the interplay between macroprudential frameworks and monetary policy.

1. Define Macroprudential Policy and its aims Narrowly

In what follows, I will define macroprudential policy as the use of primarily prudential tools to limit system-wide financial risk, and so prevent disruption to key financial services and the economy.[1]

Thus, macroprudential policy is defined by its aim (limiting system-wide financial risk), the scope of analysis (the financial system as a whole and its interactions with the real economy), a set of powers and instruments and their governance (prudential tools and those specifically assigned to macroprudential authorities).

This definition highlights a couple of points.

First, the set of macroprudential tools is not as large as sometimes believed. It may be tempting to consider as macroprudential any tool that can influence systemic risk and financial stability. But such a definition is too broad, as almost anything can have an impact on systemic risk. Monetary, fiscal and

*Speech by Mr. Jaime Caruana, General Manager of the Bank for International Settlements, at the SAARCFINANCE Governors' Symposium 2011, Kerala, June 10, 2011.

[1] FSB-BIS-IMF *(2011)*, *'Macroprudential policy tools and frameworks: Update to G20 Finance Ministers and Central Bank Governors'*, February.

competition policies are cases in point. Moreover, a too-broad definition could argue for the adoption of measures whose primary aim has nothing to do with addressing systemic risk and whose effectiveness may be doubtful in that context. Capital controls could be one example.

Second, macroprudential policy should not be considered a tool for the management of aggregate demand. To safeguard macroeconomic stability, there is no substitute for sound monetary and fiscal policies. Unless these policies anchor domestic inflation and ensure the country's long-term solvency, the result will be serious macroeconomic instability. To be sure, the economy will be more stable if systemic risk is contained. But to rely on macroprudential policy as a first line of defence against inflation or other macroeconomic imbalances is bound to lead overall policy astray. Macroprudential policy can, at best, play a supportive role.

This leaves open the question of how narrowly the macroprudential objective should be defined. To answer that question, we first need to ask how a macroprudential framework should deal with financial cycles and procyclicality – a key source of financial instability. Recent experience has confirmed that financial crises often result from mutually reinforcing feedback between the financial system and the real economy. Financial forces can drive and feed economic expansions. Unsustainable developments often show up in unusually rapid credit and asset price growth, together with burgeoning risk appetite. As external funding constraints are eased, they promote additional risk-taking and economic exuberance. During the boom, the financial system may miss the chance to build up sufficient capital and liquidity buffers while this could easily and cheaply be done. As a result, it cannot withstand the subsequent bust. When the unsustainable can no longer be sustained, a financial crisis breaks out. This can be very costly, both economically and socially.

From this perspective, one could single out two possible objectives for a macroprudential framework. A narrow aim would be to increase the resilience of the financial system. A broader, more ambitious one would seek to constrain the upswing of the financial cycle itself. To achieve the narrow aim, all we need to do is to build up buffers during the boom so that they can be used as risks materialise during the bust. For the broader objective, the build-up of the buffers should itself act as an effective speed-limit, restraining the credit and asset price boom. The narrow objective would accept that financial cycles and imbalances could be material despite the best efforts of policymakers. At the same time, it would recognise that, by cushioning the bust, the macroprudential framework would limit the downside of the financial cycle. But it would remain more agnostic about its restraining impact during the boom.

My view is that we should be modest in our expectations. The evidence strongly indicates that macroprudential tools strengthen the banking system's resilience against the bust. At the same time, it suggests that their effectiveness in restraining the boom is more mixed and varies across instruments and financial structures. For example, some countries report that loan-to-value ratios and special provisioning requirements have helped to contain asset price inflation and credit growth in the real estate sector. Several years ago, the Reserve Bank of India raised the Basel weights for household loans, as well as mandating higher loan loss reserves, in the face of rapid household credit growth. Household loans subsequently slowed, even as business loans accelerated; this suggests *prima facie* that the measures were effective. But it is less clear how far this experience might apply to other financial systems with different capital markets and banking structures. In addition, capital buffers may need to be raised substantially before they can restrain credit expansion: by its nature, capital is ample and cheap in good times.

I draw two conclusions from this. First, a macroprudential strategy is likely to have to rely on a range of reinforcing policies and instruments in order to effectively and sustainably constrain credit growth and asset price booms. Second, given the uncertainties involved at this stage, it would be wise to avoid overly ambitious objectives. We should design the frameworks to provide effective speed limits. But we should not go so far as to judge on this basis whether a macroprudential framework has succeeded or failed. We should be modest in our expectations about this wider objective.

2. Macroprudential Policy is not Enough to Ensure Financial Stability: Other Policies have to Play their Part

Can we rely *exclusively* on a macroprudential framework to ensure the desired degree of financial stability? I would argue that the answer is 'no'. At a minimum, both fiscal and monetary policies need to play a more active role than they have in the past.

Let me just say a few words about fiscal policy, as it is not the main subject of my presentation. The plight of the euro area is a telling example of how sovereign solvency is the prerequisite for financial stability. Emerging market countries know this all too well. History also indicates that, during credit and asset price booms, fiscal positions look deceptively rosy. The conclusion is simple. For fiscal policy, we need to apply the same principles that apply to a macroprudential framework: namely, build up buffers in good times so that they can be drawn down in bad times. This means running prudent budget surpluses in good times. And it means not being fooled by the one-off revenues that private sector financial imbalances generate as they build up.

Views about the appropriate role of monetary policy have evolved in the light of the financial crisis. Pre-crisis, the relationship between financial stability and monetary stability was typically regarded as quite simple, at least in most advanced economies. At the cost of oversimplifying, two propositions summarised this view. First, price stability is sufficient for macroeconomic stability. To put it less provocatively, price stability, together with developed and efficient financial markets, would either prevent financial crises or, if they did happen, keep them to manageable proportions. Second, monetary stability should be achieved by mandating an independent central bank with a narrowly specified inflation target. Not surprisingly, standard macro models treated this view as axiomatic and often failed even to mention banks.

The crisis showed that this paradigm is too narrow.

First, it reminded us that financial imbalances can build up even without inflation. Inflation was subdued in the mid-2000s. Yet, at the same time, unsustainable asset price booms developed in many countries, setting the stage for disaster. Evidently, aiming to maintain price stability over a typical two-year policy horizon is not a sufficient safeguard against financial and macroeconomic instability.

Second, the crisis hammered home the message that the correction of financial imbalances can put a huge strain on monetary policy. During the crisis, deflationary pressures and plummeting output induced many policymakers to lower rates until they effectively hit the zero lower bound. Central banks also engaged in aggressive balance sheet policies. As a by-product, these policies increased central banks' financial risks and put their budgetary independence into question. Thus, the crisis showed that a strategy that limits itself to post-bust cleaning up carries huge costs and can cripple monetary policy effectiveness.

More generally, the maintenance of financial stability is too big a burden to rest exclusively on prudential policies, macroprudential included. First, as already noted, it is difficult to constrain the build-up of financial imbalances even with a combination of policies. And the results are uncertain. But the correction of financial imbalances can have serious macroeconomic costs even if it does not result in a full-blown financial crisis. For example, after the end of Germany's re-unification boom, there were no outright bank failures. Even so, the financial system experienced severe strains, which sapped the economy's strength. Second, the effectiveness of monetary policy in constraining credit and asset price booms is hardly in doubt. It is hard to imagine how monetary policy could influence economic activity without affecting credit conditions and asset prices: these are key elements of the transmission mechanism. Finally, monetary policy can help to address regulatory arbitrage, as it sets the universal price of leverage in a given currency.

Will macroprudential policy tend to lead to an amplification or a dampening of policy interest rate cycles? The answer is not straightforward. On the one hand, the troughs might become less extreme, as macroprudential policy should reduce the likelihood of financial crises and their disinflationary consequences. Likewise, interest rate peaks might also come down, to the extent that macroprudential policy succeeds in restraining credit and asset price booms. On the other hand, the need for monetary policy to contribute to financial stability by leaning against the build-up of financial imbalances points to a greater range of interest rate increases during expansions that are marked by such imbalances.

All told, interest rates could move more symmetrically over the financial cycle. They would rise by more during upswings and fall by less during downswings. By implication, there would also be a reduced risk of hitting the zero lower bound and of having to resort to balance sheet policies.

3. Conflicts between Macroprudential and Monetary Policy are likely to be Rare

A concern sometimes raised is that macroprudential frameworks could lead to conflicts between monetary and macroprudential actions. My sense is that such concerns are overdone. It seems likely that, in most circumstances, macroprudential policy and monetary policy will be complementary, tending to move in the same rather than opposite directions.

There are two reasons why these policies should complement each other:

First, the financial cycles that matter for prudential policy have a much lower frequency than business cycles. Most business cycles do not involve financial imbalances or crises. In other words, financial crises happen much less frequently than recessions. Since the worldwide liberalisation of financial markets in the 1980s, financial crises have occurred only about once every 20-25 years in any given country. The literature also indicates that financial cycles associated with serious financial distress tend to be considerably longer than typical business cycles.

This suggests that, most of the time, monetary policymakers can treat macroprudential policy developments as a relatively slow-moving background. It also means, of course, that the pursuit of price stability over horizons of just two years or so is no longer fully appropriate. Rather, monetary policymakers will also need to keep an eye on longer-term trends, if they are to take into account the gradual build-up and unwinding of financial imbalances and their economic and inflationary effects.

This longer horizon dissipates some of the possible tensions between monetary policy and macroprudential decisions. Imagine a situation in which a leveraged asset price boom occurs when inflationary pressures are falling. The apparent tension between a desire to cut interest rates and to tighten macroprudential standards disappears once a longer-run perspective on price stability is taken. Since financial crises can generate huge disinflationary pressure, a tightening of monetary policy will promote longer-run price stability.

As an aside, this point suggests that, if monetary policy is mobilised at times to prevent financial instability, no change in formal objectives or mandates will necessarily be required. More important is the analytical lens through which policymakers see the workings of the economy. Indeed, there may be circumstances in which the adoption of an explicit financial stability mandate could be counterproductive. This would be the case, for instance, if it resulted in stronger political economy pressures to keep interest rates low in order to avoid financial stress at times of rising inflation.

Second, we may need to think in terms of a policy hierarchy. A good example is the potential set of responses to strong capital inflows. Capital inflows into emerging market economies can put strong upward pressure on domestic inflation, as well as on credit and asset price growth. In this situation, the top priority is to apply macroeconomic policies – including monetary, fiscal and exchange rate measures – to safeguard domestic financial stability. The appropriate role of macroprudential policy is to curb excessive risk-taking by the domestic financial system. Such restraint might well help to cool aggregate demand and, as such, should to be taken into account by monetary policy. But the use of macroprudential policy should not be used as an excuse to postpone or reduce the inevitable tightening of monetary policy. As for capital controls, these are measures of last resort and are better viewed as a safety valve for extraordinary circumstances. The longer such controls are left in place, the greater the chance of adverse economic side-effects. In this light, India's higher limits on non-resident investment in rupee bonds represent a welcome development. Such investment can help to deepen capital markets.

4. Complementary Policy Areas still call for Policy Co-ordination

Although conflicts between macroprudential and monetary policy are likely to be rare in practice, there will still be a need for mutual consistency and co-ordination. The close relationship between macroprudential and monetary policy makes that inevitable. More generally, financial stability is a shared responsibility that requires clear co-operation arrangements.

Consistency and co-ordination could be achieved in a number of ways. At one end of the spectrum, a single institution could take responsibility for all co-ordination. It would, in fact, determine both policies at all times, with the aim of promoting both macroeconomic and financial stability. Concretely, a single committee or institution could be charged with deciding on the mix of instruments. A central bank would be an obvious candidate for this role. Short of this solution, various other possibilities can be envisaged. For example, policymakers in one area could have veto rights for the other policy; or macroprudential and monetary policy committees could have overlapping memberships. Alternatively, there could be requirements to consult; requirements to notify the other authority before taking decisions; requirements to provide information and advice to the other party; and 'best efforts' co-ordination governed by memoranda of understanding or similar instruments.

The key trade-offs are well-known. On the one hand, they involve maximising the credibility and accountability benefits of a narrow policy focus. And, on the other hand, it is a matter of exploiting the technical efficiency benefits yielded by co-ordination.

This could be done in various ways. For example, multiple objectives could be explicitly ranked. The timing of macroprudential policy reviews could differ from those of monetary policy, which themselves differ from the calendar of fiscal policy actions. Interestingly, some recently established financial stability committees plan to meet quite frequently – perhaps on a quarterly basis. On the one hand, regular review meetings help to keep financial stability in the public eye and could guard against biases towards inaction. On the other hand, this frequency seems quite high given that financial cycles build up so slowly; it might even risk creating the impression that macroprudential interventions will in practice be quite frequent.

5. We need Proper Governance Arrangements: Independence, Clarity and Accountability

Regardless of the specific type of co-operation mechanisms put in place, financial stability requires governance arrangements that incorporate the principles of independence, clarity and accountability.

Independence from political cycles is needed for macroprudential policy no less than for monetary policy. A common problem for both policies is the need to intervene during the upswing, when things are going well and the public might be sceptical that problems loom down the road. Operational independence will be needed to shield unpopular policy decisions. Strong accountability and clarity of communication will bolster public support for the independence of macroprudential policy and, hence, its credibility and effectiveness.

Clarity about mandates, responsibilities and powers is important for the effectiveness and timeliness of actions and for managing the difficult trade-offs. Sufficient powers imply control over relevant instruments and appropriate safeguards. For example, access to micro supervisory data is important.

At the same time, our limited technical knowledge means that macroprudential frameworks need room to adapt and grow with experience. Very specific and inflexible mandates raise the risk that the specified targets are, or quickly become, poorly matched to the economy's and financial system's needs. As a result, the policymaker's ability to respond to unexpected circumstances could be severely constrained.

Accountability is critical. That said, since financial stability objectives are difficult to quantify or define precisely, accountability is harder to achieve than, say, for price stability objectives in monetary policy. A clear and transparently communicated strategy that sets out the central bank's intentions can serve as the basis for accountability.

Regardless of the specific governance and co-operation arrangements, the emerging reality is that central banks have a key role to play. This role requires mandates and governance structures that are consistent with their primary monetary policy function. In some cases, central banks' duties and powers to promote financial stability are being enhanced. More active financial stability roles will raise issues of reputational risk that central banks will need to manage carefully, especially if their views on specific decisions are not shared by other agencies involved in the process.

Central banks will also face additional challenges. They will face an added burden to be very clear about what policy actions are being taken and for what reason. They will need to be careful not to undermine price stability mandates and hard-won credibility. And they will need to preserve their operational autonomy, including financial independence. In turn, this requires control over their balance sheet and *exante* clear mechanisms to transfer losses to the Treasury. A forthcoming Central Bank Governance Forum report describes the current range of practice across central banks and analyses the issues posed by various choices.

Conclusion

To conclude, these are early days in our experience with new macroprudential frameworks. The consequences of active macroprudential policy for the conduct of monetary policy will be material, but still need to be understood in light of experience. The Asian experience, your experience, will be extremely helpful in refining macroprudential frameworks and managing expectations as to what they can deliver.

Financial Stability: Some Issues*

Y. V. Reddy

Dear Governor Subbarao, Esteemed Mr. Jaime Caruana, Respected Governors of Central Banks of South Asian Association for Regional Co-operation (SAARC) region, distinguished central bankers and friends,

I am grateful to my friend and distinguished successor Governor Subbarao and the Reserve Bank for giving me this opportunity to be with this august gathering. The subject for the Symposium is very timely, and is of great significance for the central banks.

I want to congratulate the scholars in the Reserve Bank for outstanding concept papers. They are to the point, comprehensive, updated and, above all, very informative as well as analytical. I am delighted to endorse the papers. All the country papers are of very high standards, and provide deep insights into the relevant issues. I eagerly look forward to the discussions.

In my brief presentation today, I will address some inter-related issues on financial stability. First, what has been the thinking and what have been the actions of the Reserve Bank in regard to financial stability in recent years? Experience, both good and bad, can provide insights into this issue.

Second, is the global financial crisis behind us or ahead of us? Put differently, are we likely to be out of serious threats to financial stability in the near future, though no one can rule out a financial crisis for ever?

Third, what are the broader issues in regard to financial stability that ought to be addressed now?

Evolution of Policy on Financial Stability in India

India recorded impressive growth in 1980s, though the growth rate has been gradually accelerating since Independence, while simultaneously reducing volatility in output. The higher growth in 1980s was accompanied by a build-up of macro-economic imbalances, especially in regard to fiscal and external position as also, arguably, the health of the financial sector. The balance of payments crisis of 1991 was essentially a liquidity crisis caused by the impact on external trade due to collapse of USSR and Gulf crisis, almost simultaneously. However, the way out of the liquidity crisis, which was executed in an exemplary manner despite political uncertainties, warranted attention to a process of reversing the trend in macro-economic imbalances in the economy brought about by the strategy for growth in 1980s. The process of reform since 1991 thus addressed, simultaneously, external, fiscal, financial, and real economy.

It must be recognised that throughout 1980s and beginning of 1990s, despite the crisis in balance of payments front, there was virtually no issue of financial stability, due to the public ownership of banks, financial repression, and closed economy. Incidentally, one lesson from this crisis was that a closed economy by itself provides no insurance against all instability. Thus, the thrust of reforms in financial sector was not in the context of responding to a crisis or vulnerability in financial sector, but aimed at improving its efficiency. Its aims were to release the rigour of financial repression, improve regulation, promote competition, and increase openness of the economy. All measures taken in this regard, emphasisd gradualism, and a non-disruptive approach. As Reports of Committees on reform of external sector and financial sector indicate, the thrust of reform was on macroeconomic stability, especially in regard to external sector, and improvement in efficiency, while emphasising prudential regulation in regard to financial sector.

Attention to financial stability was first hinted in August 1997, in a speech (please see Appendix for extracts from speeches between August 1997 and 2008), in response to overvalued exchange rate of rupee and unhedged foreign currency exposures of some

*Speech by Dr. Y.V. Reddy, former Governor, Reserve Bank of India and Guest Speaker at the SAARCFINANCE Governors' Symposium 2011.

corporates. About this time, the link between fiscal, banking and external sector was highlighted in the report of Tarapore Committee on liberalisation of capital account. The pace of reforms in fiscal arena and improvements in regulation of banks was accelerated with a view to promoting overall efficiency, while active intervention in forex markets, both direct and indirect, became the norm in order to avoid excess volatility in financial markets.

The stress on financial stability as one of the objectives of monetary policy was articulated, perhaps for the first time, after Asian crisis and later due to crises in many other emerging market economies. The provocation was the possibility of impact of external developments on Indian economy in general, and in foreign exchange markets, in particular, with consequent impact on banking sector.

In 2001, the developments in equity markets affecting the health of a modern private sector bank as well as co-operative banks, brought to light the importance of liquidity in money markets, banks' dependence on money markets, and banks' exposures to capital markets as well as other intermediaries in capital markets. Consequently, financial stability gained attention of all regulators in financial sector, under the leadership of the Reserve Bank, and regulatory prescriptions included limits to bank's exposures to money markets and equity markets.

At a personal level, there was exposure to the operations of International Monetary Fund (IMF) in Turkey, Argentina and Brazil during 2002-03 which showed clearly that IMF's level of comfort in regard to financial sector and macro-management in Emerging Market Economies (EMEs) was not a dependable measure of signs of macro or financial stability. The limits to the support available from global financial architecture were all too evident, and hence a higher weight for avoiding serious instability, it was felt, was warranted. Since 2004-05, there were signs of excess global liquidity being transmitted to India. In India, the 'lazy-banking' was moving towards 'crazy banking' with pick-up in credit and money supply. Pre-emptive actions on monetary policy front at this stage were justified partly due to reasons of financial stability. Further, the increase in oil prices was not totally ignored by the Reserve Bank as a mere supply shock. There was also a reference to early signs of overheating, indicating a preference for countercyclical monetary policy.

The activities of financial conglomerates were expanding in India warranting formal mechanisms for identification and co-ordination among regulators. The rapidly expanding activities of non-bank finance companies and off-balance sheet exposures of banks domestically became a cause for concern in 2005-06. However, process of gradual liberalisation and deregulation continued but in a carefully calibrated fashion.

The preoccupation of overall policy at this stage was global economic imbalances and risks arising out of very lax monetary policies, including rise in asset prices. In 2005-06, it was clear that the global economy was in a state of 'stable disequilibrium' with dissonance between perceptions of markets and policy. The importance of analysis of balance sheets of households, corporates, banks, government and central banks to monitor threats to financial stability was recognised at the sign of early symptoms of excess leverage in global financial markets.

During 2005-06 and in particular during 2006-07, there were signs of exuberance in real estate and consumer credit, in addition to boom in equity markets in India. At the same time, there were simultaneous pressures on exchange rate, interest rates and liquidity due to massive capital flows, despite efforts by the Reserve Bank to contain it through management of capital account. Hence, regulations in regard to banks, non-bank finance companies, money markets, derivatives, *etc*, were tightened and supervisory review of select overstretched banks and non-banks undertaken. The annual policy of 2006 was a turning point when the quality of credit gained attention.

During the year 2006-07, it was clear that there were excessively leveraged operations in global markets along with issues of setting of trades, and ignorance on where risks lie, *etc.* There were fears about uncertainties in trades in credit derivatives, structured products and their settlement.

Thus, in the years leading to the global financial crisis, the focus of measures to counter threats to financial stability were no longer confined to global factors, but included domestically induced factors. Provisioning for standard assets and risk weights were increased in sensitive sectors. The 'excesses' of domestic financial sector in a way reflecting the excesses of global factors, warranted several monetary tightening, regulatory, and supervisory measures which were resented by market participants. They were supported by preference of the political economy for growth and short-term gains.

Since the beginning of 2007-08, the anticipation of threats to financial stability, due to both domestic and external factors was unambiguous. Further, determination to counter threats to financial stability through what had been described as 'unconventional measures' was demonstrated in speeches and in monetary policy statements. In addition, contingency plans in the event of sudden and significant reversal of capital flows were prepared and hinted at in the first week of January 2008, indicating a set of detailed precautionary measures.

What were the challenges faced by policy-making in the process of promoting growth, containing inflation and taking precautionary measures against instability?

It is difficult to consider macro-stability and financial stability as distinct and different. Often, weaknesses in macro situation may warrant greater stress on stability in financial sector, and vice versa. The sources of instability cannot be easily predicted, but continuous vigilance helps the process of identification.

A major challenge in administering the regulatory restrictions on 'exuberance' and 'excesses' in financial markets was to make a distinction between 'growth enhancing' credit and finance, and 'speculation enhancing' ones. The distinction required discrimination based on end-use and products, virtually amounting to selective credit controls; and, often, judgments were required on instruments and magnitudes of interventions. In brief, operationally, pursuit of financial stability could not be divorced from promoting of development, both for short-term and over medium-term.

Yet another challenge was the calibration of pace and extent of reform in financial sector on the basis of evolving global uncertainties and domestic vulnerabilities such as slow progress in fiscal consolidation and in removing structural rigidities in real economy. When it was felt that domestic vulnerabilities coincided with global uncertainties, precautionary measures and recalibrating pace of reform financial sector were resorted to more vigorously.

It may be observed that most of the actions taken were on the basis of close observation of evolving developments in macro economy, multiple indicators of such developments and also practices of market participants. Anything out of the ordinary was not necessarily a good innovation or a positive development but needed to be continuously evaluated in terms of impact on efficiency and stability, and in that, judgements were inevitable.

It is worth noting that the design of instruments, whether Market Stabilisation Scheme or increaseing provisioning and risk weights, had to be explicitly used to counter threat to stability from both excesses and deficiencies. It was considered wise to keep all the tools of intervention on the table and insist on options to use them always and at any time. Keeping options by itself does not curb efficiency of markets, but its exercise had to be based on continuous vigilance.

A wide range of tools to a central bank to intervene in the functioning of the financial markets, institutions, and instruments seems to have made the task of ensuring growth with stability.

Financial Instability: Behind or Still with Us?

There was indeed a threat of depression when serious instability in financial sector in 2008 occurred. This event was followed by recession in most countries leading to the current stage of uneven or multi-speed recovery.

There are debates about the firmness or fragility of current phase of recovery. There are also some academics and a few analysts who hold that there could be a recurrence of a financial crisis, not necessarily as part of such episodes that seem to recur periodically but simply as a consequence of the manner in which the global financial crisis has been managed so far and its proximate causes addressed. When an important market participant adds his voice to such sentiments, there is merit in analysing the prospects of another crisis, as an extension or a fall-out of the recent crisis in global finance.

A report in Economic Times last week, partly sourced from Bloomberg reads as follows:

Mark Mobius, executive chairman of Templeton Asset Management's Emerging Markets Group, said another financial crisis is inevitable because the causes of the previous one haven't been resolved.

"There is definitely going to be another financial crisis around the corner because we haven't solved any of the things that caused the previous crisis," Mobius said at the Foreign Correspondents' Club of Japan in Tokyo in response to a question about price swings.

It is useful to briefly review whether the causes have been addressed, assuming that the main causes relate to macro-economic imbalances, regulation of financial sector and global financial architecture.

Macro-economic Imbalances

There has been considerable discussion on macro-economic imbalances in policy circles, and G20 has arrived at an agreement on indicators of macro-economic imbalances. These include public debt, fiscal deficits, private savings and debt, and external imbalances composed of several factors including fiscal, monetary and other related policies. Both structural and statistical approaches are proposed to be adopted. The G20 has also identified countries or economies which have spillover effects on global economy. It is useful to speculate how some of the major countries stand with reference to these criteria.

In the USA, structurally, there are disturbing signs of fiscal deficit but current policy debate is on desirability of permitting fiscal deficit to spur growth. There is also a view that any effort to contain fiscal deficit would warrant further monetary easing over and above QE2 with spillover concerns. It is not clear as to how the stated policy of strong dollar would be consistent with its stand on current account deficit/surplus. The outlook for the USA at this stage is still mixed. Contrary to the position of the USA on fiscal stimulus, the UK has opted for fiscal austerity. Eurozone, as a whole, does not contribute to economic imbalance in relation to the rest of the world in terms of current account deficits. However, the surpluses of Germany and deficits of the southern European countries warrant greater economic integration within the zone over the medium-term but there is still lack of clarity about managing the fiscal and debt sustainability issues of several countries. If the route of debt restructuring of some countries, in some form or other, is resorted to, the spillover effects on global financial markets are likely to be severe. Japan has huge public debt and it can legitimately claim that its holders and currency are such that it has little spillover effect on the rest of the world. China has committed to shift in policy towards increased domestic consumption, but the role of exchange rate in the process of correction of imbalance is still contentious. In any case, such a shift cannot occur in the very short-term. India has a large public debt and fiscal deficit, but it will be difficult to establish that it has contributed or is likely to contribute to global economic imbalances on this account. Current account deficit is on all accounts reasonable. Briefly stated, there is no evidence of agreement on corrective policy actions and, hence, there could be an undesirable sense of unease on way forward in systemically important countries.

No doubt, there are positives of these initiatives. First, spillover effects of national policy have been recognised. Second, the principle of unlevel playing field for conduct of surveillance and implicit imperatives for corrective actions at national level has been accepted. Third, whether the peers are willing to honour peer pressure or not is not yet clear, but the domestic opinions or forces that support responsible policies consistent with interests of global economy, do get strengthened through such multilateral exercises.

There are several question marks on the thinking and prospects for unwinding of imbalances. First, *prima facie*, as is evident from earlier narrative, indicators provide partial truths, and solutions are not self-evident. Second, the IMF framework, including indicators, is based on economic theories and models that have proved inadequate so far. The recent seminar on macro-economic policies by IMF recognises the limitations of current models, but the search for alternate model is still in progress. Some of the areas where empirical evidence seems to contradict IMF framework is, openness of capital account and role of volatile flows; role of domestic savings in financing public debt; possible benefits of financial repression in promoting growth or managing public debt; structural shifts in tolerable inflation; and possible benefits of public sector ownership in financial sector – since financial crisis. Third, the dominant role of global financial markets, especially large financial conglomerates as also that of credit rating agencies with their infirmities continues. Fourth, the most fundamental issue of international monetary system, and in particular reserve currency, remains unresolved. There is, as yet, no market discipline and no rules of issue, on the issuer of dominant global reserve currency.

There are some scholars who refer to several fundamental causes of global economic imbalances, and these have been in some form or other recognised as relevant in policy debates. These relate to growing inequality and its impact on savings/investment balances, excessive financialisation with incentives to multiply financial transaction for the benefit of participants with no social value added, and lack of distinction between massive gross financial flows and net flows, which impart volatility. These have not been addressed but one should recognise that their link to the causes of the crisis are not fully established.

Appendix
Financial Stability Policy In India

1. (a) There is a considerable discussion as to whether the rupee is overvalued or not. As per the REER, it would certainly appear so, irrespective of the base chosen. The overvaluation has got exacerbated with the sharp appreciation of the US $ against other major currencies, *viz.*, the DM and the Yen.

   (b) Hence, the management of rate fluctuations becomes passive, *i.e.*, one of preventing undue appreciation in the context of large inflows and providing supply of dollars in the market to prevent sharp depreciation.

   (c) Our financial sector, is therefore, less vulnerable than many of the East Asian economies notwithstanding the fact that there are corporates operating with unhedged positions.

   (XIth National Assembly Forex Association of India, August 15, 1997).

2. We have to learn from global experience and respond to global developments from time to time. For instance, the recent policy makes a pointed reference to guidelines to banks on asset-liability management in recognition of the recent internationally demonstrated link between the soundness of the financial system and maintaining macroeconomic stability.

   (Discussion Meeting organised by Indian Merchants' Chamber Economic Research and Training Foundation, November 17, 1997).

3. There appears to be little doubt, that the (Asian) crisis was caused by failure of private sector (and not really public sector). The failure was related more to financial system than fiscal or monetary policy. Further, it was a failure of global financial markets to ensure an optimal allocation of global capital. Finally, it was also a failure of regulatory systems in developing countries, major financial centers and global institutions.

   Second, private-sector failures, beyond the point when they impose systemic risks, will become the responsibility of the public-sector. The private institutions may not be too large to be allowed to fail and in the process, they may even become too expensive to save. That markets bear the total risk of failure may not be true beyond a point. We should, therefore, review the balance between public and private sector.

   Third, globalisation has immense advantages, but there are accompanying risks. If there are no credible international systems to minimize unbearable risks, the relationships between national policies and international obligations need to be reviewed. The outcome of the current search for new international architecture should be addressing this issue. The nature and extent of capital account liberalisation will be dictated by this outcome. More specifically, the relationship between national regulations and international obligations need to be reviewed in the light of this outcome, especially, on the issue of lender of last resort.

   (Asian Crisis: Asking Right Questions – India International Center, May 1, 1998)

4. Against the backdrop of Asian crisis, a new reality in the sphere of management of financial risk for the economy is the need to recognize and monitor off-balance sheet liabilities, whether these are due to banks or Governments.

   (Outline of presentation made to the Eleventh Finance Commission in the meeting of select economists, December 4, 1998).

5. More generally, RBI has been in the forefront in advocating caution in use of ratings in the New Accord on Banking Supervision. There has been a widespread appreciation and indeed acceptance of our cautionary stand on the subject – especially the consequences of a short-end bias in rating. Such a bias has a potential to encourage short-term liabilities and in the process imparts some instability to financial systems inherent in excessive short-term liabilities.

   (Nagaraj Memorial Lecture, April 8, 2000).

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6. Second, there is a trade-off in the short run between financial stability and efficiency which all policy makers are aware of. More the prudential regulations, greater is the cost of intermediation, though in the long-term it is the stability that imparts efficiency. In search of higher efficiency gains in one stage of development, a country may accept the risk of greater volatility. But, the trade-off has to be viewed in a contextual sense in relation to both domestic policy stance and the international environment. There is an impression that in the light of the Asian experience, policy choice should in future tilt totally in favour of stability at the cost of efficiency. While the crisis has drawn attention to the risks, and inadequacies in international financial systems, there is a greater global awareness of the issues now. In other words, the relative weights to efficiency and stability needs to be constantly reviewed with reference to both domestic and international developments.

   (Seminar on Capital Account Liberalisation: The Developing Country Perspective, June 21, 2000).

7. It is clear that avoiding crisis is ultimately a national responsibility. The impact of instability in times of crisis appears at this stage of global environment to largely be borne by the home or domestic public sector rather than the global private sector. Moreover, the burden of such an asymmetrical impact is more painful on developing countries, especially the poorer ones. Hence, in this context, the distinct preference for stability, on the part of some developing countries needs to be appreciated. Such a preference towards stability also argues for managing their capital account regime. Such regimes could have a mix of control, regulatory and liberal elements as appear most appropriate from time to time, to the national authorities who are accountable to the people for possible crises. In such a mix, there is merit in avoiding controls, but taking recourse to regulatory measures, while pursuing the liberalisation objectives.

   (World Bank Conference on Developing Countries and Global Financial Architecture, June 23, 2000).

8. (a) In the area of maintaining price stability, the role of a central bank is undisputed though several issues continue to remain unresolved, *viz.*, whether price stability should be the sole or one of the objectives; what is appropriate rate/range of inflation; what is a dependable measure of inflation and the role of asset prices; the relative importance of rules and discretion; tradeoff between employment and output; increasing asymmetry between market perceptions of economic fundamentals and that of public authorities, especially central banks; and above all, independence versus accountability of central banks. What is strikingly new, however, is the increasing preoccupation of central banks in recent years with maintenance of overall financial stability – in the face of increasing globalisation of financial flows and threat of contagion.

   (b) What is new in the new millennium would certainly be a shift in focus to maintenance of financial stability and a corresponding concern with macroeconomic management.

   (Valedictory address at the Bank Economists' Conference, New Delhi, January 17, 2001).

9. There is, however, need to recognize the criticality of financial sector stability, especially of financial markets for which the RBI is assuming increasing responsibility and should exercise its independence from governmental priorities in that direction, whenever warranted. In other words, while the issue of the central bank's independence and accountability were debated in the past in the context of price stability and money creation, the emerging issues warrant a broader view of exercise of independence from several sources to meet emerging challenges like

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financial sector and markets stability while enlarging the concept of accountability through greater recourse to transparency.

(Second Foundation Day Lecture, Indian Institute of Management, Indore, October 3, 2001).

10. Of late, however, considerations of financial stability have assumed increasing importance in monetary policy. The most serious economic downturns in the recent years appear to be generally associated with financial instability. The important questions for policy in the context of financial instability are the origin and the transmission of different types of shocks in the financial system, the nature and the extent of feedback in policy and the effectiveness of difference policy instruments.

    (Invited Lecture at the 88th Annual Conference of The Indian Econometric Society, January 15, 2002).

11. (a) Recent crises have shown that countries can be faced with liquidity problems not only because of the foreign assets and liabilities of the government and central bank, but also because of the foreign currency liabilities of the banks and even the corporate sector. A crucial difference between domestic and foreign currency debt is that the authorities can provide virtually unlimited domestic currency liquidity, but are tightly constrained in their provision of foreign currency liquidity. This has led to consideration of a broad concept of "national liquidity".

    (b) Private sector external debt decisions have, in fact, impinged on fiscal management and balance sheets of official sector in several ways in the context of recent crises. Thus, an important policy aspect if the question of whether and how the official sector should take account of the maturity and currency mismatches of the private sector in structuring its own foreign assets and liabilities.

    (c) The concept of a national balance sheet, of course, raises several tricky questions relating to private sector foreign assets offsetting liabilities, and the extent to which their foreign exchange exposures fully capture vulnerability.

    (Special Lecture at National Council of Applied Economic Research, New Delhi, May 10, 2002).

12. It is important to note that banking crisis invariably results in heavy costs to the Government, whether they are publicly owned, privately owned, domestically owned or foreign owned. The fiscal costs of banking crises are ownership-neutral.

    (Twenty-Fifth Bank Economists Conference-2003, December 11, 2003).

13. The concept of financial stability needs to be understood contextually also. For us in India, it means: (a) ensuring uninterrupted financial transaction; (b) maintenance of a level of confidence in the financial system amongst all the participants and stakeholders; and (c) absence of excess volatility that unduly and adversely affects real economic activity. Such financial stability has to be particularly ensured when the financial system is undergoing structural changes to promote efficiently the structural changes relate to ownership, regulation and competition, both, domestic as well as external competition. Integration of financial markets is another dimension of the process: the integration of domestic financial markets is one aspect while global financial integration is another though a related aspect.

    (Zurich University, Zurich, Switzerland on June 27, 2004)

14. Third, price-based measure such as taxes could be examined though their effectiveness is arguable and hence may not be desirable.

    (the release function of India Development Report of IGIDRS January 1, 2005)

15. Traditional, central banks have pursued the twin objectives of price stability and growth. Central banks to keep in view the considerations of

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exchange rate stability and financial stability also in pursuing the basic objective.

(Andhra Pradesh Economic Association, on February 12, 2005)

16. (a) Volatility in financial markets could adversely affect the EMEs in many ways, and also in complex and interrelated fashion. For convenience of analysis, the impact may be classified broadly into: (i) the impact on the financing conditions in which EMEs operate; (ii) impairment of the balance sheets of the banking sector, and (iii) hampering of the growth prospects in the real sector. Even within the same EMEs, the impact could vary across different entities such as the Government, the corporate sector, the households and the financial sector, depending upon the country-specific and institution-specific operating environment, the stages of development and the degree of integration with and exposure to the international financial markets. In view of the diversity of the EMEs and the complexity of impact of any unpredictable unwinding of global imbalance, it is proposed to analyse the possible implications, illustratively, with reference to India.

(b) Against this background, it may be useful to analyse the implications of global financial imbalance for India in terms of the likely impact on four separate balance sheets of the government, of the Reserve Bank of India, of the corporate sector and of the banking sector.

(Round table discussion at the International Symposium organised by the Banque de France on November 4, 2005)

17. (a) The problem is not the existence of current account deficits or surpluses *per se*, but it is persistence of large current account deficits and large current account surplus, particularly in large and systemically important economies, which give rise to fear of unsustainability and disruptive unwinding.

(b) We have viewed, like many others here, that the sustained and increasing imbalances in the current account positions across the globe could entail serious risks for the functioning with many moving parts that involve all the major actors in the global economy. The successful execution of rebalancing will require a careful application of traditional macro policies- monetary, fiscal, and currency policies as well as implementation of comprehensive micro agenda of structural reforms.

(c) A significant part of the debate seems to be on relative weights to be accorded by each country to the various elements of the package and the aspects of coordination among the countries that are appropriate.

(d) In this context, it is appropriate to view the evidence that the policies followed by India have not in any way contributed to the widening of the current global imbalances.

(e) India does not depend on the international capital market for financing the fiscal deficit and consequence to some extent adverse consequences of the global developments would be muted.

(f) Similarly, any abrupt adjustment in global imbalances may affect corporates, banks and households in India though the impact may be less than some other emerging economies.

(g) In view of complex nature of global imbalances and the way forward to minimize of disorderly adjustments, it may be useful to explore possible agenda for further analysis.

(h) It would therefore be useful to analyze the impact of global imbalances on various balance sheets within the country such as the government sector, financial sector including banks and financial institutions, non-financial private sector including corporate and households.

(j) What is the evolving role of viewing exchange rate regime in influencing domestic economy? It

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is argued by some that the emerging evidence indicates that domestic price movements remain somewhat immune to considerable exchange rate movements. If so, the possibility of bringing about global rebalancing through exchange rate adjustment by itself may not be very encouraging. No doubt exchange rate would have an important role to play in global rebalancing, but the issue is its relationship with other components of the whole package like saving-investment, fiscal deficits, raising investment, structural reforms and domestic output as well as employment. The linkages among the various components described here could be very country specific.

(k) One wonders whether there is a dissonance between the perception of financial markets and that of the policy makers in regard to global imbalances. The policy makers appear to give some signals of concern, but the response of the financial markets is often out of alignment with the signals. Interestingly, anecdotal evidence shows that analysts in financial intermediaries are sensitive to the downside risk of imbalances, but the conduct of the participants does not reflect the awareness. No doubt, this sense of dissonance is not new, as for example, stock market went up after Mr. Alan Greenspan's statement regarding irrational exuberance. If such dissonance is true, and persists, what would be the effectiveness of public policy initiatives?

(l) Is there an advantage in assessing the non-quantifiable factor to explain the persistence of what has been stated as a stable disequilibrium to describe the current status of global economy? For example, signature value of United States in terms of confidence of financial markets as a lasting safe-haven status could be a factor, though the issue is whether it will be valid interminably. The perception of continuing productivity gains in the US due to its proven flexibilities could be another. Lack of alternatives to deploy global savings, which are expanding may also be relevant. No doubt, these are not quantifiable, but do not cease to be relevant for analysis and assessment.

(m) Is it possible that there are several intermediate scenarios between orderly adjustments and disruptive or disorderly adjustment?

(n) While India by itself hardly contributes to the current global financial imbalances, any large and rapid adjustments in major currencies and related interest rates or current accounts of trading partners could indirectly, but significantly, impact the Indian economy.

(The Financing for Development Office, Department of Economics and Social Affairs, United Nations, New York on May 11, 2006)

18. (a) Our experience in regarding to development and regulation of financial markets differs from that of developed economies. The latter experienced a co-development of markets, regulations, and practices within the economies and at a latter stage, through a process of evolution, integrated first domestically, and finally, globally. In our case, non-existent or underdeveloped had to develop the requisite skills, and the self-regulatory organizations needed to be founded and strengthened. All these had take place with narrower degrees of freedom and in a shorter time-span, in view of global developments and financial integration with its pre-disposed as well as preferred frameworks. The constant plea for the country context in reforms in the financial sector may be viewed in this analytical framework.

(b) The balancing of efficiency considerations with stability will be critical in India's successful integration into global economy. While several observers, especially in the financial sector, hold that India is risk-averse, there are others who assert that a risk-sensitive approach has paid rich dividends both in terms of efficiency as well as stability. Two illustrations may suffice.

(Council on Foreign Relations at New York on May 12, 2006)

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19. (a) In terms of objective, it is true there is a convergence in the thinking of all central bankers toward a primary objective such as price stability. It is useful to note that, more recently, a strong trade-off between volatility in growth and inflation masks or understates the equally important consideration of financial stability. In India, along with price stability, growth objective is demonstrably subsumed in the objective of meeting genuine credit demand and in communications and policy measures; a clear focus on financial stability has assumed added significance in recent years.

(b) Secondly, I agree with the point that the central banks have a better design than before and also gained a distinct identity in last two decades. But without satisfactory fiscal rules, implementation of any monetary rule becomes difficulty as also the autonomy or independence of central banks and its accountability.

(c) The highly leveraged lending operations in the backdrop of asset price bubbles might require adjustments in margins and risk-based capital requirements. In India, noticing the unusual movements in several assets price in recent years, we have been enhancing risk weights and provisioning requirements by banks for certain categories of assets.

(d) Secondly, excessive leveraging in any condition of financial markets is a source of potential instability. Since leveraging is influenced by the cost of financing, the decisions affecting the cost and availability of credit do influence aggregate demand conditions. Even if the source of financing is not bank funding, the interest rate condition in the market definitely influence the opportunity cost of even internal resources of firms.

(e) In general, it may be held that in less developed financial market, by using direct monetary instruments in conjunction with market-based instruments, the overall policy effectiveness can be improved.

(f) The issue of significance here is whether the neutral rate in respect of emerging market economies, which has been coming down in tandem with global rates, will tend to be distinctly higher than in development economies. If so, how higher would be appropriate?

(Central Bank Governor's Symposium, organised by the Bank of England at London on June 23, 2006)

20. Thus, the comfort level of reserves should not be viewed with respect to the current situations alone but should also reckon the assessment of the emerging risks. Moreover, at this moment, the global economy has not been tested on the eventuality of a not-so-orderly correction of the current global imbalances. In that eventuality, as the experts caution, disruption in financial markets in the form of large cross-currency volatility and sharp rise in interest rates are not unlikely in the global economy.

(2006 Program of Seminars in Singapore during September 16 to 18 on the Theme "The World in Asia, Asia in the World")

21. (a) Financial stability considerations may require the use of interest rate tool, in conjunction with other prudential measures. Some time, there could be even a trade-off between raising the short-term interest rate and tightening of prudential norms, if the risks are perceived to originate from, certain segments of the market. The highly leveraged lending operations in the backdrop of asset-price bubbles might require adjustments in this regard is the extent to which these should be considered akin to the erstwhile selective credit controls.

(b) There are some uncertainties associated with the settling of trades in newer types of over-the counter (OTC) derivatives, particularly credit derivatives. As part of recent financial innovations, the credit-derivatives and structured-credit markets have grown rapidly during the past few years, allowing dispersion of credit risk by

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financial players. Perhaps, it is necessary to evolve mechanisms to ascertain the size and structure of risk components, the scale and direction of risk transfer and therefore the distribution of risk within the economy.

(c) Yet, the question that is often asked is whether the emerging economies have facilitated holding of interest rates at very low level by the central banks in developed countries. In fact of the consequent build-up of liquidity, elevated asset price and soaring consumer indebtedness, is there a dark side to the future? The intellectual edifice on which monetary policy is founded is rooted in the management of aggregate demand. But a supply shock arising from globalization can produce vastly different growth-inflation outcomes, which monetary policy by itself is not fully equipped to manage. Indeed, a question that has been asked in this context is whether price stability is enough as a goal of monetary policy and how sacrosanct it is when, for instance, central banks have to contend with financial imbalance even if it means an overshooting of inflation targets.

(d) Financial development contributes to growth in either a supply-leading or a demand-following sequence; that is, either the financial sector development creates the conditions for growth or the growth generates demand for financial services. It is important to recognize that the financial sector in India is no longer a constraint on growth and its strength and resilience are acknowledged, though improvements need to take place. On the other hand, without the real sector development in terms of physical infrastructure and improvement in supply elasticities, the financial sector can even misallocate resources, potentially generate bubbles and possibly amplify the risks.

(FICCI-IBA Conference held in Mumbai on September 28, 2006)

22. (a) Financial stability considerations may require the use of monetary policy measures, in conjunction with other prudential measures. Sometimes, there could be even a trade-off between raising the short-term interest rate and tightening of prudential norms, if the risks are perceived to originate from certain segment of market. The highly leveraged lending operation in the backdrop of asset-price bubbles might require adjustments in leading margins and risk-based capital requirements.

(b) In terms of financial satiability, some new challenges are emerging. The international financial markets are currently dominated by private equity funds like hedge funds, which are largely operating outside the 'Know-your-customer'/'Know-your-investor' (KYC/KYI) norms. Hedge funds have long used arrangements that allow them to execute trades with several dealers but there is now an increasing tendency on their part to consolidate the clearing and settlement of their trades at a single firm, the 'prime broker', prime brokerage poses some unique challenges for the management of counterparty credit and operating risk. Recent events have reinforced the possible adverse impact of their risks. Further, it is commonly observed at the global level that hedge funds are 'opaque' – that is, information about their portfolios is typically limited and infrequently provided. From a policy perspective, transparency to investors is largely an issue of investor protection, but the need for counterparties to have adequate information is a risk-management issue.

(c) There are some uncertainties associated with the settling of trades in newer types of over-the-counter (OTC) derivatives, particularly credit derivatives. As part of recent financial innovations, the credit-derivative and structured-credit markets have grown rapidly during the past few years, allowing dispersion of credit risk by financial players. As we are aware, the impact of instability in the emerging economies in times of crisis appears to be borne by the home or domestic public sector also, along with the global private sector. Avoiding crisis is ultimately a

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national responsibility. In such a milieu, the policy makers are often confronted with competing positions and make choices in the face daunting dilemmas.

(Conference on 'Advances in Open Economy Macroeconomics' organised by Center for Economics and Development, Northwestern Universities, USA on March 19, 2007 and the Indira Gandhi Institution of Development Research, Mumbai)

23. The relative emphasis placed on price stability and economic growth is modulated according to the circumstances prevailing at a particular point in time and is clearly spelt out, from time to time, in the policy statement of the Reserve Bank. Of late, considerations of macroeconomic and financial stability have assumed an added importance in view of increasing openness of the Indian economy.

(Bank of Greece, Athens on April 2, 2007)

24. Since the overall objective of maintaining price stability in the context of economic growth and financial stability will remain, the effort will be to harmonize the deregulation and liberalization of financial market with domestic developments in real as well as fiscal sectors and global developments in international financial architecture.

(Symposium on Current India at the Institute for Indian Economic Studies, Waseda University, Nikkei, Shinbun on May 28, 2007)

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

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

(Central Bank of Argentina, Buenos Aries, on June 4 2007 at a conference on 'Monetary Policy under Uncertainty')

26. (a) Monetary policy statement and other messages from RBI have been, since 2005, drawing attention to global imbalance, under-pricing of risks, excess volatilities, dispersion of risks to unidentifiable sources *etc.* during this period, every effort has been made by the RBI to take advantage of favorable global financial environment, while being guarded against the evolving risks. In this background, the recent turbulence in the global financial markets was not a total surprise to us, though the manner in which it has visited was not anticipated. There was special focus on financial stability in recent Policy Statements. The Mid-Term Review of the Annual Policy for 2007-08 issued on October 30,2007 stated, among other things, that the overall stance of the monetary stability and growth momentum in the unconventional international policy responses to the development in those financial markets.

(b) We are monitoring (a) the process of restoration of full normalcy in global financial markets; (b) the evolving financial contagion; and (c) the possible spill over to the real sector after accounting for the possible extent of 'decoupling'.

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The major reason for extraordinary vigilance by RBI is what I would describe as simultaneous volatilities in several global significant markets, namely, money, credit and currency markets; asset price; and commodity prices, especially oil and food items. The current phenomenon of simultaneous volatilities should be viewed in the context of possible repositioning of the world's dominant reserve currency, involving significant wealth, income and terms of trade effects.

(c) There are several reasons why Indian banking system may not invite disturbances akin to subprime. First, pre-emptive monetary policy actions have been taken to address evolving monetary, credit and inflation environment. Second, several prudential measures have been taken which includes higher risk weights and higher provisioning in respect of sensitive sectors, namely capital market, housing, real estate *etc.* third, the initial exposure of most banks to the sensitive sectors mentioned above has been very modest. Fourth, intensive supervisory review of select banks was undertaken when it was observed that their off balance sheet exposure appeared large or were rapidly accelerating. Finally, as part of our regulatory regime in regard to banks and financial markets, there has been what may be termed as 'focus on liquidity'. Recent turbulence in global financial markets was characterised by liquidity issues and there is currently a global debate on the need to focus on liquidity. Hence, a more detailed account of our regulatory focus on liquidity is appropriate.

(Banker's Conference 2007 on November 27, 2007, at Mumbai)

27. While the immediate focus is on managing the excess capital inflows and some volatility in regard to the excess, I believe that it will be prudent not to exclude the possibility of some change in course, due to any abrupt changes in sentiments or global liquidity conditions, despite strong underlying fundamentals of the Indian economy. Strategic management of capital account would warrant preparedness for all situations, and the challenge for managing the capital account in such unexpected turn of events would normally be quite different.

(Annual Conference of the Indian Econometric Society, Hyderabad on January 3, 2008)

28. (a) Recent turbulence in financial markets/ institutions and the importance of harmonised and coordinated response of public policies indicate the significance of countercyclical fiscal and monetary policies. Is it possible to argue that similar harmonization between monetary policy and prudential policies would be of some value as part of counter cyclical measure?

(b) In this regards to regulation and supervision over banks, it is useful to explore whether the special status of banks in the financial system and the need for active coordination among regulators/supervisors needs to be reaffirmed.

(c) In regards, the scope of and limit to global harmonization of banking regulations in a convincing and enforceable manner may have to be continuously assessed so that the national regulators appropriately build into their regulatory regimes the requisite global requirements and domestic compulsions of reasonable expectation from the common person that ought to govern the public policy.

(International Symposium of the Banque de France on Globalization, Inflation and Monetary Policy, in Paris on March 7, 2008)

29. Consequently, the central banks in EMEs, in their pursuit of financial stability, have additional challenges. First, to manage the transition in their own economies, which has socio-economic as well as political dimensions; second, to keep a watch on the sentiments affecting foreign capital flows – which could change for reason other than domestic. The challenges for communication policy are considerably more complex for the central banks in the EMEs has to evolve over time consistent with progress in financial

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sophisticated. Further, in a globalised world, the communications by a central bank in advanced economies have a great impact on financial markets in EMEs. Communications, include scope for pre-commitment in policy, may have to factor-in these complexities.

(7th BIS Annual Conference at Luzern, Switzerland on June 26, 2008)

30. (a) It is necessary to clarify that while the measures mentioned above are aimed at fostering financial stability, in order to enhance efficiency several other initiatives have been taken to liberalise the macro-policy environment in which banks operate through a re-orientation of regulatory prescription by replacing micro regulations with macroprudential regulations, providing an enabling environment for universal banking, improved corporate governance in private sector banks, and enabling consolidation of banks in the private sector. Some other important measures that promoted a vibrant and robust operating environment and framework for the banking system that promoted growth and business opportunities pricing for government securities; disbanding of some of he administered interest rate; auction-based repos-reverse repos for short-term liquidity management; facilitation of improved payments and settlements mechanism; setting up of the Clearing Corporation of India Limited (CCIL) to act as central counter party for facilitating payments and settlements system relating to fixed income securities, money markets instruments and foreign exchange transactions; setting up of INFINET as the communication backbone for the financial sector; introduction of Negotiated Dealing System (NDS) for screen-based trading in government securities; introduction of Real Time Gross Settlement (RTGS) System; debt recovery tribunals, asset reconstruction companies settlement advisory committees, corporate debt restructuring mechanism, *etc.* for quicker recovery/restructuring of stressed assets; promulgation of Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest (SARFAESI) Act 2002 and its subsequent amendments to ensure creditors rights, setting up of Credit Information Bureau of India Limited (CIBIL) for information sharing on defaulters as also other borrowers. These growth oriented initiatives have appropriately complemented the stability oriented initiatives.

(b) In the context of the rapidly evolving financial landscape, the RBI has also been suitably reorienting its regulatory and supervisory framework to meet the needs of the common man. It has also been the endeavour of the RBI to improve credit delivery and customer service by banks. The RBI has simultaneously focused on financial inclusion and extension of banking services to the unbanked areas of the economy.

(c) While monetary policy influence aggregates, reality is often dis-aggregated. Hence, the RBI uses prudential regulatory policies t complement the monetary policy measures and objectives. It is pertinent that the lender of last resort functions is not separate either from monetary and liquidity managements or from financial regulation. This both monetary policy and prudential regulations are used as complementary tools to achieve the central bank objectives and they both support and reinforce each other.

(d) To conclude, on the way forward, to exit the current financial turbulence and fortify against future similar episodes, we may need to look beyond reforms within the financial sector and address broader related issues that impinge on the balance between the sovereign, the regulators, the financial institutions and the markets.

(Meeting of the Task Force on Financial Markets Regulations organised by the Initiative for Policy Dialogue at Manchester, United Kingdom, on July 1, 2008)

Wrap-up and Concluding Remarks*

Deepak Mohanty

Governor Dr. Subbarao, governors of other South Asian Association for Regional Co-operation (SAARC) member countries, heads of country delegations, Dr. Reddy, Dr. Caruana, Mr. Ninan and distinguished participants from the SAARC central banks and friends,

It has been a long day of exciting and thought provoking discussions on the very important issue of financial stability. The backwaters of Kumarakom and the tranquil atmosphere of Zuri has provided the perfect setting for a free flow of ideas throughout the day.

The theme of this symposium – Financial Stability issues – is appropriate for four major reasons, from the stand point of global, regional and India-specific considerations:

First, financial stability has acquired the centre-stage of public policy debate since the global crisis, with animated discussions seeking clarity on the role of central banks, particularly monetary policy.

Second, financial stability was assigned specific attention in formulating RBI's monetary policy during the period when Dr. Reddy was the Governor of the Reserve Bank, and this was reinforced considerably by Governor Dr. Subbarao.

Thus, in India, the dimension of financial stability was given due attention in the conduct of monetary policy, even before the onset of global crisis.

Third, India had started using counter-cyclical provisioning norms and risk weights prior to the global crisis, and in the post-crisis period such measures – known widely as macro-prudential tools – have become the mainstream consensus.

Fourth, given the level of development of the financial systems in the SAARC countries, the debate on financial stability and monetary policy interactions may be somewhat different from what we see in the advanced financial systems. The development of the financial system, thus, has to be seen as an additional consideration in this debate.

Going forward, the efforts should be to harness the true potential of finance in promoting growth and development. In that process, increasing globalisation would require dealing with external contagion and managing spillovers.

This symposium has provided us the opportunity to learn from each other in the SAARC region, and also revisit our country-specific perspectives on the emerging international standards.

Deputy Governor Dr. Subir Gokarn in his welcome remarks set the tone for discussions to follow. He noted how the global financial crisis had shaken our faith in some of the pre-crisis persuasive arguments – what he termed as near-truths. He highlighted that an increasing number of central banks had started including financial stability formally in their policy mandates along with price stability. But the definition of financial stability remains largely informal. He emphasised that the financial stability mandate and governance arrangements for central banks must be compatible with their monetary policy responsibilities. For the SAARC countries, given the levels of development, he underscored the point that financial literacy and financial inclusion goals should not get marginalised because of the overdrive for financial stability.

Governor Dr. Subbarao highlighted issues relating to the mandate of central banks for financial stability in the international and Indian context. Making a strong case for the central banks to play a key role in ensuring financial stability, Governor Subbarao outlined the challenges in managing the relative prioritisation across multiple objectives. He also talked about the difference between a central bank's role in

* Wrap-up and Concluding Remarks by Shri Deepak Mohanty, Executive Director, the Reserve Bank of India at the SAARCFINANCE Governors' Symposium on the theme 'Financial Stability' in Kumarakom, Kerala during June 10-11, 2011.

ensuring financial stability in crisis times *vis-a-vis* during normal period. The recent trends in arrangements for financial stability, giving increased responsibility for both systemic oversight and prudential regulation to central banks and institutionalisation of collegial arrangements, are seen as important.

A similar move in India is reflected in the creation of the Financial Stability and Development Council (FSDC). In this context, Governor Dr. Subbarao emphasised particularly the 'D' in FSDC. This stands for the 'development' dimension of the financial sector. Irrespective of the type of new institutional arrangements, he stressed that co-ordination mechanisms, especially between the government and the regulators, must function in ways that do not compromise the autonomy of the regulators.

The conduct of monetary policy in a world with macro-prudential policies could pose both known and unknown challenges. The presentation from Mr. Caruana provided possible approaches to adoption of macro-prudential measures, with necessary caution. He noted that stable, resilient and less pro-cyclical financial systems improve the effectiveness of monetary policy transmission. He also viewed that macro-prudential policies should not be used to safeguard macroeconomic stability, since there is no substitute to monetary and fiscal policies for attaining that goal. He cautioned that expectations from macro-prudential policies should not be ambitious, since without a range of reinforcing policies and instruments, the effectiveness of prudential measures could be limited. On the scope for conflicts between monetary policy and macro-prudential policies, he viewed that such concerns were overdone. He suggested that multiple objectives could be explicitly ranked, and that the timing of macro-prudential policy reviews could differ from monetary and fiscal policy cycles.

Dr. Y. V. Reddy emphasised in his address the potential 'crisis ahead of us' as a motivation for such debates that we had today. He viewed that the lessons from 'crisis behind us' could be extremely important in shaping the financial stability goal.

He outlined some of the key aspects of the pre-crisis stability-entrenching measures taken in India, including explicit attention given to financial stability as an objective. His reference to the change from 'lazy banking' to 'crazy banking' as evidenced by significant pick-up in credit and money growth, exuberance in real estate and consumer credit needs to be seen in an important way, *i.e.*, the driving motivation behind use of macro-prudential measures in India for preserving financial stability. He emphasised fiscal consolidation and removing structural rigidities in the real economy to reinforce financial stability. He expressed reservations about the appropriateness of 2019 target date for new capital standards. He drew attention to the power of large conglomerates in diluting disciplining norms, with the potential to move to locations with less aggressive regulatory jurisdictions.

In the two technical sessions that followed, country presentations were made. It was indeed an honour and privilege to have the Governors of the central banks of Afghanistan, Bhutan, Nepal and Sri Lanka, and deputy governors of Bangladesh, Pakistan and Maldives to grace the symposium with their valuable contributions to the discussions. The country papers, besides reviewing financial sector developments brought to the fore the diversity that prevails across countries.

The Afghanistan paper drew attention to vulnerability to fluctuations in forex flows. It highlighted the challenges that could arise from the failure of systemically important banks.

The paper from Bangladesh highlighted the role of microfinance as also asset price pressures and balance of payments challenges arising out of volatility in remittance inflows.

The paper from Bhutan drew attention to legislative changes granting the central bank autonomy in monetary management as also in the oversight of the financial system.

Pakistan's paper noted how high fiscal deficit is crowding out private investment in a bank-dominated financial system.

The paper from Maldives underscored the importance of payments system for a sparsely populated country, particularly mobile phone payments system.

The paper from Nepal showed how its banking sector encountered liquidity shortage arising from the slowdown in deposit mobilisation and contraction in forex reserves, and how large flow of credit to real estate reduced the availability of financial resources for productive activities.

The paper from Sri Lanka highlighted the importance of principles-based corporate governance norms and consolidated supervision.

The paper from India presented the growing interconnected dimension of the financial system and highlighted the significance of systemic risk analysis.

The stimulating panel discussion that followed was anchored by Mr. T. N. Ninan, President, Editors' Guild of India. Financial stability in the post-crisis period has thrown several unanswered questions.

First, the issue of price stability *vis-à-vis* financial stability. Second, the post-crisis institutional arrangements for financial stability. Third, the challenge of implementing the international regulatory and supervisory reforms by SAARC countries with country-specific adaptations. This relates to the Basel III framework, regulation of Systemically Important Financial Institutions (SIFIs) and Over the Counter (OTC) derivatives markets. Fourth, the challenges of micro-prudential supervision in ensuring stability at the systemic level and the importance of macro-prudential policies. Fifth, the link between asset prices and financial stability.

These are issues on which, as the panel discussion revealed, the search for consensus is on. However, lack of consensus should not be a reason for national authorities not to take country-specific decisions. Preserving financial stability will continue to be a national priority.

During the panel discussion several important points emerged, which included:

- the role of confidence in shaping macro-financial conditions;
- post-crisis changes in regulatory architecture being driven largely by advanced economies;
- continued relevance of the role of the public sector in the financial sector of the region, particularly infrastructure financing;
- new arrangements on co-ordination between the Government and regulators are yet to be tested;

Mr. Ninan concluded the panel discussion by emphasising how the discussions helped in improving our understanding of complex issues.

Let me attempt some specific takeaways from this symposium:

First, irrespective of the nature of the mandate – *i.e.,* whether explicit or implicit – central banks will have to assume greater responsibility for financial stability, which in turn may mean multiple and not single objective to conduct of monetary policy.

Second, crisis prevention frameworks need to be strengthened in every country, but the approach to be adopted requires debate, consultations and co-ordination.

Third, given the level of economic development in the region, the usual suspects that could trigger a financial crisis must be avoided. This implies sustained emphasis on fiscal consolidation, low inflation, appropriate policies to manage volatile capital flows, and a sustainable balance of payments. The approach to reforms, going forward, must seek to balance the 'growth and efficiency gain' goals on the one hand with 'growth and equity goals' on the other.

Fourth, since national policies at times may not be adequate in a globalised world, voice of countries in the region in global governance may have to be collectively raised. Global safety nets and global surveillance would have to be seen as an integral part of financial stability initiatives.

Fifth, financial sector development would require a cautious approach but without stifling innovations, as the financial markets remain incomplete in the SAARC region.

Finally, I must thank now all involved in organising this symposium, having worked tirelessly for making this event a unique experience. I thank

Governor Dr. Subbarao for his guidance for the conduct of the event.

Our thanks to the distinguished guests from the SAARC region for making the discussions so lively. I thank the senior management of the Reserve Bank who are present in full strength.

The burden of organisation primarily fell on the Regional Director of Kerala and the staff from our Kochi and Trivandrum offices. Our deepest appreciation to all of them. Thanks are due to the organising teams from the Department of External Investment and Operations (DEIO) and Department of Economic and Policy Research (DEPR) from the central office of the Reserve Bank.

I thank the Government of India and Government of Kerala for their support. I thank the Kerala Police for providing security coverage. Special thanks are due to the Hotel staff and management of Zuri resort and ERGO, the service provider for making excellent arrangements.

I once again thank all those who have been associated with this conference directly or indirectly.

Speeches

India and the Global Financial Crisis: What Have We Learnt?*

Duvvuri Subbarao

Thank you for inviting me to deliver the 2011 K. R. Narayanan Oration. It is an honour to which I attach a lot of value.

President Narayanan

2. Late President Narayanan was a distinguished diplomat, a reputed parliamentarian, a capable minister and, above all, an erudite scholar. Born at the very bottom of India's social pyramid, he rose to occupy the highest office in the country with no assets other than hard work, integrity and humility. 'A working President', as he described himself, he never allowed dogma to overwhelm his beliefs and convictions.

3. President Narayanan was in office from 1997 to 2002, a time when globalisation, as we are experiencing it in the current times, was taking root. At the banquet he hosted for the visiting US President Bill Clinton in New Delhi in March 2000, President Narayanan remarked: "Mr. President, we do recognise and welcome the fact that the world has been moving inevitably towards a one-world... But, for us, globalisation does not mean the end of history and geography, and of the lively and exciting diversities of the world." This was a thoughtful remark. As much as globalisation may be inevitable, history and geography need not be destiny. If we learn the lessons of experience, we will not repeat the same mistakes. This indeed is the topic for my oration, and my tribute to late President Narayanan – to seek the lessons of the crisis that we have just gone through so that we can make this a better world for all of us.

Is This Time Different?

4. By all accounts the 2008/09 crisis has been the deepest financial crisis of our times. It has taken a devastating toll on global output and welfare. Arguably, the fundamental causes of all financial crises are the same – global imbalances, loose monetary policy and high levels of leverage driven by 'irrational exuberance'. In that respect this crisis has been no different.

5. Where this crisis has been different, however, is in its manifestation. Most recent crises had occurred in individual emerging economies or regions, and they were, at their core, traditional retail banking or currency crises. The countries in trouble could be rescued by multilateral interventions; besides, the advanced countries provided a buffer for trade and financial support. In contrast, this crisis originated in the most advanced economy, the United States, and hit at the very core of the global financial system. With virtually no buffers to fall back on, the crisis rapidly engulfed the whole world. Much to their dismay, emerging market economies too were soon pulled into the whirlpool.

How was India Hit by the Crisis?

6. India was no exception. We, too, were affected by the crisis. Output growth which averaged 9.5 per cent per annum during the three year period 2005-08, dropped to 6.8 per cent in the crisis year of 2008-09. Exports which grew at 25 per cent during 2005-08 decelerated to 12.2 per cent in the crisis year (2008-09) and declined by 2.2 per cent in 2009-10. In the pre-crisis years, we had capital flows far in excess of our current account deficit. In contrast, during the crisis year, net capital flows were significantly short of the current account deficit and this put downward pressure on the rupee. The exchange rate depreciated from ₹39.37 per dollar in January 2008 to ₹51.23 per dollar in March 2009.

7. Notwithstanding our sound banking system and relatively robust financial markets, India felt the tremors of the tectonic shocks in the global financial system. The first-round effects came through the

* K.R. Narayanan Oration by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India at the South Asia Research Centre of the Australian National University, Canberra on June 23, 2011.

finance channel by way of sudden stop and then reversal of capital flows consequent upon the global deleveraging process. This jolted our foreign exchange markets as well as our equity markets. Almost simultaneously, our credit markets came under pressure as corporates, finding that their external sources of funding had dried up, turned to domestic bank and non-bank sources for credit.

8. By far the most contagious route for crisis transmission was the confidence channel. For weeks after the Lehman collapse in mid-September 2008, everyday there was news of yet another storied institution crashing. In this global scenario of uncertainty, the lack of confidence in advanced country markets transmitted as hiccups to our markets too. The net result was that all our financial markets – equity, debt, money and foreign exchange markets – came under varying degrees of pressure. Finally, the transmission of the crisis through the real channel was quite straightforward as the global recession that followed the financial crash resulted in a sharp decline in export demand for our goods and services.

Why was India Hit by the Crisis?

9. There was dismay in India that we, too, were affected by the crisis, and this dismay arose mainly on two counts. First, the exposure of our banks to toxic sub-prime assets was marginal and their off-balance sheet activities were limited, and so, the argument went, we should not have been affected by a financial sector crisis that originated from these causes. Second, India's growth is driven by domestic demand and a drop in external demand, it was contended, should have caused no more than a small dent in output growth. Yet the crisis hit us, and did so more ferociously than we thought possible. The reason for this is globalisation: India is more integrated into the global system than we tend to acknowledge. Let me illustrate that point with some broadbrush numbers.

10. India's two-way trade (merchandise exports plus imports), as a proportion of GDP, more than doubled over the past decade: from 19.6 per cent in 1998-99, the year of the Asian crisis, to 40.7 per cent in 2008-09. Note that global trade declined by 11 per cent in 2009 as a result of the crisis in contrast to a robust average growth of 8.6 per cent during the previous few years 2004-07. Such a sharp collapse in world trade had an impact on our export demand demonstrating that our trade integration was quite deep.

11. If our trade integration was deep, our financial integration was even deeper. A measure of financial integration is the ratio of total external transactions (gross current account flows plus gross capital account flows) to GDP. This ratio had more than doubled from 44 per cent in 1998-99 to 112 per cent in 2008-09 evidencing the depth of India's financial integration. In sum, the reason India was affected by the crisis, despite mitigating factors, is its deepened trade and financial integration with the world.

Managing Globalisation

12. What the experience of the crisis demonstrated clearly was the power of globalisation. Globalisation is a double-edged sword; it opens up incredible opportunities but also poses immense challenges. India surely benefitted from opening up to the world but had also incurred costs on that count. The challenge for India, and indeed for all Emerging Market Economies (EMEs), is really to minimise the costs and maximise the benefits of globalisation.

Lessons of Crisis

13. A lot is being written about how this crisis has been too important to waste, how we should learn the lessons of the crisis and apply them in a Schumpeterian creative destruction mode. Some people have, however, questioned the wisdom of drawing lessons even before the crisis is fully behind us. When Zhou Enlai, former Chinese Prime Minister, was asked what he thought of the French Revolution, he said it was too early to say. Historians who take a long view may agree with Zhou Enlai but practical policymakers do not enjoy that luxury. So, let me use the opportunity of this platform to draw out eight big picture lessons of the crisis.

Lesson 1: In a Globalising World, Decoupling does not Work

14. The crisis challenged many of our beliefs, and among the casualties is the decoupling hypothesis.

The decoupling hypothesis, which was intellectually fashionable before the crisis, held that even if advanced economies went into a downturn, EMEs would not be affected because of their improved macroeconomic management, robust external reserves and healthy banking sectors. Yet the crisis affected all EMEs, admittedly to different extents, bringing into question the validity of the decoupling hypothesis.

15. Some analysts argue against such an outright dismissal of the decoupling hypothesis and suggest a more nuanced evaluation. Recent IMF research[1] in fact illustrates that the transmission of distress from advanced economies to EMEs took place in three distinct phases. The first phase runs from the time early signs of the crisis appeared in mid-2007 till the Lehman collapse in September 2008. During this period, the growth performance of EMEs outshone that of advanced economies indicating decoupling. The second phase, starting with the Lehman collapse till the first quarter of 2009 was one of 'recoupling' when advanced economies pulled EMEs too into the downturn. The third phase started in the second quarter of 2009 when EMEs started recovering from the crisis ahead of advanced economies suggesting a shift once again to decoupling.

16. So, have EMEs decoupled from the advanced economies? The answer has necessarily to be nuanced. A useful way to visualise decoupling in the wake of the crisis is to distinguish between 'trend' and 'cycle' decoupling. 'Trend' decoupling is reflected by the widening gap between the trend rates of growth of EMEs and of advanced economies. This is evidently owing to the growing weight of domestic factors, mainly consumption, in the EMEs' growth process. However, given that there is still significant integration between the two groups of countries, cycles are still coupled. From a 'lessons' perspective, what this means is that EMEs should focus on strengthening domestic drivers of demand and instituting automatic stabilisers to buffer themselves against cyclical shocks from advanced economies.

[1]Llaudes, Ricardo, Ferhan Salman, and Mali Chivakul (2010), *'The Impact of the Great Recession on Emerging Markets'*. IMF Working Paper 237, October.

Lesson 2: Global Imbalances need to be Redressed for the Sake of Global Stability

17. No crisis as complex as this has a simple or a single cause. In popular perception, the collapse of Lehman Brothers in mid-September 2008 will remain marked as the trigger of the crisis. At one level that may well be true. Indeed, I can visualise future text books in finance dividing the world into 'before Lehman' and 'after Lehman'. But if we probe deeper, we will learn that at the heart of the crisis were two root causes – the build-up of global imbalances and developments in the financial markets over the last two decades. And received wisdom today is that these two root causes are inter-connected, and that financial market developments were in a sense driven by the global imbalances.

18. Global macro imbalances got built up because of the large savings and current account surpluses in China and much of Asia in wake of the East Asian Crisis a decade ago. These were mirrored by large increases in leveraged consumption and current account deficits in the US. In short, Asia produced and America consumed. Between the US consumption boom and the Asian savings glut, there is a raging debate on what was the cause and what was the effect. Regardless, the bottom line is that one was simply the mirror image of the other and the two share a symbiotic relationship.

19. And how did these imbalances build up? The answer lies in globalisation – globalisation of trade, of labour and of finance. The world witnessed a phenomenal expansion in global trade over the last three decades; global trade as a proportion of global GDP increased from 34 per cent in 1980 to 51 per cent in 2007, just before the crisis hit us.[2] Globalisation of finance was even more prolific, especially over the last decade. For the world taken together, the ratio of foreign assets and foreign liabilities to GDP rose from 133 per cent in 1994 to over 300 per cent in 2008.[3] The impact of globalisation of labour was, by far, more striking. Emerging Asia added nearly three billion to the world's pool of labour as it integrated with the rest

[2]Calculations based on IMF Direction of Trade Statistics, June 2010.

[3]Calculations based on IMF Balance of Payments Year Book, 2010.

of the world over the last two decades thus hugely improving its comparative advantage. Together, the three dimensions of globalisation – trade, finance and labour – helped emerging Asia multiply – by a factor its exports to the advanced economies. The result was large and persistent current account surpluses in the Asian economies and corresponding current account deficits in the importing advanced economies.

20. The chain of causation from these imbalances to the financial crisis is interesting although not obvious. As Asia accumulated savings and simultaneously maintained competitive exchange rates, the savings turned into central bank reserves. Central banks, in turn, invested these savings not in any large, diversified portfolio but in government bonds of the advanced economies. This, in turn, drove down risk-free real interest rates to historically low levels triggering phenomenal credit expansion and dropping of the guard on credit standards, erosion of credit quality and search for yield, all of which combined to brew the crisis to its explosive dimensions.

21. It is argued that if the US Fed had refused to supply the incipient demand for liquidity in the late 1990s and early 2000s, higher interest rates could have prevented the borrowing boom and the follow on widespread deterioration of financial standards and the subsequent meltdown. But this also would have meant lower growth in the US and the rest of the world. The short point is that even as macroeconomic imbalances should not be allowed to proliferate, it is necessary to balance the need for global economic growth against the disruptions which follow the unwinding of such imbalances.

22. So, where do we go from here? The G-20 is now actively engaged in the challenging task of redressing structural imbalances in the global economy. At their Pittsburgh Summit in September 2009, the G-20 leaders agreed on a 'Framework for Strong, Sustainable and Balanced Growth' and committed to a 'Mutual Assessment Process' (MAP), which is a peer review of each country's progress towards meeting the shared objectives underlying the framework. Recognising that global imbalances which had narrowed during the crisis started widening again in the exit phase, driven mainly by the uneven recovery around the world, the G-20 resolved that promoting external sustainability should be the focus of the next stage of the MAP and entrusted this task to a Framework Working Group (FWG).

23. India is privileged in co-chairing, together with Canada, the FWG for managing the task of developing the indicative guidelines for assessing and addressing persistent global imbalances. The FWG has adopted a two-stage approach: a limited number of indicators will guide the initial assessment process, while a broader set – including qualitative ones – will be used in the second stage to inform an in-depth external sustainability assessment. The success of this initiative is critical for redressing the problem of global imbalances.

Lesson 3: Global Problems Require Global Co-ordination

24. The crisis demonstrated the interconnectedness of the world through trade, finance and confidence channels. What originated as a bubble in the US housing sector soon snowballed into a crisis and radiated in two different ways – first, in a geographical sense, from the US to other advanced economies and then to the rest of the world; and second, in a sectoral sense, from housing to all productive sectors. Even as each country started dousing the fires on its own, it was soon realised that the effort was in vain and that global co-ordination is a necessary condition for managing a global crisis.

25. From that perspective, the London G-20 Summit in April 2009 will go down in history as a clear turning point when the leaders of the world showed extraordinary determination and unity. Sure, there were differences, but they were debated and discussed and compromises were made without eroding the end goal – that is to end the crisis. This resulted in an agreed package of measures having both domestic and international components but all of them to be implemented in co-ordination, and indeed in synchronisation where necessary. The entire range of crisis response measures – accommodative monetary stance, fiscal stimulus, debt and deposit guarantees, capital injection, asset purchases, currency swaps – all derived in varying degrees from the G-20 package.

26. Now, as we exit from the crisis, there are concerns and apprehensions that the vaunted unity that the G-20 had shown during the crisis is dissipating. But might it also be a tad unrealistic to expect the degree of unity shown in managing the crisis to also be shown in addressing 'peace time' issues? The focus of G-20 now is to flesh out the agenda for economic and financial restructuring at national and international levels so that the world can prevent, or at any rate minimise the probability of another crisis of the type we have gone through. Differences of opinion, when the agenda is so broad, are not only to be expected, but may in fact have a positive influence in determining what is collectively optimal.

27. The common thread running through the entire G-20 agenda is the need for global co-operation in solving our most pressing problems of today. The crisis has taught us that no country can be an island and that economic and financial disruptions anywhere can cause ripples, if not waves, everywhere. The crisis also taught us that given the deepening integration of countries into the global economic and financial system, unco-ordinated responses will lead to worse outcomes for everyone.

28. The global problems we are facing today are complex and not amenable to easy solutions. Many of them require significant and often painful adjustments at the national level. Because short-term national interests conflict with globally optimal solutions, it is quite understandable that there are differences of views within the G-20. We must remember though that in a world divided by nation-states, there is no natural constituency for the global economy. At the same time, the global crisis has shown that the global economy as an entity is more important than ever and that global co-ordination to solve global problems is critical.

Lesson 4: Price Stability and Macroeconomic Stability do not Guarantee Financial Stability

29. The years before the crisis were characterised by steady growth and low and stable inflation in advanced economies and rapid growth and development in EMEs. The so called 'Great Moderation' prompted a growing consensus around the view that the best practice in monetary policy framework is the pursuit of a single target (price stability) by means of a single instrument (short-term policy interest rate). The success of the Great Moderation fortified the argument that price stability is a necessary and (a nearly) sufficient condition for economic growth and for financial stability. Central bankers believed they had discovered the Holy Grail.

30. That sense of triumph was deflated by the unravelling of the crisis. As the global financial sector came to the brink of a collapse even in the midst of a period of extraordinary price stability, it became clear that price stability does not necessarily guarantee financial stability.

31. Indeed, the experience of the crisis has prompted an even stronger assertion – that there is a trade-off between price stability and financial stability, and that the more successful a central bank is with price stability, the more likely it is to imperil financial stability. The argument goes as follows. The extended period of steady growth and low and stable inflation during the Great Moderation lulled central banks into complacency. Only with the benefit of hindsight is it now clear that the prolonged period of price stability blindsided policy-makers to the cancer of financial instability growing in the underbelly.

32. A dominant issue in the wake of the crisis has been the role of central banks in preventing asset price bubbles. The monetary stance of studied indifference to asset price inflation stemmed from the famous Greenspan orthodoxy which can be summarised as follows. First, asset price bubbles are hard to identify on a real time basis, and the fundamental factors that drive asset prices are not directly observable. A central bank should not, therefore, second guess the market. Second, monetary policy is too blunt an instrument to counteract asset price booms. And third, central banks can 'clean up the mess' after the bubble bursts. The surmise, therefore, was that the cost-benefit calculus of a more activist monetary stance of 'leaning against the wind' was clearly negative.

33. The crisis has dented the credibility of the Greenspan orthodoxy. The emerging view post-crisis is that preventing an asset price build-up should be within the remit of a central bank. Opinion is divided,

however, on whether central banks should prevent asset price bubbles through monetary policy action or through regulatory action. On one side, there is a purist view questioning the efficacy of resorting to monetary tightening to check speculative bubbles. Opposed to this is the argument that a necessary condition for speculative excesses is abundant liquidity, and that controlling liquidity which is within the remit of monetary policy should be the first line of defence against 'irrational exuberance'.

34. No matter how this debate settles, a clear, if also disquieting lesson of the crisis is that price stability and macroeconomic stability do not guarantee financial stability.

Lesson 5: Microprudential Regulation and Supervision Need to be Supplemented by Macroprudential Oversight

35. The crisis has clearly demonstrated that a collection of healthy financial institutions does not necessarily make a healthy financial sector. This is because there are complex interconnections in the financial sector across banks, other financial institutions, markets, and geographies and a problem in any part of the system can rapidly transmit through the system, cascade across layers and develop into a crisis. Systemic safety can also be jeopardised by procyclicality. As the crisis demonstrated, there is a strong collective tendency among financial entities to overexpose themselves to the same type of risk during an upturn and become overly risk-averse during a downturn. Importantly, individual institutions, and indeed microprudential oversight too, fail to take into account the spillover impact of the actions of the rest of the financial system on them. This raises the paradox of the fallacy of composition. What is good from an individual institution's point of view can become disruptive, and even destructive, if all institutions act in a similar way.

36. That a bubble that started in the US housing sector snowballed into a major crisis is a vivid illustration of the risks arising from the interconnectedness of the global financial system and the risks of procyclicality. The lesson clearly is that as much as microprudential supervision is necessary, it needs to be supplemented by macroprudential oversight to prevent systemic risk building up.

37. Macroprudential oversight requires both analytical sophistication and good judgement. Regulators need to be able to analyse the nature and extent of risk and be able to make informed judgement on when and what type of countercyclical buffers they must impose. Both type I and type II errors – imposing buffers too early out of excessive caution or delaying imposition of buffers till it is too late to avert an implosion – can be costly in macroeconomic terms.

Lesson 6: Capital Controls are not only Unavoidable, but Advisable in Certain Circumstances

38. As EMEs started recovering from the crisis earlier than advanced economies, they also began exiting from the crisis-driven accommodative monetary stance ahead of the advanced economies. This multi-speed recovery and the consequent differential exit have triggered speculative capital flows into EMEs resulting in currency appreciation unrelated to economic fundamentals. This poses complex policy management challenges. Currency appreciation erodes export competitiveness. Intervention in the forex market to prevent appreciation entails costs. If the resultant liquidity is left unsterilised, it could potentially fuel inflationary pressures. If the resultant liquidity is sterilised, it puts upward pressure on interest rates which not only hurts competitiveness, but also, in a curious variation of the Dutch disease, encourages further flows.

39. Capital inflows far in excess of a country's absorptive capacity could pose problems other than currency appreciation. Speculative flows on the look out for quick returns can potentially lead to asset price build-up. Also, in the current juncture, one of the driving forces behind hardening commodity prices in recent months is the excess liquidity in the global system which has possibly triggered financialisation of commodities.

40. Quite unsurprisingly, the old debate about whether capital controls are a legitimate policy option has resurfaced again. This is a debate that has

traditionally frowned on moderation. Critics maintain that capital controls are distortionary, largely ineffective, difficult to implement, easy to evade and that they entail negative externalities. On the other hand, supporters of capital controls argue that controls preserve monetary policy autonomy, save sterilisation costs and tilt the composition of foreign liabilities toward long-term maturities and ensure macroeconomic and financial stability.

41. The debate on capital controls resurfaced after the Asian crisis of the mid-1990s, especially as one of the root causes of the crisis was the open capital accounts of the East Asian economies. However, as the Asian economies recovered in quick order, regained their export competitiveness and started building up external reserves for self-insurance, the debate was not pursued to its logical conclusion, and the orthodoxy that capital controls are undesirable persisted.

42. The recent crisis has, however, been a clear turning point in the worldview on capital controls. Notably, the IMF put out a policy note[4] in February 2010 that reversed its long-held orthodoxy that capital controls are inadvisable always and everywhere. The note has referred to certain '*circumstances in which capital controls can be a legitimate component of the policy response to surges in capital flows*'. The World Bank[5] and the Asian Development Bank Outlook - 2010 too echoed these views.

43. A useful way of assessing the capital account management of an EME is to draw a distinction between 'strategic' and 'tactical' controls. Strategic controls would involve defining a long-term policy indicating the *inter se* preference, or the hierarchy of preferences as it were, across different types of capital flows and the controls that will be deployed to operationalise that policy. Strategic controls give stakeholders a clear and predictable framework of rules to make informed choices and to manage risks, and they give policymakers sufficient levers to calibrate the flows; in essence they define the boundaries of the playing field. Tactical controls, on the other hand, introduce barriers into the playing field itself. They are deployed opportunistically to stem a surge in inflows or outflows. By their very nature, tactical controls introduce a new element of uncertainty into the calculations of both domestic and foreign stakeholders.

44. India's approach to capital account management is typically strategic. For example, we have an explicitly expressed preference for long-term over short-term flows and equity over debt flows, and we have used both price-based and quantity based controls to operationalise this policy. We have, of course, periodically recalibrated elements of the strategy in pursuit of capital account liberalisation. An important lesson from India's experience is that even with relatively large swings in capital flows during the crisis, the pressure to use tactical controls did not build up because the strategic controls provided automatic buffers.

45. Even as we debate what EMEs should or should not do to manage excess capital flows, we should remember that to the extent that lumpy and volatile flows are a spillover from policy choices of advanced economies, managing capital flows should not be treated as an exclusive problem of emerging market economies. How this burden is to be shared raises both intellectual and practical challenges. The intellectual challenge is to build a better understanding of the forces driving capital flows, what type of policy instruments, including capital controls, work and in what situations. The practical challenge is the need to reach a shared understanding on a framework for cross-border spillovers of domestic policies in capital-originating countries, and the gamut of policy responses by capital-receiving countries.

Lesson 7: Economics is not physics

46. A few months into the crisis, the Queen happened to be at the London School of Economics and asked a perfectly sensible question: 'how come none of the economists saw the crisis coming'. The Queen's question resonated with people around the world who felt that they had been let down by economics and economists. As economists saw their profession discredited and their reputations dented, the economic crisis soon turned into a crisis in economics.

[4] Ostry, Jonathan D. and Others (2010), *'Capital Inflows: The Role of Controls'*, IMF Staff Position Note, SPN/10/04, February 19, 2010.

[5] World Bank: *Global Monitoring Report 2009: A Development Emergency*. Washington DC.

47. What went wrong with economics? It now seems that by far the most egregious fault of economics, one that led it astray, has been to project it like an exact science. The charge is that economists suffered from 'physics envy' which led them to formulate elegant theories and models – using sophisticated mathematics with impressive quantitative finesse – deluding themselves and the world at large that their models have more exactitude than they actually did.

48. Admittedly, in a limited sense, there may be some parallels between economics and physics. But similarity in a few laws does not mean similarity in the basic nature of the academic discipline. The fundamental difference between physics and economics is that physics deals with the physical universe, which is governed by immutable laws, beyond the pale of human behaviour. Economics, in contrast, is a social science whose laws are influenced by human behaviour. Simply put, I cannot change the mass of an electron no matter how I behave but I can change the price of a derivative by my behaviour.

49. The laws of physics are universal in space and time. The laws of economics are very much a function of the context. Going back to the earlier example, the mass of an electron does not change whether we are in the world of Newton or of Einstein. But in the world of economics, how firms, households and governments behave is altered by the reigning economic ideology of the time. To give another example, there is nothing absolute, for example, about savings being equal to investment or supply equalling demand as maintained by classical economics but there is something absolute about energy lost being equal to energy gained as enunciated by classical physics.

50. In natural sciences, progress is a two-way street. It can run from empirical findings to theory or the other way round. The famous Michelson-Morley experiment that found that the velocity of light is constant led to the theory of relativity – an example of progression from practice to theory. In the reverse direction, the ferocious search now under way for the Higgs Boson – the God particle – which has been predicted by quantum theory is an example of traversing from theory to practice. In economics, on the other hand, where the human dimension is paramount, the progression has necessarily to be one way, from empirical finding to theory. There is a joke that if something works in practice, economists run to see if it works in theory. Actually, I don't see the joke; that is indeed the way it should be.

51. Karl Popper, by far the most influential philosopher of science of the twentieth century, propounded that a good theory is one that gives rise to falsifiable hypotheses. By this measure, Einstein's General Theory was a good theory as it led to the hypothesis about the curvature of space under the force of gravity which indeed was verified by scientists from observations made during a solar eclipse from the West African islands of Sao Tome and Principe. Economics, on the other hand, cannot withstand the scrutiny of the falsifiable hypothesis test since empirical results in economics are a function of the context.

52. The short point is that economics cannot lay claim to the immutability, universality, precision and exactitude of physics. Take the recent financial crisis. It is not as if no one saw the pressures building up. There were a respectable number of economists who warned of the perilous consequences of the build-up of global imbalances, said that this was simply unsustainable and predicted a currency collapse. In the event, we did have the system imploding but not as a currency collapse but as a meltdown of the financial system.

53. We will be better able to safeguard financial stability both at global and national levels if we remember that economics is a social science and real world outcomes are influenced at a fundamental level by human behaviour.

Lesson 8: Having a Sense of Economic History is Important to Prevent and Resolve Financial Crises

54. Let me finish with the last lesson which is on a larger canvas – that having a sense of economic history is important to prevent and to resolve financial crises. In their painstakingly researched book, *This Time is Different: Eight Centuries of Financial Folly*, Kenneth Rogoff and Carmen Reinhart argue that every time a crisis occurs and experts are confronted with the question of why they could not, based on past

experience, see it coming, they would argue that past experience was no guide as circumstances had changed. Yet this 'this time is different' argument does not hold. Reinhart and Rogoff put forward impressive evidence showing that over eight hundred years, all financial crises can be traced to the same fundamental causes as if we learnt nothing from one crisis to another. If only teaching in economics had included a study of economic history, perhaps we can avoid repeating history, never mind as a farce or a tragedy.

Non-financial Reporting – What, Why and How – Indian Perspective*

K. C. Chakrabarty

Mr. Stefan Helming, Country Director, GIZ India, Mr. Rakesh Rewari, DMD, SIDBI, Prof Rajeev Gowda, Chair, Centre for Public Policy, IIM-Bangalore, Ms Karin Ireton, Director, Group Sustainability Management, Standard Bank, Dr Aditi Haldar, Director, GRI, India, Ms Richa Bajpai – co-founder NextGen, distinguished guests, ladies and gentlemen. It is a pleasure to be here at this National Conference on 'Non-Financial Reporting and Risk Management for Financial Institutions in India' jointly organised by German Development Co-operation (GIZ), SIDBI, Global Reporting Initiative (GRI), IIM Bangalore and NextGen. I congratulate the organisers for having chosen this theme as the importance of non-financial reporting in the overall assessment of a company's performance and its risk-return trade-off is steadily gaining ground, both globally and in India. Conferences such as these help to create awareness among the financial services industry players about the importance and benefits of Non-Financial Reporting (NFR).

What is Sustainability Reporting or Non-Financial Reporting?

2. I have borrowed the topic of my address 'Non-Financial reporting – What, Why and How – Indian Perspective' from the theme of one of the Conference sessions. Let me start from what is reporting? Well, very broadly speaking, you would all agree that it is a structured way of presenting information about ones performance. If the information is financial in nature, such as financial position, profits, cash flows of an enterprise then it constitutes financial reporting which is beneficial to a wide range of users, *e.g.* stakeholders, investors, regulators, *etc.* This then brings us to Non-Financial (NFR) or Sustainability Reporting (SR) which, as you are aware, is the practice of measuring, disclosing and being accountable to internal and external stakeholders for organisational performance towards the goal of sustainable and inclusive development. There has been a general perception that right from the time of Industrial Revolution, economic development has come at the cost of environment and has brought about large-scale destruction of nature and growth process has not been inclusive. Due to the negative externalities of economic development, the practice of non-financial reporting started largely in response to pressure from non-governmental organisations (NGOs) and civic society, which claimed that many firms lacked social and environmental responsibility. It epitomises that a company's financial health is dependent on much more than the assets on its balance sheet and the movements on its profit and loss account. Non-financial reporting is an opportunity to communicate in an open and transparent way with stakeholders. In their non-financial reports, firms volunteer an overview of their environmental and social impact during the previous year. The information in non-financial reports contributes to building up a company's risk-return profile.

Why is it Important?

3. To be able to truly appreciate the importance of non-financial reporting, we have to step back in time to recollect how the parameters for evaluation of corporate performance have been changing over the years. During the initial phases, when business was organised as sole proprietorship or partnership firms, profit was the dominant indictor of performance. Subsequently, with the formation of joint stock companies and the development of stock markets, corporate performance was judged by market capitalisation, share price and certain financial ratios such as Earnings Per Share (EPS), Return on Equity (ROE), *etc.* Now in the 21st century, corporate performance will be judged by *corporate social responsibility* (CSR) whose disclosure will fall under

*Address by Dr. K. C. Chakrabarty, Deputy Governor, Reserve Bank of India at National Conference on 'Non-Financial Reporting and Risk Management for Financial Institutions in India' on June 6, 2011 at Mumbai.

non-financial reporting. One of the critical parameters to be evaluated in this context would be the value created by the firm for society and whether such value creation is going to be enduring in nature. While the foregoing is true for any corporate, as far as banks are concerned, since they are highly leveraged institutions dealing with public money and public confidence, there is a greater responsibility for value creation. As a result, non-financial reporting will be extremely important for financial institutions such as banks and its relevance is only going to increase in times to come. Just as financial reporting is not only concerned with returns but the risk-return trade-off, similarly, non-financial reporting is also about the risks that one creates in the society. I also want to draw a fine distinction between sustainability and CSR. While very often these terms are used inter-changeably, what normally goes in the name of CSR are few acts of philanthropy like donation, setting up educational facilities, health services, *etc.* and a part of the profit is used for that. But charity is not CSR; charity is not sustainability. Sustainability means business has to be undertaken in a sustainable and profitable manner, and should not create undue pressure.

Having said that, sustainability reporting has become more relevant and important in today's context not only from social or environmental concerns, but because, globally, we have come to realise that our goal is not just growth and profits, but we are looking at inclusive growth. And, if the growth process is not equitable, it cannot be sustainable. If inclusive growth has to be a permanent agenda item in our growth process, then it has to be sustainable. Today, many of the world's problems have been attributed to the lack of inclusive growth. I would like the participants in this Conference to debate on how this inclusive growth agenda can be brought in Sustainability Reporting. Finally, reporting has to be credible. It must be audited. If we do not make credible reporting systems, then it would not be meaningful. I would like the forum to also debate on this aspect as to how do you improve the standards of non-financial reporting.

How Sustainable Reporting is to be done – Reporting Framework

4. Studies reveal that the structure of reporting has changed substantially over the years. Whereas in the 1990s, most reports focused on environmental indicators only, today, reports tend to be more comprehensive and bring together economic and social as well as environmental data, or triple line reporting. John Elkington coined the term 'triple bottom line' to describe social, environmental and financial accounting, and his sustainable development think-tank, 'SustainAbility', released its first survey benchmarking non-financial reporting. I would venture to say that, maybe, we can coin a new phrase 'quadruple bottom line' reporting to explicitly include inclusive development. But, reporting frameworks keep evolving and one does not have to wait for some finality before starting to report.

5. Global Reporting Initiative (GRI) is a global initiative to standardise NFR which the institutions adopt and has become the standard internationally. GRI is a long-term, multi-stakeholder, international process whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines. These Guidelines are for voluntary use by organisations for reporting on the economic, social and environmental dimensions of their activities, products and services. The aim of the Guidelines is to assist reporting organisations and their stakeholders in articulating and understanding contributions of the reporting organisations to sustainable development.

6. One of the most widely used frameworks for reporting on sustainability is the Global Reporting Initiative's G3 Guidelines. This framework has been used in nearly 7,500 reports to report on sustainability worldwide and more than 100 GRI reports have been published by Indian companies so far. These guidelines also include a sector supplement, which specially focuses on the financial services sector.

The Drivers and Levers behind NFR

7. When analysing the factors that influence NFR trends, it is instructive to differentiate between drivers and levers. To better understand the two concepts, it is helpful to consider the metaphor of a car. A lever is a mechanism employed to induce action indirectly, for example, by pressing the gas pedal. Drivers, on the other hand, are direct forces, such as the fuel that sets an engine in motion. The strategic management of brand and reputation seems by far the most significant

driver behind NFR for institutions. Further, another driver behind NFR is stakeholder pressure on companies to become more transparent and accountable about their environment and social behaviour. Thus, it is not surprising that the most publicly criticised sectors, in particular chemicals and mining, should display the strongest growth in the use of NFR. Pressure from competitors, pressure from NGOs, responding to pressure from financial industry, *etc.* seem to be the other drivers behind NFR.

8. The role of Governments/regulators in pushing NFR could be one of the most powerful levers but is also one of the most controversial aspects of international sustainability debates. While most of the private sector is opposed to active Government involvement, many in the NGO community and general public see mandatory reporting rules as the only way to turn NFR into mainstream practice.

Mandatory versus Voluntary

9. In most parts of the world, NFR remains a voluntary practice. So far, France is the only country to enact specific legislation requiring publicly listed companies to produce non-financial reports covering economic, social as well as environmental dimensions. Various other countries mandate detailed reporting for specific industry sectors. Additionally, some stock exchanges like the South African Stock Exchange now make NFR a requirement for listed companies. A number of stakeholders have called for sustainability reporting to be a mandatory requirement aimed at increasing corporate accountability, the argument being that most companies will generally not report of their own accord or, when they do, such reporting will be incomplete and rarely material to stakeholder interests.

10. Critics of the mandatory approach to NFR maintain that government regulation is not needed in this area since:

- Other market-based drivers exist that provide sufficient incentives for firms to report.
- Pushing the regulatory track will lead to a host of diverse national NFR regimes, thereby making international comparisons of non-financial reports difficult (if not impossible) and adding significant regulatory burdens on companies that operate across national borders.
- The approach would not allow for the continuous updating and improvement of NFR frameworks since the practice of NFR is still relatively young and requirement of a legislative process to effect changes would result in long delays.
- Innovation in the area of NFR will be reduced. Innovation is likely to occur if companies push for higher benchmark standards in order to produce superior reports to those of their competition. In a mandatory framework, such completion is far less likely.

Advantages of NFR

11. There are multiple advantages to both report preparers and report readers. The advantages to the report preparers are:

- Tool for increased comparability and reduced cost of sustainability
- Brand and reputation enhancement
- Differentiation in the market place
- Protection from brand erosion due to action of suppliers or competitors
- Fosters innovations in order to make processes environment friendly.

Advantages to the report readers are:

- Useful benchmarking tool
- Corporate governance tool
- Avenue for long-term dialogue with reporting organisation.

To sum up:

- Corporates that focus on Sustainability Reporting outperform their peers in the long-run and help in consolidating their market position
- In view of reliable correlation between business integrity and above-average

financial performance, NFR demonstrates ongoing business integrity and enhances investor and stakeholder confidence.

- Helps to acquire national and international listing and gain access to otherwise restricted markets
- Helps to attract finance through transparent relationship with credit providers, improve management systems and employee motivation and customer satisfaction.

Banks and Financial Institutions and NFR

12. Banking and financial institutions' immediate environmental and social impacts are relatively low because most of those impacts are delivered through the activities of other businesses that rely on financial institutions – the businesses in a loan or investment portfolio. But they have a paramount role in ensuring that businesses that borrow from them and depend on them for financing understand the risk their business may pose for society and follow a sustainable agenda. So, despite the relatively indirect nature of their environmental and social impacts, banks need to examine the effects of their lending and investment decisions. All business activities have some environmental and social impact that typically results from substandard environmental and social practices, including:

- over-use and wastage of natural resources
- environmental damage caused by continuing polluting activities
- persistent damage caused by past polluting practices
- damage caused by accidents and mishaps
- use of environmentally sensitive materials.

13. All these impacts have ramifications for business. The risks that such impacts create can be legal, financial, and reputational, and banks themselves are increasingly accountable for the effects their portfolios have on the environment and society. The costs that can be incurred by a business operating without regard to environmental and social issues include:

- pollution clean-up costs
- fines
- increased waste-handling costs
- costs from damaged assets with reduced value
- legal claims
- regulatory delays
- reduced public regard, and reduced sales.

14. The risks that often get transferred to financial institutions include:

- increased loan defaults
- decreased value of investment and loss of collateral due to decreased asset values
- liability for damages arising from negligent investment advice
- loss of reputation and standing as a result of association with polluting businesses.

Position in India

15. The level of sustainability reporting (SR) in India is in its infancy and still evolving. In India, there are various drivers behind the increase in dialogue, discussion and publication of sustainability reports – drivers that are somewhat different from other parts of the world. For example, pressure from the NGO sector is low in India when compared to other countries. Pressure originates rather from increasing involvement in the global business environment. Many companies issuing CSR corporate communications now actively report on the social dimension as well. One thing is clear, however, and that is, we cannot sacrifice growth. If our society has to survive, then it has to achieve a double-digit growth for the next several years. If we bring in the environmental and social concerns at the cost of growth, then it will not be acceptable. What would change the balance is how we integrate these concerns keeping our overall inclusive growth agenda intact. It will make SR more palatable and acceptable in our context. In the Indian context, it is relevant to note that a beginning has been made by Yes Bank becoming a member of United Nations Environment Programme - Finance Initiative (UNEP FI),

which is an initiative to promote the integration of environmental considerations into all aspects of the financial sector's operations and services. While SIDBI has released a report as per GRI Guidelines, a few Indian banks are beginning to consider reporting on their non-financial parameters. In other international initiatives for sustainable development, corporate social responsibility and non-financial reporting also, the involvement of our banks, financial institutions, *etc.* is peripheral or at a very nascent stage.

16. For institutions in India's financial and banking sector, one of the primary drivers of their involvement in activities in social and environmental spheres is their reputation and branding. This is fuelled by the fact that these institutions have high visibility in every business sector and industry. Moreover, in emerging markets such as India, financing projects that focus on clean production, good corporate governance and sustainable energy are being increasingly identified as potential business opportunities for financial institutions. Furthermore, many financial institutions are also actively publicising their philanthropic activities under the corporate social responsibility banner. All these initiatives point to the sector's move toward financial institutions banking on their brand and reputation, to make a difference in the community in which they operate as well as in their new risk management strategies that reflect the socio-environmental aspects of their investments.

17. There are many reasons for this change in mindset. Foremost is the increasing globalisation of business. As more Indian companies expand internationally and acquire interests overseas, whilst at the same time, there is a rapid increase in foreign investment in Indian corporates, demands on transparency from a more 'global audience' have put pressure on Indian companies to start reporting on sustainability issues. Within India, there has also been a change in the mindset and attitudes of stakeholders on issues relating to environmental and social responsibility. Recently, government faced public protests and pressure to refuse entry to foreign ships that were brought to India for decommissioning, as they contained large amounts of asbestos and other harmful substances. While the general public opinion on sustainability issues is still evolving, companies taking the first steps can expect intense public scrutiny, which again highlights the need for transparent reporting on operations. Another significant push factor has been the role of government as a stakeholder. India has historically had stringent laws on labour, environment, health and safety. Over the past few years the government has become increasingly proactive in addressing enforcement. Intense media attention and scrutiny on corporate social responsibility has also led to companies taking more cognisance of their activities and engagement with stakeholders.

Reporting Standards

18. While currently there are no officially recognised guidelines or reporting standards on sustainability reporting (by accounting or regulatory bodies), there has been an increasing trend amongst companies to publish a variety of information relating to themes such as community, corporate social responsibility, environment, health and safety. Indian companies, therefore, present diversity in content and format under the overall umbrella of sustainability reporting. Traditionally, while many organisations both in the public and private sector practice some sort of corporate social responsibility programmes, reporting has not been a common practice. A survey conducted in 2003 by 'Partners In Change' showed that 70 per cent of the participating companies do not have a CSR policy, but are nevertheless doing 'good work'. However, over the past few years, there has been an increasing awareness and activity in the CSR field and many companies have started some reporting on sustainability issues, *albeit* in limited and diverse formats.

19. Many organisations in India have certified environmental management systems, based on ISO 14001. Consequently, data on environmental indicators are more readily available and many companies have started reporting by issuing environmental reports which also include health and safety data. It is only after this initial phase that companies in general start developing reporting formats that conform with the GRI Guidelines. In accordance with global trends, some Indian companies have also started seeking independent assurance on their sustainability reports.

Reporting under Environmental Legislation

20. One of the fundamental features of India's ancient philosophy has always been respect for the environment. The Indian Constitution is amongst the few in the world that contains specific provisions on environmental protection. State policy principles explicitly enunciate the national commitment to protect and improve the environment. The national environmental policy framework is the responsibility of the Ministry of Environment and Forests. Implementation is undertaken by the Central Pollution Control Board (CPCB) and the State Pollution Control Board (SPCB) at the Central and state levels, respectively. The Department of Environment at the Central level, supports the SPCBs. The Environment (Protection) Act of 1986, considered as the 'Umbrella Act', was formulated for the protection and improvement of the quality of the environment and prevention, control and abatement of environmental pollution. The Act is also an 'enabling' law, which articulates the essential legislative policy on environmental protection and delegates wide powers to competent authorities to frame necessary rules and regulations.

- In terms of this Act, each covered organisation should submit an annual 'environmental audit report' (in a prescribed format) to the relevant SPCB.
- Reporting in the environmental statement includes parameters such as water and raw material consumption, pollution generated (along with variations from prescribed standards), quantities and characteristics of hazardous and solid wastes, impact of pollution control measures on conservation of natural resources and on cost of production, and additional investment proposals for environmental protection. At this stage, the statement is not required to be audited. The legal requirement on its preparation and submission helps ensure that data on environmental measures is collated, categorised and analysed by all businesses covered under the legislation. Many organisations in India have started to audit these statements internally with a view to improving their environmental performance and as a matter of good practice.

Reporting under the Companies Act

21. The Companies Act in India governs the overall regulation of companies in India and includes sections on disclosure and reporting on various aspects of company operations. Section 217 of the Act stipulates that the Board of Directors' Report (attached to every balance-sheet tabled at a company annual general meeting) shall contain information on conservation of energy. The latter is expected to include:

- Energy conservation measures taken;
- Additional investments and proposals, if any, being implemented for reduction of the consumption of energy;
- Impact of the measures taken above for reduction of energy consumption and consequent impact on the cost of production of goods; and
- Total energy consumption and energy consumption per unit of production in respect of specified industries.

Reporting on Social Matters

22. Traditionally, there has been a very thin line of demarcation between socially aware entrepreneurship and philanthropy. Businesses today are becoming more aware of the business case that social responsibility is not limited to acts of charity and that it requires internalisation and systemic expression. In 1980, Tata Steel released a 'Report of the Social Audit Committee' which explored whether the company had fulfilled the objective contained in the Articles of Association regarding its social and moral responsibilities to consumers, employees, shareholders, the local community and society. Since then, there has been a growth and consistent improvements in the quality of reporting of Indian companies. Discussions reveal that sustainability reporting in India often starts as a voluntary initiative amidst limited pressure from local NGOs/civic society to publish sustainability reports. Reports are often produced and used for internal purposes.

23. The GRI has been working with the Confederation of Indian Industry (CII) for a better understanding of the Indian context of reporting and ways of applying the international framework standard domestically.

The main challenges for sustainability reporting in India are the following:

- Lack of a specific sustainability/CSR reporting legislation or guidelines;
- Companies find it challenging to report how they conduct business in the absence of clear guidance based on local conditions;
- Following early experimentation, efforts need to be focused and reporting standardised. Typically, companies tend to report their community initiatives on a few pages in their Annual Reports rather than providing detailed information on internal practices and issues such as transparency, risk, and social or environmental impacts; and
- Synergising social and business interests needs top priority. Corporate philanthropy needs to transform into the realm of core business and corporate social responsibility.

Initiatives of RBI

24. Recognising the contribution of financial institutions including banks to sustainable development considering the crucial role they play in financing the economic and developmental activities, the Reserve Bank had drawn the attention of banks to their role in Corporate Social Responsibility, Sustainable Development and Non-Financial Reporting in its circular dated December 20, 2007. Since the loan management in banks is in their operational domain, banks were exhorted to keep abreast of the developments in this regard and dovetail/modify their business strategies in the light of developments. Apart from this, even internal efforts to make their day-to-day operations cleaner, greener and more efficient can help. However, as remarked earlier, the position continues to be in early stages of development and lot of work is needed in this direction.

25. One of the key initiatives of the Reserve Bank and where we are different from any other regulator is in the area of sustainability reporting and financial inclusion. Sustainability has been an integral part of our inclusive growth agenda. We have tried to convey to banks that they must have an objective of financial inclusion. All the banks have been advised to prepare a board approved financial inclusion plan. As we are following a bank-led inclusive growth agenda, they must demonstrate their commitment to do so. That will give sustainability a greater depth and penetration. Now, whether we make NFR mandatory – make it a part of disclosure – has been engaging our attention. But, in so far as directing banks that sustainable growth can be an important agenda for banks, guidelines have been issued.

Sustainability Reporting – Way Forward for Banks and Financial Institutions

26. The progress of sustainability reporting in India is slow, but a significant and sound start has been made. The Institute of Chartered Accountants of India — Accounting Research Foundation (ICAI ARF) Committee is working on a new set of rules on CSR and, CII is developing a green rating system for Indian companies. The pressure to adopt sustainability has further intensified with the launch of Sustainable Development Funds and Indices in India such as CRISIL, S&P ESG Index.

Role of Society

27. The role that the society plays in nudging financial institutions to adopt NFR can be catalytic. As a society, while judging a financial institutions' performance, we must appreciate their contribution to social responsibility. As an illustration, when Best Banks' Awards are given, only financial parameters like CRAR, ROA, RoE, NPA, *etc.* are considered. But are the banks judged on parameters like responsible ethical lending? How they meet their social responsibility? How they are faring in serving below poverty line people? How many customers served? What is the intermediation cost? What is the treatment meted to small customers? Are the charges levied for such small customers exorbitant in nature? Do they have a policy of reducing carbon footprint? When these aspects are not taken

into consideration, and if the society does not appreciate these while rewarding the banks, how do you expect that these will be reflected in corporate performance? Were such factors taken into account, then the recipients of Best Banks Awards would, probably, be very different from the actual recipients of today.

28. Banks and financial institutions would benefit by developing a sustainability management and reporting framework, which covers, but is not limited to, identification of material issues and risks, conducting stakeholder engagements as well as environment, health, safety and social (EHSS) audits, mapping the carbon footprint of a company's operations and developing sustainability reports.

Conclusion

29. To conclude, I once again congratulate NextGen and GRI for having organised this Conference which provides an important platform for creating awareness and sensitising financial institutions about non-financial reporting. It is a concept whose time has come but it has to transform into a movement. The Reserve Bank has been encouraging banks to adopt greater environmental and social disclosures apart from financial. But not much has happened on this front, although, on the inclusive agenda front, there has been progress but it has not yet formed part of non-financial disclosures. In order to make an impact, banks need to integrate the concepts of inclusive growth and their risk management processes for assessing performance, CSR and NFR with their business strategy. As society starts rewarding and judging performance of financial institutions by their social, environmental performance and inclusive growth agenda, apart from economic, financial institutions would be more motivated to voluntarily adopt NFR. I wish the deliberations all the success. I hope that some of the issues that I have raised are discussed in this Conference and if any action point emerges which we can address in furthering our sustainable and inclusive growth agenda, we would look forward to receiving it.

Challenges and Opportunities in a Trillion Dollar Economy*

K. C. Chakrabarty

Shri Pranab Mukherjee, Hon'ble Finance Minister, Government of India, Dr. Narendra Jadhav, Member, Planning Commission, Shri Dilip Modi, President, ASSOCHAM, Shri R. N. Dhoot, Senior Vice President, ASSOCHAM, and MP, Rajya Sabha, Shri J. M. Garg, Central Vigilance Commissioner, Dr. Thomas Mathew, Jt Secretary, Capital Markets, Ministry of Finance, Shri M. Narendra, Chairperson, ASSOCHAM National Council for Banking & Finance and CMD, Indian Overseas Bank, Shri T. M. Bhasin, CMD, Indian Bank, Shri M. V. Tanksale, ED, PNB, Shri N. Seshadri, ED, Bank of India, Shri D. S. Rawat, Secretary General, ASSOCHAM, distinguished guests, ladies and gentlemen. It is a pleasure and privilege to be here at the National Banking Conclave on the theme 'Challenges and Opportunities in a Trillion Dollar Economy'. As you are aware, the Indian economy reached the trillion US dollar GDP milestone in 2007 and joined other countries of the trillion dollar club, namely, the US, the UK, Japan, Germany, China, France, Italy, Spain, Canada, Brazil and Russia. In fact, over the period 1960 to the late 1980s, India's GDP in US dollar terms doubled every nine years, on an average. Since then, the period for doubling has declined to around 5 years, coinciding with the initiation of wide-ranging structural reforms. With India's GDP at current market prices during 2010-11 already placed at around US dollar 1.7 trillion, it is expected that the Indian economy would cross the US dollar 3.4 trillion mark by 2015-16, *i.e.,* well within the span of the ensuing (Twelfth) Five Year Plan. Therefore, as policymakers and business leaders, we should be thinking about exploiting the opportunities and preparing ourselves for the challenges of managing a multi-trillion dollar (and not a one trillion dollar) economy!

* Address by Dr. K. C. Chakrabarty, Deputy Governor, the Reserve Bank of India at ASSOCHAM's National Banking Conclave on June 17, 2011 at New Delhi. The assistance provided by Ms. P. B. Rakhe in preparation of this address is gratefully acknowledged.

Although some argue that India catapulted to the trillion dollar league in 2007 on account of GDP valuation based on sharply appreciated exchange rate that resulted from huge inflows of foreign exchange, most others consider this as an emerging sign of take-off that could accelerate the growth momentum going forward. Last year, economists at Morgan Stanley and other long-range forecasters predicted that India's growth will start to outpace China's within three to five years and continue at a faster rate than any other large country over the next 20 to 25 years. Hence, I believe, and others do so too, that the Indian economy is set to experience double digit growth during the coming two to three decades.

2. While the future growth outlook of the Indian economy looks promising, the challenge is to make it more inclusive. At the grassroots level, India continues to be a poor and less developed country in spite of years of financial and other support provided by the Government to equity-enhancing distributional programmes and the spectacular turnaround in investment and growth. According to a Planning Commission Report on the methodology of estimation of poverty issued in 2009, the all-India poverty head count ratio was at 37.2 per cent in 2004-05 compared to 45.3 per cent in 1993-94. *Prima facie,* while the slow pace of reduction in poverty due to high population growth rate, large workforce still dependent on agriculture and illiteracy continue to obstruct the growth potential, the paradigm that these disabilities can nevertheless be turned around into a winning proposition is also surely within the realm of possibility.

3. In fact, many of the disadvantages, which the Indian economy faced in the past, has already been waned and turned out to be advantages. To illustrate, a disadvantage that has plagued most developing economies including India has been that of scarcity of

capital. This scarcity has hindered the investment and growth prospects of these economies in the past. This, however, is no longer a disadvantage. With most countries including India opening their doors to foreign investment, the question is no longer of scarcity of capital but the rate of return that we can pay on this capital. Hence, capital is no longer a constraint in the era of liberalisation and globalisation if we are able to pay the required return and are able to attract the capital flows into our economies especially in the form of foreign direct investment.

4. Further, high population growth was another disadvantage faced by many developing countries while making efforts to improve the GDP in per capita terms. However, with the emergence of skills and knowledge as new engines of economic growth, higher population growth is more of an opportunity than a constraint. According to Census 2011, 56.9 per cent of India's total population belongs to the age group 15-59 years. Importantly, only 7.5 per cent of the population belongs to the age category '60 years and above'. This shows that India is yet to experience the problem of aging. Further, it is predicted that India will see a sharp decline in the dependency ratio over the next thirty years, which will be a major demographic dividend for India. Moreover, it is estimated that not only India's demographic trend would remain favourable for the next three decades but also remain better than other BRIC economies.

5. We have to, however, realise that these advantages will not transform on its own to higher economic growth. In this regard, appropriate interventions would be required to reap maximum benefits from this favourable demographic dividend by investing in education and skill development. In the Union budget for 2011-12, Indian Government has allocated ₹ 52,057 crore for the education sector, which is 24 per cent higher than the 2010-11 education expenditure. However, expenditure on education as per cent of GDP is relatively low in India when compared with some of the developed nations as also with some developing countries (Table). Among the G-20 countries, India not only has lowest educational indicators, but the public education system is also poor when compared with other BRIC countries and some of the emerging market economies. In 2009, World Bank

Table: Expenditure on Education

Country	Spending on Education as per cent of GDP	Country	Spending on Education as per cent of GDP
Switzerland	5.8	South Africa	5.3
United States	5.7	Thailand	5.2
France	5.6	Chile	4.2
UK	5.3	Brazil	4.2
Malaysia	8.1	India	4.1
Mexico	5.3	Russia	3.8

Note: Government education expenditure as per cent of GDP (2000-2002)
Source: United Nations Human Development Programme

expressed the view that acute shortage of skills especially in the area of civil engineering shadows the growth prospects of the Indian economy. According to Prime Minister Dr. Manmohan Singh, 'around 10 per cent of the relevant age group is enrolled in any institute of higher education as compared to 40 to 50 per cent in most developed countries'. Banks play a facilitating and enabling role in this endeavour by extending education loans and they have a great responsibility to ensure that no deserving student is denied an education loan. However, just providing education loan is not sufficient. Industry and bankers would have to work together to ensure that the employability of such students is high and that the people with the right type of education and skills are available for the industry.

6. We need to recognise that the knowledge, skills and productivity of our growing, young and dynamic workforce forms the backbone of our economy. This would not only require effective implementation of developmental and poverty alleviation schemes at the bottom of the pyramid, but also the recognition that these new factors of production, namely, knowledge, skills and technology, which have the ability to unleash the productive, frontiers of the economy in the most efficient and dramatic way. Notably, these new factors of production, which can liberate human enterprise from the binding constraints of land, labour and capital are the engines of growth in the knowledge economies of the western hemisphere, along with countries like Japan and Israel both of which are otherwise scarcely endowed with land and labour. Technology is the surest and the most appropriate way of bringing inclusion in respect of any product and /or service. Technology has revolutionised every industry in the world by extending faster and cost-effective delivery of products

and services, ensuring affordability to those who otherwise could not, and simultaneously, ensuring viability and profitability of producers. This has other positive spinoffs. If the cost of products and services is brought down by leveraging technology, inflation also would come down. That would lead to a softer interest rate regime, which would enable sustainable growth.

7. Taking cue from examples of western hemisphere, India should try to become a knowledge economy to promote inclusive economic growth. The progress from agrarian and/or industrial economy to that of knowledge economy is based on the ability to acquire ownership of knowledge and to use it to create or improve goods and services. Workers in the knowledge economy are especially distinct in so far they know what they are doing, how the work is done and why they are doing the work. They also excel in their fields of knowledge and are often better at their jobs than their superiors. The respect for knowledge workers leads to most desired outcomes through change management as experimentation and innovation are encouraged and rewarded. Thus, we must strive assiduously to convert our young workforce into a potential power-house of productivity and growth.

8. Having said that, it would be impossible to achieve these objectives in the absence of poverty alleviation. Extreme poverty and deprivation often discourage the urge of the poor to participate in programmes that do not provide immediate support to their livelihood. To encourage the poor to participate in these initiatives, therefore, requires that developmental programmes, at the starting point, should focus on providing opportunities for people to earn a living and increase their incomes over time. The programme can be followed up by providing people the means for enhancement of their capabilities to exploit available opportunities. Finally, effective mechanisms for protection against a temporary or permanent loss of livelihood should supplement the overall program to achieve the goal of inclusive growth.

9. Presently, a number of intervention programs are conducted by the Government that focus on employment creation and the flagship National Rural Employment Guarantee Act (NREGA) is one such significant initiative. One could not, of course, belittle the excellent work being done by non-government organisations engaged in supporting livelihoods in several poor underdeveloped hinterlands. In the financial sector, the Reserve Bank has crafted well-known programmes to achieve planned, structured and sustained financial inclusion such as adoption of Business Correspondent and Business Facilitator Model, preparation of Board Approved Financial Inclusion Plans, requiring banks to providing a minimum of four banking products and services including no-frills accounts with overdrafts, and is committed to furthering the scope of these initiatives.

10. Collective and multipronged efforts to promote inclusive growth supplemented by some earnest investment in human capital are the only ways by which we can move towards becoming a knowledge economy. The second stage assimilation of knowledge, skills and technology can be obtained from education by means of brain-gain. The virtual modes of education through Information and Communication Technology (ICT) and linkages to national and international information hubs can provide the benefits of information availability without the need to be present in certain space or time. The benefits of brain-gain are realised from the wide-spread availability of domain knowledge from remote locations which can transform business productivity at minimal cost. The e-Choupal experiment of ITC, for example, showcases the possibility of improvement in quality of produce and improved realisation of returns from farming due to availability of better information on market prices. The helpline of the Ministry of Agriculture with experts on board has been similarly instrumental in solving day-to-day problems of farmers. Further, internet-based e-education portals for students offer boundary-free learning experience. These portals provide virtual classrooms and guidance from professional instructors on different subject areas and can have the widest possible reach, regardless of brick-and-mortar structures.

11. While the initiatives being taken are laudable, there is a crying need for reforms in our educational system, which requires to be toned up to impart

education that is focused on the demands of the new millennium. Effective delivery of educational inputs in a large economy like India requires a critical mass of volume and quality. In this regard, the Government programmes such as *Sarva Shiksha Abhiyan* (SSA) in the elementary education sector and Rashtriya Madhyamik Shiksha Abhiyan (RMSA) in the secondary education sector helped in achieving the universalisation of education to a very large extent in terms of access to schooling and improvement in gross enrolment ratio. Even then there is a pressing need to further increase school enrollments, along with improvements in the quality of education. This may be extremely important in harvesting the fruits of investment. In this regard, the enactment of Right of Children to Free and Compulsory Education Act, 2009 and the operationalisation of Article 21-A of the Constitution of India, are expected to address the issues of drop-outs & out of school children, quality of education and availability of trained teachers in the short to medium-term. Further, a proposal to set up a National Commission/Council for Higher Education and Research to prescribe academic quality and advancement of knowledge in higher educational institutions is under the consideration of the Government.

12. Yet another well-known problem is the mismatch between quantity and quality of education. According to the research published by the Observer Research Foundation (2010), India recorded 10.4 per cent increase in the number of graduate engineers in 2008 compared with 9.9 per cent in China, 5.9 per cent in South Korea, 3.9 per cent in UK and -1.0 per cent in the US. However, despite the increasingly higher numbers of engineering graduates produced by the technical institutes in India, almost 30 per cent of fresh graduates remain unemployed even one year after graduation. In 2005, a McKinsey-NASSCOM study indicated that only a quarter of India's technical graduates and 10-15 per cent of general college graduates are of employable quality in the off-shore IT and BPO industries. Further, NASSCOM estimates that the educational system produces nine half-literate graduates for each graduate of passable quality, reflecting the low quality of education. However, despite discounting of the quality of education, when it comes to the number of engineers per million people, India has only 214 with South Korea having the highest number 1,435. While Japan has 765 engineers per million people, China has 340. The research also showed that doctorate degrees were less than 1 per cent of graduate engineering degrees in the country. The percentage of doctorate degrees compared to engineering degrees was much higher in most of the other countries, *e.g.*, 9 per cent in the US, 10 per cent in the UK, 8 per cent in Germany and 3 per cent in South Korea. Comparing Indian institutions with the well-known international centers the study also observed that most Indian institutions had not progressed beyond undergraduate teaching institutions into graduate teaching and research institutions. Clearly, therefore, we need a lot of catching up to do both in numbers and quality in order to realise our goal of creating a knowledge economy with equitable and productive employment opportunities for the youth. Besides forwarding the inclusive growth programme, massive investments in education are also required by the government with participation of the private sector which should target the development of occupational skills based on knowledge and technology. The participation of private sector is needed to implement educational programs that have occupational relevance in contemporary enterprise.

13. To sum, in the new era of growth with knowledge, skills and technology as engines, without knowledge workers it will be extremely difficult to shift the production frontier of any economy. Without adequate investments in education and skill development, we will not be able to transform our growing young population into knowledge workers and it will result in a disaster. We, thus, have to work on the trinity of the issues of Inclusion, Technology and Education to propel India to a 10 Trillion Dollar Economy and beyond, else we will not be able to sustain even the current growth. I hope that industry representatives and bankers present here would deliberate on these issues and work together to ensure sustainable growth.

Connecting the Dots*

K. C. Chakrabarty

Shri N. Chandrasekaran, CEO & MD, Tata Consultancy Services Ltd., Shri Praveen Toshniwal, Chairman, CII Western Region, Mr. Robert Lattimore, ED, Price Waterhouse Coopers (PwC), Shri Dev Ranjan Mukherjee, Head-CII Gujarat State, distinguished guests, friends from the media, ladies and gentlemen. I am thankful to CII for having invited me over to address the participants of the 6th BANKing TECH Summit 2011. At the outset, I would like to congratulate CII and PwC for presenting their report titled 'Changing the rules of the game through technology' and I hope that this report would provide an insight into several challenges which technology seeks to address.

2. Technology is changing the cultural and business landscapes beyond recognition. You would agree that world over organisations are using the transformative power of technology to create business value for today, and step-function growth for tomorrow. And the banking sector is no exception.

3. You would be wondering about the title of the speech and what is its relation to banking. I have taken inspiration from one of the quotes of Steve Jobs in his address to students of Stanford University and I quote: *"You can't connect the dots looking forward; you can only connect them looking backwards. So you have to trust…in something – or your gut, destiny, life whatever. This approach has never let me down, and it has made all the difference in my life."* Can we not be inspired by this and work towards 'connecting the dots' in our banking 'space' to create a suitable business environment?

4. My speech today is divided into three main parts. In the first part, I would be touching upon how banking in India has changed/evolved over the years, what the perceived benefits of technology usage are and the complex role of the Indian banker. In the second part, I would be speaking on the drivers of the next generation banking which would touch upon analytics, technologies (including disruptive ones) and current and possible trends in technology that can be used by banks which would emerge *as the game changers.* In the third part, I would be covering the recent technological initiatives of the Reserve Bank.

PART I

Introduction – Genesis of the Indian Banking System

5. The early 1980s were instrumental in the introduction of mechanisation and computerisation in Indian banks. This was the period when banks as well as the Reserve Bank went very slow on mechanisation, carefully avoiding the use of 'computers' to avoid resistance from employee unions. However, this was the critical period acting as the icebreaker, which led to the slow and steady move towards large-scale technology adoption.

6. Over the years technological innovation in banking was meant to achieve a broader reach in terms of consumer banking and continued inclusive growth, to meet the demands of households and businesses, movement from 'class' banking to 'mass' banking and quick transmission of information inexpensively and conveniently. We have moved a long way from the age of mechanisation in the Indian banks to the present age where banks are successfully experimenting with disruptive technologies.

Perceived Benefits of Technology Usage

7. It was expected that technology adoption would enable the banking sector to be integrated with the global financial markets, adopt international best practices and ensure delivery of superior customer service. It was also envisaged to result in greater productivity, profitability, and efficiency; faster service and customer satisfaction; convenience and flexibility; and space and cost savings. It was presumed that robust and reliable services would be delivered to their

* Address by Dr. K. C. Chakrabarty, Deputy Governor, the Reserve Bank of India at the 6th CII BANKing TECH Summit 2011 on June 28, 2011 at Mumbai. Assistance provided by Smt Nikhila Koduri and Smt. C. S. Kar in preparation of this address is gratefully acknowledged.

customers at a lower cost, as well as help banks to make better decisions. IT usage was also expected to result in improving process integration and flexibility, decreasing operational exceptions that climb through the management hierarchy, thus, freeing up management time for decision making.

But has this happened? Have the banks been able to deliver what they were expected to deliver with adoption of technology? The answers to these questions are not very encouraging. Often the inhibiting factors attributed to this would be poor strategic alignment between business and IT strategy, absence of appropriate and re-engineered business processes and delivery models, lack of project ownership, poor risk management, ineffective resource management and missing governance principles.

8. Also the human resources in banks were drained as they have not done appropriate Business Process Re-engineering before implementing IT projects. Further, the banks lacked in possessing business and IT plans to leverage technology for increasing business and profits. Last but not the least, banks have not used information for Management Information System (MIS) and Decision Support systems.

Complex Role of the Indian Banker – Manage Financial Inclusion and CRM

9. The role of the Indian banker is very challenging. At one end of his spectrum lies the demand to achieve financial inclusion as nearly 50 per cent of the country's population is yet to be covered under the formal system of banking and at the other end lies the task to fulfill the needs of the existing customer.

Customer Relationship Management – Completing the Picture

10. A bank which closely integrates its technology strategy with its business strategy can certainly hope to reap the benefits of CRM as it would help the bank to select and reach the target customers using the right channels, understand the value of the customers to the bank and optimise service quality, 'sense and respond' to customers' needs through appropriate cross-selling and up-selling tactics besides re-selling opportunities.

11. Banks are realising the need to understand their customers like never before. Today's customer expects – actually demands – to be treated as an individual. Consumer and business depositors will be more valuable to the banks than ever before; failure to communicate with these customers at the right time, through the right channel, with the right offer will slowly wear away the client base. Further availability of a single view of customer would also facilitate the banks. The earlier they realise and accept these issues, the faster they would be able to face competition from their counterparts. The need of the hour, therefore, is to be awake and alive to the needs of the masses and to ensure that benefits of technology percolate to even the weakest of them. As the saying goes *'the strength of the chain is determined by the weakest link'.*

Strength of the Chain – Financial Inclusion

12. I am sure this gathering of bankers needs no introduction to financial inclusion. Today, the concept is an integral part of every banker's responsibility with the focus being on 'inclusive growth'. With increasing adoption of technology by banks, it is but natural that all stakeholders expect benefit from it. But is it fair that the fruits should be enjoyed only by those who have access to it or those who can afford it? This in fact has been focus of the Government – Central Bank commitment to IT-enabled financial inclusion. Setting up of the Financial Inclusion Technology Fund as well as urging the banks to formulate a board-approved Financial Inclusion Plan for three years up to March 2013 are some of the initiatives in this direction. Besides resources and strategic planning, the next obvious focus area is the delivery model and this is where technology provides value. We need to remember that we should work towards bringing nearly 400 million citizens to the formal fold of the banking sector. It is not just about opening 'no frill' accounts. As of today, 75 million 'no frill' accounts have opened but there are hardly any transactions in them. Banks need to work towards providing a full range of financial services and this would need a low-cost, reliable, easy

to use and secure technology backbone linking 6 lakh villages in the country in the next 4/5 years.

13. **The first priority** is to get all banks on adopting Core Banking Solution (CBS), including all Regional Rural Banks (RRBs). **Next,** a multi-channel approach using handheld devices, mobiles, cards, micro-ATMs, branches, kiosks *etc.* can be used. However, it should be ensured that the transactions put through such front-end devices should be seamlessly integrated with the banks' CBS.

14. Often a multitude of operational issues are quoted as reasons for lagging behind in financial inclusion targets. Till such time complete technology integration can take place on all fronts, there are bound to be areas where intermediate brick-and-mortar structures need to be in place. Even with Business Correspondents, issues arise regarding their supervision, customer grievance redressal *etc.* Certain accounting issues in this regards are also being addressed. All these operational issues and many more can be resolved if banks begin to look at financial inclusion as a business opportunity rather than an obligation to fulfill their Corporate Social Responsibility (CSR) objective.

15. One final observation before I move to Part II. Banks have to realise that for Business Correspondent (BC) model to succeed the BCs who are the first level of contact for customers have to be compensated adequately so that they too see this as a business opportunity. **Is this happening?** To my mind the answer is in the negative. Similarly as regards MSPs (mobile service providers) acting as BCs reports reaching us still suggest that the true spirit of co-operation is yet to stabilise with each still trying to destabilise the other. The entire world is looking at this experiment in India and I would urge all of you to get your acts together.

PART II

Drivers of Next Generation banking – Game Changers

16. The first decade of this century is behind us and with it, we have seen the euphoria of growth and also the despondencies brought by the global financial crisis. We have seen that technology alone cannot be the panacea for all evils. There is a serious responsibility thrust upon us, and technology – the next generation technology – should be able to help us navigate our way forward. Some of such key drivers which would evolve as *game changers* are mentioned below.

Identity Management

17. Union Identification Authority of India (UIDAI) can emerge as a major *game changer* as it would transform the management of identity of citizens into a digital mode. By its usage, customer acquisition and service can dramatically improve. Banks would, therefore, need to innovate and build systems around UIDAI architecture to deliver the full range of financial services. The requirements of adhering to the Know Your Customer (KYC) norms of banks may become easy if a citizen acquires an Aadhar card.

Competition

18. *Inter alia,* keen competition among banks as also IT solution providers and BCs would necessitate devising unique business strategies and demand that the banking industry develop a robust next-generation architecture to enable customer-centric IT. Thus, competition would stand out as *a game changer.*

Use of Analytics

19. Analytics can hold the key to optimised performance, informed decisions, actionable insights and trusted information thus emerging *as a game changer.* By bringing together all relevant information in an organisation, banks can answer fundamental questions such as:

What is happening? Why is it happening? What is likely to happen in the future? How should we plan for that future?

20. Banks can use analytics in a big way for Business Intelligence encompassing simple querying and reporting mechanisms that improve decision-making, Analytical applications using data models, process workflows, *etc.*, Financial Performance and Strategy Management comprising budgeting & planning and scorecards and Advanced Analytics including data

mining, predictive modelling, 'what if' simulations *etc.* Banks may also look at carrying out 'Sentiment analysis' to better understand internal customer data and understand perceptions about bank's brand, products and services, and identify problems with customer experience so that banks can act efficiently and effectively.

Plugging the Weak Links – Prevention of Frauds

21. Banks themselves hold the most – powerful weapon to predict and prevent fraud – data and hold a rich trove of information about customers, transactions, accounts and broader trends and patterns. The effective use and analysis of that data *can become a game changer* as it can identify fraud patterns, anomalies and common data points that reveal associations between fraudulent accounts and group fraud activity. Banks must deploy the most powerful analytics available, consolidate data and various fraud components, and make use of multilayered detection technology. After all, it is just good business to protect the most important asset of banks, *i.e.,* customers.

Big Data – Big Promise

22. Big data is one of the recent technology trends that is catching up. This catch-phrase encompasses the data, tools, platforms and analytics needed to turn large repositories of internal and external data into trends, statistics and other actionable information to help in taking their decisions. As costs fall and new ways to correlate data are devised, big data analytics may become commonplace, thus surfacing as a *game changer.*

Alternate Channels – Role of the Social Media

23. Social media is a blending of technology and social interaction for the co-creation of value and this can emerge as *another game changer.* It is one evolving channel that might help banks to generate insights on customer attitudes and preferences, which can be used to inform marketing campaigns and help deliver better customer experiences. For banks, use of the social media has its pros and cons. One influencer can drive thousands of potential customers to a website. However, that same influencer can spread his or her dissatisfaction, causing erosion in brand equity and profitability. Regardless, embracing social media may not be a choice for banks as of now, though it is an imperative. Fortunately, as social media has evolved, so too has the technology to understand users and their networks. The myriad benefits that come from analysing social media data include product and service quality improvements, assessing customer sentiment and uncovering fraud rings. Banks can tap into the root of what social media means to the community, enjoy success by way of returning real value for their institutions.

Customer Value Innovation

24. Customer experience is no longer the sole domain of the branch. It exudes in everything we do, and customers are demanding a better experience across the bank. An emerging field in customer experience and behavioural research and marketing is the area of value innovation which can be an *eventual game changer.* Innovation of the customer experience is no longer a choice but a necessity and more importantly a competitive weapon. An Innovations group or network created across the bank can be a useful tool to generate new ideas. Here, I recollect the quote of Jeffrey Immelt, CEO of General Electric on the subject of innovation and I quote:

"The only source of profit, the only reason to invest in companies in the future is their ability to innovate and their ability to differentiate".

Current and Possible Future Trends in Technology

25. Before I move over to Part III of my speech, I would like to talk about the current trends in technologies. It is likely that cloud computing would still remain a medium-low priority. It had been estimated that globally, emergence of new technologies such as back office virtualisation, mobile telephony and Service-Oriented Architecture (SoA) will reduce absolute spending on IT. You are all aware that mobile telephony is pervasive with close to 700 million subscribers and is ubiquitous. And, therefore, mobile banking has the potential to emerge as a game changer

in terms of costs, convenience, and speed of reach. Business models of banks, telecom operators and other stakeholders need to converge.

All the above would stand out as major game changers in the future.

PART III

Recent Initiatives Taken by the Reserve Bank in the Area Related to Technology

26. I would like to draw your attention to the recent initiatives that have been taken up by the Reserve Bank in the areas relating to technology.

IT Vision for the Reserve Bank – 2011-17

27. The Reserve Bank has released its IT Vision document for 2011-17. The major recommendations of this document relate to transforming the Reserve Bank into a knowledge organisation, using IT as a strategic resource, IT governance and environment-friendly initiatives (including green computing). The Vision Document also sets priorities for commercial banks to move forward from their core banking solutions to enhanced use of IT in areas like MIS, regulatory reporting, overall risk management, financial inclusion and customer relationship management. It also dwells on the possible operational risks arising out of adopting technology in the banking sector which could affect financial stability and emphasises the need for internal controls, risk mitigation systems, fraud detection/prevention and business continuity plans. Although banks have deployed technology for transaction processing, analytical processing by banks is still in a nascent stage. Banks may work towards reaping benefits of technology in terms of cost reduction, improved customer services and effective flow of information within the banks and to the regulator. Steps have already been initiated to implement the recommendations as given in the Vision document.

Automated Data Flow

28. Banks have been advised to submit a roadmap indicating the returns which can be sourced directly from their systems to a centralised repository without manual intervention and then for submission to the Reserve Bank. It was also decided to prescribe a quarterly monitoring format in which the banks were advised to certify the list of returns which have been internally generated from the IT source systems without manual intervention.

Next Generation RTGS (NG-RTGS)

29. The existing RTGS system, even with all upgrades, is not in a position to handle increasing volumes due to various limitations with regard to scalability, flexibility and adaptability to technological advancements. Further, there have been developments globally regarding features and functionalities. Therefore, it was decided to replace the application to a higher level by using the latest technology and redefined business requirements.

Report of the Working Group on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds

30. The above Report examined various issues arising out of the use of Information Technology in banks and made its recommendations in nine broad areas, *i.e.* IT Governance, Information Security, IS Audit, IT Operations, IT Services Outsourcing, Cyber Fraud, Business Continuity Planning, Customer Awareness programmes and Legal aspects. The objective of this Report is to serve as a common minimum standard for all banks to adopt as well as lay down the best practices for banks for a safer and sounder banking environment. The final guidelines in the respective areas as mentioned above have been issued to banks for implementation.

31. Keeping the customer's perspective in mind, banks would need to ensure that they implement solutions that exploit the latest available technology to build their applications/solutions to ensure customer's delight as also proliferation of banking services; *albeit* at the cost of providing adequate security. Having said this, I would caution the banks that unless they keep them simple, they run a risk of losing their customer base to their competitors. It is

also imperative that redundancy or alternate service delivery channels are available to the customer. We need to give a thought about this and provide workable systems at the earliest if we have to retain the customer within the fold of the banking system.

32. Developments in IT have also brought along a whole set of challenges to deal with. These include rapid changes in technology, complexities, high costs, security and data privacy issues, new laws and regulations and inadequately trained manpower. There is a need to enhance the governance of IT and institute robust information security measures in the banking sector based on extant international standards and best practices. Given the instances of cyber fraud in banks recently, it is necessary to improve controls and examine the need for pro-active fraud risk assessments and management processes in commercial banks. Banks must also work towards ensuring dissemination of the IT security policy and procedures and related parameters amongst all operative functionaries of banks.

Summary

33. How can banks achieve enhanced customer profitability? A bank can take the first step, which is to consolidate and streamline customer segment data. With accurate, segmented, easy-to-access data, analysis tools can be used to develop strategies and models, determine appropriate sales channels, calculate value measures, and set targets to advance the profitability of each customer segment and individual customer. When the process is running smoothly, the bank can use business intelligence and planning technologies to monitor the success of its initiatives and feed the information gained back into a continuous improvement cycle, thus riding its way to success and meet its growth and customer profitability targets.

34. Banks should move towards setting new standards that would enable them to attract, retain, and service customers with superior speed, efficiency, and satisfaction. In the banking industry, use of Information Technology (IT) is omnipresent. From acquiring a customer, servicing the customer's needs, building the customer relationship to managing employees, processes and partners, every action in the bank's value chain relies on technology to ensure efficacy and efficiency. Retail banks that will survive and thrive in the current economic climate are using new technologies and channels to grow revenue from basic services, such as deposits and loans, by understanding customer needs, providing relevant products and services cost-effectively and calculating the unique lifetime value of customers to the institution.

35. I would conclude by posing the following three questions to the audience:

Is it Possible for us to Make our Banking Paperless? Cheque Less? Cash Less?

I know that the answers to these questions are not easy and nobody has a readymade answer. But this should put us on the track to think 'differently' and think 'Big'. It would definitely take time to achieve the above goals but it is not impossible. Let me tell you that this is already happening globally. It is possible for us to leapfrog to achieve the above objectives. I hope it would be possible for the participants this Summit to deliberate on these issues and give some broad recommendations for the banking sector to emulate.

Challenges for Next Generation Banking*

K. C. Chakrabarty

Mr. Krishnan, President of Indian Chamber of Commerce and Industry, Coimbatore; Mr. M. Narendra, Chairman and Managing Director of Indian Overseas Bank; Mr. D. Raj Kumar, Regional General Manager, The Hindu; Mr. K.G. Balakrishnan, Past President of Indian Chamber of Commerce and Industry (ICCI), Coimbatore; members of ICCI and captains of industries in Coimbatore; representatives of banks in Coimbatore; members of the print and electronic media; distinguished invitees, ladies and gentlemen,

1. I am very happy to speak at this 'Voice of Tomorrow – Fuel to Excel', programme which is a commendable initiative by ICCI, Coimbatore and the Hindu.

2. At the outset we must be clear about whose voice we are talking about when we say voice of tomorrow. To my mind the voice tomorrow belongs to the youth and the millions of business entrepreneurs of the country. Not that the voice of business is not heard now. But they are by and large limited to lobbying through associations like ICCI. What I mean is that the collective voice of millions of private enterprise across the country. It is this voice together with the voice of the youth which will mould and build the future of this country.

3. The young demography of this country will make the voice of the youth matter the most, going forward. And in a market-based economy, with further reforms in critical areas to follow, the private business community will increasingly shape the face of the economy and also become a prominent voice in setting our vision for the future. It is in this context that industrial cities like Coimbatore assume importance.

4. Mr. Narendra mentioned that the Indian economy is likely to register an average growth of above 8 per cent in the Eleventh Five Year Plan and that the 12th Plan will see a growth of 9 to 10 per cent. It is my view that it is possible for India to aim at a 10 per cent growth for the next 20 years. Only then growth will be truly sustainable and inclusive. Private enterprise and investment coupled with the demographic advantage can be the underlying drivers of the country's immense growth potential, going forward. We cannot forget the fact that India's new growth trajectory of the last decade coincided with a significant pick-up in private investment and a transition to a younger demography. Both factors make us believe now that a 10 per cent growth can be achieved and sustained, going forward.

5. At that rate, India's share in world GDP will rise from the current level of about 2 per cent to 10 per cent by 2030. But this will not happen by itself. Mere policy will not transform into growth. This will happen only when all of us work hard to overcome the challenges and seize the opportunities offered by global and domestic developments. Let me highlight some of the major challenges and opportunities.

6. Now, Mr. Narendra talked about the demographic dividend. India is the only country in the world where the working population would increase for the next 20 years. Young demography offers us an opportunity, but addressing the challenge of creating adequate productive employment opportunities will determine how best we are able to reap the demographic dividend. Estimates of United Nations suggest that by 2041, working age population in India will increase by 312 million, while in China it will decline by 126 million. Creating gainful employment for this order of new entrants to the labour market is a daunting challenge but not impossible.

7. Education and skill development are the challenges here. When I say education, what I mean is quality education. The demographic change will generate a huge scope for quality education but the

* Address by Dr. K.C. Chakrabarty, Deputy Governor, Reserve Bank of India at the Indian Chamber of Commerce and Industry, Coimbatore on June 25, 2011.

demographic dividend can be reaped only if we can make quality education affordable. I believe that technology and innovation can make such education accessible and affordable by bringing down the unit cost of quality education. It is here that places like Coimbatore, which is both a centre of educational and entrepreneurial excellence, can play a leading role.

8. We must accept the fact that the overall skill base of India is rather low compared to developed economies. This may be difficult to believe, given the global recognition our IT professionals have received and the well-known contribution of this sector to the knowledge economy. I have often wondered why our talented youth can perform so well in Silicon Valley but fail to do so in their home country.

9. With services accounting for 65 per cent of the country's GDP, one would tend to presume that India's growth must be skill-intensive. Facts, however, suggest the opposite. Many developed countries have tertiary enrolment (*i.e.,* vocational training) levels of 60 to 80 per cent in the age group of 15-29, which is as high as 96 per cent for Korea. The comparable level for India is less than 15 per cent. Expenditure on research and development (R&D) in the developed countries is in the range of 2 to 3 per cent of GDP on an average, which is just 0.8 per cent in India. This probably explains the gap between employment and employability in our country. How to bridge this gap is the challenge for the voice of tomorrow.

10. The skill gap will become increasingly costly for the economy. Way back in 1948, while addressing the conference on All India Education, Maulana Azad had stressed that '…we must not for a moment forget, it is a birth right of every individual to receive at least the basic education without which he cannot fully discharge his duties as a citizen'. In April 2010, on the occasion of 'The Children's Right to Free and Compulsory Education Act' becoming effective, the Hon'ble Prime Minister emphasised: '…We are committed to ensuring that all children, irrespective of gender and social category, have access to education. An education that enables them to acquire skills, knowledge, values and attitudes necessary to become responsible and active citizens of India'. Enhancing employability of the labour force requires focus on both skill development and an economic structure that could ensure that the growth process become more employment-intensive.

11. According to the national skill development policy 2009, the current capacity of the country to conduct skill development programmes is about 3.1 million. The target is to cover 500 million cumulatively by 2022. The policy recognises that 93 per cent of the country's workforce is in the unorganised sector, but contributes only 60 per cent of GDP. Strengthening the skill base in this segment will contribute to improving productivity, working conditions and living standards.

12. When we talk of living standards what is of immediate relevance is shelter. The right to shelter is as important as the right to education and employment. Now, since the past decade or so there has been a tremendous demand for housing as the economy flourished and income levels increased significantly. The banks entering the housing finance market in a big way provided a major fillip to this sector. But when we talk of shelter to all we mean housing units which will be within the reach of the common man. To bring down the unit cost of housing to that level would require a great deal of technological and financial innovation.

13. To deal with the challenge of gainfully absorbing the expected large number of new entrants to the job market, the Government has set a target of raising the share of manufacturing in GDP from the current level of about 16 per cent to 25 per cent by 2025.

14. But there are huge challenges here. Power will be the major challenge. The International Energy Agency estimates suggest that the shares of India and China in the world fossil fuel demand by 2030 will be 16 per cent and 38 per cent, respectively.

15. Alternative clean energy and energy security will be critical for India in the years to come, and this would require innovative ideas from the youth and timely investment by the private sector, with necessary support and an enabling policy environment from the Government. Hon'ble President of India had emphasised while addressing the students of IIT, Kanpur in 2010 that '…The next ten years, declared

as the Decade of Innovation, can be a fruitful decade in India. Qualified and talented individuals of our nation have to find innovative solutions to our myriad challenges, keeping in mind our specific conditions'.

16. The voice of the youth and the private business enterprises would need to ensure food security along with energy security. A country with 1.2 billion population can ill-afford to depend on the outside world for meeting its needs for energy or basic food. Adverse shocks from these two sources have, as you all know, often led to high inflation, which in turn becomes a risk to sustainable high growth. Higher agricultural productivity and adequate investment to increase the supply of protein-rich food items would require a new revolution, driven by new technology and additional investment. As the average income of the young population increases with high growth, demand for items like milk, meat, eggs, fruits, vegetables and pulses will increase, and without necessary supply augmentation, containing inflation will become a difficult challenge.

17. When I say we must raise our productivity, I do not compare ourselves with America or other countries. I am talking about inter-regional comparisons within our own country. We say one reason for inflation going up is people are drinking more milk. How can milk prices come down if we do not produce more milk? Why our success in Anand experiment cannot be replicated in other parts of the country? Only when productivity goes up and cost comes down, can inflation be curbed. We need to innovate to emulate at least our own Indian benchmarks and best practices to meet the productivity challenge.

18. When I stress on the importance of innovative ideas, I must also caution that destructive innovations that led to the global financial crisis are not in the interest of anyone. The field of finance and banking often attracts the best from among the youth. Any misuse of the financial system – caused by the actions of a few smart, educated individuals – could impact the life of a billion-plus population. I need not emphasise the importance of ethics and value systems to this audience. India avoided a financial crisis at home in the midst of a severe global contagion. It is our collective responsibility to raise this ethical awareness. Trusted newspapers such as The Hindu can take the lead here.

19. One cannot look to the government to solve every problem. Similarly banks cannot provide solutions to all your needs. It is the responsibility of everybody to build the future of tomorrow. That includes civil society such as the Save Nilgiris Campaign which is doing good work in the Nilgiris. Government and banks can at best facilitate the process of economic development.

20. Let me take the example of quality education and housing mentioned earlier. Recent estimates suggest that for every one per cent increase in GDP, demand for education loan increases by 3 per cent, and demand for housing loans increases by 5 per cent. Given the demography, as income increases, more and more students would aspire to get quality education, as a means to a better future. On the other hand, the costs of private, quality education seem to be increasing significantly in recent years. After education, once they get gainful employment, decent housing will be the next aspiration. While banks will have to meet the aspirations of the youth by ensuring access to credit at competitive price, to get quality education and shelter, the private sector would have to recognise that artificially created inflation driven by unreasonable profit motives in these two critical segments would be a constraint to our growth and development ambitions.

21. This leads to me to another critical challenge to our future growth, *i.e.,* inclusive growth. High growth that coexists with rising inequality will become unsustainable at some point. As inclusive growth is not possible without financial inclusion, the Reserve Bank's vision is that everyone in the country should first have access to financial products and services, which is being achieved in phased manner. The rationale behind this is that access to finance, along with fair and transparent products/services, is a source of empowerment and allows people to participate more effectively in the economic and social process. Our dream of inclusive growth cannot be realised unless we properly educate and make employable the future generation of youth and create millions of micro-entrepreneurs across the country.

Macroprudential Policies: Indian Experience*

Anand Sinha

Introduction

Good Morning. It gives me great pleasure to share with you our experience in implementing macroprudential policies in India. The current global financial crisis has brought to fore serious lacunae in the approach to regulation and supervision and put the issue of systemic risk on to the regulatory agenda. A comprehensive definition of systemic risk is, '*The risk of disruptions to financial services that is caused by an impairment of all or parts of the financial system, and can have serious negative consequences for the real economy.*'[1]

2. There are two facets to systemic risk. One is in terms of its distribution within the system at any given point in time and another is its evolution with time. The cross-sectional dimension is how risk is distributed within the system at any given point in time. Systemic risk in this dimension arises due to the inter-connectedness of institutions, balance sheet entanglements, common exposures and, sometimes, even common business models of financial institutions. The time dimension on the other hand deals with how aggregate risks in the financial system evolve over time – the procyclicality issues in the financial system. The dynamics of the financial system and the macroeconomy interact with each other increasing the amplitude of booms and busts. The larger is the boom, the larger is the bust and larger is the damage to the economy.

Systemic Risk Management and Macroprudential Policy

3. The set of policies which deal with managing the downside of systemic risk is known as macroprudential policy. Macroprudential policies primarily use prudential tools to limit systemic risk and thereby minimise disruptions in the provision of key financial services that can have serious consequences for the economy by (i) dampening the build-up of financial imbalances; (ii) building defenses that contain the speed and sharpness of subsequent downswings and their effects on the economy; and (iii) identifying and addressing common exposures, risk concentrations, linkages and inter-dependencies that are sources of contagion and spillover risks that may jeopardise the functioning of the system as a whole[2]. While the third objective of macroprudential policy [(iii) above] is concerned with the cross-sectional dimension, the first two objectives [(i) and (ii) above] are concerned with the procyclicality issues. The second objective of building defenses, *i.e.*, increasing the resilience of the financial system is viewed as a narrow objective and is attained by build-up of buffers during boom times, which can be used when risks materialise during busts. The first objective of dampening the build-up of financial imbalances is considered a broader objective and is essentially 'leaning against the wind' aspect during the boom phase for dampening the credit and asset price boom. The build-up of buffers should achieve this objective by affecting the cost of credit, though evidence is not unequivocal in this regard. A more ambitious interpretation of the first objective would be moderation of credit supply through both booms and busts *i.e.*, ensuring stable credit supply. While the objective of dampening the credit exuberance during boom and, thereby, moderate credit supply looks plausible, increasing credit supply during busts by leaning against the wind *i.e.*, by releasing buffers, does not seem as plausible because of risk aversion that is

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[1] IMF-BIS-FSB (2009)

[2] IMF (2011)

likely to set in among banks and other economic agents as well as the market pressure and expectation from banks to maintain high levels of capital when risks are apparently highest. Thus, macroprudential policy is likely to have asymmetric impact from 'leaning against the wind' during booms and busts. Basel Committee on Banking Supervision (BCBS) and Financial Stability Board (FSB) are currently involved in developing a range of macroprudential policies to deal with the procyclicality issues as also with systemically important financial institutions and other aspects of systemic risk on account of inter-connectedness and common exposures.

4. The Reserve Bank has been using macroprudential polices, more notably the countercyclical policies, since 2004 as a toolkit for ensuring financial stability though it had used them sporadically even earlier. It would be useful to describe the broad structure of the Indian financial system and the linkages between the monetary policy and financial stability in India, to provide a backdrop for discussing the implementation of polices.

Structure of the Indian Financial System

5. The Indian financial system is heavily dominated by commercial banks. Within the banking system, public sector banks (majority shareholding held by the Government of India) account for nearly 70 per cent of the banking system assets.

6. The Reserve Bank regulates banking sector, non-banking financial companies (NBFCs), as also the money, forex and Government securities markets, which are dominated by banks. Thus, the interconnectedness channels, both from the institutional and market perspectives, come within the regulatory ambit of RBI. There are separate regulators for capital markets, insurance sector and pension funds. With many Indian banks having expanded into the above-mentioned activities through subsidiaries, associates or otherwise, there has been a need for co-ordination among sectoral regulators which has been ensured through inter-regulatory bodies within the umbrella of a high level committee chaired by the Governor, the Reserve Bank and with representatives from Ministry of Finance. This institutional arrangement has recently undergone a change with the establishment of the Financial Sector Development Council (FSDC) chaired by the Finance Minister.

Role of RBI in Maintaining Financial Stability

7. The Reserve Bank of India Act, 1934 provides a broad legal mandate to the Reserve Bank to secure monetary stability and generally to operate the currency and credit system of the country to its advantage. In practice, this meant the dual objective of growth and price stability, the relative emphasis being dependent on the context. Since 2004, the Reserve Bank has added financial stability as an additional objective in view of the fast-growing size and importance of the Indian financial sector[3]. It is in this setting that the Reserve Bank has been using macroprudential framework in both time and cross-sectional dimensions for quite long without christening these policies as macroprudential policies as is the case with some other countries, notably some Asian countries. Operationally, while pursuing multiple objectives, multiple indicators, including growth in credit and money, are used to track the macroeconomic conditions. India being a bank-dominated economy, the bank credit becomes a key monetary policy transmission channel. Thus, the aggregate bank credit growth has always formed an important variable in the conduct of monetary and countercyclical policies.

Elements of Macroprudential Framework in India

Overview

8. The Reserve Bank's countercyclical policies have focused on banks due to the centrality and criticality of the banking system in the Indian economy. In any case, application of counter-cyclical policies to the shadow banking system *i.e.,* the Non-Banking Financial Companies (NBFCs) is extremely challenging. These policies have aimed at increasing the resilience of the banking system. The instruments used have been time-varying risk weights and provisioning norms on standard assets for certain specific sectors wherein excessive credit growth, in conjunction with sharp rise in asset prices, has caused apprehension of potential build-up of systemic risk and asset bubbles. In the

[3] Y.V.Reddy (2011)

process, the policies have 'leaned' against the wind and have had the desired effect of moderating the credit boom in the specified sectors both through signalling effect and affecting the cost of credit. Evidence, though limited, suggests that the leaning against the wind has been more effective in dampening the lending exuberance in the boom phase than in the downturn in ensuring a stable credit supply. Several measures have been taken to reduce the inter-connectedness among banks on the one hand and between banks and NBFCs on the other, and limits have been placed on common exposures to address the cross-sectional dimension of systemic risk.

Objective of Counter-cyclical Policies

9. The objective of these policies is best stated in the words of Dr. Y. V. Reddy, former Governor, the Reserve Bank. 'The Reserve Bank articulated its approach to countercyclicality in its policies by indicating the criticality of the banking system for large segments of the population and for the economy as a whole. Hence the Reserve Bank adopted a precautionary approach to essentially protect the banking system from a 'bust' were it to occur for any reason."[4] This was amplified in October 2005 in the Mid-term Review of Annual Policy for the year 2005-06, while increasing provisioning on standard assets across the board (except for SMEs and agriculture):

'Traditionally, *banks' loans and advances portfolio is pro-cyclical and tends to grow faster during an expansionary phase and grows slowly during a recessionary phase. During times of expansion and accelerated credit growth, there is a tendency to underestimate the level of inherent risk and the converse holds good during times of recession. This tendency is not effectively addressed by the above mentioned prudential specific provisioning requirements since they capture risk* ex post *but not* ex ante.

The various options available for reducing the element of pro-cyclicality including, among others, adoption of objective methodologies for dynamic provisioning requirements, as is being done by a few countries, by estimating the requirements over a business cycle rather than a year on the basis of the riskiness of the assets, establishment of a linkage between the prudential capital requirements and through-the-cycle ratings instead of point-in-time ratings and establishment of a flexible loan-to-value (LTV) ratio requirements where the LTV ratio would be directly related to the movement of asset values.'

10. It is apparent that the policy does not specifically mention ensuring stable credit supply, though this would certainly be a collateral objective. It is also notable that while other available options *i.e.*, dynamic provisioning, through-the-cycle ratings for capital purposes and time-varying LTV ratios have been discussed, the policy prescription preferred was increasing provisions on standard assets which is somewhat akin to dynamic provisioning though not exactly similar. Moreover, RBI never used cap on LTV ratios till much later in 2010 but in a different context.

Methodology

11. Ideally, a sound macroprudential policy should be based on the determination of the economic cycles, assessment and measurement of the build-up of systemic risk and also the effect of the stance of other public policies like monetary policy, fiscal policy, *etc.*, on the risk-taking behavior of the financial sector. Since the development of a framework is in its infancy, the Reserve Bank's methodology has not been based on extensive statistical analysis or modelling or on determination of build-up of asset bubbles. It is largely judgmental, based on trends in aggregate credit and sectoral credit growth in the macro-economic settings. For this reason, it has not been rule-bound which will require either some model or at least some measurement of systemic risk and its sensitivity to the prudential parameters. While undertaking counter-cyclical measures during the high GDP and high credit growth period of 2004-08, there was no explicit attempt to determine the deviation of the credit-to-GDP ratio from its long-term trend, though the GDP growth and the macro-economic setting were kept in view. Similarly, the possibility and not the absolute proof of asset bubbles was explored in terms of broad indicators and possible threats[5]. Some evidence from Annual

[4] Y. V. Reddy (2011)

[5] Y. V. Reddy (2011)

Table 1: Countercyclical Prudential Regulation: Variations in Risk Weights and Provisioning Requirements

	Capital Market		Housing		Other Retail		Commercial Real Estate		Non-Deposit taking Systemically Important Non-Financial Companies	
Date	Risk Weight	Provisions (%)	Risk Weight	Provisions (%)	Risk Weight	Provisions (%)	Risk Weight	Provisions (%)	Risk Weight Weight	Provisions (%)
Dec-04	100	0.25	75	0.25	125	0.25	100	0.25	100	0.25
July-05	125	0.25	75	0.25	125	0.25	125	0.25	100	0.25
Nov-05	125	0.40	75	0.40	125	0.40	125	0.40	100	0.40
May-06	125	1.00	75	1.00	125	1.00	150	1.00	100	0.40
Jan-07	125	2.00	75	1.00	125	2.00	150	2.00	125	2.00
May-07	125	2.00	50-75	1.00	125	2.00	150	2.00	125	2.00
May-08	125	2.00	50-100	1.00	125	2.00	150	2.00	125	2.00
Nov-08	125	0.40	50-100	0.40	125	0.40	100	0.40	100	0.40
Nov-09	125	0.40	50-100	0.40	125	0.40	100	1.00	100	0.40
Dec-10	125	0.40	50-125*	0.40-2.00#	125	0.40	100	1.00	100	0.40

\# Provisioning requirement for housing loans with teaser interest rates was increased to 2.0 per cent in December 2010. It will remain at 2 per cent till one year after reset of interest rate to higher rate and thereafter it will be 0.4 per cent. For other housing loans, the provisioning will remain at 0.4 per cent.

* The risk weights for housing loans vary according to amount of the loan and the loan-to-value ratio as below.

Loan Amount	Loan-To-Value (LTV) Ratio (cap of 80 per cent for loans above ₹ 2 million and 90 per cent for loans upto ₹ 2 million)	Risk Weight (%)
Upto ₹ 3 mio	≤ 75% > 75%	50 100
₹ 3 mio to below ₹ 7.5 mio	≤ 75% > 75%	75 100
₹ 7.5 mio and above		125

Source: Reserve Bank of India.

Financial Inspections of banks carried out by the Reserve Bank, together with market intelligence on possible loosening of underwriting standards due to aggressive lending, was also factored in.

Dimensions of RBI's Macroprudential Policies

Counter cyclical policies

12. Implementation of countercyclical capital and provisioning regulations in India during the period from December 2004 to December 2010 is reflected in Table 1 above.

13. Table 2 indicates the movement in monetary measures as well as the movement in the provisioning norms and risk weights of the specific sectors during the three phases of implementation of the countercyclical policies.

14. The period covered in Table 2 is divided into three distinct phases from monetary policy perspective which correspond to three phases from countercyclical policy perspective. The monetary tightening and easing phase corresponds respectively to increase in sectoral capital and provisioning requirements (build-up phase) and easing of these requirements (release phase). The period-wise classification from this perspective is: (i) Build-up phase: September 2004 – August 2008, (ii) Release Phase: October 2008 – April 2009, and (iii) Re-build-up phase: October 2009 till date. It may be noted that the monetary and countercyclical measures have always been in the same direction *i.e.,* have been complementary so far.

Build-up Phase (September 2004-August 2008)

15. During 2004-08, the Indian economy exhibited high real GDP growth, of around 9 per cent per annum. Given the high growth and inflationary pressures, monetary policy was in a tightening mode to contain aggregate demand and inflation. During this period, India also received large capital flows, which were intermediated by the banking sector. High growth created a huge demand for bank credit. While the overall bank credit growth accelerated sharply (to over 30 per cent), credit growth to certain sectors such as real estate accelerated much more sharply (reaching more than 100 per cent, year-on-year, for an extended period April 2005-July 2006 and remained above 50 per cent till later than mid-2007). Concomitantly, asset prices, especially those of real estate, rose sharply. This exposed the banking sector to huge risks. In view of the rapid credit expansion in the period 2003-06, it

Table 2: Monetary Measures and Prudential Norms

(Changes in basis points)

Sr. No.	Measure	Monetary Tightening Phase (September 2004-August 2008)	Monetary Easing Phase (October 2008-April 2009)	Monetary Tightening Phase (October 2009 till date)
		1	2	3
	Monetary Measures			
1	Repo rate	300	-425	250
2	Reverse repo rate	125	-275	300
3	Cash reserve ratio	450	-400	100
	Provisioning Norms			
4	Capital Market Exposures	175	-160	0
5	Housing Loans	75	-60	160*
6	Retail Loans other than Housing Loans	175	-160	0
7	Commercial Real Estate Loans	175	-160	60
8	Non-Deposit taking Systemically Important Non-Financial Companies	175	-160	0
	Risk Weights			
9	Capital Market Exposures	25	0	0
10	Housing Loans	-25 to 25@	0	0-25#
11	Retail Loans other than Housing Loans	25	0	0
12	Commercial Real Estate Loans	50	-50	0
13	Non-Deposit taking Systemically Important Non-Financial Companies	25	-25	0

Source: Reserve Bank of India.

* Provisioning requirement for housing loans with teaser interest rates was increased to 2.0 per cent in Dec 2010.

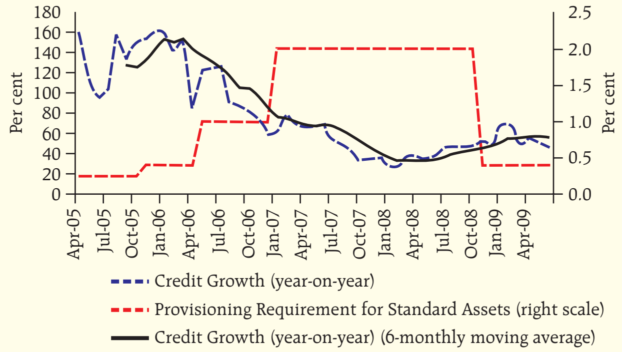
@ Risk weights on housing loans of relatively smaller size classified as priority sector was reduced from 75% to 50% in May 2007, which was not a countercyclical measure but rather an attempt to align the risk weights on secured mortgages with the provisions of Basel II which was to be implemented w.e.f. March 2008. On the larger loans and those with LTV Ratio exceeding 75% the risk weight was increased from 75 to 100%.

\# The risk weight on loans above ₹ 7.5 mio was increased to 125%.

was explicitly indicated by the Reserve Bank in April 2006 that growth of non-food bank credit, including investments in bonds/debentures/shares of public sector undertakings and private corporate sector and commercial paper, would be calibrated to decelerate to around 20 per cent during 2006-07 from a growth of above 30 per cent. Inflationary expectations had also started firming up and as a part of monetary management, the repo rate was increased by 300 basis points in stages to 9 per cent by August 2008 from its level of 6 per cent in September 2004. Further, the Cash Reserve Ratio was also raised by 450 basis points in stages from 4.5 per cent in September 2004 to 9 per cent. In order to protect banks' balance sheets against such risks, the Reserve Bank tightened prudential norms in the form of provisioning norms and risk weights in specific sectors beginning October 2004 (Table 1).

16. Noticing the steep increase in bank credit to the commercial real estate sector in conjunction with that in the prices of real estate, risk weights for banks' exposure to commercial real estate were increased from 100 per cent to 125 per cent in July 2005, and further to 150 per cent in May 2006. The risk weights on housing loans extended by banks to individuals, were increased from 50 to 75 per cent in December 2004. Subsequently, while the risk weights on smaller size housing loans (priority sector) were reduced from 75 to 50 per cent, the risk weights on larger loans and those with LTV ratio exceeding 75 per cent were increased to 100 per cent. When there was a boom in consumer credit and equities, risk weights for consumer credit and capital market exposures were increased from 100 percent to 125 per cent. The provisions for standard assets were revised upwards progressively in November 2005, May 2006 and January 2007, in view of the continued high credit growth in the real estate sector, personal loans, credit cards receivables, loans and advances qualifying as capital market exposures and loans and advances to the

Chart: Loans to Commercial Real Estate



Source: Mohan, Rakesh and Muneesh Kapur, 2009, "Managing the Impossible Trinity: Volatile Capital Flows and Indian Monetary Policy", Working Paper, Stanford Centre for International Development

NBFCs. The provisioning requirement for all other loans and advances classified as standard assets, namely, direct advances to the agricultural and small and medium enterprise sectors and all other loans and advances were kept unchanged.

17. The tightening of prudential norms made the credit to targeted sectors costlier thereby moderating the flow of credit to these sectors. There is evidence that moderation in credit flow to these sectors was also in part due to banks becoming cautious in lending to these sectors on the signalling effect of the Reserve Bank's perception of build-up of sectoral risks. For instance, these measures helped moderate the flow of credit to the commercial real estate sector. The credit growth decelerated to around 50 per cent by 2008 from a very high level of around 150 per cent (Y-o-Y basis) in late 2005 as shown in the graph above.

18. Simultaneously, as indicated earlier, monetary policy was also in a tightening mode to contain demand pressures. Thus, while monetary tightening helped in containing the overall credit growth, prudential norms moderated the credit growth to the specific sectors. Thus, monetary policy and prudential norms complemented each other. That is, we deployed both interest rates and prudential instruments during 2004-08 to ensure both price stability and financial stability.

Release Phase: 2008-09 (October 2008 to April 2009)

19. The Indian economy was also impacted by the global financial crisis, though a major part of the impact was felt indirectly through channels of trade and cross-border capital flows. In order to mitigate the adverse impact of the global financial crisis on the Indian economy, the Reserve Bank aggressively eased the monetary policy. During this period, prudential norms were also relaxed in a countercyclical fashion, again mainly following a sectoral approach (Tables 1 and 2). The relaxations focused primarily on real estate and NBFC sector as these were the segments which had been most severely hit due to the downturn. In addition to easing of risk weights and provisioning norms for standard assets, the Reserve Bank's prudential framework governing restructuring of advances (corporate workouts) was also temporarily modified to facilitate restructuring of greater number of units, which had potential viability but had been affected in a most unexpected manner. However, despite the easing of monetary policy and aggressive relaxation in prudential measures in a countercyclical fashion, the credit growth slowed down substantially due to, among other reasons, subdued credit demand and risk aversion among banks as is clear from Table 3.

Table 3: Credit to Select Sectors during September 2008 to September 2009

(Per cent)

Month	Year-on-Year Growth			
	Non-food Credit	CRE	NBFCs	Housing
	1	2	3	4
September-2008	25.7	42.5	49.7	9.5
October-2008	29.4	44.8	60.5	10.9
November-2008	28.0	49.6	54.0	9.0
December-2008	25.1	45.7	38.2	7.8
January-2009	22.7	66.5	42.5	7.7
February-2009	19.6	59.3	37.0	6.3
March-09	18.0	46.3	25.2	7.3
April-2009	18.8	54.7	33.4	7.0
May-2009	17.6	54.9	31.3	5.8
June-2009	15.6	49.1	23.3	5.3
July-2009	15.9	46.8	32.2	5.6
August-2009	13.3	41.5	30.8	5.4
September-2009	12.7	34.1	29.9	6.4

Source: Reserve Bank of India.

20. The credit growth, overall as well as to the target sectors, decelerated. During October 2008 to September 2009, the credit growth to commercial real estate (CRE) decelerated from 45 per cent to 34 per cent on a year-on-year basis, to NBFCs from 61 per cent to 30 per cent, and to housing from 11 per cent to 6 per cent (Table 3). The total non-food credit during the same period decelerated from 29 per cent to 13 per cent.

Re-build Phase: October 2009 onwards

21. By late 2009, domestic growth began to recover from the slowdown induced by the global financial crisis. However, while the overall credit growth continued to remain subdued, credit growth to the commercial real estate sector remained high – well above the overall credit growth (Table 4). As indicated in para 19, in the wake of the global financial crisis, the Reserve Bank had temporarily modified its prudential guidelines for restructuring of advances. However, the extent of restructured advances in the commercial real estate sector was relatively high. Accordingly, provisioning norms on standard assets were increased for the commercial real estate sector in November 2009. This was the period when the Reserve Bank began exiting from crisis-driven expansionary monetary policy as India was confronted with an upturn in inflation – a rising wholesale price index (WPI) inflation and stubbornly elevated consumer price index (CPI) inflation. The exit began by reversing the immediately reversible unconventional measures such as, restoring of export credit refinance facility to pre-crisis level, and discontinuation of special refinancing facilities extended to scheduled commercial banks, *etc.*

Table 4: Deployment of Gross Bank Credit by Major Sectors

Sector	Year-on-Year Variation (per cent)	
	August 2007 to August 2008	August 2008 to August 2009
	1	2
Non-Food Gross Bank Credit (1 to 4)	**26.5**	**13.3**
1. Agriculture & Allied Activities	18.6	25.6
2. Industry	32.9	17.9
3. Personal Loans	14.4	2.3
3.1 Housing	12.4	5.4
3.2 Advances against Fixed Deposits	7.0	0.6
3.3 Credit Card Outstanding	32.8	-14.3
3.4 Education	38.2	34.5
3.5 Consumer Durables	-3.1	-16.7
4. Services	33.8	11.0
4.1 Transport Operators	26.3	9.1
4.2 Professional Services	65.1	22.1
4.3 Trade	21.3	13.8
4.4 Real Estate Loans	43.1	**41.5**
4.5 Non-Banking Financial Companies	51.8	30.8
Memo item: Micro and Small Enterprises	21.1	27.4

Source: Reserve Bank of India.

22. In December 2009, as the economy had just emerged from the crisis, there were apprehensions about asset quality on account of exuberant lending during the boom phase. Since banks were still making good profits, it was decided to prescribe a Provisioning Coverage Ratio (PCR) of 70 per cent of gross non-performing advances, as a macroprudential measure, with a view to augmenting provisioning buffer in a counter-cyclical manner. Banks had to achieve this by September 2010.

23. PCR was intended to be an interim measure and it was hoped that it would be replaced by a forward-looking counter-cyclical provisioning methodology being developed by the Basel Committee on Banking Supervision (BCBS) and International Accounting Standards Board (IASB) or by a methodology similar to Spanish dynamic provisioning framework we are working on. Since in the absence of a calibrated methodology it would be difficult to allow banks to use the countercyclical provisions built up under PCR freely and there were certain design issues too, it was decided to freeze the PCR with reference to the gross NPA position in banks as on September 30, 2010. The buffer (surplus of provisions over specific provisions) will be allowed to be used by banks for making specific provisions for NPAs during periods of system-wide downturn, with the prior approval of the Reserve Bank. It may be added that the banking system has already exceeded the 70 per cent PCR, though some banks have yet to reach that level.

24. By November 2010, the Reserve Bank had raised the policy rate by 150-200 basis points on account of concerns about high and stubborn inflation. During this period, residential property prices had risen sharply and had attained the pre-crisis level. Some banks had come out with certain residential housing loan schemes (teaser loans and 10:90 scheme) where the Reserve Bank had apprehensions about asset

quality going forward. Moreover, it was felt that these schemes were creating artificial demand for housing loans which could push up the housing prices further (which had already reached pre-crisis levels) with the potential of putting housing beyond the reach of many. In November 2010, therefore, the Reserve Bank initiated the following measures: (i) the provisioning norm for 'standard' teaser housing loans was increased from 0.4 per cent to 2.0 per cent in November 2010; (ii) for the first time a cap on Loan-To-Value (LTV) ratio was prescribed at 80 per cent in December 2010 for loans above ₹2 million and at 90 per cent for loans up to ₹2 million; and (iii) the risk weight for residential housing loans of ₹7.5 million and above, irrespective of the LTV ratio, was raised to 125 per cent. These measures are, however, intended to serve more a micro-prudential rather than a macroprudential objective.

25. Concluding Observations on Countercyclical Policies

(i) View regarding the implementation of countercyclical policies was based on tracking of various indicators in the economy, notably the general credit growth and the sectoral credit growth. This was complemented with market intelligence and some feedback from the Annual Financial Inspections of banks. No detailed statistical analysis or modelling was used. The decisions were judgmental, based on constant monitoring of macroeconomy and were not rule-based.

(ii) The Reserve bank, being the monetary authority as well as the regulator and supervisor of banks, NBFCs and important segments of markets, *i.e.,* forex, Government securities and money markets, had the necessary information and overall view of the risks building up in the system. It was, therefore, well placed to operate the countercyclical policies.

(iii) Monetary policy and the countercyclical policy were in the same direction (Table 2). Such a co-ordinated response was facilitated due to the Reserve Bank's wide regulatory ambit. If policies are not well co-ordinated, the costs of implementing such policies may be high.

(iv) It was important to deal with sectoral exuberance through countercyclical policies even as monetary policy, while dealing with inflation scenario, dealt with generalised exuberance. Interest rate alone, being a blunt instrument, would not have been able to handle the sectoral exuberance, or else, the cost to the economy would have been higher.

(v) Combination of risk weights and provisioning requirements for standard assets were used as countercyclical policies. It would appear, however, that varying the provisioning requirements may have been more effective than varying risk weights in moderating credit flow to the specific sectors. This is because, since the average capital adequacy ratio of banks operating in India has been well above 12 per cent for the last many years (as on December 2010, it was above 14 per cent), risk weights may not always be effective in dampening the growth of credit as banks can continue to finance riskier sectors yielding higher returns by allowing their capital adequacy ratios to fall by a few basis points and still remain much above the regulatory requirements. To the extent higher risk weights translate into increase in interest rates, demand for credit may come down. On the other hand, varying provisioning requirement would be potentially more effective as it would impact the Profit and Loss account of banks to which banks are more sensitive.

(vi) The countercyclical policies were able to dampen exuberant credit growth in the targeted sectors. However, their effect was asymmetrical during downturn. Despite aggressive easing of monetary policy and prudential measures in a countercyclical fashion, the credit supply did not increase adequately. The credit growth slowed down substantially due to, among other reasons, subdued credit demand and risk aversion among banks.

(vii) Since the monetary policy and countercyclical policies have operated in tandem, it is difficult to isolate the effect of countercyclical policies from that of monetary policy.

Dealing with Cross-sectional Dimension of Systemic Risk

26. To address systemic risks arising out of inter-connectedness among banks and between banks and NBFCs (shadow banks) and from common exposures, some of the important measures taken are as under:

27. Prudential Limits

(i) For limiting interconnectedness of banks, prudential limits have been put on aggregate interbank liabilities as a proportion of their net worth

(ii) In order to ensure that inter-bank market functions in a non-disruptive manner, access to un-collateralised funding market is restricted to banks and primary dealers and there are caps on both lending as well as borrowing by these entities.

(iii) Investment in the capital instruments of other banks and financial institutions is restricted to 10 per cent of investing banks' capital funds, in addition to the stipulation that a bank cannot hold more than 5 per cent of other bank's equity. Though these cross-holding limits are primarily designed to ensure that the capital of banks and financial institutions is contributed largely by investors outside the financial system, reduction in inter-connectedness is also a collateral objective.

(iv) In order to contain regulatory arbitrage, banks' exposure to NBFCs is subject to tight limits and NBFCs have been increasingly subjected to more stringent prudential regulations. Systemically important NBFCs are closely monitored.

(v) Investments in liquid schemes of Debt-oriented Mutual Funds (DoMFs) by banks are subject to a prudential cap in relation to their net worth. This limit has been placed in the backdrop of banks' investments in liquid schemes of DoMFs having grown manifold. The liquid schemes rely heavily on institutional investors such as commercial banks whose redemption requirements are likely to be large and simultaneous. DoMFs, on the other hand, are large lenders in the over night markets such as collateralised borrowing and lending obligation (CBLO) and market repo, where banks are large borrowers. DoMFs also invest heavily in Certificates of Deposit (CDs) of banks. Such circular flow of funds between banks and DoMFs could lead to systemic risk in times of stress/liquidity crunch. Thus, banks could potentially face a large liquidity risk.

Restrictions on Exposure to Complex activities and Products

28. Banks' large involvement with complex products such as exotic derivatives and other risky activities like private equity, venture capital funds, *etc.* is disfavoured by the Reserve Bank. Additional capital requirements are also prescribed in certain cases where reputational risk is considered to be high.

Monitoring of Financial Conglomerates

29. Financial conglomerates represent domestic systemically important financial institutions. While there is no differential prudential framework for these banks, they are subject to more intense supervisory oversight. Since Indian financial system is bank-dominated, banks are the holding companies for most of the financial conglomerates. Since 2004, a mechanism for close monitoring of the financial conglomerates has been put in place through offsite surveillance, regular interaction with the CEOs of parent companies and other entities in the group and periodic reviews by College of Supervisors having members from sectoral and financial market regulators. The focus of the supervisory process is on management of group-wide risks, intra-group transactions and corporate governance. There are prudential regulations regarding group capital adequacy, exposure limits and intra-group transactions.

Monitoring of Common Exposures

30. Banks' exposure to capital market is subject to a regulatory limit of 40 per cent of their net worth, both on solo as well as group-wide basis. Banks' exposures to sensitive sectors such as real estate are closely monitored. Exposure of systemically important NBFCs to sensitive sectors is also closely monitored.

Enhancing Transparency and Risk Mitigation in OTC Transactions

31. Recognising the risks associated with over the counter (OTC) transactions, considerable emphasis has been placed on their transparency and risk management. While the regulatory reporting on a periodic basis was already in place for these transactions, electronic reporting platforms were set up, about a decade ago, to enable online capturing as well as real-time information dissemination. The electronic reporting platform was set-up in 2002, to start with, for the secondary market transactions in government securities. Such reporting arrangements have, subsequently, been extended to other important segments of OTC market and, currently, cover transactions in corporate bonds (both outright as well as repo), CPs, CDs, call/notice money and inter-bank rupee interest rate derivatives. The recently permitted CDS transactions also are proposed to be reported to the trade repository to be set up for this purpose. There is a proposal to set up a single-point reporting mechanism for all OTC interest rate and forex derivative transactions.

32. As regards the issue of Central Counter Party (CCPs), CCP settlement of OTC trades in certain segments commenced as far back as in 2002. CCP system for Government securities transactions was put in place in April 2002 while Forex (spot and forward) transactions were brought under CCP settlement in Nov 2002. CCP settlement of interest rate swap (IRS) and forward rate agreement (FRA) trades is under advanced stage of finalisation. With the setting up of mandatory reporting and the guaranteed settlement of OTC transactions across various segments of the financial markets, the transparency and counterparty risk management issues have been considerably addressed. However, keeping in consideration, the concentration of risks in the CCP, the oversight of the CCP systems is being actively pursued to contain systemic risks. This would be further strengthened as part of certain proposals in Basel III Framework relating to capitalisation of banks' exposure to CCPs which are likely to be finalised by BCBS towards the end of this year.

Other Microprudential Measures

33. Several other micro-prudential measures have been taken which contribute to financial stability. Some of these measures are:

(i) Forex Liabilities and Capital Account Management

- There is a limit on overseas borrowings by banks, other than for lending for exports. Limits are also placed on net open positions in relation to bank's capital funds.
- Excessive volatility of capital funds results in significant costs to the economies and has implications for financial stability. While equity flows, both FDI as well as portfolio, have been accorded substantial freedom in the capital account regime in India, debt flows are regulated with quantitative and price-based measures. Debt flows are also calibrated into sovereign as well as corporate debt.
- The sovereign balance sheet has been protected from crisis inasmuch as India does not have foreign currency market borrowing and has limited dependence on foreign investors in respect of domestic currency debt. The general experience of Emerging Market Economies (EMEs) is that foreign investors in sovereign debt prefer short-term investments. However, since India has a strong domestic investor base, elongation of maturity of debt has been possible.

(ii) Other Measures

- Banks have to maintain a minimum of 24 per cent of their liabilities in the form of liquid assets, largely domestic sovereign securities. This provides adequate liquidity buffer.
- Profit on sale of assets under securitisation to Special Purpose Vehicle (SPVs) is allowed to be recognized only over the life of the securities issued by the SPVs. This effectively constrains incentives for 'originate-to-distribute' model.

Concluding Remarks

34. Macroprudential approach to regulation and supervision involves a paradigm change. These are very early days and there is no doubt that over a period of time, various aspects of these policies would evolve. Currently, because of its infancy, there are several unsettled issues. The identification and measurement of systemic risk which has to be the starting point for designing macroprudential policies needs a lot of work. Other important issues, illustratively, are: better understanding of the interaction of macroprudential policies with other public policies, particularly with monetary policy; development of a tool-kit to deal with systemic risk; designing of a robust early warning system regarding build-up of systemic risks; evolving an optimal mix of rules and discretion while operating macroprudential policies; extending the perimeter for macro-prudential instruments to cover the shadow banking system also which is going to be a very challenging task; defining the mandate and powers of the macroprudential authority and evolving a methodology to ensure accountability of such authority; and putting in place a framework for international cooperation, *etc.*

35. The institutional set-up for macroprudential authority is evolving and varies from country to country, the common denominator being that central banks typically play a major role in the conduct of these policies. The institutional structure for macro-prudential regulation in India has also undergone a change recently. The Reserve Bank has historically been the macro-prudential regulator. Post-crisis, in India, as in several other jurisdictions across the world, the institutional mechanism for financial stability has been sought to be strengthened. In December 2010, the Financial Stability and Development Council (FSDC), under the chairmanship of the Finance Minister, has been set up to deal with issues related to, *inter alia,* financial stability, inter-regulatory co-ordination and macro-prudential supervision of the economy, including the functioning of large financial conglomerates. The Council has all the financial sector regulators as members. A Sub-Committee of the FSDC, which is chaired by the Governor of the Reserve Bank, will assist the Committee. The Sub-Committee is expected to evolve as the operative body for financial stability in normal times while the FSDC would have a broad oversight and will assume a central role in crisis times. Now that the FSDC is in place, conventions and practices will develop over a period of time which will, while serving the goal of financial stability, also ensure that the autonomy of the regulators is not eroded.

36. The methodology for forward-looking countercyclical provisioning which is long in making, needs to be finalised at the earliest.

37. While the BCBS has put in place guidance for national authorities operating the countercyclical buffer based on the credit/GDP metric, it is difficult to apply this methodology to India and other EMEs as there is a large structural component in the credit/GDP metric which needs to be identified and segregated from the cyclical component. Similarly, experience shows that the credit exuberance is in specific sectors which a credit/GDP metric may not be able to address adequately.

38. Since the EMEs are undergoing rapid structural changes, the credit-GDP ratio is likely to trend upwards much faster. The credit-GDP ratio in India has shown a steady rising trend since 2001 as a result of which the credit gap has been generally positive and increasing during 2001-2011. However, output gap during the same period has alternated between positive and negative depending on the state of the economy. This suggests that the positive credit gap at times was co-synchronous with negative output gap. While negative output gap would suggest that the economy was in a downswing requiring expansionary monetary policy, positive credit gap trending upwards would, in a mechanical sense, suggest application of capital buffers. This suggests that a more nuanced approach is required in the case of India, and, possibly, other EMEs, to counter procyclicality. It would also seem that the sectoral approach would be the more appropriate one as we have found in India. It would, therefore, be useful to devise a methodology for segregating the structural component from the cyclical component in the credit/GDP metric and devise a robust methodology

to deal with the sectoral approach including jurisdictional (international) reciprocity.

39. The issue of communication while applying countercyclical policies has not received sufficient attention. As discussed earlier, the countercyclical prudential policies are likely to be less effective during downturns in ensuring stable credit supply. This is understandable because the risk perception is high in a downturn and the use of capital buffers for continued lending could be somewhat counter-intuitive. Maybe a nuanced communication regarding these policies and the actions taken under them at different points of time can create the right environment and understanding for these policies to work optimally during downturns. As the central banks have perfected the art of communication regarding monetary policy over a period of time, there would be a need for macroprudential authorities to similarly improve communication in this regard.

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Articles

Finances of Public Limited Companies: 2009-10

Investment Portfolio of Scheduled Commercial Banks: March 2010

*Finances of Public Limited Companies: 2009-10**

This article presents the financial performance of select 3,352 non-government non-financial public limited companies during the financial year 2009-10, based on their audited annual accounts. The data are presented at the aggregate level for all select companies and also for select industries. The aggregate results of the select companies in 2009-10 revealed that private corporate sector has slowly recovered from the effect of the global financial crisis during the year 2008-09. While the growth rates in major parameters like sales, value of production, manufacturing expenses, net worth and total assets moderated, profitability parameters like PBDIT, gross profits, profits after tax and gross savings recorded high growth in 2009-10 after their deceleration in 2008-09. Profitability and profit allocation ratios such as profit margin, return on equity and dividends to net worth improved in 2009-10 as compared to that in 2008-09. However, growth in borrowings was at much lower level in 2009-10 as compared to the previous year as slow pace of expansion of business might have led to significant cut-down in the borrowing requirement. The share of external sources of funds (i.e., other than own sources), which has been playing a major role in financing the asset formation and other activities since the year 2005-06, witnessed a significant decline in 2009-10 mainly due to the fall in incremental borrowings. Correspondingly, the share of the internal sources of funds increased, backed by higher accretion in reserves and surplus in 2009-10. For the first time in the recent past, stock of capital work-in-progress were lower at end 2009-10 as compared to that of the previous year. However, significant increase in acquiring plant and machinery during the year led to the growth in gross fixed assets.

Macroeconomic developments in India during 2009-10 were characterised by two distinct phases. The first half of the year saw early signs of recovery process. Corporate sales growth was almost flat but lower input cost led to growth in profits. The recovery process gained strength in the second half of the year. With improved demand conditions, growth in corporate sales and profits were substantial. Against this backdrop, this article presents the financial performance of select 3,352 non-government non-financial (NGNF) public limited companies during 2009-10 based on their audited annual accounts closed during April 2009 to March 2010[1]. The select 3,352 companies accounted for 42.9 per cent of population paid-up capital (provisional estimate supplied by Ministry of Corporate Affairs, GoI) of all non-government non-financial public limited companies as on March 31, 2010.

The growth rates in sales, value of production, manufacturing expenses, remuneration to employees, *etc.*, were lower in 2009-10 than in 2008-09 (Table 1 & Statement 1). After decline in profit in the previous year, companies recorded positive growth in the year under study as reflected by profitability parameters like profits before depreciation, interest and tax (PBDIT), gross profits and profits after tax. The select companies' PBDIT margin (measured as percentage of sales) and profit margin (measured by gross profits as percentage of sales) improved in 2009-10 (Statement 2). Retention ratio (measured by profits retained as percentage of profits after tax of companies which made profit in all the three years under study) decreased, while dividends to net worth ratio increased in the year 2009-10 as compared to that in 2008-09. Total borrowings grew at a lower rate, which combined with general decline in lending rate, resulted in lower growth in interest payment in 2009-10. The share of external sources of funds (*i.e.,* other than own sources), which continued to form a major part in total sources

* Prepared in the Company Finances Division of the Department of Statistics and Information Management. Reference may be made to the August 2010 issue of the Reserve Bank of India Bulletin for the previous study, which covered 3,192 non-Government non-financial public limited companies during 2008-09. In the present study, 994 new companies have been covered in addition to the 2,358 companies common with the previous study. Out of 3,352 companies, 1,932 companies' data were procured from Centre for Monitoring Indian Economy (CMIE).

[1] In the case of companies, which either extended or shortened their accounting year, their income, expenditure and appropriation account figures have been annualised. The balance sheet data, however, have been retained as presented in the annual accounts of the companies. The analysis of financial performance of the select companies is subject to these limitations.

Table 1: Growth Rates and Ratios of Select Items

(Per cent)

Item	2008-09	2009-10
Growth rates		
Sales +	15.8	12.3
Value of production	16.3	12.3
Manufacturing expenses	18.9	12.4
Remuneration to employees	19.4	4.2
PBDIT	-9.9	32.4
Gross profits (PBIT)	-8.5	26.8
Interest paid	45.7	12.9
Non-operating surplus/Deficit	29.4	77.7
Profits before tax	-17.9	33.7
Tax provision	-12.0	39.0
Profits after tax	-19.8	31.8
Dividend paid	-9.4	40.4
Profits retained	-22.4	29.3
Net worth @	20.2	19.8
Gross savings	-8.3	26.2
Ratios		
Debt to equity	45.7	43.6
Gross fixed assets formation to total uses of funds	42.8	40.2
Gross capital formation to total uses of funds	49.4	52.6
PBDIT to sales	11.5	13.6
Gross profits to sales	11.9	13.5
Profits after tax to net worth	11.1	12.2
Tax provision to profits before tax*	22.1	25.1
Profits retained to profits after tax*	81.5	77.9
Ordinary dividends to ordinary paid-up capital	24.3	30.3

\+ Net of 'Rebates and discounts' and 'Excise duty and cess'.
@ Adjusted for revaluation, *etc.*
* Calculated based on companies which made profit in all the three years during 2007-08 to 2009-10.

of funds since 2005-06, witnessed a decline in 2009-10. Net worth of the select companies grew at around the same pace in 2009-10 as in the previous year. Gross savings increased significantly, resulting in much higher gross savings to gross capital formation ratio, in 2009-10 as compared to that in 2008-09. The share of gross capital formation in uses of funds also increased in 2009-10.

Income and Expenditure

The total sales of 3,352 select companies amounted to ₹22, 62,456 crore, registering a lower growth of 12.3 per cent in 2009-10 as against 15.8 per cent in 2008-09 (Chart 1 & Statement 3). Manufacturing expenses and employees' remuneration also grew at lower rates of 12.4 per cent and 4.2 per cent, respectively, in 2009-10 as against 18.9 per cent and 19.4 per cent respectively, in the previous year. Companies recorded higher growth in PBDIT, gross profits and profits after tax at 32.4 per cent, 26.8 per cent and 31.8 per cent respectively, in 2009-10 as compared to a deceleration in 2008-09 mainly due to global financial crisis. Interest payments increased at a lower rate of 12.9 per cent in 2009-10 (45.7 per cent in 2008-09) in line with lower growth in borrowings (7.0 per cent) during the year. Dividend payments and profits retained by the select companies rose significantly by 40.4 per cent and 29.3 per cent, respectively, in 2009-10 reversing the trend observed in the previous year. Gross savings grew by 26.2 per cent in 2009-10 as against a decline of 8.3 per cent in 2008-09 and gross value added grew significantly by 19.4 per cent in 2009-10 after registering a lower growth of 3.8 per cent in 2008-09.

Chart 1: Growth Rates of Select Items

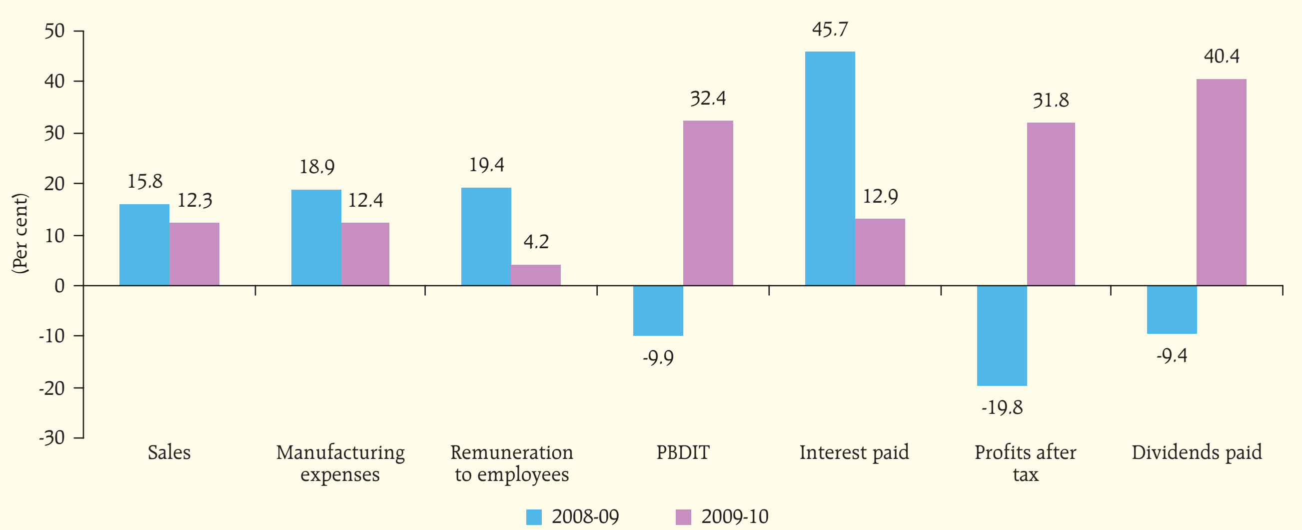


Table 2: Operating Income and Expenditure

(Per cent)

Income	2008-09	2009-10	Expenditure	2008-09	2009-10
Sales	94.4	94.4	Manufacturing expenses	70.8	72.1
Change in Inventory	1.2	1.1	Remuneration to employees	8.2	7.8
Other income	4.4	4.5	Interest expenses	3.2	3.3
			Other expenses	17.5	16.7
			Provision (other than tax)	0.3	0.1
Total	**100.0**	**100.0**	**Total**	**100.0**	**100.0**

Composition of income of the select companies in 2009-10 was quite similar to that in the previous year (Table 2). In the expenditure side, the share of manufacturing expenses increased to 72.1 per cent in 2009-10 from 70.8 per cent in 2008-09, whereas the share of remuneration to employees and other expenses decreased to 7.8 per cent and 16.7 per cent, respectively, in 2009-10 from 8.2 per cent and 17.5 per cent, respectively, in the previous year.

The profit margin of the select companies increased by 1.6 percentage points to 13.5 per cent and PBDIT margin (measured as percentage of sales) increased by 2.1 percentage points to 13.6 per cent in 2009-10 (Statement 2 & Chart 2). Retention Ratio (profits retained to profits after tax) decreased from 81.5 per cent in 2008-09 to 77.9 per cent in 2009-10. Effective tax rate[2] (tax provision as percentage of profits before tax) increased from 22.1 per cent in 2008-09 to 25.1 per cent in 2009-10. The ordinary dividend rate (ordinary dividends as percentage of ordinary paid-up capital) grew from 24.3 per cent in 2008-09 to 30.3 per cent in 2009-10.

Earnings and Expenditure in Foreign Currencies

The total earnings in foreign currencies[3] of the select companies grew marginally by 0.3 per cent to ₹5,26,440 crore in 2009-10 as against a higher growth of 18.6 per cent in 2008-09 (Statements 1 & 6). The merchandise exports recorded a lower increase by 2.2 per cent in 2009-10 as compared to 14.6 per cent growth recorded in the previous year. The exports to sales ratio declined to 16.4 per cent in 2009-10 from 18.0 per cent in 2008-09 (Statement 2).

Chart 2: Select Profitability and Profit Allocation Ratios

[2] Calculated based on companies which made profit in all the three years during 2007-08 to 2009-10.

[3] 'The total earnings in foreign currencies' comprise earning out of export of goods (FOB basis), royalty, technical know-how, professional and consulting fees, interest, dividend, commission and others.

Table 3: Composition of Liabilities and Assets

(Per cent)

Capital and Liabilities	2008-09	2009-10	Assets	2008-09	2009-10
1. Share capital	5.2	5.0	1. Gross fixed assets	54.5	53.9
2. Reserves and surplus	37.4	39.8	2. Depreciation	15.6	16.3
of which: Capital reserve	14.5	15.6	3. Net fixed assets	38.9	37.7
3. Borrowings	34.0	31.9	4. Inventories	11.4	11.8
of which: From banks	21.6	19.9	5. Loans and advances and other debtor balances	24.3	23.7
4. Trade dues and other current liabilities	19.8	19.5	6. Investments	16.3	18.4
of which: Sundry creditors	11.6	11.6	7. Advance of income-tax	–	–
5. Provisions	3.7	3.8	8. Other assets	2.3	2.1
6. Miscellaneous non-current liabilities	–	–	9. Cash and bank balances	6.8	6.4
Total	**100.0**	**100.0**	**Total**	**100.0**	**100.0**

Similarly, the total expenditure in foreign currencies (₹6,63,746 crore) increased by lower rate at 7.3 per cent in 2009-10 as against 24.4 percent increase in 2008-09. The value of merchandise imports registered a growth of 10.9 per cent in 2009-10 as compared to 23.9 per cent in 2008-09. The share of raw materials moved up to 78.4 per cent of the total merchandise imports in 2009-10 (73.1 per cent in 2008-09) while that of capital goods declined to 9.4 per cent (12.6 per cent in 2008-09). The net outflow in foreign currencies for the select companies increased by 46.6 per cent to ₹1,37,306 crore in 2009-10 from ₹93,680 crore in 2008-09.

Liabilities and Assets

Total liabilities/assets of the select companies witnessed a lower growth of 14.0 per cent at ₹32, 79,318 crore in 2009-10 (Statement 4),while the net worth grew at 19.8 per cent in 2009-10 compared to previous year. Total outstanding borrowings showed a lower growth of 7.0 per cent in 2009-10 as compared to 28.6 per cent in the previous year. Further, borrowings from banks moderated to 4.4 per cent growth in 2009-10 from 30.2 per cent in 2008-09. Gross fixed assets (adjusted for revaluation) also registered a lower growth of 12.2 per cent in 2009-10.

The composition of capital and liabilities (Table 3 and Chart 3) in 2009-10 showed a decrease of 2.1 percentage points in the share of borrowings and a corresponding increase of 2.4 percentage points in the share of reserves and surplus. Reserves and surplus and borrowings continued to be the major contributor in total liabilities having share of 39.8 per cent and

Chart 3: Pattern of Liabilities and Assets, 2009-10

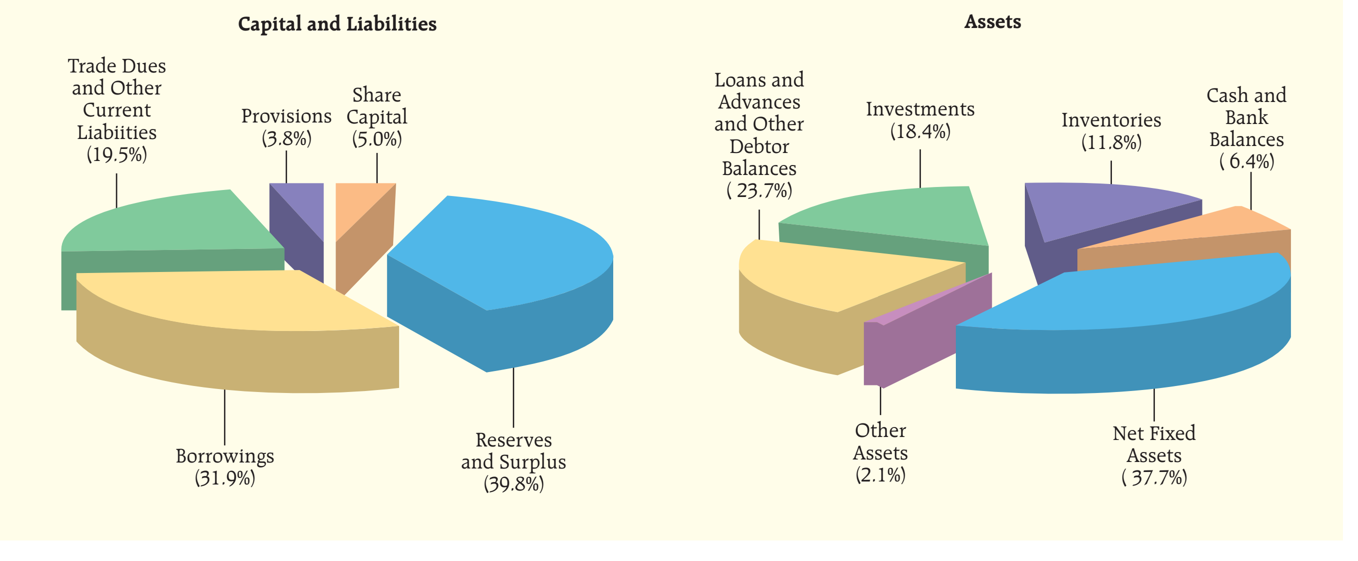


Table 4: Composition of Sources and Uses of funds

(Per cent)

Sources of funds	2008-09	2009-10	Uses of funds	2008-09	2009-10
Internal sources (Own sources)	**31.7**	**49.2**	1. Gross fixed assets	42.8	40.2
1. Paid-up capital	0.3	0.7	*of which:* i) Buildings	4.2	5.2
2. Reserves and Surplus	20.0	28.1	ii) Plant and Machinery	30.2	41.1
3. Provisions	11.3	20.3			
of which: Depreciation provision	10.8	16.5	2. Inventories	6.5	12.4
External sources	**68.3**	**50.8**	*of which:* i) Raw materials, *etc.*	0.4	5.3
(Other than own sources)			ii) Finished goods	1.3	2.1
4. Paid-up capital*	14.7	20.4			
of which: Premium on shares	13.0	18.8	3. Loans and advances and		
5. Borrowings	36.8	14.3	other debtor balances	15.9	16.1
of which: i) Debentures	6.1	4.5			
ii) Loans and advances	30.0	9.2	4. Investments	21.7	28.9
of which: From banks	24.2	5.7	5. Other assets	4.4	0.0
6. Trade dues and other current			6. Cash and bank balances	8.7	2.4
liabilities	16.6	14.4			
Total	**100.0**	**100.0**	**Total**	**100.0**	**100.0**

* Includes capital receipts.

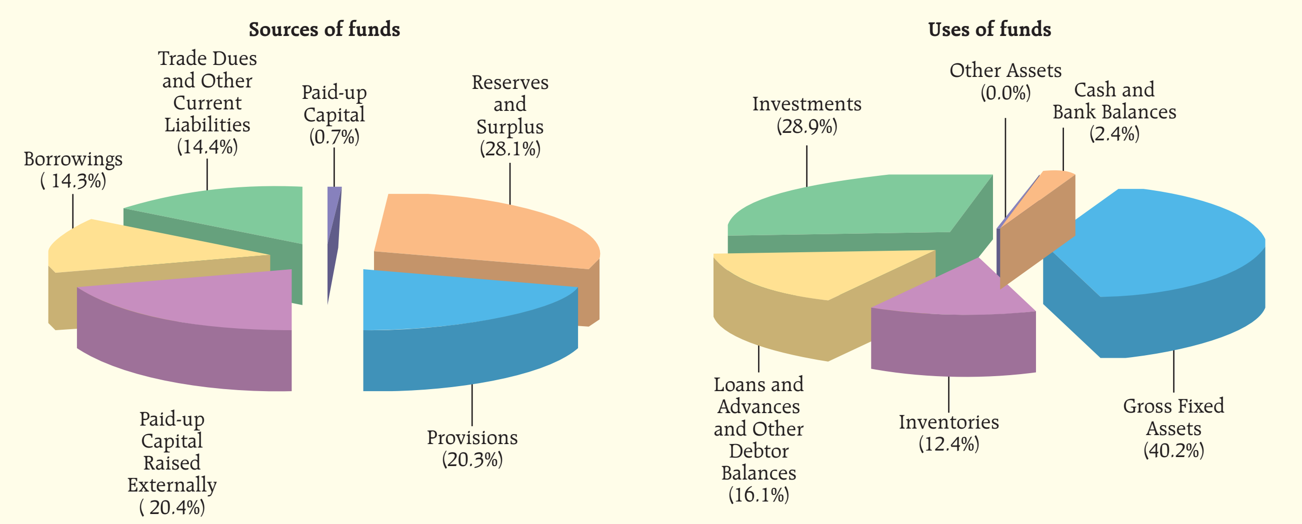
31.9 per cent, respectively, in 2009-10. The share of borrowings from banks fell by 1.7 percentage points to 19.9 per cent of total outstanding borrowings in 2009-10. Debt to equity ratio (debt as percentage of equity) decreased to 43.6 per cent in 2009-10 from 45.7 per cent in 2008-09 in line with higher growth in equity (*i.e.*, share capital and reserve and surplus).

The composition of assets in 2009-10 depicted an increase in share of investments by 2.1 percentage points to 18.4 per cent by the select companies. Besides, there was marginal increase (by 0.4 percentage points) in the share of inventories to 11.8 per cent. On the other hand, share of loans and advances decreased by 0.6 percentage points to 23.7 per cent and that of gross fixed assets decreased by 0.6 percentage points to 53.9 per cent. Stock of capital work-in-progress recorded a sharp decline in 2009-10. The current ratio (current assets to current liabilities) stood at 1.2 in 2009-10 as in the previous year.

Sources and Uses of Funds

An analysis of sources and uses of funds revealed that there was a fall in the level of business expansion in 2009-10 (Statement 5). This led to significant cut-down in the borrowing requirement and a significant

Chart 4: Pattern of Sources and Uses of Funds, 2009-10



change in the composition of sources of funds. The share of external sources of funds in total sources of funds, which continued to play a major role in funding since 2005-06, decreased to 50.8 per cent in 2009-10 from 68.3 per cent in 2008-09 (Table 4 and Chart 4). The share of internal sources of funds moved up to 49.2 per cent in 2009-10 due to higher accretion in reserves and surplus. Within external sources of funds, share of paid-up capital in total sources of funds improved by 5.7 percentage points while the share of borrowings declined sharply by 22.5 percentage points. Share of trade dues and other current liabilities declined by 2.2 percentage points in 2009-10.

The composition of uses of funds displayed a significant increase in share of inventories (12.4 per cent) and investments (28.9 per cent) with corresponding decline in share of cash and bank balances (2.4 per cent) and gross fixed assets (40.2 per cent) in 2009-10. In gross fixed assets formation during the year, more funds were used to acquire plants and machinery (41.1 per cent of total funds against 30.2 per cent in the previous year). Gross savings to gross capital formation ratio jumped to 92.6 per cent in 2009-10 as against 64.1 per cent during in the previous year.

Performance of Companies by Size of Sales

On analysing the performance of companies according to size of sales, it was observed that in the year 2009-10, growth in sales moved in tandem with the sales-size of the companies (Table 5 and Statement 7). However, smaller companies, with sales volume of ₹50 crore each or less, were observed to still suffer from the effect of the crisis and recorded decline in sales. Sales growth was maximum at 13.7 per cent in the largest sales size group of '₹1000 crore and above'. Barring sales size group of '₹25 crore to ₹50 crore', all other sales size groups also displayed increase in their gross profits in the year under study. Total net asset was observed to grow at lower rates in 2008-09 in all size groups except in sales size group of '₹50 crore to ₹100 crore'.

PBDIT margin increased in 2009-10 across all sales size groups except the sales size groups of 'Less than ₹25 crore' and '₹25 crore to ₹50 crore' (Table 5 and Statement 8). Companies in the highest sales size group, *i.e.,* '₹1000 crore and above' reported the highest PBDIT margin of 14.9 per cent. Debt to equity ratio was the lowest, at 30.6 per cent, for the smallest sales size companies, *i.e.,* 'Less than ₹25 crore' while companies in '₹25 crore to ₹50 crore' sales range recorded the

Table 5: Performance of Companies by Size of Sales

(Per cent)

A. Growth Rates of Select items

Sales size Group	Number of Companies	Sales		PBDIT		Total Net Assets	
		2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
Less than ₹ 25 crore	469	-55.9	-17.5	#	7.6	8.9	8.6
₹ 25 crore – ₹ 50 crore	254	4.4	-8.4	-37.2	-36.4	11.5	8.9
₹ 50 crore – ₹ 100 crore	597	5.8	5.5	-29.6	15.8	6.8	11.4
₹ 100 crore – ₹ 500 crore	1267	11.8	7.8	-8.4	23.2	14.6	13.1
₹ 500 crore – ₹ 1000 crore	347	16.0	12.1	-6.8	32.2	20.6	15.0
₹ 1000 crore and above	418	17.8	13.7	-6.5	33.3	24.9	14.0

B. Select Financial Ratios

Sales size Group	PBDIT to Sales			Debt to Equity			Tax provision to Profits before tax*		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
Less than ₹ 25 crore	-0.3	-118.0	-153.9	27.2	32.3	30.6	18.7	21.9	18.0
₹ 25 crore – ₹ 50 crore	10.0	6.0	4.2	45.4	48.5	54.7	15.6	26.0	26.0
₹ 50 crore – ₹ 100 crore	9.5	6.3	6.9	43.2	41.1	39.5	24.9	23.9	26.8
₹ 100 crore – ₹ 500 crore	11.2	9.2	10.5	48.7	50.0	46.3	23.9	24.6	25.7
₹ 500 crore – ₹ 1000 crore	13.8	11.1	13.0	53.6	54.6	51.3	24.6	24.7	26.4
₹ 1000 crore and above	16.0	12.7	14.9	42.5	44.1	42.4	23.2	21.5	25.0

* Calculated based on companies which made profit in all the three years during 2007-08 to 2009-10.
# Denominator is negative or nil or negligible.

highest debt to equity ratio at 54.7 per cent in 2009-10. The effective tax rate ranged between 18.0 per cent to 26.8 per cent in 2009-10 for different sales size groups.

Performance of Companies by Size of Paid-up Capital

When grouped according to size of their paid-up capital (PUC), it was observed that growth rate in sales was lower in 2009-10 than in the previous year for all PUC size classes (Table 6 and Statement 9). The companies in the lowest PUC size class, *i.e.*, 'Less than ₹1 crore' were still observed to be suffering from the effects of the crisis. These companies recorded decline in sales and total net assets in 2009-10. Growth in PBDIT for the companies in PUC size class ranged between 22.5 per cent and 76.7 per cent in 2009-10. Growth in total net assets was lower in 2009-10 as compared to that in 2008-09 for all PUC size groups except the companies in smallest two PUC size groups, *i.e.*, PUC 'Less than ₹1 crore' and '₹1 crore to ₹2 crore'.

PBDIT margin increased in 2009-10 as compared to that in the previous year in all PUC size classes (Statement 10). Companies in the highest PUC size class of '₹100 crore and above' registered the highest PBDIT margin of 17.1 per cent, whereas the lowest PBDIT margin of 3.4 per cent was registered by companies in the lowest PUC size class of 'Less than ₹1 crore' in 2009-10. Debt to equity ratio declined in 2009-10 as compared to that in 2008-09 for all PUC size classes except for PUC size class of 'Less than ₹1 crore'. Highest debt to equity ratio in 2009-10 was at 57.2 per cent in the PUC range of '₹50 crore to ₹100 crore' whereas the lowest was at 14.3 per cent in the PUC range of 'Less than ₹1 crore'. The PUC size companies in 'Less than ₹1 crore' recorded the highest effective tax rate at 34.3 per cent while the largest companies in '₹100 crore and above' recorded the lowest effective tax rate at 24.1 per cent in 2009-10.

Industry-wise Performance

Sample companies in the manufacturing[4] sector displayed much better performance than those in service[5] sector in 2009-10 (Table 7A and Statement 11). Growth in sales (13.2 per cent) and in PBDIT (41.8 per cent) in the manufacturing sector was higher than that

Table 6: Performance of Companies by Size of Paid-up Capital

(Per cent)

A. Growth Rates of Select items

PUC Size Group	Number of Companies	Sales		PBDIT		Total Net Assets	
		2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
Less than ₹1 crore	110	9.4	-9.9	-102.9	#	-12.4	-12.2
₹1 crore – ₹2 crore	122	15.0	10.5	-2.7	33.0	10.2	10.8
₹2 crore –₹5 crore	439	13.9	11.1	6.9	30.8	13.7	11.3
₹5 crore – ₹10 crore	550	13.5	12.3	-1.5	37.6	13.5	13.0
₹10 crore –₹25 crore	1131	14.8	10.8	-1.6	32.6	16.4	13.5
₹ 25 crore – ₹50 crore	505	18.4	14.0	-29.8	76.7	20.7	17.1
₹50 crore – ₹100 crore	247	15.8	7.2	-32.3	49.8	19.9	14.1
₹100 crore and above	248	15.9	14.3	-4.1	22.5	26.0	13.4

B. Select Financial Ratios

PUC Size Group	PBDIT to Sales			Debt to Equity			Tax provision to Profits before tax*		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
Less than ₹1 crore	0.8	0.0	3.4	25.8	14.2	14.3	35.9	34.3	34.3
₹1 crore – ₹2 crore	8.2	7.0	8.4	29.3	28.5	26.2	28.6	31.2	28.5
₹2 crore –₹5 crore	8.0	7.5	8.9	36.5	35.0	32.2	28.1	27.1	29.8
₹5 crore – ₹10 crore	9.3	8.1	9.9	36.2	34.9	29.7	27.2	29.2	29.9
₹10 crore –₹25 crore	11.6	9.9	11.9	42.1	48.4	45.3	25.0	25.2	26.3
₹ 25 crore – ₹50 crore	11.2	6.6	10.2	48.4	52.8	50.5	24.8	24.6	25.4
₹50 crore – ₹100 crore	13.1	7.7	10.7	53.7	59.6	57.2	27.2	26.0	26.0
₹100 crore and above	19.3	16.0	17.1	42.7	42.2	40.6	21.4	19.3	24.1

* Calculated based on companies which made profit in all the three years during 2007-08 to 2009-10.
# Denominator is negative or nil or negligible.

[4] Companies pertaining to category 'D' of National Industrial Classification – 1998.
[5] Companies pertaining to category 'G' and above of National Industrial Classification – 1998.

Table 7: Industry-wise Performance

(Per cent)

A. Growth Rates of Select items

Select Industry Group	Number of Companies	Sales		PBDIT		Bank borrowings	
		2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
Mining and quarrying	34	223.3	3.2	29.5	-6.5	30.3	12.4
Food products and beverages	244	18.3	14.6	25.6	59.2	25.0	17.3
of which: Sugar	67	14.2	32.4	390.8	127.9	26.2	-0.3
Cotton textiles	128	11.9	18.1	-7.0	78.2	20.4	9.2
Man-made textiles	45	14.4	20.9	9.0	75.7	11.4	14.6
Chemicals and chemical products	423	20.4	3.1	-24.2	70.0	28.2	-0.2
of which: Chemical fertilisers and pesticides	48	40.7	-13.6	-254.1	-141.4	32.7	-4.5
Pharmaceuticals and medicines	144	15.3	11.6	-13.3	58.6	32.4	-2.2
Plastic products	92	13.8	13.2	-3.5	45.2	15.6	21.9
Cement and cement products	49	16.3	12.0	-3.9	18.6	34.0	3.9
Iron and steel	168	18.1	6.9	-5.1	28.8	55.0	5.5
Machinery and machine tools	183	6.9	6.5	-10.0	17.9	13.1	-6.7
Electrical machinery and apparatus	120	12.7	0.9	-55.0	98.7	53.2	-9.8
Motor vehicles and other transport equipments	178	7.0	26.2	-23.6	94.0	55.1	-2.3
Construction	133	23.1	17.0	-105.6	-353.8	56.6	17.0
Transport, storage and communications	141	24.9	7.2	0.9	-16.0	28.0	3.5
Real estate	47	-37.7	34.1	-40.9	-1.9	17.7	-0.9
Computer and related activities	203	23.6	3.0	0.6	33.0	47.3	15.5
Manufacturing	**2246**	**11.3**	**13.2**	**-11.1**	**41.8**	**29.7**	**2.7**
Services	**820**	**16.8**	**9.0**	**-6.7**	**10.6**	**27.2**	**5.5**
All industries	**3352**	**15.8**	**12.3**	**-9.9**	**32.4**	**30.2**	**4.4**

B. Select Financial Ratios

Select Industry Group	PBDIT to Sales			Debt to Equity			Tax provision to Profits before tax*		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
Mining and quarrying	32.8	13.1	11.9	88.1	88.2	77.0	33.0	30.0	26.9
Food products and beverages	5.7	6.1	8.4	65.5	64.8	58.4	29.7	28.8	28.6
of which: Sugar	2.3	9.7	16.7	123.8	117.4	93.7	17.1	13.5	22.7
Cotton textiles	9.7	8.1	12.2	141.7	142.2	127.4	19.8	17.5	24.7
Man-made textiles	10.3	9.8	14.2	138.3	164.1	159.3	20.8	22.4	25.2
Chemicals and chemical products	12.6	7.9	13.1	35.4	40.4	33.8	24.3	25.4	26.0
of which: Chemical fertilizers and pesticides	4.4	-4.9	2.3	36.5	42.6	35.5	31.3	36.4	33.7
Pharmaceuticals and medicines	17.0	12.7	18.1	28.5	32.1	25.5	19.3	19.4	21.4
Plastic products	12.6	10.7	13.7	62.4	66.4	65.4	21.4	20.2	22.7
Cement and cement products	30.4	25.1	26.6	59.1	61.0	63.1	27.3	25.4	26.7
Iron and steel	18.6	15.0	18.0	76.5	81.0	77.9	25.3	26.2	24.4
Machinery and machine tools	10.5	8.9	9.8	22.2	19.1	20.4	31.4	33.0	33.8
Electrical machinery and apparatus	6.6	2.6	5.2	23.3	25.9	24.1	30.8	32.7	30.1
Motor vehicles and other transport equipments	10.3	7.4	11.3	38.8	44.3	45.5	27.1	25.9	27.9
Construction	11.0	-0.5	1.1	34.0	37.9	40.2	24.8	23.6	27.1
Transport, storage and communications	27.2	22.0	17.2	66.5	61.5	58.9	14.6	12.0	20.2
Real estate	40.4	38.3	28.0	58.7	64.5	52.0	20.4	16.6	21.8
Computer and related activities	23.5	19.1	24.7	11.1	14.0	11.5	18.7	17.6	22.1
Manufacturing	**13.2**	**10.6**	**13.2**	**42.4**	**42.5**	**42.0**	**24.4**	**24.3**	**26.5**
Services	**20.6**	**16.5**	**16.7**	**44.7**	**47.5**	**43.7**	**20.0**	**17.2**	**22.3**
All industries	**14.8**	**11.5**	**13.6**	**44.2**	**45.7**	**43.6**	**23.4**	**22.1**	**25.1**

* Calculated based on companies which made profit in all the three years during 2007-08 to 2009-10.

of the service sector (9.0 per cent and 10.6 per cent, respectively). Besides, the earnings as well as expenditure in foreign currencies grew in case of manufacturing sector but contracted for service sector. The PBDIT margin was found to be higher in the service sector during the three year period, i.e., 2007-08 to 2009-10, than in the manufacturing sector. The debt to equity ratio has moved down for both the sectors in 2009-10.

While analysing industry-wise performance, it was observed that performance of companies were not uniform across industries. Companies in 'Cotton textiles' , 'Manmade textiles', 'Motor vehicles and other transport equipments' industries recovered from poor performance in the crisis year 2008-09, and displayed impressive performance in 2009-10, recording high growth in sales and PBDIT. 'Sugar' industry continued its good performance in 2009-10 by improving the growth in sales and moderated growth in PBDIT. The 'Real estate' industry also recorded higher growth rate in sales in 2009-10 than that in 2008-09 but its PBDIT continued to decline. Other industries whose sales growth remained subdued during 2009-10 were 'Mining and quarrying', 'Chemicals and chemical products', 'Iron and steel', 'Electrical machinery and apparatus', 'Transport, storage and communications' and 'Computer and related activities'. As regards PBDIT, it continued to decline for companies in 'Chemical fertilisers and pesticides',' Transport, storage and communications', 'Construction', and 'Real estate' industries in 2009-10. Industries which recorded significant growth in bank borrowings were 'Plastic products' and 'Computer and related activities'. PBDIT margin, in general, increased across all industries with the exceptions being 'Mining and quarrying', 'Transport, storage and communications' and 'Real estate'.

Companies in 'Real estate', 'Cement and cement products', 'Computer and related activities' and 'Transport, storage and communications' industries were observed to record higher PBDIT margin during the three year study period. Companies in 'Mining and quarrying', 'Transport, storage and communications' and 'Real estate' industries displayed continuous decline in PBDIT margin during 2007-08 to 2009-10. Debt to equity ratio continued to be at very high level (above 100.0 per cent) in textile industry – both 'Man-made textiles' and 'Cotton textiles' during the years under study. Other industries recording high debt to equity in 2009-10 were 'Sugar', 'Plastic products', 'Iron and steel' and 'Cement and cement products'. On the other hand, debt to equity ratio was observed to be lower (below 30.0 per cent) in 'Computer and related activities', 'Machinery and machine tools', 'Pharmaceuticals and medicines' and 'Electrical machinery and apparatus' industries.

Concluding Observations

The aggregate result of the select 3,352 companies displayed signs of recovery in 2009-10 from the effects of the crisis in 2008-09. Though the growth in sales moderated, companies recorded high growth in profits in 2009-10 after contraction in profit in the crisis year 2008-09. Lower growth in remuneration to employees and interest payments helped to contain the overall expenses and resulting increase in profits. PBDIT margin also improved, in general, in 2009-10. However, the smallest companies, in terms of both sales and PUC were yet to recover and recorded decline in sales. There was a slowdown in business expansion by the companies and cut-down in borrowings requirement. The outstanding capital work-in-progress also declined in 2009-10. Growth in gross fixed assets was mainly on account of acquirement of plant and machineries.

Statement 1: Growth Rates of the Select Items of the Select 3,352 Public Limited Companies, 2008-09 and 2009-10

(Per cent)

Item		2008-09	2009-10
		1	2
1	Sales +	15.8	12.3
2	Value of production	16.3	12.3
3	Total Income	16.6	12.3
4	Manufacturing Expenses	18.9	12.4
5	Remuneration to employees	19.4	4.2
6	PBDIT	-9.9	32.4
7	Depreciation provision	21.5	21.9
8	Gross profit (PBIT)	-8.5	26.8
9	Interest	45.7	12.9
10	Profit before tax and non-operating surplus/deficit	-19.2	31.7
11	Non-operating surplus/deficit	29.4	77.7
12	Profit Before Tax	-17.9	33.7
13	Tax provision	-12.0	39.0
14	Profit After Tax	-19.8	31.8
15	Dividend paid	-9.4	40.4
16	Profit retained	-22.4	29.3
17	Gross saving	-8.3	26.2
18	(a) Gross value added	3.8	19.4
	(b) Net value added	0.8	18.9
19	Net worth @	20.2	19.8
20	Total borrowings @	28.6	7.0
	of which: from banks @	30.2	4.4
21	Trade dues and other current liabilities @	20.3	12.0
22	(a) Gross fixed assets @	19.4	12.2
	(b) Net fixed assets @	20.7	10.1
23	Inventories @	13.1	18.0
24	(a) Gross physical assets @	18.2	13.2
	(b) Net physical assets @	18.8	11.9
25	(a) Total gross assets @	21.3	14.3
	(b) Total net assets @	22.2	13.8
26	Total earnings in foreign currencies	18.6	0.3
	of which: Exports	14.6	2.2
27	Total expenditure in foreign currencies	24.4	7.3
	of which: Imports	23.9	10.9

\+ Net of 'rebates and discounts' and 'excise duty and cess'.
@ Adjusted for revaluation, *etc.*
Note: Rates of growth of all items are adjusted for changes due to amalgamation of companies.

Statement 2: Select Financial Ratios of the Select 3,352 Public Limited Companies, 2007-08 to 2009-10

(Per cent)

Selected Financial Ratios	2007-08	2008-09	2009-10
	1	2	3
A. Capital structure ratios			
1 Net fixed assets to total net assets	38.5	38.9	37.7
2 Net worth to total net assets	43.4	42.6	44.8
3 Debt to equity	44.2	45.7	43.6
4 Debt to equity (equity adjusted for revaluation reserve)	45.5	47.3	44.8
5 Short term bank borrowings to inventories	83.4	105.8	82.7
6 Total outside liabilities to net worth	130.5	134.9	123.1
B. Liquidity ratios			
7 Current assets to current liabilities *	1.3	1.2	1.2
8 Quick assets to current liabilities	56.3	52.4	55.4
9 Current assets to total net assets	47.9	44.8	44.1
10 Sundry creditors to current assets	25.7	26.0	26.4
11 Sundry creditors to net working capital	113.6	163.3	132.0
C. Assets utilization and turnover ratios			
12 Sales to total net assets	74.5	70.0	69.0
13 Sales to gross fixed assets	135.5	128.5	127.9
14 Inventories to sales	16.6	16.2	17.0
15 Sundry debtors to sales	15.3	15.2	15.8
16 Exports to sales	18.2	18.0	16.4
17 Gross value added to gross fixed assets	35.1	29.8	31.6
18 Raw materials consumed to value of production	51.8	52.6	53.0
D. Sources and uses of funds ratios @			
19 Gross fixed assets formation to total uses of funds		42.8	40.2
20 Gross capital formation to total uses of funds		49.4	52.6
21 External sources of funds to total sources of funds		68.3	50.8
22 Increase in bank borrowings to total external sources		35.4	11.3
23 Gross savings to gross capital formation		64.1	92.6
E. Profitability and profit allocation ratios			
24 Gross profit (PBIT) to total net assets	11.2	8.3	9.3
25 Gross profit (PBIT) to sales	15.1	11.9	13.5
26 Profit after tax to net worth	16.8	11.1	12.2
27 PBDIT to sales	14.8	11.5	13.6
28 Tax provision to profit before tax**	23.4	22.1	25.1
29 Profit retained to profit after tax**	80.6	81.5	77.9
30 Dividends to net worth	3.4	2.6	3.0
31 Ordinary dividends to ordinary paid-up capital	27.9	24.3	30.3

* Item B.7 is the actual ratio of current assets to current liabilities.

** Calculated based on companies which made profit in all the three years during 2007-08 to 2009-10.

@ Available for two years, as these are worked based on sources and uses of funds taking difference between two successive years. These ratios are adjusted for revaluation, *etc.*

Statement 3: Combined Income, Value of Production, Expenditure and Appropriation Accounts of the Select 3,352 Public Limited Companies, 2007-08 to 2009-10

(₹ crore)

Item	2007-08	2008-09	2009-10
	1	2	3
Income and Value of Production			
1 Sales +	17,38,958	20,14,327	22,62,456
2 Increase(+) or decrease(-) in value of stock of finished goods and work in progress	15,439	25,517	28,113
3 Value of production (1+2)	17,54,397	20,39,844	22,90,570
4 Other income	69,572	86,587	92,908
Of which, (a) Dividends	6,116	7,391	6,681
(b) Interest	13,821	20,639	21,773
(c) Rent	1,221	1,412	1,463
5 Non-operating surplus(+)/ deficit(-)	6,034	7,808	13,878
6 Total (3+4+5)	**18,30,003**	**21,34,239**	**23,97,356**
Expenditure and Appropriations			
7 Raw materials, components etc. consumed	9,09,079	10,73,112	12,14,908
8 Stores and spares consumed	44,454	51,045	52,766
9 Power and fuel	75,747	99,802	97,485
10 Other manufacturing expenses	1,31,055	1,55,119	1,84,818
11 Salaries, wages and bonus	1,11,765	1,34,706	1,40,217
12 Providend fund	6,635	7,821	8,116
13 Employees' welfare expenses	10,839	11,836	12,438
14 Managerial remuneration	5,282	5,811	6,830
15 Royalty	4,435	4,895	6,372
16 Repairs to buildings	2,346	2,577	2,730
17 Repairs to machinery	12,619	14,570	15,903
18 Bad debts	4,454	6,278	6,602
19 Selling commission	19,448	21,495	22,854
20 Rent	10,288	18,267	20,417
21 Rates and taxes	4,850	5,498	5,671
22 Advertisement	16,836	18,344	22,709
23 Insurance	3,404	3,376	3,846
24 Research and development	6,019	7,011	8,500
25 Other expenses	1,15,136	1,60,439	1,47,490
26 Other provision (other than depreciation & tax)	2,234	5,765	2,581
27 PBDIT	2,57,472	2,32,076	3,07,317
28 Depreciation provision	64,612	78,496	95,688
29 Gross profit (PBIT)	2,62,432	2,40,167	3,04,536
30 Less: Interest	43,182	62,914	71,029
31 Profit before tax and non-operating surplus/deficit	2,19,250	1,77,253	2,33,507
32 Non-operating surplus (+) / deficit (-)	6,034	7,808	13,878
33 Profit Before Tax	2,25,284	1,85,061	2,47,385
34 Less: Tax provision	55,241	48,604	67,560
35 Profit After Tax	1,70,043	1,36,457	1,79,825
36 Dividend	34,614	31,356	44,011
(a) Ordinary	34,339	30,980	43,576
(b) Preference	275	375	435
37 profit retained	1,35,359	1,04,974	1,35,773
38 Total (7 to 26 + 28 + 29 + 32)	**18,30,003**	**21,34,239**	**23,97,356**

\+ Net of 'rebates and discounts' and 'excise duty and cess'.

Statement 4: Combined Balance Sheet of the Select 3,352 Public Limited Companies, 2007-08 to 2009-10

(₹ crore)

Capital and Liabilities	2007-08	2008-09	2009-10
	1	2	3
A. Share capital	**1,42,738**	**1,49,397**	**1,63,362**
1 Paid-up capital	1,42,612	1,49,292	1,63,236
(a) Ordinary	1,23,295	1,27,274	1,43,986
Of which: bonus	18,439	20,025	23,567
(b) Preference	19,318	22,017	19,250
2 Forfeited shares	126	106	126
B. Reserves and surplus	**8,69,513**	**10,75,274**	**13,06,268**
3 Capital reserve	3,42,639	4,17,982	5,10,480
Of which: premium on shares	2,96,469	3,57,122	4,45,044
4 Investment allowance reserve	242	246	185
5 Sinking funds	8,135	11,191	15,916
6 Other reserves	5,18,498	6,45,855	7,79,687
C. Borrowings	**7,46,341**	**9,77,124**	**10,47,267**
7 Debentures @	43,502	78,908	1,00,282
8 Loans and advances	6,77,627	8,68,947	9,14,379
(a) From banks	4,64,959	6,22,325	6,51,391
Of which: short-term borrowings	2,40,614	3,45,538	3,18,918
(b) From other Indian financial institutions	41,611	39,726	41,690
(c) From foreign institutional agencies	1,01,332	1,20,418	1,19,251
(d) From Government and semi-Government bodies	8,005	9,087	10,016
(e) From companies	31,707	38,040	49,356
(f) From others	30,014	39,351	42,675
9 Deferred payments	20,860	22,344	19,445
10 Public deposits	4,352	6,925	13,162
Of total borrowings, debt	4,47,545	5,59,551	6,41,365
D. Trade dues and other current liabilities	**4,72,815**	**5,69,785**	**6,38,854**
11 Sundry creditors	2,87,472	3,34,150	3,81,863
12 Acceptances	25,625	33,153	39,004
13 Liabilities to companies	2,744	6,128	9,045
14 Advances/ deposits from customers, agents, *etc.*	80,824	1,05,245	1,15,767
15 Interest accrued on loans	9,194	12,168	10,722
16 Others	66,955	78,943	82,453
E. Provisions	**1,01,905**	**1,05,113**	**1,23,341**
17 Taxation (net of advance of income-tax)	42,557	38,106	41,858
18 Dividends	26,780	23,744	36,661
19 Other current provisions	23,290	33,792	34,973
20 Non-current provisions	9,279	9,471	9,848
F. 21 Miscellaneous non-current liabilities	**–**	**196**	**226**
22 TOTAL	**23,33,312**	**28,76,890**	**32,79,318**

@ Include privately placed debentures.
– Nil or negligible.

Statement 4: Combined Balance Sheet of the Select 3,352 Public Limited Companies, 2007-08 to 2009-10 *(Concld.)*

(₹ crore)

Assets	2007-08	2008-09	2009-10
	1	2	3
G. Gross fixed assets	**12,83,475**	**15,67,546**	**17,69,013**
23 Land	48,941	60,352	72,616
24 Buildings	1,18,430	1,43,496	1,69,082
25 Plant and machinery	8,24,149	10,13,607	12,16,020
26 Capital work-in-progress	2,03,258	2,45,197	1,89,276
27 Furniture, fixtures and office equipments	31,580	38,778	43,114
28 Others	57,117	66,117	78,905
H. 29 Depreciation	**3,83,999**	**4,49,829**	**5,33,375**
I. 30 Net fixed assets	**8,99,476**	**11,17,717**	**12,35,637**
J. Inventories	**2,88,631**	**3,26,677**	**3,85,498**
31 Raw materials, components, *etc.*	92,502	94,837	1,20,092
32 Finished goods	78,120	85,487	95,509
33 Work-in-progress	64,154	80,608	97,652
34 Stores and spares	24,442	29,559	30,740
35 Others	29,413	36,186	41,506
K. Loans and advances and other debtor balances	**6,07,646**	**6,99,988**	**7,77,396**
36 Sundry debtors	2,65,731	3,07,041	3,56,600
37 Loans and advances	2,72,815	3,07,138	3,23,682
(a) To subsidiaries and companies under the same management	77,939	1,10,645	1,22,920
(b) Others	1,94,876	1,96,494	2,00,762
38 Interest accrued on loans and advances	6,278	8,257	10,095
39 Deposits/balances with Government/others	37,133	44,809	50,850
40 Others	25,689	32,743	36,169
L. Investments	**3,49,893**	**4,68,247**	**6,02,679**
Of which: quoted investments	74,502	63,929	75,172
41 Foreign	30,026	41,715	1,19,828
42 Indian	3,19,867	4,26,531	4,82,851
(a) Government/semi-Government securities	2,291	4,201	3,423
(b) Securities of Financial Institutions	1,04,746	91,554	1,39,153
(c) Industrial securities	46,083	54,073	78,705
(d) Shares and debentures of subsidiaries	1,52,194	2,62,161	2,42,818
(e) Others	14,554	14,543	18,753
M. 43 Advance of income-tax (net of tax provision)	–	–	–
N. Other assets	**41,235**	**67,211**	**68,735**
44 Immovable property	6,104	8,347	8,660
45 Intangible assets	35,098	57,411	59,831
46 Miscellaneous non-current assets	34	1,453	245
O. Cash and bank balances	**1,46,430**	**1,97,050**	**2,09,372**
47 Fixed deposits with banks	1,07,258	1,54,569	1,53,734
48 Other bank balances	34,114	36,567	50,643
49 Cash in hand	5,058	5,914	4,995
50 TOTAL (I to O)	**23,33,312**	**28,76,890**	**32,79,318**

– Nil of negligible.

Statement 5: Sources and Uses of Funds of the Select 3,352 Public Limited Companies, 2008-09 and 2009-10

(₹ crore)

Sources of Funds	2008-09	2009-10
	1	2
Internal Sources	**1,83,695**	**2,33,907**
A. 1 Paid-up capital	**1,568**	**3,511**
B. Reserves and Surplus	**1,16,283**	**1,33,608**
2 Capital reserve	-20,349	-2,531
3 Investment allowance reserve	5	-61
4 Sinking funds	3,056	4,696
5 Other reserves	1,33,572	1,31,503
C. Provisions	**65,844**	**96,788**
6 Depreciation	62,617	78,560
7 Taxation (net of advance of income tax)	-4,431	-59,874
8 Dividends	-3,036	12,918
9 Other current provisions	10,502	1,181
10 Non-current provisions	192	377
External Sources	**3,96,441**	**2,41,844**
D. Paid-up capital	**85,006**	**97,166**
11 Net issues	9,341	7,681
12 Premium on shares	75,665	89,486
E. 13 Capital receipts	**1,380**	**8,398**
F. Borrowings	**2,13,669**	**67,915**
14 Debentures	35,406	21,374
15 Loans and advances	1,74,206	43,610
(a) From banks	1,40,221	27,224
(b) From other Indian financial institutions	-1,885	1,964
(c) From foreign institutional agencies	19,108	-1,167
(d) From Government and semi-Government bodies	1,081	929
(e) From companies	6,343	11,292
(f) From others	9,337	3,368
16 Deferred payments	1,484	-2,900
17 Public deposits	2,573	6,237
G. Trade dues and other current liabilities	**96,190**	**68,335**
18 Sundry creditors	46,228	47,159
19 Acceptances	7,527	5,851
20 Liabilities to companies	3,369	2,978
21 Advances/ deposits from customers, agents, *etc.*	24,110	10,522
22 Interest accrued on loans	2,973	-1,443
23 Others	11,982	3,268
H. 24 Miscellaneous non-current liabilities	**196**	**29**
25 TOTAL	**5,80,136**	**4,75,751**

Note: This statement is derived from Statement 4. Figures have been adjusted for the changes consequent on amalgamation of companies and for revaluation, *etc.*, wherever necessary.

Statement 5: Sources and Uses of Funds of the Select 3,352 Public Limited Companies, 2008-09 and 2009-10 *(Concld.)*

(₹ crore)

Sources of Funds			2008-09	2009-10
			1	2
I.	**Gross fixed assets**		**2,48,546**	**1,91,249**
	26	Land	7,986	10,091
	27	Buildings	24,162	24,724
	28	Plant and machinery	1,75,071	1,95,708
	29	Capital work-in-progress	24,708	-56,183
	30	Furniture, fixtures and office equipments	7,145	4,146
	31	Others	9,475	12,763
J.	**Inventories**		**37,895**	**58,759**
	32	Raw materials, components, *etc.*	2,280	25,222
	33	Finished goods	7,356	9,964
	34	Work-in-progress	16,371	17,048
	35	Stores and spares	5,115	1,204
	36	Others	6,772	5,320
K.	**Loans and advances and other debtor balances**		**92,103**	**76,677**
	37	Sundry debtors	41,033	49,876
	38	Loans and advances	34,189	16,448
		a) To subsidiaries and companies under the same management	32,569	12,429
		b) Others	1,620	4,019
	39	Interest accrued on loans and advances	1,979	1,839
	40	Deposits/ balances with Government/ others	7,677	6,041
	41	Others	7,225	2,473
L.	**42**	**Investments**	**1,25,613**	**1,37,673**
M.	**43**	**Other assets**	**25,363**	**-13**
N.	**44**	**Cash and bank balances**	**50,616**	**11,407**
	45	**TOTAL**	**5,80,136**	**4,75,751**

Statement 6: Earnings/Expenditure in Foreign Currencies of Select 3,352 Public Limited Companies, 2007-08 to 2009-10

(₹ crore)

Item	2007-08	2008-09	2009-10
	1	2	3
I. Expenditure in foreign currencies	**4,97,432**	**6,18,707**	**6,63,746**
(a) Imports (on c.i.f. basis)	3,96,363	4,90,931	5,44,396
of which:			
i) Raw materials	2,86,326	3,58,866	4,26,705
ii) Capital goods	58,406	62,031	51,168
iii) Stores and spares	15,881	19,403	17,122
(b) Other expenditure in foreign currencies	1,01,069	1,27,776	1,19,350
II. Earnings in foreign currencies	**4,42,594**	**5,25,027**	**5,26,440**
of which:			
Exports (on f.o.b. basis)	3,16,846	3,63,093	3,71,064
III. Net inflow (+)/outflow (-) in foreign currencies	**-54,838**	**-93,680**	**-1,37,306**

Statement 7: Growth Rates of the Select Items of the Select 3,352 Public Limited Companies – Sales-wise, 2008-09 and 2009-10

(Per cent)

	Sales-Range	Less than ₹25 crore (469)		₹25 - 50 crore (254)		₹50 - 100 crore (597)	
	Item	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
		1	2	3	4	5	6
1	Sales+	-55.9	-17.5	4.4	-8.4	5.8	5.5
2	Value of production	-55.9	-12.6	5.4	-8.3	3.3	6.6
3	Total Income	-7.3	0.4	2.3	-5.8	5.4	6.7
4	Manufacturing expenses	-13.1	1.7	6.3	-6.3	5.0	7.6
5	Remuneration to employees	20.4	4.8	14.1	-11.8	13.6	5.1
6	PBDIT	#	7.6	-37.2	-36.4	-29.6	15.8
7	Depreciation provision	14.0	-11.6	17.4	7.7	15.2	9.1
8	Gross profits	-45.9	32.4	-29.4	-38.5	-16.3	12.3
9	Interest	14.5	15.5	16.9	21.4	18.9	1.0
10	Operating profits	–	^	-88.7	–	-34.9	23.2
11	Non-operating surplus/deficit	-22.7	27.9	-80.5	171.2	72.1	8.1
12	Profits before tax	-61.5	51.9	-84.0	–	-19.0	18.4
13	Tax provision	-5.5	-30.6	-12.9	-7.9	-12.9	13.8
14	Profits after tax	-88.6	381.6	–	^	-21.6	20.6
15	Dividend paid	-26.6	6.5	-25.0	8.4	-33.9	3.7
16	Profits retained	–	#	–	^	-18.6	23.9
17	Gross saving	-44.7	35.8	-57.5	-27.3	-3.4	16.0
	(a) Gross value added	2.5	-2.7	3.3	-13.7	1.7	8.6
18	(b) Net value added	-0.6	0.1	-0.8	-21.0	-0.9	8.5
19	Net worth @	2.4	11.2	13.9	11.4	12.5	14.5
	Total borrowings @	20.2	7.7	15.6	12.1	6.8	10.6
20	*Of which:* from banks @	21.1	-0.9	9.8	20.7	9.5	11.4
21	Trade dues and other current liabilities @	6.5	5.6	6.2	3.1	-2.5	7.9
	(a) Gross fixed assets @	4.5	6.9	9.5	7.3	9.5	8.6
22	(b) Net fixed assets @	4.3	7.0	9.2	5.6	7.9	7.9
23	Inventories @	26.1	15.6	8.1	4.8	1.2	9.5
	(a) Gross physical assets @	9.2	9.1	9.3	6.9	7.8	8.8
24	(b) Net physical assets @	10.6	9.8	8.9	5.4	6.1	8.3
	(a) Total gross assets @	8.4	8.4	11.3	9.1	7.7	11.2
25	(b) Total net assets @	8.9	8.6	11.5	8.9	6.8	11.4
	Total earnings in foreign currencies	19.7	8.1	6.8	-24.6	21.8	-9.7
26	*Of which:* Exports	-66.9	-27.9	9.1	-17.4	22.1	-5.3
26	Total expenditure in foreign currencies	42.1	12.6	5.8	-32.9	6.9	-7.5
	Of which: Imports	-45.0	9.4	-5.1	-30.5	5.6	-3.9

\+ Net of 'rebates and discounts' and 'excise duty and cess'.
@ Adjusted for revaluation, etc.
– Numerator is negative or nil or negligible.
Denominator is negative or nil or negligible.
^ Both numerator and denominator are negative or nil or negligible.

Note: 1. Figures in brackets below the sales range represent the number of companies in the sales range.
2. Rates of growth of all the items are adjusted for changes due to amalgamation of companies.

Statement 7: Growth Rates of the Select Items of the Select 3,352 Public Limited Companies - Sales-wise, 2008-09 and 2009-10 *(concld.)*

(Per cent)

Sales-Range		₹ 100 - 500 crore (1267)		₹ 500 - 1000 crore (347)		₹ 1000 crore and above (418)	
Item		2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
		1	2	3	4	5	6
1	Sales+	11.8	7.8	16.0	12.1	17.8	13.7
2	Value of production	10.1	7.8	15.0	12.2	19.0	13.6
3	Total Income	9.1	8.4	15.7	12.2	19.1	13.5
4	Manufacturing expenses	9.7	7.7	15.4	12.2	22.3	13.7
5	Remuneration to employees	18.2	8.4	15.9	11.9	20.5	2.3
6	PBDIT	-8.4	23.2	-6.8	32.2	-6.5	33.3
7	Depreciation provision	23.5	11.8	17.3	18.2	22.1	25.3
8	Gross profits	-12.5	25.2	-4.1	33.8	-8.0	26.7
9	Interest	36.3	7.3	40.5	17.9	52.5	13.9
10	Operating profits	-31.8	39.4	-16.7	41.4	-17.2	30.3
11	Non-operating surplus/deficit	-79.8	148.0	51.7	-32.4	-	143.6
12	Profits before tax	-37.3	43.3	-12.5	33.5	-15.2	33.1
13	Tax provision	-15.0	23.0	-6.3	28.7	-12.3	44.4
14	Profits after tax	-45.4	55.0	-14.8	35.4	-16.0	29.5
15	Dividend paid	-17.0	35.9	-8.6	19.8	-8.0	43.6
16	Profits retained	-52.6	65.0	-16.2	39.2	-18.1	25.3
17	Gross saving	-23.6	32.2	-4.7	30.3	-5.8	25.3
	(a) Gross value added	3.7	16.9	4.7	23.5	3.7	20.0
18	(b) Net value added	0.3	18.0	2.5	24.6	0.7	19.0
19	Net worth @	13.0	16.1	20.1	19.5	22.3	21.0
	Total borrowings @	17.5	11.0	23.7	9.7	33.2	5.5
20	*Of which:* from banks @	20.2	12.4	29.5	10.0	33.9	1.5
21	Trade dues and other current liabilities @	14.9	9.1	18.8	17.0	22.9	12.1
	(a) Gross fixed assets @	18.1	10.7	17.1	11.9	20.6	12.8
22	(b) Net fixed assets @	19.8	8.3	19.1	10.2	21.9	10.5
23	Inventories @	9.8	15.9	18.7	17.3	13.0	19.2
	(a) Gross physical assets @	16.5	11.7	17.5	13.3	19.3	13.8
24	(b) Net physical assets @	17.2	10.1	19.0	12.5	19.9	12.3
	(a) Total gross assets @	14.6	13.6	19.5	15.2	23.9	14.6
25	(b) Total net assets @	14.6	13.1	20.6	15.0	24.9	14.0
	Total earnings in foreign currencies	11.5	-4.0	24.8	-5.4	19.1	1.7
26	*Of which:* Exports	12.2	-1.4	23.8	-6.2	14.3	4.0
26	Total expenditure in foreign currencies	18.8	-0.9	23.9	-1.6	25.1	8.9
	Of which: Imports	18.6	0.6	23.0	-1.1	25.0	13.0

Statement 8: Select Financial Ratios of the Select 3,352 Public Limited Companies – Sales-wise, 2007-08 to 2009-10

(Per cent)

Sales-Range	< ₹ 25 Crore (469)			₹ 25-50 Crore (254)			₹ 50-100 Crore (597)		
Item	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	1	2	3	4	5	6	7	8	9
A. Capital structure ratios									
1 Net fixed assets to total net assets	31.1	29.8	29.3	32.9	32.4	31.6	37.5	37.2	36.1
2 Net worth to total net assets	48.2	45.4	46.4	36.1	36.6	37.6	43.1	45.5	46.8
3 Debt to equity	27.2	32.3	30.6	45.4	48.5	54.7	43.2	41.1	39.5
4 Debt to equity (equity adjusted for revaluation reserve)	28.1	33.2	31.4	48.2	51.2	57.4	46.0	42.7	40.9
5 Short term bank borrowings to inventories	71.6	69.1	60.2	98.7	81.8	77.2	70.7	75.8	73.8
6 Total outside liabilities to net worth	107.6	120.5	115.3	177.0	172.9	166.1	132.2	119.8	113.6
B. Liquidity ratios									
7 Current assets to current liabilities *	1.4	1.4	1.4	1.0	1.0	1.1	1.3	1.4	1.4
8 Quick assets to current liabilities	56.9	50.4	51.1	42.7	39.1	41.1	61.8	63.9	67.0
9 Current assets to total net assets	54.0	55.4	56.7	46.6	46.2	45.0	49.6	48.1	47.9
10 Sundry Creditors to current assets	18.7	16.2	14.8	19.9	17.8	18.8	25.2	24.5	25.1
11 Sundry Creditors to net working capital	65.4	57.5	48.0	#	#	157.9	108.3	92.7	88.7
C. Assets utilization and turnover ratios									
12 Sales to total net assets	41.3	16.7	12.7	39.8	37.4	31.4	68.7	67.9	64.2
13 Sales to gross fixed assets	89.8	37.8	29.2	77.5	74.3	63.0	119.6	116.7	113.0
14 Inventories to sales	30.6	87.4	122.4	29.1	30.1	34.5	20.4	19.6	20.3
15 Sundry debtors to sales	32.0	75.0	91.0	28.1	30.6	35.8	22.5	22.5	24.0
16 Exports to sales	11.5	8.6	7.5	14.1	14.7	13.3	15.0	17.3	15.5
17 Gross value added to gross fixed assets	21.0	20.5	18.7	20.6	19.6	15.6	28.9	27.1	27.1
18 Raw materials consumed to value of production	49.1	83.0	106.5	43.0	42.8	44.6	53.4	51.9	52.6
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to total uses of funds		21.6	31.9		36.7	34.3		58.6	37.5
20 Gross capital formation to total uses of funds		55.7	55.7		43.7	39.3		60.3	46.9
21 External sources of funds to total sources of funds		92.0	84.3		87.5	99.2		45.1	58.9
22 Increase in bank borrowings to total external sources		40.2	-		16.9	38.6		48.9	31.8
23 Gross savings to gross capital formation		43.4	54.3		34.8	31.3		102.2	98.6
E. Profitability and profit allocation ratios									
24 Gross profit (PBIT) to total net assets	3.3	1.7	2.0	3.9	2.5	1.4	7.6	5.9	6.0
25 Gross profit (PBIT) to sales	8.1	9.9	15.9	9.8	6.7	4.5	11.0	8.7	9.3
26 Profit after tax to net worth	5.4	0.6	2.6	8.2	-0.8	-2.3	9.4	6.5	6.9
27 PBDIT to sales	-0.3	-118.0	-153.9	10.0	6.0	4.2	9.5	6.3	6.9
28 Tax provision to profit before tax**	18.7	21.9	18.0	15.6	26.0	26.0	24.9	23.9	26.8
29 Profit retained to profit after tax**	91.7	91.8	90.6	90.3	83.3	82.7	84.3	89.2	87.8
30 Dividends to net worth	0.9	0.7	0.6	1.5	1.0	1.0	1.9	1.1	1.0
31 Ordinary dividends to ordinary paid-up capital	2.4	1.7	1.7	3.3	2.3	2.4	5.7	3.4	3.2

* Item B.7 is the actual ratio of current assets to current liabilities.

** Calculated based on compnies which made profit in all the three years during 2007-08 to 2009-10.

Note: 1. Figures in brackets below the sales range represent the number of companies in the sales range.

2. For footnotes, please refer to Statement 7.

Statement 8: Select Financial Ratios of the Select 3,352 Public Limited Companies – Sales-wise, 2007-08 to 2009-10 *(concld.)*

(Per cent)

Sales-Range	₹ 100-500 Crore (1267)			₹ 500-1000 Crore (347)			>=₹ 1000 Crore (418)		
Item	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	10	11	12	13	14	15	16	17	18
A. Capital structure ratios									
1 Net fixed assets to total net assets	37.1	39.1	37.6	36.3	35.5	34.0	39.4	39.6	38.5
2 Net worth to total net assets	42.9	42.5	43.7	40.0	39.5	41.3	44.0	42.9	45.5
3 Debt to equity	48.7	50.0	46.3	53.6	54.6	51.3	42.5	44.1	42.4
4 Debt to equity (equity adjusted for revaluation reserve)	50.3	52.1	48.2	55.5	55.5	51.9	43.6	45.7	43.5
5 Short term bank borrowings to inventories	77.1	85.3	83.7	60.3	67.2	62.9	90.4	121.6	87.9
6 Total outside liabilities to net worth	133.0	135.0	128.8	150.1	153.2	142.3	127.3	132.9	119.7
B. Liquidity ratios									
7 Current assets to current liabilities *	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.1	1.2
8 Quick assets to current liabilities	66.8	60.9	61.3	60.5	57.1	61.9	53.7	50.3	53.2
9 Current assets to total net assets	50.1	48.7	48.5	51.9	52.8	53.1	46.7	42.7	41.8
10 Sundry Croreeditors to current assets	22.7	23.0	22.6	22.6	22.0	22.8	27.1	27.6	28.2
11 Sundry Croreeditors to net working capital	80.4	87.6	86.3	84.9	82.2	76.4	129.2	240.2	170.5
C. Assets utilization and turnover ratios									
12 Sales to total net assets	74.2	71.9	68.4	78.9	76.3	73.4	75.3	70.2	70.0
13 Sales to gross fixed assets	138.2	129.5	125.7	151.0	151.1	149.7	135.0	127.7	128.0
14 Inventories to sales	17.9	17.6	18.9	22.1	22.6	23.6	15.2	14.5	15.3
15 Sundry debtors to sales	20.5	19.6	20.8	19.0	19.4	20.6	13.2	13.3	13.6
16 Exports to sales	14.8	14.8	13.6	14.0	14.9	12.5	19.7	19.2	17.5
17 Gross value added to gross fixed assets	32.4	28.2	29.6	36.1	32.6	35.6	36.2	30.1	31.9
18 Raw materials consumed to value of production	53.9	53.4	53.3	54.4	54.6	53.9	51.0	52.1	52.8
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to total uses of funds		57.1	37.5		39.5	34.5		41.5	41.7
20 Gross capital formation to total uses of funds		64.7	50.2		54.0	51.7		46.8	53.3
21 External sources of funds to total sources of funds		73.3	56.3		73.5	55.9		67.1	48.3
22 InCroreease in bank borrowings to total external sources		36.1	32.4		39.5	24.7		34.8	4.0
23 Gross savings to gross capital formation		47.1	74.7		61.4	90.4		67.1	96.4
E. Profitability and profit allocation ratios									
24 Gross profit (PBIT) to total net assets	8.8	6.7	7.4	10.4	8.3	9.5	12.3	8.9	9.9
25 Gross profit (PBIT) to sales	11.8	9.3	10.8	13.2	10.9	13.0	16.3	12.7	14.2
26 Profit after tax to net worth	12.1	5.8	7.7	15.8	11.4	12.7	18.4	12.5	13.4
27 PBDIT to sales	11.2	9.2	10.5	13.8	11.1	13.0	16.0	12.7	14.9
28 Tax provision to profit before tax**	23.9	24.6	25.7	24.6	24.7	26.4	23.2	21.5	25.0
29 Profit retained to profit after tax**	82.8	82.8	80.3	82.9	83.7	83.5	79.8	80.8	76.7
30 Dividends to net worth	2.3	1.7	1.9	2.9	2.3	2.2	3.8	2.9	3.4
31 Ordinary dividends to ordinary paid-up capital	10.5	7.7	9.3	21.8	17.7	16.9	44.4	42.6	54.7

Statement 9: Growth Rates of the Select Items of the Select 3,352 Public Limited Companies – Paid-up Capital-wise, 2008-09 and 2009-10

(Per cent)

PUC-Range	< ₹ 1 Crore (110)		₹ 1-2 Crore (122)		₹ 2-5 Crore (439)		₹ 5-10 Crore (550)	
Item	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
	1	2	3	4	5	6	7	8
1 Sales +	9.4	-9.9	15.0	10.5	13.9	11.1	13.5	12.3
2 Value of production	11.1	-10.8	13.2	11.0	11.6	11.4	12.6	12.2
3 Total Income	12.6	-13.1	11.4	10.6	11.6	11.6	11.2	12.1
4 Manufacturing Expenses	10.7	-15.8	15.5	10.1	11.0	10.9	10.7	13.0
5 Remuneration to employees	20.2	16.9	12.1	13.4	10.8	10.4	22.8	-0.4
6 PBDIT	-102.9	#	-2.7	33.0	6.9	30.8	-1.5	37.6
7 Depreciation provision	10.6	24.7	20.9	20.0	13.1	13.5	16.5	14.2
8 Gross profit (PBIT)	28.2	-0.5	-7.0	20.5	4.4	34.8	-1.3	32.4
9 Interest	0.1	-29.4	25.8	13.5	31.0	-6.3	43.5	–
10 Profit before tax and non-operating surplus/deficit	38.8	7.4	-12.8	22.2	-4.1	52.5	-14.4	48.2
11 Non-operating surplus/deficit	-23.3	-73.2	-90.9	241.4	102.8	-37.0	-76.4	85.2
12 Profit Before Tax	32.8	2.9	-24.0	26.0	0.2	45.3	-26.4	50.5
13 Tax provision	36.8	1.3	-15.5	15.8	-2.3	50.7	-13.0	35.1
14 Profit After Tax	30.7	3.7	-27.5	30.9	1.3	43.1	-31.7	58.3
15 Dividend paid	-3.2	70.7	-46.4	5.1	-4.1	52.6	0.4	8.7
16 Profit retained	35.4	-2.9	-23.9	34.4	2.1	41.6	-39.2	77.3
17 Gross saving	27.9	4.3	-12.6	29.4	6.2	30.5	-22.3	48.6
18 (a) Gross value added	-7.5	92.8	2.7	18.1	8.6	20.9	10.4	17.3
(b) Net value added	-10.6	107.4	0.5	17.9	8.0	22.0	9.5	17.7
19 Net worth @	16.3	13.6	12.0	15.7	19.3	16.7	11.6	17.3
20 Total borrowings @	-16.7	37.3	12.7	8.4	9.9	2.1	19.7	7.8
of which: from banks @	-16.4	40.9	10.5	6.0	10.4	2.3	27.5	7.7
21 Trade dues and other current liabilities @	-20.5	-42.5	9.6	3.4	11.2	14.1	11.5	13.4
22 (a) Gross fixed assets @	11.9	12.9	15.4	10.7	18.1	7.9	15.3	9.6
(b) Net fixed assets @	15.5	13.9	15.2	8.9	22.3	5.2	16.7	7.3
23 Inventories @	13.0	10.5	9.1	3.0	5.5	11.2	9.9	14.3
24 (a) Gross physical assets @	12.3	12.0	13.2	8.2	14.6	8.7	13.7	10.9
(b) Net physical assets @	14.1	12.1	12.5	6.4	15.8	7.3	14.0	10.0
25 (a) Total gross assets @	-10.6	-9.7	11.0	11.3	13.4	11.5	13.4	13.1
(b) Total net assets @	-12.4	-12.2	10.2	10.8	13.7	11.3	13.5	13.0
26 Total earnings in foreign currencies	-27.8	-61.0	19.4	-0.4	7.3	-6.5	30.6	-6.4
of which: Exports	-28.4	-61.0	20.0	-0.3	6.8	-4.2	26.1	-5.0
27 Total expenditure in foreign currencies	26.3	-32.9	36.8	5.5	-0.5	13.5	30.1	-4.1
of which: Imports	26.9	-33.1	29.6	10.7	-2.6	16.5	28.1	-3.0

Note: 1. Figures in brackets below the PUC range represent the number of companies in the PUC range.
2. Rates of growth of all the items are adjusted for changes due to amalgamation of companies.
3. For footnotes, please refer to Statement 7.

Statement 9: Growth Rates of the Select Items of the Select 3,352 Public Limited Companies – Paid-up Capital-wise, 2008-09 and 2009-10 *(Concld.)*

(Per cent)

PUC-Range	₹ 10-25 Crore (1131)		₹ 25-50 Crore (505)		₹ 50-100 Crore (247)		>= ₹ 100 Crore (248)	
Item	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
	9	10	11	12	13	14	15	16
1 Sales +	14.8	10.8	18.4	14.0	15.8	7.2	15.9	14.3
2 Value of production	13.2	10.7	16.9	13.7	14.6	6.7	18.6	14.6
3 Total Income	13.1	10.1	19.4	11.6	17.5	7.1	17.8	15.7
4 Manufacturing Expenses	13.0	10.4	21.4	10.5	20.4	4.1	22.0	17.9
5 Remuneration to employees	18.1	10.0	20.2	8.6	18.1	8.7	20.1	-0.1
6 PBDIT	-1.6	32.6	-29.8	76.7	-32.3	49.8	-4.1	22.5
7 Depreciation provision	23.6	17.8	19.6	19.1	13.8	11.7	23.7	26.1
8 Gross profit (PBIT)	-2.1	24.9	-5.0	36.0	-4.8	34.7	-12.6	22.7
9 Interest	44.9	12.0	46.9	5.9	34.1	14.7	51.2	17.9
10 Profit before tax and non-operating surplus/deficit	-15.0	30.9	-18.6	50.4	-14.4	42.4	-22.1	24.0
11 Non-operating surplus/deficit	-23.5	-19.7	32.7	-83.6	1.3	32.1	-209.3	432.3
12 Profit Before Tax	-15.5	28.1	-16.1	39.8	-13.1	41.5	-19.9	30.5
13 Tax provision	-8.3	24.8	-7.0	29.3	-9.6	29.3	-15.6	49.3
14 Profit After Tax	-18.1	29.4	-19.3	44.2	-14.5	46.4	-21.1	24.6
15 Dividend paid	-2.3	22.5	-4.2	72.1	2.3	29.2	-14.2	41.2
16 Profit retained	-21.3	31.2	-23.1	35.7	-19.0	52.7	-23.1	19.6
17 Gross saving	-6.9	25.5	-9.0	28.5	-8.4	36.3	-8.0	22.4
18 (a) Gross value added	8.4	18.8	7.4	24.0	5.0	23.6	0.7	17.1
(b) Net value added	6.2	19.0	5.5	24.8	3.5	25.7	-3.4	15.1
19 Net worth @	13.3	17.1	14.1	18.7	13.7	19.8	25.1	20.9
20 Total borrowings @	24.1	9.1	26.4	14.9	25.7	12.3	33.1	3.0
of which: from banks @	25.9	10.3	30.7	12.2	34.0	7.3	31.9	-0.7
21 Trade dues and other current liabilities @	13.6	15.4	27.2	16.4	23.5	6.1	22.1	12.6
22 (a) Gross fixed assets @	19.8	11.0	20.9	15.4	17.4	8.7	19.7	12.8
(b) Net fixed assets @	21.7	9.0	22.5	14.3	19.7	8.4	20.5	10.0
23 Inventories @	12.4	15.2	19.2	21.5	21.1	15.9	8.8	19.7
24 (a) Gross physical assets @	18.1	11.9	20.4	17.0	18.1	10.1	18.2	13.7
(b) Net physical assets @	18.9	10.8	21.4	16.6	20.1	10.3	18.4	11.6
25 (a) Total gross assets @	16.3	13.9	20.2	17.3	18.7	13.5	24.8	14.3
(b)Total net assets @	16.4	13.5	20.7	17.1	19.9	14.1	26.0	13.4
26 Total earnings in foreign currencies	17.9	1.7	19.0	-0.5	26.8	-1.8	18.5	2.9
of which: Exports	14.5	4.1	17.3	2.3	18.6	1.7	14.8	5.4
27 Total expenditure in foreign currencies	16.5	2.1	40.2	10.3	8.4	4.3	26.2	10.2
of which: Imports	13.7	3.4	40.9	12.4	7.3	5.2	25.4	15.7

Note: 1. Figures in brackets below the PUC range represent the number of companies in the PUC range.
2. Rates of growth of all the items are adjusted for changes due to amalgamation of companies.
3. For footnotes, please refer to Statement 7.

Statement 10: Select Financial Ratios of the Select 3,352 Public Limited Companies – Paid-up Capital-wise, 2007-08 to 2009-10

(Per cent)

PUC-Range	< ₹ 1 Crore (110)			₹ 1-2 Crore (122)			₹ 2-5 Crore (439)		
Item	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	1	2	3	4	5	6	7	8	9
A. Capital structure ratios									
1 Net fixed assets to total net assets	10.6	14.0	18.1	30.8	32.6	32.4	31.6	34.2	32.5
2 Net worth to total net assets	20.3	27.0	34.9	43.3	44.3	46.6	39.5	41.7	43.9
3 Debt to equity	25.8	14.2	14.3	29.3	28.5	26.2	36.5	35.0	32.2
4 Debt to equity (equity adjusted for revaluation reserve)	26.1	14.4	14.4	30.0	29.4	26.9	37.8	36.4	33.5
5 Short term bank borrowings to inventories	96.5	74.3	100.7	33.3	33.1	33.8	73.3	71.2	61.7
6 Total outside liabilities to net worth	391.8	270.4	186.4	130.9	125.9	114.6	153.2	139.8	127.7
B. Liquidity ratios									
7 Current assets to current liabilities *	1.2	1.2	1.3	1.5	1.5	1.5	1.3	1.3	1.4
8 Quick assets to current liabilities	94.6	87.0	83.6	70.4	68.4	72.5	64.1	65.9	70.6
9 Current assets to total net assets	86.9	82.5	77.5	63.6	62.7	62.5	60.6	57.7	59.5
10 Sundry creditors to current assets	62.3	56.7	30.9	30.7	30.8	30.4	27.3	27.2	27.4
11 Sundry creditors to net working capital	427.9	344.9	134.9	98.5	97.4	88.3	110.3	108.7	90.5
C. Assets utilization and turnover ratios									
12 Sales to total net assets	127.2	159.0	163.0	131.2	136.2	134.9	121.2	120.8	120.1
13 Sales to gross fixed assets	634.6	620.8	495.3	284.7	281.0	276.5	230.5	220.8	225.8
14 Inventories to sales	9.5	9.9	12.1	18.5	17.6	16.4	16.6	15.4	15.4
15 Sundry debtors to sales	9.7	9.6	11.8	15.9	14.1	14.0	16.8	16.0	16.1
16 Exports to sales	46.1	30.2	13.1	36.1	37.7	34.0	13.7	12.8	11.1
17 Gross value added to gross fixed assets	35.6	29.4	50.2	50.2	44.2	46.5	41.9	38.3	42.6
18 Raw materials consumed to value of production	86.5	86.7	79.5	64.1	64.9	65.5	63.8	63.4	63.4
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to total uses of funds		-20.0	-31.0		56.2	39.7		58.7	31.1
20 Gross capital formation to total uses of funds		-33.2	-46.4		73.8	45.1		65.5	46.2
21 External sources of funds to total sources of funds		129.4	152.3		47.4	23.3		40.7	33.6
22 Increase in bank borrowings to total external sources		16.3	-36.8		30.8	34.7		37.0	11.4
23 Gross savings to gross capital formation		113.6	107.9		93.1	171.3		77.6	147.3
E. Profitability and profit allocation ratios									
24 Gross profit (PBIT) to total net assets	5.3	7.7	8.7	12.6	10.5	11.4	10.2	9.3	11.3
25 Gross profit (PBIT) to sales	4.1	4.8	5.4	9.6	7.7	8.4	8.4	7.7	9.4
26 Profit after tax to net worth	13.8	15.5	14.1	20.4	13.1	14.6	14.4	12.1	14.7
27 PBDIT to sales	0.8	–	3.4	8.2	7.0	8.4	8.0	7.5	8.9
28 Tax provision to profit before tax**	35.9	34.3	34.3	28.9	31.2	28.5	28.1	27.1	29.8
29 Profit retained to profit after tax**	86.9	91.2	85.5	83.9	88.5	91.0	87.3	87.9	86.0
30 Dividends to net worth	1.7	1.4	2.1	3.3	1.6	1.4	2.0	1.6	2.1
31 Ordinary dividends to ordinary paid-up capital	87.1	83.2	140.3	74.6	40.1	43.7	22.1	20.6	31.1

* Item B.7 is the actual ratio of current assets to current liabilities.

** Calculated based on compnies which made profit in all the three years during 2007-08 to 2009-10.

Note: 1. Figures in brackets below the PUC range represent the number of companies in the PUC range.

2. For footnotes, please refer to Statement 7.

Statement 10: Select Financial Ratios of the Select 3,352 Public Limited Companies – Paid-up Capital-wise, 2007-08 to 2009-10 *(contd.)*

(Per cent)

PUC-Range	₹ 5-10 Crore (550)			₹ 10-25 Crore (1131)			₹ 25-50 Crore (505)		
Item	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	10	11	12	13	14	15	16	17	19
A. Capital structure ratios									
1 Net fixed assets to total net assets	31.2	32.2	30.6	36.7	38.2	36.8	34.0	34.6	34.0
2 Net worth to total net assets	40.1	39.4	40.9	42.1	40.7	41.9	39.0	37.1	37.9
3 Debt to equity	36.2	34.9	29.7	42.1	48.4	45.3	48.4	52.8	50.5
4 Debt to equity (equity adjusted for revaluation reserve)	37.6	36.3	30.6	43.5	49.3	46.2	49.3	53.9	51.8
5 Short term bank borrowings to inventories	65.0	77.1	76.8	85.3	86.8	82.6	65.1	70.0	59.9
6 Total outside liabilities to net worth	149.6	153.8	144.6	137.5	146.0	138.5	156.1	169.5	164.1
B. Liquidity ratios									
7 Current assets to current liabilities *	1.4	1.3	1.3	1.4	1.3	1.4	1.3	1.3	1.3
8 Quick assets to current liabilities	65.7	62.1	63.8	65.3	63.2	66.3	62.4	58.4	58.6
9 Current assets to total net assets	61.7	60.4	61.6	53.8	52.5	53.2	55.7	55.1	55.2
10 Sundry creditors to current assets	25.8	25.0	26.3	24.3	23.6	24.1	26.1	25.0	25.5
11 Sundry creditors to net working capital	95.9	109.1	108.7	93.5	94.3	89.0	103.8	113.7	112.7
C. Assets utilization and turnover ratios									
12 Sales to total net assets	115.4	115.4	114.7	89.8	89.0	86.7	86.0	84.0	81.5
13 Sales to gross fixed assets	229.7	225.6	231.2	169.5	163.5	162.5	177.9	173.1	170.1
14 Inventories to sales	18.0	17.4	17.7	17.4	17.1	17.8	19.6	19.8	21.1
15 Sundry debtors to sales	18.7	18.6	18.9	19.3	19.2	19.9	17.3	17.8	17.8
16 Exports to sales	14.6	16.2	13.7	15.3	15.3	14.3	18.5	18.3	16.4
17 Gross value added to gross fixed assets	44.9	42.9	45.9	38.9	35.4	37.8	38.7	34.1	36.5
18 Raw materials consumed to value of production	60.7	58.9	58.8	56.2	55.5	55.3	60.1	62.7	60.3
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to total uses of funds		48.1	31.4		55.4	37.3		43.6	38.1
20 Gross capital formation to total uses of funds		61.0	49.8		65.6	51.6		57.6	56.3
21 External sources of funds to total sources of funds		61.4	43.6		65.7	50.0		73.9	58.6
22 Increase in bank borrowings to total external sources		60.1	27.4		48.3	32.3		37.6	24.0
23 Gross savings to gross capital formation		69.8	114.9		61.6	99.9		52.8	67.4
E. Profitability and profit allocation ratios									
24 Gross profit (PBIT) to total net assets	10.9	9.5	11.1	10.9	9.2	10.1	10.6	8.3	9.6
25 Gross profit (PBIT) to sales	9.5	8.2	9.7	12.2	10.4	11.7	12.3	9.9	11.8
26 Profit after tax to net worth	18.8	11.5	15.5	16.0	11.7	12.9	16.5	11.6	13.9
27 PBDIT to sales	9.3	8.1	9.9	11.6	9.9	11.9	11.2	6.6	10.2
28 Tax provision to profit before tax**	27.2	29.2	29.9	25.0	25.2	26.3	24.8	24.6	25.4
29 Profit retained to profit after tax**	81.8	77.2	80.6	83.8	83.4	82.5	81.7	81.5	74.0
30 Dividends to net worth	3.5	3.2	3.0	2.7	2.4	2.5	3.3	2.7	3.9
31 Ordinary dividends to ordinary paid-up capital	33.7	33.1	35.0	22.3	20.9	24.6	29.3	26.9	43.3

Statement 10: Select Financial Ratios of the Select 3,352 Public Limited Companies – Paid-up Capital-wise, 2007-08 to 2009-10 *(concld.)*

(Per cent)

PUC-Range	₹ 50-100 Crore (247)			>=₹ 100 Crore (248)		
Item	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	20	21	22	23	24	25
A. Capital structure ratios						
1 Net fixed assets to total net assets	39.9	40.2	38.4	41.1	40.6	39.4
2 Net worth to total net assets	40.5	38.9	40.8	46.2	45.6	48.5
3 Debt to equity	53.7	59.6	57.2	42.7	42.2	40.6
4 Debt to equity (equity adjusted for revaluation reserve)	56.7	63.3	59.9	43.6	43.6	41.6
5 Short term bank borrowings to inventories	80.6	83.1	74.5	96.9	151.0	101.1
6 Total outside liabilities to net worth	146.6	157.4	145.3	116.5	119.5	106.2
B. Liquidity ratios						
7 Current assets to current liabilities *	1.3	1.3	1.4	1.3	1.1	1.2
8 Quick assets to current liabilities	56.2	52.7	60.6	49.2	45.8	48.0
9 Current assets to total net assets	47.3	47.6	48.9	42.5	38.0	36.3
10 Sundry creditors to current assets	27.0	26.3	24.2	24.6	26.3	28.0
11 Sundry creditors to net working capital	129.1	126.9	88.1	117.9	317.9	212.2
C. Assets utilization and turnover ratios						
12 Sales to total net assets	72.1	69.2	64.9	62.8	57.0	57.4
13 Sales to gross fixed assets	127.7	124.3	121.9	108.6	101.3	102.0
14 Inventories to sales	18.8	19.6	21.2	14.6	13.7	14.3
15 Sundry debtors to sales	17.7	18.7	19.7	12.1	11.7	12.3
16 Exports to sales	14.3	14.6	13.9	19.9	19.7	18.2
17 Gross value added to gross fixed assets	31.3	27.7	31.3	33.5	27.1	28.0
18 Raw materials consumed to value of production	49.3	51.2	51.9	44.7	45.7	47.8
D. Sources and uses of funds ratios @						
19 Gross fixed assets formation to total uses of funds		45.0	31.0		39.4	43.8
20 Gross capital formation to total uses of funds		58.1	44.9		42.2	53.1
21 External sources of funds to total sources of funds		71.3	57.9		68.3	48.8
22 Increase in bank borrowings to total external sources		46.5	19.2		29.7	-1.7
23 Gross savings to gross capital formation		56.8	116.3		68.6	91.8
E. Profitability and profit allocation ratios						
24 Gross profit (PBIT) to total net assets	10.6	8.3	9.8	11.8	8.1	8.7
25 Gross profit (PBIT) to sales	14.6	12.0	15.1	18.8	14.2	15.2
26 Profit after tax to net worth	16.4	12.1	14.8	17.1	10.7	11.0
27 PBDIT to sales	13.1	7.7	10.7	19.3	16.0	17.1
28 Tax provision to profit before tax**	27.2	26.0	26.0	21.4	19.3	24.1
29 Profit retained to profit after tax**	80.6	79.0	79.8	79.5	81.6	76.8
30 Dividends to net worth	3.2	2.9	3.1	3.7	2.5	2.9
31 Ordinary dividends to ordinary paid-up capital	30.8	29.3	33.7	27.9	23.3	28.1

Statement 11: Growth Rates of the select items of the select 3,352 Public Limited Companies, Industry-wise, 2008-09 and 2009-10 *(Contd.)*

(Per cent)

Item	Tea Plantations (26)		Mining and Quarrying (34)		Food Products and Beverages (244)		Sugar (67)	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
	1	2	3	4	5	6	7	8
1. Sales +	25.3	24.3	223.3	3.2	18.3	14.6	14.2	32.4
2. Value of production	28.2	24.1	212.9	6.0	16.0	15.0	10.1	30.4
3. Total Income	19.3	27.4	209.6	7.0	16.7	13.8	14.1	24.0
4. Manufacturing Expenses	36.4	17.8	329.8	10.1	14.6	13.1	-1.4	26.7
5. Remuneration to employees	13.0	9.4	61.1	21.3	12.2	16.2	9.6	10.9
6. PBDIT	#	138.8	29.5	-6.5	25.6	59.2	390.8	127.9
7. Depreciation provision	10.0	8.6	117.5	23.8	23.3	18.9	33.3	19.6
8. Gross profit (PBIT)	229.5	89.4	25.3	0.5	25.7	51.0	305.0	109.9
9. Interest	19.5	-24.8	187.0	22.7	38.6	16.6	53.9	14.3
10. Profit before tax and non-operating surplus/deficit	#	155.6	9.4	-5.3	16.3	81.3	-152.8	#
11. Non-operating surplus/deficit	-70.4	244.8	595.7	-147.9	108.7	-76.5	238.3	-85.2
12. Profit Before Tax	46.4	173.8	11.4	-8.3	29.6	44.5	-472.3	96.1
13. Tax provision	-1.4	101.4	9.3	-24.2	23.8	25.1	301.5	68.3
14. Profit After Tax	88.6	207.2	12.4	-0.7	32.6	53.8	-338.3	104.1
15. Dividend paid	-39.0	30.9	-2.7	28.9	58.5	17.0	351.2	25.3
16. Profit retained	-235.4	409.0	15.0	-4.9	22.7	72.0	-243.9	138.0
17. Gross saving	#	252.7	31.3	2.7	23.1	43.7	318.9	61.6
18. (a) Gross value added	54.4	37.8	30.6	13.7	20.5	37.4	74.0	62.7
(b) Net value added	58.5	39.7	22.6	12.1	19.9	41.7	98.7	80.3
19. Net worth @	3.7	24.5	26.7	26.4	18.0	27.7	13.8	31.9
20. Total borrowings @	-1.5	-12.6	27.3	16.2	19.6	12.5	17.6	-2.4
of which, from banks @	-13.9	2.0	30.3	12.4	25.0	17.3	26.2	-0.3
21. Trade dues and other current liabilities @	5.8	1.0	4.1	50.6	1.6	26.6	-4.4	52.5
22. (a) Gross fixed assets @	2.2	3.4	37.3	25.4	15.5	11.6	11.8	8.4
(b) Net fixed assets @	1.2	2.5	37.5	24.2	14.8	9.4	9.1	5.2
23. Inventories @	34.1	23.6	-35.5	62.7	4.6	31.4	15.2	37.5
24. (a) Gross physical assets @	5.5	6.0	22.3	29.5	12.3	16.9	12.5	14.7
(b) Net physical assets @	6.1	6.5	20.3	29.1	11.2	16.7	10.6	13.6
25. (a) Total gross assets @	2.2	5.8	22.0	27.4	14.9	20.5	13.7	16.6
(b) Total net assets @	1.8	6.0	20.9	27.0	14.5	21.0	12.4	16.1
26. Total earnings in foreign currencies	52.2	19.9	22.5	-15.8	30.9	-14.1	57.4	-80.4
of which, Exports	51.5	26.9	9.3	-15.6	31.1	-14.1	58.4	-80.7
27. Total expenditure in foreign currencies	67.4	-1.6	81.2	6.7	25.9	40.8	-3.4	^
of which, Imports	83.2	-20.0	77.0	6.6	21.5	47.8	-21.1	^

Note: 1. Figures in brackets below the industry name represent the number of companies in the industry.
2. Rates of growth of all the items are adjusted for changes due to amalgamation of companies.
3. For footnotes, please refer to Statement 7.

Statement 11: Growth Rates of the select items of the select 3,352 Public Limited Companies, Industry-wise, 2008-09 and 2009-10 *(Contd.)*

(Per cent)

Item	Edible Oils and Oil Cakes (59)		Cotton Textiles (128)		Man-made Textiles (45)		Apparel (38)	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
	9	10	11	12	13	14	15	16
1 Sales +	17.4	4.4	11.9	18.1	14.4	20.9	13.2	6.8
2 Value of production	14.1	5.8	9.8	19.4	13.0	22.5	8.4	-1.9
3 Total Income	14.4	5.7	10.0	18.5	11.5	22.5	8.6	-0.3
4 Manufacturing Expenses	15.3	4.9	9.4	18.2	11.7	18.4	6.2	3.8
5 Remuneration to employees	24.9	16.6	15.1	11.2	17.2	16.7	13.0	0.8
6 PBDIT	-30.8	67.4	-7.0	78.2	9.0	75.7	-51.5	-51.2
7 Depreciation provision	18.6	27.0	17.6	11.9	18.8	18.2	24.5	3.9
8 Gross profit (PBIT)	-24.7	50.9	-27.0	140.3	-5.4	108.2	-45.6	-31.9
9 Interest	15.3	12.7	37.2	10.9	44.9	17.9	60.4	7.5
10 Profit before tax and non-operating surplus/deficit	-45.1	91.7	-199.5	-339.1	-76.4	^	-96.0	^
11 Non-operating surplus/deficit	#	-28.2	192.3	-105.2	-140.3	19.5	#	308.4
12 Profit Before Tax	-38.2	79.0	-139.7	^	-85.4	^	-88.1	-57.6
13 Tax provision	-31.5	49.7	-15.2	107.6	0.4	101.3	-16.1	20.9
14 Profit After Tax	-40.6	90.9	-202.1	-306.5	-113.8	#	-124.0	79.3
15 Dividend paid	5.1	6.4	-24.5	65.5	-38.9	90.3	3.6	13.7
16 Profit retained	-45.9	110.0	-262.8	-247.6	-133.1	#	-142.8	50.9
17 Gross saving	-26.3	69.5	-26.5	102.1	-26.9	120.7	-79.1	-55.7
18 (a) Gross value added	-12.9	48.1	0.2	44.5	9.5	55.0	-6.2	-6.3
(b) Net value added	-18.2	53.3	-7.5	63.0	5.3	73.2	-9.7	-7.9
19 Net worth @	19.8	29.5	6.5	15.4	4.8	25.1	7.7	-4.7
20 Total borrowings @	19.3	31.1	14.3	9.8	11.0	16.8	21.9	5.5
of which, from banks @	20.7	41.3	20.4	9.2	11.4	14.6	16.3	11.0
21 Trade dues and other current liabilities @	-3.9	18.1	20.8	3.1	1.1	11.7	8.7	12.2
22 (a) Gross fixed assets @	30.3	16.8	12.5	7.9	15.7	10.1	15.4	3.9
(b) Net fixed assets @	34.0	15.8	11.5	4.2	17.0	9.7	10.7	-2.3
23 Inventories @	-13.9	34.6	0.3	35.2	3.7	40.7	10.9	-10.1
24 (a) Gross physical assets @	7.5	24.2	10.4	12.0	14.0	14.1	13.1	-3.2
(b) Net physical assets @	5.6	25.0	8.9	10.7	14.3	15.2	10.9	-6.9
25 (a) Total gross assets @	10.2	25.1	12.7	11.6	8.8	16.7	14.6	3.9
(b) Total net assets @	9.3	25.7	12.2	10.6	7.6	18.4	13.4	2.4
26 Total earnings in foreign currencies	40.2	-7.7	0.7	16.9	7.8	17.6	9.0	1.2
of which, Exports	41.2	-8.0	0.4	16.7	-1.3	27.8	8.7	0.9
27 Total expenditure in foreign currencies	25.9	11.8	-14.8	-1.0	31.9	33.9	5.9	9.8
of which, Imports	19.8	19.4	-18.9	0.7	33.1	34.3	4.3	11.9

Note: Industry groups, *viz.*, 'Sugar' and 'Edible Oils & Oil Cakes' are subgroups of 'Food Products & Beverages'.

Statement 11: Growth Rates of the select items of the select 3,352 Public Limited Companies, Industry-wise, 2008-09 and 2009-10 *(Contd.)*

(Per cent)

Item	Paper and Paper Products (57)		Chemicals and Chemical Products (423)		Basic Chemicals (64)		Chemical Fertilizers and Pesticides (48)	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
	17	18	19	20	21	22	23	24
1 Sales +	6.1	2.7	20.4	3.1	17.0	-15.3	40.7	-13.6
2 Value of production	6.0	1.4	21.1	2.7	17.2	-16.8	44.0	-15.9
3 Total Income	6.4	0.3	21.6	1.8	14.8	-16.6	49.4	-18.5
4 Manufacturing Expenses	9.7	-1.1	24.8	-3.4	17.8	-21.1	55.5	-20.7
5 Remuneration to employees	-4.4	9.8	20.0	13.0	18.0	5.7	23.6	2.6
6 PBDIT	-9.7	13.0	-24.2	70.0	-11.2	13.0	-254.1	-141.4
7 Depreciation provision	0.9	11.4	11.3	15.4	13.4	11.5	5.2	6.6
8 Gross profit (PBIT)	-12.3	7.0	-2.9	31.9	-19.3	9.4	26.2	-1.8
9 Interest	38.0	-11.9	34.5	1.3	22.1	-10.7	13.5	-17.5
10 Profit before tax and non-operating surplus/deficit	-37.3	27.6	-9.8	40.3	-34.1	22.7	30.6	2.9
11 Non-operating surplus/deficit	-193.8	-337.3	-72.3	162.8	-108.9	274.0	-90.7	397.7
12 Profit Before Tax	-33.0	13.6	-16.2	44.4	-42.0	18.6	3.5	10.9
13 Tax provision	-2.5	6.2	-0.3	30.7	-10.0	3.8	29.0	-9.0
14 Profit After Tax	-39.8	16.3	-21.6	50.3	-50.1	25.5	-9.8	25.8
15 Dividend paid	-23.0	12.4	-12.5	15.0	4.5	17.5	-11.5	9.5
16 Profit retained	-44.1	17.7	-26.7	73.8	-58.1	28.4	-9.2	32.6
17 Gross saving	-20.8	13.5	-14.1	48.8	-31.3	17.9	-3.3	21.1
18 (a) Gross value added	-9.2	12.7	3.9	25.8	-5.8	10.9	18.5	3.3
(b) Net value added	-12.1	13.1	2.7	27.6	-10.9	10.7	21.4	2.6
19 Net worth @	-7.3	9.9	12.9	18.2	11.0	7.5	7.9	15.5
20 Total borrowings @	14.8	-0.3	24.6	-2.3	12.8	-1.8	20.3	-2.2
of which, from banks @	22.6	-4.1	28.2	-0.2	14.0	-0.3	32.7	-4.5
21 Trade dues and other current liabilities @	-1.5	6.0	31.9	1.0	12.9	5.0	64.4	-27.6
22 (a) Gross fixed assets @	-3.3	8.4	14.9	9.6	14.9	5.9	11.9	6.6
(b) Net fixed assets @	–	6.2	16.5	8.4	15.6	3.4	15.0	5.1
23 Inventories @	-2.7	4.5	16.3	9.1	14.8	-2.4	23.6	-7.0
24 (a) Gross physical assets @	-3.2	8.0	15.2	9.5	14.8	4.9	14.0	3.9
(b) Net physical assets @	-0.4	5.9	16.5	8.6	15.5	2.4	17.5	1.3
25 (a) Total gross assets @	-0.1	5.8	18.0	8.5	12.1	5.0	19.0	1.2
(b) Total net assets @	2.8	3.8	19.2	7.8	11.8	3.3	22.4	-0.8
26 Total earnings in foreign currencies	-6.5	-8.8	20.4	3.4	29.8	-16.0	44.0	-4.0
of which, Exports	-9.0	-12.7	20.1	4.2	30.2	-15.1	39.5	0.1
27 Total expenditure in foreign currencies	4.9	-16.8	53.9	-20.4	20.2	-42.0	152.4	-39.6
of which, Imports	3.8	-16.8	58.2	-21.7	24.0	-43.9	151.3	-39.7

Note: Industry groups, *viz.*, 'Basic Chemicals' and 'Chemical Fertilizers and Pesticides' are subgroups of 'Chemicals and Chemical Products'.

Statement 11: Growth Rates of the select items of the select 3,352 Public Limited Companies, Industry-wise, 2008-09 and 2009-10 *(Contd.)*

(Per cent)

Item	Paints and Varnishes (19)		Pharmaceuticals and Medicines (144)		Rubber and Plastic Products (127)		Tyres and Tubes (17)	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
	25	26	27	28	29	30	31	32
1 Sales +	16.0	12.9	15.3	11.6	13.6	13.5	13.2	14.3
2 Value of production	15.2	14.8	15.5	11.4	11.5	14.0	10.9	13.3
3 Total Income	17.1	13.9	14.2	11.6	11.5	13.7	11.0	13.1
4 Manufacturing Expenses	12.9	12.1	15.0	8.6	12.6	9.3	14.7	4.3
5 Remuneration to employees	13.2	13.6	21.3	18.3	13.7	15.2	11.8	19.4
6 PBDIT	5.6	54.6	-13.3	58.6	-10.1	68.6	-18.7	101.4
7 Depreciation provision	9.1	17.3	14.7	16.4	7.3	22.0	5.9	27.1
8 Gross profit (PBIT)	3.3	57.8	-10.9	49.7	-12.5	77.4	-23.5	130.0
9 Interest	24.6	-29.4	58.9	15.2	24.8	0.4	28.2	-10.6
10 Profit before tax and non-operating surplus/deficit	1.1	68.7	-19.4	58.0	-27.2	129.4	-38.0	212.0
11 Non-operating surplus/deficit	#	-32.4	-69.0	77.0	42.1	-162.2	-59.5	#
12 Profit Before Tax	22.7	49.9	-23.1	58.5	-24.9	111.2	-38.3	200.1
13 Tax provision	15.9	54.6	-9.5	53.8	-23.8	119.2	-30.2	175.1
14 Profit After Tax	26.0	47.8	-26.6	60.1	-25.3	108.2	-41.9	213.6
15 Dividend paid	13.0	40.5	-9.9	14.8	-16.4	52.9	2.7	53.4
16 Profit retained	33.4	51.3	-32.3	80.6	-27.5	123.8	-49.6	269.4
17 Gross saving	25.9	42.2	-21.4	58.8	-12.3	69.5	-25.8	121.1
18 (a) Gross value added	7.5	39.3	-0.7	37.1	-2.3	48.4	-7.2	66.7
(b) Net value added	7.3	41.9	-2.6	40.1	-4.5	55.0	-9.9	76.2
19 Net worth @	17.6	23.8	14.9	21.6	7.3	19.8	5.8	22.6
20 Total borrowings @	2.5	-16.6	29.2	-6.1	16.0	8.3	30.1	-5.2
of which, from banks @	-0.8	-31.0	32.4	-2.2	22.3	2.8	35.3	-28.9
21 Trade dues and other current liabilities @	-6.0	30.1	48.6	2.0	5.9	17.6	0.5	25.8
22 (a) Gross fixed assets @	9.8	12.6	17.8	13.9	15.9	12.4	17.0	13.9
(b) Net fixed assets @	14.8	16.6	16.8	11.9	20.3	12.7	22.0	15.0
23 Inventories @	-1.1	20.5	18.9	14.0	-2.8	14.6	-5.8	9.4
24 (a) Gross physical assets @	6.6	14.7	18.1	13.9	12.7	12.7	12.8	13.2
(b) Net physical assets @	7.7	18.1	17.5	12.6	14.4	13.1	14.2	13.7
25 (a) Total gross assets @	7.0	17.1	22.1	10.8	10.1	14.1	11.1	14.1
(b) Total net assets @	7.6	19.4	22.2	9.8	10.2	14.7	11.5	14.8
26 Total earnings in foreign currencies	17.5	-7.8	20.2	9.5	6.6	-0.5	17.6	-3.6
of which, Exports	17.4	-8.1	20.7	9.8	7.3	-0.8	17.2	-3.2
27 Total expenditure in foreign currencies	7.5	7.2	19.6	0.2	24.8	14.6	29.0	16.1
of which, Imports	9.6	5.9	16.3	1.6	24.6	15.1	28.7	16.0

Note: 1. Industry groups, *viz.*, 'Paints and varnishes' and 'Pharmaceuticals and Medicines' are subgroups of 'Chemicals and Chemical Products'.
2. Industry groups, *viz.*, 'Tyres and Tubes' and 'Plastic Products' are subgroups of 'Rubber and plastic Products'.

Statement 11: Growth Rates of the select items of the select 3,352 Public Limited Companies, Industry-wise, 2008-09 and 2009-10 *(Contd.)*

(Per cent)

Item	Plastic Products (92)		Ceramics (28)		Cement and Cement Products (49)		Iron and Steel (168)	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
	33	34	35	36	37	38	49	40
1 Sales +	13.8	13.2	17.3	6.6	16.3	12.0	18.1	6.9
2 Value of production	11.9	15.0	15.9	7.6	15.4	11.7	15.1	7.3
3 Total Income	11.8	14.4	15.5	8.4	13.9	13.6	14.1	8.0
4 Manufacturing Expenses	10.1	14.9	18.4	7.3	28.9	7.9	18.1	5.9
5 Remuneration to employees	16.7	10.4	14.8	14.7	17.2	15.9	18.2	9.3
6 PBDIT	-3.5	45.2	3.3	8.6	-3.9	18.6	-5.1	28.8
7 Depreciation provision	8.6	18.6	8.2	17.0	25.6	22.3	17.5	19.0
8 Gross profit (PBIT)	-6.0	48.3	4.2	5.4	-5.1	14.2	-13.8	33.9
9 Interest	23.8	6.7	16.2	-1.8	23.0	39.1	39.4	18.2
10 Profit before tax and non-operating surplus/deficit	-20.6	80.1	-3.2	10.6	-8.2	10.6	-26.5	41.1
11 Non-operating surplus/deficit	69.0	-116.8	#	-174.8	-181.2	-321.7	-81.1	156.9
12 Profit Before Tax	-15.6	58.4	-10.0	23.2	-15.2	23.6	-25.2	40.4
13 Tax provision	-18.8	73.0	0.6	32.0	-20.7	29.9	-10.5	12.2
14 Profit After Tax	-14.7	54.3	-15.2	18.1	-13.2	21.4	-30.1	52.4
15 Dividend paid	-20.6	55.4	-19.1	50.4	-10.1	14.5	-12.3	-13.5
16 Profit retained	-13.1	54.0	-14.1	9.7	-13.8	22.8	-33.4	68.2
17 Gross saving	-3.8	36.9	-1.8	14.2	-4.8	22.6	-19.1	48.2
18 (a) Gross value added	0.7	35.4	8.3	11.8	1.2	17.1	-5.5	27.6
(b) Net value added	-1.1	39.8	8.3	10.6	-2.4	16.1	-9.4	29.5
19 Net worth @	7.7	18.4	8.6	7.2	23.6	14.4	13.6	24.9
20 Total borrowings @	10.5	15.0	27.0	3.3	29.2	12.5	35.6	12.1
of which, from banks @	15.6	21.9	32.8	0.6	34.0	3.9	55.0	5.5
21 Trade dues and other current liabilities @	11.9	10.3	16.4	16.7	16.3	1.2	34.3	3.4
22 (a) Gross fixed assets @	14.9	11.3	17.6	6.9	23.4	4.5	26.4	19.4
(b) Net fixed assets @	18.6	11.2	19.4	2.6	27.3	4.4	29.2	18.8
23 Inventories @	0.7	18.9	10.3	13.5	26.2	9.7	6.9	10.7
24 (a) Gross physical assets @	12.7	12.4	16.1	8.2	23.7	5.0	22.9	18.0
(b) Net physical assets @	14.4	12.8	16.8	5.6	27.2	5.1	24.2	17.2
25 (a) Total gross assets @	9.6	14.2	15.4	8.9	22.3	10.1	23.9	15.8
(b) Total net assets @	9.6	14.8	15.8	7.3	24.2	11.3	24.9	15.1
26 Total earnings in foreign currencies	-6.9	4.4	21.2	1.5	10.4	-9.9	11.1	-29.1
of which, Exports	-5.6	3.0	22.0	1.3	14.1	-8.2	24.5	-28.1
27 Total expenditure in foreign currencies	19.9	14.8	35.5	-16.7	-37.3	21.4	27.3	0.8
of which, Imports	20.4	15.9	36.5	-17.5	32.9	7.6	38.2	4.1

Note: 1. Industry groups, *viz.*, 'Plastic Products' is subgroup of 'Rubber and Plastic Products'.

Statement 11: Growth Rates of the select items of the select 3,352 Public Limited Companies, Industry-wise, 2008-09 and 2009-10 *(Contd.)*

(Per cent)

Item	Fabricated Metal Products (86)		Machinery and Machine Tools (183)		Electrical Machinery and Apparatus (120)		Radio, Television and Communication Equip. and Apparatus (53)	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
	41	42	43	44	45	46	47	48
1 Sales +	16.8	-1.0	6.9	6.5	12.7	0.9	17.9	10.3
2 Value of production	18.0	-3.2	5.6	6.0	9.9	1.1	17.5	10.2
3 Total Income	17.7	-1.3	5.6	6.5	9.7	0.9	13.4	10.7
4 Manufacturing Expenses	21.3	-3.1	5.6	4.8	9.6	–	23.9	11.6
5 Remuneration to employees	9.8	6.2	19.5	9.7	17.4	11.3	8.8	16.4
6 PBDIT	-14.1	3.5	-10.0	17.9	-55.0	98.7	39.9	-16.9
7 Depreciation provision	14.9	6.1	13.6	11.2	19.7	18.5	32.6	-6.0
8 Gross profit (PBIT)	-15.2	19.0	-10.7	24.0	-23.6	30.4	-6.4	-13.3
9 Interest	23.4	10.7	48.1	-3.2	56.7	11.7	29.4	5.3
10 Profit before tax and non-operating surplus/deficit	-28.6	23.9	-17.3	29.5	-34.5	36.6	-30.7	-36.8
11 Non-operating surplus/deficit	49.8	-42.1	-6.9	-20.4	127.1	-175.9	-198.3	-78.4
12 Profit Before Tax	-30.9	28.0	-16.6	25.4	-31.3	22.4	-43.0	-31.6
13 Tax provision	-24.2	45.0	-6.0	21.1	-8.5	22.0	-16.0	2.8
14 Profit After Tax	-33.2	21.2	-21.5	27.8	-40.1	22.6	-56.1	-63.7
15 Dividend paid	-19.8	25.4	19.4	11.4	-17.0	30.6	-30.3	50.7
16 Profit retained	-35.2	20.5	-34.1	36.9	-44.0	20.6	-65.1	-143.1
17 Gross saving	-16.4	13.1	-20.0	26.1	-33.9	20.0	-12.1	-30.9
18 (a) Gross value added	-5.9	14.2	1.7	18.2	-10.1	20.7	5.4	-0.1
(b) Net value added	-10.4	16.5	0.1	19.3	-12.4	21.0	-0.7	1.6
19 Net worth @	8.8	34.7	12.4	15.0	11.7	17.5	7.6	26.3
20 Total borrowings @	24.2	66.2	15.8	-1.1	38.8	-1.5	35.2	-5.2
of which, from banks @	21.7	75.1	13.1	-6.7	53.2	-9.8	141.0	0.4
21 Trade dues and other current liabilities @	34.4	-6.3	11.6	19.2	23.2	9.4	27.7	40.6
22 (a) Gross fixed assets @	11.2	48.7	14.6	6.5	16.3	10.7	11.8	2.7
(b) Net fixed assets @	9.0	65.8	16.4	3.7	19.2	10.6	9.3	2.2
23 Inventories @	29.7	-3.4	15.2	2.5	0.5	6.4	13.1	14.5
24 (a) Gross physical assets @	15.1	36.2	14.8	5.4	10.7	9.3	12.0	4.7
(b) Net physical assets @	14.9	43.5	15.9	3.2	10.4	8.8	10.2	5.4
25 (a) Total gross assets @	19.7	30.8	12.4	12.8	19.4	10.4	20.5	14.0
(b) Total net assets @	20.5	34.2	12.4	13.3	20.4	10.4	21.7	16.5
26 Total earnings in foreign currencies	8.2	-24.1	28.5	-13.0	31.9	-25.3	13.7	18.1
of which, Exports	5.9	-18.8	27.4	-11.9	36.3	-26.8	25.1	37.4
27 Total expenditure in foreign currencies	42.2	-10.4	15.6	-3.9	25.1	-10.5	11.3	35.6
of which, Imports	43.0	-12.9	14.7	-3.7	18.9	-7.8	14.0	42.6

Statement 11: Growth Rates of the select items of the select 3,352 Public Limited Companies, Industry-wise, 2008-09 and 2009-10 *(Contd.)*

(Per cent)

Item	Motor Veicles and Other Transport Equipments (178)		Construction (133)		Wholesale and Retail Trade (205)		Hotels and Restaurants (61)	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
	49	50	51	52	53	54	55	56
1 Sales +	7.0	26.2	23.1	17.0	11.8	19.4	-7.6	-6.4
2 Value of production	5.0	27.4	23.8	13.3	8.9	19.5	-7.2	-4.4
3 Total Income	5.5	26.5	34.9	12.0	9.5	16.9	-5.8	-5.3
4 Manufacturing Expenses	6.9	24.1	34.7	15.7	6.6	18.2	2.9	11.3
5 Remuneration to employees	8.5	14.9	35.8	4.1	27.7	-1.0	16.8	-1.0
6 PBDIT	-23.6	94.0	-105.6	-353.8	-14.2	#	-27.7	-16.6
7 Depreciation provision	21.8	17.7	52.8	9.1	32.5	22.7	10.7	15.4
8 Gross profit (PBIT)	-28.7	98.3	4.8	12.2	33.7	35.4	-29.9	-27.0
9 Interest	62.8	12.0	68.2	18.7	43.2	27.1	9.8	20.8
10 Profit before tax and non-operating surplus/deficit	-40.2	127.8	-14.0	8.4	25.1	44.1	-36.3	-40.1
11 Non-operating surplus/deficit	99.6	-15.4	-149.9	391.4	-69.6	-52.5	-168.2	105.0
12 Profit Before Tax	-31.8	102.5	-10.2	14.3	8.4	39.3	-32.7	-36.2
13 Tax provision	-30.3	97.1	-7.9	25.3	3.1	28.6	-32.6	-40.5
14 Profit After Tax	-32.4	104.7	-11.0	10.5	12.9	47.6	-32.8	-33.9
15 Dividend paid	-17.9	152.9	-30.3	34.0	2.2	59.0	-26.2	-6.2
16 Profit retained	-36.9	85.2	-9.4	9.0	19.1	41.9	-35.2	-45.0
17 Gross saving	-15.4	49.6	3.7	9.0	26.0	31.6	-22.8	-21.6
18 (a) Gross value added	-9.9	53.5	28.6	3.3	36.7	13.8	-14.2	-11.4
(b) Net value added	-16.1	63.9	26.7	2.7	37.2	12.8	-17.0	-15.3
19 Net worth @	18.7	19.5	17.8	26.8	22.8	10.8	19.9	2.7
20 Total borrowings @	48.5	7.2	40.8	19.1	25.7	14.6	29.1	28.5
of which, from banks @	55.1	-2.3	56.6	17.0	28.9	17.6	33.9	24.3
21 Trade dues and other current liabilities @	16.1	26.8	35.2	14.0	24.5	10.1	6.3	16.2
22 (a) Gross fixed assets @	22.6	8.4	25.7	13.9	23.8	18.5	18.5	12.8
(b) Net fixed assets @	27.9	4.5	23.3	10.7	24.0	16.4	19.9	12.7
23 Inventories @	12.2	15.7	46.8	19.6	7.6	13.1	13.4	0.4
24 (a) Gross physical assets @	20.6	9.7	35.5	16.8	16.1	16.1	18.4	12.7
(b) Net physical assets @	23.5	7.3	35.7	15.9	15.2	14.8	19.8	12.5
25 (a) Total gross assets @	22.5	18.6	30.2	20.4	23.9	12.6	19.8	14.3
(b) Total net assets @	24.5	19.2	30.0	20.2	23.9	12.1	21.0	14.4
26 Total earnings in foreign currencies	41.6	15.7	65.1	19.3	17.1	-10.6	-13.0	-21.8
of which, Exports	40.1	13.9	-69.5	153.4	16.0	-9.3	198.9	-1.4
27 Total expenditure in foreign currencies	20.8	-5.9	92.9	5.3	25.5	16.5	-8.4	-6.0
of which, Imports	19.0	-10.7	71.6	-11.9	26.6	18.3	-19.6	-2.1

Statement 11: Growth Rates of the select items of the select 3,352 Public Limited Companies, Industry-wise, 2008-09 and 2009-10 *(Contd.)*

(Per cent)

Item	Transport, Storage and Communications (141)		Real Estate Activities (47)		Computer and Related Activities 203)	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
	57	58	59	60	61	62
1 Sales +	24.9	7.2	-37.7	34.1	23.6	3.0
2 Value of production	24.9	7.2	-38.7	16.0	23.6	3.2
3 Total Income	36.5	8.5	-32.8	8.5	16.3	9.3
4 Manufacturing Expenses	32.3	12.4	-41.4	27.0	28.2	30.3
5 Remuneration to employees	18.1	13.5	11.4	-4.1	22.3	-8.2
6 PBDIT	0.9	-16.0	-40.9	-1.9	0.6	33.0
7 Depreciation provision	25.1	22.6	34.4	6.4	30.7	5.9
8 Gross profit (PBIT)	-6.5	-20.1	-28.1	-7.4	-2.8	35.3
9 Interest	49.2	26.5	85.8	-13.2	77.8	39.6
10 Profit before tax and non-operating surplus/deficit	-28.1	-57.7	-50.0	-3.2	-4.8	35.1
11 Non-operating surplus/deficit	-269.8	-33.9	-1.9	-60.7	-427.7	-131.9
12 Profit Before Tax	67.0	-48.2	-45.5	-13.0	-31.9	86.7
13 Tax provision	35.5	53.3	-56.1	10.2	-2.0	57.4
14 Profit After Tax	74.6	-67.2	-42.6	-17.7	-38.8	97.5
15 Dividend paid	32.7	-16.9	-57.6	27.7	-16.2	63.8
16 Profit retained	80.4	-72.2	-41.0	-21.8	-47.4	117.8
17 Gross saving	43.8	-17.7	-38.7	-19.9	-32.3	76.1
18 (a) Gross value added	13.4	5.4	-37.2	-0.3	15.1	4.8
(b) Net value added	7.5	-4.9	-38.6	-0.6	14.3	4.7
19 Net worth @	53.5	13.0	12.2	28.7	5.8	26.0
20 Total borrowings @	43.0	4.7	6.2	-1.9	31.9	13.0
of which, from banks @	28.0	3.5	17.7	-0.9	47.3	15.5
21 Trade dues and other current liabilities @	10.5	12.9	7.3	10.6	58.0	3.9
22 (a) Gross fixed assets @	21.6	15.3	6.7	9.7	25.2	8.7
(b) Net fixed assets @	18.4	9.3	7.3	7.4	25.9	3.5
23 Inventories @	16.4	21.4	14.5	9.5	17.3	39.8
24 (a) Gross physical assets @	21.5	15.4	12.8	9.5	25.0	9.6
(b) Net physical assets @	18.4	9.4	13.0	9.1	25.5	5.1
25 (a) Total gross assets @	39.3	12.5	7.9	14.7	16.8	20.6
(b) Total net assets @	40.2	9.4	8.0	14.6	16.0	20.9
26 Total earnings in foreign currencies	32.7	-17.4	-76.1	84.8	28.5	-2.1
of which, Exports	88.9	8.1	-73.5	80.5	44.5	-16.9
27 Total expenditure in foreign currencies	-5.0	-15.1	-34.7	154.2	21.2	-4.1
of which, Imports	-22.1	-17.0	-33.0	189.1	12.8	38.1

Statement 11: Growth Rates of the select items of the select 3,352 Public Limited Companies, Industry-wise, 2008-09 and 2009-10 *(Concld.)*

(Per cent)

Item	Manufacturing (2246)		Service (820)		All Industries (3352)	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
	63	64	65	66	67	68
1 Sales +	11.3	13.2	16.8	9.0	15.8	12.3
2 Value of production	12.4	13.4	15.1	8.5	16.3	12.3
3 Total Income	12.0	13.1	17.0	10.1	16.6	12.3
4 Manufacturing Expenses	14.7	11.7	13.7	16.4	18.9	12.4
5 Remuneration to employees	15.5	12.0	21.3	-4.2	19.4	4.2
6 PBDIT	-11.1	41.8	-6.7	10.6	-9.9	32.4
7 Depreciation provision	16.0	25.5	26.8	17.4	21.5	21.9
8 Gross profit (PBIT)	-12.4	33.5	-8.9	11.6	-8.5	26.8
9 Interest	39.1	9.7	53.8	17.1	45.7	12.9
10 Profit before tax and non-operating surplus/deficit	-21.7	41.1	-21.8	9.3	-19.2	31.7
11 Non-operating surplus/deficit	-38.6	56.2	-360.4	136.5	29.4	77.7
12 Profit Before Tax	-22.4	41.6	-14.1	18.1	-17.9	33.7
13 Tax provision	-15.6	42.1	-7.8	40.3	-12.0	39.0
14 Profit After Tax	-24.7	41.4	-16.0	11.0	-19.8	31.8
15 Dividend paid	-7.3	40.3	-15.3	45.1	-9.4	40.4
16 Profit retained	-29.1	41.7	-16.3	1.1	-22.4	29.3
17 Gross saving	-15.7	35.1	1.2	9.4	-8.3	26.2
18 (a) Gross value added	-3.5	28.3	10.1	6.0	3.8	19.4
(b) Net value added	-6.8	28.9	7.2	3.8	0.8	18.9
19 Net worth @	17.0	19.1	27.4	18.3	20.2	19.8
20 Total borrowings @	25.9	6.0	33.1	5.9	28.6	7.0
of which, from banks @	29.7	2.7	27.2	5.5	30.2	4.4
21 Trade dues and other current liabilities @	20.2	12.3	19.3	10.5	20.3	12.0
22 (a) Gross fixed assets @	18.5	11.5	21.3	14.0	19.4	12.2
(b) Net fixed assets @	21.0	10.2	19.1	9.0	20.7	10.1
23 Inventories @	11.0	18.3	12.4	12.2	13.1	18.0
24 (a) Gross physical assets @	17.0	12.7	20.1	13.8	18.2	13.2
(b) Net physical assets @	18.4	12.1	18.0	9.5	18.8	11.9
25 (a) Total gross assets @	18.7	13.4	27.3	14.4	21.3	14.3
(b) Total net assets @	19.8	13.3	27.2	12.8	22.2	13.8
26 Total earnings in foreign currencies	14.6	2.8	24.9	-4.9	18.6	0.3
of which, Exports	14.8	3.6	14.8	-8.3	14.6	2.2
27 Total expenditure in foreign currencies	22.1	10.5	11.0	-5.0	24.4	7.3
of which, Imports	22.8	13.2	-3.3	-0.2	23.9	10.9

Statement 12: Select Financial Ratios of the select 3,352 Public Limited Companies, Industry-wise, 2007-08 to 2009-10

(Per cent)

Item	Tea Plantations (26)			Mining & Quarrying (34)			Food Products & Beverages (244)		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	1	2	3	4	5	6	7	8	9
A. Capital structure ratios									
1. Net fixed assets to total net assets	35.0	34.7	33.5	41.1	46.7	45.7	41.7	42.0	38.2
2. Net worth to total net assets	38.5	38.9	45.6	36.2	38.0	37.8	31.0	32.3	33.9
3. Debt to equity	37.5	52.3	35.4	88.1	88.2	77.0	65.5	64.8	58.4
4. Debt to equity (equity adjusted for revaluation reserve)	54.9	74.6	46.4	88.2	88.3	77.1	67.6	67.7	60.4
5. Short term bank borrowings to inventories	260.2	142.1	109.4	38.2	85.6	45.2	74.8	86.3	72.6
6. Total outside liabilities to net worth	160.0	157.0	119.2	176.0	163.5	164.8	222.1	209.7	194.8
B. Liquidity ratios									
7. Current assets to current liabilities *	0.6	0.8	0.8	1.3	1.3	1.0	1.1	1.1	1.2
8. Quick assets to current liabilities	23.8	35.0	34.6	42.4	46.2	42.5	34.3	35.5	38.3
9. Current assets to total net assets	29.1	32.3	30.9	42.2	37.3	33.8	52.4	50.4	55.4
10. Sundry creditors to current assets	42.5	40.1	39.3	46.0	43.2	50.0	37.7	34.7	32.9
11. Sundry creditors to net working capital	-69.0	-169.4	-168.4	185.4	183.9	#	422.8	420.2	187.5
C. Assets utilization and turnover ratios									
12. Sales to total net assets	40.2	49.5	58.2	41.4	110.6	89.8	114.8	118.1	111.4
13. Sales to gross fixed assets	74.4	90.8	109.2	85.2	200.5	164.9	203.8	207.2	210.9
14. Inventories to sales	15.3	16.4	16.3	30.7	6.1	9.6	19.9	17.6	20.2
15. Sundry debtors to sales	6.4	7.5	5.6	15.8	6.3	7.4	8.3	8.1	8.7
16. Exports to sales	13.7	16.5	16.9	81.3	27.5	22.5	12.5	13.9	10.4
17. Gross value added to gross fixed assets	23.0	34.6	46.1	32.2	30.6	27.7	23.4	24.3	29.6
18. Raw materials consumed to value of production	28.5	33.0	32.4	44.3	70.1	72.8	71.3	70.2	69.4
D. Sources and uses of funds ratios @									
19. Gross fixed assets formation to Total uses of funds		46.0	26.4		76.6	47.2		51.1	27.9
20. Gross capital formation to Total uses of funds		127.7	53.7		57.6	61.5		57.3	55.6
21. External sources of funds to Total sources of funds		16.6	-66.9		57.1	67.7		62.1	61.9
22. Increase in bank borrowings to Total external sources		-647.6	-7.1		53.6	15.9		64.5	35.3
23. Gross savings to gross capital formation		90.5	274.3		80.4	50.9		58.3	54.2
E. Profitability and profit allocation ratios									
24. Gross profit (PBIT) to total net assets	2.2	7.0	12.6	13.5	13.9	11.0	6.7	7.4	9.1
25. Gross profit (PBIT) to sales	5.4	14.2	21.6	32.5	12.6	12.3	5.9	6.2	8.2
26. Profit after tax to net worth	5.4	9.8	24.3	22.7	20.1	15.8	9.6	10.7	12.9
27. PBDIT to sales	-0.1	8.9	17.2	32.8	13.1	11.9	5.7	6.1	8.4
28. Tax provision to profit before tax**	25.1	28.3	23.6	33.0	30.0	26.9	29.7	28.8	28.6
29. Profit retained to profit after tax**	37.2	54.3	76.8	85.5	88.8	83.6	76.8	74.1	75.5
30. Dividends to net worth	8.8	5.2	5.5	3.3	2.5	2.6	2.7	3.5	3.2
31. Ordinary dividends to ordinary paid-up capital	91.7	55.6	72.8	17.7	16.6	22.0	17.0	26.0	26.9

* Item B.7 is the actual ratio of current assets to current liabilities.

** Calculated based on companies which made profit in all the three years during 2007-08 to 2009-10.

@ Available for two years, as these are worked based on sources and uses of funds taking differences between two successive years. These ratios are adjusted for revaluation, *etc.*

Note: 1. Figures in brackets below the industry name represent the number of companies in the industry.
2. For footnotes, please refer to Statement 7.

Statement 12: Select Financial Ratios of the select 3,352 Public Limited Companies, Industry-wise, 2007-08 to 2009-10 *(Contd.)*

(Per cent)

Item	Sugar (67)			Edible Oils & Oil Cakes (59)			Cotton Textiles (128)		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	10	11	12	13	14	15	16	17	18
A. Capital structure ratios									
1 Net fixed assets to total net assets	57.5	56.3	51.0	24.5	30.1	29.0	56.1	56.0	53.1
2 Net worth to total net assets	25.1	26.2	29.7	24.2	26.6	28.5	28.1	27.2	29.0
3 Debt to equity	123.8	117.4	93.7	50.5	63.6	48.7	141.7	142.2	127.4
4 Debt to equity (equity adjusted for revaluation reserve)	127.8	127.9	99.6	50.7	63.9	49.0	145.4	150.1	133.6
5 Short term bank borrowings to inventories	96.4	105.9	66.9	48.3	57.2	63.3	92.0	109.3	93.7
6 Total outside liabilities to net worth	297.9	281.8	236.9	312.8	276.6	251.2	255.2	267.6	245.1
B. Liquidity ratios									
7 Current assets to current liabilities *	0.9	0.9	1.0	1.1	1.2	1.2	1.3	1.2	1.3
8 Quick assets to current liabilities	15.1	13.9	16.1	41.1	47.1	46.6	40.9	43.0	44.8
9 Current assets to total net assets	38.7	39.0	44.1	71.8	65.7	66.5	40.2	39.9	43.4
10 Sundry creditors to current assets	38.3	29.5	35.2	46.9	47.0	41.0	15.6	16.1	14.3
11 Sundry creditors to net working capital	-371.4	-305.9	859.5	408.0	336.6	306.7	75.2	109.2	65.6
C. Assets utilization and turnover ratios									
12 Sales to total net assets	49.0	49.3	56.2	196.2	210.8	171.9	68.4	67.7	71.7
13 Sales to gross fixed assets	67.6	68.0	83.1	581.0	523.7	444.1	83.4	82.2	89.1
14 Inventories to sales	40.0	40.4	41.9	18.3	13.4	17.3	24.4	21.9	25.2
15 Sundry debtors to sales	6.4	6.0	5.3	6.9	5.8	7.1	15.1	16.1	16.7
16 Exports to sales	8.9	12.3	1.8	10.3	12.4	10.9	30.8	27.7	27.3
17 Gross value added to gross fixed assets	9.4	14.5	21.7	34.2	22.9	27.6	15.7	13.8	18.4
18 Raw materials consumed to value of production	74.8	66.7	65.8	84.5	85.4	84.6	60.7	60.7	60.4
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to Total uses of funds		54.4	31.5		91.6	24.5		63.8	44.0
20 Gross capital formation to Total uses of funds		73.3	70.2		46.8	59.9		64.1	79.6
21 External sources of funds to Total sources of funds		68.3	56.5		67.7	74.5		87.4	61.5
22 Increase in bank borrowings to Total external sources		86.3	-1.2		55.9	45.1		67.7	50.3
23 Gross savings to gross capital formation		46.3	56.1		77.4	37.8		33.5	52.7
E. Profitability and profit allocation ratios									
24 Gross profit (PBIT) to total net assets	1.4	5.0	9.0	8.7	6.0	7.1	4.6	3.0	6.5
25 Gross profit (PBIT) to sales	2.9	10.1	16.1	4.5	2.9	4.1	6.8	4.4	9.0
26 Profit after tax to net worth	-4.5	9.1	14.1	17.6	8.7	12.2	3.5	-3.3	5.7
27 PBDIT to sales	2.3	9.7	16.7	4.0	2.4	3.8	9.7	8.1	12.2
28 Tax provision to profit before tax**	17.1	13.5	22.7	25.7	21.5	22.9	35.4	32.8	42.9
29 Profit retained to profit after tax**	81.4	86.2	83.5	89.8	88.0	90.6	55.6	54.1	
30 Dividends to net worth	0.7	2.7	2.6	1.8	1.6	1.3	0.9	0.6	0.9
31 Ordinary dividends to ordinary paid-up capital	4.2	20.4	24.3	11.9	11.5	11.7	3.4	2.3	3.4

Note: Industry group 'Sugar' and 'Edible Oils & Oil Cakes' is subgroup of 'Food Products & Beverages'.

Statement 12: Select Financial Ratios of the select 3,352 Public Limited Companies, Industry-wise, 2007-08 to 2009-10 *(Contd.)*

(Per cent)

Item	Man-made Textiles (45)			Apparel (38)			Paper and Paper Products (57)		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	19	20	21	22	23	24	25	26	27
A. Capital structure ratios									
1 Net fixed assets to total net assets	55.8	60.7	55.9	25.1	24.5	23.4	61.7	60.0	61.4
2 Net worth to total net assets	26.0	25.4	26.2	40.5	38.5	35.8	39.2	35.3	37.3
3 Debt to equity	138.3	164.1	159.3	36.2	45.2	44.5	74.8	99.3	88.4
4 Debt to equity (equity adjusted for revaluation reserve)	148.1	180.9	168.5	36.4	45.4	44.7	77.1	102.4	90.9
5 Short term bank borrowings to inventories	137.1	116.0	89.8	66.1	69.8	88.0	104.2	98.7	97.3
6 Total outside liabilities to net worth	284.5	294.4	281.9	146.8	159.9	179.0	155.3	183.4	167.8
B. Liquidity ratios									
7 Current assets to current liabilities *	1.1	1.1	1.3	1.5	1.5	1.4	1.1	1.3	1.2
8 Quick assets to current liabilities	47.3	42.2	54.7	41.6	41.5	41.2	46.6	53.4	44.0
9 Current assets to total net assets	41.6	35.5	41.6	66.9	66.7	68.6	34.3	36.8	35.1
10 Sundry creditors to current assets	18.1	17.6	15.6	16.5	16.4	17.5	25.1	22.8	24.2
11 Sundry creditors to net working capital	197.9	226.7	66.7	49.5	48.0	58.7	292.6	110.9	150.9
C. Assets utilization and turnover ratios									
12 Sales to total net assets	67.1	71.3	73.4	95.6	95.4	99.5	66.7	68.8	68.1
13 Sales to gross fixed assets	80.3	79.2	87.0	277.9	272.7	280.3	73.1	80.1	75.9
14 Inventories to sales	20.5	18.6	21.6	38.9	38.1	32.1	16.1	14.8	15.0
15 Sundry debtors to sales	15.0	14.9	15.8	13.9	14.1	15.2	14.4	13.6	14.0
16 Exports to sales	22.5	19.4	20.5	41.0	39.3	37.1	5.1	4.4	3.7
17 Gross value added to gross fixed assets	13.6	12.8	18.0	65.6	53.3	48.1	17.8	16.7	17.4
18 Raw materials consumed to value of production	64.6	62.9	61.5	52.4	51.9	54.7	43.5	45.7	44.3
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to Total uses of funds		116.3	42.2		34.2	59.3		#	98.9
20 Gross capital formation to Total uses of funds		120.8	67.1		60.5	-100.4		#	105.1
21 External sources of funds to Total sources of funds		63.2	67.4		103.3	188.3		#	29.1
22 Increase in bank borrowings to Total external sources		78.4	50.7		36.2	92.7		104.2	-69.6
23 Gross savings to gross capital formation		26.6	51.2		13.5	-21.5		-170.2	80.0
E. Profitability and profit allocation ratios									
24 Gross profit (PBIT) to total net assets	5.2	4.5	8.0	9.4	4.5	3.0	8.0	6.8	7.0
25 Gross profit (PBIT) to sales	7.7	6.4	10.9	9.8	4.7	3.0	12.0	9.9	10.3
26 Profit after tax to net worth	7.2	-0.9	10.8	10.5	-2.3	-4.4	10.8	7.0	7.5
27 PBDIT to sales	10.3	9.8	14.2	7.6	3.3	1.5	15.5	13.2	14.5
28 Tax provision to profit before tax**	20.8	22.4	25.2	32.8	35.1	34.3	17.8	22.7	20.3
29 Profit retained to profit after tax**	88.1	90.4	89.1	87.7	83.2	85.1	79.8	79.0	80.5
30 Dividends to net worth	1.5	0.9	1.3	1.2	1.2	1.4	2.2	1.8	1.9
31 Ordinary dividends to ordinary paid-up capital	8.8	5.2	6.6	8.8	9.1	11.2	11.8	12.0	12.3

Statement 12: Select Financial Ratios of the select 3,352 Public Limited Companies, Industry-wise, 2007-08 to 2009-10 *(Contd.)*

(Per cent)

Item	Chemicals and Chemical Products (423)			Basic Chemicals (64)			Chemical Fertilizers and Pesticides (48)		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	28	29	30	31	32	33	34	35	36
A. Capital structure ratios									
1 Net fixed assets to total net assets	37.2	36.3	36.5	50.7	54.2	55.0	34.3	32.1	33.9
2 Net worth to total net assets	45.2	42.5	46.8	41.9	43.0	44.9	41.8	36.8	42.8
3 Debt to equity	35.4	40.4	33.8	55.6	58.0	52.4	36.5	42.6	35.5
4 Debt to equity (equity adjusted for revaluation reserve)	36.8	41.5	34.5	56.2	62.1	55.8	38.2	44.3	36.6
5 Short term bank borrowings to inventories	81.3	84.1	73.3	100.4	87.8	87.8	99.2	92.7	102.3
6 Total outside liabilities to net worth	121.2	135.1	113.8	138.7	132.7	122.6	139.1	171.9	133.9
B. Liquidity ratios									
7 Current assets to current liabilities *	1.3	1.3	1.3	1.2	1.3	1.2	1.1	1.0	1.0
8 Quick assets to current liabilities	56.9	57.4	58.8	45.8	46.7	47.8	41.6	40.1	43.8
9 Current assets to total net assets	47.9	49.7	47.7	40.7	40.1	38.9	45.2	46.7	42.4
10 Sundry creditors to current assets	26.5	25.4	26.8	24.7	23.8	25.1	29.0	33.9	27.5
11 Sundry creditors to net working capital	130.8	125.7	116.2	163.5	116.1	128.5	524.3	#	#
C. Assets utilization and turnover ratios									
12 Sales to total net assets	82.7	83.9	79.9	71.9	73.6	60.3	77.0	88.7	77.4
13 Sales to gross fixed assets	143.0	150.4	140.6	92.6	90.9	71.3	117.2	147.4	119.5
14 Inventories to sales	18.4	17.8	18.8	16.6	16.3	18.8	18.6	16.4	17.6
15 Sundry debtors to sales	17.6	17.2	17.4	14.3	13.4	16.2	16.6	14.9	15.0
16 Exports to sales	24.0	23.9	24.2	23.7	26.3	26.4	12.2	12.1	14.0
17 Gross value added to gross fixed assets	33.9	30.7	35.1	20.6	16.3	16.8	24.0	25.4	24.6
18 Raw materials consumed to value of production	54.5	57.0	53.3	57.8	58.2	51.9	62.5	71.9	67.0
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to Total uses of funds		39.9	52.9		75.0	76.6		31.2	266.2
20 Gross capital formation to Total uses of funds		51.3	66.3		86.5	71.9		44.7	197.7
21 External sources of funds to Total sources of funds		72.6	12.0		59.0	12.5		71.9	-389.3
22 Increase in bank borrowings to Total external sources		34.1	-4.2		38.2	-9.9		37.3	17.3
23 Gross savings to gross capital formation		63.0	130.6		46.5	141.3		60.3	227.4
E. Profitability and profit allocation ratios									
24 Gross profit (PBIT) to total net assets	12.1	9.9	12.1	9.8	6.9	7.3	9.4	9.7	9.7
25 Gross profit (PBIT) to sales	14.7	11.8	15.1	13.7	9.4	12.2	12.2	11.0	12.5
26 Profit after tax to net worth	18.8	13.2	16.7	15.4	6.6	7.6	14.2	11.9	13.0
27 PBDIT to sales	12.6	7.9	13.1	14.6	11.1	14.8	4.4	-4.9	2.3
28 Tax provision to profit before tax**	24.3	25.4	26.0	19.5	23.4	21.7	31.3	36.4	33.7
29 Profit retained to profit after tax**	65.3	67.9	69.9	84.3	82.3	81.9	73.1	77.5	75.8
30 Dividends to net worth	6.7	5.3	5.1	2.0	1.8	1.9	4.2	3.5	3.3
31 Ordinary dividends to ordinary paid-up capital	59.2	50.0	55.9	9.4	9.6	11.1	34.3	30.1	32.5

Note: Industry groups, *viz.*, 'Basic Chemicals' and 'Chemical Fertilizers and Pesticides' are subgroups of 'Chemicals and Chemical Products'.

Statement 12: Select Financial Ratios of the select 3,352 Public Limited Companies, Industry-wise, 2007-08 to 2009-10 *(Contd.)*

(Per cent)

Item	Paints and Varnishes (19)			Pharmaceuticals and Medicines (144)			Rubber and Plastic Products (127)		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	37	38	39	40	41	42	43	44	45
A. Capital structure ratios									
1 Net fixed assets to total net assets	26.5	29.7	29.1	31.9	30.5	30.8	40.2	43.7	42.9
2 Net worth to total net assets	47.0	49.6	51.3	51.9	48.8	54.0	40.9	39.6	41.3
3 Debt to equity	19.0	17.8	13.6	28.5	32.1	25.5	50.2	55.9	54.4
4 Debt to equity (equity adjusted for revaluation reserve)	19.7	18.4	14.0	28.6	32.2	25.6	54.3	59.6	57.3
5 Short term bank borrowings to inventories	31.8	34.3	16.6	90.0	94.5	74.8	102.4	124.4	93.4
6 Total outside liabilities to net worth	112.6	101.7	94.8	92.8	105.1	85.0	144.5	152.3	141.9
B. Liquidity ratios									
7 Current assets to current liabilities *	1.3	1.4	1.3	1.6	1.5	1.6	1.3	1.2	1.2
8 Quick assets to current liabilities	62.7	71.6	67.4	78.6	76.3	78.3	70.5	59.6	64.7
9 Current assets to total net assets	55.9	56.7	53.9	51.2	53.7	51.6	48.4	43.6	44.0
10 Sundry creditors to current assets	32.5	28.8	35.5	20.0	17.7	19.6	22.2	23.1	24.2
11 Sundry creditors to net working capital	149.1	104.5	145.7	56.4	50.9	50.3	100.6	160.9	131.3
C. Assets utilization and turnover ratios									
12 Sales to total net assets	123.8	138.6	131.2	68.4	64.5	65.2	90.4	93.5	92.5
13 Sales to gross fixed assets	236.9	248.6	248.7	160.7	157.3	154.1	133.6	130.9	132.1
14 Inventories to sales	17.2	14.7	15.7	21.7	22.3	22.8	15.4	13.2	13.3
15 Sundry debtors to sales	16.7	14.8	14.2	25.6	26.5	25.1	17.1	15.9	16.0
16 Exports to sales	13.1	13.2	10.8	40.0	41.9	41.2	18.0	17.0	14.8
17 Gross value added to gross fixed assets	47.0	45.7	56.4	49.6	41.8	50.3	25.6	21.6	28.5
18 Raw materials consumed to value of production	57.4	55.5	53.6	45.7	45.6	44.4	64.6	65.2	62.2
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to Total uses of funds		58.3	32.6		31.0	48.0		84.0	49.1
20 Gross capital formation to Total uses of funds		55.7	51.9		42.5	64.9		81.0	59.1
21 External sources of funds to Total sources of funds		-6.8	31.7		80.6	8.4		60.8	41.3
22 Increase in bank borrowings to Total external sources		16.4	-51.3		29.1	-41.5		60.0	8.9
23 Gross savings to gross capital formation		215.2	128.7		75.6	132.0		60.9	91.8
E. Profitability and profit allocation ratios									
24 Gross profit (PBIT) to total net assets	14.7	14.7	19.4	13.4	9.8	13.2	9.4	7.5	11.6
25 Gross profit (PBIT) to sales	11.9	10.6	14.8	19.6	15.2	20.3	10.4	8.0	12.5
26 Profit after tax to net worth	19.2	22.2	26.5	19.8	12.6	16.5	12.4	8.7	15.2
27 PBDIT to sales	12.3	11.2	15.3	17.0	12.7	18.1	11.9	9.4	14.0
28 Tax provision to profit before tax**	32.8	31.1	32.2	19.3	19.4	21.4	26.5	25.6	27.9
29 Profit retained to profit after tax**	64.3	67.8	69.1	79.7	75.5	77.5	80.8	80.5	84.3
30 Dividends to net worth	7.0	7.2	8.2	5.0	3.9	3.7	2.4	1.9	2.5
31 Ordinary dividends to ordinary paid-up capital	75.1	79.1	110.0	73.6	62.3	68.8	23.3	19.0	28.3

Note: Industry groups, *viz.*, 'Paints and varnishes' and 'Pharmaceuticals and Medicines' are subgroups of 'Chemicals and Chemical Products'.

Statement 12: Select Financial Ratios of the select 3,352 Public Limited Companies, Industry-wise, 2007-08 to 2009-10 *(Contd.)*

(Per cent)

Item	Tyres and Tubes (17)			Plastic Products (92)			Ceramics (28)		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	46	47	48	49	50	51	52	53	54
A. Capital structure ratios									
1 Net fixed assets to total net assets	49.4	53.7	53.7	35.1	38.0	36.8	48.9	50.5	49.9
2 Net worth to total net assets	43.6	40.8	43.4	38.9	38.2	39.4	42.8	40.1	41.5
3 Debt to equity	34.2	43.1	41.1	62.4	66.4	65.4	45.7	54.2	48.4
4 Debt to equity (equity adjusted for revaluation reserve)	42.0	51.1	46.8	62.7	66.8	65.7	45.7	54.2	48.4
5 Short term bank borrowings to inventories	65.3	94.0	51.8	142.7	155.0	131.0	67.6	81.0	74.6
6 Total outside liabilities to net worth	129.5	145.2	130.4	157.2	161.4	153.5	133.7	149.1	140.8
B. Liquidity ratios									
7 Current assets to current liabilities *	1.1	1.0	1.1	1.4	1.3	1.3	1.3	1.2	1.2
8 Quick assets to current liabilities	49.2	49.6	51.2	83.8	65.1	72.0	52.4	49.6	49.0
9 Current assets to total net assets	45.2	41.6	40.8	49.8	44.4	45.4	47.6	46.7	47.4
10 Sundry creditors to current assets	36.8	34.7	38.2	14.5	16.9	16.8	23.5	24.9	26.9
11 Sundry creditors to net working capital	399.0	#	602.9	51.7	82.8	71.2	109.5	133.2	139.3
C. Assets utilization and turnover ratios									
12 Sales to total net assets	123.6	126.6	126.3	71.2	73.9	72.8	79.3	80.3	77.9
13 Sales to gross fixed assets	147.6	142.8	143.3	121.5	120.2	122.2	105.4	105.2	101.1
14 Inventories to sales	15.5	12.9	12.4	15.2	13.5	14.2	24.8	23.4	24.5
15 Sundry debtors to sales	13.0	12.0	11.4	20.9	19.8	20.5	20.8	19.1	19.3
16 Exports to sales	17.7	18.4	15.6	17.2	14.3	13.0	9.3	9.7	9.2
17 Gross value added to gross fixed assets	26.5	21.0	30.8	24.3	21.3	25.9	26.7	24.6	24.8
18 Raw materials consumed to value of production	66.5	68.8	63.0	63.7	62.8	62.5	41.9	42.9	42.6
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to Total uses of funds		95.7	64.5		73.9	39.7		67.8	46.9
20 Gross capital formation to Total uses of funds		88.3	72.6		74.5	50.4		78.3	69.6
21 External sources of funds to Total sources of funds		66.2	18.6		56.9	56.3		66.7	38.9
22 Increase in bank borrowings to Total external sources		67.7	-189.5		51.3	51.8		71.7	4.2
23 Gross savings to gross capital formation		49.6	94.6		70.2	87.4		45.8	88.5
E. Profitability and profit allocation ratios									
24 Gross profit (PBIT) to total net assets	10.8	7.5	15.1	8.5	7.3	9.5	9.6	8.7	8.3
25 Gross profit (PBIT) to sales	8.8	5.9	11.9	12.0	9.9	13.0	12.1	10.8	10.7
26 Profit after tax to net worth	13.5	7.6	19.5	12.0	9.5	12.4	9.4	7.4	7.7
27 PBDIT to sales	11.2	8.0	14.2	12.6	10.7	13.7	15.5	13.7	13.9
28 Tax provision to profit before tax**	32.5	34.4	32.3	21.4	20.2	22.7	34.1	32.5	32.6
29 Profit retained to profit after tax**	84.3	74.9	86.9	81.2	83.9	82.6	77.2	83.8	80.6
30 Dividends to net worth	2.0	2.0	2.5	2.5	1.8	2.4	2.0	1.5	2.0
31 Ordinary dividends to ordinary paid-up capital	33.8	34.4	52.3	19.4	15.1	22.7	11.8	8.6	12.8

Note: Industry group, *viz.* 'Tyres and Tubes' and 'Plastic Products' are sub of 'Rubber and plastic Products'.

Statement 12: Select Financial Ratios of the select 3,352 Public Limited Companies, Industry-wise, 2007-08 to 2009-10 *(Contd.)*

(Per cent)

Item	Cement and Cement Products (49)			Iron and Steel (168)			Fabricated Metal Products (86)		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	55	56	57	58	59	60	61	62	63
A. Capital structure ratios									
1 Net fixed assets to total net assets	56.0	57.3	53.8	45.1	46.9	48.9	45.5	41.3	50.8
2 Net worth to total net assets	44.9	44.9	46.2	37.6	34.6	37.6	37.5	33.6	35.3
3 Debt to equity	59.1	61.0	63.1	76.5	81.0	77.9	60.0	71.7	93.3
4 Debt to equity (equity adjusted for revaluation reserve)	62.5	63.6	65.3	77.3	83.0	80.1	60.3	72.0	96.3
5 Short term bank borrowings to inventories	54.3	55.9	37.2	77.7	133.1	108.8	55.5	54.1	61.2
6 Total outside liabilities to net worth	122.5	122.5	116.6	166.0	189.2	165.7	166.5	198.0	183.2
B. Liquidity ratios									
7 Current assets to current liabilities *	1.3	1.2	1.4	1.5	0.8	0.9	1.2	1.2	1.4
8 Quick assets to current liabilities	58.7	54.0	70.2	34.6	29.8	33.6	48.7	47.1	57.9
9 Current assets to total net assets	35.3	33.6	34.7	49.2	31.4	30.2	48.1	52.7	44.2
10 Sundry creditors to current assets	25.2	24.8	19.9	19.8	28.4	29.0	25.4	28.8	22.8
11 Sundry creditors to net working capital	125.0	136.2	68.4	58.5	-160.3	-367.8	147.3	144.1	79.9
C. Assets utilization and turnover ratios									
12 Sales to total net assets	64.9	59.9	60.3	67.5	63.5	58.7	87.9	85.6	61.6
13 Sales to gross fixed assets	80.5	75.0	80.4	113.5	105.1	93.5	130.8	138.0	90.3
14 Inventories to sales	13.4	14.5	14.2	19.2	17.4	18.0	20.6	22.9	22.3
15 Sundry debtors to sales	6.2	6.4	7.3	11.7	10.7	11.8	15.7	15.8	18.5
16 Exports to sales	3.0	2.9	2.4	16.9	17.8	12.0	25.4	23.0	18.9
17 Gross value added to gross fixed assets	30.0	24.3	27.2	28.0	20.7	22.0	27.0	22.9	17.3
18 Raw materials consumed to value of production	15.7	16.3	16.8	58.2	60.9	58.7	54.9	56.7	57.4
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to Total uses of funds		68.0	29.0		57.3	65.1		31.5	81.2
20 Gross capital formation to Total uses of funds		76.2	35.8		60.5	71.6		54.0	79.4
21 External sources of funds to Total sources of funds		48.8	42.8		76.9	50.4		73.4	79.2
22 Increase in bank borrowings to Total external sources		45.6	14.6		63.4	18.2		32.2	67.3
23 Gross savings to gross capital formation		61.3	284.4		41.4	63.0		56.0	23.1
E. Profitability and profit allocation ratios									
24 Gross profit (PBIT) to total net assets	18.4	13.8	14.2	12.2	8.4	9.7	11.5	8.2	7.1
25 Gross profit (PBIT) to sales	28.3	23.1	23.5	18.1	13.2	16.5	13.1	9.5	11.5
26 Profit after tax to net worth	28.0	19.2	20.4	19.2	11.6	14.1	16.5	10.3	8.6
27 PBDIT to sales	30.4	25.1	26.6	18.6	15.0	18.0	13.3	9.8	10.3
28 Tax provision to profit before tax**	27.3	25.4	26.7	25.3	26.2	24.4	25.7	27.3	30.9
29 Profit retained to profit after tax**	83.5	83.0	83.9	84.5	84.0	88.9	87.5	85.6	85.2
30 Dividends to net worth	4.6	3.3	3.3	3.0	2.2	1.5	2.1	1.6	1.3
31 Ordinary dividends to ordinary paid-up capital	59.4	50.8	54.6	38.0	29.6	24.0	13.7	11.8	9.6

Statement 12: Select Financial Ratios of the select 3,352 Public Limited Companies, Industry-wise, 2007-08 to 2009-10 *(Contd.)*

(Per cent)

	Machinery and Machine Tools (183)			Electrical Machinery and Apparatus (120)			Radio, Television and Communication Equip. and Apparatus (53)		
Item	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	64	65	66	67	68	69	70	71	72
A. Capital structure ratios									
1 Net fixed assets to total net assets	25.2	26.2	24.3	19.5	19.3	19.4	38.3	34.4	30.1
2 Net worth to total net assets	42.1	42.2	43.1	44.3	41.3	43.9	38.1	33.7	36.5
3 Debt to equity	22.2	19.1	20.4	23.3	25.9	24.1	61.0	34.8	61.4
4 Debt to equity (equity adjusted for revaluation reserve)	22.6	19.4	20.8	23.6	26.2	24.3	80.3	44.5	74.0
5 Short term bank borrowings to inventories	49.3	54.1	41.2	58.6	93.5	63.5	102.1	241.7	88.2
6 Total outside liabilities to net worth	137.4	136.7	132.3	125.9	142.3	127.6	162.2	196.9	174.3
B. Liquidity ratios									
7 Current assets to current liabilities *	1.4	1.3	1.4	1.5	1.3	1.4	1.4	1.0	1.4
8 Quick assets to current liabilities	76.5	73.1	81.2	88.0	80.5	83.9	76.7	47.4	73.7
9 Current assets to total net assets	66.9	66.2	68.1	66.6	63.7	63.8	51.4	54.5	58.2
10 Sundry creditors to current assets	30.9	30.6	31.1	29.4	25.6	26.5	24.4	24.1	30.3
11 Sundry creditors to net working capital	110.0	119.4	104.0	91.2	101.4	91.1	91.4	3157.0	99.9
C. Assets utilization and turnover ratios									
12 Sales to total net assets	125.6	119.3	111.7	97.7	91.2	83.4	75.7	73.4	69.6
13 Sales to gross fixed assets	281.4	261.2	258.8	313.0	300.5	273.8	120.8	127.4	136.9
14 Inventories to sales	14.4	15.5	14.9	17.6	15.7	16.6	16.7	16.0	16.6
15 Sundry debtors to sales	20.0	20.8	22.7	31.3	33.6	33.5	26.4	26.8	34.5
16 Exports to sales	11.0	13.1	10.8	14.8	17.9	13.0	5.6	5.9	7.3
17 Gross value added to gross fixed assets	54.3	48.0	52.8	66.8	51.2	55.8	23.0	21.7	21.1
18 Raw materials consumed to value of production	67.9	67.4	65.9	67.7	68.0	67.4	67.2	66.8	69.9
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to Total uses of funds		44.2	19.4		23.5	28.2		29.1	8.9
20 Gross capital formation to Total uses of funds		62.7	22.4		23.9	36.1		35.5	18.8
21 External sources of funds to Total sources of funds		53.7	46.9		73.4	44.4		82.9	95.9
22 Increase in bank borrowings to Total external sources		24.2	-13.8		44.1	-32.2		107.3	0.7
23 Gross savings to gross capital formation		86.4	261.0		121.8	151.1		47.3	75.1
E. Profitability and profit allocation ratios									
24 Gross profit (PBIT) to total net assets	13.9	11.0	12.0	14.6	9.2	10.9	7.0	5.4	4.0
25 Gross profit (PBIT) to sales	11.1	9.3	10.8	14.9	10.1	13.1	9.2	7.3	5.7
26 Profit after tax to net worth	21.8	15.2	16.7	21.3	11.3	11.8	7.9	3.2	0.9
27 PBDIT to sales	10.5	8.9	9.8	6.6	2.6	5.2	7.7	9.2	6.9
28 Tax provision to profit before tax**	31.4	33.0	33.8	30.8	32.7	30.1	20.9	19.8	23.9
29 Profit retained to profit after tax**	77.4	68.8	70.2	85.4	83.6	84.3	85.7	89.1	79.6
30 Dividends to net worth	5.1	5.4	5.2	3.1	2.3	2.5	2.0	1.3	1.6
31 Ordinary dividends to ordinary paid-up capital	44.7	47.4	48.7	38.5	29.6	35.8	16.3	10.3	15.4

Statement 12: Select Financial Ratios of the select 3,352 Public Limited Companies, Industry-wise, 2007-08 to 2009-10 *(Contd.)*

(Per cent)

Item	Motor Veicles and Other Transport Equip. (178)			Construction (133)			Wholesale & Retail Trade (205)		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	73	74	75	76	77	78	79	80	81
A. Capital structure ratios									
1 Net fixed assets to total net assets	37.6	39.1	34.7	18.5	17.1	15.8	13.9	14.0	14.5
2 Net worth to total net assets	41.5	40.1	40.3	36.6	33.2	35.1	37.0	36.6	36.2
3 Debt to equity	38.8	44.3	45.5	34.0	37.9	40.2	37.3	38.3	44.8
4 Debt to equity (equity adjusted for revaluation reserve)	39.3	46.0	46.7	34.6	38.3	40.4	38.1	38.9	45.9
5 Short term bank borrowings to inventories	56.2	79.2	55.6	54.7	63.5	59.0	85.8	96.3	95.1
6 Total outside liabilities to net worth	140.8	149.3	148.3	173.0	200.9	185.1	170.6	172.9	176.0
B. Liquidity ratios									
7 Current assets to current liabilities *	1.2	1.0	1.0	1.3	1.3	1.4	1.4	1.4	1.5
8 Quick assets to current liabilities	54.6	46.0	45.3	49.4	44.0	50.1	68.3	58.7	63.9
9 Current assets to total net assets	48.7	43.3	41.2	67.6	69.1	70.5	67.4	70.4	71.8
10 Sundry creditors to current assets	35.6	37.9	38.0	18.4	19.7	19.6	29.1	25.4	22.9
11 Sundry creditors to net working capital	252.3	#	#	74.0	90.6	70.2	107.6	84.7	67.5
C. Assets utilization and turnover ratios									
12 Sales to total net assets	118.5	100.6	106.4	66.3	62.7	61.0	125.2	113.0	120.4
13 Sales to gross fixed assets	193.7	165.9	191.9	279.4	278.1	284.3	693.6	626.3	631.3
14 Inventories to sales	12.3	12.9	11.8	31.4	37.6	38.4	13.0	12.5	11.9
15 Sundry debtors to sales	8.5	9.6	8.6	26.9	31.3	33.6	17.0	15.6	15.4
16 Exports to sales	11.0	14.5	13.0	1.7	0.4	0.9	17.5	18.1	13.8
17 Gross value added to gross fixed assets	35.0	25.3	35.5	76.5	79.6	71.9	58.5	64.6	62.1
18 Raw materials consumed to value of production	68.5	70.1	68.8	31.7	36.6	37.5	86.8	84.7	83.8
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to Total uses of funds		49.6	22.6		19.2	14.6		17.4	25.5
20 Gross capital formation to Total uses of funds		55.9	31.7		49.8	36.1		22.5	39.7
21 External sources of funds to Total sources of funds		75.8	52.0		80.4	69.1		93.1	77.3
22 Increase in bank borrowings to Total external sources		31.1	-2.9		41.0	25.6		23.6	34.0
23 Gross savings to gross capital formation		52.6	136.1		42.2	72.1		49.5	56.1
E. Profitability and profit allocation ratios									
24 Gross profit (PBIT) to total net assets	11.8	6.7	11.1	9.9	7.9	7.4	4.9	5.3	6.4
25 Gross profit (PBIT) to sales	10.0	6.6	10.4	14.9	12.7	12.2	3.9	4.7	5.3
26 Profit after tax to net worth	19.4	10.8	18.4	15.1	11.4	9.9	4.6	4.2	5.6
27 PBDIT to sales	10.3	7.4	11.3	11.0	-0.5	1.1	-0.8	-0.6	2.3
28 Tax provision to profit before tax**	27.1	25.9	27.9	24.8	23.6	27.1	27.5	28.2	28.2
29 Profit retained to profit after tax**	76.0	74.2	63.2	92.0	94.1	92.6	83.1	83.1	78.7
30 Dividends to net worth	4.6	3.1	6.6	1.2	0.7	0.8	1.7	1.4	2.0
31 Ordinary dividends to ordinary paid-up capital	45.8	33.6	78.6	12.5	8.2	9.2	4.5	4.3	5.5

Statement 12: Select Financial Ratios of the select 3,352 Public Limited Companies, Industry-wise, 2007-08 to 2009-10 *(Contd.)*

(Per cent)

	Hotels & Restaurants (61)			Transport, Storage and Communications (141)			Real Estate Activities (47)		
Item	**2007-08**	**2008-09**	**2009-10**	**2007-08**	**2008-09**	**2009-10**	**2007-08**	**2008-09**	**2009-10**
	82	83	84	85	86	87	88	89	90
A. Capital structure ratios									
1 Net fixed assets to total net assets	63.5	64.7	63.8	53.4	45.1	45.5	8.5	8.5	7.9
2 Net worth to total net assets	48.5	50.5	45.5	40.1	43.9	45.3	39.1	40.6	45.7
3 Debt to equity	59.1	61.9	77.6	66.5	61.5	58.9	58.7	64.5	52.0
4 Debt to equity (equity adjusted for revaluation reserve)	63.0	72.2	90.8	70.3	63.0	60.0	58.9	64.8	52.1
5 Short term bank borrowings to inventories	313.3	232.7	229.4	#	#	#	13.6	10.0	6.3
6 Total outside liabilities to net worth	106.0	97.8	119.8	149.4	127.8	120.9	155.6	146.0	118.9
B. Liquidity ratios									
7 Current assets to current liabilities *	1.2	1.3	1.3	0.8	1.1	0.9	2.1	2.3	2.6
8 Quick assets to current liabilities	57.4	43.5	53.2	33.0	45.5	35.1	33.8	29.7	47.9
9 Current assets to total net assets	26.4	22.6	22.0	28.1	30.9	25.5	80.9	77.7	79.6
10 Sundry creditors to current assets	15.0	16.7	17.3	38.8	27.1	35.3	6.8	7.5	7.3
11 Sundry creditors to net working capital	105.6	82.6	81.9	-215.5	433.3	-367.8	12.9	13.1	11.8
C. Assets utilization and turnover ratios									
12 Sales to total net assets	39.5	28.8	23.5	39.6	35.2	34.6	26.7	15.4	18.0
13 Sales to gross fixed assets	49.9	36.5	30.2	58.0	59.5	54.8	284.3	165.9	202.8
14 Inventories to sales	2.9	3.6	3.9	1.3	1.2	1.4	122.4	225.2	183.8
15 Sundry debtors to sales	12.1	13.9	18.2	12.4	10.9	11.6	27.8	39.8	39.3
16 Exports to sales	1.0	3.1	3.3	0.1	0.1	0.1	4.5	1.9	2.6
17 Gross value added to gross fixed assets	29.5	20.1	15.7	21.9	20.4	18.5	133.1	78.3	71.2
18 Raw materials consumed to value of production	3.8	2.7	3.0	0.9	1.0	1.1	22.6	20.9	20.7
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to Total uses of funds		63.8	62.0		32.9	66.3		8.1	6.0
20 Gross capital formation to Total uses of funds		64.4	62.0		33.1	67.0		68.8	27.9
21 External sources of funds to Total sources of funds		71.2	76.3		62.3	64.2		55.2	64.1
22 Increase in bank borrowings to Total external sources		39.8	39.6		21.4	7.8		63.6	-1.5
23 Gross savings to gross capital formation		44.4	40.2		74.2	70.3		92.1	87.9
E. Profitability and profit allocation ratios									
24 Gross profit (PBIT) to total net assets	15.4	8.5	5.4	7.0	4.7	3.4	12.6	8.4	6.8
25 Gross profit (PBIT) to sales	39.0	29.6	23.1	17.8	13.3	9.9	47.1	54.4	37.5
26 Profit after tax to net worth	17.4	8.8	5.7	7.3	8.3	2.4	23.5	12.0	7.7
27 PBDIT to sales	38.3	30.0	26.7	27.2	22.0	17.2	40.4	38.3	28.0
28 Tax provision to profit before tax**	34.8	33.9	31.8	14.6	12.0	20.2	20.4	16.6	21.8
29 Profit retained to profit after tax**	74.0	72.6	60.9	91.1	93.1	93.2	84.8	88.2	82.6
30 Dividends to net worth	4.6	2.5	2.3	0.9	0.7	0.6	3.3	1.3	1.2
31 Ordinary dividends to ordinary paid-up capital	30.0	20.9	19.2	3.9	4.8	3.9	39.9	15.9	17.7

Statement 12: Select Financial Ratios of the select 3,352 Public Limited Companies, Industry-wise, 2007-08 to 2009-10 *(Contd.)*

(Per cent)

Item		Computer and Related Activities (203)			Manufacturing (2246)		
		2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
		91	92	93	94	95	96
A.	**Capital structure ratios**						
1	Net fixed assets to total net assets	17.3	18.8	16.2	40.8	42.5	41.4
2	Net worth to total net assets	68.7	62.7	65.1	42.6	41.4	43.6
3	Debt to equity	11.1	14.0	11.5	42.4	42.5	42.0
4	Debt to equity (equity adjusted for revaluation reserve)	11.1	14.0	11.5	43.5	44.3	43.3
5	Short term bank borrowings to inventories	455.7	536.1	466.0	81.3	108.0	81.5
6	Total outside liabilities to net worth	45.5	59.6	53.6	134.7	141.4	129.5
B.	**Liquidity ratios**						
7	Current assets to current liabilities *	2.4	2.0	2.0	1.2	1.1	1.2
8	Quick assets to current liabilities	175.0	141.2	142.1	55.0	48.7	51.8
9	Current assets to total net assets	55.4	54.6	54.6	48.3	43.5	43.5
10	Sundry creditors to current assets	11.6	14.1	13.9	28.4	30.1	29.9
11	Sundry creditors to net working capital	19.8	29.0	27.1	144.5	442.0	227.7
C.	**Assets utilization and turnover ratios**						
12	Sales to total net assets	79.4	84.6	72.3	87.1	79.8	79.6
13	Sales to gross fixed assets	291.8	287.7	272.0	144.3	131.2	132.7
14	Inventories to sales	1.1	1.0	1.4	16.7	16.7	17.4
15	Sundry debtors to sales	25.4	24.6	24.7	13.5	13.9	14.2
16	Exports to sales	1.3	1.5	1.2	22.4	23.1	21.2
17	Gross value added to gross fixed assets	205.0	188.3	181.2	30.7	24.2	27.7
18	Raw materials consumed to value of production	7.2	7.3	8.9	60.9	61.8	61.4
D.	**Sources and uses of funds ratios @**						
19	Gross fixed assets formation to Total uses of funds		38.4	11.7		49.8	43.8
20	Gross capital formation to Total uses of funds		39.3	13.3		57.0	59.1
21	External sources of funds to Total sources of funds		71.6	29.8		68.4	46.2
22	Increase in bank borrowings to Total external sources		18.0	14.7		41.4	8.8
23	Gross savings to gross capital formation		137.5	504.2		60.1	90.7
E.	**Profitability and profit allocation ratios**						
24	Gross profit (PBIT) to total net assets	18.7	15.7	17.6	12.1	8.7	10.2
25	Gross profit (PBIT) to sales	23.6	18.5	24.3	13.9	10.9	12.9
26	Profit after tax to net worth	23.1	13.4	21.1	18.8	12.0	14.2
27	PBDIT to sales	23.5	19.1	24.7	13.2	10.6	13.2
28	Tax provision to profit before tax**	18.7	17.6	22.1	25.0	27.2	27.3
29	Profit retained to profit after tax**	71.2	77.7	69.5	80.0	75.3	75.5
30	Dividends to net worth	6.4	5.0	6.6	3.8	2.9	3.5
31	Ordinary dividends to ordinary paid-up capital	85.5	66.2	97.6	39.2	36.9	46.3

Statement 12: Select Financial Ratios of the select 3,352 Public Limited Companies, Industry-wise, 2007-08 to 2009-10 *(Contd.)*

(Per cent)

Item	Service (820)			All Industries (3352)		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	97	98	99	100	101	102
A. Capital structure ratios						
1 Net fixed assets to total net assets	35.1	33.0	32.1	38.5	38.9	37.7
2 Net worth to total net assets	46.5	46.6	48.8	43.4	42.6	44.8
3 Debt to equity	44.7	47.5	43.7	44.2	45.7	43.6
4 Debt to equity (equity adjusted for revaluation reserve)	46.0	48.5	44.4	45.5	47.3	44.8
5 Short term bank borrowings to inventories	107.6	120.7	103.8	83.4	105.8	82.7
6 Total outside liabilities to net worth	115.0	114.4	104.8	130.5	134.9	123.1
B. Liquidity ratios						
7 Current assets to current liabilities *	1.4	1.5	1.5	1.3	1.2	1.2
8 Quick assets to current liabilities	62.8	63.5	63.8	56.3	52.4	55.4
9 Current assets to total net assets	46.0	45.1	43.2	47.9	44.8	44.1
10 Sundry creditors to current assets	20.8	19.1	20.3	25.7	26.0	26.4
11 Sundry creditors to net working capital	70.8	61.1	64.5	113.6	163.3	132.0
C. Assets utilization and turnover ratios						
12 Sales to total net assets	54.6	50.0	48.4	74.5	70.0	69.0
13 Sales to gross fixed assets	118.2	113.3	107.5	135.5	128.5	127.9
14 Inventories to sales	13.2	12.7	13.1	16.6	16.2	17.0
15 Sundry debtors to sales	18.9	18.0	18.3	15.3	15.2	15.8
16 Exports to sales	4.3	4.2	3.6	18.2	18.0	16.4
17 Gross value added to gross fixed assets	50.2	45.4	41.9	35.1	29.8	31.6
18 Raw materials consumed to value of production	23.2	21.7	23.5	51.8	52.6	53.0
D. Sources and uses of funds ratios @						
19 Gross fixed assets formation to Total uses of funds		33.0	39.5		42.8	40.2
20 Gross capital formation to Total uses of funds		36.0	44.4		49.4	52.6
21 External sources of funds to Total sources of funds		67.2	56.5		68.3	50.8
22 Increase in bank borrowings to Total external sources		23.0	10.6		35.4	11.3
23 Gross savings to gross capital formation		78.1	103.4		64.1	92.6
E. Profitability and profit allocation ratios						
24 Gross profit (PBIT) to total net assets	10.2	7.3	7.2	11.2	8.3	9.3
25 Gross profit (PBIT) to sales	18.7	14.6	14.9	15.1	11.9	13.5
26 Profit after tax to net worth	13.8	9.1	8.5	16.8	11.1	12.2
27 PBDIT to sales	20.6	16.5	16.7	14.8	11.5	13.6
28 Tax provision to profit before tax**	22.6	24.3	28.9	23.4	22.1	25.1
29 Profit retained to profit after tax**	77.0	76.6	69.8	80.6	81.5	77.9
30 Dividends to net worth	3.2	2.1	2.6	3.4	2.6	3.0
31 Ordinary dividends to ordinary paid-up capital	18.9	14.8	19.6	27.9	24.3	30.3

Appendix
Explanatory Notes to Various Statements

- Internal Sources: These are own sources comprising Capitalised reserves, Retained Profits, Depreciation Provision and other provisions.
- External Sources: These are other than own sources comprising funds raised from capital markets, borrowed funds, trade dues and other current liabilities and miscellaneous non-current liabilities.
- The growth rates of all the items and data on sources and uses of funds are adjusted for changes due to amalgamation of companies. These are also adjusted for revaluation, *etc.*, wherever necessary.
- Due to rounding off of figures, the constituent items may not add up to the totals.
- Sales are net of 'rebates and discounts' and 'excise duty and cess'.
- Manufacturing expenses comprise (a) raw materials, components, *etc.,* consumed, (b) stores and spares consumed, (c) power and fuel and (d) other manufacturing expenses.
- 'Raw materials, components, *etc.*, consumed' includes purchase of traded goods in the case of trading companies and consumption of stores and provisions for hotels, restaurants and eating houses.
- 'Other manufacturing expenses' include expenses like construction expenses of construction companies, operating expenses of shipping companies, *etc.*
- Remuneration to employees comprises (a) salaries, wages and bonus, (b) provident fund and (c) employees' welfare expenses.
- Non-operating surplus/deficit comprises (a) profit/loss on account of (i) sale of fixed assets, investments, *etc.*, and (ii) revaluation/devaluation of foreign currencies, (b) provisions no longer required written back, (c) insurance claims realised and (d) income or expenditure relating to the previous years and such other items of non-current nature.
- PBDIT is profit before depreciation provision, interest and tax, however other income and non-operating surplus/deficit are excluded.
- Gross profits (PBIT) are net of depreciation provision but before interest.
- Gross saving is measured as the sum of retained profits and depreciation provision.
- Gross value added comprises (a) net value added and (b) depreciation provision.
- Net value added comprises (a) salaries, wages and bonus, (b) provident fund, (c) employees' welfare expenses, (d) managerial remuneration, (e) rent paid net of rent received, (f) interest paid net of interest received, (g) tax provision, (h) dividends paid net of dividends received and (i) retained profits net of non-operating surplus/deficit.
- Debt comprises (a) all borrowings from Govt. and semi-Govt. bodies, financial institutions other than banks, and from foreign institutional agencies, (b) borrowings from banks against mortgages and other long term securities, (c) borrowings from companies and others against mortgages and other long term securities, (d) debentures, deferred payment liabilities and public deposits.
- Equity or Net worth comprises (a) paid-up capital, (b) forfeited shares and (c) all reserves and surplus.
- Current assets comprise (a) inventories, (b) loans and advances and other debtor balances, (c) book value of quoted investments, (d) cash and bank balances and (e) advance of income-tax in excess of tax provision.
- Current liabilities comprise (a) short term borrowings from banks, (b) unsecured loans and other short term borrowings from companies and others, (c) trade dues and other current liabilities and (d) tax provision in excess of advance of income-tax and other current provisions.

Appendix
Explanatory Notes to Various Statements *(Concld.)*

- Quick assets comprise (a) sundry debtors, (b) book value of quoted investments and (c) cash and bank balances.
- Capital reserves include profits on sale of investments and fixed assets.
- Other reserves include profits retained in the form of various specific reserves and profit/loss carried to balance sheet.
- Debentures include privately placed debentures with financial institutions.

Industry Clarification

- Construction: Construction activity as per the International Standard Industrial Classification (ISIC) adopted in the System of National Accounts (SNA) covers contract construction by general builders, civil engineering contractors and special trade contractors. In addition to these contractual activities, in India, own account construction is also included for the purpose of estimating domestic product, due to the problem of checked with CFD Seperately. Thus construction industry includes companies engaged in all activities connected with site preparation, alteration, addition, repair and maintenance, construction and maintenance of infrastructures (*viz.* roads, bridges, rail beds *etc.*) and infrastructure projects, industrial plants and building installations and such other activities.
- Real estate: Real estate activity means (i) developing real estate and (ii) other services in relation to real estate. This includes companies engaged in buying, selling, renting and operating of self-owned or leased real estate (*viz.* apartment building and dwellings, non-residential buildings *etc.*), developing and subdividing real estate, developing and sale of land and cemetery lots, operating of apartment hotels and residential mobile home sites *etc.*

Investment Portfolio of Scheduled Commercial Banks: March 2010*

This article presents the investment portfolio of scheduled commercial banks (excluding Regional Rural Banks) as at end-March 2010, as per the reporting system of annual Basic Statistical Return (BSR)-5. The investment portfolio covers investments in central and state government securities, securities other than government securities – approved for the purpose of investments under the Indian Trusts Act, 1882 for investment purpose, other domestic investments, foreign securities and other foreign investments. Analysis of investments according to bank groups, namely, State Bank of India and its Associates (State Bank group), Nationalised Banks, Private Sector Banks and Foreign Banks has been presented in terms of instruments, maturity and coupon rates. State-wise analysis of SCBs' investments in state government securities and State-level bodies is also furnished. The article also highlights a comparative position of banks' portfolio in 2010 with that of the previous year.

- *During 2009-10, the total investments of the scheduled commercial banks (SCBs) increased by 20.2 per cent as compared with 22.8 per cent in 2008-09.*
- *Nationalised Banks accounted for the largest share of investments of the SCBs, which increased by 4.1 percentage points to 48.2 per cent. The share of State Bank group declined from 24.7 per cent to 22.0 per cent.*
- *The maturity profile of the government securities held by the SCBs showed that around one-third (33.1 per cent) of the holdings were in the medium-term maturity buckets of 'more than 1 year but less than 6 years', i.e., maturing between April 2011 and March 2016 and a little higher than one-third (39.1 per cent) of the holdings were maturing in 'more than 6 years but less than 11 years', i.e., between April 2016 and March 2021; very short-term holdings (maturing within one year) had a share of 15.2 per cent. Holdings of government securities with a long-term maturity period, i.e., from April 2021 onwards, had a share of 12.6 per cent, which was higher than that recorded in the previous year (i.e., 11.7 per cent for comparable maturity period of 2020 and above).*
- *Foreign Banks reported a large part (47.7 per cent) of their holding with residual maturity less than one year, as against 15.2 per cent for all the SCBs.*
- *During 2009-10, the share of central government securities with the coupon rate of '6 per cent to 10 per cent' held by the SCBs increased from 75.8 per cent to 82.8 per cent.*
- *Share of the investments of SCBs under 'held to maturity' (HTM) as well as 'held for trading' (HFT) category declined from 46.0 per cent and 32.9 per cent as on March 31, 2009 to 15.0 per cent and 21.6 per cent, respectively, as on March 31, 2010 while under 'available for sale' (AFS) category, it increased from 21.1 per cent to 63.4 per cent as on March 31, 2010.*

Introduction

The analysis of investment portfolio of Scheduled Commercial Banks (SCBs), excluding Regional Rural Banks (RRBs), is based on data furnished in the Basic Statistical Return (BSR)-5 as at end-March 2010 and covers 83 banks, *viz.*, 7 from the State Bank group[1] (State Bank group), 20 from the Nationalised Banks group (including IDBI Ltd.), 22 Indian Private Sector Banks and 34 Foreign Banks operating in India. These banks accounted for 97.3 per cent of the total investments of all the SCBs[2] (including Regional Rural Banks) on the last reporting Friday of March 2010. Besides the

* Prepared in the Banking Statistics Division of the Department of Statistics and Information Management. The previous article as at end-March 2009 was published in January 2011 issue of the Reserve Bank of India Bulletin.

[1] State Bank of Saurashtra was merged with the SBI in October 2008 following resolutions passed by the boards of both the banks.

[2] As per the reported figures of investments in Form 'A' return under Section 42 (2) of RBI Act, 1934 as on last reporting Friday of March 2010.

domestic banks' total investments, it covers the investments made in India by the foreign banks through their branches located in the country. These investments are classified into: (a) Indian government securities (*i.e.*, central and state government securities taken together), (b) Other trustee securities, (c) Other domestic investments and (d) Foreign investments. Other trustee securities are trustee securities, other than government securities, which are specially approved for investments purpose under the Indian Trusts Act, 1882; it includes securities/shares/bonds/debentures issued by major all-India bodies, namely, Industrial Finance Corporation of India Ltd. (IFCI), National Bank for Agriculture and Rural Development (NABARD), UTI Mutual Fund (formerly UTI) *etc.* as well as State-level bodies namely State Electricity Boards (SEBs), State Financial Corporations (SFCs), Regional Rural Banks, Co-operatives, State Industrial Development Corporations (SIDCs), State Transport Corporations (STCs), Municipalities, local authorities, *etc.* Other domestic investments cover i) Shares, bonds and debentures of Indian joint stock companies (non-trustee), ii) Fixed Deposits (FDs) with banks, iii) Certificate of Deposits (CDs) and Commercial Papers (CPs), iv) Units of Mutual Funds, v) Others. Foreign investments comprise foreign government securities and other foreign investments. Moreover, investments by foreign offices of the domestic SCBs are classified into three segments, namely, Indian securities, Foreign countries securities and other investments.

The investment data presented in this article, in general, is referred to by their face value and in the case of investments in shares, bonds and debentures of Indian joint stock companies, market value is also indicated along with the face value.

Results

The results of the survey are presented in six sections. Section I relates to aggregate investments of SCBs according to type of securities and the Section II discusses bank group-wise investments according to type of securities and also includes information on the investments of SCBs in loans floated by the state governments, contributions in the share capital of RRBs, subscription to debentures of co-operative institutions, subscription to bonds of the state government guaranteed bodies, like Municipalities, State Electricity Boards, State Financial Institutions, State Transport Corporations, *etc.* Section III discusses maturity profile and coupon rate classification of investments in the government securities. Classification of investments of SCBs into 'held to maturity' (HTM), 'available for sale' (AFS) and 'held for trading' (HFT) categories is covered in section IV. Section V discusses investments of SCBs in State level securities. A summary of the results is presented in the concluding section VI.

I. Aggregate Position of Investments

Total investments of the SCBs, excluding RRBs, registered 20.2 per cent increase during 2009-10 and stood at ₹17,14,780 crore as on March 31, 2010 as compared with a rise by 22.8 per cent during the preceding year (Statement 1). Investments of bank offices located in India continued to have a majority share (98.4 per cent) in the total investments. The balance 1.6 per cent of total investments was held by the foreign offices of Indian banks in the form of foreign investments, comprising the securities of foreign countries and other investments made abroad.

The composition of investments of the SCBs, reflects banks' preference for the investments in government securities (Statement 1 and Chart 1). As on March 31, 2010 government securities accounted for 79.0 per cent of total investments of banks (80.6 per cent as on March 31, 2009). The share of other trustee securities declined from 0.7 per cent to 0.4 per cent while the share of 'other domestic investments' increased by 2.0 percentage points to 18.9 per cent as on March 31, 2010. Investments in foreign securities by domestic offices of the SCBs declined to ₹1,869 crore (₹2,343 crore as on March 31, 2009), contributing to 0.1 per cent in the total investments.

SCBs' holdings of central government securities grew at a lower rate of 15.2 per cent to ₹10,60,649 crore, while their investments in state government securities increased by 28.0 per cent to ₹2,93,236 crore as on March 31, 2010 compared with 19.2 per cent and

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

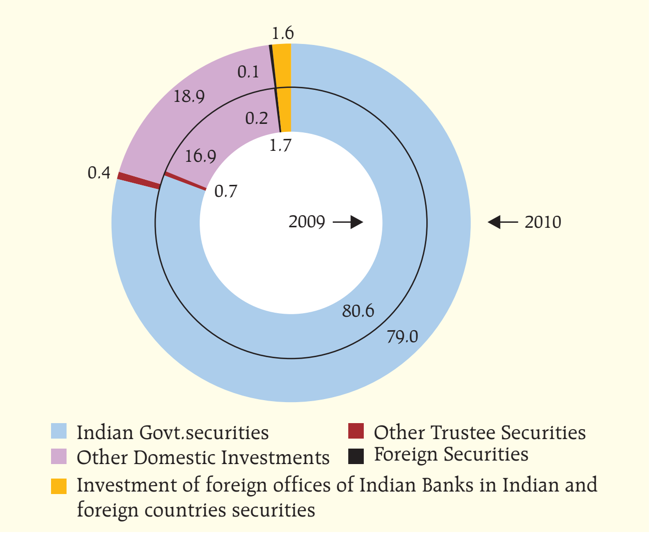
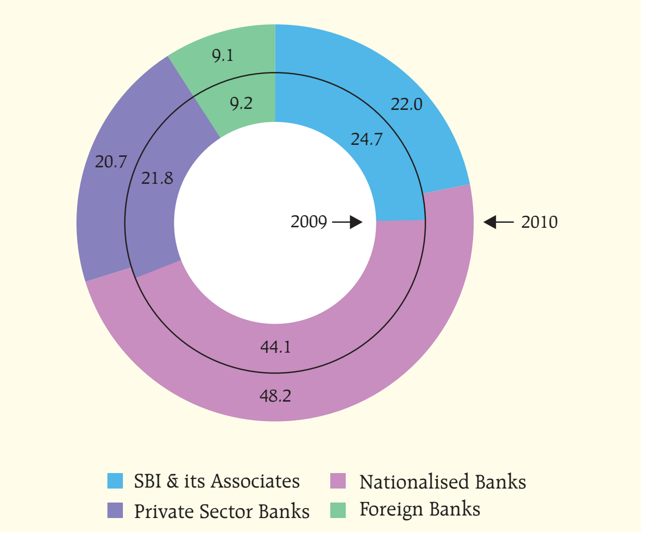


Chart 2: Bank Group-wise Share of Investments of Scheduled Commercial Banks



50.9 per cent increase, respectively, during the previous year. Investment of SCBs in other trustee securities decelerated by 35.5 per cent during 2009-10 on top of the deceleration of 14.5 per cent during 2008-09. SCBs' 'other domestic investments' increased by 35.1 per cent in 2009-10 as compared to 14.1 per cent increase recorded in the preceding year, and stood at ₹3,24,923 crore as at end-March 2010.

II. Bank Group-wise Investments of Scheduled Commercial Banks According to Type of Securities

II.1 Bank group-wise Shares in Total Investments of SCBs

Among the various bank groups, Nationalised Banks continued to account for the largest share of investments of the SCBs, with their share witnessing an increase during the year. As on March 31, 2010 these banks accounted for 48.2 per cent share in total investments of SCBs, as against 44.1 per cent share a year ago. The share of State Bank group and Foreign Banks as on March 31, 2010 stood at 22.0 per cent and 9.1 per cent compared with 24.7 per cent and 9.2 per cent in the previous year, respectively. The share of Private Sector Banks declined to 20.7 per cent from 21.8 per cent a year ago (Chart 2). The State Bank group registered 6.8 per cent growth in their investment portfolio during 2009-10, whereas in the case of Nationalised Banks, the increase was 31.3 per cent, followed by Foreign Banks recording 18.1 per cent growth in their investment portfolio (Statement 2).

II.2 Composition of Investments

II.2.1 Central Government Securities: In the case of Nationalised Banks, holdings of central government securities increased by 29.6 per cent during 2009-10, which is higher than 13.7 per cent increase recorded during 2008-09. In the case of Foreign Banks, the holdings of central government securities increased by 13.1 per cent during 2009-10. State Bank group (1.0 per cent) and Private Sector Banks (4.6 per cent) recorded relatively lower growth in their holdings of central government securities during 2009-10.

II.2.2 State Government Securities: Private Sector Banks' investments in state government securities increased by 89.2 per cent, while such investments grew by 35.7 per cent in the case of the Nationalised Banks, and by 9.7 per cent for the State Bank group. Foreign Banks' investments in such securities were negligible.

II.2.3 Foreign Securities: The investments in foreign securities, across all the bank groups are negligible. Similarly, the investments by foreign offices of the Indian banks in foreign securities continues to be low (1.4 per cent to 2.5 per cent of total investment portfolio).

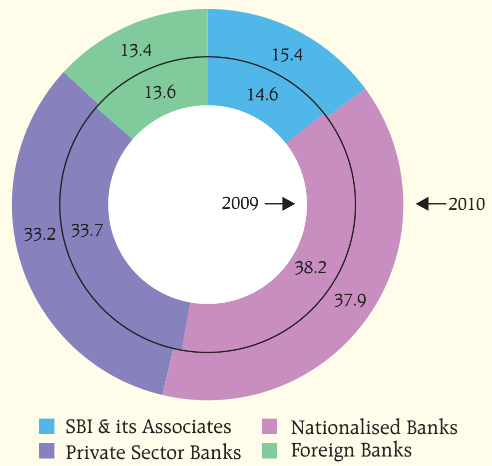
II.2.4 Investment in Other Trustee Securities: Such investments of SCBs, amounted to ₹6,395 crore as on March 31, 2010 which was lower than that of ₹9,913 crore reported as on March 31, 2009 (Statement 3). Securities issued by IFCI constituted about one-sixth (18.6 per cent) of investments under this category as at end-March 2010, while those issued by SEBs and SFCs accounted for 11.7 per cent and 8.1 per cent, respectively.

II.2.5 Other Domestic Investments: Investment by SCBs in other domestic investments stood at ₹3,24,923 crore as on March 31, 2010, recording an increase of 35.1 per cent during 2009-10 (Statement 4). The investments by banks in debentures issued by joint stock companies constituted 65.2 per cent in terms of market value, of total investment in shares and debentures as on March 31, 2010 as against 68.0 per cent as on March 31, 2009. Investment by banks in shares of joint stock companies increased by 32.7 per cent to ₹38,104 crore during 2009-10, while investment in debentures of joint stock companies increased by 16.7 per cent during this period and stood at ₹71,362 crore. Further, it was observed that all bank groups except State Bank group continued to show a marked preference for debentures over shares. In the case of State Bank group, equity shares accounted for 37.6 per cent of investment in shares and debentures; they accounted for a meagre 2.1 per cent for the Foreign Banks. Investments in other instruments in this category by SCBs grew at a higher rate of 43.1 per cent during 2009-10 to ₹2,15,457 crore compared to 26.3 per cent growth recorded in 2008-09.

Nationalised Banks accounted for the largest share of 37.9 per cent in other domestic investments as on March 31, 2010 followed closely by Private Sector Banks (33.2 per cent). The State Bank group (15.4 per cent) and Foreign Banks (13.4 per cent) had relatively lower shares (Chart 3).

II.2.6 Investment in Public Sector Enterprises: Investment of SCBs in bonds of Public Sector Enterprises witnessed an increase of 10.2 per cent to ₹11,269 crore as on March 31, 2010 from ₹10,223 crore as on March 2009 (Statement 5); such investments by

Chart 3: Bank Group-wise Share in Other Domestic Investments@



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

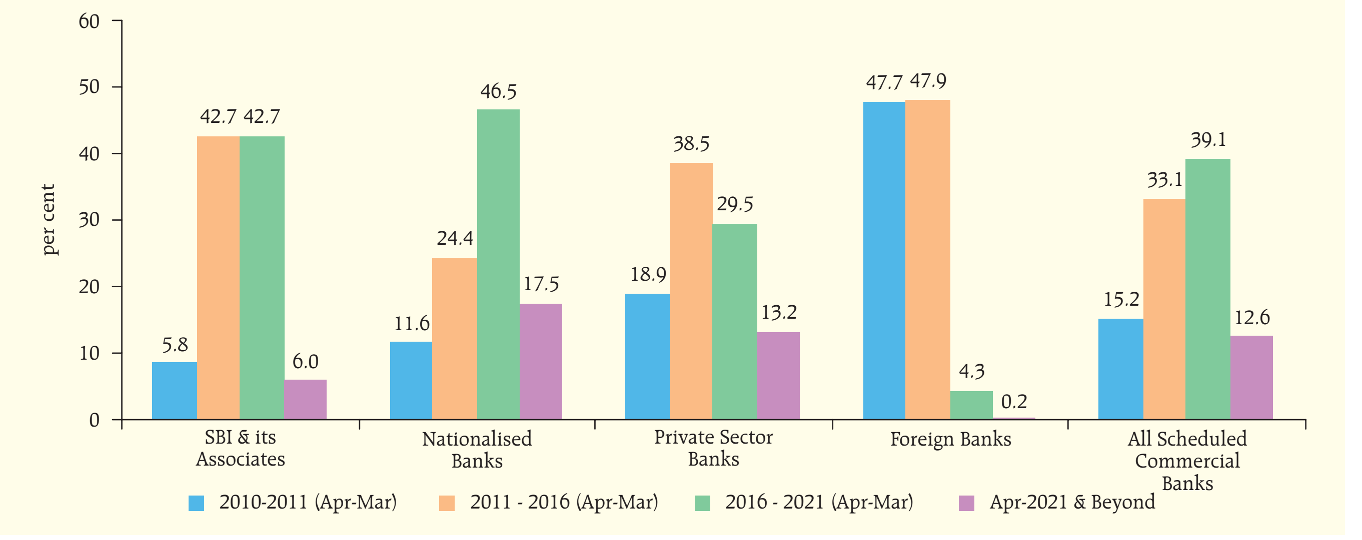
State Bank group registered more than five-fold increase, while foreign Banks and Private Banks registered an increase of 19.4 per cent and 7.5 per cent respectively. However, the Nationalised Banks registered a decline of 23.5 per cent. Among investments in public sector enterprises, investments in Rural Electrification Corporation was having highest share of 34.8 per cent followed by Power Finance Corporation's bonds (31.9 per cent).

III Maturity Profile and Coupon Rate Classification of Investments in Central and State Government Securities

III.1 Maturity Profile of Outstanding Investment in Government Securities

The maturity classification of investments in central and state government securities for different bank groups as at the end-March 2010 is presented in Statement 6 and in Chart 4. As reflected in Chart 4, 15.2 per cent of the holdings had maturity of less than 1 year, *i.e.,* maturing between April 2010 and March 2011 while 33.1 per cent of the securities were in the maturity bucket 'more than 1 year but less than 6 years' (*i.e.,* maturing between April 2011 and March 2016) and another 39.1 per cent stood in the maturity bucket of 'more than 6 years but less than 11 years' (*i.e.,* maturing between April 2016 and March 2021).

Chart 4: Bank Group-wise Distribution of Maturity Period of Investments of Scheduled Commercial Banks in Central and State Government Securities as at end-March 2010



The maturity profile of government securities was not uniform across different bank groups. The share of investments in the maturity bucket of 'more than 1 year but less than 6 years' (*i.e.,* maturing between April 2011 and March 2016) for Foreign Banks was the highest (47.9 per cent), followed by State Bank group (42.7 per cent) and Private Banks (38.5 per cent) while for the Nationalised Banks, it was lower at 24.4 per cent. Similarly, while share of investments in the maturity bucket of 'more than 6 years but less than 11 years' was higher for Nationalised Bank group (46.5 per cent) and State Bank group (42.7 percent), it was much lower in the case of Private Sector Banks (29.5 per cent) and the Foreign Banks (4.3 per cent).

The maturity profile of central government securities held by the SCBs as at end-March 2010 followed similar pattern as observed for all the government securities (Chart 5). At all SCBs level, central government securities maturing in 'more than 1 year but less than 6 years' constituted the largest share (35.4 per cent), followed by the securities maturing in 'more than 6 years but less than 11 years' (29.8 per cent). At bank group level, share of the holdings of central government securities in the

Chart 5: Bank Group-wise Distribution of Maturity Period of Investments of Scheduled Commercial Banks in Central Government Securities as at March 2010

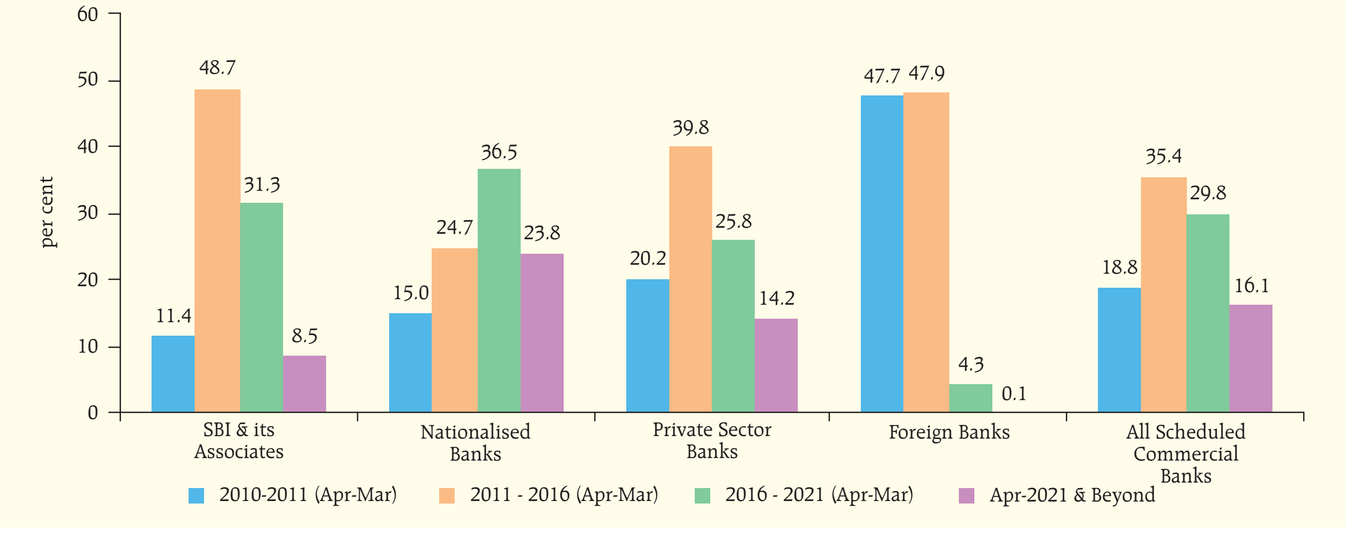
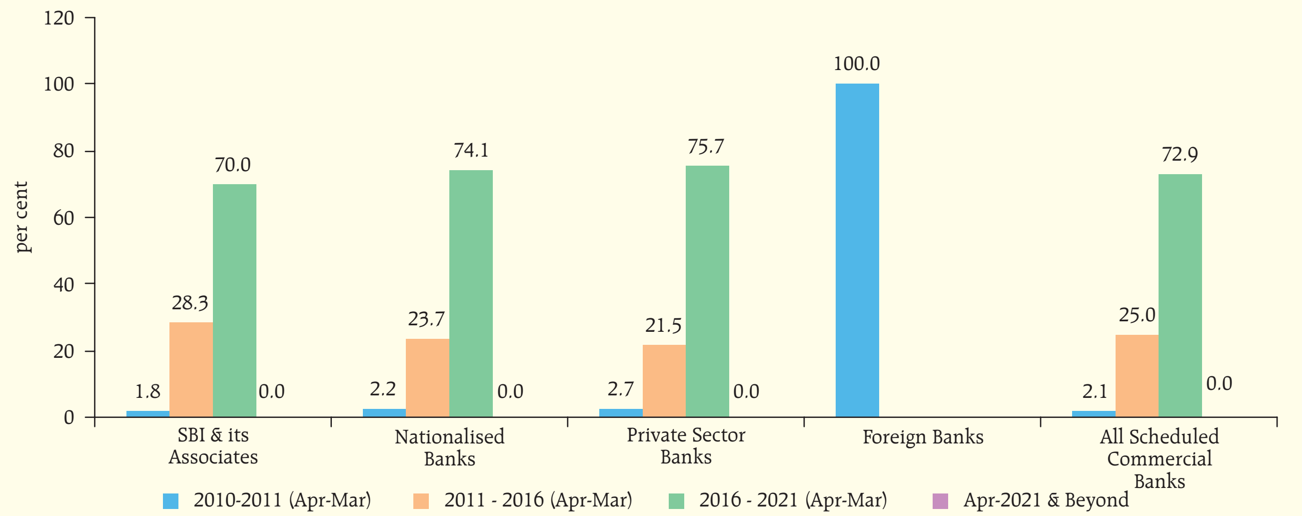


Chart 6: Bank Group-wise Distribution of Maturity Period of Investments of Scheduled Commercial Banks in State Government Securities as at March 2010



maturity bucket 'more than 1 year but less than 6 years' varied between 24.7 per cent for Nationalised Banks and 48.7 per cent for State Bank group. The proportion of central government securities with maturity period 'more than 6 years but less than 11 years' varied between 4.3 per cent for Foreign Banks and 36.5 per cent for Nationalised Banks. In the case of State Bank group, 8.5 per cent of the central government security portfolio was found to be maturing beyond 2021, while in the case of Nationalised banks and Private Sector banks, such share was 23.8 per cent and 14.2 per cent, respectively.

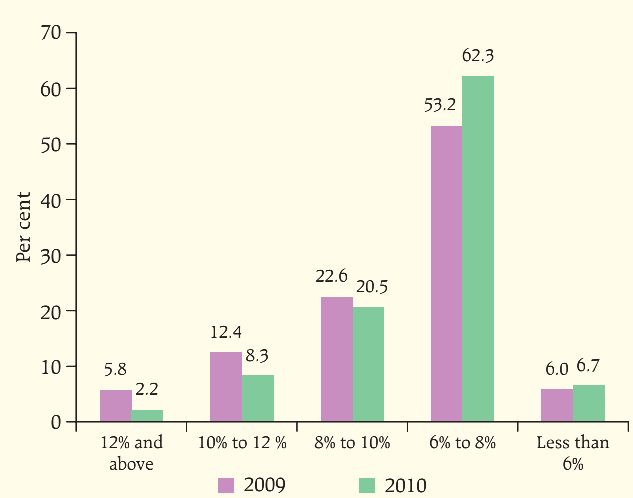
As regards the investments in the state government securities by the SCBs, 25 per cent was due for maturing during April 2011 to March 2016 while 72.9 per cent had maturity during April 2016 to March 2021. Barring Foreign banks, the maturity period-wise distribution of other bank groups was quite similar.

III.2 Investments in Central and State Government Securities (excluding Treasury Bills, Postal Obligations, etc.) – According to Coupon Rates

Between 2009 and 2010, share of central government securities with coupon rate 'less than 6 per cent' increased from 6.0 per cent to 6.7 per cent. During the period, banks' investments in central government securities with coupon rate of '6 per cent to 10 per cent' increased in their share from 75.8 per cent to 82.8 per cent (Statement 7, Chart 7). The proportion of banks' holdings of central government securities with coupon rate '10 per cent and above' declined from 18.2 per cent to 10.5 per cent (Chart 7).

As regards the state government securities, the distribution in various coupon rate ranges depicted, by and large, a similar pattern. Proportion of securities with coupon rate of '6 per cent to 10 per cent' increased to 89.5 per cent as on March 31, 2010 from 83.4 per

Chart 7: Share of Investment of Scheduled Commercial Banks in Central Government Securities According to Coupon Rate (as on March 31)

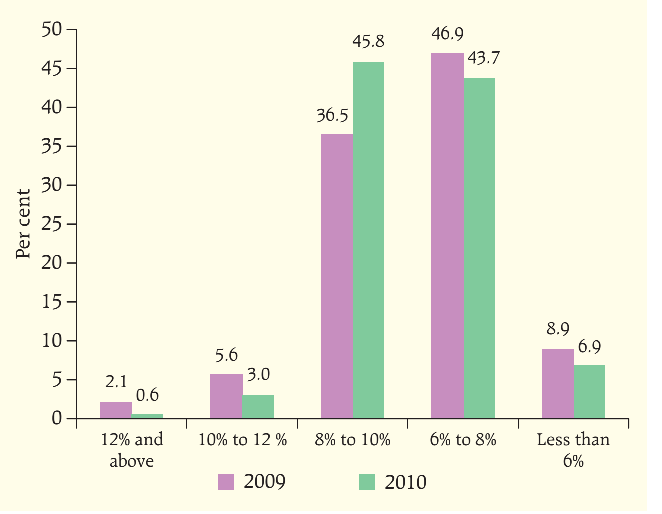


cent as on March 31, 2009 (Chart 8). The proportion of state government securities with coupon rate '10 per cent and above' decreased from 7.7 per cent to 3.6 per cent.

State Bank group's holdings of central government securities with coupon rate 'less than 6 per cent' increased from 7.8 per cent as on March 31, 2009 to 8.7 per cent as on March 31, 2010 while those with coupon rate of '6 per cent to 10 per cent' increased from 74.3 per cent in 2009 to 81.7 per cent as on March 31, 2010. The share of central government securities with coupon rate '10 per cent and above' declined from 18.0 per cent as on March 31, 2009 to 9.6 per cent as on March 31, 2010 (Chart 9). In case of Nationalised Banks, the share of central government securities with coupon rate '6 per cent to 10 per cent' increased from 81.5 per cent as on March 31, 2009 to 88.6 per cent as on March 2010 (Chart 9). In case of Private Sector Banks, the share of central government securities with coupon rate of '6 per cent to 10 per cent' increased from 79.0 per cent as on March 2009 to 79.8 per cent in March 2010. Securities with coupon rate below 6 per cent declined from 19.1 per cent to 1.6 per cent for Foreign Banks while its share of securities with coupon rate of '10 per cent and above' increased from 35.3 per cent as on March 2009 to 36.0 per cent as on March 2010.

In case of state government securities held by different bank groups, except Foreign Banks, major

Chart 8: Share of Investment of Scheduled Commercial Banks in State Government Securities According to Interest Rate (coupon) (as on March 31)



portion of the holding was in the coupon rate range of '6 per cent to 10 per cent'. Foreign Banks' entire holding of ₹400 crore was retained in the coupon rate range of '10 per cent to 12 per cent' during 2009-10 (Chart 10).

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

At the aggregate level, the share of investments under the three categories, *viz.* 'held to maturity' (HTM), 'available for sale' (AFS) and 'held for trading'

Chart 9: Bank Group-wise Distribution of Investments in Central Government Securities as per Various Interest (Coupon) Ranges March 2009 and 2010

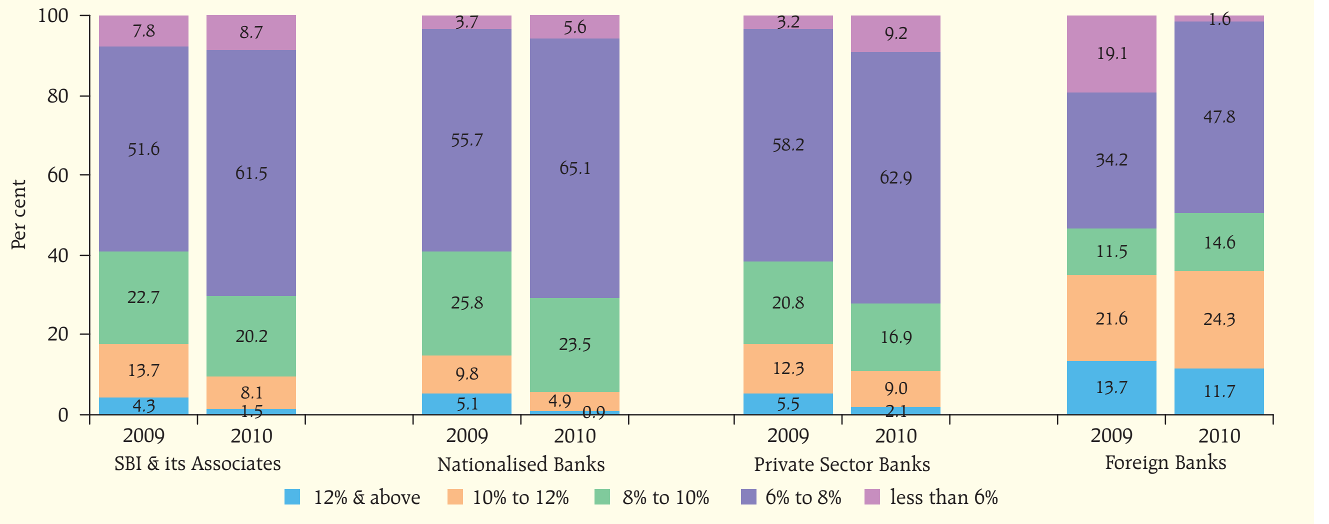
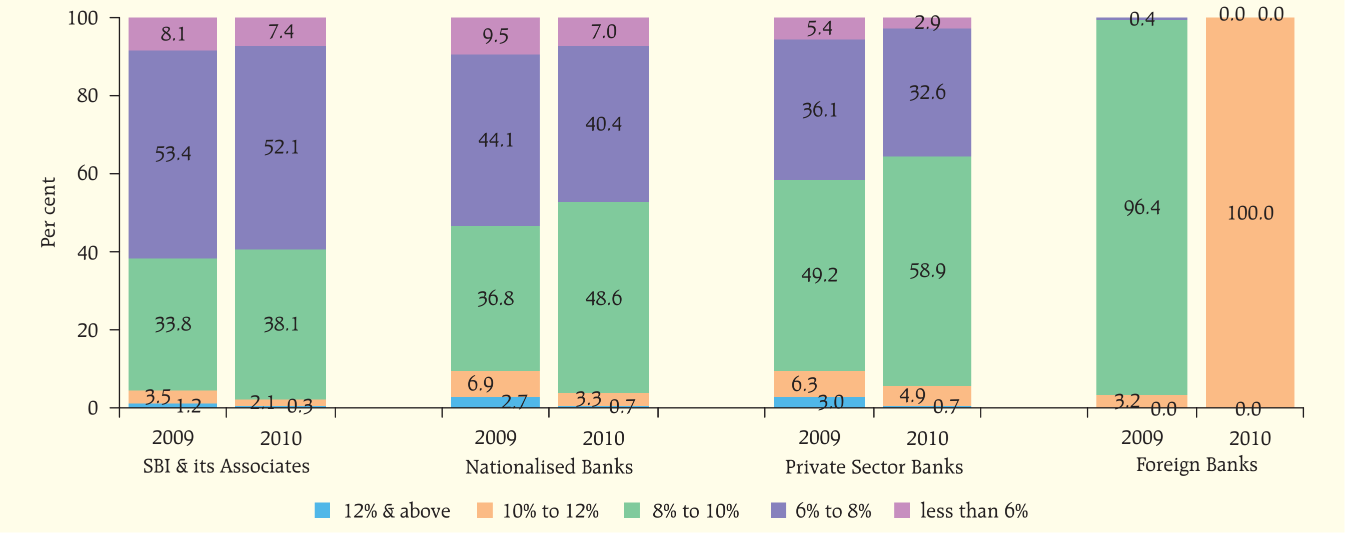


Chart 10: Bank Group-wise Distribution of Investments in State Government Securities as per Various Interest Rate (Coupon), March 2009 and 2010



(HFT) depicted significant changes in March 2010 compared to that in March 2009 (Chart 11). The share of securities under HTM category decreased from 46.0 per cent to 15.0 per cent, and those under HFT category decreased from 32.9 per cent to 21.6 per cent. Correspondingly, share of securities under AFS category increased from 21.1 per cent to 63.4 per cent.

In the case of government securities, the share of investments classified under HTM category decreased to 15.0 per cent as on March 31, 2010 from 50.8 per cent a year ago while the share under AFS category increased from 16.6 per cent to 66.2 per cent. In the case of other domestic investments, 5.3 per cent of investments were held in the HTM category and 39.2 per cent in AFS category. The share under HTM category increased from 34.5 per cent to 55.4 per cent in March 2010.

Between March 2009 and March 2010, share of securities classified as AFS increased for State Bank group and Foreign Banks, while it declined for Nationalised banks and Private Sector Banks (Chart 12). Nationalised banks and Private Sector Banks witnessed increase in the share of portfolio under HFT category.

Chart 11: Portfolio of Scheduled Commercial Banks in Various Types of Investments (As on March 31)

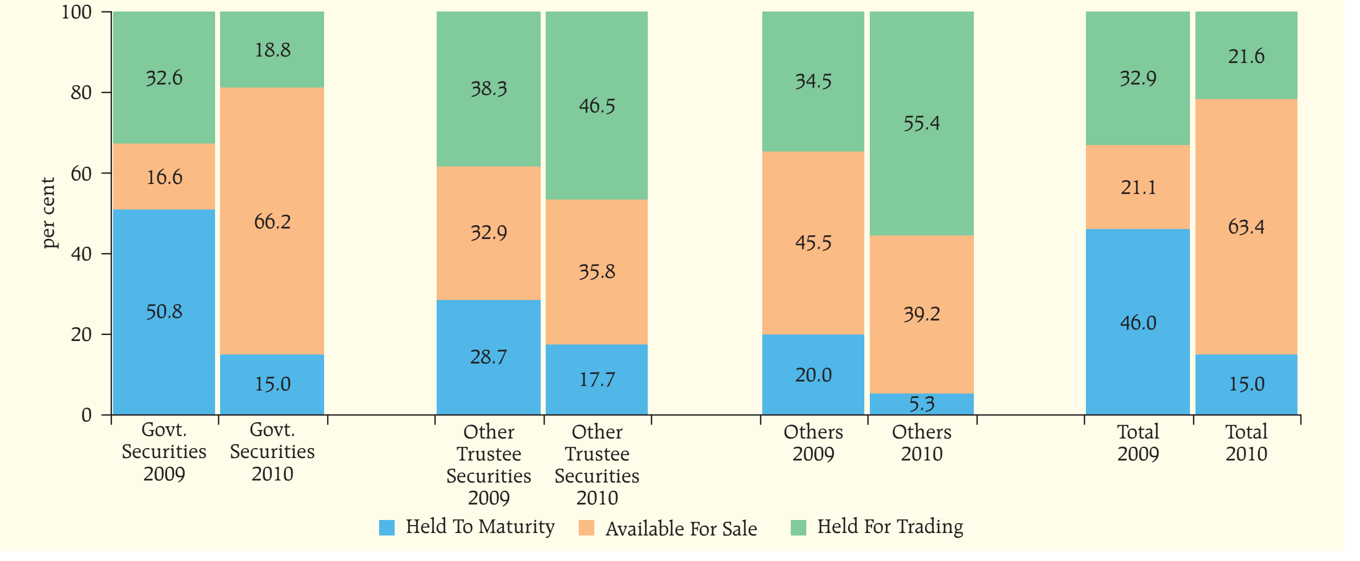
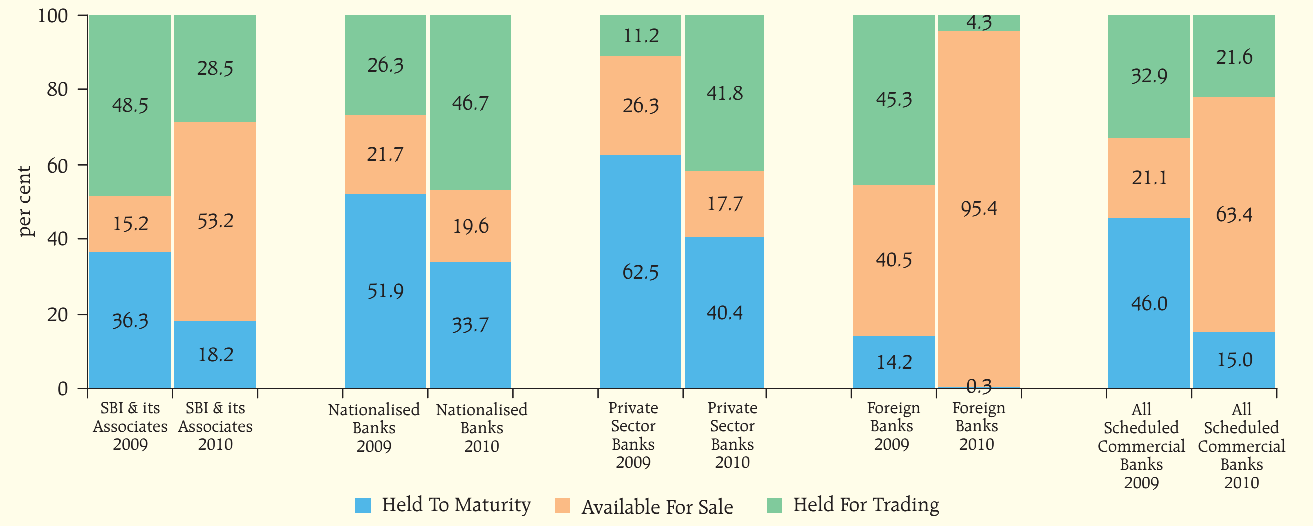


Chart 12: Bank Group-wise Investment Portfolio of Scheduled Commercial Banks as on March 31, 2009 and March 31, 2010



V. Investments of Scheduled Commercial Banks in State-level Securities

State-level securities consists of securities floated by the state governments, bonds of state-level bodies guaranteed by the state governments, share capital of RRBs and debentures of co-operative institutions. SCBs' investments in such securities increased by 25.7 per cent to ₹2,96,361 crore as at end-March 2010 (Statement 8). The increase was mainly due to SCBs' investment in the state government securities (*i.e.*, coupon-bearing State Development Loans (SDL)), which increased by 28.0 per cent during 2009-10, and its share increased from 97.2 per cent of State-level investments as on March 31, 2009 to 98.9 per cent as on March 31, 2010. Of the total outstanding state government securities of ₹5,22,363 crore as at end-March 2010, SCBs' holdings amounted to ₹2,93,236 crore indicating an absorption rate of 56.1 per cent (56.9 per cent as at end-March 2009). The investment in all other state-level securities declined to ₹3,125 crore (₹6,651 crore as on March 31, 2009). Other important state-level securities in which banks invested were State Electricity Boards and RRBs (0.3 per cent each) followed by State Financial Corporations (SFCs) (0.2 per cent). Banks' investments in six States, *viz.*, Maharashtra, West Bengal, Andhra Pradesh, Uttar Pradesh, Tamil Nadu and Gujarat accounted for 57.6 per cent of their investments in various state-level securities as on March 31, 2010.

Bank group-wise pattern of investment in the state-level securities for the years 2009 and 2010 is presented in Statement 10. Nationalised Banks accounted for the highest share at 62.1 per cent, followed by the State Bank group at 31.9 per cent. Nationalised Banks held a high share in investments in the state-level securities in most of the States/UTs, except in some of the north-eastern states, namely, Sikkim, Manipur and Tripura, where State Bank group remained invested with higher shares of 65.2 per cent, 81.1 per cent and 56.0 per cent, respectively.

VI. Summary

Total investments of SCBs increased by ₹2,88,535 crore (20.2 per cent) to ₹17,14,780 crore as on March 31, 2010. Incrementally, central government securities holdings increased by ₹1,40,071 crore, while that for state government securities increased by ₹64,206 crore. Of this incremental investment in central government securities, Nationalised Banks had the highest share of ₹1,15,003 crore (29.6 per cent growth) followed by Foreign Banks at ₹12,986 crore (13.1 per cent growth), with Private Sector Banks and State Bank group contributing much less amounts of ₹9,806 crore (4.6 per cent growth) and ₹2,275 crore (1.0 per cent growth), respectively. In the case of incremental investments in state government securities (₹64,206 crore), contribution from the Nationalised Banks, State Bank group and Private Sector Banks amounted to ₹47,796 crore (35.7 per cent), ₹8,276 crore (9.7 per cent) and ₹8,256 crore (89.2 per cent),respectively, while Foreign Banks reduced its state government security portfolio by ₹121 crore.

Over one-third (39.1 per cent) of the government securities held by SCBs were in the maturity bucket of 'more than 6 years and less than 11 years' (*i.e.,* maturing between April 2016 and March 2021), while 15.2 per cent of securities were to mature in one year (*i.e.,* during April 2010 to March 2011). As regards holding of state governments securities, 72.9 per cent of the holdings of the SCBs were in the maturity bucket of 'more than 6 years and less than 11 years'.

82.8 per cent of central government securities held by SCBs as on March 31, 2010 were with coupon rates between 6 per cent to 10 per cent in March 2010 as against 75.8 per cent in March 2009.

Share of investments of SCBs under the HTM category stood at 15.0 per cent as on March 31, 2010 compared with 46.0 per cent as on March 31, 2009. The share of investments classified under HFT category declined from 32.9 per cent to 21.6 per cent during 2009-10, while those in AFS category increased from 21.1 per cent to 63.4 per cent. In the case of government securities, the share of investments classified under HTM category in 2009-10 decreased from 50.8 per cent as on March 2009 to 15.0 per cent as on March 31, 2010.

SCBs' investments in state-level securities increased by ₹60,680 crore to ₹2,96,361 crore as at end-March 2010. The increase in holding of state government securities during 2009-10 was at ₹64,206 crore, while investment in all other categories declined. State government securities constituted the major part, accounting for 98.9 per cent of the total investments in state-level securities. Outstanding investments of SCBs as on March 31, 2010 in the state government securities was the highest in Maharashtra (₹33,766 crore), followed by West Bengal (₹30,489 crore) and Andhra Pradesh (₹29,495 crore).

Statement I: Investments of Scheduled Commercial Banks (As at end-March)

(Amount in ₹ lakh)

Category	2009	2010	Absolute Variation 2009 over 2008	Absolute Variation 2010 over 2009	Percentage Variation 2009 over 2008	Percentage Variation 2010 over 2009
	1	2	3	4	5	6
I. Investment by offices in India	**14,02,327,41**	**16,87,072,57**	**2,54,819,65**	**2,84,745,16**	**22.2**	**20.3**
	(98.3)	**(98.4)**	**(96.4)**	**(98.7)**		
A. Indian Government Securities	11,49,608,97	13,53,885,69	2,25,233,39	2,04,276,72	24.4	17.8
	(80.6)	(79.0)	(85.2)	(70.8)		
(i) Central Government	9,20,578,75	10,60,649,38	1,48,014,12	1,40,070,63	19.2	15.2
	(64.5)	(61.9)	(56.0)	(48.5)		
(ii) State Government	2,29,030,22	2,93,236,31	77,219,27	64,206,09	50.9	28.0
	(16.1)	(17.1)	(29.2)	(22.3)		
B. Other Trustee Securities	9,912,74	6,395,21	-1,677,12	-3,517,53	-14.5	-35.5
	(0.7)	(0.4)	(-0.6)	(-1.2)		
C. Other Domestic Investments	2,40,462,23	3,24,922,99	29,685,33	84,460,76	14.1	35.1
	(16.9)	(18.9)	(11.2)	(29.3)		
(i) Fixed Deposits	19,170,79	19,051,70	2,049,82	-119,09	12.0	-0.6
	(1.3)	(1.1)	(0.8)	–		
(ii) Shares and Debentures of joint Stock companies(Market Value)	89,845,58	1,09,465,78	-1,652,04	19,620,20	-1.8	21.8
	(6.3)	(6.4)	(-0.6)	(6.8)		
(iii) Certificate of Deposits and Commercial Papers.	57,342,71	99,333,35	23,030,15	41,990,64	67.1	73.2
	(4.0)	(5.8)	(8.7)	(14.6)		
(iv) Mutual Funds	11,596,51	7,757,73	-11,896,96	-3,838,78	-50.6	-33.1
	(0.8)	(0.5)	(-4.5)	(-1.3)		
(v) Others @	62,506,64	89,314,43	18,154,36	26,807,79	40.9	42.9
	(4.4)	(5.2)	(6.9)	(9.3)		
D. Foreign Securities	2,343,47	1,868,68	1,578,05	-474,79	206.2	-20.3
	(0.2)	(0.1)	(0.6)	(-0.2)		
(i) Foreign Government Securities	1	1	–	–	–	–
	(-)	(-)	(-)	(-)		
(ii) Other Foreign Investments	2,343,46	1,868,67	1,578,05	-474,79	206.2	-20.3
	(0.2)	(0.1)	(0.6)	(-0.2)		
II. Investments by Foreign Offices of Indian Banks	**23,917,43**	**27,707,44**	**9,602,78**	**3,790,01**	**67.1**	**15.8**
	(1.7)	**(1.6)**	**(3.6)**	**(1.3)**		
(i) Indian securities	–	–	–	–	–	–
	(-)	(-)	(-)	(-)		
(ii) Foreign Countries Securities	3,150,45	8,082,38	727,78	4,931,93	30.0	156.5
	(0.2)	(0.5)	(0.3)	(1.7)		
(iii) Other Investments	20,766,98	19,625,06	8,875,00	-1,141,92	74.6	-5.5
	(1.5)	(1.1)	(3.4)	(-0.4)		
TOTAL	**14,26,244,84**	**17,14,780,01**	**2,64,422,43**	**2,88,535,17**	**22.8**	**20.2**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**		

– Nil or Negligible

* Includes Postal Savings Deposits Certificates and Other Postal Obligations.

@ Includes Investments in Debentures and Bonds of Quasi-Govt. Bodies, Venture Capital Funds, *etc.*

Note: Figures in brackets indicate percentages to Total.

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

(Amount in ₹ lakh)

Bank Group	Year (end-March)	Investments of Indian offices: Indian Govt. Securities: Central Government Securities	Investments of Indian offices: Indian Govt. Securities: State Government Securities	Investments of Indian offices: Other Trustee Securities: Total	Investments of Indian offices: Other Trustee Securities: of which All India Bodies
	1	2	3	4	5
1. State Bank of India & Associates	**2009**	**2,21,918,42**	**85,723,58**	**2,928,94**	**1,496,05**
		(62.5)	**(24.3)**	**(0.8)**	**(0.4)**
	2010	2,24,194,30	93,999,50	1,768,93	972,56
		(59.5)	(24.9)	(0.5)	(0.3)
Variation in 2010 over 2009					
(a) Absolute		2,275,88	8,275,92	-1,160,01	-523,49
(b) Percentage		(1.0)	(9.7)	(-39.6)	(-35.0)
2. Nationalised Banks	2009	3,88,372,29	1,33,927,51	6,622,28	3,899,80
		(61.7)	(21.3)	(1.1)	(0.6)
	2010	5,03,375,28	1,81,723,12	4,297,90	2,509,13
		(60.9)	(22.0)	(0.5)	(0.3)
Variation in 2010 over 2009					
(a) Absolute		1,15,002,99	47,795,61	-2,324,38	-1,390,67
(b) Percentage		(29.6)	(35.7)	(-35.1)	(-35.7)
3. Private Sector Banks	2009	2,11,191,06	9,254,07	355,04	113,73
		(67.7)	(3.0)	(0.1)	(-)
	2010	2,20,997,10	17,509,69	326,19	168,60
		(62.2)	(4.9)	(0.1)	–
Variation in 2010 over 2009					
(a) Absolute		9,806,04	8,255,62	-28,85	54,87
(b) Percentage		(4.6)	(89.2)	(-8.1)	(48.2)
4. Foreign Banks	2009	99,096,98	125,06	6,48	6,19
		(75.2)	(0.1)	(-)	(-)
	2010	1,12,082,70	400	2,19	2,19
		(72.0)	(0.0)	(0.0)	(0.0)
Variation in 2010 over 2009					
(a) Absolute		12,985,72	-121,06	-4,29	-4,00
(b) Percentage		(13.1)	(-96.8)	(-66.2)	(-64.6)
5. All Scheduled Commercial Banks	**2009**	**9,20,578,75**	**2,29,030,22**	**9,912,74**	**5,515,77**
		(64.5)	**(16.1)**	**(0.7)**	**(0.4)**
	2010	**10,60,649,38**	**2,93,236,31**	**6,395,21**	**3,652,48**
		(61.9)	**(17.1)**	**(0.4)**	**(0.2)**
Variation in 2010 over 2009					
(a) Absolute		**14,00,706,30**	**6,42,060,90**	**-35,175,30**	**-18,632,90**
(b) Percentage		**(15.2)**	**(28.0)**	**-(35.5)**	**-(33.8)**

– Nil or Negligible.

* UTI Units

Note: Figures in brackets indicate percentages to total.

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

(Amount in ₹ lakh)

Bank Group	Year (end-March)	Investments of Indian offices			Investments of Foreign Offices	Total Investments
		Shares and Debentures of Joint Stock Companies (Market Value)	Other Domestic Investments	Foreign Securities		
	1	6	7	8	9	10
1. State Bank of India	2009	12,763,50	22,319,61	80	7,287,27	3,52,942,12
& Associates		(3.6)	(6.3)	(-)	(2.1)	(100.0)
	2010	31,053,89	19,056,32	2	6,958,04	3,77,031,00
		(8.2)	(5.1)	–	(1.8)	(100.0)
Variation in 2010 over 2009						
(a) Absolute		18,290,39	-3,263,29	-78	-329,23	24,088,88
(b) Percentage		143.3	(-14.6)	(-97.5)	(-4.5)	(6.8)
2. Nationalised Banks	2009	45,115,42	46,679,57	1,702,63	7,201,44	6,29,621,14
		(7.2)	(7.4)	(0.3)	(1.1)	(100.0)
		47,549,05	75,756,22	1,868,66	11,959,00	8,26,529,23
	2010	(5.8)	(9.2)	(0.2)	(1.4)	(100.0)
Variation in 2010 over 2009						
(a) Absolute		2,433,63	29,076,65	166,03	4,757,56	1,96,908,09
(b) Percentage		(5.4)	(62.3)	(9.8)	(66.1)	(31.3)
3. Private Sector Banks	2009	29,416,20	51,550,40	640,04	9,428,72	3,11,835,53
		(9.4)	(16.5)	(0.2)	(3.0)	(100.0)
	2010	25,201,65	82,685,07	–	8,790,40	3,55,510,10
		(7.1)	(23.3)	(0.0)	(2.5)	(100.0)
Variation in 2010 over 2009						
(a) Absolute		-4,214,55	31,134,67	-640,04	-638,32	43,674,57
(b) Percentage		(-14.3)	(60.4)	(-100.0)	(-6.8)	(14.0)
4. Foreign Banks	2009	2,550,46	30,067,07	–	–	1,31,846,05
		(1.9)	(22.8)	–	–	(100.0)
	2010	5,661,19	37,959,60	–	–	1,55,709,68
		(3.6)	(24.4)	–	–	(100.0)
Variation in 2010 over 2009						
(a) Absolute		3,110,73	7,892,53	–	–	23,863,63
(b) Percentage		(122.0)	(26.2)	–	–	(18.1)
5. All Scheduled	**2009**	**89,845,58**	**1,50,616,65**	**2,343,47**	**23,917,43**	**14,26,244,84**
Commercial Banks		**(6.3)**	**(10.5)**	**(0.2)**	**(1.7)**	**(100.0)**
	2010	**1,09,465,78**	**2,15,457,21**	**1,868,68**	**27,707,44**	**17,14,780,01**
		(6.4)	**(12.6)**	**(0.1)**	**(1.6)**	**(100.0)**
Variation in 2010 over 2009						
(a) Absolute		**1,96,202,00**	**6,48,405,60**	**-4,747,90**	**37,900,10**	**2,88,535,17.0**
(b) Percentage		**(21.8)**	**(43.1)**	**-(20.3)**	**(15.8)**	**(20.2)**

– Nil or Negligible.

* UTI Units

Note: Figures in brackets indicate percentages to total.

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

(Amount in ₹ lakh)

Securities/Shares/Bonds/ Debentures issued by	Year (end-March)	Bank Group				All Scheduled Commercial Banks
		State Bank of India and its Associates	Nationalised Banks	Private Sector Banks	Foreign Banks	
	1	2	3	4	5	6
1. Local Authorities *	2009	37,67	169,84	35,62	–	243,13
		(1.3)	(2.6)	(10.0)	–	(2.5)
	2010	27,22	96,04	4,49		127,75
		(1.5)	(2.2)	(1.4)		(2.0)
2. State Financial Corporations	2009	93,58	453,61	106,73	–	653,92
		(3.2)	(6.8)	(30.1)	–	(6.6)
	2010	59,86	359,33	98,17		517,36
		(3.4)	(8.4)	(30.1)		(8.1)
3. State Industrial Development Corporations	2009	29,78	47,12	8,97	–	85,87
		(1.0)	(0.7)	(2.5)	–	(0.9)
	2010	16,93	37,65	2,05		56,63
		(1.0)	(0.9)	(0.6)		(0.9)
4. State Electricity Boards	2009	750,70	759,39	46,06	–	1,556,15
		(25.6)	(11.5)	(13.0)	–	(15.7)
	2010	346,33	373,17	27,29		746,79
		(19.6)	(8.7)	(8.4)		(11.7)
5. Co-operative Institutions	2009	16,79	12,70	33	29	30,11
		(0.6)	(0.2)	(0.1)	(4.5)	(0.3)
	2010	1,62	7,24	–		8,86
		(0.1)	(0.2)			(0.1)
6. Industrial Finance Corporation of India	2009	393,01	984,19	23,85	–	1,401,05
		(13.4)	(14.9)	(6.7)	–	(14.1)
	2010	334,05	834,10	18,66		1,186,81
		(18.9)	(19.4)	(5.7)		(18.6)
7. National Bank for Agriculture and Rural Development	2009	30,35	71,20	2,55	–	104,10
		(1.0)	(1.1)	(0.7)	–	(1.1)
	2010	25,75	38,70	2,05		66,50
		(1.5)	(0.9)	(0.6)		(1.0)
8. Rural Electrification Corporation	2009	44,46	65,65	20	–	110,31
		(1.5)	(1.0)	(0.1)	–	(1.1)
	2010	20,63	35,90	50,20		106,73
		(1.2)	(0.8)	(15.4)		(1.7)

* includes Municipalities and Port Trust.

'–' Nil or Negligible.

Note: Figures in brackets indicate percentages to total.

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

(Amount in ₹ lakh)

Securities/Shares/Bonds/ Debentures issued by	Year (end-March)	Bank Group				All Scheduled Commercial Banks
		State Bank of India and its Associates	Nationalised Banks	Private Sector Banks	Foreign Banks	
	1	2	3	4	5	6
9. Export-Import Bank of India	2009	29,38	89,16	3,25	70	122,49
		(1.0)	(1.3)	(0.9)	(10.8)	(1.2)
	2010	22,78	53,57	1,00	50	77,85
		(1.3)	(1.2)	(0.3)	(22.8)	(1.2)
10. National Co-operative Development Corporation of India	2009	27,25	153,44	–	–	180,69
		(0.9)	(2.3)	–	–	(1.8)
	2010	15,50	94,13			109,63
		(0.9)	(2.2)			(1.7)
11. Housing and Urban Development Corporation of India	2009	80,42	113,24	2,17	40	196,23
		(2.7)	(1.7)	(0.6)	(6.2)	(2.0)
	2010	31,07	89,21	10,44		130,72
		(1.8)	(2.1)	(3.2)		(2.0)
12. Unit Trust of India	2009	5,47	10,47	–	–	15,94
		(0.2)	(0.2)	–	–	(0.2)
	2010	5,47	–	25		5,72
		(0.3)	–	(0.1)		(0.1)
13. Industrial Reconstruction Bank of India	2009	66,50	57,83	–	–	124,33
		(2.3)	(0.9)	–	–	(1.3)
	2010	251,43	32,35	8,80		292,58
		(14.2)	(0.8)	(2.7)		(4.6)
14. Housing Boards	2009	3,93	33,19	80	–	37,92
		(0.1)	(0.5)	(0.2)	–	(0.4)
	2010	2,13	14,28	25		16,66
		(0.1)	(0.3)	(0.1)		(0.3)
15. Others	2009	1,319,65	3,601,25	124,51	5,09	5,050,50
		(45.1)	(54.4)	(35.1)	(78.5)	(50.9)
	2010	608,16	2,232,23	102,54	1,69	2,944,62
		(34.4)	(51.9)	(31.4)	(77.2)	(46.0)
TOTAL	**2009**	**2,928,94**	**6,622,28**	**355,04**	**6,48**	**9,912,74**
		(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**
	2010	**1,768,93**	**4,297,90**	**326,19**	**2,19**	**6,395,21**
		(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**

* includes Municipalities and Port Trust.

'–' Nil or Negligible.

Note: Figures in brackets indicate percentages to total.

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

(Amount in ₹ lakh)

Bank Group	Year (end-March)	Shares		Debentures	
		Face Value	Market Value@	Face Value	Market Value@
	1	2	3	4	5
1. State Bank of India & its Associates	2009	2,975,94	7,476,31	5,404,74	5,287,19
		(35.5)	(58.6)	(64.5)	(41.4)
	2010	4,542,55	11,669,96	19,618,99	19,383,93
		(18.8)	(37.6)	(81.2)	(62.4)
2. Nationalised Banks	2009	7,824,98	11,601,31	36,164,46	33,514,11
		(17.8)	(26.4)	(82.2)	(74.3)
	2010	8,272,67	13,860,03	34,068,39	33,689,02
		(19.5)	(29.1)	(80.5)	(70.9)
3. Private Sector Banks	2009	5,461,38	9,518,36	21,769,97	19,897,84
		(20.1)	(35.0)	(79.9)	(67.6)
	2010	6,297,02	12,455,39	22,974,02	12,746,26
		(21.5)	(49.4)	(78.5)	(50.6)
4. Foreign Banks	2009	69,69	118,12	2,417,05	2,432,34
		(2.8)	(4.7)	(97.2)	(95.4)
	2010	65,96	118,29	5,504,05	5,542,90
		(1.2)	(2.1)	(98.8)	(97.9)
5. All Scheduled Commercial Banks	2009	16,331,99	28,714,10	65,756,22	61,131,48
		(19.9)	(35.0)	(80.1)	(68.0)
	2010	19,178,20	38,103,67	82,165,45	71,362,11
		(18.9)	(34.8)	(81.1)	(65.2)

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

(Amount in ₹ lakh)

Bank Group	Year (end-March)	Sub-Total Face Value	Sub-Total Market Value@	Units of UTI and Others* Face Value	Total
	1	6	7	8	9
		(2+4)	(3+5)		(7+8)
1. State Bank of India & its Associates	2009	8,380,68	12,763,50	22,319,61	35,083,11
		(100.0)	(100.0)		(14.6)
	2010	24,161,54	31,053,89	19,056,32	50,110,21
		(100.0)	(100.0)		(15.4)
2. Nationalised Banks	2009	43,989,44	45,115,42	46,679,57	91,794,99
		(100.0)	(100.0)		(38.2)
	2010	42,341,06	47,549,05	75,756,22	1,23,305,27
		(100.0)	(100.0)		(37.9)
3. Private Sector Banks	2009	27,231,35	29,416,20	51,550,40	80,966,60
		(100.0)	(100.0)		(33.7)
	2010	29,271,04	25,201,65	82,685,32	1,07,886,97
		(100.0)	(100.0)		(33.2)
4. Foreign Banks	2009	2,486,74	2,550,46	30,067,07	32,617,53
		(100.0)	(100.0)		(13.6)
	2010	5,570,01	5,661,19	37,959,35	43,620,54
		(100.0)	(100.0)		(13.4)
5. All Scheduled Commercial Banks	2009	82,088,21	89,845,58	1,50,616,65	2,40,462,23
		(100.0)	(100.0)		(100.0)
	2010	1,01,343,65	1,09,465,78	2,15,457,21	3,24,922,99
		(100.0)	(100.0)		(100.0)

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

* 'Others' includes investments in Fixed Deposits, Mutual Funds, CDs and CPs etc.

Note: Figures in brackets in column 2 to 5 indicate percentages to the respective row sub-total in column 6 and column 7, alternately. Figures in brackets in columnn 9 indicate percentages in the same column.

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

(Amount in ₹ lakh)

Public Sector Enterprises/Undertakings	State Bank of India and its Associates		Nationalised Banks		Private Sector Banks	
	2009	2010	2009	2010	2009	2010
	1	2	3	4	5	6
1. Indian Railway Finance Corporation (Railway Bonds)	10,00	75,00 –	356,80	511,20	1,113,60	1,048,62
2. National Thermal Power Corporation (NTPC)	–	–	215,80	210,00	60,00	65,00
3. National Hydro-Electric Power Corporation (NHPC)	–	–	5,00	–	15,00	10,00
4. Nuclear Power Corporation	–	29,00	474,40	396,90	58,31	338,91
5. Power Finance Corporation	214,00	549,50	1,804,99	1,125,09	1,464,78	1,455,21
6. Indian Telephone Industries (ITI)	–	–	290,10	5,64	5,00	–
7. Neyvelli Lignite Corporation	–	–	–	–	91,00	91,00
8. Indian Petrochemical Corporation Limited	–	37,35	–	–	–	–
9. Mahanagar Telephone Nigam Ltd. (MTNL)	–	–	–	–	–	23,83
10. Rural Electrification Corporation (REC)	105,46	1,516,43	1,589,65	1,294,90	860,50	944,90
11. Hindustan Photo Film Mfg. Co. Ltd.	1,50	1,50	–	71	–	–
12. Housing & Urban Dev. Corp. (HUDCO)	110,42	81,07	511,34	471,06	122,72	98,80
Total	**441,38**	**2,289,85**	**5,248,08**	**4,015,50**	**3,790,91**	**4,076,27**

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

(Amount in ₹ lakh)

Public Sector Enterprises/Undertakings	Foreign Banks		All Scheduled Commercial Banks	
	2009	2010	2009	2010
	7	8	9	10
1. Indian Railway Finance Corporation (Railway Bonds)	25,00	15,00	1,505,40 (14.7)	1,649,82 (14.6)
2. National Thermal Power Corporation (NTPC)	–	195,00	275,80 (2.7)	470,00 (4.2)
3. National Hydro-Electric Power Corporation (NHPC)	–	–	20,00 (0.2)	10,00 (0.1)
4. Nuclear Power Corporation	–	–	532,71 (5.2)	764,81 (6.8)
5. Power Finance Corporation	510,25	462,00	3,994,02 (39.1)	3,591,80 (31.9)
6. Indian Telephone Industries (ITI)	–	–	295,10 (2.9)	5,64 (0.1)
7. Neyvelli Lignite Corporation	–	–	91,00 (0.9)	91,00 (0.8)
8. Indian Petrochemical Corporation Limited	–	–	– (-)	37,35 (0.3)
9. Mahanagar Telephone Nigam Ltd. (MTNL)	–	–	– (-)	23,83 (0.2)
10. Rural Electrification Corporation (REC)	162,20	170,00	2,717,81 (26.6)	3,926,23 (34.8)
11. Hindustan Photo Film Mfg. Co. Ltd.	–	–	1,50 (-)	2,21 (0.0)
12. Housing & Urban Dev. Corp. (HUDCO)	45,40	45,00	789,88 (7.7)	695,93 (6.2)
Total	**742,85**	**887,00**	**10,223,22 (100.0)**	**11,268,62 (100.0)**

– Nil or Negligible.

Note: Figures in brackets indicate percentages to total.

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

(Amount in ₹ lakh)

Year/Period of Maturity (during April-March)	State Bank of India and its Associates				Nationalised Banks			
	2009		2010		2009		2010	
	Central	State	Central	State	Central	State	Central	State
	1	2	3	4	5	6	7	8
2009-10	61,551,70 (27.7)	1,735,91 (2.0)	–	–	48,543,21 (12.5)	4,508,40 (3.4)	–	–
2010-11	17,587,03 (7.9)	1,752,37 (2.0)	25,642,88 (11.4)	1,656,96 (1.8)	23,005,66 (5.9)	4,540,61 (3.4)	75,691,43 (15.0)	4,014,35 (2.2)
2011-16	89,631,81 (40.4)	26,168,46 (30.5)	1,09,268,84 (48.7)	26,558,52 (28.2)	1,18,933,88 (30.6)	45,354,66 (33.9)	1,24,430,59 (24.7)	43,030,44 (23.7)
2016-21	40,061,41 (18.1)	56,066,84 (65.4)	70,228,92 (31.3)	65,784,02 (70.0)	1,16,807,79 (30.1)	79,523,84 (59.4)	1,83,623,46 (36.5)	1,34,678,33 (74.1)
2021-30	2,038,11 (0.9)	– (0.0)	18,237,00 (8.1)	–	41,578,36 (10.7)	–	72,982,41 (14.5)	–
GT.2030	11,048,36 (5.0)	–	816,66 (0.4)	–	39,503,39 (10.2)	–	46,647,39 (9.3)	–
Total	**2,21,918,42 (100.0)**	**85,723,58 (100.0)**	**2,24,194,30 (100.0)**	**93,999,50 (100.0)**	**3,88,372,29 (100.0)**	**1,33,927,51 (100.0)**	**5,03,375,28 (100.0)**	**1,81,723,12 (100.0)**

– Nil or Negligible.

@ Excluding postal savings and other obligations.

Note: Figures in brackets indicate percentages to total.

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

(Amount in ₹ lakh)

Year/Period of Maturity (during April-March)	Private Sector Banks				Foreign Banks			
	2009		2010		2009		2010	
	Central	State	Central	State	Central	State	Central	State
	9	10	11	12	13	14	15	16
2009-10	37,040,49 (17.5)	422,82 (4.6)	–	–	40,655,05 (41.0)	–	–	–
2010-11	25,976,96 (12.3)	261,60 (2.8)	44,607,30 (20.2)	480,79 (2.8)	23,856,26 (24.1)	4,00 (3.2)	53,452,94 (47.7)	4,00 (100.0)
2011-16	67,533,68 (32.0)	2,700,49 (29.2)	87,983,00 (39.8)	3,768,07 (21.5)	27,330,35 (27.6)	–	53,669,89 (47.9)	–
2016-21	44,883,17 (21.3)	5,869,16 (63.4)	56,986,40 (25.8)	13,260,83 (75.7)	7,072,68 (7.1)	121,06 (96.8)	4,789,98 (4.3)	–
2021-30	21,268,13 (10.1)	–	20,739,33 (9.4)	–	86,03 (0.1)	–	162,62 (0.1)	–
GT.2030	14,488,63 (6.9)	–	10,681,07 (4.8)	–	96,61 (0.1)	–	7,27	–
Total	2,11,191,06 (100.0)	9,254,07 (100.0)	2,20,997,10 (100.0)	17,509,69 (100.0)	99,096,98 (100.0)	125,06 (100.0)	1,12,082,70 (100.0)	4,00 (100.0)

– Nil or Negligible.

@ Excluding postal savings and other obligations.

Note: Figures in brackets indicate percentages to total.

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

(Amount in ₹ lakh)

Year/Period of Maturity (during April-March)	All Scheduled Commercial Banks			
	2009		2010	
	Central	State	Central	State
	17	18	19	20
2009-10	**1,87,790,45** (20.4)	**6,667,13** (2.9)	–	–
2010-11	**90,425,91** (9.8)	**6,558,58** (2.9)	**1,99,394,55** (18.8)	**6,156,10** (2.1)
2011-16	**3,03,429,72** (33.0)	**74,223,61** (32.4)	**3,75,352,32** (35.4)	**73,357,03** (25.0)
2016-21	**2,08,825,05** (22.7)	**1,41,580,90** (61.8)	**3,15,628,76** (29.8)	**2,13,723,18** (72.9)
2021-2030	**64,970,63** (7.1)	–	**1,12,121,36** (10.6)	–
GT.2030	**65,136,99** (7.1)	–	**58,152,39** (5.5)	–
Total	**9,20,578,75** (100.0)	**2,29,030,22** (100.0)	**10,60,649,38** (100.0)	**2,93,236,31** (100.0)

– Nil or Negligible.

@ Excluding postal savings and other obligations.

Note: Figures in brackets indicate percentages to total.

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

(Amount in ₹ lakh)

Bank Group	Year	Less than 6%		6% to 8%		8% to 10%		10% to 11%	
	(end-March)	Central Govt.	State Govt.	Central Govt.	State Govt.	Central Govt.	State Govt.	Central Govt.	State Govt.
	1	2	3	4	5	6	7	8	9
State Bank of India and Associates	2009	12,756,01	7,107,56	84,577,87	44,986,88	37,251,35	29,529,77	2,643,48	1,052,19
		(7.8)	(8.3)	(51.6)	(52.5)	(22.7)	(34.4)	(1.6)	(1.2)
	2010	18,078,66	6,985,61	1,28,268,27	48,947,85	42,095,53	35,817,50	2,589,26	1,129,23
		(8.7)	(7.4)	(61.5)	(52.1)	(20.2)	(38.1)	(1.2)	(1.2)
Nationalised Banks	2009	12,580,33	12,749,70	1,91,704,42	59,049,47	88,877,59	49,347,57	12,673,84	4,407,55
		(3.7)	(9.5)	(55.7)	(44.1)	(25.8)	(36.8)	(3.7)	(3.3)
	2010	24,852,47	12,677,05	2,87,511,13	73,439,39	1,03,615,28	88,246,58	10,264,80	4,397,88
		(5.6)	(7.0)	(65.1)	(40.4)	(23.5)	(48.6)	(2.3)	(2.4)
Private Sector Banks	2009	5,366,65	498,24	97,633,76	3,335,25	34,900,13	4,545,56	3,223,20	289,06
		(3.2)	(5.4)	(58.2)	(36.1)	(20.8)	(49.2)	(1.9)	(3.1)
	2010	17,958,52	509,54	1,23,199,28	5,715,91	33,139,73	10,305,79	3,560,41	761,61
		(9.2)	(2.9)	(62.9)	(32.6)	(16.9)	(58.9)	(1.8)	(4.3)
Foreign Banks	2009	14,147,73	–	25,326,95	50	8,513,62	120,56	725,44	–
		(19.1)		(34.2)	(0.4)	(11.5)	(96.4)	(1.0)	
	2010	1,329,63	–	40,393,29	–	12,376,09	–	2,665,36	–
		(1.6)		(47.8)		(14.6)		(3.2)	
All Scheduled Commercial Banks	**2009**	**44,850,72**	**20,355,50**	**3,99,243,00**	**1,07,372,10**	**1,69,542,69**	**83,543,46**	**19,265,96**	**5,748,80**
		(6.0)	**(8.9)**	**(53.2)**	**(46.9)**	**(22.6)**	**(36.5)**	**(2.6)**	**(2.5)**
	2010	**62,219,28**	**20,172,20**	**5,79,371,97**	**1,28,103,15**	**1,91,226,63**	**1,34,369,87**	**19,079,83**	**6,288,72**
		(6.7)	**(6.9)**	**(62.3)**	**(43.7)**	**(20.5)**	**(45.8)**	**(2.1)**	**(2.1)**

– Nil or Negligible.

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

Notes: Figures in brackets indicate percentages to total.

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

(Amount in ₹ lakh)

Bank Group	Year (end-March)	11% to 12% Central Govt.	11% to 12% State Govt.	12% and above Central Govt.	12% and above State Govt.	Total Central Govt.	Total State Govt.
	1	10	11	12	13	14	15
State Bank of India and Associates	2009	19,861,73	1,967,49	6,900,67	1,079,69	1.63.991.11	85,723,58
		(12.1)	(2.3)	(4.2)	(1.3)	(100.0)	(100.0)
	2010	14,367,49	830,77	3,097,25	288,54	2.08.496.46	93,999,50
		(6.9)	(0.9)	(1.5)	(0.3)	(100.0)	(100.0)
Nationalised Banks	2009	21,150,31	4,816,38	17,372,93	3,550,36	3.44.359.42	1,33,921,03
		(6.1)	(3.6)	(5.0)	(2.7)	(100.0)	(100.0)
	2010	11,584,46	1,646,55	3,794,36	1,315,67	4.41.622.50	1,81,723,12
		(2.6)	(0.9)	(0.9)	(0.7)	(100.0)	(100.0)
Private Sector Banks	2009	17,416,43	296,45	9,175,85	279,88	1.67.716.02	9,244,44
		(10.4)	(3.2)	(5.5)	(3.0)	(100.0)	(100.0)
	2010	14,131,92	101,44	4,025,12	115,40	1.96.014.98	17,509,69
		(7.2)	(0.6)	(2.1)	(0.7)	(100.0)	(100.0)
Foreign Banks	2009	15,245,62	4,00	10,191,75	–	74.151.11	125,06
		(20.6)	(3.2)	(13.7)		(100.0)	(100.0)
	2010	17,873,08	4,00	9,849,25	–	84.486.70	4,00
		(21.2)	(100.0)	(11.7)	(0.0)	(100.0)	(100.0)
All Scheduled Commercial Banks	**2009**	**73,674,09**	**7,084,32**	**43,641,20**	**4,909,93**	**7.50.217.66**	**2,29,014,11**
		(9.8)	**(3.1)**	**(5.8)**	**(2.1)**	**(100.0)**	**(100.0)**
	2010	**57,956,95**	**2,582,76**	**20,765,98**	**1,719,61**	**9.30.620.64**	**2,93,236,31**
		(6.2)	**(0.9)**	**(2.2)**	**(0.6)**	**(100.0)**	**(100.0)**

– Nil or Negligible.

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

Notes: Figures in brackets indicate percentages to total.

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

(Amount in ₹ lakh)

State/Union Territory	State Government Securities		Regional Rural Banks		Co-operative Institutions		State Electricity Boards	
	2009	2010	2009	2010	2009	2010	2009	2010
	1	2	3	4	5	6	7	8
Andhra Pradesh	21,204.99	29,495.32	107.79	109.26	5.93	1.06	28.03	20.00
Arunachal Pradesh	216.45	232.12	14.10	14.10	–	–	–	–
Assam	3,765.68	4,180.54	10.12	1.40	–	–	114.66	45.30
Bihar	6,788.20	8,843.79	260.45	218.47	–	–	55.00	50
Chhattisgarh	973.67	1,503.21	48.48	11.96	–	–	–	–
Goa	1,210.82	1,533.25	–	–	–	–	–	–
Gujarat	17,809.07	22,678.30	28.68	20.40	2.11	2.11	142.40	81.61
Haryana	5,083.05	7,321.15	19.75	16.21	–	–	44.49	22.18
Himachal Pradesh	5,144.22	5,864.47	13.28	4.08	–	–	44.00	27.25
Jammu & Kashmir	3,595.26	4,016.59	62.32	22.11	38	–	26.96	7.80
Jharkhand	2,956.91	4,879.18	39.03	24.74	–	–	–	–
Karnataka	11,793.33	14,720.79	49.60	28.23	–	–	8.03	33
Kerala	12,158.62	15,755.27	16.48	2.95	–	–	30.09	15.40
Madhya Pradesh	8,727.96	10,747.71	157.23	83.38	1.70	1.70	276.52	175.23
Maharashtra	27,193.38	33,765.96	73.24	59.59	12.63	–	227.14	110.92
Manipur	491.75	660.74	35	35	–	–	–	–
Meghalaya	532.12	621.56	91	91	–	–	20.26	27.81
Mizoram	353.13	434.48	3.16	3.16	–	–	–	–
Nagaland	790.58	1,077.42	2.03	2.03	–	–	–	–
Orissa	2,929.00	2,679.08	208.44	129.20	–	–	13.20	–
Punjab	11,066.38	14,840.21	27.61	8.52	–	–	89.79	48.00
Rajasthan	13,879.65	18,353.67	74.91	60.24	–	–	105.00	48.20
Sikkim	,392.46	458.45	–	–	–	–	–	–
Tamil Nadu	17,810.92	25,906.61	12.65	15.98	7.65	3.01	187.37	134.29
Tripura	443.15	529.13	35	35	–	–	–	–
Uttar Pradesh	24,228.69	26,697.80	194.52	133.68	–	–	116.73	48.22
Uttaranchal	3,402.83	4,075.47	2876	3.90	–	–	–	–
West Bengal	23,408.47	30,488.70	40.19	40.19	37.06	–	123.04	60.62
Andaman & Nicobar Islands	–	–	–	–	–	–	–	–
Chandigarh	–	–	–	–	–	–	–	–
Delhi	–	–	–	–	–	–	–	–
Daman & Diu	–	–	–	–	–	–	–	–
Lakshadweep	–	–	–	–	–	–	–	–
Pondicherry	679.48	875.34	–	–	–	11	–	–
Dadra & Nagar Haveli	–	–	–	–	11	–	–	–
All India	**2,29,030.22**	**2,93,236.31**	**1,494.43**	**1,015.39**	**67.57**	**7.99**	**1,652.71**	**873.66**
	(97.2)	**(98.9)**	**(0.6)**	**(0.3)**	**(0.0)**	**(0.0)**	**(0.7)**	**(0.3)**

– Nil or Negligible

Notes: 1. Figures in brackets indicates percentage to total.

2. Figures in this statement are inclusive of non-guaranteed bonds and unsecued debentures.

3. Data on state Governement Securities are exclusive of loans matured but still held by the banks.

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

(Amount in ₹ lakh)

State/Union Territory	Municipal Corporation Municipality And Port Trusts		State Financial Corporations		Housing Boards		State Industrial Development Corporations	
	2009	2010	2009	2010	2009	2010	2009	2010
	9	10	11	12	13	14	15	16
Andhra Pradesh	2,00	16,00	80,75	84,25	3,83	2,53	12,85	1,50
Arunachal Pradesh	–	–	2	–	–	–	–	–
Assam	–	–	–	11	–	–	–	–
Bihar	40	–	60,84	60,88	–	–	–	–
Chhattisgarh	–	–	2,33	–	–	–	–	–
Goa	–	–	–	–	–	–	11,53	11,53
Gujarat	78,53	24,36	27,00	9,30	68	–	1,71	96
Haryana	–	–	19,35	19,36	40	–	–	–
Himachal Pradesh	–	–	65	1	–	–	10,00	–
Jammu & Kashmir	–	–	15,92	12,17	25	–	–	–
Jharkhand	–	–	–	–	–	–	–	–
Karnataka	–	–	61,27	43,06	–	–	69,75	70,11
Kerala	1,06	1,27	54,85	60,12	6,47	1,27	3,36	1,81
Madhya Pradesh	1,14	–	28,68	27,20	2,09	61	2,00	2,60
Maharashtra	67,08	37,04	77,98	37,46	3,15	21,01	32,85	15,10
Manipur	–	13	–	–	–	–	4,21	4,21
Meghalaya	–	–	–	–	–	–	–	–
Mizoram	–	–	–	–	–	–	4,28	4,28
Nagaland	–	–	–	2	–	–	4,73	4,73
Orissa	–	–	2	4	–	–	–	–
Punjab	25	3,00	6,75	3,76	–	–	–	–
Rajasthan	–	7,00	68,25	49,25	6,25	4,05	6,30	4,37
Sikkim	–	–	1,61	–	–	–	6,37	6,37
Tamil nadu	6,03	30,44	43,92	34,49	11,00	6,50	44,34	36,08
Tripura	–	–	–	2	–	–	1,64	1,64
Uttar Pradesh	–	–	77,86	60,88	–	–	–	–
Uttaranchal	–	–	–	–	–	–	1,00	–
West Bengal	35,77	18,81	1,35	4,01	4,39	1,55	11,60	4,68
Andaman & Nicobar Islands	–	–	–	–	–	–	–	–
Chandigarh	–	–	–	–	–	–	–	–
Delhi	–	–	–	–	19	10	–	–
Daman & Diu	–	–	–	–	–	–	–	–
Lakshadweep	–	–	–	–	–	–	–	–
Pondicherry	–	–	–	–	–	–	8,54	8,54
Dadra & Nagar Haveli	–	–	–	–	–	–	–	–
All India	**192,26**	**138,05**	**629,40**	**506,39**	**38,70**	**37,62**	**237,06**	**178,51**
	(0.1)	**(0.0)**	**(0.3)**	**(0.2)**	**(0.0)**	**(0.0)**	**(0.1)**	**(0.1)**

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

(Amount in ₹ lakh)

State/Union Territory	Road Transport Corporations		Other Government & Quasi-Government Bodies		Total	
	2009	2010	2009	2010	2009	2010
	17	18	19	20	21	22
Andhra Pradesh	2,80	–	65,46	20,27	21,514,43	29,750,19
Arunachal Pradesh	–	–	–		230,57	246,22
Assam	–	–	10		3,890,56	4,227,35
Bihar	–	–	3,99		7,168,88	9,123,64
Chhattisgarh	–	–	–		1,024,48	1,515,17
Goa	–	–	–		1,222,35	1,544,78
Gujarat	8,20	–	26,55	59,42	18,124,93	22,876,46
Haryana	–	–	23,76		5,190,80	7,378,90
Himachal Pradesh	7,50	–	5,02	7,00	5,224,67	5,902,81
Jammu & Kashmir	–	–	8,07	10,00	3,709,16	4,068,67
Jharkhand	–	–	9,92		3,005,86	4,903,92
Karnataka	50	–	715,37	52,03	12,697,85	14,914,55
Kerala	11,31	5,25	24,71	4,03	12,306,95	15,847,37
Madhya Pradesh	–	–	155,29	20	9352,61	11,038,63
Maharashtra	25,00	20,00	687,06	82,02	28,399,51	34,149,10
Manipur	–	–	20,00		516,31	665,43
Meghalaya	–	–	–		553,29	650,28
Mizoram	–	–	40,00		400,57	441,92
Nagaland	–	–	19,00		816,34	1,084,20
Orissa	–	–	77	1,26	3,151,43	2,809,58
Punjab	–	–	39,50		11,230,28	14,903,49
Rajasthan	–	–	119,11	15,30	14,259,47	18,542,08
Sikkim	–	–	–	1,30	400,44	466,12
Tamil nadu	–	–	117,66	48,44	18,241,54	26,215,84
Tripura	–	–	4		445,18	531,14
Uttar Pradesh	–	66	1,44		24,619,24	26,941,24
Uttaranchal	–	–	–		3,432,59	4,079,37
West Bengal	–	1,24	135,18	33,68	23,797,05	30,653,48
Andaman & Nicobar Islands	–	–	–			
Chandigarh	–	–	1		1	
Delhi	–	–	65,17	5,00	65,36	5,10
Daman & Diu	–	–	–			
Lakshadweep	–	–	–			
Pondicherry	–	–	–		688,02	883,99
Dadra & Nagar Haveli	–	–	–		11	
All India	**55,31**	**27,15**	**2,283,18**	**339,95**	**2,35,680,84**	**2,96,361,02**
	(0.0)	**(0.0)**	**(1.0)**	**(0.1)**	**(100.0)**	**(100.0)**

Statement 9: Scheduled Commercial Banks' Investments in Interest-bearing State Government Securities Outstanding (As at end-March)

(Amount in ₹ lakh)

State	2009		2010		Proportion of Banks' Investments to Total Securities Outstanding	
	Outstanding Securities	Banks' Investments	Outstanding Securities	Banks' Investments	2009	2010
	1	2	3	4	5	6
Andhra Pradesh	38,336.27 (9.5)	21,204.99 (9.3)	53,121.88 (10.2)	29,495.32 (10.1)	55.3	55.5
Arunachal Pradesh	614.76 (0.2)	216.45 (0.1)	683.99 (0.1)	232.12 (0.1)	35.2	33.9
Assam	9,255.30 (2.3)	3,765.68 (1.6)	10,746.77 (2.1)	4,180.54 (1.4)	40.7	38.9
Bihar	13,816.60 (3.4)	6,788.20 (3.0)	16,149.80 (3.1)	8,843.79 (3.0)	49.1	54.8
Chhatisgarh	1,837.38 (0.5)	973.67 (0.4)	2,537.38 (0.5)	1,503.21 (0.5)	53.0	59.2
Goa	1,880.92 (0.5)	1,210.82 (0.5)	2,398.60 (0.5)	1,533.25 (0.5)	64.4	63.9
Gujarat	26,878.50 (6.7)	17,809.07 (7.8)	34,948.88 (6.7)	22,678.30 (7.7)	66.3	64.9
Haryana	7,245.52 (1.8)	5,083.05 (2.2)	11,929.19 (2.3)	7,321.15 (2.5)	70.2	61.4
Himachal Pradesh	7,657.85 (1.9)	5,144.22 (2.2)	8,834.91 (1.7)	5,864.47 (2.0)	67.2	66.4
Jammu & Kashmir	7,274.62 (1.8)	3,595.26 (1.6)	8,756.57 (1.7)	4,016.59 (1.4)	49.4	45.9
Jharkhand	5,525.25 (1.4)	2,956.91 (1.3)	7,369.23 (1.4)	4,879.18 (1.7)	53.5	66.2
Karnataka	18,571.99 (4.6)	11,793.33 (5.1)	23,525.76 (4.5)	14,720.79 (5.0)	63.5	62.6
Kerala	21,262.63 (5.3)	12,158.62 (5.3)	25,972.99 (5.0)	15,755.27 (5.4)	57.2	60.7
Madhya Pradesh	17,060.76 (4.2)	8,727.96 (3.8)	21,828.11 (4.2)	10,747.71 (3.7)	51.2	49.2

Note: Figures in brackets indicate percentages to total.

Statement 9: Scheduled Commercial Banks' Investments in Interest-bearing State Government Securities Outstanding (As at end-March) *(Concld.)*

(Amount in ₹ lakh)

State	2009		2010		Proportion of Banks' Investments to Total Securities Outstanding	
	Outstanding Securities	Banks' Investments	Outstanding Securities	Banks' Investments	2009	2010
	1	2	3	4	5	6
Maharashtra	44,678,01 (11.1)	27,193,38 (11.9)	58,289,03 (11.2)	33,765,96 (11.5)	60.9	57.9
Manipur	1,342,20 (0.3)	491,75 (0.2)	1,803,16 (0.3)	660,74 (0.2)	36.6	36.6
Meghalaya	1,453,92 (0.4)	532,12 (0.2)	1,645,60 (0.3)	621,56 (0.2)	36.6	37.8
Mizoram	964,00 (0.2)	353,13 (0.2)	1,062,09 (0.2)	434,48 (0.1)	36.6	40.9
Nagaland	2,371,32 (0.6)	790,58 (0.3)	2,820,02 (0.5)	1,077,42 (0.4)	33.3	38.2
Orissa	7,353,87 (1.8)	2,929,00 (1.3)	6,862,96 (1.3)	2,679,08 (0.9)	39.8	39.0
Punjab	17,873,81 (4.4)	11,066,38 (4.8)	23,034,88 (4.4)	14,840,21 (5.1)	61.9	64.4
Rajasthan	24,499,02 (6.1)	13,879,65 (6.1)	30,610,39 (5.9)	18,353,67 (6.3)	56.7	60.0
Sikkim	989,54 (0.2)	392,46 (0.2)	1,266,54 (0.2)	458,45 (0.2)	39.7	36.2
Tamil nadu	29,294,23 (7.3)	17,810,92 (7.8)	41,018,60 (7.9)	25,906,61 (8.8)	60.8	63.2
Tripura	1,191,89 (0.3)	443,15 (0.2)	1,445,91 (0.3)	529,13 (0.2)	37.2	36.6
Uttar pradesh	43,940,58 (10.9)	24,228,69 (10.6)	55,044,12 (10.5)	26,697,80 (9.1)	55.1	48.5
Uttaranchal	5,630,40 (1.4)	3,402,83 (1.5)	6,730,40 (1.3)	4,075,47 (1.4)	60.4	60.6
West bengal	43,122,60 (10.7)	23,408,47 (10.2)	60,727,00 (11.6)	30,488,70 (10.4)	54.3	50.2
Puducherry	687,43 (0.2)	679,48 (0.3)	1,187,43 (0.2)	875,34 (0.3)	98.8	73.7
All India	**4,02,611,15 (100.0)**	**2,29,030,22 (100.0)**	**5,22,362,63 (100.0)**	**2,93,236,31 (100.0)**	**56.9**	**56.1**

Note: Figures in brackets indicate percentages to total.

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

(Amount in ₹ lakh)

State/ Union Territory	Bank group								All Scheduled Commercial Banks	
	State Bank of India And its Associates		Nationalised Banks		Private Sector Banks		Foreign Banks			
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
	1	2	3	4	5	6	7	8	9	10
Andhra pradesh	3,369,98	3,860,57	16,576,68	23,105,09	1,556,00	2,784,53	11,77	–	**21,514,43**	**29,750,19**
	(15.7)	(13.0)	(77.0)	(77.7)	(7.2)	(9.4)	(0.1)	(-)	**(100.0)**	**(100.0)**
Arunachal pradesh	118,37	93,68	110,23	150,57	1,97	1,97	–	–	**230,57**	**246,22**
	(51.3)	(38.0)	(47.8)	(61.2)	(0.9)	(0.8)		(-)	**(100.0)**	**(100.0)**
Assam	1,717,45	1,630,19	1,945,37	2,457,44	227,74	139,72	–	–	**3,890,56**	**4,227,35**
	(44.1)	(38.6)	(50.0)	(58.1)	(5.9)	(3.3)		(-)	**(100.0)**	**(100.0)**
Bihar	3,163,93	4,023,64	3,898,01	4,973,04	106,82	126,96	12	–	**7,168,88**	**9,123,64**
	(44.1)	(44.1)	(54.4)	(54.5)	(1.5)	(1.4)	(-)	(-)	**(100.0)**	**(100.0)**
Chhattisgarh	308,46	277,35	711,02	1,177,82	5,00	60,00	–	–	**1,024,48**	**1,515,17**
	(30.1)	(18.3)	(69.4)	(77.7)	(0.5)	(4.0)		(-)	**(100.0)**	**(100.0)**
Goa	257,95	373,98	959,02	1,162,49	5,38	8,31	–	–	**1,222,35**	**1,544,78**
	(21.1)	(24.2)	(78.5)	(75.3)	(0.4)	(0.5)		(-)	**(100.0)**	**(100.0)**
Gujarat	7,172,14	8,097,08	10,120,76	13,230,80	832,03	1,548,58	–	–	**18,124,93**	**22,876,46**
	(39.6)	(35.4)	(55.8)	(57.8)	(4.6)	(6.8)		(-)	**(100.0)**	**(100.0)**
Haryana	2,042,54	2,177,01	3,075,75	4,699,52	72,51	502,37	–	–	**5,190,80**	**737890**
	(39.3)	(29.5)	(59.3)	(63.7)	(1.4)	(6.8)		(-)	**(100.0)**	**(100.0)**
Himachal pradesh	1,794,88	1,829,42	3,379,39	3,982,82	50,40	90,57	–	–	**5,224,67**	**5,902,81**
	(34.4)	(31.0)	(64.7)	(67.5)	(1.0)	(1.5)		(-)	**(100.0)**	**(100.0)**
Jammu & kashmir	569,13	447,94	2,948,40	3,301,85	191,63	318,88	–	–	**3,709,16**	**4,068,67**
	(15.3)	(11.0)	(79.5)	(81.2)	(5.2)	(7.8)		(-)	**(100.0)**	**(100.0)**
Jharkhand	1,214,52	1,851,92	1,781,43	3,017,10	9,91	34,90	–	–	**3,005,86**	**4,903,92**
	(40.4)	(37.8)	(59.3)	(61.5)	(0.3)	(0.7)		(-)	**(100.0)**	**(100.0)**
Karnataka	3001,06	3,429,89	8,325,44	9,961,92	1,346,35	1,522,74	25,00	–	**12,697,85**	**14,914,55**
	(23.6)	(23.0)	(65.6)	(66.8)	(10.6)	(10.2)	(0.2)	(-)	**(100.0)**	**(100.0)**
Kerala	3,395,63	3,769,95	8,301,14	10,665,08	610,18	1,412,34	–	–	**12,306,95**	**15,847,37**
	(27.6)	(23.8)	(67.5)	(67.3)	(5.0)	(8.9)		(-)	**(100.0)**	**(100.0)**
Madhya pradesh	2,559,40	2,283,26	6,592,45	8,331,67	200,76	423,70	–	–	**9,352,61**	**11,038,63**
	(27.4)	(20.7)	(70.5)	(75.5)	(2.1)	(3.8)		(-)	**(100.0)**	**(100.0)**
Maharashtra	13,233,81	14,189,17	13,925,17	17,854,45	1,168,24	2,103,48	72,29	200	**28,399,51**	**34,149,10**
	(46.6)	(41.6)	(49.0)	(52.3)	(4.1)	(6.2)	(0.3)	–	**(100.0)**	**(100.0)**
Manipur	375,48	539,58	140,83	125,85	–	–	–	–	**516,31**	**665,43**
	(72.7)	(81.1)	(27.3)	(18.9)		(-)		(-)	**(100.0)**	**(100.0)**
Meghalaya	208,68	195,57	344,56	454,71	5	–	–	–	**553,29**	**650,28**
	(37.7)	(30.1)	(62.3)	(69.9)	(-)	(-)		(-)	**(100.0)**	**(100.0)**
Mizoram	148,23	220,93	249,02	217,67	3,32	3,32	–	–	**400,57**	**441,92**
	(37.0)	(50.4)	(62.2)	(49.3)	(0.8)	(0.8)		(-)	**(100.0)**	**(100.0)**

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

(Amount in ₹ lakh)

State/ Union Territory	Bank group								All Scheduled Commercial Banks	
	State Bank of India And its Associates		Nationalised Banks		Private Sector Banks		Foreign Banks			
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
	1	2	3	4	5	6	7	8	9	10
Nagaland	481,32	498,08	330,02	581,10	5,00	5,02	–	–	**816,34**	**1,084,20**
	(59.0)	(46.0)	(40.4)	(53.6)	(0.6)	(0.5)		(-)	**(100.0)**	**(100.0)**
Orissa	1,003,89	882,44	2,036,68	1,816,34	110,86	110,80	–	–	**3,151,43**	**2,809,58**
	(31.9)	(31.4)	(64.6)	(64.6)	(3.5)	(3.9)		(-)	**(100.0)**	**(100.0)**
Punjab	4,167,43	4,451,43	6,849,26	9,914,96	213,59	537,10	–	–	**11,230,28**	**14,903,49**
	(37.1)	(29.9)	(61.0)	(66.5)	(1.9)	(3.6)		(-)	**(100.0)**	**(100.0)**
Rajasthan	6,280,68	6,440,98	7,616,39	11,151,32	362,40	949,78	–	–	**14,259,47**	**18,542,08**
	(44.0)	(34.7)	(53.4)	(60.1)	(2.5)	(5.1)		(-)	**(100.0)**	**(100.0)**
Sikkim	313,33	304,12	84,94	154,23	2,17	7,77	–	–	**400,44**	**466,12**
	(78.2)	(65.2)	(21.2)	(33.1)	(0.5)	(1.7)		(-)	**(100.0)**	**(100.0)**
Tamil nadu	5,538,96	6,687,73	11,261,68	16,623,29	1,426,73	2,904,82	14.17	–	**18,241,54**	**26,215,84**
	(30.4)	(25.5)	(61.7)	(63.4)	(7.8)	(11.1)	(0.1)	(-)	**(100.0)**	**(100.0)**
Tripura	198,17	297,51	242,01	228,61	5,00	5,02	–	–	**445,18**	**531,14**
	(44.5)	(56.0)	(54.4)	(43.0)	(1.1)	(0.9)		(-)	**(100.0)**	**(100.0)**
Uttar Pradesh	11,310,15	11,072,93	12,834,98	15,143,64	473,11	723,67	100	1,00	**24,619,24**	**26,941,24**
	(45.9)	(41.1)	(52.1)	(56.2)	(1.9)	(2.7)			**(100.0)**	**(100.0)**
Uttaranchal	1,573,94	1,868,59	1,834,08	2,186,21	24,57	24,57	–	–	**3,432,59**	**4,079,37**
	(45.9)	(45.8)	(53.4)	(53.6)	(0.7)	(0.6)		(-)	**(100.0)**	**(100.0)**
West Bengal	11,329,77	12,295,70	11,898,55	16,967,92	567,73	1,388,86	100	1,00	**23,797,05**	**30,653,48**
	(47.6)	(40.1)	(50.0)	(55.4)	(2.4)	(4.5)			**(100.0)**	**(100.0)**
Andaman &	–	–	–	–		–		–	**–**	**–**
Nicobar Islands		(-)		(-)		(-)		(-)		**(-)**
Chandigarh	–	–	1	–		–		–	**1**	**–**
		(-)	(100.0)	(-)		(-)		(-)	**(100.0)**	**(-)**
Delhi	–	–	65,36	5,10		–		–	**65,36**	**5,10**
		(-)	(100.0)	(100.0)		(-)		(-)	**(100.0)**	**(100.0)**
Daman & Diu	–	–	–	–		–		–	**–**	**–**
		(-)		(-)		(-)		(-)		**(-)**
Lakshadweep	–	–	–	–		–		–	**–**	**–**
		(-)		(-)		(-)		(-)		**(-)**
Pondicherry	332,71	391,66	355,31	487,33		5,00		–	**688,02**	**883,99**
	(48.4)	(44.3)	(51.6)	(55.1)		(0.6)		(-)	**(100.0)**	**(100.0)**
Dadra & Nagar Haveli	–	–	11	–		–		–	**11**	**–**
		(-)	(100.0)	(-)		(-)		(-)	**(100.0)**	**(-)**
All India	**87,181,99**	**94,482,30**	**1,38,794,05**	**1,84,129,94**	**9,579,45**	**17,744,78**	**125,35**	**4,00**	**2,35,680,84**	**2,96,361,02**
	(37.0)	**(31.9)**	**(58.9)**	**(62.1)**	**(4.1)**	**(6.0)**	**(0.1)**	**(-)**	**(100.0)**	**(100.0)**

Other Items

Press Releases

Regulatory and Other Measures

Foreign Exchange Developments

Press Releases*

June 2011

RBI's Rajbhasha Shield Awards Ceremony

June 1, 2011

'In the past sixty years if banking has not reached to every nook and corner of the country and has not reached to every citizen of the country then one of the reasons is also that country's common man's language and banking language has been different. There is a gap between the two which does not allow the benefits of one to pass it on to the other. We have to reduce that gap and for this Hindi as well as other Indian languages can work as a bridge.'

Dr. D. Subbarao, Governor, Reserve Bank of India expressed these views while awarding the Rajbhasha Shields for the year 2009-2010. He added that today truly the Hindi has become the contact language of the country. Therefore, instead of bringing Hindi to Banking, by bringing banking to Hindi only we will achieve success in our efforts for financial inclusion.

The annual Reserve Bank Rajbhasha Shield was instituted in 1980 to encourage public sector banks to use Hindi in their day-to-day work. The Reserve Bank also conducts a competition for the house journals of banks and financial institutions. The Reserve Bank started an Inter-Bank Hindi Essay Competition from 2002-03. List of winners is enclosed.

On this occasion Dr. K.C. Chakrabarty, Deputy Governor, Reserve Bank of India while complimenting the prize winning banks and financial institutions said that today we are taking banking to the door-steps of the common persons and for this language or say the language that the bank customers understand plays an important role. Hindi is not only Government's official language but today it has become the contact language of the country. Encouraging the use of Hindi is not only our statutory responsibility but it is also necessary for taking banking to the common person.

The function was attended by chairmen and other senior executives of banks and financial institutions.

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* Important Press Releases during June 2011.

Challenges to Central Banking in the Context of Financial Crisis RBI releases Volume for the First International Research Conference

June 2, 2011

The Reserve Bank of India today released the Volume for the First International Research Conference (FIRC) on 'Challenges to Central Banking in the Context of Financial Crisis'. The Volume, edited by Dr. Subir Gokarn, Deputy Governor, brings together the papers and proceedings of the FIRC and gives a flavour of the issues and discussions on them. The key messages from the Conference are:

- National policies alone cannot prevent a crisis even if these are the most appropriate unless some of the global challenges are addressed collectively at the global level. The international monetary system has been found inadequate to tackle global imbalances, which had to manifest in the form of crisis or the other at some stage.
- The significance of the unprecedented and co-ordinated action led by G20 in avoiding another Great Depression needs to be recognised. In view of the difficult years expected, we must sustain the global approach despite domestic differences in policies.
- Self-regulation and vigilance by creditors do not represent effective substitutes for regulation and it has to be the responsibility of the public policy to provide regulatory systems. The need has arisen for both a new approach to regulatory oversight that includes macro-prudential regulations and a major reworking of the mandate of monetary policy to include financial stability.
- Flexible inflation targetting is important in the context of apprehensions expressed in some quarters about inflation-focussed monetary policy involving the possible neglect of asset price bubbles and the financial stability objective.

- Lender-of-last-resort facility and financial regulations were generally seen as necessary prudential instruments to safeguard financial stability, though they were not deemed to be sufficient.
- Fiscal problems of the industrial countries could be much larger than the official debt figures seemed to suggest.

The discussions and analyses in the Conference Volume are relevant for the events currently playing out in the global financial arena and would need to be heeded by all policymakers – present and future.

The publication is priced at ₹1,295.00. Copies of the publication can be obtained from:

Academic Foundation
4772-73/23, Bharat Ram Road (23 Ansari Road)
Darya Ganj
New Delhi – 110002 India.
Phones: +91-11-23245001/02/03/04
Fax: +91-11-23245005.
E-mail : books@academicfoundation.com
www.academicfoundation.com

RBI releases Report on Securing Card Present Transaction for Public Comments

June 2, 2011

The Reserve Bank of India today placed on its website the Report of the Working Group on Securing Card Present Transaction. Comments of the Report may please be emailed or forwarded by June 30, 2011 to the Chief General Manager, Department of Payment and Settlement System, Reserve Bank of India, Central Office, Mumbai-400001.

Card Present Transactions (at PoS and ATMs) constitute major proportion of card based transactions in the country. Currently, transactions using cards at PoS do not require additional authentication in majority of cards. Further most of the cards used in India, presently used magnetic stripe technology. Taking into account vulnerabilities involved, and to increase customer confidence many countries led by European Union have moved to Chip and Pin technology.

The Reserve Bank of India constituted a Working Group consisting of banks and card companies in March 2011 to look into all the related issues implementing the security of card transactions in India and suggesting a road map for migration. The Working Group submitted its report on June 2, 2011.

Certificate of Registration of Sansun Leasing and Finance Private Ltd. – Cancelled

June 3, 2011

The Reserve Bank of India has on May 2, 2011 cancelled the certificate of registration No.B-12.00270 granted on December 18, 2000 to Sansun Leasing and Finance Private Ltd., having its registered office at Hotel Kwality Complex, 19, Rajpur Road, Dehradun for carrying on the business of a non-banking financial institution as the company has voluntarily exited from the business. Following cancellation of the registration certificate the company cannot transact the business of a non-banking financial institution.

Certificate of Registration of S.K.Capsec Private Limited – Cancelled

June 3, 2011

The Reserve Bank of India has on April 19, 2011 cancelled the certificate of registration No.B-12.00198 granted on July 26, 2000 to S.K.Capsec Private Limited having its registered office at Dr. Jai Singh Market, Maldahiya, Varanasi for carrying on the business of a non-banking financial institution as the company has voluntarily exited from the business. Following cancellation of the registration certificate the company cannot transact the business of a non-banking financial institution.

The Gandhinagar Nagrik Co-operative Bank Ltd., Gandhinagar – Penalised

June 8, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on The Gandhinagar Nagrik Co-operative Bank Ltd., Gandhinagar in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violations of allowing interest rebate in loan accounts of directors and non-adherence to Know Your Costumer (KYC) norms.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case, bank's reply and personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

Board of Directors of the Asian Clearing Union (ACU) meets in India

June 9, 2011

The 40th meeting of the Board of Directors of the Asian Clearing Union (ACU) was held on June 9, 2011 at Kumarakom, Kerala, India. ACU is a multi-lateral institution comprising central banks of Bangladesh, Bhutan, Iran, India, Myanmar, Maldives, Nepal, Pakistan and Sri Lanka. The main objective of ACU is to provide an efficient mechanism for payment and settlement for intra-regional transactions on a multi-lateral basis.

The meeting was chaired by Dr. D. Subbarao, Governor, Reserve Bank of India and was attended by Governors/Deputy Governors/Executive Directors/ Senior Officials of all member nations. While welcoming the delegates, Governor Dr. Subbarao drew attention to the major global issues which have implications for ACU member countries. In particular, he flagged the issues relating to the international monetary system and global reserve currency, protectionism which could affect trade and other linkages of the countries, management of capital flows and reforms in the financial sector regulations.

The Directors presented reports on macro-economic developments of their respective countries and discussed the recommendations made by the Technical Committee of the ACU for improving the settlement systems under the ACU. Among the other issues on which the members exchanged views were regulation of the micro finance sector, reforms in the financial sector, fiscal-monetary coordination, buildup and possible use of foreign exchange reserves, management of capital flows and the implication of BASEL III on their respective banking systems.

Issue of ₹100/- Denomination Banknotes with Inset Letter 'L' in both Numbering Panels in Mahatma Gandhi Series Bearing the Signature of Dr. D. Subbarao, Governor

June 10, 2011

The Reserve Bank of India will shortly issue ₹100/- denomination banknotes with inset letter 'L' in both numbering panels in Mahatma Gandhi Series with the signature of Dr. D. Subbarao, Governor, Reserve Bank of India and the year 2011 printed on the back on the Bank note. Except for the change in the inset letter, the design of these notes to be issued now is similar in all respects to the banknotes in Mahatma Gandhi Series 2005 issued earlier. All banknotes in the denomination of ₹100/- issued by the Bank in the past will continue to be legal tender.

Issue of ₹10/- Denomination Banknotes with Inset Letter 'B' in Both Numbering Panels in Mahatma Gandhi Series 2005 Bearing the Signature of Dr. D. Subbarao, Governor

June 10, 2011

The Reserve Bank of India will shortly issue ₹10/- denomination banknotes with inset letter "B" in both numbering panels in Mahatma Gandhi Series 2005 bearing the signature of Dr. D. Subbarao, Governor, Reserve Bank of India. Except for the change in the inset letter, the design of these notes to be issued now is similar in all respects to the banknotes in Mahatma Gandhi Series 2005 issued earlier. All banknotes in the denomination of ₹10/- issued by the Bank in the past will continue to be legal tender.

RBI to issue Non-Sequential Numbered Banknotes in Denomination of ₹500

June 13, 2011

With a view to enhancing operational efficiency and cost effectiveness in banknote printing at banknote presses, it has been decided to issue, to begin with, fresh banknotes of ₹500 denomination in packets, which may not necessarily all be sequentially numbered. This is consistent with international best practices. Packets of Banknotes in non-sequential number will, as usual, have 100 notes. The bands of the packets containing the banknotes in non-sequential number will clearly be superscribed with the legend, 'The packet contains 100 notes not numbered sequentially.

RBI releases monthly data on India's Trade in Services for the First Time for the Month of April 2011

June 15, 2011

As a follow up of the implementation of the recommendations of the Working Group on Balance of Payments Manual for India (Chairman: Shri Deepak Mohanty), provisional aggregate data on trade in services have been compiled for the first time for the month of April 2011 based on the data reported by the Authorised Dealers (ADs) under the Foreign Exchange Transactions Electronic Reporting System (FETERS) (Table).

Henceforth, the aggregate data on trade in services will be released on a monthly basis after a gap of about 45 days. These provisional data will undergo revision when the Balance of Payments (BoP) data are compiled on a quarterly basis which will be released with a lag of a quarter. The quarterly release will also provide disaggregated data on trade in services.

Table: International Trade in Services

(US$ million)

Month	Receipts (Exports)	Payments (Imports)
April 2011	11,469	6,889

Note: Data are provisional.

Mid-Quarter Monetary Policy Review: June 2011

June 16, 2011

Monetary Measures

On the basis of the current macroeconomic assessment, it has been decided to:

- increase the repo rate under the liquidity adjustment facility (LAF) by 25 basis points from 7.25 per cent to 7.5 per cent with immediate effect.

Consequent to the above increase in the repo rate, the reverse repo rate under the LAF will stand automatically adjusted to 6.5 per cent and the marginal standing facility (MSF) rate to 8.5 per cent with immediate effect.

Introduction

Since the Reserve Bank' Annual Policy Statement of May 3, the global environment has changed for the worse, while domestic conditions are broadly consistent with the Statement's projections. Growth expectations in advanced economies are visibly moderating, even as inflationary pressures, primarily from commodity prices, have increased. The capacity for conventional policy responses appears limited, with many countries having already committed to fiscal consolidation amidst growing sovereign debt risks. From our monetary policy perspective, global commodity prices still remain the key external risk though some signs of moderation are becoming visible.

Domestically, inflation persists at uncomfortable levels. Moreover, the headline numbers understate the pressures because fuel prices have yet to reflect global crude oil prices. On the growth front, even as signs of moderation are visible in some sectors, broad indicators of activity – 2010-11 fourth quarter profit growth and margins and credit growth do not suggest a sharp or broad-based deceleration.

Going forward, notwithstanding both signs of moderation in commodity prices and some deceleration in growth, domestic inflation risks remain high. Against this backdrop, the monetary policy stance remains firmly anti-inflationary, recognising that, in the current circumstances, some short-run deceleration in growth may be unavoidable in bringing inflation under control.

Global Economy

The global economy weakened in Q2 of 2011. Lead indicators suggest that growth moderated in both advanced economies and emerging market economies (EMEs) under the impact of high oil and other commodity prices, the spillover from the Japanese natural disasters and monetary tightening in EMEs to contain inflationary pressures. Uncertainty about the resolution of the sovereign debt problem in the euro area has increased. These developments increase downside risks to global growth prospects.

International commodity and oil prices showed signs of moderation on weak economic data and unwinding of financial positions. However, on a year-on-year (y-o-y) basis, commodity price inflation is still high. Consequently, headline inflation rose in major advanced economies despite negative output gaps. As inflation in EMEs remained elevated due both to high commodity prices and strong domestic demand, many EMEs persisted with monetary tightening during Q2 of 2011 to contain inflation.

Domestic Economy

Growth

GDP growth decelerated to 7.8 per cent in Q4 of 2010-11 from 8.3 per cent in the previous quarter and 9.4 per cent in the corresponding quarter a year ago. For the year as a whole, GDP growth in 2010-11 was 8.5 per cent. While private consumption was robust, investment activity moderated in Q4 of 2010-11. The Central Statistical Organisation (CSO) released the new series of industrial production with 2004-05 as the base. The new series represents a better coverage of the industrial structure in the country. The trend in industrial production as revealed by the new series is significantly different from that indicated by the old series (base: 1993-94). While the old series suggested a sharp deceleration from 10.4 per cent in the first half of 2010-11 to 5.5 per cent in the second half, the new series suggested broadly the same growth of a little over 8 per cent in both halves of the year. While the y-o-y IIP growth moderated to 6.3 per cent in April 2011, growth in capital goods production at 14.5 per cent was buoyant. During April-May 2011, both exports and imports increased sharply and the trade deficit widened. The progress of south west monsoon 2011 has so far been satisfactory, which augurs well for agricultural production.

Overall, even as there is deceleration in some important sectors, notably interest-sensitive ones such as automobiles, there is no evidence of any sharp or broad-based slowdown. Corporate earnings growth and profit margins in the fourth quarter of 2010-11 were broadly in line with the performance over the past three quarters, suggesting that demand remained steady, and in the face of sharp increases in input costs, pricing power remained intact. Credit grew steadily (see below), while the composite Purchasing Managers' Index (PMI) for May 2011 suggests reasonably good conditions.

Inflation

The headline WPI inflation rate was 9.7 per cent in March 2011. In April 2011, it was 8.7 per cent and rose to 9.1 per cent in May 2011. The numbers for April and May 2011 are as yet provisional and, given the recent pattern, these numbers are likely to be revised upwards. Thus, the headline WPI inflation rate remains elevated, consistent with the projections made in the Annual Policy Statement of May 3. The main drivers of WPI inflation in April-May 2011 were non-food primary articles, fuel group and non-food manufactured products. The consumer price inflation for industrial workers (CPI - IW) rose from 8.8 per cent in March 2011 to 9.4 per cent in April 2011.

Non-food manufactured products inflation was 8.5 per cent in March 2011. Provisional data indicate that it increased from 6.3 per cent in April to 7.3 per cent in May 2011, numbers much above its medium-term trend of 4.0 per cent. This pattern in non-food manufactured products inflation is a matter of particular concern. Besides reflecting high commodity prices, it also suggests more generalised inflationary pressures; rising wages and costs of service inputs are apparently being passed on by producers along the entire supply chain.

Credit Conditions

Year-on-year non-food credit growth moderated from 21.3 per cent in March 2011 to 20.6 per cent in early June 2011, but remained above the indicative projection of 19 per cent. The y-o-y deposit growth increased to 18.2 per cent in early June 2011 from 17.0 per cent in March 2011. Consequently, the incremental non-food credit-deposit ratio moderated to 80.5 per cent (y-o-y) in early June 2011 from 95.3 per cent in March 2011. The y-o-y increase in money supply (M3) was at 17.3 per cent in early June 2011 as compared with 16.0 per cent in March 2011.

Monetary transmission has been quite strong with 45 scheduled commercial banks raising their Base Rates by 25-100 basis points after the May 3 Policy Statement. Cumulatively, 47 banks raised their Base Rates by 150-300 basis points during July 2010-May 2011. The higher cost of credit is restraining credit growth, but it still remains fairly high, suggesting that economic activity is holding course.

Liquidity Conditions

During the current fiscal year so far, liquidity conditions have remained consistent with the anti-inflationary stance of monetary policy. The Government's cash balances moved from a surplus of ₹ 89,000 crore on an average during Q4 of 2010-11 to a deficit of ₹ 29,000 crore during Q1 of 2011-12 (up to June 15, 2011). Consequently, net injection of liquidity through LAF repos declined from an average of ₹ 84,000 crore during Q4 of 2010-11 to ₹ 41,000 crore in 2011-12 (up to June 15, 2011). The net liquidity injection by the Reserve Bank was higher at ₹ 60,000 crore as on June 15, 2011. As articulated in the May 3 Policy Statement, the Reserve Bank will continue to maintain liquidity conditions such that neither surplus liquidity dilutes the monetary policy stance nor large deficit chokes off fund flows to productive sectors of the economy.

Summing Up

To sum up, the domestic growth outlook as indicated in the Annual Monetary Statement of May 3 remains unchanged. However, given the high degree of integration with the global economy, recent global macroeconomic developments pose some risks to domestic growth. Domestic inflation remains high and much above the comfort zone of the Reserve Bank. Particularly, non-food manufactured products inflation rose in May 2011 after showing some moderation in April 2011. Domestic fuel prices do not yet reflect the current trends of global prices. Although global commodity prices moderated in recent weeks, it is too early to downgrade this as a risk factor. Monetary transmission has strengthened. The impact of the Reserve Bank's recent monetary policy actions is still unfolding. The challenge of containing inflation and anchoring inflation expectations persists. Thus, while the Reserve Bank needs to continue with its anti-inflationary stance, the extent of policy action needs to balance the adverse movements in inflation with recent global developments and their likely impact on the domestic growth trajectory.

Expected Outcomes

The policy action in this Review is expected to:

- contain inflation and anchor inflationary expectations by reining in demand side pressures; and
- mitigate the risk to growth from potentially adverse global developments.

Guidance

Based on the current and evolving growth and inflation scenario, the Reserve Bank will need to persist with its anti-inflationary stance of monetary policy.

The Jivan Commercial Co-operative Bank Ltd., Rajkot – Penalised

June 16, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹ 5.00 lakh (Rupees five lakh only) on The Jivan Commercial Co-operative Bank Ltd., Rajkot, Gujarat in exercise of powers vested in it under the provisions of Section 47A (1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violating Know Your Customers (KYC) norms, guidelines on advances to builders and contractors against security of land, Anti Money Laundering (AML) guidelines, individual and group exposure ceiling, norms for unsecured financial guarantees and for persisting irregularities pointed out in previous inspection report.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case, bank's reply and personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

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The Pij People's Co-operative Bank Ltd., Pij, Dist. Kheda – Penalised

June 16, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on The Pij People's Co-operative Bank Limited, Pij Dist. Kheda, Gujarat, in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for not reporting cash transactions in excess of ₹10.00 lakh to Financial Intelligence Unit-India (FIU-IND), as required under the Anti-Money Laundering (AML) guidelines.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case and the bank's reply and also personal submissions in the matter, the Reserve Bank of India came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

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Shri P. Vijaya Bhaskar and Shri B. Mahapatra take charge as New EDs at RBI

June 16, 2011

Shri P. Vijaya Bhaskar assumed charge as Executive Director of the Reserve Bank of India on June 13, 2011. As Executive Director, Shri Bhaskar will look after Central Security Cell, Department of Banking Supervision and Department of Non-Banking Supervision.

Shri B. Mahapatra assumed charge as Executive Director of the Reserve Bank of India on June 13, 2011. As Executive Director, Shri Mahapatra will look after Department of Banking Operations and Development, Department of Government and Bank Accounts, Inspection Department and Legal Department.

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RBI opens Urban Banks Department at its Panaji Office

June 17, 2011

With a view to bestowing focussed attention to urban co-operative banking sector in the state of Goa, the Reserve Bank of India has decided to open an Urban Banks Department in Goa. The Department has started functioning at the Reserve Bank of India, Panaji, Goa from June 17, 2011. Its functional jurisdiction will cover the entire State of Goa. The address and contact details of the department are:

The General Manager & Officer-in-Charge
Reserve Bank of India
Urban Banks Department
3A/3B, Third Floor, Sesa Ghor
Patto, Panaji 403 001
Tel. No.: 0832-2438656, 0832-2437693
Fax No.: 0832-2438657

The Goa office of the Reserve Bank started functioning in 1983 with only Foreign Exchange Department. The department catered to the need of exporters, foreign tourists, non-residents and others in Goa. A Rural Planning and Credit Department was added to the office on April 1, 2011, to facilitate rural credit and achievement of annual credit plan by banks as well as to achieve financial inclusion in the State, by better co-ordination with State Government, banks and others. However, the supervision of Urban Co-operative banks in Goa was being carried out by the Reserve Bank's Mumbai Office.

The Reserve Bank of India is entrusted with the responsibility of regulation and supervision of Urban Co-operative Banks under the regulatory provisions contained in the Banking Regulation Act, 1949 (As applicable to Co-operative Societies), the Reserve Bank of India Act, 1934 and other related statutes.

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The Padra Nagar Nagarik Sahakari Bank Ltd., Vadodara – Penalised

June 17, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹ 1.00 lakh (Rupees one lakh only) on The Padra Nagar Nagarik Sahakari Bank Limited, Vadodara, Gujarat, in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for not reporting of cash transactions above ₹ 10.00 lakh to Financial Intelligence Unit-India (FIU-IND), as required under the Anti Money Laundering (AML) guidelines.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case and the bank's replies in the matter, the Reserve Bank of India came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

Smt. Shyamala Gopinath lays down office as Deputy Governor

June 20, 2011

Smt. Shyamala Gopinath, Deputy Governor relinquished the office of Deputy Governor of the Reserve Bank of India in the forenoon today. Smt. Gopinath was appointed Deputy Governor of the Reserve Bank of India on September 21, 2004 for a period of five years. On completion of her term, she was re-appointed for a further period up to June 20, 2011.

Professor Suresh Tendulkar, Member on RBI's Central Board, expires

June 21, 2011

Professor Suresh D. Tendulkar (72) a noted economist and a member of the Central Board of Directors of the Reserve Bank of India expired this morning in Pune as a result of cardiac arrest. Professor Tendulkar is survived by his wife and two daughters.

Most known for his extensive work on poverty, Prof. Tendulkar was Professor of Economics at the Delhi School of Economics, University of Delhi, India, from 1978 until 2004, where he also served a term as the Executive Director of the Centre for Development Economics. He was Head of the Department of Economics (1986-89) and Director of the School (1995-98). Before joining the Delhi School, he taught at the Delhi Centre of the Indian Statistical Institute (1968-78). He has written extensively on Indian development issues and policies, including liberalisation and globalisation.

Prof. Tendulkar was Member of the Economic Advisory Council to the Prime Minister from 2004 to 2008 and Chairperson of the Council from 2008 to 2009. He was closely associated with the Indian Statistical System including the National Sample Survey Organisation and the Advisory Committee on National Accounts of which he was the chairperson. He was also part-time member of the National Statistical Commission (2000-01), the first Disinvestment Commission (1996-99), and the Fifth Central Pay Commission (1994-97) appointed by the Government of India.

Prof. Tendulkar contributed significantly to the Central Board's deliberations, also serving as Chairperson of the Eastern Region Local Board and Chairperson of the Human Resources Sub-Committee. The Reserve Bank mourns the sad demise of Professor Tendulkar and expresses its heartfelt condolences to his family.

RBI to put the Data on Overseas Direct Investment in the Public Domain

June 22, 2011

The Reserve Bank of India has decided to put on its website on a monthly basis from July 2011 onwards the outflows on account of Overseas Direct Investment by Indian Companies/Parties as reported by the Authorized Dealers in Form ODI. The report will consist of the following fields, *viz.*, the name of the Indian Company/Party, name of the Joint Venture/Wholly Owned Subsidiary (JV/WOS), name of the country where the investment is made, major activity of the JV/WOS, financial commitment of the parent company in the JV/WOS comprising equity, loan and guarantee issued in USD million. The data in respect of previous period from July 2007 till May 2011 is also being released.

Outward FDI from India for the period April 2007 to May 31, 2011

(Figures in USD Million)

Period	Financial Commitment			
April - March	Equity	Loan	Guarantee Issued	Total
2007-2008	11269.18	2718.02	6959.96	20947.16
2008-2009	10732.26	3329.00	3104.88	17166.14
2009-2010	6763.27	3620.19	7603.79	17987.25
2010-2011	9351.77	7346.89	27230.52	43929.18
April to May 2011	731.41	3193.24	1166.23	5090.88

As reported by Authorised Dealers in Form ODI

The initiative has been taken as part of the endeavour of the RBI and the Govt. for wider dissemination of information and bringing about more transparency as the JV/WOS have been perceived as an effective medium of economic co-operation between India and other countries. Such overseas investments catalyze growth in our exports, transfer of technology and skill, sharing of results of R & D, access to wider global market, promotion of brand image, generation of employment and utilization of raw materials available in India and in the host country.

Indian overseas investment policies have been progressively liberalised and simplified to meet the changing needs of a growing economy in a globalized environment. The policy which was evolved as one of the strategies for export promotion and strengthening economic linkages with other countries, has been streamlined significantly in scope and size, especially after the introduction of FEMA in June 2000. In the post 2003 period, the policy has enabled corporate entities and registered partnerships to invest in bonafide businesses abroad, currently to the extent of 400 per cent of their net worth, under the automatic route. The aggregate data of overseas investments for the last four years is furnished below:

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Reserve Bank Cancels the Licence of Siddharth Sahakari Bank Ltd., Pune (Maharashtra)

June 23, 2011

In view of the fact that Siddharth Sahakari Bank Ltd, Pune, Maharashtra had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order cancelling its licence to the bank before commencement of business on June 14, 2011. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. It may be highlighted that on liquidation, every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of ₹1,00,000/- (Rupees One lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) under usual terms and conditions.

The bank was granted a licence by Reserve Bank on November 29, 1996 to commence banking business. The statutory inspection of the bank with reference to its financial position as on March 31, 2010 had revealed that the financial parameters of the bank had deteriorated sharply. CRAR was assessed at (-) 86.8 per cent as compared to (-) 19.2 per cent as on March 31, 2009. Assessed Networth was (-) ₹375.17 lakh compared to (-) ₹415.12 lakh as on March 31, 2009. Erosion in deposits was to the extent of 33.6 per cent compared to 10.8 per cent as on March 31, 2009. The bank had also defaulted in maintenance of CRR and SLR. The bank was advised by Reserve Bank at a meeting held on July 09, 2010 that it had a time of three months to show progress in the financial health of the bank, failing which Reserve Bank would be constrained to initiate the process to cancel the licence issued to the bank. The bank was also advised at the above meeting, to explore the possibility of merger with a sound UCB.

A scrutiny conducted with reference to the bank's financial position as on September 30, 2010 had revealed further deterioration in its financial parameters. CRAR was (-) 90.3 per cent, Net Worth was assessed at (-) ₹1463.41 lakh and Net Loss was assessed at ₹1723.70 lakh as on that date. Additionally, the bank had apprised that it was facing severe liquidity problems due to heavy withdrawals from deposit accounts during September 2010. The sponsorship of sub-membership of the bank to Pune Bankers' Clearing House was withdrawn by Cosmos Co-operative Bank Ltd, Pune with effect from October 30, 2010 as the bank had failed to meet its clearing liability.

Due to precarious financial position and liquidity crunch faced by the bank, it was placed under directions under Section 35 A of the Banking Regulation Act, 1949 (AACS) vide Directive UBD CO BSD-I No. D-25/12.22.382/2010-11 dated December 15, 2010 effective from close of business as on December 20, 2010.

Serious deficiencies as mentioned above revealed that the affairs of the bank were being conducted in a manner detrimental to the interests of the depositors. The bank did not comply with the provisions of Sections 11(1), 18, 22(3)(a) & (b) and 24 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies).

In view of the aforesaid serious deficiencies/ irregularities and the deteriorating financial position of the bank, it was issued a notice on April 06, 2011 to show cause (SCN) as to why the licence granted to the bank on November 29, 1996 to conduct banking business should not be cancelled. The bank submitted its reply to the SCN vide its letter dated April 28, 2011. The reply to the SCN was considered and examined but not found satisfactory. Further, no concrete proposal was received from the bank for merger.

Therefore, Reserve Bank of India took the extreme measure of cancelling licence of the bank in the interest of bank's depositors. With the cancellation of licence and commencement of liquidation proceedings, the process of paying the depositors of the Siddharth Sahakari Bank Ltd, Pune, Maharashtra will be set in motion subject to the terms and conditions of the Deposit Insurance Scheme.

Consequent to the cancellation of its licence, Siddharth Sahakari Bank Ltd, Pune, Maharashtra is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (AACS).

For any clarifications, depositors may approach Smt. K.S. Jyotsna, Deputy General Manager, Urban Banks Department, Mumbai Regional Office, Reserve Bank of India, Mumbai, whose contact details are as below:

Postal Address: Urban Banks Department, Mumbai Regional Office, Reserve Bank of India, 2nd Floor, Garment House, Dr. A.B. Road, Worli, Mumbai – 400 018; Telephone Number: (022) 24824203, 24939930, Fax Number: (022) 24935495.

The Prerana Co-operative Bank Ltd., Pune – Penalised

June 23, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on The Prerana Co-operative Bank Ltd., Pune, Maharashtra in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violation of Reserve Bank of India's directives on unsecured advances.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. The bank was also called for a personal hearing. Based on the reply and submissions made by the bank during the personal hearing, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

Computation and Dissemination of RBI Reference Rate – Revised Methodology

June 24, 2011

The Reserve Bank of India compiles and publishes on a daily basis reference rates for Spot USD-INR and Spot EUR-INR. Under the existing methodology, the rates are arrived at by averaging the mean of the bid/ offer rates polled from a few select banks around 12 noon every week-day (excluding Saturdays). The contributing banks are selected on the basis of their standing, market-share in the domestic foreign exchange market and representative character. The Reserve Bank periodically reviews the procedure for selecting the banks and the methodology of polling so as to ensure that the reference rate is a true reflection of the market activity. Accordingly, it has been decided to revise the existing methodology, the details of which are as under:

- The rates will be polled from the select list of contributing banks at a randomly chosen five minute window between 10.30 a.m. and 12.30 p.m. every week-day (excluding Saturdays).
- The reference rates for spot US Dollar and Euro against Rupee shall be disseminated up to the fourth decimal place.
- The daily press release on RBI Reference Rate for US Dollar and Euro will be issued every week-day (excluding Saturdays) at 1.00 p.m.

These changes shall be effective from July 1, 2011.

First Quarter Review of Monetary Policy 2011-12 on July 26, 2011

June 27, 2011

Dr. D. Subbarao, Governor, Reserve Bank of India will announce the First Quarter Review of Monetary Policy 2011-12 on Tuesday, July 26, 2011. This will be done in a meeting with the chief executives of major scheduled commercial banks at 11.00 a.m. on July 26, 2011 at the Central Office, Reserve Bank of India, Mumbai.

Computation and Dissemination of RBI Reference Rate – Revised Methodology

June 30, 2011

In partial modification of press release dated June 24, 2011, it has been decided that the rates will be polled from the select list of contributing banks at a randomly chosen five minute window between 11.45 AM and 12.15 PM every week-day (excluding Saturdays) and the daily press release on RBI Reference Rate for US Dollar and Euro will be issued every week-day (excluding Saturdays) at around 12.30 PM.

The other elements of the revised methodology as stated in the press release dated June 24, 2011 remain unchanged.

Regulatory and Other Measures

June 2011

RBI/2010-11/552 Ref: DBOD. No.Ret. BC. 97/12.06.128/2010-11 dated June 1, 2011

Inclusion in the Second Schedule to the Reserve Bank of India Act, 1934 – Credit Suisse A.G

All Scheduled Commercial Banks

We advise that the name of 'Credit Suisse A.G' has been included in the Second Schedule to the Reserve Bank of India Act, 1934 by notification DBOD IBD. No. 13983/23.03.025/2010-11 dated March 8, 2011, published in the Gazette of India (Part III – Section 4) dated April 2, 2011.

RBI/2010-11/553 Ref: DBOD. No.Ret. BC. 98/12.06.129/2010-11 dated June 1, 2011

Inclusion in the Second Schedule to the Reserve Bank of India Act, 1934 – Sberbank

All Scheduled Commercial Banks

We advise that the name of '**Sberbank**' has been included in the Second Schedule to the Reserve Bank of India Act, 1934 by notification DBOD IBD. No. 13982/23.03.022/2010-11 dated March 08, 2011, published in the Gazette of India (Part III – Section 4) dated April 2, 2011.

RBI/2010-11/554 DBS.CO.FrMC.BC.No. 9/23.04.001/2010-11 dated May 26, 2011

Internal Vigilance in Private Sector/ Foreign Banks

Chairmen/Chief Executive Officers
All Private Sector Banks/Foreign Banks

As you are aware the Central Vigilance Commission has issued guidelines to Public Sector Banks on the appointment of Chief Vigilance Officer in all public sector Banks. The purpose of this is to ensure that all the internal vigilance functions in the public sector banks are addressed through a set of predetermined and structured procedures to ensure comprehensive treatment and transparency.

2. RBI has also issued various circulars for the prevention of frauds and malpractices in banks. In this connection reference is specifically drawn to circulars DBOD. No.BC.20.17.04.001 dated August 25, 1992 on the recommendation of the Committee to enquire into various aspects relating to frauds and malpractices in bank; DOS.No.PP.BC.20/16.03.026/96-97 dated November 01, 1996 conveying the recommendations of the Working group on Internal Controls and Inspection/Audit Systems in banks; DBS.FrMc.No.7/23.04.001/2004-05 dated September 20, 2004 on strengthening of Internal Vigilance machinery in banks & Financial Institutions.

3. In an endeavour to align the vigilance function in Private sector and Foreign Banks to that of the Public Sector Banks the existing vigilance functions of a few private sector and foreign banks were mapped with the existing guidelines in the matter and it was observed that the practices vary widely among the banks. It has, therefore, been decided to lay down detailed guidelines for private sector and foreign banks on similar lines so that all issues arising out of lapses in the functioning of the private sector and foreign banks especially relating to corruption, malpractices, frauds *etc,* can be addressed uniformly by the banks for timely and appropriate action.

4. The detailed guidelines placed at the annex are aimed towards bringing about uniformity and rationalisation in the function of internal vigilance. You are advised to put in place a system of internal vigilance machinery as per the guidelines within a period of three months from the date of this circular with the approval of your Board. A compliance report to this effect may be submitted to RBI on or before August 31, 2011.

RBI/2010-11/555 DBS. CO.FrMC.BC.No. 10/23.04.001/ 2010-11 dated May 31, 2011

Findings of Forensic Scrutiny- Guidelines for prevention of frauds

The Chairmen & Chief Executive Officers of
All Scheduled Commercial Banks (excluding RRBs) and
All India Select Financial Institutions

In the recent past, we had conducted forensic scrutinies at certain identified banks due to occurrence of large value frauds or sharp increase in number of frauds at such banks. The scrutinies were undertaken to primarily identify the policy gaps, if any, and adequacy of controls. During the scrutinies, systemic factors were also sought to be identified.

2. Based on the findings of the scrutinies, further study has been made across banks to ascertain the policy and operating framework in place for detection, reporting and monitoring of frauds as also the surveillance/oversight process in operation so as to prevent the perpetration of frauds. The study has shown that while the banks do have certain policies and processes in this regard, they are not well structured and systematic to ensure proper focus on typical fraud events. Besides, there is lack of consistency in treatment of such transactions having characteristics of fraud as also in their reporting to the 'Competent Authority'. The banks are, therefore, advised to suitably modify their policy and streamline the operating framework in the matter keeping in view certain indicative guidelines set out below :

3. The reported frauds show recurrence or rising trend in the following areas:

- loans/advances against hypothecation of stocks
- housing loans cases
- submission of forged documents including letters of credit
- escalation of overall cost of the property to obtain higher loan amount
- over valuation of mortgaged properties at the time of sanction
- grant of loans against forged FDRs
- over-invoicing of export bills resulting in concessional bank finance, exemptions from various duties *etc.*
- frauds stemming from housekeeping deficiencies

The above list is only illustrative and not exhaustive.

The banks need to introduce closer monitoring and tighter controls in the above areas, as also in other such areas where there is typically certain degree of concentration of occurrence. In this connection, select list of circulars issued by RBI in the past in respect of frauds in the above areas.

4. The operating framework for tracking frauds and dealing with them should be structured along the following three tracks:

(i) Detection and reporting of frauds
(ii) Corrective action and
(iii) Preventive and punitive action

Detection and reporting: The banks should have a set of prescribed procedures and criteria with which the events or transactions having serious irregularities are analysed and assessed to establish occurrence of fraud.

For this purpose, the banks may define a 'fraud' based on the guidelines issued by RBI. While doing so, they may clearly demarcate/distinguish the occurrence of an event on account of negligence 'in conduct of duty' from 'collusion' by the bank staff (with the borrowers and with an intention to cheat the bank). Further, care may be exercised while dealing with instances of 'willful default'. In this connection, a willful default would be deemed to have occurred if any of the following events is noted:

(a) The unit has defaulted in meeting its payment/ repayment obligations to the lender even when it has the capacity to honour the said obligations.

(b) The unit has defaulted in meeting its payment/ repayment obligations tothe lender and has not utilised the finance from the lender for the specific purposes for which finance was availed of but has diverted the funds for other purposes.

(c) The unit has defaulted in meeting its payment/ repayment obligations to the lender and has siphoned off the funds so that the funds have not been utilised for the specific purpose for which finance was availed of, nor are the funds available with the unit in the form of other assets.

(d) The unit has defaulted in meeting its payment/ repayment obligations to the lender and has also disposed off or removed the movable fixed assets or immovable property given by him or it for the purpose of securing a term loan without the knowledge of the bank/lender.

Further, the banks may also examine the '*intent*' to defraud, irrespective of whether or not actual loss takes place. Keeping these key factors in mind, any action taken in collusion to derive undue/unjust benefit or advantage should be termed as fraud.

Following such a protocol of identification, once a fraud is detected, a report must be prepared and submitted to the 'Competent Authority'. As a part of their overall policy and operating framework, the banks should identify and designate the Competent Authority to whom such reports should be submitted. The fraud report should be a diagnostic assessment, clearly bringing out the causes of the fraud and identify whether the fraud occurred due to 'system failure' or 'human failure'.

Corrective Action: An important corrective step in a fraud is recovery of the amount siphoned off through the fraud. Often, during course of investigation and enquiry into the events/transactions, the need to track the flow of defrauded amount does not get due priority or the exercise undertaken in that direction does not lead to material results. This may be primarily attributable to the following:

- The lack of ability on the part of the operating staff to sift through the layered/interlocked transactions, determine the ultimate destination of the defrauded amounts and track the investment of the amounts in assets/properties and/or use of the amounts for the expenditures.
- In case where the operating staff is not in a position to do it, because of complexities involved, considerable time is spent in undertaking this type of investigation and often the task is completed in a routine manner.

A structured scrutiny/examination of events or transactions would lead to quick conclusion whether a fraud has occurred and the bank's funds have been siphoned off. Therefore, this exercise is the first critical step towards corrective action in the sense that it would lead to expeditious filing of police complaints, blocking/freezing of accounts and salvaging funds from the blocked/frozen accounts in due course. Besides, once a set of transactions is explicitly identified as fraudulent, the mandate for seizing and taking possession of related documents, issuance of suspension order/order to proceed on leave to identified/suspected employees would be easier thereby preventing them from destroying/ manipulating evidences or obstruction of investigations. In this connection, attention is invited to our circular DBS.CO. FrMC.BC.No. 7/23.04.001/2009-10 dated September 16, 2009 wherein it has been advised that they should provide singular focus on the 'Fraud Prevention and Management Function' to enable among others, effective investigation in fraud cases and prompt as well as accurate reporting of fraud cases to appropriate regulatory and law enforcement agencies.

Preventive and Punitive Action: As per the diagnostic analysis, preventive action as deemed necessary to address the 'system failure' and/or punitive action as prescribed internally for 'human failure' should be initiated immediately and completed expeditiously.

Generally, in the current system driven environment in banks, wherever transactions occur in breach of/overriding '*Controls*', they get reflected in the 'end of day exception report'. Accordingly, all such *exception reports* should be perused by the designated officials and a post facto authorisation for the transactions accorded. However, it has been observed in certain cases that the process often does not get duly implemented reflecting the poor internal control mechanisms. Therefore, banks should ensure that they bring in the needed refinement in this process and also specify the levels/authority to whom the exception reports will be invariably submitted and the manner in which the authority will deal with the exception reports. The entire gamut of the manner in which the exception reports are generated, transactions contained in the reports are examined/scrutinised, and the reports submitted to higher authorities for necessary authorizations for breaches should be periodically subjected to review and oversight by the bank's management/Board of Directors.

5. In addition to the above, banks should immediately take steps to put in place following controls and disincentives in their HR processes and internal inspection/audit processes as part of their fraud risk management framework:

a. For key and sensitive posts such as those in dealing rooms, treasury, relationship managers for high value customers, heads of specialized branches, *etc.* the banks should select only such officers who satisfy the 'Fit and Proper' criteria. For the purpose, the banks should draw up a list of critical as well as sensitive positions or areas of operation and evolve well defined 'Fit and Proper' criteria for applying them to determine the suitability of the staff/officers to those posts/ areas of operations. The appropriateness of such postings should be subjected to periodical review.

b. The banks should immediately put in place 'staff rotation' policy and policy for 'mandatory leave' for staff. The internal auditors as also the concurrent auditors must be specifically required to examine the implementation of these policies and point out instances of breaches irrespective of apparent justifications for non-compliance, if any. The decisions taken/transactions effected by officers and staff not rotated/availing leave as per policy should be subjected to comprehensive examination by the internal auditors/inspectors including concurrent auditors. The findings thereon should be documented in a separate section of the audit/inspection reports.

c. The banks should build up a database of officers/ staff identified as those having aptitude for investigation, data analysis, forensic analysis, etc. and expose them to appropriate training in investigations and forensic audit. For investigation of frauds, only such officers/staff should be deployed through the 'fraud investigation unit/outfit'.

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RBI/2010-11/556 UBD.BPD.(PCB)CIR No. 50/ 13.05.000(B)/2010-11 dated June 2, 2011

Financing of Self Help Groups (SHGs) and Joint Liability Groups (JLGs) by Primary (Urban) Co-operative Banks (UCBs)

The Chief Executive Officers
All Primary (Urban) Co-operative Banks

As announced in the Monetary Policy 2011-12 [para 100 - appended], with a view to further expanding the outreach of UCBs and opening an additional channel for promoting financial inclusion, it has been decided to allow UCBs to lend to Self Help Groups (SHGs) and Joint Liability Groups (JLGs). UCBs may with the approval of their Board frame a policy in this regard based on the guidelines before undertaking such activity.

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RBI/2010-11/561 DBOD.BP.BC.No.99/21.04.132/2010-11 dated June 10, 2011

Prudential Guidelines on Restructuring of Advances by Banks

The Chairman and Managing Directors/
Chief Executive Officers of
All Scheduled Commercial Banks
(excluding RRBs & LABs)

Please refer to paragraph 3.4.2(v) of our circular DBOD.BP.BC.No.37/21.04.132/2008-09 dated August 27, 2008 on 'Prudential Guidelines on Restructuring of Advances by Banks', wherein banks were advised that if due to lack of expertise/appropriate infrastructure, they find it difficult to ensure computation of diminution in the fair value of advances extended by their small/rural branches, they will have the option of notionally computing the amount of diminution in the fair value and providing therefor at five per cent of the total exposure in respect of all restructured accounts where the total dues are less than rupees one crore till the financial year ending March 2011. It was also advised that the position would be reviewed thereafter.

2. On a review, it has been decided that the above alternative option of computing diminution in the fair value of advances extended by small and rural branches on restructuring will remain applicable for another two years, i.e. till the financial year ending March 31, 2013. The position would be reviewed thereafter.

RBI/2010-11/562 DGBA. CDD. No. H-8545/15.15.001/ 2010-11 dated June 9, 2011

Non-implementation of Senior Citizens Savings Scheme – 2004(SCSS) by Certain Banks on Deposit by Army Personnel

It has been brought to our notice that some of the agency banks do not implement the instructions given in Government of India's Office Memorandum F. No. 2-8/2004-NS-II dated October 29, 2004 and circulated to agency banks vide our circular RBI/2004-05/259 Ref. CO. DT. No. 15.05.001/H-3999-4021/2004-05 dated October 30, 2004 , particularly in case of retired army personnel and have denied the facility of this Scheme to some of them in contravention of the instructions ibid.

2. We, therefore, reiterate that you may strictly adhere to the instructions issued vide our above circular and ensure extending the benefits of the scheme to retired army personnel also, if otherwise found in order.

3. You may bring the contents of this and the earlier circulars to all your branches dealing with this scheme.

RBI/2010-11/563 DPSS.CO.OSD. No. 2764/06.11.001/ 2010-2011 dated June 14, 2011

Directions for Submission of System Audit Reports from CISA qualified Auditor

All Scheduled Commercial Banks

Please refer to our circular Ref. No. DPSS.1444/ 06.11.001/2010-2011 dated December 27, 2010 on the captioned subject.

It is clarified that the contents of the above circular are applicable to only those entities which operate a payment system under the Payment and Settlement Systems Act, 2007. Accordingly, the requirement of system audits is not applicable where a bank/entity is a participant in various payment systems such as RTGS, NEFT, CFMS, ECS, NECS, Card payment systems (Visa, MasterCard, *etc.*), ATM networks (illustratively like NFS, BANCS) *etc.*

RBI/2010-11/578 DGBA. CDD. No. H- 8842/15.02.001/ 2010-11 dated June 17, 2011

Public Provident Fund (PPF) Scheme – 1968 – Clarification Payment of Interest in Respect of PPF HUF Accounts

Please refer to our Circular RBI/2010-11/344 DGBA.CDD.No.H-4311/15.02.001/2010-11 dated December 27, 2010, forwarding therewith a copy of Government of India Notification G.S.R.956 (E) dated December 7, 2010, on the above subject.

2. In this regard, Government of India has, vide their letter F.No.7/4/2008-NS.II dated June 1, 2011, decided that interest at PPF rates would be paid on those PPF (HUF) accounts, which had attained the maturity after May 13, 2005 but closed by the subscribers before December 7, 2010, subject to the conditions that the accounts had not been extended thereafter and the deposits were retained in such accounts without further subscriptions.

3. You may bring the contents of this circular to all your branches dealing with this scheme.

RBI/2010-11/582 RPCD. GSSD. CO. No.14360/09.01.01 CM/2010 - 11 dated June 14, 2011

Credit Mobilisation Targets under the Swarnajayanti Gram Swarozgar Yojana (SGSY) for the year 2011-12

The Chairman/Managing Director
All Indian Scheduled Commercial Banks
(Excluding RRBs)

The Government of India has finalised the Credit Mobilisation Targets for the year 2011-12 under the Swarnajayanti Gram Swarozgar Yojana (SGSY). The

State/Union Territory - wise credit mobilisation targets for the year 2011-12 are enclosed.

2. We advise that the State-wise targets indicated may be allocated among the banks working under the jurisdiction of the SLBC Convenor bank of the State, under advice to us. The SLBCs should finalise the targets of individual banks on the basis of acceptable parameters like resources, number of rural/semi-urban branches, *etc.*, so that each of the banks will be in a position to arrive at its corporate target. We will be monitoring the achievement of the credit targets by the scheduled commercial banks through receipt of returns.

3. The Lead Banks may review the performance of credit mobilisation at regular intervals in each State/ Union Territory through the respective SLBC/UTLBC in order to ensure that efforts are being made by the banks to achieve the credit targets.

4. Monthly/quarterly/half - yearly reports may be submitted to us in terms of para 22 of our Master Circular RBI/2010-11/56 - RPCD. SP. BC. No.7/09.01.01/ 2010-11 dated July 1, 2010 on Priority Sector Lending – Special Programmes – Swarnajayanti Gram Swarozgar Yojana (SGSY).

5. Further, as you are aware, we have introduced an upgraded system (PCRPCD) of on-line submission of data by banks in respect of SGSY. The state-wise targets allocated to scheduled commercial banks for the year 2011-12 will be updated in our system, at Central Office, on receipt of the same from your bank. Subsequently, you have to update the state - wise/bank - wise financial targets for the year 2011-12 in your system. This will enable the member banks to submit the returns on-line to us.

6. You may please ensure to submit the progress reports in hardcopy and on-line under PCRPCD simultaneously and continue to do so until further instructions from us.

7. Please issue suitable instructions to your controlling offices and branches, under advice to us.

RBI/2010-11/589 DBS. CO.FrMC.BC.No. 11/23.04.001/ 2010-11 dated June 30, 2011

Efficacy of Concurrent Audit

The Chairmen & Chief Executive Officers of
All Scheduled Commercial Banks (excluding RRBs) and
All India Select Financial Institutions

1. A study of large value frauds, including frauds under housing loan segment, reported by banks to Reserve Bank of India was undertaken to understand the gaps in the control mechanism which contributed to perpetration of those frauds particularly when the branches were also under concurrent audit. It was observed that large number of frauds were perpetrated on account of submission of forged documents by the borrowers which had been certified by professionals' ie valuers/advocates/chartered accountants.

2. The reason for failure on the part of concurrent auditors may be attributed to the new/innovative/ complex nature of financial products or transactions. Further, banks have assigned audit responsibility to their own staff without ensuring that they are suitably trained to undertake the audit responsibility.

3. In order to contain the frauds, the banks may put in place a system wherein the concurrent audit would look into the following and report on the following aspects:

i. Wherever documents of title are submitted as security for loans, there should be a system where documents of title are subject to verification regarding their genuineness, especially for large value loans. In case of loan against the security of land, the banks may also seek reports from the local revenue authorities regarding the title deeds before sanction of loan.

ii. Wherever a Chartered Accountant certificate, property valuation certificate, legal certificate, guarantee/line of credit or any other third party certification is submitted by the borrower, the bank should independently verify the authenticity of such certification by directly communicating with the concerned authority issuing the certificate; indirect confirmation may also be resorted to, *i.e.*, indicating to the issuer that in case there is no response by a certain deadline, it would be assumed that the certificate is genuine.

iii. Aspects such as internal discipline, staff rotation, checks and balances, *etc.* should be ensured by the bank.

iv. In cases where it is established that the certification given by a chartered accountant, lawyer, registered property valuer or such third party is wrong, IBA should put in place a process to issue a 'Caution List' regarding the certifier to all banks. In this connection, banks may ensure compliance to our circular DBS.CO.FrMC.BC.3/23.04.001/2008-09 dated March 16, 2009 in the matter.

Foreign Exchange Developments

June 2011

1. Remittance of Assets by Foreign Nationals – Opening of NRO Accounts

It has been decided to permit the foreign nationals employed in India holding valid visas and eligible to maintain resident accounts with an Authorised Dealer Category – I banks in India to re-designate their resident account maintained in India as NRO account on leaving the country after their employment to enable them to receive their pending bonafide dues, subject to the following conditions

a. AD Category-I bank should obtain the full details from the account holder about his legitimate dues expected to be received into his account.

b. AD Category-I bank has to satisfy itself as regards the credit of amounts which have to be bonafide dues of the account holder when she/he was a resident in India.

c. The funds credited to the NRO account should be repatriated abroad immediately, subject to the AD Category-I bank satisfying itself regarding the payment of the applicable Income tax and other taxes in India.

d. The amount repatriated abroad should not exceed USD one million per financial year.

e. The debit to the account should be only for the purpose of repatriation to the account holder's account maintained abroad.

f. There should not be any other inflow/credit to this account other than that mentioned at point (a) above.

g. AD Category-I bank should put in place proper internal control mechanism to monitor the credits and debits to this account.

h. The account should be closed immediately after all the dues have been received and repatriated as per the declaration made by the account holder mentioned at paragraph (a) above.

[A.P. (DIR Series) Circular No. 70
dated June 9, 2011]

2. Exim Bank's Line of Credit of USD 36.56 Million to the Government of the United Republic of Tanzania

In an agreement between Export-Import Bank of India (Exim Bank) the Government of the United Republic of Tanzania dated March 28, 2011, a Line of Credit (LoC) of USD 36.56 million (USD thirty six million and five hundred sixty thousand) for financing eligible goods and services including consultancy services from India for the purpose of financing the purchase of 723 vehicles under the India Africa Fund into Tanzania was made available to the latter.

The Credit Agreement under the LoC is effective from May 20, 2011 and the date of execution of Agreement is March 28, 2011. Under the LoC, the last date for opening of the letters of credit and disbursement will be 48 months from the scheduled completion date(s) of contract(s) in the case of project exports and 72 months (March 27, 2017) from the execution date of the Credit Agreement in the case of supply contracts.

[A.P. (DIR Series) Circular No. 71
dated June 14, 2011]

3. Exim Bank's Line of Credit of USD 91 Million to the Government of the Federal Democratic Republic of Ethiopia

An Agreement dated February 18, 2011 between Export-Import Bank of India (Exim Bank) and Government of the Federal Democratic Republic of Ethiopia was concluded with the making available to the latter, a Line of Credit (LoC) of USD 91 million (USD ninety one million) for financing eligible goods and services including consultancy services, machinery and equipment from India for the purpose of financing development of sugar industry in Ethiopia. The goods and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase will be agreed to be financed by the Exim Bank under this Agreement.

The Credit Agreement under the LoC is effective from May 24, 2011 and the date of execution of Agreement is February 18, 2011. Under the LoC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in the case of project exports and 72 months (February 17, 2017) from the execution date of the Credit Agreement in the case of supply contracts.

[A.P. (DIR Series) Circular No. 72
dated June 16, 2011]

4. Overseas Direct Investment – Liberalisation/Rationalisation

With a view to restating the various provisions relating to transfer by way of sales of a joint venture or wholly owned subsidiary (JV or WOS) outside India with and without write off, the existing guidelines are consolidated as indicated below:

Transfer by way of sale of shares of a JV/WOS:

An Indian Party, without prior approval of the Reserve Bank, will transfer by way of sale to another Indian Party which complies with the provisions of Regulation 6 of FEMA Notification 120/RB-2004 dated July 7, 2004 or to a person resident outside India, any share or security held by it in a JV or WOS outside India subject to the following conditions:

i. the sale does not result in any write off of the investment made.

ii. the sale is to be effected through a stock exchange where the shares of the overseas JV/WOS are listed;

iii. if the shares are not listed on the stock exchange and the shares are disinvested by a private arrangement, the share price is not less than the value certified by a Chartered Accountant/ Certified Public Accountant as the fair value of the shares based on the latest audited financial statements of the JV/WOS;

iv. the Indian Party does not have any outstanding dues by way of dividend, technical know-how fees, royalty, consultancy, commission or other entitlements and/or export proceeds from the JV or WOS;

v. the overseas concern has been in operation for at least one full year and the Annual Performance Report together with the audited accounts for that year has been submitted to the Reserve Bank;

vi. the Indian party is not under investigation by CBI/DoE/SEBI/IRDA or any other regulatory authority in India.

Transfer by way of sale of shares of a JV/WOS involving write off of the investment:

Indian Parties may disinvest without prior approval of the Reserve Bank, in the under noted cases where the amount repatriated on disinvestment is less than the amount of the original investment:

- in cases where the JV/WOS is listed in the overseas stock exchange;
- in cases where the Indian Party is listed on a stock exchange in India and has a net worth of not less than ₹100 crore;
- where the Indian Party is an unlisted company and the investment in the overseas venture does not exceed USD 10 million and
- where the Indian Party is a listed company with net worth of less than ₹100 crore but investment in an overseas JV/WOS does not exceed USD 10 million.

Such disinvestments shall be subject to the conditions listed at items (ii) to (vi) above.

The Indian Party is required to submit details of such disinvestment through its designated AD category-I bank within 30 days from the date of disinvestment.

An Indian Party, which does not satisfy the conditions stated above for undertaking any disinvestment in its JV/WOS abroad, shall have to apply to the Reserve Bank for prior permission.

[A.P. (DIR Series) Circular No. 73
dated June 29, 2011]

5. Foreign Direct Investment (FDI) in India – Issue of equity shares under the FDI Scheme allowed under the Government route

It has been decided to permit issue of equity shares/preference shares under the Government route of the FDI scheme for the following categories of transactions:

(a) Import of capital goods/machineries/equipments (including second-hand machineries), subject to compliance with the following conditions:

- The import of capital goods, machineries, *etc.*, made by a resident in India, is in accordance with the Export/Import Policy issued by the Government of India as notified by the Directorate General of Foreign Trade (DGFT) and the regulations issued under the Foreign Exchange Management Act (FEMA), 1999 relating to imports issued by the Reserve Bank;
- There is an independent valuation of the capital goods/machineries/equipments (including second-hand machineries) by a third party entity, preferably by an independent valuer from the country of import along with production of copies of documents/certificates issued by the customs authorities towards assessment of the fair-value of such imports;
- The application should clearly indicate the beneficial ownership and identity of the importer company as well as the overseas entity; and
- All such conversions of import payables for capital goods into FDI should be completed within 180 days from the date of shipment of goods.

(b) Pre-operative/pre-incorporation expenses (including payments of rent, *etc.*) subject to compliance with the following conditions:

- Submission of FIRC for remittance of funds by the overseas promoters for the expenditure incurred;
- Verification and certification of the pre-incorporation/pre-operative expenses by the statutory auditor;
- Payments should be made directly by the foreign investor to the company. Payments made through third parties citing the absence of a bank account or similar such reasons will not be eligible for issuance of shares towards FDI; and
- The capitalization should be completed within the stipulated period of 180 days permitted for retention of advance against equity under the extant FDI policy.

All requests for conversion should be accompanied by a special resolution of the company. Government's approval would be subject to pricing guidelines of the Reserve Bank and appropriate tax clearance.

[A.P. (DIR Series) Circular No. 74
dated June 30, 2011]

6. Buyback/Prepayment of Foreign Currency Convertible Bonds (FCCBs)

It has been decided to extend the time limit for buyback of FCCBs and liberalise the procedure. Accordingly, the applications for buyback of FCCBs by Indian companies, both under the automatic and approval routes will be considered as detailed hereunder:

a. Under Automatic Route, Indian companies are allowed to prematurely buyback FCCBs subject to compliance with the terms and conditions set out hereunder:

i) the buyback value of the FCCB shall be at a minimum discount of 8 per cent on the book value;

ii) the funds used for the buyback shall be out of existing foreign currency funds held either in India (including funds held in the EEFC account) or abroad and/or out of fresh ECB raised in conformity with the current ECB norms; and

iii) where the fresh ECB is co-terminus with the outstanding maturity of the original FCCB and is for less than three years the all-in-cost ceiling should not exceed 6 months Libor plus 200 bps as applicable to short term borrowings. In other cases, the all-in-cost for the relevant maturity of the ECB, as laid down in A. P. (DIR Series) No.26 dated October 22, 2008, shall apply.

b. Under Approval Route, Indian companies will be permitted to buyback FCCBs up to USD 100 million of the redemption value per company, out of their internal accruals with the prior approval of the Reserve Bank, subject to a :

i) minimum discount of 10 per cent of book value for redemption value up to USD 50 million;

ii) minimum discount of 15 per cent of book value for the redemption value over USD 50 million and up to USD 75 million; and

iii) minimum discount of 20 per cent of book value for the redemption value of over USD 75 million and up to USD 100 million.

This facility shall come into force with immediate effect and the entire process of buyback should be completed by March 31, 2012.

[A.P. (DIR Series) Circular No. 75
dated June 30, 2011]

Current Statistics

Contents

Contents

Notes: (1) The coverage of data will be expanded from time to time to include new statistical information as and when it becomes available.

(2) Some of the figures included in the tables are provisional and may be revised in later issues. Each issue contains all the revisions made upto the date of publication of the Bulletin.

(3) The following symbols have been used throughout this Section:
.. = Figure is not available.
- = Figure is nil or negligible.
P = Provisional.

(4) Where necessary, each figure has been rounded off to the nearest final digit. For this reason, there may be, in some tables, a slight discrepancy between the sum of the constituent items and the total.

(5) A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different basis and are not strictly comparable. In each case, a suitable footnote is added.

(6) For definitions of important items, sources of data, coverage, scope, method of compilation, etc. a reference may be made to the Explanatory Notes, issued as a supplement to the October 1978 issue of the Bulletin.

(7) 1 Lakh = 1,00,000, 1 Million = 10 lakh, 1 Crore = 10 Million.

General

No. 1: Selected Economic Indicators

Item	Unit / Base	1990-91	2008-09	2009-10	2010-11	2011		
						Mar.	Apr.	May
	1	2	3	4	5	6	7	8
Output								
1. Gross Domestic Product at Factor Cost (at 2004-05 prices)	₹ crore	10,83,572 **	41,62,509	44,93,743(Q.E.)	48,77,842 (RE.)			
2. Index number of Agricultural Production (All crops)	Triennium ended 1993-94=100	148.4	161.2	150.4	..			
a. Foodgrains Production	Million tonnes	176.4	234.5	218.1	235.9 £			
3. General Index of Industrial Production (1)	2004-05=100	212.6 *	145.2	152.9	165.4 (P)	192.1 (P)	167.8 (P)	
Money and Banking								
Reserve Bank of India (2)								
4. Notes in Circulation	₹ crore	53,784	6,81,058	7,90,223	9,42,107	9,42,107	9,68,947	9,81,417
5. Rupee Securities (3)	"	86,035	1,21,962	1,76,755	3,21,758	3,21,758	3,40,607	3,77,451
6. Loans and Discount	"	19,900	21,562	3,822	6,294	6,294	39,498	14,101
(a) Scheduled Commercial Banks (4)	"	8,169	11,728	42	5,031	5,031	2,115	4,016
(b) Scheduled State Co-operative Banks (4)	"	38	–	–	30	30	30	30
(c) Bills Purchased and Discounted (internal)	"	–	–	–	–	–	–	–
Scheduled Commercial Banks								
7. Aggregate Deposits (5)	₹ crore	1,92,541	38,34,110	44,92,826	52,07,969	52,07,969	53,50,651	53,21,641 (P)
8. Bank Credit (5)	"	1,16,301	27,75,549	32,44,788	39,42,083	39,42,083	39,23,063	39,50,383 (P)
9. Investment in Govt. Securities (5)	"	49,998	11,55,786	13,78,395	14,97,148	14,97,148	15,60,355	15,84,725 (P)
10. Cheque Clearances (6)	₹ thousand crore	1,703	6,020	4,528	4,235 (P)	416 (P)	365 (P)	369 (P)
11. Money Stock Measures (7)								
(a) M_1	₹ crore	92,892	12,59,707	14,89,301	16,35,569	16,35,569	16,11,904	16,01,232
(b) M_3	"	2,65,828	47,94,812	56,02,731	64,99,548	64,99,548	66,48,098	66,58,565
Cash Reserve Ratio and Interest Rates								
12. Cash Reserve Ratio (2), (14)	Per cent	15.00	5.00	5.75	6.00	6.00	6.00	6.00
13. Bank Rate	Per cent Per annum	10.00	6.00	6.00	6.00	6.00	6.00	6.00
14. Inter-bank Call Money Rate (Mumbai) (8)	"	4.00-70.00	2.50-5.75	2.25-5.75	5.70-10.0	5.70-10.00	5.00-7.00	6.00-7.40
15. Deposit Rate (9)								
(a) 30 days and 1 year	"	8.00 (11)	} 3.25-8.00	1.50-6.50	2.50-8.00	2.50-8.00	2.50-8.00	2.50-8.00
(b) 1 year and above	"	9.00-11.00	8.00-8.50	6.00-7.50	8.25-9.50	8.25-9.50	8.25-9.50	8.25-9.00

Q.E. : Quick Estimate. R.E.: Revised Estimate R: Revised.

** Data for 1990-91 corresponds to 1999-2000 base.

* Base : 1980-81 = 100. + Base Triennium ending 1981-82=100 and from 2002-03 new base (Triennium ending 1993-94=100)

^ Base : 2001 = 100 from January 2006 onwards.

^ ^ CPI (UNME) are Linked All - India Index from the April 2008 onwards. As per the Press Release of Central Statistics Office, all-India linked Consumer Price Index for Urban Non-Manual Employees (UNME) has been discontinued with effect from January 2011. Therefore, these data will not be updated henceforth.

£ Third Advance Estimates of production of Foodgrains for 2010-11.

Also see 'Notes on Tables'.

No. 1: Selected Economic Indicators *(Concld.)*

Item	Unit / Base	1990-91	2008-09	2009-10	2010-11	2011		
						Mar.	Apr.	May
	1	2	3	4	5	6	7	8
16. Base Rate (10)	"		11.50-12.50	11.00-12.00	8.25-9.50	8.25-9.50	8.50-9.50	9.25-10.00
17. Yield on 7.40% Loan 2012	"		7.26	6.08				
Government Securities Market (2)								
18. Govt. of India 91-day Treasury Bills (Total outstandings)	₹ crore		75,549	71,503	70,345	70,345	73,767	95,013
Price Indices								
19. Wholesale Prices (11)	2004-05=100							
(a) All Commodities	"	182.7 +	125.9	130.4	143.3	149.5	150.6 (P)	151.7 (P)
(b) Primary Articles	"	184.9 +	137.5	154.9	182.4	188.2	191.6 (P)	192.1 (P)
(c) Fuel and Power	"	175.8 +	135.0	132.1	148.3	157.6	159.9 (P)	160.4 (P)
(d) Manufactured Products	"	182.8 +	120.2	122.4	130.1	135.6	135.8 (P)	137.2 (P)
(e) Foodgrains (Cereals + Pulses)	"	179.2 +	145.3	166.4	174.4	175.6	175.3 (P)	175.8 (P)
(f) Edible Oils	"	223.3 +	121.6	114.4	120.6	128.8	129.1 (P)	132.1 (P)
(g) Sugar, Khandsari & Gur	"	152.3 +	106.8	161.9	160.5	163.9	164.4 (P)	163.9 (P)
(h) Raw Cotton	"	145.5 +	141.2	138.6	199.3	302.5	303.4 (P)	255.9 (P)
20. Consumer Prices (All-India) (1)								
(a) Industrial Workers ^	2001=100	193	145	163	180	185	186	187
(b) Urban Non-Manual Employees ^ ^	1984-85=100	161	561	634	..	"	"	"
(c) Agricultural Labourers	July 1986-June 1987=100	"	462	530	..	585	587	592
Foreign Trade								
21. Value of Imports	U.S. $ Million	24,073	298,834	287,445	350,478	34,743 (R)	32,834 (P)	
22. Value of Exports	"	18,145	182,799	178,220	245,557	29,135 (R)	23,849 (P)	
23. Balance of Trade	"	–5,927	–116,034	–109,226	–104,921	–5,608 (R)	–8,985 (P)	
24. Foreign Exchange Reserves (12)								
(a) Foreign Currency Assets	U.S. $ Million	2,236	241,426	254,685	274,330	274,330	282,037	279,537
(b) Gold	"	3,496	9,577	17,986	22,972	22,972	23,790	24,391
(c) SDRs	"	102	1	5,006	4,569	4,569	4,671	4,613
Employment Exchange Statistics (13)								
25. Number of Registrations	Thousand	6,541	..	..	..	..	..	..
26. Number of Applicants								
(a) Placed in Employment	"	265	..	..	..	..	..	..
(b) On live Register (12)	"	34,632	..	..	..	..	..	..

Note : Data for 2007-08 Employment Exchange Statistics are End-Decemeber 2007.

Money and Banking

No. 2: Reserve Bank of India

(₹ crore)

Last Friday / Friday	1990-91	2009-10	2010-11	2010		2011								
				Jun.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun. 3	Jun. 10	Jun. 17	Jun. 24
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Issue Department Liabilities														
Notes in Circulation	53,784	7,90,223	9,42,107	8,46,829	8,94,599	9,12,514	9,28,784	9,42,107	9,68,947	9,81,417	9,83,049	9,90,659	9,88,635	9,79,523
Notes held in Banking Department	23	16	17	21	16	8	17	17	16	19	13	19	16	19
Total Liabilities (Total Notes Issued) or Assets	**53,807**	**7,90,239**	**9,42,124**	**8,46,851**	**8,94,615**	**9,12,522**	**9,28,801**	**9,42,124**	**9,68,963**	**9,81,435**	**9,83,062**	**9,90,678**	**9,88,651**	**9,79,542**
Assets														
Gold Coin and Bullion	6,654	43,411	52,422	47,275	52,760	52,760	52,787	52,422	55,325	55,325	57,552	57,552	57,552	57,552
Foreign Securities	200	7,45,491	8,88,420	7,98,393	8,40,622	8,58,634	8,74,792	8,88,420	9,12,465	9,24,864	9,24,293	9,31,939	9,29,942	9,20,663
Rupee Coin (1)	29	291	236	136	187	82	175	236	127	200	169	140	110	280
Government of India Rupee Securities	46,924	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046
Banking Department Liabilities														
Deposits	**38,542**	**3,18,934**	**3,56,534**	**3,65,174**	**4,38,169**	**3,99,600**	**3,74,424**	**3,56,534**	**3,85,090**	**3,83,856**	**3,69,988**	**3,81,742**	**3,65,978**	**3,87,568**
Central Government	61	3,933	6,293	26,531	94,537	68,471	27,498	6,293	100	101	101	100	100	100
Market Stabilisation Scheme	–	2,737	–	317	–	–	–	–	–	–	–	–	–	–
State Governments	33	41	41	41	41	41	41	41	42	42	42	42	42	42
Scheduled Commercial Banks	33,484	2,81,390	3,19,163	3,07,570	3,12,868	2,90,630	3,15,978	3,19,163	3,52,788	3,51,445	3,37,733	3,49,626	3,34,795	3,55,990
Scheduled State Co-operative Banks	244	3,917	3,494	4,234	3,675	3,454	3,569	3,494	3,949	3,956	3,671	3,772	3,760	3,717
Non-Scheduled State Co-operative Banks	13	77	86	76	76	61	59	86	66	63	66	76	64	66
Other Banks	88	13,120	15,198	14,563	14,640	14,875	14,963	15,198	16,229	16,104	15,850	16,281	15,777	16,182
Others	4,619	13,719	12,260	11,841	12,330	22,068	12,316	12,260	11,915	12,144	12,524	11,844	11,439	11,470
Other Liabilities (2)	28,342	3,16,642	3,61,350	3,36,526	3,39,002	3,70,701	3,68,895	3,61,350	3,93,535	4,03,315	4,02,191	3,89,496	3,96,752	3,91,041
Total Liabilities or Assets	**66,884**	**6,35,577**	**7,17,885**	**7,01,700**	**7,77,171**	**7,70,301**	**7,43,319**	**7,17,885**	**7,78,625**	**7,87,171**	**7,72,179**	**7,71,238**	**7,62,730**	**7,78,609**

See 'Notes on Tables.'

No. 2: Reserve Bank of India *(Concld.)*

(₹ crore)

Last Friday / Friday	1990-91	2009-10	2010-11	2010		2011								
				Jun.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun. 3	Jun. 10	Jun. 17	Jun. 24
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Assets														
Notes and Coins	23	17	17	22	16	8	17	17	16	19	13	19	16	19
Balances held Abroad (3)	4,008	4,01,429	3,34,547	3,72,503	3,60,370	3,73,991	3,57,543	3,34,547	3,40,111	3,36,836	3,36,486	3,14,466	3,22,762	3,25,505
Loans and Advances														
Central Government	–	–	–	–	–	–	–	–	35,399	9,544	35,089	18,429	–	–
State Governments (4)	916	558	729	80	–	750	1,199	729	1,615	216	1,194	–	537	62
Scheduled Commercial Banks	8,169	42	5,031	2,332	4,976	4,374	3,352	5,031	2,115	4,016	1,915	1,925	2,064	2,757
Scheduled State Co-op.Banks	38	–	30	–	60	50	30	30	30	30	30	30	30	30
Industrial Dev. Bank of India	3,705	–	–	–	–	–	–	–	–	–	–	–	–	–
NABARD	3,328	–	–	–	–	–	–	–	–	–	–	–	–	–
EXIM Bank	745	–	–	–	–	–	–	–	–	–	–	–	–	–
Others	1,615	3,222	504	219	368	69	314	504	339	295	390	646	798	836
Bills Purchased and Discounted														
Internal	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Government Treasury Bills	1,384	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	40,286	1,78,663	3,22,242	2,73,371	3,58,823	3,37,469	3,26,862	3,22,242	3,41,094	3,77,939	3,36,575	3,75,389	3,76,092	3,88,483
Other Assets (5)	2,666	51,646	54,784	53,174	52,559	53,590	54,002	54,784	57,904	58,276	60,487	60,334	60,431	60,919
	(-)	(39,434)	(47,619)	(42,944)	(47,926)	(47,926)	(47,951)	(47,619)	(50,257)	(50,257)	(52,280)	(52,280)	(52,280)	(52,280)

No. 3: All Scheduled Banks - Business in India

(₹ crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2009-10	2010-11	2010			2011				
				May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May (P)
	1	2	3	4	5	6	7	8	9	10	11
Number of Reporting Banks	299	232	232	233	232	232	232	232	232	232	232
Liabilities to the Banking System (1)	**6,673**	**1,05,729**	**1,13,430**	**95,311**	**94,188**	**1,09,232**	**1,01,776**	**1,07,185**	**1,13,430**	**1,11,942**	**1,02,966**
Demand and Time Deposits from Banks (2)	5,598	67,371	76,531	63,625	65,537	72,193	69,757	73,572	76,531	73,601	71,345
Borrowings from Banks (3)	998	32,376	29,770	24,379	21,591	27,962	25,056	26,506	29,770	28,252	21,446
Other Demand and Time Liabilities (4)	77	5,983	7,129	7,307	7,061	9,076	6,963	7,107	7,129	10,090	10,176
Liabilities to Others (1)	**2,13,125**	**50,76,365**	**58,36,361**	**51,83,093**	**54,06,828**	**55,85,424**	**55,90,284**	**56,94,429**	**58,36,361**	**60,36,029**	**60,09,698**
Aggregate Deposits (5)	**1,99,643**	**46,35,225**	**53,55,160**	**47,15,624**	**49,38,902**	**51,31,115**	**51,32,602**	**52,33,080**	**53,55,160**	**55,01,199**	**54,70,824**
Demand	34,823	6,60,446	6,56,551	6,22,329	6,08,998	6,60,487	6,05,493	6,18,437	6,56,551	6,18,917	5,73,486
Time (5)	1,64,820	39,74,778	46,98,609	40,93,295	43,29,904	44,70,629	45,27,110	46,14,643	46,98,609	48,82,282	48,97,337
Borrowings (6)	645	1,06,191	1,33,288	1,33,525	1,38,684	1,19,511	1,25,774	1,25,647	1,33,288	1,52,263	1,51,949
Other Demand and Time Liabilities (4)	12,838	3,34,950	3,47,914	3,33,944	3,29,242	3,34,798	3,31,907	3,35,702	3,47,914	3,82,568	3,86,925
Borrowings from Reserve Bank (7)	**3,483**	**42**	**5,105**	**–**	**4,653**	**5,078**	**4,468**	**3,426**	**5,105**	**2,189**	**4,046**
Against Usance Bills / Promissory Notes	–	–	–	–	–	–	–	–	–	–	–
Others (8)	3,483	42	5,105	–	4,653	5,078	4,468	3,426	5,105	2,189	4,046
Cash in Hand and Balances with Reserve Bank	**25,995**	**3,16,120**	**3,58,954**	**3,48,561**	**3,52,287**	**3,55,942**	**3,32,135**	**3,56,633**	**3,58,954**	**3,96,066**	**3,95,594**
Cash in Hand	1,847	26,296	31,110	28,881	32,001	34,298	32,905	31,984	31,110	33,573	34,441
Balances with Reserve Bank (9)	24,147	2,89,824	3,27,844	3,19,680	3,20,286	3,21,644	2,99,231	3,24,649	3,27,844	3,62,493	3,61,153

See "Notes on Tables"

No. 3: All Scheduled Banks - Business in India *(Concld.)*

(₹ crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2009-10	2010-11	2010			2011				
				May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May (P)
	1	2	3	4	5	6	7	8	9	10	11
Assets with the Banking System	**6,848**	**1,66,945**	**1,75,885**	**1,40,749**	**1,34,828**	**1,53,303**	**1,39,208**	**1,53,023**	**1,75,885**	**1,64,922**	**1,60,320**
Balances with Other Banks	3,347	70,372	62,864	57,435	52,348	61,349	54,887	57,976	62,864	60,233	60,683
In Current Account	1,926	14,853	11,522	11,690	10,032	12,433	10,580	10,485	11,522	11,474	10,934
In Other Accounts	1,421	55,520	51,342	45,745	42,316	48,916	44,306	47,490	51,342	48,759	49,750
Money at Call and Short Notice	2,201	33,135	26,938	27,835	21,881	27,046	24,643	27,243	26,938	30,772	22,899
Advances to Banks (10)	902	10,149	12,915	7,014	4,511	7,915	6,367	6,865	12,915	11,024	11,123
Other Assets	398	53,289	73,167	48,465	56,088	56,993	53,312	60,940	73,167	62,893	65,614
Investment	**76,831**	**14,37,770**	**15,50,910**	**14,91,434**	**15,17,685**	**14,98,396**	**15,32,831**	**15,36,357**	**15,50,910**	**16,14,882**	**16,40,266**
Government Securities (11)	51,086	14,28,470	15,45,216	14,82,265	15,11,496	14,92,497	15,27,274	15,30,770	15,45,216	16,09,424	16,34,229
Other Approved Securities	25,746	9,300	5,694	9,169	6,188	5,898	5,557	5,586	5,694	5,458	6,037
Bank Credit	**1,25,575**	**33,37,548**	**40,60,842**	**33,41,123**	**36,74,709**	**38,75,670**	**38,50,203**	**39,28,155**	**40,60,842**	**40,43,316**	**40,71,542**
Loans, Cash-credits and Overdrafts	1,14,982	32,12,787	39,10,770	32,19,235	35,44,052	37,36,221	37,12,403	37,84,891	39,10,770	38,94,129	39,22,729
Inland Bills-Purchased	3,532	12,686	13,966	11,150	11,618	14,326	13,489	13,598	13,966	13,720	12,304
Inland Bills-Discounted	2,409	63,322	81,015	63,130	69,145	71,007	69,884	73,758	81,015	82,597	82,393
Foreign Bills-Purchased	2,788	16,205	18,627	16,061	17,483	19,035	18,426	18,689	18,627	17,165	18,073
Foreign Bills-Discounted	1,864	32,548	36,465	31,547	32,412	35,081	36,001	37,220	36,465	35,706	36,044
Cash-Deposit Ratio	13.0	6.8	6.7	7.4	7.1	6.9	6.5	6.8	6.7	7.2	7.2
Investment-Deposit Ratio	38.5	31.0	29.0	31.6	30.7	29.2	29.9	29.4	29.0	29.4	30.0
Credit-Deposit Ratio	62.9	72.0	75.8	70.9	74.4	75.5	75.0	75.1	75.8	73.5	74.4

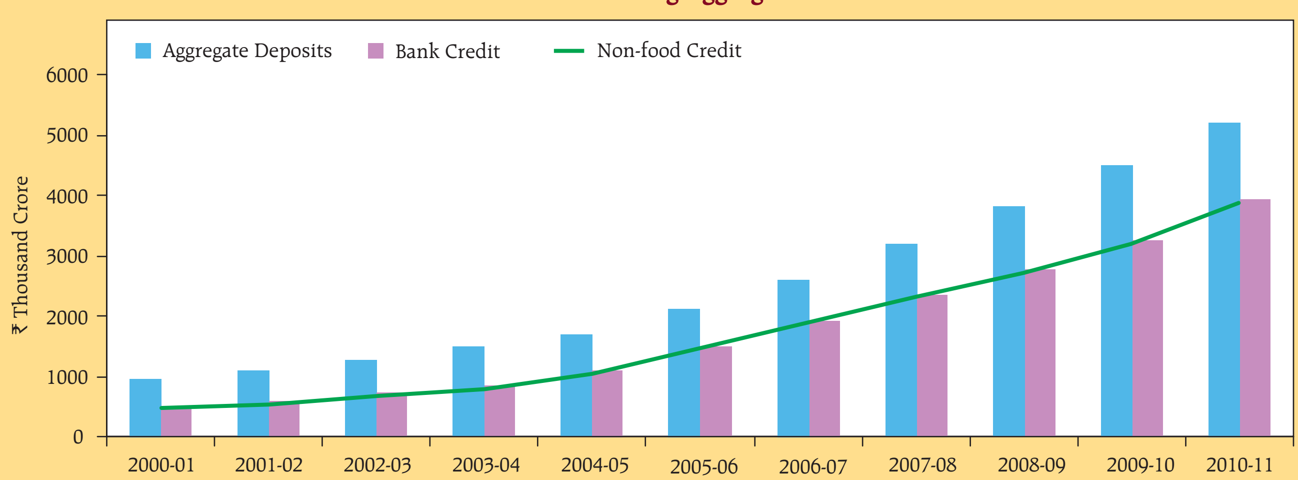
No. 4: All Scheduled Commercial Banks – Business in India

(₹ crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2009-10	2010-11	2010			2011				
				May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May (P)
	1	2	3	4	5	6	7	8	9	10	11
Number of Reporting Banks	271	163	163	164	163	163	163	163	163	163	163
Liabilities to the Banking System (1)	**6,486**	**1,03,267**	**1,10,590**	**92,454**	**91,315**	**1,06,292**	**98,923**	**1,04,266**	**1,10,590**	**1,09,031**	**1,00,171**
Demand and Time Deposits from Banks (2), (12)	5,443	64,931	73,741	60,913	62,785	69,484	67,048	70,844	73,741	70,783	68,585
Borrowings from Banks (3)	967	32,358	29,724	24,237	21,479	27,737	24,917	26,319	29,724	28,162	21,414
Other Demand and Time Liabilities (4)	76	5,978	7,124	7,304	7,051	9,071	6,958	7,103	7,124	10,085	10,172
Liabilities to Others (1)	**2,05,600**	**49,26,524**	**56,81,115**	**50,32,521**	**52,54,189**	**54,31,877**	**54,36,989**	**55,41,395**	**56,81,115**	**58,77,647**	**58,52,928**
Aggregate Deposits (5)	**1,92,541**	**44,92,826**	**52,07,969**	**45,71,839**	**47,94,376**	**49,85,789**	**49,87,416**	**50,87,994**	**52,07,969**	**53,50,651**	**53,21,641**
Demand	33,192	6,45,610	6,41,705	6,07,793	5,94,503	6,44,435	5,90,823	6,04,050	6,41,705	6,04,690	5,59,142
Time (5)	1,59,349	38,47,216	45,66,264	39,64,046	41,99,874	43,41,354	43,96,593	44,83,944	45,66,264	47,45,961	47,62,499
Borrowings (6)	470	1,04,278	1,31,341	1,31,683	1,35,867	1,16,893	1,23,496	1,23,562	1,31,341	1,50,594	1,50,018
Other Demand and Time Liabilities (4), (13)	12,589	3,29,420	3,41,805	3,28,999	3,23,946	3,29,194	3,26,076	3,29,839	3,41,805	3,76,402	3,81,268
Borrowings from Reserve Bank (7)	**3,468**	**42**	**5,031**	**–**	**4,582**	**4,976**	**4,374**	**3,352**	**5,031**	**2,115**	**4,016**
Against Usance Bills/ Promissory Notes	–	–	–	–	–	–	–	–	–	–	–
Others	3,468	42	5,031	–	4,582	4,976	4,374	3,352	5,031	2,115	4,016

See 'Notes on Tables'.

Select Banking Aggregates



No. 4: All Scheduled Commercial Banks – Business In India *(Concld.)*

(₹ crore)

Last Reporting Friday (in case of March)/	1990-91	2009-10	2010-11	2010			2011				
				May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May (P)
	1	2	3	4	5	6	7	8	9	10	11
Cash in Hand and Balances with Reserve Bank	**25,665**	**3,06,968**	**3,49,509**	**3,38,430**	**3,41,974**	**3,46,398**	**3,22,690**	**3,47,184**	**3,49,509**	**3,85,506**	**3,85,047**
Cash in Hand	1,804	25,578	30,346	28,104	31,097	33,529	32,060	31,206	30,346	32,718	33,602
Balances with Reserve Bank (9)	23,861	2,81,390	3,19,163	3,10,326	3,10,878	3,12,868	2,90,630	3,15,978	3,19,163	3,52,788	3,51,445
Assets with the Banking System	**5,582**	**1,34,444**	**1,54,386**	**1,13,613**	**1,12,760**	**1,29,780**	**1,16,206**	**1,31,053**	**1,54,386**	**1,42,511**	**1,39,201**
Balances with Other Banks	2,846	62,421	56,137	49,979	44,831	53,210	47,375	50,851	56,137	52,681	53,466
In Current Account	1,793	13,210	10,096	10,314	8,538	10,554	8,912	9,027	10,096	9,985	9,397
In Other Accounts	1,053	49,211	46,042	39,665	36,292	42,656	38,463	41,824	46,042	42,696	44,068
Money at Call and Short Notice	1,445	17,668	16,606	15,468	11,481	17,162	14,044	17,139	16,606	18,967	11,490
Advances to Banks (10)	902	9,892	12,569	6,751	4,190	7,581	6,044	6,559	12,569	10,692	10,790
Other Assets	388	44,463	69,073	41,414	52,258	51,827	48,743	56,504	69,073	60,171	63,456
Investment	**75,065**	**13,84,752**	**15,01,619**	**14,39,927**	**14,66,633**	**14,48,479**	**14,82,914**	**14,86,674**	**15,01,619**	**15,64,603**	**15,89,550**
Government Securities (11)	49,998	13,78,395	14,97,148	14,33,720	14,61,791	14,43,817	14,78,583	14,82,319	14,97,148	15,60,355	15,84,725
Other Approved Securities	25,067	6,358	4,471	6,207	4,842	4,662	4,330	4,355	4,471	4,248	4,824
Bank credit (14)	**1,16,301**	**32,44,788**	**39,42,083**	**32,47,061**	**35,68,380**	**37,65,372**	**37,37,677**	**38,13,016**	**39,42,083**	**39,23,063**	**39,50,383**
	(4,506)	**(48,489)**	**(64,283)**	**(50,592)**	**(59,125)**	**(65,948)**	**(61,182)**	**(65,292)**	**(64,283)**	**(52,248)**	**(70,609)**
Loans,Cash-Credits and Overdrafts	1,05,982	31,22,158	37,94,006	31,27,202	34,39,906	36,28,045	36,01,874	36,71,752	37,94,006	37,76,216	38,03,567
Inland Bills-Purchased	3,375	12,014	13,444	10,358	10,872	13,684	12,560	13,062	13,444	12,840	11,834
Inland Bills-Discounted	2,336	62,218	79,866	62,213	68,078	69,848	69,107	72,653	79,866	81,462	81,469
Foreign Bills-Purchased	2,758	16,132	18,583	15,994	17,386	18,963	18,389	18,609	18,583	17,108	18,038
Foreign Bills-Discounted	1,851	32,266	36,183	31,294	32,138	34,832	35,747	36,939	36,183	35,437	35,475
Cash-Deposit Ratio	13.3	6.8	6.7	7.4	7.1	6.9	6.5	6.8	6.7	7.2	7.2
Investment- Deposit Ratio	39.0	30.8	28.8	31.5	30.6	29.1	29.7	29.2	28.8	29.2	29.9
Credit-Deposit Ratio	60.4	72.2	75.7	71.0	74.4	75.5	74.9	74.9	75.7	73.3	74.2

No. 5: Scheduled Commercial Banks' Investments

(₹ crore)

Outstanding as on	SLR Securities	Commercial Paper	Shares issued by			Bonds / Debentures issued by			Instruments issued by	
			PSUs	Private Corporate Sector	Others	PSUs	Private Corporate Sector	Others	Mutual funds	Financial institutions
	1	2	3	4	5	6	7	8	9	10
March 18, 2005	7,39,154	3,944	1,886	10,289	44	46,939	31,994	6,980	12,744	31,557
March 31, 2006	7,17,454	4,837	2,627	10,502	41	33,018	29,550	15,153	10,410	29,203
March 30, 2007	7,91,516	9,038	2,129	16,225	74	29,232	27,641	17,787	11,761	26,568
March 28, 2008	9,71,715	13,270	3,025	23,389	294	27,935	28,700	29,230	18,824	25,942
March 27, 2009	11,66,410	20,001	2,769	25,060	407	25,456	33,131	31,073	37,035	32,585
March 26, 2010	13,84,752	25,188	4,625	25,481	86	22,710	40,067	30,902	52,887	32,597
March 25, 2011	15,01,619	12,309	8,965	32,351	451	27,946	66,029	45,615	47,603	31,296
July 2, 2010	14,33,331	27,502	6,804	26,839	443	21,169	45,858	37,410	20,752	27,379
July 16, 2010	14,41,573	27,830	6,954	27,394	327	23,273	45,968	32,906	26,209	28,227
July 30, 2010	14,54,604	31,152	7,030	27,383	375	22,589	48,009	33,698	36,787	26,615
August 13, 2010	14,53,904	35,079	7,164	27,486	651	22,908	48,796	34,579	40,830	26,464
August 27, 2010	14,77,883	38,297	7,227	27,480	4,226	23,091	49,874	39,376	61,818	27,223
September 10, 2010	14,59,910	40,158	7,218	27,435	375	23,048	49,482	39,050	85,271	27,942
September 24, 2010	14,74,206	43,990	7,100	27,019	374	21,937	50,611	35,222	30,436	28,215
October 8, 2010	14,77,093	42,676	6,894	26,979	376	22,115	52,092	31,618	60,404	28,789
October 22, 2010	15,03,713	40,760	7,125	27,157	375	25,493	50,663	37,825	49,521	28,908
November 5, 2010	14,88,232	39,341	7,727	27,371	378	25,038	53,614	32,042	29,201	28,408
November 19, 2010	14,76,412	40,741	7,721	27,181	384	23,820	53,278	29,481	45,803	28,515
December 3, 2010	14,83,582	35,712	8,121	27,339	384	23,762	54,507	31,477	39,587	28,933
December 17, 2010	14,45,544	32,715	8,252	27,244	407	23,764	54,470	31,375	24,175	29,141
December 31, 2010	14,48,479	35,920	8,235	27,240	414	24,254	58,369	33,887	13,412	29,777
January 14, 2011	14,61,735	29,830	8,448	27,846	413	23,527	57,863	31,078	70,958	29,590
January 28, 2011	14,82,914	30,148	8,453	28,155	414	23,847	60,164	29,808	75,516	29,473
February 11, 2011	14,72,076	32,370	8,422	28,505	416	23,763	62,241	29,743	94,842	28,901
February 25, 2011	14,86,674	30,326	8,435	28,576	418	24,009	62,706	33,437	85,755	29,507
March 11, 2011	14,96,772	13,047	8,384	28,678	426	25,223	63,099	39,437	1,05,646	28,741
March 25, 2011	15,01,619	12,309	8,965	32,351	451	27,946	66,029	45,615	47,603	31,296
April 8, 2011	15,70,795	11,024	8,317	29,719	450	24,192	66,340	41,284	1,15,824	32,353
April 22, 2011	15,55,315	9,664	8,292	29,940	450	25,545	63,183	38,755	1,24,263	30,190
May 6, 2011	15,69,843	10,323	8,102	30,025	456	23,306	64,524	39,277	1,20,854	28,149
May 20, 2011	15,83,147	10,924	8,128	30,180	481	24,203	64,192	39,634	1,06,233	28,695

Note : Data on Investments are based on Statutory Section 42(2) Returns.
Final upto : April 22, 2011

No. 6: State Co-operative Banks - Maintaining Accounts with the Reserve Bank of India

(₹ crore)

Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday	1990-91	2008-09	2009-10	2010						2011		
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb. 11	Feb. 25
	1	2	3	4	5	6	7	8	9	10	11	12
Number of Reporting Banks	28	31	31	31	31	31	31	31	31	31	31	31
Demand and Time Liabilities												
Aggregate Deposits (1)	**2,152**	**22,588**	**26,896**	**26,659**	**27,757**	**28,085**	**28,295**	**28,235**	**28,044**	**28,202**	**28,036**	**27,938**
Demand Liabilities	**1,831**	**8,051**	**9,746**	**8,503**	**9,890**	**9,710**	**9,926**	**9,764**	**10,692**	**10,708**	**10,566**	**11,041**
Deposits												
Inter-Bank	718	1,936	2,021	1,493	1,457	1,370	1,385	1,253	1,557	1,404	1,311	1,364
Others	794	4,058	4,887	4,595	5,740	5,892	5,780	5,847	5,862	5,907	5,879	5,871
Borrowings from Banks	181	367	905	549	830	647	687	786	1,244	1,012	1,296	1,065
Others	139	1,689	1,933	1,866	1,862	1,801	2,074	1,878	2,030	2,385	2,080	2,741
Time Liabilities	**3,963**	**59,625**	**71,485**	**70,450**	**69,242**	**68,478**	**66,994**	**66,505**	**65,593**	**65,570**	**65,302**	**65,210**
Deposits												
Inter-Bank	2,545	40,589	48,489	47,799	46,657	45,755	43,933	43,551	42,802	42,554	42,570	42,470
Others	1,359	18,530	22,010	22,064	22,017	22,193	22,515	22,388	22,183	22,294	22,158	22,067
Borrowings from Banks	–	7	205	55	63	5	5	9	41	178	60	72
Others	59	500	780	532	504	525	540	556	568	544	514	602
Borrowing from Reserve Bank	**15**	–	–	–	–	–	–	–	–	–	–	–
Borrowings from the State Bank and / or a Notified bank (2) and State Government	**1,861**	**11,879**	**13,505**	**10,870**	**12,965**	**13,365**	**14,286**	**14,190**	**14,960**	**16,039**	**16,052**	**16,581**
Demand	116	3,057	3,687	3,084	4,093	4,263	4,499	4,260	4,762	7,861	7,815	8,356
Time	1,745	8,822	9,817	7,786	8,873	9,101	9,786	9,929	10,198	8,178	8,237	8,224
Assets												
Cash in Hand and Balances with Reserve Bank	**334**	**3,387**	**4,140**	**4,087**	**4,179**	**3,961**	**4,087**	**4,108**	**3,920**	**3,677**	**3,879**	**3,786**
Cash in Hand	24	149	151	144	163	178	162	182	172	163	160	161
Balance with Reserve Bank	310	3,238	3,988	3,943	4,017	3,784	3,924	3,926	3,748	3,514	3,719	3,625
Balances with Other Banks in Current Account	93	554	683	590	496	465	453	540	583	731	495	553
Investments in Government Securities (3)	1,058	18,432	24,896	24,908	25,555	26,049	25,953	25,784	24,884	24,864	24,650	24,826
Money at Call and Short Notice	498	15,801	19,010	15,494	14,668	14,662	14,499	14,806	14,300	14,140	13,616	13,375
Bank Credit (4)	**2,553**	**18,501**	**19,449**	**19,159**	**22,095**	**21,947**	**21,447**	**21,234**	**21,478**	**22,074**	**22,723**	**23,443**
Advances												
Loans, Cash-Credits and Overdrafts	2,528	18,490	19,436	19,143	22,081	21,935	21,433	21,218	21,463	22,058	22,705	23,426
Due from Banks (5)	5,560	27,239	28,288	26,991	31,771	32,808	34,542	34,730	36,662	38,196	38,551	38,733
Bills Purchased and Discounted	25	10	13	16	14	11	14	16	16	16	18	17
Cash - Deposit Ratio	15.5	15.0	15.4	15.3	15.1	14.1	14.4	14.5	14.0	13.0	13.8	13.6
Investment - Deposit Ratio	49.2	81.6	92.6	93.4	92.1	92.7	91.7	91.3	88.7	88.2	87.9	88.9
Credit - Deposit Ratio	118.6	81.9	72.3	71.9	79.6	78.1	75.8	75.2	76.6	78.3	81.0	83.9

See 'Notes on Tables'.

No. 7: Reserve Bank's Standing Facilities to Scheduled Commercial Banks

(₹ crore)

As on last reporting Friday of	Export Credit Refinance (1)		General Refinance (2)		Special Liquidity Support (3)		Total Refinance (4)	
	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding
	1	2	3	4	5	6	7	8
1996-97	6,654.40	559.97	–	–			6,654.40	559.97
1997-98	2,402.96	394.52	1,115.02	0.11			3,517.98	394.63
1998-99	7,269.27	2,616.57	1,115.02	19.23	3,235.02	258.00	11,619.31	2,893.80
March 1999	7,269.27	2,616.57	1,115.02	19.23	3,235.02	258.00	11,619.31	2,893.80
April 1999	8,638.29	5,164.76	1,115.02	56.31	–	–	9,753.31	5,221.07

As on Last Reporting Friday of	Export Credit Refinance (1)						Others @						Total Standing Facility	
	Normal *		Back Stop **		Total ***		Normal *		Back Stop **		Total			
	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing
	1	2	3	4	5 =(1+3)	6 =(2+4)	7	8	9	10	11 =(7+9)	12 =(8+10)	13 =(5+11)	14 =(6+12)
2001-02	6,060.29	3,144.11	3,025.60	49.83	9,085.89	3,193.94	837.62	422.35	218.70	–	1,056.27	422.35	10,142.16	3,616.29
2002-03	2,524.13	61.51	2,524.13	23.00	5,048.26	84.51	399.66	–	–	–	399.66	–	5,447.92	84.51
2003-04	1,553.25	–	3,111.17	–	4,664.42	–	399.66	–	–	–	399.66	–	5,064.08	–
2004-05	–	–	–	–	4,912.13	50.00	399.66	–	–	–	399.66	–	5,311.79	50.00
2005-06	–	–	–	–	6,050.63	1,567.68	–	–	–	–	–	–	6,050.63	1,567.68
2006-07	–	–	–	–	8,110.33	4,984.94	–	–	–	–	–	–	8,110.33	4,984.94
2007-08	–	–	–	–	9,103.46	2,825.00	–	–	–	–	–	–	9,103.46	2,825.00
2008-09	–	–	–	–	34,951.79	3,106.62	–	–	–	–	–	–	34,951.79	3,106.62
2009-10	–	–	–	–	9,072.20	42.00	–	–	–	–	–	–	9,072.20	42.00
2010-11	–	–	–	–	10,161.00	5,076.00	–	–	–	–	–	–	10,161.00	5,076.00
Apr. 2009	–	–	–	–	36,432.22	1,322.35	–	–	–	–	–	–	36,432.22	1,322.35
May 2009	–	–	–	–	34,542.21	715.18	–	–	–	–	–	–	34,542.21	715.18
Jun. 2009	–	–	–	–	33,195.57	1,800.00	–	–	–	–	–	–	33,195.57	1,800.00
Jul. 2009	–	–	–	–	33,293.12	–	–	–	–	–	–	–	33,293.12	–
Aug. 2009	–	–	–	–	31,855.00	–	–	–	–	–	–	–	31,855.00	–
Sep. 2009	–	–	–	–	31,996.53	–	–	–	–	–	–	–	31,996.53	–
Oct. 2009	–	–	–	–	32,534.90	–	–	–	–	–	–	–	32,534.90	–
Nov. 2009	–	–	–	–	9,321.95	–	–	–	–	–	–	–	9,321.95	–
Dec. 2009	–	–	–	–	9,055.76	–	–	–	–	–	–	–	9,055.76	–
Jan. 2010	–	–	–	–	9,221.13	–	–	–	–	–	–	–	9,221.13	–
Feb. 2010	–	–	–	–	8,839.29	240.00	–	–	–	–	–	–	8,839.29	240.00
Mar. 2010	–	–	–	–	9,072.20	42.00	–	–	–	–	–	–	9,072.20	42.00
Apr. 2010	–	–	–	–	9,937.67	–	–	–	–	–	–	–	9,937.67	–
May 2010	–	–	–	–	9,663.93	–	–	–	–	–	–	–	9,663.93	–
Jun. 2010	–	–	–	–	9,080.69	1,869.68	–	–	–	–	–	–	9,080.69	1,869.68
Jul. 2010	–	–	–	–	8,875.62	2,042.00	–	–	–	–	–	–	8,875.62	2,042.00
Aug. 2010	–	–	–	–	8,675.16	895.00	–	–	–	–	–	–	8,675.16	895.00
Sep. 2010	–	–	–	–	8,803.42	2,316.00	–	–	–	–	–	–	8,803.42	2,316.00
Oct. 2010	–	–	–	–	8,637.30	4,124.00	–	–	–	–	–	–	8,637.30	4,124.00
Nov. 2010	–	–	–	–	9,008.49	4,482.00	–	–	–	–	–	–	9,008.49	4,482.00
Dec. 2010	–	–	–	–	9,497.77	5,017.00	–	–	–	–	–	–	9,497.77	5,017.00
Jan. 2011	–	–	–	–	10,127.00	4,418.00	–	–	–	–	–	–	10,127.00	4,418.00
Feb. 2011	–	–	–	–	10,042.00	3,396.00	–	–	–	–	–	–	10,042.00	3,396.00
Mar. 2011	–	–	–	–	10,161.00	5,076.00	–	–	–	–	–	–	10,161.00	5,076.00
Apr. 2011	–	–	–	–	9,846.00	1,799.00	–	–	–	–	–	–	9,846.00	1,799.00

@ Others include Collateralised Lending Facility (CLF) (withdrawn Completely effective from October 5,2002)/Additional CLF (withdrawn effective from June 5, 2000), etc.

* Normal Limit =1/2 of total limit effective from November 16, 2002 ; 1/3 rd of total limit effective from December 27, 2003.

** Back-Stop Limit = 1/2 of total limit effective from November 16, 2002 ; 2/3 rd of total limit effective from December 27, 2003.

*** Total limits under Normal facility and Back-stop facility merged into single facility effective from March 29,2004.

Also see 'Notes on Tables'.

No. 8: Cheque Clearing Data

(Number in Lakh and Amount in ₹ crore)

Month/Year	Total		Total MICR* Centres		Total Non-MICR** Centres		Total of RBI Centres		RBI Centres***					
									Ahmedabad		Bangalore		Bhopal	
	1=(2+3)		2=(4+22)		3		4		5		6		7	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	9,015.0	1,25,75,254.0	5,377.0	1,09,47,391.0	3,638.0	16,27,863.0	5,377.0	1,09,47,391.0	414.0	2,07,524.0	445.0	2,69,346.0	–	–
2002-03	10,139.0	1,34,24,313.0	5,980.0	1,09,78,762.0	4,159.0	24,45,551.0	5,980.0	1,09,78,762.0	434.0	2,25,060.0	485.0	3,07,577.0	–	–
2003-04	10,228.0	1,15,95,960.0	6,241.0	91,78,751.0	3,987.0	24,17,209.0	6,241.0	91,78,751.0	473.0	2,80,649.0	547.0	3,75,885.0	–	–
2004-05	11,668.5	1,04,58,894.9	9,414.6	93,56,252.2	2,253.9	11,02,642.7	7,384.8	84,93,320.7	525.5	3,52,696.6	601.6	4,77,810.1	59.3	47,188.1
2005-06	12,867.6	1,13,29,133.5	10,318.4	94,74,370.8	2,549.2	18,54,762.8	7,942.4	81,94,976.7	603.7	4,06,598.7	656.1	4,98,344.5	71.9	32,181.0
2006-07	13,672.8	1,20,42,425.7	11,441.0	1,04,35,436.1	2,231.8	16,06,989.5	8,309.9	85,99,494.3	594.4	4,29,955.8	702.5	5,58,675.6	71.7	52,224.6
2007-08	14,605.6	1,33,96,065.9	12,229.6	1,15,28,690.2	2,376.0	18,67,375.7	8,775.9	94,51,748.3	647.3	5,06,759.2	734.5	6,32,327.8	77.4	62,651.9
2008-09	13,973.9	1,24,69,134.9	11,638.2	1,04,08,242.0	2,335.7	20,60,892.9	8,347.2	82,97,385.3	570.3	4,77,112.7	687.6	5,46,017.8	74.5	70,837.6
2009-10	13,802.7	1,04,09,941.5	11,497.1	85,31,516.9	2,305.7	18,78,424.7	8,126.9	65,22,135.0	588.3	4,52,170.4	661.9	4,57,973.1	71.1	65,326.2
2010-11 (P)	13,874.0	1,01,34,127.8	11,550.6	83,01,218.3	2,323.4	18,32,909.5	8,140.8	61,95,774.8	619.4	4,10,097.8	663.5	4,74,135.3	71.4	63,460.6
2010-11 (P)														
April	1,175.3	8,59,982.7	970.9	7,04,089.1	204.4	1,55,893.6	681.8	5,26,360.6	51.4	33,501.5	56.9	41,679.3	6.1	4,874.9
May	1,110.5	8,21,772.7	919.8	6,72,732.2	190.7	1,49,040.5	648.5	5,00,302.6	47.2	30,193.2	56.1	35,361.5	5.5	4,711.5
June	1,104.4	8,35,896.5	914.7	6,92,640.5	189.7	1,43,256.0	650.1	5,24,954.7	47.7	30,320.1	55.5	37,180.6	5.7	5,950.5
July	1,187.5	8,10,268.7	996.6	6,73,800.9	190.8	1,36,467.7	701.0	5,02,033.3	50.8	31,052.1	57.0	38,879.4	6.3	5,764.3
August	1,175.4	8,11,608.1	973.1	6,63,801.5	202.3	1,47,806.6	683.6	4,97,097.0	52.1	31,489.0	55.5	39,435.3	6.1	4,633.0
September	1,084.6	7,75,861.9	906.9	6,25,642.4	177.7	1,50,219.5	638.2	4,67,211.2	48.0	29,792.0	52.3	37,412.0	5.6	5,247.7
October	1,244.4	9,07,759.6	1,049.9	7,63,899.2	194.5	1,43,860.4	732.1	5,75,348.3	62.0	41,367.5	56.4	40,045.1	6.1	5,081.9
November	1,104.1	8,09,569.2	921.8	6,53,956.9	182.2	1,55,612.3	648.3	4,78,042.9	47.7	31,600.6	51.8	35,880.6	5.6	5,111.5
December	1,194.4	8,74,704.8	1,001.6	7,28,143.4	192.8	1,46,561.4	703.5	5,45,259.1	55.0	38,079.0	56.7	40,528.4	5.9	5,667.7
January	1,105.1	8,11,413.4	921.7	6,47,635.4	183.4	1,63,778.0	656.6	4,78,805.0	48.6	33,441.6	52.5	38,587.0	6.0	5,066.1
February	1,080.9	7,97,845.5	901.1	6,42,994.2	179.8	1,54,851.3	637.3	4,76,373.5	48.2	33,893.4	51.8	37,981.2	6.0	4,486.1
March	1,307.5	10,17,444.8	1,072.4	8,31,882.5	235.1	1,85,562.2	759.7	6,23,986.5	60.9	45,367.7	61.2	51,164.9	6.5	6,865.4
Total (upto March 2011)	**13,874.0**	**1,01,34,127.8**	**11,550.6**	**83,01,218.3**	**2,323.4**	**18,32,909.5**	**8,140.8**	**61,95,774.8**	**619.4**	**4,10,097.8**	**663.5**	**4,74,135.3**	**71.4**	**63,460.6**
2011-12 (P)														
April	1,097.5	8,66,680.1	915.3	7,06,363.3	182.2	1,60,316.8	642.7	5,36,454.4	49.0	34,078.0	54.4	39,983.7	5.3	5,271.1
May	1,101.8	8,19,996.3	944.8	7,03,098.7	157.0	1,16,897.6	767.1	6,12,062.0	47.8	32,852.6	56.4	39,061.6	5.3	4,832.2
Total (upto May, 2011)	**2,199.3**	**16,86,676.4**	**1,860.1**	**14,09,462.0**	**339.2**	**2,77,214.4**	**1,409.8**	**11,48,516.5**	**96.8**	**66,930.6**	**110.9**	**79,045.4**	**10.6**	**10,103.2**

* MICR - Magnetic Ink Character Recognition - automated CPC (Cheque Processing Centers)

** Non MICR Clearing done at the clearing houses where MICR Cheque Processing Centres have not been set up. The processing is done either using Magnetic Media Based Clearing System (MMBCS) or is done manually.

*** RBI Centres (MICR) refers to all centres where RBI is the manager of Clearing House.

No. 8: Cheque Clearing Data *(Contd.)*

(Number in Lakh and Amount in ₹ crore)

Month/Year	RBI Centres***													
	Bhubaneswar		Chandigarh		Chennai		Guwahati		Hyderabad		Jammu $$		Jaipur	
	8		9		10		11		12		13		14	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	27.0	21,625.0	–	–	522.0	5,00,872.0	30.0	19,592.0	305.0	1,82,764.0	–	–	123.0	54,432.0
2002-03	33.0	26,349.0	–	–	557.0	5,52,913.0	34.0	22,436.0	337.0	2,15,035.0	–	–	130.0	58,202.0
2003-04	37.0	37,136.0	–	–	602.0	6,12,158.0	37.0	27,840.0	369.0	2,75,503.0	–	–	148.0	70,122.0
2004-05	41.8	47,252.7	112.8	1,11,091.8	735.1	7,59,883.1	42.4	32,713.9	390.2	3,01,678.8	–	–	168.0	89,086.6
2005-06	48.6	53,649.7	123.8	1,27,037.9	813.2	6,55,277.9	48.2	39,660.5	416.8	3,63,317.1	–	–	187.4	1,13,452.5
2006-07	56.2	64,833.9	140.7	1,98,205.1	803.5	6,92,201.6	55.1	49,100.5	438.9	3,95,911.4	–	–	197.8	1,37,784.8
2007-08	60.0	80,993.5	141.4	1,61,218.5	854.1	7,78,853.6	59.5	55,169.2	454.6	4,52,498.8	–	–	219.3	1,62,021.8
2008-09	57.9	88,061.5	131.8	1,45,451.1	832.0	8,01,963.7	59.7	62,085.7	447.8	4,34,737.4	–	–	197.6	1,50,889.6
2009-10	58.6	62,721.5	133.7	1,40,965.9	790.2	6,31,101.1	63.6	58,772.8	414.9	3,51,392.3	11.9	7,967.6	199.9	1,31,192.6
2010-11 (P)	58.1	63,624.8	134.2	1,54,550.3	790.4	5,49,887.1	61.3	55,724.7	408.1	3,32,863.5	29.4	19,200.2	210.0	1,38,519.3
2010-11 (P)														
April	5.0	4,858.8	11.4	13,908.4	65.7	47,080.2	4.9	4,749.8	31.0	27,119.3	2.5	1,924.4	17.3	11,253.3
May	4.5	4,334.4	10.6	12,848.8	62.7	41,454.9	5.2	4,100.8	33.9	25,660.3	2.4	1,772.1	16.7	10,489.5
June	4.5	4,805.4	10.7	10,731.6	65.3	44,002.3	5.0	4,532.1	33.6	27,384.6	2.4	1,438.5	15.9	10,981.1
July	5.2	5,737.6	12.1	21,184.4	70.6	47,035.7	5.1	5,058.3	35.8	30,315.1	2.4	1,619.8	17.9	11,508.4
August	5.0	4,817.7	11.3	10,250.3	69.0	46,678.3	5.3	4,106.8	34.5	26,879.9	2.5	1,381.8	17.0	10,161.9
September	4.7	5,572.2	10.7	10,666.4	63.1	44,434.8	4.8	4,480.5	31.6	23,836.4	2.4	1,298.0	16.6	10,771.9
October	4.9	4,818.2	12.0	13,523.6	68.8	47,590.7	5.2	4,483.3	37.5	29,959.3	2.7	1,729.4	20.0	12,815.7
November	4.7	4,788.1	10.6	13,117.5	63.4	43,404.1	4.9	4,072.4	33.8	26,615.1	2.4	1,406.2	17.0	11,588.7
December	4.9	5,871.0	11.5	12,553.4	66.4	47,729.6	5.3	4,999.1	35.8	28,806.9	2.5	1,580.9	18.7	12,717.5
January	4.6	5,680.0	10.4	11,061.0	61.0	42,461.5	4.6	4,196.5	32.0	26,935.8	2.3	1,888.0	16.5	10,727.5
February	4.6	4,879.7	10.3	11,676.5	62.2	45,846.5	4.9	4,521.4	30.3	24,290.4	2.3	1,365.1	16.4	10,994.7
March	5.6	7,461.5	12.6	13,028.4	72.2	52,168.5	6.1	6,423.8	38.2	35,060.3	2.7	1,796.0	19.9	14,509.3
Total (upto March 2011)	**58.1**	**63,624.8**	**134.2**	**1,54,550.3**	**790.4**	**5,49,887.1**	**61.3**	**55,724.7**	**408.1**	**3,32,863.5**	**29.4**	**19,200.2**	**210.0**	**1,38,519.3**
2011-12 (P)														
April	4.6	4,412.1	11.3	14,603.8	60.7	48,579.2	4.5	4,524.0	32.9	31,837.0	2.4	1,799.8	16.8	12,620.2
May	4.7	4,669.5	11.6	12,976.4	63.8	45,294.5	4.9	4,132.6	31.8	28,518.4	2.4	1,495.4	16.2	10,778.3
Total (upto May 2011)	**9.3**	**9,081.5**	**22.9**	**27,580.2**	**124.5**	**93,873.8**	**9.4**	**8,656.6**	**64.7**	**60,355.3**	**4.8**	**3,295.2**	**33.0**	**23,398.5**

$$ The settlement of MICR clearing is being done in the books of Reserve Bank of India effective November 2009.

No. 8: Cheque Clearing Data *(Contd.)*

(Number in Lakh and Amount in ₹ crore)

Month/Year	RBI Centres***													
	Kanpur		Kolkata		Mumbai		Nagpur		New Delhi $		Patna		Thiruvananthapuram	
	15		16		17		18		19		20		21	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	67.0	32,369.0	523.0	3,73,131.0	1,679.0	82,17,816.0	102.0	41,151.0	1,079.0	9,90,315.0	27.0	17,421.0	34.0	19,032.0
2002-03	73.0	34,532.0	531.0	4,19,164.0	2,019.0	76,94,748.0	109.0	46,924.0	1,164.0	13,19,625.0	37.0	19,506.0	37.0	36,691.0
2003-04	78.0	41,397.0	470.0	4,65,308.0	2,162.0	55,11,293.0	120.0	56,330.0	1,107.0	13,54,677.0	50.0	26,739.0	41.0	43,714.0
2004-05	87.1	47,225.8	599.9	5,60,659.9	2,304.1	37,53,670.3	124.4	63,495.1	1,479.3	17,73,610.1	65.0	30,861.7	48.2	44,396.1
2005-06	92.7	55,328.7	642.4	6,58,639.7	2,391.9	33,42,829.4	134.8	75,772.3	1,597.2	16,97,583.2	59.2	36,819.8	54.6	38,484.0
2006-07	96.9	64,396.1	684.2	6,82,358.0	2,518.3	33,19,090.1	145.6	92,546.6	1,690.9	17,73,548.3	56.8	47,968.8	56.2	40,693.0
2007-08	100.0	69,885.1	730.5	7,78,304.3	2,651.6	36,85,407.3	151.3	1,06,351.7	1,775.7	18,00,975.6	62.6	61,006.5	56.0	57,323.4
2008-09	92.8	72,692.4	692.3	7,53,067.8	2,512.7	27,99,764.9	146.2	1,06,246.5	1,726.9	16,64,709.4	62.0	67,977.2	55.0	55,769.9
2009-10	89.6	68,011.3	678.9	6,58,229.3	2,482.2	19,39,326.9	141.2	90,252.2	1,624.6	12,98,999.7	63.2	64,423.6	53.0	43,308.5
2010-11 (P)	84.6	56,449.0	674.8	5,39,310.7	2,472.0	17,06,911.9	143.9	88,330.5	1,604.4	14,39,115.6	61.5	66,582.1	53.8	37,011.6
2010-11 (P)														
April	7.3	5,051.5	54.2	45,697.8	209.4	1,48,993.5	12.2	8,382.8	136.6	1,16,625.4	5.4	6,970.5	4.4	3,689.2
May	6.9	4,833.7	56.1	44,235.1	188.7	1,28,278.5	11.2	6,806.6	131.3	1,37,038.3	5.0	5,579.9	4.5	2,603.3
June	6.7	4,708.7	52.4	40,798.1	197.0	1,27,945.8	11.4	7,524.0	127.3	1,57,570.6	4.7	5,990.6	4.5	3,090.0
July	7.8	4,777.5	57.4	42,641.5	206.8	1,30,380.8	12.4	7,880.2	143.5	1,09,930.9	5.1	5,246.1	4.8	3,021.1
August	7.3	4,626.2	58.7	43,293.0	207.4	1,35,918.4	11.6	6,721.9	131.2	1,19,876.4	5.1	4,054.7	4.4	2,772.3
September	6.7	4,619.6	54.8	41,612.6	191.6	1,31,096.9	11.0	6,531.7	125.0	1,01,796.3	5.1	5,246.4	4.3	2,795.9
October	7.4	4,664.9	56.7	42,724.2	229.4	1,94,540.1	13.3	7,447.0	139.6	1,16,420.3	5.5	4,944.7	4.7	3,192.5
November	6.5	4,348.5	56.0	41,733.1	197.5	1,35,819.9	11.5	6,500.8	125.9	1,04,244.8	4.6	4,951.1	4.5	2,859.9
December	7.1	4,665.8	58.4	54,963.4	214.7	1,50,280.8	12.4	7,196.0	138.0	1,20,089.9	5.6	6,446.6	4.5	3,083.0
January	6.5	4,441.9	53.9	43,297.3	204.2	1,32,568.0	11.6	7,228.6	132.4	1,03,515.9	4.9	4,566.5	4.4	3,142.0
February	6.6	4,286.7	52.6	42,439.4	193.7	1,29,970.6	11.4	6,896.2	127.2	1,05,488.0	5.0	4,697.6	3.9	2,660.1
March	7.7	5,423.9	63.5	55,875.0	231.8	1,61,118.7	13.9	9,214.8	146.3	1,46,518.8	5.7	7,887.3	4.8	4,102.2
Total (upto March 2011)	**84.6**	**56,449.0**	**674.8**	**5,39,310.7**	**2,472.0**	**17,06,911.9**	**143.9**	**88,330.5**	**1604.4**	**14,39,115.6**	**61.5**	**66,582.1**	**53.8**	**37,011.6**
2011-12 (P)														
April	6.6	4,836.4	49.9	43,316.2	195.1	1,49,864.8	11.3	8,019.3	129.3	1,23,209.0	4.8	6,357.6	3.7	3,142.5
May	6.5	4,776.7	54.5	43,560.6	195.3	1,33,917.4	11.4	7,448.6	146.3	1,46,518.8	4.8	4,156.1	4.4	2,942.4
Total (upto May 2011)	**13.1**	**9,613.0**	**104.4**	**86,876.8**	**390.4**	**2,83,782.2**	**22.7**	**15,467.8**	**275.6**	**2,69,727.8**	**9.6**	**10,513.7**	**8.1**	**6,084.9**

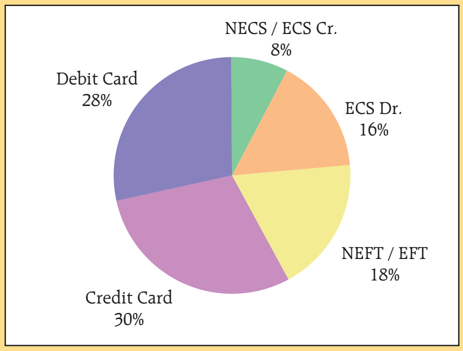
$ Cheque Truncation System (CTS) implemented at NCR since February 2008 and complete cheque clearing volume has been migrated to CTS from july 2009.

No. 8: Cheque Clearing Data *(Contd.)*

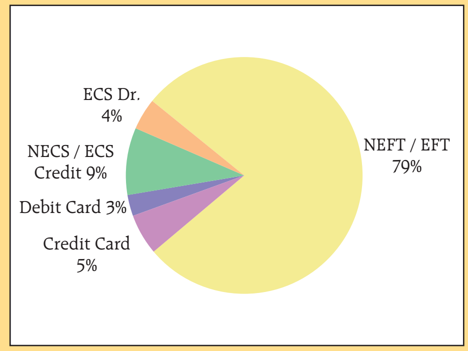
(Number in Lakh and Amount in ₹ crore)

Month/Year	Other MICR Centres	
	22	
	Number	Amount
2001-02	–	–
2002-03	–	–
2003-04	–	–
2004-05	2,029.8	8,62,931.5
2005-06	2,375.9	12,79,394.1
2006-07	3,131.1	18,35,941.8
2007-08	3,453.7	20,76,941.9
2008-09	3,291.0	21,10,856.7
2009-10	3,370.2	20,09,381.9
2010-11 (P)	3,409.8	21,05,443.6
2010-11 (P)		
April	289.1	1,77,728.6
May	271.3	1,72,429.6
June	264.6	1,67,685.8
July	295.6	1,71,767.6
August	289.5	1,66,704.5
September	268.6	1,58,431.2
October	317.8	1,88,550.9
November	273.5	1,75,913.9
December	298.1	1,82,884.3
January	265.1	1,68,830.4
February	263.8	1,66,620.7
March	312.7	2,07,896.0
Total (upto March 2011)	**3,409.8**	**21,05,443.6**
2011-12 (P)		
April	272.6	1,69,908.9
May	276.7	1,75,166.6
Total (upto May 2011)	**549.3**	**3,45,075.5**

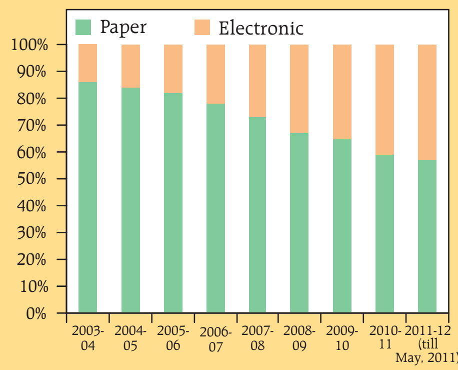
Retail Electronic Transactions- Volume in May, 2011



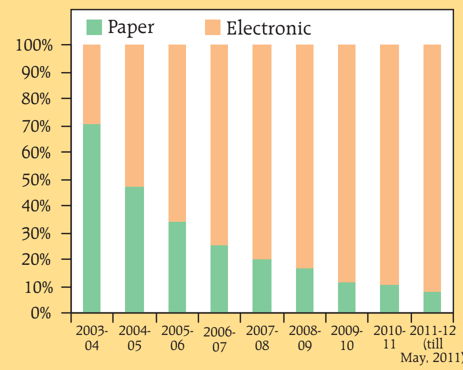
Retail Electronic Transactions- Value in May, 2011



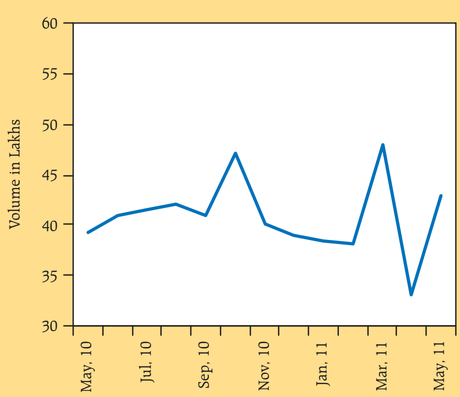
Representation of Electronic Transactions Volume in Total



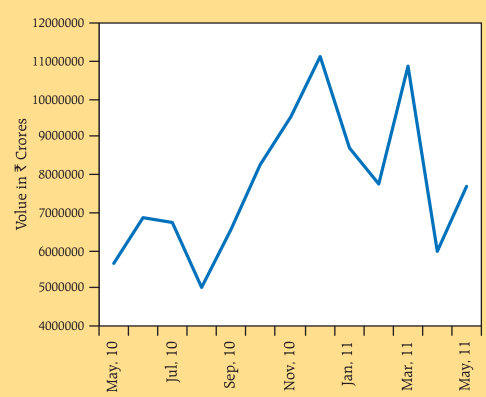
Representation of Electronic Transaction Value in Total



Growth in RTGS Volume



Growth in RTGS Value



No. 9A: Retail Electronic Payment Systems

(Number in Lakh and Amount in ₹ crore)

Month/Year	Total Electronic Payments		Electronic Clearing Services (ECS)				National Electronic Funds Transfer (NEFT/EFT)		Card Payments#					
			NECS/ECS (Credit)		ECS (Debit)				Credit			Debit*		
	1=(2+3+4+5+6)		2		3		4		5			6		
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number of Out-standing Cards**	Number	Amount	Number of Out-standing Cards**	Number	Amount
2003-04	1,669.44	52,142.78	203.15	10,228.00	78.74	2,253.58	8.19	17,124.81	–	1,001.79	17,662.72	–	377.57	4,873.67
2004-05	2,289.04	1,08,749.83	400.51	20,179.81	153.00	2,921.24	25.49	54,601.38	–	1,294.72	25,686.36	–	415.32	5,361.04
2005-06	2,850.13	1,46,382.68	442.16	32,324.35	359.58	12,986.50	30.67	61,288.22	173.27	1,560.86	33,886.47	497.63	456.86	5,897.14
2006-07	3,787.09	2,35,693.12	690.19	83,273.09	752.02	25,440.79	47.76	77,446.31	231.23	1,695.36	41,361.31	749.76	601.77	8,171.63
2007-08	5,353.09	10,41,991.93	783.65	7,82,222.30	1,271.20	48,937.20	133.15	1,40,326.48	275.47	2,282.03	57,984.73	1,024.37	883.06	12,521.22
2008-09	6,678.24	5,00,321.79	883.94	97,486.58	1,600.55	66,975.89	321.61	2,51,956.38	246.99	2,595.61	65,355.80	1,374.31	1,276.54	18,547.14
2009-10	7,181.62	6,84,886.20	981.33	1,17,612.60	1,492.81	69,523.87	663.38	4,09,507.47	183.31	2,342.42	61,824.15	1,819.72	1,701.68	26,418.11
2010-11	9,085.91	13,08,686.93	1,173.00	1,81,685.79	1,567.39	73,645.78	1,323.44	9,39,149.03	180.39	2,651.45	75,515.68	2,278.44	2,370.63	38,690.65
2010-11(P)														
April	639.14	84,186.80	78.66	12,819.03	127.39	5,873.66	74.84	57,512.21	192.88	198.27	5,473.58	1,847.91	159.97	2,508.32
May	657.89	80,562.98	65.72	10,061.09	126.22	5,740.50	77.42	55,867.16	190.24	209.50	5,935.54	1,882.49	179.03	2,958.70
June	671.84	79,686.57	89.20	12,912.23	128.24	6,190.89	84.20	52,447.21	189.44	201.97	5,538.75	1,919.12	168.23	2,597.49
July	753.97	1,05,467.21	122.40	23,792.09	129.59	5,902.97	94.63	67,051.68	189.27	218.98	5,817.46	1,956.99	188.37	2,903.02
August	789.95	91,954.89	133.93	14,941.75	126.39	5,790.79	98.04	61,641.84	188.54	226.08	6,259.42	2,000.92	205.52	3,321.09
September	734.19	88,570.02	107.92	12,789.98	126.66	5,960.05	98.36	60,986.94	184.26	210.87	5,847.83	2,038.33	190.37	2,985.23
October	860.08	1,22,464.90	167.05	25,351.57	132.77	8,935.07	116.27	77,703.52	182.17	229.07	6,760.37	2,081.36	214.92	3,714.37
November	779.82	1,11,583.48	91.27	17,488.40	131.80	6,089.97	117.51	77,361.09	181.88	230.44	6,921.56	2,118.77	208.80	3,722.47
December	795.56	1,32,100.39	77.48	21,706.55	134.64	6,221.64	134.62	93,720.04	181.02	234.91	6,846.28	2,160.39	213.91	3,605.89
January	793.16	1,19,787.66	67.32	9,146.45	133.08	6,105.56	129.61	93,888.32	181.36	240.83	6,934.65	2,182.09	222.32	3,712.67
February	792.00	1,16,244.12	103.71	11,166.54	132.02	4,971.88	134.34	90,588.35	181.33	216.47	6,212.92	2,223.69	205.46	3,304.43
March	818.31	1,76,077.90	68.35	9,510.10	138.60	5,862.81	163.59	1,50,380.68	180.39	234.05	6,967.33	2,278.44	213.73	3,356.98
Total (upto March 2011)	**9,085.91**	**13,08,686.93**	**1,173.00**	**1,81,685.79**	**1,567.39**	**73,645.78**	**1,323.44**	**9,39,149.03**	**180.39**	**2,651.45**	**75,515.68**	**2,278.44**	**2,370.63**	**38,690.65**
2011-12 (P)														
April	815.27	1,63,172.43	77.30	15,826.88	132.42	6,290.12	148.66	1,30,294.50	177.78	232.28	7,055.40	2,302.57	224.62	3,705.54
May	857.31	1,46,783.97	66.94	13,654.52	135.41	6,514.78	157.67	1,14,532.32	176.59	253.42	7,880.99	2,349.77	243.87	4,201.36
Total (upto May 2011)	**1,672.58**	**3,09,956.41**	**144.24**	**29,481.40**	**267.83**	**12,804.90**	**306.33**	**2,44,826.82**	**176.59**	**485.69**	**14,936.39**	**2,349.77**	**468.49**	**7,906.90**

\# Card Payments figures pertain only to Point of Sale (POS) transactions.

* Debit Cards figures for 2003-04 and 2004-05 are estimated based on 2005-06 figures.

** Cards issued by banks (excluding those withdrawn/blocked).

No.9B : Large Value Clearing and Settlement Systems

(Number in Lakh and Amount in ₹ crore)

Year / Period	Real Time Gross Settlement System									
	Total		Customer remittance		Inter-Bank remittance		Inter-bank clearing settlement**		Total Inter-bank	
	1=(2+3+4)		2		3		4		5=(3+4)	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2003-04	0.001	1,965.49	–	–	0.001	1,965.49	–	–	0.001	1,965.49
2004-05	4.60	40,66,184.00	0.68	2,49,662.00	3.92	38,16,522.00	–	–	3.92	38,16,522.00
2005-06	17.67	1,15,40,836.25	7.13	25,70,212.29	10.54	89,70,623.96	–	–	10.54	89,70,623.96
2006-07	38.80	2,46,19,179.99	24.82	71,67,807.91	13.94	1,13,13,346.69	0.04	61,38,025.39	13.98	1,74,51,372.08
2007-08	58.54	4,82,94,558.97	41.46	1,61,00,172.88	16.94	1,12,18,157.41	0.14	2,09,76,228.68	17.08	3,21,94,386.10
2008-09	133.84	6,11,39,912.44	112.34	2,00,04,107.80	21.32	1,22,75,773.49	0.19	2,88,60,031.15	21.50	4,11,35,804.65
2009-10	332.53	10,11,69,930.98	304.40	2,95,16,777.47	28.01	99,36,581.54	0.12	6,17,16,571.98	28.13	7,16,53,153.52
2010-11	492.70	9,41,03,933.92	457.28	3,61,86,292.82	35.32	1,23,00,941.44	0.10	4,56,16,699.65	35.42	5,79,17,641.10
2010-11										
April	37.35	70,71,981.51	34.66	28,02,542.10	2.68	8,39,052.16	0.007	34,30,387.25	2.68	42,69,439.41
May	39.31	56,77,873.95	36.54	24,80,707.11	2.76	7,94,852.15	0.008	24,02,314.70	2.77	31,97,166.84
June	40.87	68,40,564.36	37.97	28,72,284.41	2.88	8,61,089.86	0.009	31,07,190.09	2.89	39,68,279.96
July	41.55	67,16,065.89	38.64	26,64,682.44	2.90	9,72,517.76	0.009	30,78,865.70	2.91	40,51,383.45
August	41.95	50,39,022.01	39.04	25,56,679.28	2.90	9,02,025.37	0.008	15,80,317.35	2.91	24,82,342.72
September	41.04	65,60,843.48	38.26	30,70,013.19	2.77	10,43,680.22	0.008	24,47,150.08	2.78	34,90,830.30
October	47.14	82,84,251.68	44.11	31,02,982.43	3.03	11,57,512.58	0.009	40,23,756.67	3.04	51,81,269.25
November	40.13	95,11,157.31	37.24	30,06,349.76	2.88	11,34,152.92	0.008	53,70,654.64	2.89	65,04,807.55
December	39.00	1,11,05,132.10	35.97	34,50,012.25	3.02	11,52,562.35	0.009	65,02,557.49	3.03	76,55,119.84
January	38.33	86,67,668.49	35.33	28,60,861.47	2.99	9,62,993.09	0.009	48,43,813.93	3.00	58,06,807.02
February	38.07	77,63,501.05	35.16	28,32,225.44	2.90	9,75,863.18	0.008	39,55,412.43	2.91	49,31,275.61
March	47.96	1,08,65,872.08	44.34	44,86,952.95	3.61	15,04,639.81	0.009	48,74,279.32	3.62	63,78,919.13
Total (upto March 2011)	**492.70**	**9,41,03,933.92**	**457.28**	**3,61,86,292.82**	**35.32**	**1,23,00,941.44**	**0.10**	**4,56,16,699.65**	**35.42**	**5,79,17,641.10**
2011-12										
April	32.97	59,38,287.25	30.45	28,74,633.74	2.51	9,43,837.51	0.006	21,19,815.99	2.52	30,63,653.50
May	42.76	76,97,265.47	39.42	30,70,944.95	3.34	11,19,140.37	0.009	35,07,180.16	3.34	46,26,320.52
Total (upto May 2011)	**75.73**	**1,36,35,552.72**	**69.86**	**59,45,578.69**	**5.85**	**20,62,977.88**	**0.015**	**56,26,996.15**	**5.86**	**76,89,974.03**

* Inter-bank Clearing Settlement pertains to the MNSB batches. MNSB settlement in RTGS started from 12 August, 2006.

** The MNSB Settlement relates to the settlement of NECS, ECS, EFT, NEFT, REPO, Outright, FOREX, CBLO and Cheque Clearing at Mumbai.

No.9B: Large Value Clearing and Settlement Systems

(Number in Lakh and Amount in ₹ crore)

Year / Period	CCIL Operated Systems							
	Government Securities Settlement				Forex Settlement		CBLO Settlement	
	Outright		Repo					
	6		7		8		9	
	Number of Trades	Amount	Number of Trades	Amount	Number of Trades	Amount	Number of Trades	Amount
2003-04	2.44	15,75,133.00	0.21	9,43,189.00	3.31	23,18,530.80	0.03	76,850.70
2004-05	1.61	11,34,222.08	0.24	15,57,906.55	4.66	40,42,434.86	0.29	9,76,757.10
2005-06	1.25	8,64,751.40	0.25	16,94,508.70	4.90	52,39,673.90	0.68	29,53,133.90
2006-07	1.37	10,21,535.70	0.30	25,56,501.50	6.06	80,23,078.00	0.86	47,32,271.30
2007-08	1.89	16,53,851.30	0.27	39,48,750.70	7.57	1,27,26,831.90	1.13	81,10,828.60
2008-09	2.46	21,60,233.30	0.24	40,94,285.90	8.38	1,69,37,488.60	1.19	88,24,784.30
2009-10	3.17	29,13,890.40	0.29	60,72,827.50	8.84	1,42,11,486.10	1.42	1,55,41,378.40
2010-11	3.33	28,70,953.00	0.27	40,99,283.00	11.50	1,91,60,153.00	1.45	1,22,59,744.00
2010-11								
April	0.27	2,69,331.00	0.02	4,67,332.00	0.88	14,02,692.00	0.12	11,70,497.00
May	0.46	4,18,093.00	0.02	4,22,637.00	0.95	14,51,519.00	0.11	10,14,579.00
June	0.39	3,48,132.00	0.02	2,46,496.00	1.06	16,32,882.00	0.12	8,08,928.00
July	0.25	2,31,917.00	0.02	3,12,297.00	0.92	14,44,247.00	0.11	7,56,653.00
August	0.31	2,82,295.00	0.02	3,88,768.00	0.89	16,16,675.00	0.14	11,29,515.00
September	0.29	2,50,498.00	0.02	3,64,877.00	0.91	15,10,707.00	0.13	12,24,126.00
October	0.26	2,29,363.00	0.03	3,61,513.00	1.11	19,01,976.00	0.14	10,95,768.00
November	0.21	1,67,619.00	0.02	2,39,118.00	0.97	19,37,062.00	0.11	7,91,067.00
December	0.21	1,65,897.00	0.03	3,24,815.00	0.98	15,59,756.00	0.13	10,94,591.00
January	0.19	1,49,941.00	0.02	2,88,528.00	1.01	15,06,888.00	0.12	11,20,387.00
February	0.21	1,54,623.00	0.02	2,89,418.00	0.85	14,32,915.00	0.10	9,30,417.00
March	0.28	2,03,244.00	0.02	3,93,484.00	0.96	17,62,834.00	0.12	11,23,216.00
Total (upto March 2011)	**3.33**	**28,70,953.00**	**0.27**	**40,99,283.00**	**11.50**	**1,91,60,153.00**	**1.45**	**1,22,59,744.00**
2011-12								
April	0.15	1,31,216.00	0.02	2,88,957.00	0.79	15,13,392.00	0.11	11,23,203.00
May	0.20	1,68,386.00	0.03	3,97,430.00	1.02	17,14,450.34	0.12	10,23,117.00
Total (upto May 2011)	**0.35**	**2,99,602.00**	**0.05**	**6,86,387.00**	**1.81**	**32,27,842.34**	**0.24**	**21,46,320.00**

No. 10: Money Stock Measures

(₹ crore)

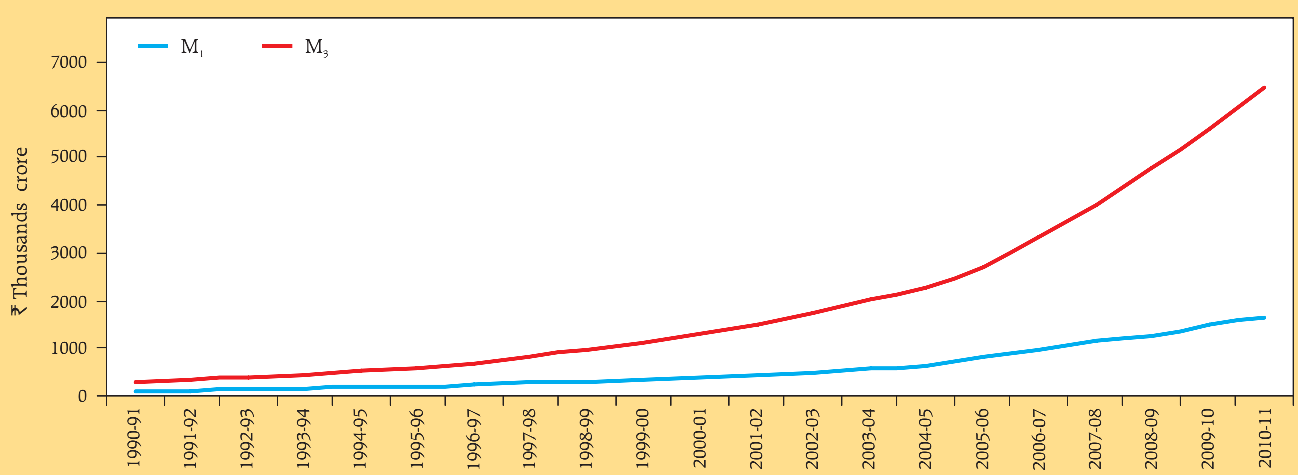
March 31/ reporting Fridays of the month/last reporting Friday of the month	Currency with the public					Deposit Money of the Public			M_1 (5+8)	Post Office Saving Bank Deposits	M_2 (9+10)	Time Deposits with Banks	M_3 (9+12)	Total Post Office Deposits	M_4 (13+14)
	Notes in Circulation(1)	Circulation of Rupee Coins (2)	Circulation of Small Coins (2)	Cash on Hand with Banks	Total (1+2+3-4)	Demand Deposits with Banks	'Other' Deposits with Reserve Bank (3)	Total (6+7)							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2008-2009	6,81,099	8,487	1,567	25,703	6,65,450	5,88,688	5,570	5,94,258	**12,59,707**	5,041	**12,64,748**	35,35,105	**47,94,812**	25,969	**48,20,781**
2009-2010	7,88,279	9,702	1,568	32,056	7,67,492	7,17,970	3,839	7,21,809	**14,89,301**	5,041	**14,94,342**	41,13,430	**56,02,731**	25,969	**56,28,700**
2010-2011	9,36,935	11,157	1,568	35,463	9,14,197	7,17,660	3,713	7,21,372	**16,35,569**	5,041	**16,40,610**	48,63,979	**64,99,548**	25,969	**65,25,517**
May 7, 2010	8,33,387	9,833	1,568	30,203	8,14,584	6,48,467	3,700	6,52,167	**14,66,751**	5,041	**14,71,792**	42,29,779	**56,96,531**	25,969	**57,22,500**
May 21, 2010	8,44,469	9,940	1,568	31,213	8,24,764	6,45,218	3,819	6,49,036	**14,73,800**	5,041	**14,78,841**	42,29,139	**57,02,939**	25,969	**57,28,908**
January 2011	9,12,514	10,911	1,568	36,839	8,88,153	6,65,024	13,360	6,78,384	**15,66,537**	5,041	**15,71,578**	46,89,478	**62,56,015**	25,969	**62,81,984**
February 2011	9,28,784	11,018	1,568	36,019	9,05,351	6,78,840	3,614	6,82,455	**15,87,805**	5,041	**15,92,846**	47,78,941	**63,66,746**	25,969	**63,92,715**
March 2011	9,36,935	11,157	1,568	35,463	9,14,197	7,17,660	3,713	7,21,372	**16,35,569**	5,041	**16,40,610**	48,63,979	**64,99,548**	25,969	**65,25,517**
April 2011	9,70,209	11,266	1,568	36,178	9,46,865	6,61,657	3,382	6,65,039	**16,11,904**	5,041	**16,16,945**	50,36,194	**66,48,098**	25,969	**66,74,067**
May 6, 2011	9,81,836	11,266	1,568	36,463	9,58,206	6,47,697	3,019	6,50,717	**16,08,923**	5,041	**16,13,964**	50,42,994	**66,51,917**	25,969	**66,77,886**
May 20, 2011	9,87,544	11,392	1,568	38,951	9,61,552	6,36,624	3,055	6,39,680	**16,01,232**	5,041	**16,06,273**	50,57,333	**66,58,565**	25,969	**66,84,534**

Note : Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.

Data are Provisional.

Also see Notes on Tables.

Money Stock Measures



No. 11: Sources of Money Stock (M_3)

(₹ crore)

Source	Outstandings as on March 31/reporting Fridays of the month/last reporting Friday of the month				
	2008-09	2009-10	2010-11	May 07, 2010	May 21, 2010
	1	2	3	4	5
1. Net Bank Credit to Government (A+B)	**12,77,333**	**16,69,186**	**19,82,771**	**17,18,375**	**17,34,051**
A. RBI's net credit to Government (i-ii)	61,580	2,11,586	3,96,555	2,14,461	2,12,485
(i) Claims on Government (a+b)	1,59,166	2,22,719	3,97,054	2,17,340	2,12,944
(a) Central Government	1,57,488	2,22,673	3,94,135	2,16,744	2,12,944
(b) State Governments	1,678	46	2,919	596	–
(ii) Government deposits with RBI (a+b)	97,586	11,134	499	2,879	459
(a) Central Government	95,727	11,092	100	2,837	418
(b) State Governments	1,859	41	399	41	41
B. Other Banks' Credit to Government	12,15,753	14,57,600	15,86,216	15,03,913	15,21,566
2. Bank Credit to Commercial Sector(A+B)	**30,14,893**	**34,91,409**	**42,35,406**	**34,79,565**	**34,87,695**
A. RBI's credit to commercial sector	13,820	1,328	2,164	1,328	1,328
B. Other banks' credit to commercial sector (i+ii+iii)	30,01,073	34,90,081	42,33,242	34,78,237	34,86,367
(i) Bank credit by commercial banks	27,75,549	32,44,788	39,42,083	32,30,594	32,32,150
(ii) Bank credit by co-operative banks	2,10,893	2,34,630	2,83,716	2,36,802	2,42,670
(iii) Investments by commercial and co-operative banks in other securities	14,631	10,663	7,443	10,842	11,547
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**13,52,184**	**12,81,469**	**13,93,327**	**12,79,235**	**13,00,404**
A. RBI's net foreign exchange assets (i-ii)	12,80,116	12,31,949	13,28,553	12,29,715	12,50,884
(i) Gross foreign assets	12,80,133	12,31,966	13,28,571	12,29,732	12,50,901
(ii) Foreign liabilities	17	17	17	17	17
B. Other banks' net foreign exchange assets	72,068	49,520	64,774	49,520	49,520
4. Government's Currency Liabilities to the Public	**10,054**	**11,270**	**12,724**	**11,401**	**11,508**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**8,59,652**	**8,50,602**	**11,24,680**	**7,92,045**	**8,30,719**
A. Net non-monetary liabilities of RBI	3,87,930	3,01,615	3,68,274	2,96,458	3,16,812
B. Net non-monetary liabilities of other banks (residual)	4,71,723	5,48,987	7,56,406	4,95,587	5,13,907
M_3 (1+2+3+4-5)	**47,94,812**	**56,02,731**	**64,99,548**	**56,96,531**	**57,02,939**

No. 11: Sources of Money Stock (M_3) *(Concld.)*

(₹ crore)

Source	Outstandings as on March 31/reporting Fridays of the month/last reporting Friday of the month					
	January 2011	February 2011	March 2011	April 2011	May 06, 2011	May 20, 2011
	6	7	8	9	10	11
1. Net Bank Credit to Government (A+B)	**18,37,844**	**18,72,957**	**19,82,771**	**19,99,910**	**20,16,563**	**20,42,578**
A. RBI's net credit to Government (i-ii)	2,69,302	3,00,211	3,96,555	3,65,280	3,67,235	3,80,487
(i) Claims on Government (a+b)	3,37,814	3,27,750	3,97,054	3,66,200	3,67,378	3,80,631
(a) Central Government	3,37,064	3,26,551	3,94,135	3,64,806	3,67,255	3,79,798
(b) State Governments	750	1,199	2,919	1,394	123	833
(ii) Government deposits with RBI (a+b)	68,512	27,539	499	919	143	143
(a) Central Government	68,471	27,498	100	100	100	101
(b) State Governments	41	41	399	819	42	42
B. Other Banks' Credit to Government	15,68,543	15,72,746	15,86,216	16,34,630	16,49,328	16,62,091
2. Bank Credit to Commercial Sector(A+B)	**40,21,023**	**41,03,831**	**42,35,406**	**42,14,396**	**42,47,585**	**42,43,779**
A. RBI's credit to commercial sector	1,325	1,570	2,164	1,325	1,595	1,595
B. Other banks' credit to commercial sector (i+ii+iii)	40,19,698	41,02,260	42,33,242	42,13,070	42,45,990	42,42,183
(i) Bank credit by commercial banks	37,37,677	38,13,016	39,42,083	39,25,447	39,57,384	39,52,114
(ii) Bank credit by co-operative banks	2,74,270	2,81,408	2,83,716	2,80,409	2,81,127	2,81,855
(iii) Investments by commercial and co-operative banks in other securities	7,750	7,836	7,443	7,215	7,478	8,214
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**13,80,716**	**13,80,477**	**13,93,327**	**14,04,934**	**14,16,889**	**14,16,929**
A. RBI's net foreign exchange assets (i-ii)	13,33,507	13,33,268	13,28,553	13,40,160	13,52,116	13,52,155
(i) Gross foreign assets	13,33,524	13,33,286	13,28,571	13,40,178	13,52,133	13,52,173
(ii) Foreign liabilities	17	17	17	17	17	17
B. Other banks' net foreign exchange assets	47,209	47,209	64,774	64,774	64,774	64,774
4. Government's Currency Liabilities to the Public	**12,479**	**12,586**	**12,724**	**12,834**	**12,834**	**12,959**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**9,96,047**	**10,03,104**	**11,24,680**	**9,83,976**	**10,41,955**	**10,57,680**
A. Net non-monetary liabilities of RBI	3,73,707	3,71,509	3,68,274	3,74,471	3,87,027	3,87,769
B. Net non-monetary liabilities of other banks(residual)	6,22,340	6,31,595	7,56,406	6,09,505	6,54,927	6,69,911
M_3 (1+2+3+4-5)	**62,56,015**	**63,66,746**	**64,99,548**	**66,48,098**	**66,51,917**	**66,58,565**

Notes : 1. Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.

2. Net Foreign Exchange Assets of the RBI includes investment in foreign currency denominated bonds issued by IIFC(UK) since March 20,2009.
3. Government Balances as on March 31, 2011 are after closure of accounts.
4. Data are provisional.

Also see Notes on Tables.

No. 11A: Commercial Bank Survey

(₹ crore)

Item		Outstanding as on						
		Mar. 27, 2009	Mar. 26, 2010	May 07, 2010	May 21, 2010	Mar. 25, 2011	May 06, 2011	May 20, 2011
		1	2	3	4	5	6	7
Components								
C.I	Aggregate Deposits of Residents (C.I.1+C.I.2)	37,66,842	44,27,824	44,76,293	44,65,426	51,37,893	52,44,496	52,47,641
C.I.1	Demand Deposits	5,23,085	6,45,610	5,77,638	5,74,006	6,41,705	5,71,552	5,60,551
C.I.2	Time Deposits of Residents (C.I.2.1+C.I.2.2)	32,43,757	37,82,214	38,98,656	38,91,421	44,96,187	46,72,944	46,87,090
C.I.2.1	Short-term Time Deposits	14,59,691	17,01,996	17,54,395	17,51,139	20,23,284	21,02,825	21,09,190
C.I.2.1.1	Certificates of Deposits (CDs)	1,98,931	3,43,103	3,15,829	3,44,478	4,32,038	4,36,476	4,38,672
C.I.2.2	Long-term Time Deposits	17,84,067	20,80,218	21,44,261	21,40,281	24,72,903	25,70,119	25,77,899
C.II	**Call/Term Funding from Financial Institutions**	**1,13,936**	**1,04,278**	**1,09,460**	**1,15,192**	**1,31,341**	**1,35,551**	**1,36,536**
Sources								
S.I	**Domestic Credit (S.I.1+S.I.2)**	**41,51,147**	**48,66,593**	**49,51,294**	**49,64,978**	**57,17,087**	**58,50,154**	**58,45,832**
S.I.1	Credit to the Government	11,55,786	13,78,395	14,23,950	14,40,345	14,97,148	15,65,269	15,78,049
S.I.2	Credit to the Commercial Sector (S.I.2.1+S.I.2.2+S.I.2.3+S.I.2.4)	29,95,361	34,88,198	35,27,344	35,24,633	42,19,939	42,84,885	42,67,783
S.I.2.1	Bank Credit	27,75,549	32,44,788	32,30,594	32,32,150	39,42,083	39,57,384	39,52,114
S.I.2.1.1	Non-food Credit	27,29,338	31,96,299	31,77,966	31,82,747	38,77,800	38,98,359	38,85,557
S.I.2.2	Net Credit to Primary Dealers	1,671	2,509	2,824	1,354	819	2,655	3,208
S.I.2.3	Investments in Other Approved Securities	10,624	6,358	6,261	6,913	4,471	4,574	5,097
S.I.2.4	Other Investments (in non-SLR Securities)	2,07,517	2,34,543	2,87,666	2,84,216	2,72,565	3,20,272	3,07,364
S.II	**Net Foreign Currency Assets of Commercial Banks (S.II.1-S.II.2-S.II.3)**	**-53,359**	**-56,073**	**-69,718**	**-78,211**	**-61,124**	**-85,799**	**-1,03,445**
S.II.1	Foreign Currency Assets	55,312	44,165	34,619	27,199	62,392	40,857	30,254
S.II.2	Non-resident Foreign Currency Repatriable Fixed Deposits	67,268	65,002	65,190	66,463	70,077	71,513	71,615
S.II.3	Overseas Foreign Currency Borrowings	41,404	35,237	39,147	38,947	53,439	55,143	62,084
S.III	Net Bank Reserves (S.III.1+S.III.2-S.III.3)	2,46,748	3,06,926	3,19,041	3,07,618	3,44,477	3,60,547	3,70,048
S.III.1	Balances with the RBI	2,38,195	2,81,390	2,93,371	2,81,003	3,19,163	3,30,957	3,39,099
S.III.2	Cash in Hand	20,281	25,578	25,670	26,615	30,346	31,146	33,583
S.III.3	Loans and Advances from the RBI	11,728	42	–	–	5,031	1,556	2,635
S.IV	**Capital Account**	**3,32,444**	**3,90,373**	**4,22,280**	**4,33,008**	**4,81,329**	**4,88,968**	**4,99,462**
S.V.	**Other items (net) (S.I+S.II+S.III-S.IV-C.I-C.II)**	**1,31,313**	**1,94,971**	**1,92,584**	**1,80,759**	**2,49,878**	**2,55,886**	**2,28,796**
S.V.1	Other Demand & Time Liabilities (net of S.II.3)	2,66,116	2,94,184	2,84,453	2,77,990	2,88,366	3,19,120	3,01,449
S.V.2	Net Inter-Bank Liabilities (other than to PDs)	-20,785	-28,668	-15,638	-16,724	-42,976	-26,325	-32,710

Note : Data are provisional.

No. 11B: Monetary Survey

(₹ crore)

Item		Outstanding as on						
		Mar. 31, 2009	Mar. 31, 2010	May 07, 2010	May 21, 2010	Mar. 31, 2011	May 06, 2011	May 20, 2011
		1	2	3	4	5	6	7
Monetary Aggregates								
M_1 (C.I+C.II.1+C.III)		12,57,598	14,80,962	14,59,652	14,66,095	16,26,503	15,99,924	15,92,351
NM_2 (M1+C.II.2.1)		28,00,491	32,74,046	33,05,295	33,09,196	37,45,732	37,98,546	37,97,220
NM_3 (NM_2+C.II.2.2+C.IV = S.I+S.II+S.III-S.IV-S.V)		**48,00,185**	**55,69,871**	**56,70,543**	**56,77,067**	**64,67,243**	**66,21,302**	**66,28,596**
Components								
C.I	**Currency with the Public**	**6,65,553**	**7,67,897**	**8,14,894**	**8,25,232**	**9,14,760**	**9,58,991**	**9,62,379**
C.II	**Aggregate Deposits of Residents** (C.II.1+C.II.2)	**40,15,126**	**46,93,857**	**47,42,488**	**47,32,824**	**54,17,429**	**55,23,740**	**55,26,626**
C.II.1	Demand Deposits	5,86,475	7,09,226	6,41,057	6,37,044	7,08,030	6,37,913	6,26,917
C.II.2	Time Deposits of Residents (C.II.2.1+C.II.2.2)	34,28,650	39,84,631	41,01,431	40,95,780	47,09,399	48,85,828	48,99,709
C.II.2.1	Short-term Time Deposits	15,42,893	17,93,084	18,45,644	18,43,101	21,19,230	21,98,622	22,04,869
C.II.2.1.1	Certificates of Deposits (CDs)	1,98,931	3,43,103	3,15,829	3,44,478	4,32,038	4,36,476	4,38,672
C.II.2.2	Long-term Time Deposits	18,85,758	21,91,547	22,55,787	22,52,679	25,90,170	26,87,205	26,94,840
C.III	'Other' Deposits with RBI	5,570	3,839	3,700	3,819	3,713	3,019	3,055
C.IV	**Call/Term Funding from Financial Institutions**	**1,13,936**	**1,04,278**	**1,09,460**	**1,15,192**	**1,31,341**	**1,35,551**	**1,36,536**
Sources								
S.I	**Domestic Credit (S.I.1+S.I.2)**	**44,71,009**	**53,41,966**	**54,35,266**	**54,49,870**	**64,05,560**	**65,09,533**	**65,18,932**
S.I.1	Net Bank Credit to the Government (S.I.1.1+S.I.1.2)	12,68,549	16,49,165	16,98,871	17,13,293	19,53,471	19,93,219	20,19,215
S.I.1.1	Net RBI credit to the Government	61,580	2,11,586	2,14,461	2,12,485	3,96,555	3,67,235	3,80,487
S.I.1.2	Credit to the Government by the Banking System	12,06,969	14,37,579	14,84,410	15,00,808	15,56,917	16,25,984	16,38,728
S.I.2	Bank Credit to the Commercial Sector (S.I.2.1+S.I.2.2)	32,02,460	36,92,801	37,36,395	37,36,578	44,52,088	45,16,314	44,99,716
S.I.2.1	RBI Credit to the Commercial Sector	13,820	1,328	1,328	1,328	2,164	1,595	1,595
S.I.2.2	Credit to the Commercial Sector by the Banking System	31,88,640	36,91,473	37,35,067	37,35,250	44,49,924	45,14,719	44,98,121
S.I.2.2.1	Other Investments (Non-SLR Securities)	2,16,479	2,43,506	2,96,628	2,93,179	2,81,528	3,29,234	3,16,327
S.II	**Government's Currency Liabilities to the Public**	**10,054**	**11,270**	**11,401**	**11,508**	**12,724**	**12,834**	**12,959**
S.III	**Net Foreign Exchange Assets of the Banking Sector (S.III.1+S.III.2)**	**12,26,757**	**11,75,875**	**11,59,997**	**11,72,673**	**12,67,430**	**12,66,317**	**12,48,710**
S.III.1	Net Foreign Exchange Assets of the RBI	12,80,116	12,31,949	12,29,715	12,50,884	13,28,553	13,52,116	13,52,155
S.III.2	Net Foreign Currency Assets of the Banking System	-53,359	-56,073	-69,718	-78,211	-61,124	-85,799	-1,03,445
S.IV	**Capital Account**	**7,16,693**	**7,02,199**	**7,19,890**	**7,50,473**	**8,44,997**	**8,71,985**	**8,80,526**
S.V	**Other items (net)**	**1,90,943**	**2,57,041**	**2,16,231**	**2,06,512**	**3,73,473**	**2,95,396**	**2,71,479**

Note: 1. Data are provisional.
2. Monetary Aggregates as at end-march incorporate data on i) scheduled commercial banks as on Last Reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.
3. Government Balances as on March 31, 2011 are after closure of accounts.

No. 11C: Reserve Bank of India Survey

(₹ crore)

Item		Outstanding as on						
		Mar. 31, 2009	Mar. 31, 2010	May 07, 2010	May 21, 2010	Mar. 31, 2011	May 06, 2011	May 20, 2011
		1	2	3	4	5	6	7
Components								
C.I	Currency in Circulation	6,91,153	7,99,549	8,44,787	8,55,977	9,49,659	9,94,669	10,00,504
C.II	Bankers' Deposits with the RBI	2,91,275	3,52,299	3,11,960	2,99,597	4,23,509	3,50,650	3,58,534
C.II.1	Scheduled Commercial Banks	2,77,462	3,33,936	2,93,371	2,81,003	4,02,656	3,30,957	3,39,099
C.III	'Other' Deposits with the RBI	5,570	3,839	3,700	3,819	3,713	3,019	3,055
C.IV	**Reserve Money (C.I+C.II+C.III = S.I + S.II + S.III - S.IV - S.V)**	**9,87,998**	**11,55,686**	**11,60,447**	**11,59,393**	**13,76,881**	**13,48,339**	**13,62,093**
Sources								
S.I	**RBI's Domestic Credit (S.I.1+S.I.2+S.I.3)**	**85,757**	**2,14,083**	**2,15,789**	**2,13,813**	**4,03,878**	**3,70,416**	**3,84,747**
S.I.1	Net RBI credit to the Government (S.I.1.1+S.I.1.2)	61,580	2,11,586	2,14,461	2,12,485	3,96,555	3,67,235	3,80,487
S.I.1.1	Net RBI credit to the Central Government (S.I.1.1.1+S.I.1.1.2+S.I.1.1.3+S.I.1.1.4-S.I.1.1.5)	61,761	2,11,581	2,13,907	2,12,526	3,94,035	3,67,154	3,79,697
S.I.1.1.1	Loans and Advances to the Central Government	–	–	19,368	21,655	–	39,394	20,597
S.I.1.1.2	Investments in Treasury Bills	–	–	–	–	–	–	–
S.I.1.1.3	Investments in dated Government Securities	1,57,389	2,22,404	1,97,242	1,91,212	3,93,901	3,27,767	3,58,967
S.I.1.1.3.1	Central Government Securities	1,56,343	2,21,357	1,96,195	1,90,166	3,92,855	3,26,720	3,57,920
S.I.1.1.4	Rupee Coins	99	270	134	77	234	94	234
S.I.1.1.5	Deposits of the Central Government	95,727	11,092	2,837	418	100	100	101
S.I.1.2	Net RBI credit to State Governments	-181	5	555	-41	2,520	80	791
S.I.2	RBI's Claims on Banks	10,357	1,169	–	–	5,159	1,586	2,665
S.I.2.1	Loans and Advances to Scheduled Commercial Banks	10,164	1,169	–	–	5,115	1,556	2,635
S.I.3	RBI's Credit to Commercial Sector	13,820	1,328	1,328	1,328	2,164	1,595	1,595
S.I.3.1	Loans and Advances to Primary Dealers	750	–	–	–	839	270	270
S.I.3.2	Loans and Advances to NABARD	–	–	–	–	–	–	–
S.II	**Government's Currency Liabilities to the Public**	**10,054**	**11,270**	**11,401**	**11,508**	**12,724**	**12,834**	**12,959**
S.III	**Net Foreign Exchange Assets of the RBI**	**12,80,116**	**12,31,949**	**12,29,715**	**12,50,884**	**13,28,553**	**13,52,116**	**13,52,155**
S.III.1	Gold	48,793	81,188	82,377	82,377	1,02,572	1,05,582	1,05,582
S.III.2	Foreign Currency Assets	12,31,340	11,50,778	11,47,355	11,68,524	12,25,999	12,46,551	12,46,591
S.IV	**Capital Account**	**3,60,078**	**2,87,656**	**2,73,440**	**2,93,294**	**3,39,498**	**3,58,846**	**3,56,894**
S.V	**Other Items (net)**	**27,852**	**13,959**	**23,018**	**23,518**	**28,776**	**28,181**	**30,876**

Note : 1. Data are provisional.

2. Government Balances as on March 31, 2011 are after closure of accounts.

No. 11D: Liquidity Aggregates (Outstanding Amounts)

(₹ crore)

Month/Year	NM_3	Postal Deposits	L_1	Liabilities of Financial Institutions				L_2	Public Deposits with NBFCs	L_3
				Term Money Borrowings	CDs	Term Deposits	Total			
	1	2	**3=(1+2)**	4	5	6	7=(4+5+6)	**8=(3+7)**	9	**10=(8+9)**
2008-09										
Apr-08	40,60,194	1,14,497	**41,74,691**	2,656	31	245	2,932	**41,77,623**		
May-08	41,10,950	1,15,131	**42,26,081**	2,656	31	245	2,932	**42,29,013**		
June-08	41,28,575	1,15,471	**42,44,046**	2,656	31	245	2,932	**42,46,978**	24,647	**42,71,625**
July-08	41,65,104	1,15,714	**42,80,818**	2,656	31	245	2,932	**42,83,750**		
Aug-08	42,47,373	1,15,507	**43,62,880**	2,656	31	245	2,932	**43,65,812**		
Sept-08	43,02,978	1,15,451	**44,18,429**	2,656	31	245	2,932	**44,21,361**	24,647	**44,46,008**
Oct-08	43,78,543	1,15,441	**44,93,984**	2,656	31	245	2,932	**44,96,916**		
Nov-08	44,14,019	1,15,157	**45,29,176**	2,656	31	245	2,932	**45,32,108**		
Dec-08	44,63,076	1,14,988	**45,78,064**	2,656	31	245	2,932	**45,80,996**	24,647	**46,05,643**
Jan-09	45,87,579	1,13,965	**47,01,544**	2,656	31	245	2,932	**47,04,476**		
Feb-09	46,70,399	1,13,471	**47,83,870**	2,656	31	245	2,932	**47,86,802**		
Mar-09	48,00,185	1,14,076	**49,14,261**	2,656	31	245	2,932	**49,17,193**	24,647	**49,41,840**
2009-10										
Apr-09	48,92,417	1,13,894	**50,06,311**	2,656	31	245	2,932	**50,09,243**		
May-09	49,44,748	1,14,140	**50,58,888**	2,656	31	245	2,932	**50,61,820**		
Jun-09	49,37,552	1,14,429	**50,51,981**	2,656	31	245	2,932	**50,54,913**	24,647	**50,79,560**
July-09	50,28,951	1,14,309	**51,43,260**	2,656	31	245	2,932	**51,46,192**		
Aug-09	50,59,462	1,14,199	**51,73,661**	2,656	31	245	2,932	**51,76,593**		
Sept-09	50,88,962	1,14,543	**52,03,505**	2,656	31	245	2,932	**52,06,437**	24,647	**52,31,084**
Oct-09	51,54,644	1,14,434	**52,69,078**	2,656	31	245	2,932	**52,72,010**		
NOV-9	51,98,226	1,14,556	**53,12,782**	2,656	31	245	2,932	**53,15,714**		
Dec-09	52,26,631	1,15,434	**53,42,065**	2,656	31	245	2,932	**53,44,997**	24,647	**53,69,644**
Jan-10	53,37,566	1,14,972	**54,52,538**	2,656	31	245	2,932	**54,55,470**		
Feb-10	54,24,176	1,15,077	**55,39,253**	2,656	31	245	2,932	**55,42,185**		
Mar-10	55,69,871	1,16,893	**56,86,764**	2,656	31	245	2,932	**56,89,696**	24,647	**57,14,343**
2010-11										
Apr-10	56,30,921	1,17,511	**57,48,432**	2,656	31	245	2,932	**57,51,364**		
May-10	56,77,067	1,18,114	**57,95,181**	2,656	31	245	2,932	**57,98,113**		
June-10	56,88,120	1,18,813	**58,06,933**	2,656	31	245	2,932	**58,09,865**	24,647	**58,34,512**
July-10	58,22,761	1,19,482	**59,42,243**	2,656	31	245	2,932	**59,45,175**		
Aug-10	58,30,148	1,20,177	**59,50,325**	2,656	31	245	2,932	**59,53,257**		
Sept-10	58,63,640	1,20,407	**59,84,047**	2,656	31	245	2,932	**59,86,979**	24,647	**60,11,626**
Oct-10	60,40,347	1,20,579	**61,60,926**	2,656	31	245	2,932	**61,63,858**		
Nov-10	60,44,564	1,20,921	**61,65,485**	2,656	31	245	2,932	**61,68,417**		
Dec-10	61,81,235	1,21,006	**63,02,241**	2,656	31	245	2,932	**63,05,173**	24,647	**63,29,820**
Jan-11	62,16,889	1,19,905	**63,36,794**	2,656	31	245	2,932	**63,39,726**		
Feb-11	63,27,235	1,18,876	**64,46,111**	2,656	31	245	2,932	**64,49,043**		
Mar-11	64,67,243	1,19,668	**65,86,911**	2,656	31	245	2,932	**65,89,843**	24,647	**66,14,490**
2011-12										
Apr-11	66,14,975	1,19,668	**67,34,643**	2,656	31	245	2,932	**67,37,575**		
May-11	66,28,596	1,19,668	**67,48,264**	2,656	31	245	2,932	**67,51,196**		

CDs: Certificates of Deposit; L_1, L_2 and L_3: Liquidity Aggregates; NBFCs: Non-Banking Financial Companies

Notes :

1. Postal Deposits comprise post office savings bank deposits, post office time deposits, post office recurring deposits, other deposits and post office cumulative time deposits.
2. Financial Institutions (FIs), here, comprise IFCI, EXIM Bank, IIBI, SIDBI, NABARD, NHB, TFCI and IDFC. Since October 2004, data on FI's do not include that of IDBI reflecting its conversion into a banking entity.
3. Since July 2001, the term money borrowings of the FIs comprise borrowings from corporate and others.
4. Since August 2002,Term Deposits include CP and Others.
5. Estimates of public deposits are generated on the basis of returns received from all NBFCs with public deposits of ₹ 20 crore and more as had been recommended by the Working Group.
6. While L1 and L2 are compiled on a monthly basis, L3 is compiled on a quarterly basis.
7. Data are provisional. Wherever data are not available, the estimates for the last available month have been repeated.

No. 12: Reserve Money and its Components

(₹ crore)

Outstandings as on March 31/each Friday/ last reportingFriday of the month			Currency in Circulation		'Other' Deposits with RBI	Bankers' Deposits with RBI	Reserve Money (1+3+4)
			Total	o / w cash with banks			
			1	2	3	4	5
2008-2009			6,91,153	25,703	5,570	2,91,275	9,87,998
2009-2010			7,99,549	32,056	3,839	3,52,299	11,55,686
2010-2011			9,49,659	35,463	3,713	4,23,509	13,76,881
May	7,	2010	8,44,787	30,203	3,700	3,11,960	11,60,447
May	14,	2010	8,53,858	–	3,691	3,11,801	11,69,350
May	21,	2010	8,55,977	31,213	3,819	2,99,597	11,59,393
May	28,	2010	8,54,189	–	3,973	3,28,984	11,87,146
January		2011	9,24,992	36,839	13,360	3,09,020	12,47,373
February		2011	9,41,370	36,019	3,614	3,34,568	12,79,553
March		2011	9,49,659	35,463	3,713	4,23,509	13,76,881
April		2011	9,83,043	36,178	3,382	3,59,883	13,46,308
May	6,	2011	9,94,669	36,463	3,019	3,50,650	13,48,339
May	13,	2011	10,02,266	–	3,562	3,80,953	13,86,781
May	20,	2011	10,00,504	38,951	3,055	3,58,534	13,62,093
May	27,	2011	9,94,376	–	3,502	3,71,568	13,69,446

See 'Notes on Table'.

Note : Data are provisional.

Government balances as on March 31, 2011 are after closure of accounts.

No. 13: Sources of Reserve Money

(₹ crore)

Outstanding as on March 31/each Friday/ last reporting Friday of the month	Reserve Bank's claims on				Net foreign exchange Assets of RBI (3)	Government's Currency Liabilitues to the public	Net Non-Monetary liabilities of RBI (3)	Reserve Money (1+2+3+4 +5+6-7)
	Government (net)(1)	Commercial & Co-operative banks	National Bank for Agriculture and Rural Development	Commercial sector(2)				
	1	2	3	4	5	6	7	8
2008-2009	61,580	10,357	–	13,820	12,80,116	10,054	3,87,930	9,87,998
2009-2010	2,11,586	1,169	–	1,328	12,31,949	11,270	3,01,615	11,55,686
2010-2011	3,96,555	5,159	–	2,164	13,28,553	12,724	3,68,274	13,76,881
May 7, 2010	2,14,461	–	–	1,328	12,29,715	11,401	2,96,458	11,60,447
May 14, 2010	2,23,298	–	–	1,328	12,04,658	11,401	2,71,335	11,69,350
May 21, 2010	2,12,485	–	–	1,328	12,50,884	11,508	3,16,812	11,59,393
May 28, 2010	2,42,180	–	–	1,328	12,34,284	11,508	3,02,155	11,87,146
January 2011	2,69,302	4,468	–	1,325	13,33,507	12,479	3,73,707	12,47,373
February 2011	3,00,211	3,426	–	1,570	13,33,268	12,586	3,71,509	12,79,553
March 2011	3,96,555	5,159	–	2,164	13,28,553	12,724	3,68,274	13,76,881
April 2011	3,65,280	1,179	–	1,325	13,40,160	12,834	3,74,471	13,46,308
May 6, 2011	3,67,235	1,586	–	1,595	13,52,116	12,834	3,87,027	13,48,339
May 13, 2011	4,06,803	2,735	–	1,595	13,46,845	12,834	3,84,032	13,86,781
May 20, 2011	3,80,487	2,665	–	1,595	13,52,155	12,959	3,87,769	13,62,093
May 27, 2011	3,87,268	4,046	–	1,595	13,67,479	12,959	4,03,901	13,69,446

See ' Notes on Tables'

Note: 1. Net Foreign Exchange Assets of the RBI includes investments in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.

2. Government Balances as on March 31, 2011 are after closure of accounts.

3. Data are Provisional.

No. 14: Daily Call Money Rates

As on			Range of Rates		Weighted Average Rates	
			Borrowings	Lendings	Borrowings	Lendings
			1	2	3	4
May	2,	2011	5.50 – 6.90	5.50 – 6.90	6.44	6.44
May	3,	2011	3.25 – 7.00	3.25 – 7.00	6.92	6.92
May	4,	2011	3.50 – 8.15	3.50 – 8.15	6.81	6.81
May	5,	2011	3.50 – 8.25	3.50 – 8.25	6.70	6.70
May	6,	2011	5.00 – 7.50	5.00 – 7.50	6.87	6.87
May	7,	2011	5.75 – 7.50	5.75 – 7.50	7.31	7.31
May	9,	2011	5.00 – 8.40	5.00 – 8.40	7.35	7.35
May	10,	2011	3.75 – 7.55	3.75 – 7.55	7.38	7.38
May	11,	2011	4.50 – 7.50	4.50 – 7.50	7.41	7.41
May	12,	2011	3.25 – 8.45	3.25 – 8.45	7.41	7.41
May	13,	2011	5.00 – 7.75	5.00 – 7.75	7.40	7.40
May	14,	2011	3.50 – 7.21	3.50 – 7.21	6.41	6.41
May	16,	2011	5.00 – 7.50	5.00 – 7.50	7.40	7.40
May	17,	2011	5.00 – 7.50	5.00 – 7.50	7.40	7.40
May	18,	2011	5.50 – 7.50	5.50 – 7.50	7.35	7.35
May	19,	2011	5.50 – 7.50	5.50 – 7.50	7.32	7.32
May	20,	2011	5.00 – 7.50	5.00 – 7.50	7.32	7.32
May	21,	2011	6.00 – 7.50	6.00 – 7.50	7.41	7.41
May	23,	2011	5.80 – 7.50	5.80 – 7.50	7.43	7.43
May	24,	2011	6.00 – 7.55	6.00 – 7.55	7.39	7.39
May	25,	2011	5.50 – 7.50	5.50 – 7.50	7.38	7.38
May	26,	2011	6.00 – 7.50	6.00 – 7.50	7.40	7.40
May	27,	2011	5.80 – 7.50	5.80 – 7.50	7.40	7.40
May	28,	2011	6.25 – 7.40	6.25 – 7.40	6.96	6.96
May	30,	2011	5.80 – 7.50	5.80 – 7.50	7.38	7.38
May	31,	2011	6.00 – 7.40	6.00 – 7.40	7.33	7.33
June	1,	2011	5.80 – 7.50	5.80 – 7.50	7.33	7.33
June	2,	2011	5.90 – 7.45	5.90 – 7.45	7.24	7.24
June	3,	2011	5.80 – 7.40	5.80 – 7.40	7.24	7.24
June	4,	2011	6.00 – 7.30	6.00 – 7.30	7.05	7.05
June	6,	2011	4.50 – 7.50	4.50 – 7.50	7.40	7.40
June	7,	2011	5.90 – 7.45	5.90 – 7.45	7.38	7.38
June	8,	2011	5.80 – 7.50	5.80 – 7.50	7.37	7.37
June	9,	2011	6.00 – 7.45	6.00 – 7.45	7.35	7.35
June	10,	2011	3.60 – 7.45	3.60 – 7.45	7.33	7.33
June	11,	2011	6.00 – 7.14	6.00 – 7.14	6.59	6.59
June	13,	2011	3.50 – 7.45	3.50 – 7.45	7.30	7.30
June	14,	2011	2.75 – 7.50	2.75 – 7.50	7.28	7.28
June	15,	2011	3.25 – 7.45	3.25 – 7.45	7.36	7.36

No. 15: Average Daily Turnover in Call Money Market

(₹ crore)

Fortnight ended			Average Daily Call Money Turnover				Total
			Banks		Primary Dealers		
			Borrowings	Lendings	Borrowings	Lendings	
			1	2	3	4	5
March	12,	2010	7,698	8,587	889	–	**17,174**
March	26,	2010	9,109	9,883	774	–	**19,765**
April	9,	2010	6,178	6,968	796	6	**13,949**
April	23,	2010	7,637	8,379	767	25	**16,808**
May	7,	2010	8,014	9,457	1,447	4	**18,921**
May	21,	2010	7,915	8,981	1,066	–	**17,962**
June	4,	2010	6,129	7,002	872	–	**14,003**
June	18,	2010	5,556	6,236	682	2	**12,475**
July	2,	2010	7,622	8,124	521	18	**16,285**
July	16,	2010	8,744	9,301	557	–	**18,603**
July	30,	2010	9,468	10,131	663	–	**20,263**
August	13,	2010	6,134	7,298	1,164	–	**14,596**
August	27,	2010	7,531	8,675	1,144	–	**17,351**
September	10,	2010	6,704	7,818	1,114	–	**15,637**
September	24,	2010	7,900	9,107	1,207	–	**18,214**
October	8,	2010	8,129	9,380	1,258	7	**18,774**
October	22,	2010	7,021	8,004	983	–	**16,008**
November	5,	2010	7,681	8,822	1,144	4	**17,651**
November	19,	2010	9,113	9,879	766	–	**19,758**
December	3,	2010	6,950	7,692	742	–	**15,385**
December	17,	2010	7,174	8,344	1,172	2	**16,691**
December	31,	2010	9,909	10,852	943	–	**21,704**
January	14,	2011	7,336	8,270	934	–	**16,540**
January	28,	2011	7,156	7,843	690	4	**15,692**
February	11,	2011	7,865	8,372	506	–	**16,743**
February	25,	2011	11,304	11,814	510	–	**23,628**
March	11,	2011	10,104	10,390	286	–	**20,779**
March	25,	2011	11,185	11,421	243	7	**22,857**
April	8,	2011	11,215	11,565	350	–	**23,129**
April	22,	2011	15,349	16,244	896	1	**32,489**
May	6,	2011	10,349	10,990	641	–	**21,979**
May	20,	2011	10,708	11,457	748	–	**22,913**
June	3,	2011	9,203	10,027	824	–	**20,055**
June	17,	2011	9,791	10,716	925	–	**21,431**

Notes : 1. Data are provisional.

2. Since August 6, 2005 eligible participants are Banks and Primary Dealers.

No. 16: Issue of Certificates of Deposit by Scheduled Commercial Banks

(Amount in ₹ crore)

Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @	Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @	Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @
		1	2			1	2			1	2
2009-10				**2010-11**				**2011-12**			
April	10	1,98,497	5.90–11.50	April	9	3,41,830	4.35–8.95	April	8	4,44,525	8.00 - 11.70
	24	2,10,954	3.90–11.50		23	3,36,807	4.15–6.90		22	4,47,354	7.30 - 9.93
May	8	2,11,370	3.75–6.20	May	7	3,40,757	4.22–7.01	May	6	4,31,372	7.85 - 10.05
	22	2,18,437	3.65–7.60		21	3,40,343	4.24–6.30		20	4,33,287	8.10 - 10.05
June	5	2,18,079	3.90–6.60	June	4	3,37,006	4.73–7.50				
	19	2,21,491	3.60–8.00		18	3,21,589	5.75–7.50				
July	3	2,28,638	3.34–8.25	July	2	3,42,362	5.92–7.05				
	17	2,35,715	3.34–8.00		16	3,27,720	6.05–7.19				
	31	2,40,395	3.55–8.00		30	3,24,810	6.25–7.50				
August	14	2,30,198	3.75–8.00	August	13	3,27,582	6.25–7.90				
	28	2,32,522	3.60–8.00		27	3,41,616	6.41–8.00				
September	11	2,26,756	3.70–6.21	September	10	3,48,203	6.41–8.06				
	25	2,16,691	3.75–6.51		24	3,37,322	6.41–8.25				
October	9	2,25,781	3.70–6.05	October	8	3,44,158	6.36–8.26				
	23	2,27,227	3.74–6.41		22	3,43,353	6.41–8.30				
November	6	2,35,859	3.55–7.00	November	5	3,32,126	6.41–8.80				
	20	2,45,101	3.15–7.00		19	3,32,982	6.41–8.75				
December	4	2,43,584	3.50–6.50	December	3	3,33,109	7.80–9.08				
	18	2,48,440	3.60–6.75		17	3,28,566	8.25–9.75				
					31	3,61,408	8.57–9.80				
January	1	2,64,246	3.75–6.75								
	15	2,64,698	3.38–6.61	January	14	3,71,881	7.18–9.82				
	29	2,82,284	3.09–6.51		28	3,77,640	7.35–9.90				
February	12	2,78,388	3.35–6.76	February	11	4,07,862	8.15–10.15				
	26	3,09,390	3.24–8.25		25	4,18,524	9.72–10.60				
March	12	3,39,279	4.00–7.36	March	11	4,30,971	7.65–10.72				
	26	3,41,054	4.52–7.12		25	4,24,740	9.00–10.60				

@ Effective discount rate range per annum.

No. 17: Issue of Commercial Paper* By Companies

(Amount in ₹ crore)

Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @
		1	2			1	2			1	2
2009 -10				**2010-11**				**2011-12**			
April	15	46,550.90	6.00–12.50	April	15	83,165.00	3.85–8.40	April	15	1,05,518.00	7.15-12.30
	30	52,880.90	3.30–10.25		30	98,769.10	3.97–9.40		30	1,24,991.00	6.39-12.50
May	15	57,844.90	2.83–9.90	May	15	1,00,364.00	3.85–8.45	May	15	1,26,835.00	7.01-13.50
	31	60,739.90	3.32–9.00		31	1,09,039.00	4.50–9.45		31	1,21,221.00	7.60-12.75
June	15	67,238.75	3.50–9.15	June	15	1,06,580.00	4.75–8.65				
	30	68,720.55	3.20–12.00		30	99,792.00	6.00–8.50				
July	15	77,559.58	3.04–8.85	July	15	1,07,755.00	6.02–8.75				
	31	79,582.05	3.25–8.90		31	1,12,704.00	6.10–9.00				
August	15	77,352.05	3.43–9.20	August	15	1,27,271.00	4.65–9.10				
	31	83,025.90	3.05–9.35		31	1,26,549.00	4.40–9.60				
September	15	88,161.00	3.20–9.05	September	15	1,23,225.00	5.40–9.25				
	30	79,228.10	3.90–8.35		30	1,12,003.00	6.65–9.90				
October	15	91,930.00	2.98–9.00	October	15	1,32,093.00	6.50–10.00				
	31	98,835.00	3.07–7.90		31	1,49,619.60	7.00–18.00				
November	15	1,03,315.00	3.00–8.85	November	15	1,23,108.00	6.30–13.00				
	30	1,03,915.00	2.85–8.40		30	1,17,793.00	6.32–18.00				
December	15	1,06,676.50	3.00–9.25	December	15	1,02,156.00	8.00–16.00				
	31	90,305.00	3.72–10.00		31	82,542.00	8.00–12.10				
January	15	92,363.00	3.15–7.55	January	15	98,913.00	6.60–11.95				
	31	91,564.00	3.35–7.50		31	1,01,752.00	6.94–12.50				
February	15	96,152.00	3.30–8.00	February	15	1,03,726.00	6.30–12.30				
	28	97,000.00	3.20–8.50		28	1,01,291.00	6.32–13.05				
March	15	91,025.00	4.00–8.90	March	15	96,487.00	7.20–13.50				
	31	76,056.00	5.30–9.00		31	80,305.00	7.93–15.00				

* Issued at face value by companies.

@ Typical effective discount rate range per annum on issues during the fortnight.

Government Accounts

No. 18: Union Government Accounts at a Glance

(Amount in ₹ crore)

Item	Financial Year	April-May			
	2011-12	2010-11	2011-12	Percentage to Budget Estimates	
	(Budget Estimates)	(Actuals)	(Actuals)	2010-11	2011-12
	1	2	3	4	5
1. Revenue Receipts	**7,89,892**	**44,657**	**28,716**	**6.5**	**3.6**
2. Tax Revenue (Net)	6,64,457	31,896	23,103	6.0	3.5
3. Non-Tax Revenue	1,25,435	12,761	5,613	8.6	4.5
4. Capital Receipts	**4,67,837**	**1,02,252**	**1,37,546**	**24.0**	**29.4**
5. Recovery of Loans	15,020	267	5,675	5.2	37.8
6. Other Receipts	40,000	1,078	1,145	2.7	2.9
7. Borrowings and Other Liabilities	4,12,817	1,00,907	1,30,726	26.5	31.7
8. Total Receipts (1+4)	**12,57,729**	**1,46,909**	**1,66,262**	**13.2**	**13.2**
9. Non-Plan Expenditure	**8,16,182**	**1,00,101**	**1,21,390**	**13.6**	**14.9**
10. On Revenue Account	7,33,558	86,813	1,00,839	13.5	13.7
of which :					
(i) Interest Payments	2,67,986	30,722	36,420	12.4	13.6
11. On Capital Account	82,624	13,288	20,551	14.4	24.9
12. Plan Expenditure	**4,41,547**	**46,808**	**44,872**	**12.5**	**10.2**
13. On Revenue Account	3,63,604	39,064	37,946	12.4	10.4
14. On Capital Account	77,943	7,744	6,926	13.4	8.9
15. Total Expenditure (9+12)	**12,57,729**	**1,46,909**	**166,262**	**13.2**	**13.2**
16. Revenue Expenditure (10+13)	10,97,162	1,25,877	138,785	13.1	12.6
17. Capital Expenditure (11+14)	1,60,567	21,032	27,477	14.0	17.1
18. Revenue Deficit (16-1)	**3,07,270**	**81,220**	**1,10,069**	**29.4**	**35.8**
19. Fiscal Deficit {15-(1+5+6)}	**4,12,817**	**1,00,907**	**1,30,726**	**26.5**	**31.7**
20. Gross Primary Deficit [19-10(i)]	**1,44,831**	**70,185**	**94,306**	**52.9**	**65.1**

Notes : 1. Financial year runs from "April to March".

2. Actuals are unaudited figures.

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

Government Securities Market

No. 19: Government of India : 91 Day Treasury Bills (Outstanding at Face Value)

(₹ crore)

March 31/ Last Friday/ Friday	Reserve Bank of India			Banks		State Governments		Others		Foreign Central Banks	
	Tap*		Auction	Tap*	Auction	Tap*	Auction	Tap*	Auction	Tap*	Auction
	Re-discounted	Ad hocs									
	1	2	3	4	5	6	7	8	9	10	11
Mar. 31, 2000	–	–	288	–	557	–	–	–	455	–	220
Mar. 31, 2001	–	–	67	–	868	–	–	–	153	–	630
Mar. 31, 2002	–	–	154	–	2,292	–	450	–	360	–	1,301
Mar. 31, 2003	–	–	–	–	6,427	–	800	–	780	–	700
Mar. 31, 2004	–	–	–	–	3,948	–	600	–	1,452	–	39
Mar. 31, 2005	–	–	–	–	21,176	–	1,755	–	4,829	–	32
Mar. 31, 2006	–	–	–	–	5,943	–	9,762	–	576	–	37
Mar. 31, 2007	–	–	–	–	12,684	–	24,250	–	6,743	–	5
Mar. 31, 2008	–	–	–	–	6,057	–	23,825	–	10,075	–	–
Mar. 31, 2009	–	–	–	–	49,914	–	544	–	25,092	–	–
Mar. 31, 2010	–	–	–	–	30,875	–	–	–	40,628	–	–
Mar. 31, 2011	–	–	–	–	23,560	–	11,586	–	34,446	–	–
Jan. 2009	–	–	–	–	40,741	–	10,446	–	25,261	–	–
Feb. 2009	–	–	–	–	43,910	–	7,020	–	25,094	–	–
Mar. 2009	–	–	–	–	49,914	–	544	–	25,092	–	–
Apr. 2009	–	–	–	–	44,190	–	5,544	–	30,814	–	–
May 2009	–	–	–	–	39,653	–	5,000	–	35,347	–	–
Jun. 2009	–	–	–	–	38,979	–	5,000	–	36,021	–	–
Jul. 2009	–	–	–	–	25,841	–	–	–	50,309	–	350
Aug. 2009	–	–	–	–	26,840	–	–	–	49,185	–	475
Sep. 2009	–	–	–	–	37,133	–	–	–	38,892	–	475
Oct. 2009	–	–	–	–	25,250	–	–	–	46,925	–	325
Nov. 2009	–	–	–	–	21,635	–	–	–	49,825	–	40
Dec. 2009	–	–	–	–	27,154	–	–	–	44,306	–	40
Jan. 2010	–	–	–	–	25,428	–	–	–	46,074	–	–
Feb. 2010	–	–	–	–	25,292	–	–	–	46,211	–	–
Mar. 2010	–	–	–	–	30,875	–	–	–	40,628	–	–
Apr. 2010	–	–	–	–	25,089	–	–	–	46,412	–	–
May 2010	–	–	–	–	31,219	–	–	–	46,231	–	50
Jun. 2010	–	–	–	–	28,558	–	1,000	–	37,392	–	50
Jul. 2010	–	–	–	–	20,920	–	3,854	–	25,080	–	–
Aug. 2010	–	–	–	–	15,352	–	9,279	–	30,648	–	–
Sep. 2010	–	–	–	–	17,626	–	10,279	–	28,374	–	–
Oct. 2010	–	–	–	–	22,118	–	11,334	–	31,882	–	–
Nov. 2010	–	–	–	–	17,443	–	12,359	–	24,557	–	–
Dec. 2010	–	–	–	–	15,633	–	16,859	–	30,367	–	–
Jan. 2011	–	–	–	–	15,326	–	17,811	–	30,676	–	–
Feb. 2011	–	–	–	–	17,212	–	14,586	–	32,794	–	–
Mar. 2011	–	–	–	–	23,560	–	11,586	–	34,446	–	–
Apr. 2011	–	–	–	–	26,933	–	8,760	–	38,074	–	–
Week Ended											
May 6, 2011	–	–	–	–	26,796	–	9,510	–	41,211	–	–
May 13, 2011	–	–	–	–	28,655	–	10,010	–	42,352	–	–
May 20, 2011	–	–	–	–	30,622	–	10,760	–	43,384	–	–
May 27, 2011	–	–	–	–	31,618	–	18,010	–	45,385	–	–

* : The rate of discount is 4.60 per cent –per annum.

No. 20: Auctions of 91-day Government of India Treasury Bills

(Amount in ₹ crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on PDs/ SDs*	Total Issue (7+8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value						
				Competitive	Non-Competitive		Competitive	Non-Competitive					
	1	2	3	4	5	6	7	8	9	10	11	12	13
2010-11													
May 5	May 7	7,000	103	26,195.70	–	67	7,000.00	–	–	7,000.00	98.98	4.1334	71,500.50
May 12	May 14	7,000	89	18,195.72	–	47	7,000.00	–	–	7,000.00	98.97	4.1743	73,500.50
May 19	May 21	7,000	73	15,336.95	–	44	7,000.00	–	–	7,000.00	98.96	4.2153	75,500.50
May 26	May 28	7,000	92	11,380.75	–	72	7,000.00	–	–	7,000.00	98.76	5.0361	77,500.00
Jun. 2	Jun. 4	2,000	92	8,243.50	–	36	2,000.00	–	–	2,000.00	98.72	5.2006	75,000.00
Jun. 9	Jun. 11	2,000	68	4,931.00	–	29	2,000.00	–	–	2,000.00	98.71	5.2418	72,000.00
Jun. 16	Jun. 18	2,000	66	6,441.50	500.00	35	2,000.00	500.00	–	2,500.00	98.68	5.3653	69,500.00
Jun. 23	Jun. 25	2,000	79	8,671.30	500.00	40	2,000.00	500.00	–	2,500.00	98.68	5.3653	67,000.00
Jun. 30	Jul. 2	2,000	68	7,854.20	500.00	8	2,000.00	500.00	–	2,500.00	98.70	5.2830	67,500.00
Jul. 7	Jul. 9	2,000	81	8,361.25	500.00	24	2,000.00	500.00	–	2,500.00	98.68	5.3653	63,000.00
Jul. 14	Jul. 16	2,000	63	5,500.43	500.00	31	2,000.00	500.00	–	2,500.00	98.67	5.4065	58,500.00
Jul. 21	Jul. 23	2,000	81	5,521.00	500.00	50	2,000.00	500.00	–	2,500.00	98.59	5.7364	54,000.00
Jul. 28	Jul. 30	2,000	92	9,511.00	854.10	7	2,000.00	854.10	–	2,854.10	98.59	5.7364	49,854.10
Aug. 4	Aug. 6	7,000	111	15,563.50	2,875.00	77	7,000.00	2,875.00	–	9,875.00	98.53	5.9841	52,729.10
Aug. 11	Aug. 13	7,000	122	12,872.17	550.00	91	7,000.00	550.00	–	7,550.00	98.49	6.1495	53,279.10
Aug. 18	Aug. 20	7,000	99	13,208.75	1,000.00	67	7,000.00	1,000.00	–	8,000.00	98.46	6.2735	54,279.10
Aug. 25	Aug. 27	7,000	97	18,257.70	1,000.00	38	7,000.00	1,000.00	–	8,000.00	98.48	6.1908	55,279.10
Sep. 1	Sep. 3	2,000	77	6,431.00	500.00	32	2,000.00	500.00	–	2,500.00	98.51	6.0668	55,779.10
Sep. 8	Sep. 9	2,000	74	6,030.60	500.00	29	2,000.00	500.00	–	2,500.00	98.52	6.0254	56,279.10
Sep. 15	Sep. 17	2,000	72	5,501.10	500.00	43	2,000.00	500.00	–	2,500.00	98.49	6.1495	56,279.10
Sep. 22	Sep. 24	2,000	62	5,834.30	500.00	34	2,000.00	500.00	–	2,500.00	98.48	6.1908	56,279.10
Sep. 29	Oct. 1	2,000	68	7,301.50	1,500.00	27	2,000.00	1,500.00	–	3,500.00	98.46	6.2735	57,279.10
Oct. 6	Oct. 8	4,000	64	7,411.00	500.00	45	4,000.00	500.00	–	4,500.00	98.43	6.3977	59,279.10
Oct. 13	Oct. 15	4,000	76	8,334.53	500.00	44	4,000.00	500.00	–	4,500.00	98.39	6.5634	61,279.10
Oct. 20	Oct. 22	4,000	77	10,767.00	800.00	30	4,000.00	800.00	–	4,800.00	98.34	6.7706	63,579.10
Oct. 27	Oct. 29	4,000	79	9,272.00	609.09	46	4,000.00	609.09	–	4,609.09	98.32	6.8536	65,334.09

No. 20: Auctions of 91-day Government of India Treasury Bills *(Concld.)*

(Amount in ₹ crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devol-vement on PDs/ SDs*	Total Issue (7+8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Out-standing as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value						
				Compe-titive	Non-Compe-titive		Compe-titive	Non-Compe-titive					
	1	2	3	4	5	6	7	8	9	10	11	12	13
2010-11													
Nov. 3	Nov. 4	4,000	89	10,242.10	1,375.00	49	4,000.00	1,375.00	–	5,375.00	98.34	6.7706	60,834.09
Nov. 10	Nov. 12	4,000	86	11,396.62	3,075.00	40	4,000.00	3,075.00	–	7,075.00	98.32	6.8536	60,359.09
Nov. 16	Nov. 19	4,000	88	14,575.35	500.00	16	4,000.00	500.00	–	4,500.00	98.33	6.8121	56,859.09
Nov. 24	Nov. 26	4,000	82	9,447.55	1,500.00	46	4,000.00	1,500.00	–	5,500.00	98.32	6.8536	54,359.09
Dec. 1	Dec. 3	4,000	68	8,240.60	500.00	42	4,000.00	500.00	–	4,500.00	98.30	6.9366	56,359.09
Dec. 8	Dec. 10	4,000	72	7,137.35	500.00	57	4,000.00	500.00	–	4,500.00	98.23	7.2274	58,359.09
Dec. 15	Dec. 16	2,000	91	7,406.25	3,000.00	44	2,000.00	3,000.00	–	5,000.00	98.24	7.1858	60,859.09
Dec. 22	Dec. 24	2,000	78	7,507.30	1,000.00	24	2,000.00	1,000.00	–	3,000.00	98.24	7.1858	61,359.09
Dec. 29	Dec. 31	2,000	57	5,693.00	3,000.00	25	2,000.00	3,000.00	–	5,000.00	98.24	7.1858	62,859.09
Jan. 5	Jan. 7	4,000	85	10,007.55	500.00	40	4,000.00	500.00	–	4,500.00	98.26	7.1027	62,859.09
Jan. 12	Jan. 14	4,000	87	10,940.38	500.00	37	4,000.00	500.00	–	4,500.00	98.25	7.1443	62,859.09
Jan. 19	Jan. 21	4,000	87	12,823.25	502.00	55	4,000.00	502.00	–	4,502.00	98.24	7.1858	62,561.09
Jan. 25	Jan. 28	4,000	83	13,513.50	1,860.90	22	4,000.00	1,860.90	–	5,860.90	98.23	7.2274	63,812.90
Feb. 2	Feb. 4	5,000	108	17,440.20	2,125.00	25	5,000.00	2,125.00	–	7,125.00	98.24	7.1858	65,562.90
Feb. 9	Feb. 11	5,000	101	17,412.67	600.00	49	5,000.00	600.00	–	5,600.00	98.25	7.1443	64,087.90
Feb. 15	Feb. 18	5,000	77	12,620.95	500.00	37	5,000.00	500.00	–	5,500.00	98.25	7.1443	65,087.90
Feb. 23	Feb. 25	5,000	85	13,844.85	3.50	47	5,000.00	3.50	–	5,003.50	98.25	7.1443	64,591.40
Mar. 1	Mar. 4	5,000	70	10,928.10	1,000.00	39	5,000.00	1,000.00	–	6,000.00	98.25	7.1443	66,091.40
Mar. 9	Mar. 11	5,000	76	10,908.41	500.00	44	5,000.00	500.00	–	5,500.00	98.25	7.1443	67,091.40
Mar. 16	Mar. 18	5,000	84	10,231.10	501.10	57	5,000.00	501.10	–	5,501.10	98.23	7.2274	67,592.50
Mar. 23	Mar. 25	5,000	98	10,382.58	–	75	5,000.00	–	–	5,000.00	98.21	7.3105	69,592.50
Mar. 30	Mar. 31	5,000	83	10,972.50	752.25	58	5,000.00	752.25	–	5,752.25	98.21	7.3105	70,344.75
2011-12													
Apr. 6	Apr. 8	4,000	78	14,105.40	–	35	4,000.00	–	–	4,000.00	98.25	7.1443	69,844.75
Apr. 13	Apr. 15	4,000	70	10,604.68	1,000.00	36	4,000.00	1,000.00	–	5,000.00	98.24	7.1858	70,344.75
Apr. 20	Apr. 21	5,000	84	10,725.50	300.00	53	5,000.00	300.00	–	5,300.00	98.18	7.4353	71,142.75
Apr. 27	Apr. 29	7,000	75	14,771.05	1,484.65	52	7,000.00	1,484.65	–	8,484.65	98.16	7.5186	73,766.50
May 4	May 6	8,000	105	14,850.80	2,875.00	58	8,000.00	2,875.00	–	10,875.00	98.07	7.8936	77,516.50
May 11	May 13	8,000	105	21,367.30	1,100.00	58	8,000.00	1,100.00	–	9,100.00	98.03	8.0604	81,016.50
May 18	May 20	8,000	94	21,573.40	1,250.00	47	8,000.00	1,250.00	–	9,250.00	98.02	8.1022	84,766.50
May 25	May 27	8,000	97	15,848.89	7,250.00	58	8,000.00	7,250.00	–	15,250.00	98.01	8.1439	95,013.00

* Effective from auction dated May 14, 1999, devolvement amount would be on RBI only.

Note : Outstanding amount is net of redemption during the week.

No. 20A: Auctions of Government of India Cash Management Bills

(Amount in ₹ crore)

Date of Auction	Date of Issue	Date of Maturity	Notified Amount	Bids Received			Bids Accepted			Total Issue (8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Out-standing as on the Date of Issue (Face Value)
				Number	Total Face Value		Number	Total Face Value					
					Competitive	Non-Competitive		Competitive	Non-Competitive				
	1	2	3	4	5	6	7	8	9	10	11	12	13
2010-11													
May 11	May 12	Jun. 16	6.000	74	27,405.00	–	41	6,000.00	–	6,000.00	99.63	3.8729	6,000.00
May 18	May 19	Jun. 16	6,000	57	27,927.00	–	26	6,000.00	–	6,000.00	99.70	3.9225	12,000.00
2011-12													
Apr. 19	Apr. 20	Jun. 22	8,000	101	23,110.80	–	48	8,000.00	–	8,000.00	98.76	7.2743	8,000.00
Apr. 20	Apr. 21	Jun. 30	6,000	88	17,750.00	–	31	6,000.00	–	6,000.00	98.61	7.3500	14,000.00
Apr. 21	Apr. 25	Jun. 13	6,000	72	15,400.00	–	32	6,000.00	–	6,000.00	99.02	7.3722	20,000.00
Apr. 29	May 2	Jul. 18	6,000	74	10,945.25	–	50	6,000.00	–	6,000.00	98.41	7.6588	26,000.00
May 5	May 6	Jul. 22	6,000	92	15,225.50	–	31	6,000.00	–	6,000.00	98.34	8.0017	32,000.00

No. 21: Auctions of 182-day Government of India Treasury Bills

(Amount in ₹ crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devol-vement on PDs	Total Issue (7+8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Out-standing as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value						
				Compe-titive	Non-Compe-titive		Compe-titive	Non-Compe-titive					
	1	2	3	4	5	6	7	8	9	10	11	12	13
2009-10													
Jan. 6	Jan. 8	1,500	74	5,896.50	–	9	1,500.00	–	–	1,500.00	98.01	4.0720	21,500.00
Jan. 20	Jan. 22	1,500	68	4,888.22	–	27	1,500.00	–	–	1,500.00	97.95	4.1973	21,500.00
Feb. 3	Feb. 5	1,500	52	2,775.00	–	38	1,500.00	–	–	1,500.00	97.81	4.4904	21,500.00
Feb. 17	Feb. 19	1,500	79	4,745.12	–	32	1,500.00	–	–	1,500.00	97.78	4.5533	21,500.00
Mar. 3	Mar. 5	1,500	64	3,942.71	–	38	1,500.00	–	–	1,500.00	97.71	4.7002	21,500.00
Mar. 17	Mar. 19	3,000	114	15,690.00	–	8	3,000.00	–	–	3,000.00	97.72	4.6792	21,500.00
Mar. 30	Mar. 31	1,000	34	2,670.00	–	5	1,000.00	–	–	1,000.00	97.75	4.6162	21,500.00
2010-11													
Apr. 13	Apr. 16	2,000	47	3,220.45	–	35	2,000.00	–	–	2,000.00	97.70	4.7212	21,500.00
Apr. 28	Apr. 30	2,000	68	10,035.00	–	11	2,000.00	–	–	2,000.00	97.78	4.5533	21,500.00
May 12	May 14	2,000	52	5,700.00	–	23	2,000.00	–	–	2,000.00	97.78	4.5533	21,500.00
May 26	May 28	2,000	54	5,570.00	–	15	2,000.00	–	–	2,000.00	97.58	4.9737	21,500.00
Jun. 9	Jun. 11	1,000	47	3,580.55	–	14	1,000.00	–	–	1,000.00	97.45	5.2478	21,500.00
Jun. 23	Jun. 25	1,000	41	3,460.00	–	2	1,000.00	–	–	1,000.00	97.39	5.3746	21,500.00
Jul. 7	Jul. 9	1,500	42	2,746.50	300.00	30	1,500.00	300.00	–	1,800.00	97.20	5.7771	21,800.00
Jul. 21	Jul. 23	1,500	53	4,561.00	–	29	1,500.00	–	–	1,500.00	97.12	5.9471	21,800.00
Aug. 4	Aug. 6	1,500	40	2,898.00	–	30	1,500.00	–	–	1,500.00	96.93	6.3519	21,800.00
Aug. 18	Aug. 20	1,500	56	3,755.20	500.00	23	1,500.00	500.00	–	2,000.00	96.88	6.4587	22,300.00
Sep. 1	Sep. 3	1,500	58	4,335.50	–	27	1,500.00	–	–	1,500.00	96.92	6.3732	22,300.00
Sep. 15	Sep. 17	1,500	47	3,740.50	–	19	1,500.00	–	–	1,500.00	96.89	6.4373	20,800.00
Sep. 29	Oct. 1	1,500	52	4,715.00	–	2	1,500.00	–	–	1,500.00	96.83	6.5655	21,300.00
Oct. 13	Oct. 15	2,000	46	3,434.05	–	21	1,000.00	–	–	1,000.00	96.71	6.8225	20,300.00
Oct. 27	Oct. 29	2,000	55	5,372.00	–	28	2,000.00	–	–	2,000.00	96.60	7.0587	20,300.00
Nov. 10	Nov. 12	2,000	67	5,020.00	500.00	37	2,000.00	500.00	–	2,500.00	96.55	7.1662	20,800.00
Nov. 24	Nov. 26	2,000	61	4,350.00	–	36	2,000.00	–	–	2,000.00	96.52	7.2308	20,800.00
Dec. 8	Dec. 10	1,000	45	4,705.00	–	11	1,000.00	–	–	1,000.00	96.49	7.2954	20,800.00
Dec. 22	Dec. 24	1,000	33	2,885.00	–	9	1,000.00	–	–	1,000.00	96.47	7.3384	20,800.00
Jan. 5	Jan. 7	1,500	50	5,331.50	–	14	1,500.00	–	–	1,500.00	96.49	7.2954	20,500.00
Jan. 19	Jan. 21	1,500	53	3,504.00	0.50	27	1,500.00	0.50	–	1,500.50	96.42	7.4462	20,500.50
Feb. 2	Feb. 4	1,500	67	5,782.00	–	26	1,500.00	–	–	1,500.00	96.40	7.4894	20,501.00
Feb. 15	Feb. 18	2,000	71	6,370.00	–	29	2,000.00	–	–	2,000.00	96.38	7.5326	20,501.00
Mar. 1	Mar. 4	2,000	53	6,893.00	–	16	2,000.00	–	–	2,000.00	96.39	7.5110	21,000.50
Mar. 16	Mar. 18	2,000	70	10,035.57	0.05	13	2,000.00	–	–	2,000.00	96.41	7.4678	21,500.55
Mar. 30	Mar. 31	2,000	56	8,739.25	–	20	2,000.00	–	–	2,000.00	96.40	7.4894	22,000.55
2011-12													
Apr. 13	Apr. 15	2,000	74	7,743.50	1,500.00	25	2,000.00	1,500.00	–	3,500.05	96.42	7.4462	24,500.55
Apr. 27	Apr. 29	3,000	65	6,985.05	1,250.00	41	3,000.00	1,250.00	–	4,250.05	96.28	7.7487	26,750.55
May 11	May 13	3,000	73	8,176.00	–	35	3,000.00	–	–	3,000.00	96.07	8.2040	27,250.55
May 25	May 27	3,000	73	7,322.70	500.00	34	3,000.00	500.00	–	3,500.00	96.04	8.2692	28,750.55

Notes : 1. Outstanding amount is net of redemption during the week.

2. The presentation of implicit yield at cut-off price has been changed from actual /364-day count convention to actual / 365-day count convention from auction dated April 6, 2005.

3. The auctions of 182-day Treasury Bills (TBs) which were discontinued effective May 14, 2001 have been reintroduced from April 6, 2005 onwards.

No. 22: Auctions of 364-day Government of India Treasury Bills

(Amount in ₹ crore)

Date of Auction		Date of Issue		Notified Amount	Bids Received			Bids Accepted			Devolvement on PDs/ SDs*	Total Issue (7+8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
					Number	Total Face Value		Number	Total Face Value						
						Competitive	Non-Competitive		Competitive	Non-Competitive					
			1	2	3	4	5	6	7	8	9	10	11	12	13
2010-11															
May	5	May	7	2,000	122	11,140.00	–	8	2,000.00	–	–	2,000.00	95.33	4.9122	44,522.34
May	19	May	21	2,000	55	5,250.00	–	12	2,000.00	–	–	2,000.00	95.31	4.9343	45,522.34
Jun.	2	Jun.	4	1,000	48	4,725.00	–	13	1,000.00	–	–	1,000.00	95.05	5.2221	45,522.34
Jun.	16	Jun.	18	1,000	50	1,930.25	157.00	36	1,000.00	157.00	–	1,157.00	94.71	5.6008	45,679.34
Jun.	30	Jul.	2	1,000	41	2,065.00	194.00	23	1,000.00	194.00	–	1,194.00	94.67	5.6456	45,873.34
Jul.	14	Jul.	16	1,000	61	5,460.00	–	14	1,000.00	–	–	1,000.00	94.63	5.6903	45,613.92
Jul.	28	Jul.	30	1,000	43	3,050.00	–	26	1,000.00	–	–	1,000.00	94.09	6.2985	45,613.92
Aug.	11	Aug.	13	1,000	49	3,370.00	16.80	5	1,000.00	16.80	–	1,016.80	93.98	6.4232	45,588.35
Aug.	25	Aug.	27	1,000	45	2,445.00	46.30	23	1,000.00	46.30	–	1,046.30	93.88	6.5369	45,634.65
Sep.	8	Sep.	9	1,000	45	3,775.00	–	14	1,000.00	–	–	1,000.00	93.93	6.4800	42,634.65
Sep.	22	Sep.	24	1,000	38	2,371.17	–	18	1,000.00	–	–	1,000.00	93.74	6.6964	42,601.35
Oct.	6	Oct.	8	2,000	57	4,531.00	42.30	33	2,000.00	42.30	–	2,042.30	93.60	6.8564	42,643.65
Oct.	20	Oct.	22	2,000	59	5,309.50	–	33	2,000.00	–	–	2,000.00	93.40	7.0858	42,643.65
Nov.	3	Nov.	4	2,000	58	5,871.00	–	24	2,000.00	–	–	2,000.00	93.41	7.0743	42,609.85
Nov.	16	Nov.	19	2,000	64	5,140.00	–	19	2,000.00	–	–	2,000.00	93.30	7.2009	42,609.85
Dec.	1	Dec.	3	1,000	45	5,080.30	–	8	1,000.00	–	–	1,000.00	93.24	7.2700	42,609.85
Dec.	15	Dec.	16	1,000	52	4,772.00	–	12	1,000.00	–	–	1,000.00	93.18	7.3393	42,609.85
Dec.	29	Dec.	31	1,000	40	2,968.50	–	24	1,000.00	–	–	1,000.00	93.05	7.4896	42,609.85
Jan.	12	Jan.	14	1,000	48	3,968.50	–	8	1,000.00	–	–	1,000.00	93.04	7.5012	42,609.85
Jan.	25	Jan.	28	1,000	33	3,560.00	–	6	1,000.00	–	–	1,000.00	92.96	7.5940	42,609.85
Feb.	9	Feb.	11	3,000	83	8,596.00	–	42	3,000.00	–	–	3,000.00	92.89	7.6752	42,595.45
Feb.	23	Feb.	25	3,000	77	7,977.00	–	33	3,000.00	–	–	3,000.00	92.89	7.6752	42,595.45
Mar.	9	Mar.	11	3,000	88	11,561.75	–	25	3,000.00	–	–	3,000.00	92.97	7.5824	42,481.60
Mar.	23	Mar.	25	3,000	94	10,703.15	–	20	3,000.00	–	–	3,000.00	92.92	7.6404	42,481.60
2011-12															
Apr.	6	Apr.	8	2,000	80	8,350.40	–	31	2,000.00	–	–	2,000.00	93.00	7.5476	42,456.40
Apr.	20	Apr.	21	3,000	72	7,881.30	–	38	3,000.00	–	–	3,000.00	92.82	7.7567	43,456.40
May	4	May	6	3,000	74	6,750.50	–	42	3,000.00	–	–	3,000.00	92.44	8.2007	44,456.40
May	18	May	20	3,000	89	9,710.00	–	27	3,000.00	–	–	3,000.00	92.36	8.2947	45,456.40

* Effective from auction dated May 19, 1999, devolvement amount would be on RBI only.

Note : 1. Outstanding amount is net of redemption during the week.

2. The presentation of implicit yield at cut-off price has been changed from actual/364-day count convention to actual/365-day count convention from auction dated October 27, 2004.

3. Effective from auction dated June 2, 1999 the non-competitive bidders were allowed to participate. Outstanding amount is net of redemption during the week.

No. 23: Turnover in Government Securities Market (Face Value) at Mumbai @

(₹ crore)

Week / Month +	Govt. of India Dated Securities	State Govt. Securities	Treasury Bills				RBI*
			Cash Management Bills	91 Day	182 Day	364 Day	
	1	2	3	4	5	6	7
2007-08							
April	1,29,393.26	3,090.88	–	9,866.80	2,869.22	5,782.54	333.23
May	1,14,658.96	2,481.32	–	7,160.10	1,498.68	3,183.70	680.35
June	2,20,172.02	2,078.77	–	29,236.33	7,998.44	10,091.95	266.57
July	3,83,106.46	1,906.39	–	19,820.37	3,291.27	22,143.25	715.20
August	2,41,706.99	2,514.20	–	11,899.43	6,877.99	13,643.66	482.50
September	1,74,533.46	1,201.42	–	5,521.11	8,768.86	10,539.40	428.36
October	1,45,814.85	1,714.00	–	22,191.32	13,299.05	20,733.58	531.41
November	1,73,573.07	3,058.32	–	8,788.56	6,219.26	14,338.14	193.03
December	2,12,467.87	2,344.34	–	5,998.32	2,498.72	13,450.44	5,372.60
January	5,54,272.55	4,412.28	–	5,581.92	6,000.66	21,903.31	5,344.63
February	4,34,802.32	4,730.56	–	2,810.06	4,485.10	11,915.60	2,998.80
March	1,72,568.68	1,962.38	–	2,892.25	2,054.68	8,168.54	3,429.97
2008-09							
April	1,63,277.17	2,403.36	–	8,859.66	2,530.12	8,201.96	1,590.93
May	3,18,354.85	11,798.94	–	11,537.89	2,526.64	4,653.10	350.87
June	1,95,337.16	1,445.24	–	10,065.13	1,546.76	4,919.92	13,982.55
July	1,44,355.59	4,278.14	–	4,681.45	2,666.96	7,285.49	7,236.53
August	2,67,462.66	1,453.34	–	14,490.32	2,031.75	6,843.56	8,110.26
September	2,98,155.18	658.34	–	16,333.94	2,676.00	5,348.22	2,680.46
October	2,81,273.77	3,210.06	–	12,052.81	2,694.73	6,280.86	1,264.93
November	3,52,322.10	2,854.11	–	20,603.48	3,193.06	11,987.06	883.69
December	6,07,851.56	8,459.43	–	28,399.05	2,698.80	8,698.45	9,436.27
January	6,95,344.05	5,979.19	–	28,907.53	3,098.29	12,589.53	5,833.07
February	3,31,881.02	3,012.96	–	39,519.13	5,003.80	8,568.70	6,254.99
March	2,73,558.86	24,942.96	–	29,000.26	4,899.04	9,781.90	54,278.76
2009-2010							
April	4,39,334.81	13,969.46	–	49,924.92	8,997.86	17,185.16	22,578.72
May	5,44,075.82	19,920.06	–	49,034.98	6,473.99	10,832.37	17,388.35
June	3,89,434.91	8,234.85	–	33,481.31	4,614.14	13,476.32	6,859.93
July	5,97,737.07	11,736.36	–	54,879.39	6,226.76	9,033.52	10,426.58
August	2,80,993.15	13,700.45	–	24,210.32	6,638.70	7,161.74	14,030.00
September	4,98,808.92	10,488.85	–	37,849.04	6,224.68	9,621.84	14,769.46
October	4,15,134.87	8,468.81	–	64,368.86	10,016.73	16,962.75	3,913.79
November	5,04,784.77	12,239.23	–	39,211.18	7,837.40	14,610.40	1,373.25
December	4,13,982.37	12,248.37	–	41,767.78	4,453.32	2,318.84	818.10
January	4,38,066.63	17,305.43	–	70,223.12	6,776.76	10,363.70	2,232.39
February	2,97,462.88	14,467.02	–	39,539.74	5,383.48	10,081.08	617.13
March	2,23,961.35	10,087.94	–	40,413.06	3,808.22	6,218.50	587.34
2010-2011							
April	4,68,156.79	18,838.06	–	93,888.38	13,452.04	17,217.64	2,909.05
May	6,97,267.04	8,562.98	6,175.42	38,201.67	8,032.70	9,342.30	2,004.23
June	5,92,459.67	9,367.58	5,287.08	29,810.61	8,983.82	12,100.36	248.50
July	5,11,224.67	7,463.25	–	33,921.16	15,238.43	12,333.02	3,871.33
August	4,65,033.57	4,818.08	–	28,939.56	5,641.52	5,547.70	1,276.52
September	4,54,824.47	8,020.26	–	31,201.78	3,689.16	7,424.13	796.17
October	5,25,973.95	5,645.52	–	28,457.54	3,387.48	8,879.22	1,236.55
November	2,78,748.84	5,676.52	–	19,058.18	5,400.76	6,513.44	8,727.84
December	3,37,042.88	4,832.40	–	17,526.82	4,989.82	7,046.66	42,128.64
January	2,63,023.34	7,579.32	–	32,106.06	4,469.14	5,900.90	19,092.41
February	2,84,767.04	7,282.88	–	25,934.50	3,485.84	4,376.34	8,556.20
March	3,06,822.59	8,566.96	–	25,062.92	6,841.22	9,833.88	673.99
2011-12							
APRIL	2,77,227.45	8,218.70	10,715.46	35,168.52	6,238.80	8,694.44	888.49
WEEK ENDED							
May 6, 2011	53,659.06	1,261.56	9,526.36	7,145.60	380.00	1,795.98	213.15
May 13, 2011	65,436.08	1,712.20	2,565.00	4,395.66	906.08	1,260.70	–
May 20, 2011	63,069.67	735.90	540.00	5,168.16	1,595.40	1,559.82	130.66
May 27, 2011	73,859.88	1,297.20	1,777.40	9,003.22	1,687.52	4,637.38	172.86

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

\+ Turnover upto the last Friday of the month over the last Friday of preceding month.

* RBI's sales and purchases include transactions in other offices and transactions on behalf of the State Governments and others. It excludes transactions relating to the Government of India and the Welfare Commissioner, Bhopal.

No. 24: Repo/Reverse Repo Auctions under Liquidity Adjustment Facility

(Amount in ₹ crore)

Date	Repo/ Reverse Repo Period (Day(s))	REPO (INJECTION)					REVERSE REPO (ABSORPTION)					Net Injection (+)/ Absorption(-) of liquidity [(5) – (10)]	MSF	Outstanding Amount @
		Bids Received		Bids Accepted		Cut-off	Bids Received		Bids Accepted		Cut-off			
		Number	Amount	Number	Amount	Rate(%)	Number	Amount	Number	Amount	Rate(%)			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
May 2, 2011	1	10	4,295	10	4,295	6.75	–	–	–	–	–	4,295		
May 2, 2011$	1	27	30,975	27	30,975	6.75	1	325	1	325	5.75	30,650		-34,945
May 3, 2011	1	30	53,085	30	53,085	6.75	–	–	–	–	–	53,085		
May 3, 2011$	1	3	925	3	925	7.25	8	12,720	8	12,720	6.25	-11,795		-41,290
May 4, 2011	1	3	3,550	3	3,550	7.25	–	–	–	–	–	3,550		
May 4, 2011$	1	5	2,040	5	2,040	7.25	2	875	2	875	6.25	1,165		-4,715
May 5, 2011	1	2	1,700	2	1,700	7.25	–	–	–	–	–	1,700		
May 5, 2011$	1	8	2,345	8	2,345	7.25	1	555	1	555	6.25	1,790		-3,490
May 6, 2011	3	8	3,865	8	3,865	7.25	1	25	1	25	6.25	3,840		
May 6, 2011$	3	31	25,380	31	25,380	7.25	5	735	5	735	6.25	24,645		-28,485
May 9, 2011	1	29	64,305	29	64,305	7.25	1	50	1	50	6.25	64,255	–	-64,255
May 10, 2011	1	27	66,485	27	66,485	7.25	1	45	1	45	6.25	66,440	–	-66,440
May 11, 2011	1	26	56,860	26	56,860	7.25	1	400	1	400	6.25	56,460	–	-56,460
May 12, 2011	1	29	63,720	29	63,720	7.25	2	155	2	155	6.25	63,565	–	-63,565
May 13, 2011	3	42	75,735	42	75,735	7.25	1	340	1	340	6.25	75,395	–	-75,395
May 16, 2011	2	31	56,400	31	56,400	7.25	1	375	1	375	6.25	56,025	–	-56,025
May 18, 2011	1	34	53,305	34	53,305	7.25	2	310	2	310	6.25	52,995	–	-52,995
May 19, 2011	1	21	40,350	21	40,350	7.25	1	350	1	350	6.25	40,000	–	-40,000
May 20, 2011	3	31	58,640	31	58,640	7.25	1	450	1	450	6.25	58,190	–	-58,190
May 23, 2011	1	38	77,350	38	77,350	7.25	1	435	1	435	6.25	76,915	–	-76,915
May 24, 2011	1	28	63,330	28	63,330	7.25	2	560	2	560	6.25	62,770	–	-62,770
May 25, 2011	1	35	73,390	35	73,390	7.25	2	555	2	555	6.25	72,835	–	-72,835
May 26, 2011	1	40	85,720	40	85,720	7.25	2	630	2	630	6.25	85,090	–	-85,090
May 27, 2011	3	37	76,460	37	76,460	7.25	2	665	2	665	6.25	75,795	–	-75,795
May 30, 2011	1	29	57,310	29	57,310	7.25	2	410	2	410	6.25	56,900	–	-56,900
May 31, 2011	1	24	46,040	24	46,040	7.25	1	30	1	30	6.25	46,010	–	-46,010

$ Second LAF.

@ Net of Repo.

MSF Marginal Standing Facility.

'–' No bid was received in the auction.

No. 25: Open Market Operations of Reserve Bank of India*

(₹ crore)

Year / Month	Government of India Dated Securities – Face Value					Treasury bills				
	Purchase		Sale		Net	Purchase		Sale		Net
	Market	State Government and others	Market	State Government and others	purchase (+)/net sale (-)	Market	State Government and others	Market	State Government and others	purchase (+)/net sale (-)
	1	2	3	4	5	6	7	8	9	10
2008-09										
April	745.58	–	–	861.19	–115.61	–	–	–	–	–
May	127.50	–	–	216.63	–89.13	–	–	–	–	–
June	15,238.80	–	–	310.18	14,928.62	–	–	–	–	–
July	5,218.50	–	–	701.20	4,517.30	–	–	–	–	–
August	4,338.00	–	–	4,446.59	–108.59	–	–	–	–	–
September	922.17	–	–	930.92	–8.75	–	–	–	–	–
October	627.75	–	–	530.30	97.46	–	–	–	–	–
November	757.20	–	–	127.51	629.69	–	–	–	–	–
December	11,901.38	–	–	295.74	11,605.64	–	–	–	–	–
January	2,568.00	–	–	504.21	2,063.79	–	–	–	–	–
February	6,027.80	–	–	236.59	5,791.22	–	–	–	–	–
March	56,007.66	–	–	770.98	55,236.68	–	–	–	–	–
2009-10										
April	21,130.00	–	–	747.03	20,382.97	–	–	–	–	–
May	15,374.40	–	–	207.91	15,166.49	–	–	–	–	–
June	6,765.60	–	–	315.25	6,450.35	–	–	–	–	–
July	7,724.37	–	–	2,479.71	5,244.66	–	–	–	–	–
August	13,462.09	–	–	982.68	12,479.41	–	–	–	–	–
September	14,111.64	–	–	243.85	13,867.79	–	–	–	–	–
October	2,497.90	–	–	1,415.89	1,082.01	–	–	–	–	–
November	777.70	–	–	601.74	175.96	–	–	–	–	–
December	920.00	–	–	284.85	635.15	–	–	–	–	–
January	1,194.09	–	–	1,200.78	–6.70	–	–	–	–	–
February	306.48	–	–	310.65	–4.17	–	–	–	–	–
March	1,135.52	–	–	1,141.02	–5.50	–	–	–	–	–
2010-11										
April	614.75	–	–	605.09	9.66	–	–	–	–	–
May	1,022.29	–	–	1,010.96	11.33	–	–	–	–	–
June	253.29	–	–	266.44	–13.15	–	–	–	–	–
July	1,777.31	–	–	1,793.77	–16.46	–	–	–	–	–
August	697.94	–	–	705.96	–8.02	–	–	–	–	–
September	483.44	–	–	477.76	5.68	–	–	–	–	–
October	471.58	–	–	481.10	–9.52	–	–	–	–	–
November	8,541.37	–	–	186.42	8,354.95	–	–	–	–	–
December	41,755.87	–	–	364.35	41,391.52	–	–	–	–	–
January	18,301.13	–	–	791.27	17,509.86	–	–	–	–	–
February	4,354.12	–	–	4,349.32	4.80	–	–	–	–	–
March	525.96	–	–	542.31	-16.35	–	–	–	–	–
2011 - 12										
April	452.05	–	–	444.94	7.11	–	–	–	–	–
May	292.57 +	–	–	286.98	5.60	–	–	–	–	–

* RBI's sales, purchases include transactions in other offices and transactions on behalf of the State Governments and Others.

* Excluding transactions of RBI with the Government of India and the Welfare Commissioner, Bhopal.

\+ Includes purchase of Oil Marketing Companies Government of India Special Bonds (Oil Bonds) of ₹ NIL (face value) under Special Market Operations (SMOs).

No. 26 A: Secondary Market Outright Transactions in Government Dated Securities (Face Value)

(Amount in ₹ crore)

Week ended	Government of India Dated Securities — Maturing in the year										State Govt. Securities
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-20	2020-21	2021-22	Beyond 2022	
	1	2	3	4	5	6	7	8	9	10	11
I May 6, 2011											
a. Amount	90.00	275.00	–	300.24	775.00	737.09	2,739.38	30.00	11,020.15	10,862.67	630.78
b. YTM *											
Min.	7.2500	8.0000	–	7.5877	8.2027	8.2135	7.7808	8.1131	8.1046	8.2749	8.0995
Max.	8.2476	8.0500	–	8.3200	8.3759	8.4395	8.5364	8.1517	8.3081	8.6097	8.6052
II May 13, 2011											
a. Amount	–	190.00	210.00	5.00	235.05	948.77	1,628.89	85.00	10,820.09	18,595.24	856.10
b. YTM *											
Min.	–	8.0250	8.0732	8.0091	8.3152	8.3465	7.7029	8.0682	8.1106	8.3215	8.2971
Max.	–	8.1000	8.2300	8.0091	8.3708	8.4302	8.4680	8.2942	8.4957	8.6500	8.6484
III May 20, 2011											
a. Amount	150.00	40.13	45.06	–	193.50	405.00	4,001.45	160.03	16,504.24	10,035.43	367.95
b. YTM *											
Min.	7.7495	8.0902	8.1031	–	8.3295	8.3447	7.6607	8.2252	8.2016	8.3470	8.5230
Max.	7.8398	8.1269	8.1628	–	8.4082	8.4544	8.4700	8.2954	8.4552	8.6488	8.6381
IV May 27, 2011											
a. Amount	110.00	610.00	55.00	1.38	656.10	2,025.02	2,486.98	85.00	11,407.95	19,492.51	648.60
b. YTM *											
Min.	7.6499	8.0982	8.1707	–	8.3812	8.4587	7.7150	8.2828	8.3136	8.4158	8.5584
Max.	8.4001	8.2035	8.1707	–	8.4445	8.7337	8.6813	8.2910	8.3988	8.6565	8.7241

* Minimum and maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than ₹5 Crore).

No. 26 B: Secondary Market Outright Transactions in Treasury Bills

(Amount in ₹ crore, YTM in per cent per annum)

Week ended	Treasury Bills Residual Maturity in Days			
	up to 14 days	15 - 91 days	92 - 182 days	183 - 364 days
	1	2	3	4
I May 6, 2011				
a. Amount	365.00	8,042.98	200.00	815.99
b. YTM *				
Min.	7.0973	7.1500	7.8499	8.0500
Max.	7.5038	8.0004	7.8751	8.2007
II May 13, 2011				
a. Amount	292.94	3,362.89	512.89	395.00
b. YTM *				
Min.	7.0995	7.3500	7.9999	8.1000
Max.	7.5000	8.0604	8.2040	8.2000
III May 20, 2011				
a. Amount	670.00	2,724.38	397.70	639.61
b. YTM *				
Min.	7.3992	7.5490	8.0646	8.0709
Max.	7.6011	8.1022	8.1800	8.2947
IV May 27, 2011				
a. Amount	200.00	5,614.23	828.76	1,909.76
b. YTM *				
Min.	7.4840	7.4500	8.1800	8.2161
Max.	7.5015	8.1502	8.2692	8.3500

* Minimum and maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than ₹5 Crore).
# Includes transactions of Cash Management Bills.

No. 26 C: Month-end Yield to Maturity of SGL Transactions in Central Government Dated Securities for Various Residual Maturities

(Per cent)

Term to Maturity (in years)	2010							2011				
	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
	1	2	3	4	5	6	7	8	9	10	11	12
1	5.4713	6.3008	6.4900	6.6385	6.7671	7.2301	7.3877	7.5435	7.4488	7.4927	6.3112	8.3124
2	6.2598	6.8782	6.8853	7.0402	7.2745	7.4181	7.5645	7.8908	7.6298	7.5488	6.9231	8.3554
3	6.6774	7.0627	7.1341	7.2261	7.3436	7.6060	7.7414	8.0996	7.8139	7.6787	7.5350	8.3985
4	6.9854	7.3425	7.4327	7.4889	7.6892	7.7940	7.8852	8.1104	7.9980	7.8747	8.1469	8.4415
5	7.2768	7.5427	7.7054	7.7148	7.8347	7.9149	7.8519	8.1212	8.0602	7.9287	8.2318	8.4771
6	7.5758	7.7089	7.8787	7.8157	7.8741	7.9574	7.8502	8.1320	8.0694	7.9465	8.2385	8.4780
7	7.5953	7.7858	7.9584	7.7901	7.9908	7.9542	7.8644	8.1679	8.0929	7.9574	8.1690	8.4780
8	7.5770	7.7908	7.9547	7.8083	8.0429	7.9848	7.8852	8.1670	8.1187	7.9681	8.1525	8.4513
9	7.5588	7.7903	7.9509	7.8265	8.0949	8.0256	7.9060	8.1496	8.1095	7.9787	8.1359	8.4246
10	7.5758	7.8286	7.9863	7.8963	8.1179	8.0498	7.9534	8.1505	8.0983	8.0223	8.1267	8.4123
11	7.7798	7.9884	8.1020	7.9875	8.1105	8.0615	8.0147	8.1577	8.1338	8.0692	8.2552	8.4895
12	7.9335	8.0996	8.0404	7.9813	8.1105	8.0845	8.0744	8.1756	8.1897	8.1168	8.3151	8.5213
13	8.0031	8.1532	8.0915	8.1548	8.1731	8.1550	8.1318	8.2127	8.2613	8.1649	8.3510	8.5439
14	8.0727	8.2069	8.1579	8.3208	8.2356	8.2255	8.1892	8.2498	8.3329	8.2130	8.3870	8.5665
15	8.1423	8.2605	8.2244	8.3011	8.2982	8.2960	8.2466	8.2869	8.4045	8.2610	8.4230	8.5890
16	8.1919	8.3142	8.2909	8.2813	8.3607	8.3665	8.3040	8.3240	8.4761	8.3091	8.4590	8.6116
17	8.1822	8.3075	8.3523	8.2665	8.4094	8.4117	8.3424	8.3612	8.5095	8.3266	8.4950	8.6182
18	8.1968	8.3113	8.3557	8.2777	8.4146	8.4052	8.3537	8.3983	8.5134	8.3285	–	8.6215
19	8.2137	8.3155	8.3591	8.2889	8.4198	8.3986	8.3651	8.4354	8.5173	8.3305	–	8.6248
20	8.2307	8.3197	8.3625	8.3002	8.4250	8.3920	8.3764	8.4725	8.5212	8.3324	–	8.6282
21	8.2476	8.3239	8.3659	8.3114	8.4302	8.3855	8.3877	8.5096	8.5251	8.3343	–	8.6315
22	8.2309	8.3398	8.3694	8.3219	8.4349	8.3845	8.3981	8.5164	8.5284	8.3363	–	8.6348
23	8.1581	8.2960	8.3728	8.3284	8.4383	8.3950	8.4066	8.5220	8.5318	8.3382	–	8.6382
24	8.0854	8.2517	8.3760	8.3349	8.4417	8.4054	8.4152	8.5276	8.5351	8.3402	–	8.6415
25	8.0126	8.2634	8.3765	8.3413	8.4450	8.4159	8.4237	8.5333	8.5384	8.3421	–	8.6448
26	–	8.2768	8.3769	8.3439	8.4484	8.4263	8.4322	8.5389	8.5418	8.3456	–	8.6481
27	–	8.2901	8.3773	8.3376	8.4518	8.4368	8.4408	8.5445	8.5451	8.3493	–	8.6515
28	–	8.3034	8.3777	8.3313	8.4551	8.4472	8.4493	8.5501	8.5485	8.3531	–	8.6548
29	–	8.3167	8.3782	8.3250	8.4585	8.4577	8.4579	8.5557	8.5518	8.3568	–	8.6581
30	–	8.3300	8.3786	8.3187	8.4619	8.4681	8.4664	8.5613	8.5551	8.3606	–	8.6614

No. 26 D: Secondary Market Repo Transactions # (Other than with RBI)

(Amount in ₹ crore)

Week ended		Govt. Of India Dated Securities	State Govt. Securities	Cash Management Bills	91 Day Treasury Bills	182 Day Treasury Bills	364 Day Treasury Bills
		1	2	3	4	5	6
I	**May 6, 2011**						
	Amount	45,312	292	13,158	20,735	6,262	7,153
	Repo Rate Min.	4.00	5.20	6.45	6.25	5.50	5.75
	Repo Rate Max.	8.95	6.72	6.80	7.00	6.80	7.00
	Repo Period Min.	1	1	1	1	1	1
	Repo Period Max.	90	1	3	3	3	3
II	**May 13, 2011**						
	Amount.	44,770	168	12,701	19,383	4,771	5,802
	Repo Rate Min.	5.50	6.90	7.20	7.25	7.15	6.90
	Repo Rate Max.	8.60	7.25	7.30	7.30	7.30	7.20
	Repo Period Min.	1	1	1	1	1	1
	Repo Period Max.	14	3	3	3	3	1
III	**May 20, 2011**						
	Amount	47,762	189	11,090	19,140	5,245	6,873
	Repo Rate Min.	3.00	6.75	4.85	6.90	7.00	4.60
	Repo Rate Max.	8.75	7.30	7.30	7.30	7.30	7.35
	Repo Period Min.	1	1	1	1	1	1
	Repo Period Max.	17	3	3	3	3	3
IV	**May 27, 2011**						
	Amount	42,350	423	11,637	20,011	7,339	8,457
	Repo Rate Min.	5.50	7.24	7.25	6.50	7.20	7.00
	Repo Rate Max.	8.75	7.30	7.36	7.36	7.35	7.40
	Repo Period Min.	1	1	1	1	1	1
	Repo Period Max.	17	3	3	3	3	3

Represent the First Leg of Transactions.

Note : Repo rate in per cent per annum and repo period in days.

No. 27: Month-end Secondary Market Yield on Government of India Securities

(Per cent)

Coupon	Date of Maturity			Yield (Semi-annual) as on					
				Mar. 31, 2010 (Year-end)	Mar. 31, 2011 (Year-end)	Feb. 28, 2011	Mar. 31, 2011	Apr. 30, 2011	May 31, 2011
			1	2	3	4	5	6	7
6.72 *	Jul.	18,	2012	4.36	7.31	7.18	7.31	7.73	8.05
8.00	Apr.	27,	2011	5.30	7.17	7.06	7.17	–	–
10.95	May	30,	2011	5.36	7.23	7.11	7.23	7.63	–
9.39	Jul.	2,	2011	5.18	7.29	7.16	7.29	7.70	8.03
11.50	Aug.	5,	2011	5.27	7.34	7.21	7.34	7.76	8.07
FRB	Aug.	8,	2011	4.22	7.56	7.98	7.56	7.63	8.04
12.00	Oct.	21,	2011	5.47	7.47	7.29	7.47	7.91	8.16
11.50	Nov.	24,	2011	5.68	7.50	7.31	7.50	7.95	8.20
6.85	Apr.	5,	2012	6.19	7.50	7.48	7.50	7.95	8.24
7.40	May	3,	2012	6.17	7.44	7.41	7.44	7.95	8.24
10.25	Jun.	1,	2012	6.34	7.49	7.46	7.49	7.97	8.24
11.03	Jul.	18,	2012	6.30	7.51	7.49	7.51	7.99	8.25
9.40	Sep.	11,	2012	6.49	7.53	7.52	7.53	7.99	8.25
FRB	Nov.	10,	2012	4.79	7.26	7.67	7.26	7.65	8.08
9.00	May	24,	2013	6.51	7.54	7.60	7.54	7.95	8.26
9.81	May	30,	2013	6.71	7.54	7.60	7.54	7.95	8.26
12.40	Aug.	20,	2013	6.79	7.56	7.64	7.56	7.95	8.27
7.27	Sep.	3,	2013	6.74	7.57	7.65	7.57	7.95	8.27
FRB	Sep.	10,	2013	4.54	6.74	7.17	6.74	7.68	8.11
5.32	Feb.	16,	2014	7.04	7.74	7.76	7.74	8.02	8.33
6.72	Feb.	24,	2014	7.23	7.74	7.77	7.74	8.02	8.33
7.37	Apr.	16,	2014	7.14	7.77	7.80	7.77	8.05	8.35
6.07	May	15,	2014	7.22	7.79	7.82	7.79	8.06	8.36
FRB	May	20,	2014	4.01	5.12	5.64	5.12	7.67	8.10
10.00	May	30,	2014	7.33	7.79	7.82	7.79	8.07	8.36
7.32	Oct.	20,	2014	7.25	7.87	7.90	7.87	8.15	8.42
10.50	Oct.	29,	2014	7.39	7.87	7.90	7.87	8.15	8.42
7.56	Nov.	3,	2014	7.17	7.88	7.91	7.88	8.15	8.43
11.83	Nov.	12,	2014	7.50	7.87	7.90	7.87	8.15	8.42
10.47	Feb.	12,	2015	7.82	7.84	7.97	7.84	8.19	8.45
10.79	May	19,	2015	7.67	7.89	8.00	7.89	8.22	8.47
11.50	May	21,	2015	7.67	7.88	7.99	7.88	8.22	8.47
6.49	Jun.	8,	2015	7.51	7.91	8.02	7.91	8.24	8.49
7.17	Jun.	14,	2015	–	7.90	8.01	7.90	8.23	8.48
FRB	Jul.	2,	2015	4.08	5.71	6.24	5.71	7.73	8.16
11.43	Aug.	7,	2015	7.60	7.91	8.01	7.91	8.24	8.48
FRB	Aug.	10,	2015	3.98	6.26	6.66	6.26	7.86	8.29
7.38	Sep.	3,	2015	7.49	7.94	8.04	7.94	8.25	8.49
9.85	Oct.	16,	2015	7.65	7.94	8.04	7.94	8.25	8.49
7.59	Apr.	12,	2016	7.43	7.99	8.07	7.99	8.24	8.49
10.71	Apr.	19,	2016	7.63	7.98	8.05	7.98	8.24	8.49
FRB	May	7,	2016	3.97	5.15	5.73	5.15	7.72	8.15
5.59	Jun.	4,	2016	7.72	8.01	8.08	8.01	8.25	8.50
12.30	Jul.	2,	2016	7.73	7.98	8.05	7.98	8.23	8.48
7.02	Aug.	17,	2016	7.60	8.00	8.08	8.00	8.24	8.49

No. 27: Month-end Secondary Market Yield on Government of India Securities *(Concld.)*

(Per cent)

Coupon	Date of Maturity			Yield (Semi-annual) as on					
				Mar. 31, 2010 (Year-end)	Mar. 31, 2011 (Year-end)	Feb. 28, 2011	Mar. 31, 2011	Apr. 30, 2011	May 31, 2011
			1	2	3	4	5	6	7
8.07	Jan.	15,	2017	7.57	7.97	8.05	7.97	8.21	8.48
7.49	Apr.	16,	2017	7.43	7.96	8.04	7.96	8.20	8.48
FRB	Jul.	2,	2017	4.65	7.42	7.94	7.42	7.81	8.00
7.99	Jul.	9,	2017	7.72	7.95	8.03	7.95	8.20	8.48
7.46	Aug.	28,	2017	7.49	7.97	8.04	7.97	8.20	8.48
6.25	Jan.	2,	2018	7.82	7.95	8.05	7.95	8.19	8.49
7.83	Apr.	11,	2018	–	–	–	–	8.19	8.49
8.24	Apr.	22,	2018	7.60	7.94	8.04	7.94	8.18	8.49
10.45	Apr.	30,	2018	7.75	7.94	8.03	7.94	8.18	8.49
5.69	Sep.	25,	2018	7.83	7.95	8.03	7.95	8.17	8.49
12.60	Nov.	23,	2018	7.78	7.93	8.02	7.93	8.16	8.48
5.64	Jan.	2,	2019	7.88	8.02	8.06	8.02	8.16	8.48
6.05	Feb.	2,	2019	7.29	8.02	8.05	8.02	8.15	8.47
6.05	Jun.	12,	2019	7.90	8.02	8.05	8.02	8.13	8.46
6.90	Jul.	13,	2019	7.82	8.02	8.05	8.02	8.13	8.45
10.03	Aug.	9,	2019	7.90	8.02	8.04	8.02	8.13	8.45
6.35	Jan.	2,	2020	7.85	7.99	8.01	7.99	8.12	8.43
10.70	Apr.	22,	2020	7.92	7.98	8.01	7.98	8.15	8.42
7.80	May	3,	2020	–	7.98	8.01	7.98	8.20	8.42
FRB	Dec.	21,	2020	4.62	8.04	8.10	8.04	8.13	8.57
11.60	Dec.	27,	2020	7.94	8.01	8.02	8.01	8.16	8.42
7.80	Apr.	11,	2021	–	–	–	–	8.13	8.41
7.94	May	24,	2021	7.94	8.06	8.04	8.06	8.14	8.42
10.25	May	30,	2021	8.17	8.05	8.04	8.05	8.14	8.42
8.20	Feb.	15,	2022	8.10	8.10	8.06	8.10	8.23	8.47
8.35	May	14,	2022	8.18	8.09	8.07	8.09	8.26	8.49
8.08	Aug.	2,	2022	8.19	8.08	8.11	8.08	8.30	8.51
5.87	Aug.	28,	2022	8.14	8.12	8.11	8.12	8.31	8.52
8.13	Sep.	21,	2022	8.05	8.09	8.09	8.09	8.30	8.51
6.30	Apr.	9,	2023	8.16	8.16	8.15	8.16	8.38	8.56
6.17	Jun.	12,	2023	8.17	8.17	8.16	8.17	8.40	8.57
7.35	Jun.	22,	2024	8.03	8.21	8.24	8.21	8.45	8.60
5.97	Sep.	25,	2025	8.34	8.29	8.36	8.29	8.52	8.64
10.18	Sep.	11,	2026	8.37	8.28	8.37	8.28	8.48	8.62
8.24	Feb.	15,	2027	8.25	8.33	8.45	8.33	8.50	8.62
8.26	Aug.	2,	2027	8.27	8.33	8.47	8.33	8.50	8.62
8.28	Sep.	21,	2027	8.40	8.35	8.48	8.35	8.51	8.62
6.01	Mar.	25,	2028	8.47	8.40	8.56	8.40	8.54	8.64
6.13	Jun.	4,	2028	8.46	8.40	8.56	8.40	8.54	8.64
8.28	Feb.	15,	2032	8.30	8.39	8.59	8.39	8.52	8.63
8.32	Aug.	2,	2032	8.41	8.40	8.59	8.40	8.52	8.63
7.95	Aug.	28,	2032	8.32	8.41	8.60	8.41	8.52	8.64
8.33	Sep.	21,	2032	8.41	8.40	8.60	8.40	8.52	8.63
7.50	Aug.	10,	2034	8.27	8.41	8.61	8.41	8.53	8.64
7.40	Sep.	9,	2035	8.24	8.41	8.60	8.41	8.53	8.64
8.33	Jun.	7,	2036	8.30	8.39	8.58	8.39	8.53	8.64
6.83	Jan.	19,	2039	8.28	8.38	8.55	8.38	8.54	8.65
8.30	Jul.	2,	2040	–	8.36	8.52	8.36	8.54	8.64

FRB: Floating Rate Bond

* 6.72% GS 2012 with call/ put option on coupon dates.

Source : Fixed Income Money Market and Derivatives Association of India (FIMMDA).

Production

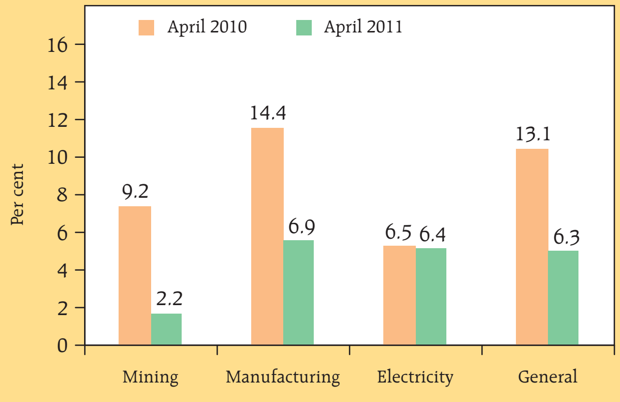
No. 28: Group - Wise Index Number of Industrial Production

(Base : 2004-05=100)

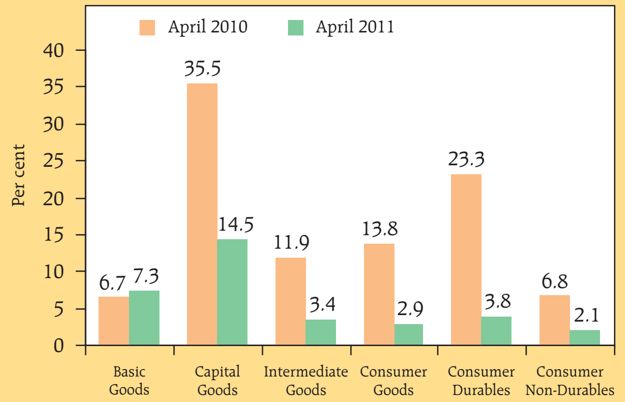
Sr. No.	Industry	Weight	Annual			Monthly	
			2008-09	2009-10	2010-11 P	April	
						2010	2011 P
		1	2	3	4	5	6
	General Index	**100.00**	**145.2**	**152.9**	**165.4**	**157.8**	**167.8**
I.	**Sectoral Classification**						
1	Mining and Quarrying	**14.16**	115.4	124.5	131.0	126.4	129.1
2	Manufacturing	**75.53**	153.8	161.3	175.6	166.6	178.0
3	Electricity	**10.32**	123.3	130.8	138.0	137.1	146.0
II.	**Use-Based Classification**						
1	Basic Goods	**35.57**	128.1	134.1	142.1	135.5	145.4
2	Capital Goods	**9.26**	240.6	243.0	279.5	248.3	284.2
3	Intermediate Goods	**26.51**	127.6	135.3	145.1	139.0	143.8
4	Consumer Goods	**28.66**	152.6	164.3	177.9	175.2	180.2
4(a)	Consumer Durables	**5.36**	215.4	252.0	287.4	286.0	296.9
4(b)	Consumer Non-Durables	**23.30**	127.7	129.5	134.5	131.3	134.0

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

Sectoral Growth of Industrial Production



Growth in IIP: Use-based Classification



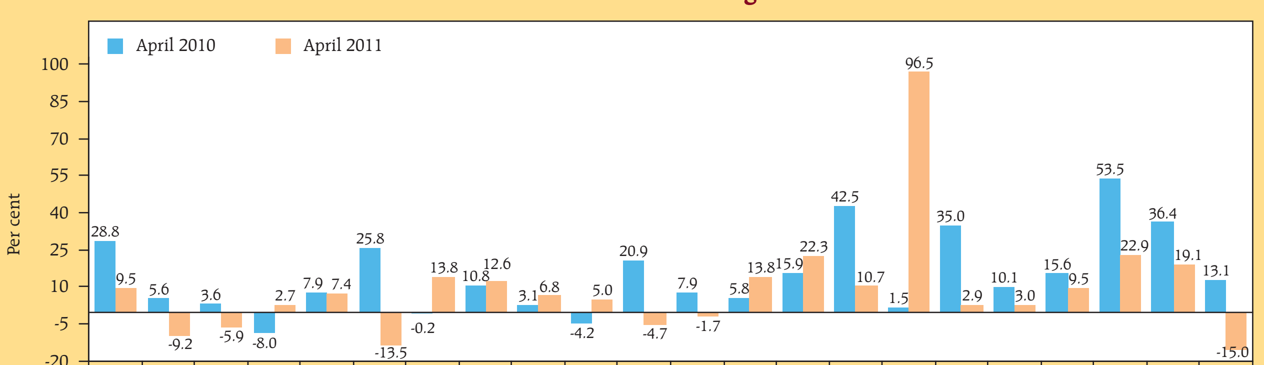
No. 29: IIP - Twenty Two Major Industry Groups of Manufacturing Sector

(Base : 2004-05=100)

Industry Group	Industry	Weight	Annual			Monthly	
			2008-09	2009-10	2010-11 P	April	
						2010	2011 P
		1	2	3	4	5	6
	Manufacturing Index	**75.53**	**153.8**	**161.3**	**175.6**	**166.6**	**178.0**
15	Food Products and Beverages	7.28	135.4	133.5	142.4	137.3	150.4
16	Tobacco Products	1.57	102.7	102.0	104.0	114.2	103.7
17	Textiles	6.16	120.1	127.4	135.8	131.0	123.3
18	Wearing Apparel; Dressing and Dyeing of Fur	2.78	134.6	137.1	142.6	143.3	147.2
19	Luggage, Handbags, Saddlery, Harness & Footwear; Tanning and Dressing of Leather Products	0.58	104.4	105.8	114.3	108.8	116.8
20	Wood and Wood Products of Wood & Cork Except Furniture; Articles of Straw & Plating Materials	1.05	155.3	160.1	156.5	168.2	145.5
21	Paper and Paper Products	1.00	118.0	121.1	131.4	118.7	135.1
22	Publishing, Printing & Reproduction of Recorded Media	1.08	142.4	133.8	148.9	140.0	157.6
23	Coke, Refined Petroleum Products & Nuclear Fuel	6.71	123.4	121.8	121.5	115.7	123.6
24	Chemicals and Chemical Products	10.06	115.0	120.7	122.3	114.2	119.9
25	Rubber and Plastic Products	2.02	142.6	167.4	184.6	185.9	177.1
26	Other Non-metallic Mineral Products	4.31	134.9	145.4	151.2	155.8	153.2
27	Basic Metals	11.33	159.0	162.4	176.7	160.6	182.8
28	Fabricated Metal Products, Except Machinery and Equipment	3.08	144.0	158.6	182.0	137.7	168.4
29	Machinery and Equipment n.e.c	3.76	171.0	198.0	257.3	256.4	283.8
30	Office, Accounting & Computing Machinery	0.30	148.8	154.4	144.3	108.6	213.4
31	Electrical Machinery & Apparatus n.e.c	1.98	530.8	459.2	472.2	486.5	500.4
32	Radio, TV and Communication Equipment & Apparatus	0.99	726.7	809.1	912.4	791.2	814.7
33	Medical, Precision & Optical Instruments, Watches and Clocks	0.57	119.8	100.9	107.7	88.1	96.5
34	Motor Vehicles, Trailers & Semi-trailers	4.06	138.0	179.1	233.3	210.9	259.2
35	Other Transport Equipment	1.82	134.0	171.1	210.4	184.7	219.9
36	Furniture, Manufacturing n.e.c	2.99	142.5	152.7	141.2	159.6	135.6

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

Performance of Manufacturing Industries



A Food products and beverages
B Tobacco products
C Textiles
D Wearing apparel; dressing and dyeing of fur
E Luggage, handbags, saddlery, harness & footwear; tanning and dressing of leather products
F Wood and wood products of wood & cork except furniture; articles of straw & plating materials
G Paper and paper products
H Publishing, printing & reproduction of recorded media
I Coke, refined petroleum products & nuclear fuel
J Chemicals and chemical products
K Rubber and plastic products
L Other non-metallic mineral products
M Basic metals
N Fabricated metal products, except machinery and equipment
O Machinery and equipment n.e.c
P Office, accounting & computing machinery
Q Electrical machinery & apparatus n.e.c
R Radio, TV and communication equipment & apparatus
S Medical, precision & optical instruments, watches and clocks
T Motor vehicles, trailers & semi-trailers
U Other transport equipment
V Furniture, manufacturing n.e.c

Capital Market

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

(Amount in ₹ crore)

Security & Type of Issue	2007-08 (April-March)		2008-09 (April-March)		2009-10 (April-March)		2010-11 (April-March)	
	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount
	1	2	3	4	5	6	7	8
1) Equity Shares (a+b)	111	56,848.3	45.0	14,670.5	67	25,298.7	70	24,830.1
	(103)	(54,732.4)	(39)	(13,022.0)	(64)	(20,759.4)	(67)	(20,218.7)
a) Prospectus	85	47,477.5	21	2,033.3	39	17,160.1	51	19,677.7
	(83)	(46,138.8)	(20)	(1,791.4)	(38)	(13,203.7)	(50)	(15,438.6)
b) Rights	26	9,370.8	24	12,637.2	28	8,138.6	19	5,152.4
	(20)	(85,93.6)	(14)	(11,230.6)	(26)	(7,555.7)	(17)	(4,780.1)
2) Preference Shares (a+b)	1	5,480.8	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	1	5,480.8	–	–	–	–	–	–
3) Debentures (a+b)	2	808.8	–	–	1	180.0	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	2	808.8	–	–	1	180.0	–	–
of which:								
I) Convertible (a+b)	1	205.9	–	–	1	180.0	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	1	205.9	–	–	1	180.0	–	–
II) Non-Convertible (a+b)	1	602.9	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	1	602.9	–	–	–	–	–	–
4) Bonds (a+b)	1	500.0	–	–	–	–	–	–
a) Prospectus	1	500.0	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
5) TOTAL (1+2+3+4)	115	63,637.9	45	14,670.5	68	25,478.7	70	24,830.1
a) Prospectus	86	47,977.5	21	2,033.3	39	17,160.1	51	19,677.7
b) Rights	29	15,660.4	24	12,637.2	29	8,318.6	19	5,152.4

Note : Figures in brackets indicate data in respect of premium on capital issues which are included in respective totals.

Source : Data are compiled from prospectus/circulars/advertisements issued by companies, replies given by the companies to the Reserve Bank's questionnaire, information received from SEBI, stock exchanges, press reports, etc.

Also see 'Notes on Tables'.

No. 31: Index Numbers of Ordinary Share Prices

Year \ Month		BSE Sensitive Index (Base: 1978-79=100)			BSE - 100 (Base: 1983-84=100)			S&P CNX Nifty (Base: Nov 3,1995=1000)		
		Average	High	Low	Average	High	Low	Average	High	Low
		1	2	3	4	5	6	7	8	9
2005-06		8280.08	11307.04	6134.86	4393.54	5904.17	3310.14	2513.44	3418.95	1902.50
2006-07		12277.33	14652.09	8929.44	6242.73	7413.22	4535.00	3572.44	4224.25	2632.80
2007-08		16568.89	20873.33	12455.37	8691.47	11509.96	6287.69	4896.60	6287.85	3633.60
2008-09		12365.55	17600.12	8160.40	6433.13	9348.64	4160.43	3731.03	5228.20	2524.20
2009-10		15585.21	17711.35	9901.99	8187.25	9419.46	5028.39	4657.77	5302.85	3060.35
2010-11		18605.18	21004.96	16022.48	9840.17	11141.18	8539.58	5583.54	6312.45	4806.75
May	2010	16844.54	17386.08	16022.48	8988.47	9304.40	8539.58	5052.97	5222.75	4806.75
June	2010	17299.75	17876.55	16572.03	9215.65	9480.25	8851.90	5187.78	5353.30	4970.20
July	2010	17847.83	18130.98	17441.44	9528.31	9670.34	9323.76	5359.75	5449.10	5235.90
August	2010	18176.86	18454.94	17971.12	9719.18	9874.06	9627.72	5457.24	5543.50	5402.40
September	2010	19352.86	20117.38	18205.87	10315.38	10674.30	9759.42	5811.48	6035.65	5471.85
October	2010	20249.75	20687.88	19872.15	10784.16	11005.42	10592.97	6096.11	6233.90	5982.10
November	2010	20126.35	21004.96	19136.61	10672.24	11141.18	10054.36	6055.33	6312.45	5751.95
December	2010	19927.59	20509.09	19242.36	10418.43	10675.02	10060.67	5971.32	6134.50	5766.50
January	2011	19288.54	20561.05	18327.76	10061.75	10715.23	9569.01	5782.71	6157.60	5505.90
February	2011	18036.62	18506.82	17463.04	9382.24	9633.57	9068.47	5400.92	5546.45	5225.80
March	2011	18456.85	19445.22	17839.05	9606.17	10095.74	9326.74	5538.42	5833.75	5364.75
April	2011	19450.14	19701.73	19091.17	10147.50	10261.50	9979.23	5839.09	5911.50	5729.10
May	2011	18325.45	18998.02	17847.24	9576.10	9915.60	9342.14	5492.20	5701.30	5348.95

Sources : 1. Bombay Stock Exchange Ltd.
2. National Stock Exchange of India Ltd.

No. 32: Volume in Corporate Debt Traded at NSE*

(₹ crore)

Week / Month / Year (April-March)			Volume
			1
2005 - 06			**10,619.36**
2006 - 07			**6,639.78**
2007 - 08			**8,576.11**
2008 - 09			**11,934.44**
2009 - 10			**54,476.53**
2010 - 11			**45,058.75**
2010 - 2011			
April		2010	6,334.81
May		2010	6,016.03
June		2010	4,065.18
July		2010	2,265.40
August		2010	4,314.17
September		2010	3,263.18
October		2010	4,118.61
November		2010	2,380.64
December		2010	2,382.48
January		2011	2,578.71
February		2011	2,513.80
March		2011	4,825.74
2011 - 2012			
April		2011	4,198.95
May		2011	2,891.09
Week ended			
April	01,	2011	373.82
April	08,	2011	1,206.97
April	15,	2011	755.55
April	21,	2011	1,012.06
April	29,	2011	1,224.37
May	06,	2011	775.48
May	13,	2011	366.87
May	20,	2011	347.77
May	27,	2011	796.91

* Relates to the Wholesale Debt Market (WDM) segment (Excluding trade in commercial papers)

Source : National Stock Exchange of India Ltd.

No. 33: Assistance Sanctioned and Disbursed by All - India Financial Institutions

(₹ crore)

	April-September		April-March	
	2003-04	2004-05	2002-03	2003-04
	1	2	3	4
Sanctions				
All-India Development Banks	**9,831.9**	**12,860.0**	**22,318.1**	**23,444.3**
1. IDBI	2,860.2	6,314.4	5,898.2	5,630.8
2. IFCI	132.1	–	2,005.8	1,451.9
3. SIDBI	2,607.9	2,991.8	10,903.7	8,223.7
4. IIBI	1,392.8	0.9	1,206.4	2,411.9
5. IDFC	2,838.9	3,552.9	2,304.0	5,726.0
Investment Institutions	**13,025.1**	**7,805.5**	**5,666.5**	**29,479.2**
6. LIC	12,291.1	7,135.3	4,341.5	27,748.0
7. GIC	324.3	93.0	369.3	674.0
8. National Ins. Co. Ltd.	115.6	87.3	200.0	373.0
9. New India Ass. Co Ltd.	84.1	179.3	138.0	199.1
10. Oriental Ins. Co. Ltd.	93.3	28.2	123.9	134.8
11. United India Ins. Co. Ltd.	116.7	282.4	493.8	350.3
Total	**22,857.0**	**20,665.5**	**27,984.6**	**52,923.5**
Disbursements				
All India Development Banks	5,750.2	5,027.1	17,225.2	14,056.6
1. IDBI	637.2	2,085.1	6,614.9	4,409.1
2. IFCI	176.3	43.8	1,779.9	279.0
3. SIDBI	1,742.2	1,358.3	6,789.5	4,412.7
4. IIBI	1,216.5	7.6	1,091.9	2,251.8
5. IDFC	978.0	1,532.3	949.0	2,704.0
Investment Institutions	4,615.6	5,421.3	7,487.6	17,400.2
6. LIC	3,829.2	4,871.0	6,205.7	15,781.6
7. GIC	328.4	108.0	328.4	657.7
8. National Ins. Co. Ltd.	118.4	17.3	177.6	224.4
9. New India Ass. Co Ltd.	85.6	115.2	78.0	195.6
10. Oriental Ins. Co. Ltd.	135.0	27.4	241.5	187.1
11. United India Ins. Co. Ltd.	119.0	282.4	456.4	353.8
Total	**10,365.8**	**10,448.4**	**24,712.8**	**31,456.8**

Note : Data are provisional. Monthly data are not adjusted for inter-institutional flows.

Source : Industrial Development Bank of India.

Prices

No. 34: Monthly Average Price of Gold and Silver in Mumbai

Month / Year		Standard Gold (₹ per 10 grams)	Silver (₹ per kilogram)
		1	2
2000-01		4,474	7,868
2001-02		4,579	7,447
2002-03		5,332	7,991
2003-04		5,719	8,722
2004-05		6,145	10,681
2005-06		6,901	11,829
2006-07		9,240	19,057
2007-08		9,996	19,427
2008-09		12,905	21,272
2009-10		15,755	25,417
2010-11		19,238	37,315
June	2009	14,620	23,069
July	2009	14,749	22,334
August	2009	14,996	23,646
September	2009	15,723	26,323
October	2009	15,864	27,360
November	2009	17,040	28,225
December	2009	17,138	28,345
January	2010	16,684	28,165
February	2010	16,535	25,677
March	2010	16,603	27,048
April	2010	16,679	28,027
May	2010	17,997	29,330
June	2010	18,741	29,821
July	2010	18,300	29,387
August	2010	18,490	29,677
September	2010	19,087	32,592
October	2010	19,493	36,020
November	2010	20,174	41,293
December	2010	20,496	45,346
January	2011	20,212	44,852
February	2011	20,345	47,110
March	2011	20,842	54,330
April	2011	21,374	62,741
May	2011	22,123	57,111
June	2011	22,344	54,484

Source : Bombay Bullion Association Ltd.

No. 35: Consumer Price Index Numbers for Industrial Workers – All-India and Selected Centres

(Base : 2001 = 100)

Centre	New Linking Factor (1)	1990-91 @	2009-10	2010-11	2010		2011				
					Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
	1	2	3	4	5	6	7	8	9	10	11
All India (2)	**4.63**	**193**	**163**	**180**	**182**	**185**	**188**	**185**	**185**	**186**	**187**
Ahmedabad	4.62	196	157	175	180	183	183	177	177	180	180
Alwaye (Ernakulam)	4.52	176	156	171	172	175	179	179	179	181	183
Asansol	4.37	189	178	199	202	206	207	203	203	206	206
Bangalore	4.51	183	171	185	183	186	196	187	188	190	192
Bhavnagar	4.76	198	154	178	181	184	187	182	181	182	184
Bhopal	4.83	196	168	190	192	193	204	199	198	198	197
Chandigarh	5.26	189	161	180	182	182	192	190	189	190	190
Chennai	4.95	189	153	163	165	169	172	167	163	164	166
Coimbatore	4.49	178	156	168	173	176	180	173	171	172	172
Delhi	5.60	201	152	166	168	169	173	170	169	172	172
Faridabad	4.79	187	167	186	187	188	193	189	190	191	191
Guwahati	4.80	195	147	158	161	163	163	162	162	164	162
Howrah	5.42	212	159	173	176	178	177	175	176	177	179
Hyderabad	4.79	182	156	167	168	170	172	170	169	169	170
Jaipur	4.25	190	165	183	184	186	190	188	188	187	187
Jamshedpur	4.23	187	165	189	192	194	205	205	203	205	207
Kolkata	5.12	203	161	176	177	180	180	178	178	180	181
Ludhiana	4.12	193	165	177	179	178	182	178	178	180	188
Madurai	4.51	192	152	165	166	170	172	169	168	168	169
Monghyr-Jamalpur	4.30	189	169	185	188	190	190	192	193	196	195
Mumbai	5.18	201	163	178	182	184	187	183	183	184	186
Mundakayam	4.37	184	162	179	182	184	189	186	186	186	191
Nagpur	4.68	201	183	207	209	214	217	212	210	214	215
Puducherry	4.88	204	167	174	176	182	182	179	177	177	177
Rourkela	4.03	179	172	192	196	198	201	199	197	199	199
Kanpur	4.50	195	166	187	189	189	195	194	195	197	196
Solapur	4.73	197	166	182	182	188	189	190	193	193	198
Srinagar	5.62	184	149	162	162	165	166	164	170	169	168

@ Base 1982=100.

Note : New series of Consumer Price Index for Industrial Workers with base 2001 = 100 was released in January 2006 by Labour Bureau, Shimla. Linking Factors between old and new series as published by the Labour Bureau are reproduced in column 1.

For (1) and (2) See 'Notes on Tables'.

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

No. 36: Consumer Price Index Numbers for Urban Non-manual Employees – All-India and Selected Centres

(Base : 1984 – 85 = 100)

Centre	1990-91	2006-07	2007-08	2007				2008			
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	1	2	3	4	5	6	7	8	9	10	11
All India (1)	**161**	**486**	**515**	**498**	**516**	**520**	**519**	**518**	**520**	**523**	**528**
Mumbai	154	478	504	490	502	506	508	510	509	510	513
Delhi	156	499	521	508	522	528	523	523	525	529	532
Kolkata	164	439	476	449	481	486	480	479	479	482	484
Chennai	168	569	605	585	606	607	609	607	610	611	618
Hyderabad	164	526	560	541	558	561	565	564	564	568	574
Bangalore	161	513	546	527	545	544	547	551	559	563	566
Lucknow	158	465	484	471	488	487	482	480	480	486	492
Ahmedabad	153	426	449	435	450	454	453	454	452	453	459
Jaipur	165	477	515	491	517	519	521	519	527	532	545
Patna	167	451	484	466	490	494	495	492	496	496	501
Srinagar	150	475	513	496	511	517	515	513	524	528	538
Thiruvananthapuram	152	507	535	512	528	530	535	542	548	552	555
Cuttack	154	479	507	492	507	511	512	510	510	509	510
Bhopal	166	458	482	461	481	488	490	488	490	493	502
Chandigarh	176	637	665	649	672	672	669	666	668	671	678
Shillong	179	499	565	528	566	571	572	571	580	582	584
Shimla	163	490	511	506	517	519	511	508	507	508	513
Jammu	161	480	511	492	512	514	512	507	515	523	533
Amritsar	152	402	423	412	431	433	425	422	423	427	431
Kozhikode (Calicut)	150	447	465	452	462	464	469	469	473	475	483
Kanpur	165	450	481	462	490	489	483	479	478	483	489
Indore	170	485	507	490	513	515	510	507	510	516	526
Pune	162	509	547	517	546	549	555	555	554	560	563
Jabalpur	164	437	467	452	473	476	473	471	467	471	478
Jodhpur	168	465	487	476	490	492	489	490	489	492	501

Linked All-India Consumer Price Index Number for Urban Non-Manual Employees (UNME)

(Base : 1984 – 85 = 100)

	2009	2010			
	Dec.	Sep.	Oct.	Nov.	Dec.
	1	2	3	4	5
General Index	657	701	705	710	719

Note : 1. The CPI (UNME) for base 1984-85 = 100 has been discontinued due to outdated base year with effect from April 2008 onwards. Linked all-India CPI (UNME) number are available for meeting the requirement of users.

2. As per the Press Release of Central Statistics Office, all-India linked Consumer Price Index for Urban Non-Manual Employees (UNME) has been discontinued with effect from January 2011. Therefore, this Table will not be updated henceforth.

See 'Notes on Tables'.

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

No. 37: Consumer Price Index Numbers for Agricultural / Rural Labourers

A : Consumer Price Index Numbers for Agricultural Labourers

(Base : July 1986 - June 1987 = 100)

State	1990-91(1)	Linking Factor (2)	2008-09	2009-10	2010		2011				
					May	Dec.	Jan.	Feb.	Mar.	Apr.	May
	1	2	3	4	5	6	7	8	9	10	11
All India	**830**	**5.89**	**462**	**530**	**540**	**581**	**589**	**584**	**585**	**587**	**592**
Andhra Pradesh	657	4.84	484	552	569	604	619	608	611	615	625
Assam	854	(3)	451	520	533	586	585	581	584	588	595
Bihar	858	6.22	446	500	504	538	541	540	539	540	538
Gujarat	742	5.34	459	538	550	596	600	586	582	584	587
Haryana		(5)	498	588	601	642	654	648	648	653	650
Himachal Pradesh		(5)	406	455	464	486	492	480	482	479	479
Jammu & Kashmir	843	5.98	453	524	538	575	587	582	580	583	585
Karnataka	807	5.81	458	535	543	595	609	614	616	619	623
Kerala	939	6.56	454	496	513	564	576	577	575	576	580
Madhya Pradesh	862	6.04	459	525	534	569	582	578	576	578	581
Maharashtra	801	5.85	475	562	574	624	633	627	627	637	648
Manipur		(5)	407	455	473	530	534	535	538	543	549
Meghalaya		(5)	484	540	542	579	574	577	579	586	595
Orissa	830	6.05	438	495	508	556	553	541	535	539	541
Punjab	930	(4)	501	586	593	624	634	625	627	630	636
Rajasthan	885	6.15	490	573	577	604	616	614	617	621	628
Tamil Nadu	784	5.67	455	514	528	566	579	578	583	579	583
Tripura		(5)	433	466	469	523	530	525	526	526	526
Uttar Pradesh	960	6.60	469	535	534	565	573	572	576	569	575
West Bengal	842	5.73	432	504	522	567	569	560	559	565	570

See 'Notes on Tables'.

No. 37: Consumer Price Index Numbers for Agricultural / Rural Labourers

B : Consumer Price Index Numbers for Rural Labourers

(Base : July 1986 - June 1987 = 100)

State	1995-96(7)	2008-09	2009-10	2010			2011				
				May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
	1	2	3	4	5	6	7	8	9	10	11
All India	**240**	**462**	**529**	**540**	**569**	**580**	**588**	**584**	**584**	**587**	**592**
Andhra Pradesh	244	482	550	567	586	600	615	604	606	611	620
Assam	243	454	524	537	587	589	588	584	588	591	597
Bihar	223	447	500	505	534	538	541	540	539	541	538
Gujarat	241	460	538	550	573	595	598	586	581	584	587
Haryana	237	495	583	597	634	637	648	642	643	649	645
Himachal Pradesh	221	420	474	485	504	504	510	496	500	499	500
Jammu & Kashmir	225	451	521	535	558	570	583	577	575	577	580
Karnataka	250	459	534	543	577	594	608	613	614	618	622
Kerala	260	456	502	519	554	566	578	579	577	579	583
Madhya Pradesh	239	463	532	542	572	576	588	585	583	585	588
Maharashtra	247	470	557	569	599	619	628	621	622	631	641
Manipur	245	407	456	474	523	533	537	537	541	545	551
Meghalaya	250	481	535	539	569	575	571	574	576	583	592
Orissa	236	439	496	509	546	556	553	541	535	540	541
Punjab	247	501	585	593	620	621	631	623	624	628	633
Rajasthan	239	486	567	572	586	596	608	606	609	613	620
Tamil Nadu	244	452	509	523	540	559	573	572	577	574	577
Tripura	219	429	462	464	512	522	529	524	524	524	524
Uttar Pradesh	231	469	532	531	560	562	570	569	572	567	573
West Bengal	232	435	506	525	565	570	573	563	563	568	573

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

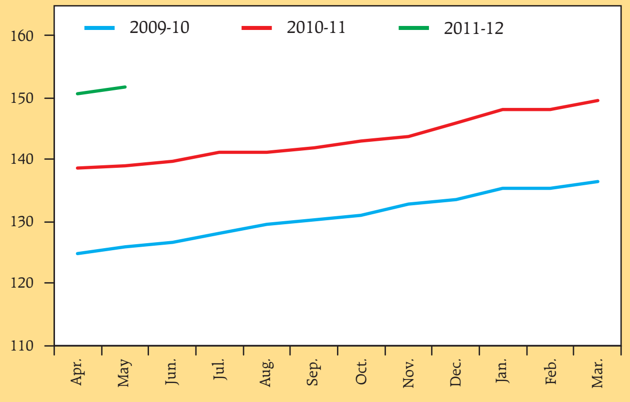
No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups

(Base: 2004-05=100)

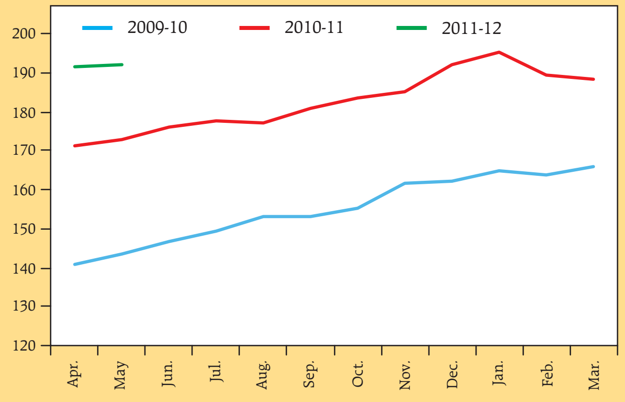
Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2009-10	2010-11	2010		2011				
		April-March			May	Dec.	Jan.	Feb.	Mar.	Apr. (P)	May (P)
	1	2	3	4	5	6	7	8	9	10	11
ALL COMMODITIES	**100.000**	**104.5**	**130.8**	**143.3**	**139.1**	**146.0**	**148.0**	**148.1**	**149.5**	**150.6**	**151.7**
I. PRIMARY ARTICLES	**20.118**	**104.3**	**154.9**	**182.4**	**172.6**	**192.0**	**195.3**	**189.6**	**188.2**	**191.6**	**192.1**
(A) Food articles	**14.337**	**105.4**	**155.4**	**179.6**	**172.1**	**189.4**	**192.4**	**181.3**	**179.0**	**183.5**	**186.5**
a. Food Grains											
(Cereals+Pulses)	4.090	107.3	166.4	174.4	172.2	175.2	176.4	178.2	175.6	175.3	175.8
a1. Cereals	3.373	106.0	161.2	169.7	165.0	172.6	173.5	175.0	172.3	172.3	173.4
a2. Pulses	0.717	113.3	190.8	196.9	206.2	187.2	189.9	193.4	191.0	189.6	187.2
b. Fruits & Vegetables	3.843	108.0	147.8	172.1	157.6	196.1	206.6	165.1	165.9	180.3	185.0
b1. Vegetables	1.736	113.7	161.8	182.8	150.9	240.5	261.1	158.3	143.3	147.2	148.5
b2. Fruits	2.107	103.3	136.2	163.2	163.0	159.5	161.8	170.7	184.5	207.6	215.0
c. Milk	3.238	101.0	146.4	175.9	171.9	178.7	179.3	180.4	174.6	178.5	182.9
d. Eggs, Meat & Fish	2.414	106.3	151.5	190.1	185.1	196.2	193.2	192.0	195.4	194.7	197.0
e. Condiments & Spices	0.569	94.5	182.7	244.0	214.0	279.2	284.6	267.8	246.8	243.5	248.5
f. Other Food Articles	0.183	107.8	196.2	181.9	176.8	186.7	186.7	192.6	179.6	189.4	188.5
(B) Non-Food Articles	**4.258**	**96.7**	**136.2**	**166.6**	**150.8**	**176.0**	**181.8**	**191.6**	**191.4**	**192.9**	**184.5**
a. Fibres	0.877	96.4	140.0	198.4	154.3	220.1	234.1	281.0	283.6	284.0	245.3
b. Oil Seeds	1.781	90.4	135.0	141.3	137.7	141.9	144.9	150.2	151.0	152.4	154.5
c. Other Non-Food Articles	1.386	103.9	128.7	176.7	164.6	180.5	185.3	192.9	194.3	198.8	190.9
d. Flowers	0.213	103.8	179.2	181.9	156.7	250.2	252.4	161.4	130.9	118.2	144.6
(C) Minerals	**1.524**	**115.2**	**202.9**	**253.3**	**238.4**	**261.3**	**260.0**	**263.1**	**266.8**	**263.9**	**266.7**
a. Metallic Minerals	0.489	127.9	258.3	373.8	350.8	380.0	376.1	385.9	397.3	388.4	396.7
b. Other Minerals	0.135	104.8	146.0	153.4	145.9	161.2	160.8	160.3	161.3	160.3	161.9
c. Crude Petroleum	0.900	109.8	181.4	202.8	191.2	211.8	211.8	211.8	211.8	211.8	211.8
II. FUEL & POWER	**14.910**	**113.6**	**132.1**	**148.3**	**142.8**	**150.2**	**151.3**	**153.5**	**157.6**	**159.9**	**160.4**
a. Coal	2.094	117.6	156.5	165.3	163.0	163.0	163.1	169.3	184.6	188.9	184.6
b. Mineral Oils	9.364	116.7	135.8	157.5	148.9	160.7	163.0	165.1	168.2	171.0	172.6
c. Electricity	3.452	102.6	107.4	113.2	114.0	114.0	112.5	112.5	112.5	112.5	112.5

See 'Notes on Tables'.

Monthly Movement of the Index of WPI-All Commodities



Monthly Movement in the Index of WPI- Primary Articles

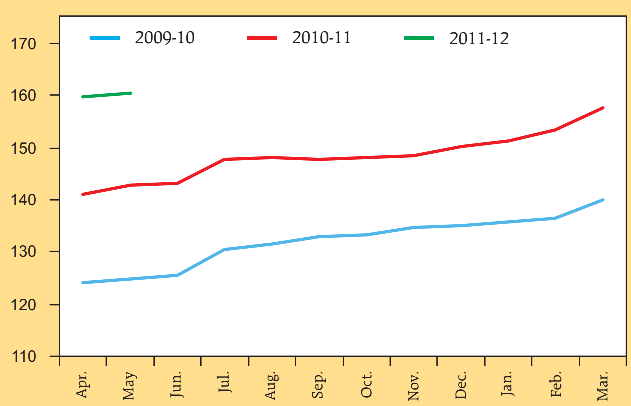


No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups *(Contd.)*

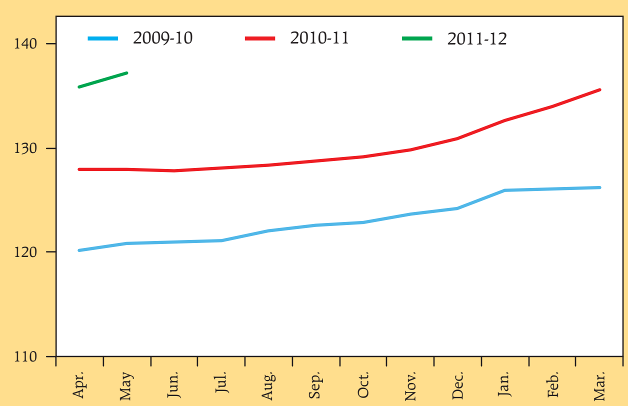
(Base: 2004-05=100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2009-10	2010-11	2010		2011				
		April-March			May	Dec.	Jan.	Feb.	Mar.	Apr. (P)	May (P)
	1	2	3	4	5	6	7	8	9	10	11
III. MANUFACTURED PRODUCTS	**64.972**	**102.4**	**123.1**	**130.1**	**127.9**	**130.9**	**132.6**	**134.0**	**135.6**	**135.8**	**137.2**
(A) Food Products	**9.974**	**101.2**	**136.1**	**141.2**	**137.5**	**144.2**	**145.3**	**145.1**	**145.1**	**145.8**	**147.5**
a. Dairy Products	0.568	99.5	138.8	152.1	152.1	151.4	153.2	154.4	156.4	156.5	159.2
b. Canning, Preserving & Processing of Food	0.358	101.7	121.1	127.2	125.0	130.4	128.2	128.1	129.8	130.2	134.3
c. Grain Mill Products	1.340	104.8	138.0	145.8	142.1	146.4	149.1	149.6	149.3	147.8	147.5
d. Bakery Products	0.444	101.3	116.3	126.3	126.3	126.3	126.9	126.8	124.8	125.2	124.8
e. Sugar, Khandsari & Gur	2.089	108.8	161.9	160.5	158.7	166.5	166.6	163.0	163.9	164.4	163.9
f. Edible Oils	3.043	94.1	114.4	120.6	114.4	122.4	127.2	129.4	128.8	129.1	132.1
g. Oil Cakes	0.494	97.7	167.3	168.6	160.9	184.8	171.8	171.1	169.1	170.1	169.0
h. Tea & Coffee Proccessing	0.711	99.4	144.8	149.8	145.6	155.7	147.3	140.8	140.6	148.7	156.8
i. Manufacture Of Salt	0.048	104.4	170.2	174.8	186.9	172.3	172.3	172.3	172.3	172.3	172.3
j. Other Food Products	0.879	106.5	134.8	141.2	138.9	139.8	145.2	147.4	147.9	148.5	149.8
(B) Beverages, Tobacco & Tobacco Products	**1.762**	**104.7**	**136.2**	**146.2**	**143.7**	**144.9**	**150.6**	**151.5**	**154.5**	**154.6**	**155.1**
a. Wine Industries	0.385	105.8	116.3	118.3	117.8	117.8	117.7	120.6	120.4	120.3	121.2
b. Malt Liquor	0.153	108.8	150.5	164.3	155.2	167.1	167.8	165.0	169.8	169.8	169.8
c. Soft Drinks & Carbonated Water	0.241	111.5	135.1	144.1	143.5	143.4	142.8	144.7	151.8	151.0	151.0
d. Manufacture of Bidi, Cigarettes, Tobacco & Zarda	0.983	101.9	142.0	154.8	152.2	152.4	162.6	163.1	166.1	166.5	167.0
(C) Textiles	**7.326**	**98.9**	**106.7**	**119.6**	**115.4**	**121.1**	**124.8**	**128.0**	**132.4**	**130.6**	**133.8**
a. Cotton Textiles	2.605	97.1	108.8	129.2	121.5	131.7	138.7	145.5	154.7	149.6	157.8
a1. Cotton Yarn	1.377	95.2	110.6	141.8	130.2	147.9	155.5	165.0	178.6	170.4	180.4
a2. Cotton Fabric	1.228	99.2	106.8	115.1	111.7	113.6	119.8	123.7	128.0	126.2	132.5
b. Man Made Textiles	2.206	98.4	102.9	113.6	110.1	114.3	117.4	120.3	122.1	122.7	122.1
b1. Man Made Fibre	1.672	97.7	101.9	114.4	110.3	115.3	118.9	122.4	124.7	125.2	124.2
b2. Man Made Fabric	0.533	100.5	105.8	111.0	109.5	111.0	112.8	113.9	113.9	114.8	115.8
c. Woollen Textiles	0.294	102.2	109.4	118.3	113.3	121.1	123.6	124.9	124.6	126.7	126.1
d. Jute Hemp & Mesta Textiles	0.261	111.6	145.8	164.9	158.0	167.7	180.2	182.3	182.1	181.6	184.1
e. Other Misc. Textiles	1.960	99.9	102.6	107.8	107.8	108.4	107.4	106.3	109.0	107.9	109.4

Monthly Movement of the Index of WPI-Fuel & Power



Monthly Movement in the Index of WPI-Manufactured Products



No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups *(Contd.)*

(Base: 2004-05=100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2009-10	2010-11	2010		2011				
		April-March			May	Dec.	Jan.	Feb.	Mar.	Apr. (P)	May (P)
	1	2	3	4	5	6	7	8	9	10	11
(D) Wood & Wood Products	**0.587**	**105.7**	**143.3**	**149.0**	**147.5**	**149.0**	**150.3**	**151.1**	**151.7**	**151.8**	**154.4**
a. Timber/Wooden Planks	0.181	103.0	127.2	132.0	130.0	134.6	132.2	132.3	133.2	134.4	134.4
b. Processed Wood	0.128	105.3	141.0	153.1	146.7	152.1	156.4	164.8	165.4	165.0	164.8
c. Plywood & Fibre Board	0.241	108.4	160.2	164.2	165.8	163.0	165.1	163.0	163.1	162.9	168.2
d. Others	0.038	103.2	120.2	119.1	117.9	117.3	121.1	119.3	121.0	120.3	126.6
(E) Paper & Paper Products	**2.034**	**103.6**	**118.9**	**125.2**	**121.9**	**125.7**	**126.6**	**128.2**	**129.5**	**129.8**	**130.4**
a. Paper & Pulp	1.019	103.2	117.2	125.1	122.6	125.1	126.8	129.2	132.0	132.0	132.5
b. Manufacture of boards	0.550	101.6	117.7	122.7	122.9	122.2	123.1	124.4	123.4	123.3	124.3
c. Printing & Publishing	0.465	107.0	123.8	128.2	119.1	131.1	130.3	130.4	131.1	132.6	133.1
(F) Leather & Leather Products	**0.835**	**104.3**	**128.4**	**127.1**	**128.3**	**127.8**	**123.2**	**123.8**	**125.5**	**125.4**	**126.5**
a. Leathers	0.223	99.8	123.0	120.0	122.2	123.4	110.2	111.8	112.3	112.3	112.5
b. Leather Footwear	0.409	107.8	134.7	135.5	136.3	135.2	134.4	133.7	135.8	136.2	138.3
c. Other Leather Products	0.203	102.1	121.4	118.0	119.0	118.0	114.9	117.1	119.3	118.2	118.2
(G) Rubber & Plastic Products	**2.987**	**101.9**	**118.2**	**126.1**	**122.9**	**127.6**	**130.0**	**131.3**	**133.0**	**133.1**	**133.6**
a. Tyres & Tubes	0.541	103.2	130.1	146.5	140.4	150.2	153.7	154.6	156.8	156.5	158.4
a1. Tyres	0.488	103.1	129.2	146.0	139.5	149.8	153.6	154.5	157.0	156.6	158.4
a2. Tubes	0.053	104.3	138.2	151.6	148.1	153.8	154.3	155.5	155.5	155.4	158.5
b. Plastic Products	1.861	101.1	113.4	119.1	116.7	120.5	122.5	123.0	124.1	123.9	124.4
c. Rubber Products	0.584	103.2	122.4	129.5	126.7	128.9	131.8	135.9	139.1	140.7	139.9
(H) Chemicals & Chemical Products	**12.018**	**103.8**	**117.8**	**124.0**	**122.6**	**124.2**	**125.9**	**127.7**	**129.3**	**130.0**	**131.3**
a. Basic Inorganic Chemicals	1.187	106.4	125.0	126.3	125.2	126.8	127.4	128.3	130.2	130.6	133.6
b. Basic Organic Chemicals	1.952	103.6	115.7	124.4	123.5	124.8	126.9	129.3	131.7	132.5	135.0
c. Fertilizers & Pesticides	3.145	102.2	108.5	116.3	115.0	116.1	117.0	119.2	119.7	121.4	122.6
c1. Fertilizers	2.661	102.2	108.2	116.8	115.2	116.5	117.8	120.3	120.7	123.0	124.1
c2. Pesticides	0.483	102.2	110.6	113.6	113.6	113.9	112.9	113.1	113.9	112.8	114.1
d. Paints, Varnishes & Lacquers	0.529	104.3	117.5	122.6	122.6	123.3	121.2	120.9	123.0	123.2	123.0
e. Dyestuffs & Indigo	0.563	102.3	111.9	116.3	114.9	116.6	118.1	117.8	119.0	120.4	120.1
f. Drugs & Medicines	0.456	101.3	112.7	115.4	114.6	116.8	116.7	117.0	116.8	117.4	117.9
g. Perfumes, Cosmetics, Toiletries etc.	1.130	104.5	134.8	138.5	137.0	137.7	140.4	142.6	142.8	142.3	142.7
h. Turpentine, Plastic Chemicals	0.586	109.6	117.4	123.4	121.4	123.6	124.8	126.0	130.0	129.9	132.0
i. Polymers Including Synthetic Rubber	0.970	103.0	116.3	123.4	120.9	123.7	126.5	128.3	130.5	131.6	130.1
j. Petrochemical Intermediates	0.869	105.1	127.7	137.4	134.2	138.1	144.6	149.8	153.6	153.3	155.8
k. Matches, Explosives & other Chemicals	0.629	102.7	123.8	128.7	128.0	128.7	129.2	130.3	130.6	131.1	132.1

No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups *(Concld.)*

(Base: 2004-05=100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2009-10	2010-11	2010		2011				
		April-March			May	Dec.	Jan.	Feb.	Mar.	Apr. (P)	May (P)
	1	2	3	4	5	6	7	8	9	10	11
(I) Non-Metallic Mineral Products	**2.556**	**103.4**	**140.9**	**144.6**	**145.0**	**143.6**	**144.2**	**146.1**	**148.3**	**148.3**	**149.4**
a. Structural Clay Products	0.658	105.0	136.7	142.2	143.8	141.8	143.5	144.2	146.2	145.9	146.0
b. Glass, Earthenware, Chinaware & their Products	0.256	104.2	118.1	120.8	119.6	120.2	121.2	123.1	124.4	123.7	125.3
c. Cement & Lime	1.386	102.3	149.0	150.8	152.2	148.1	148.3	151.2	153.7	154.0	155.2
d. Cement, Slate & Graphite Products	0.256	104.3	129.9	141.0	133.9	146.6	146.4	146.8	148.3	148.7	151.3
(J) Basic Metals, Alloys & Metal Products	**10.748**	**102.2**	**129.5**	**140.7**	**138.7**	**141.2**	**143.5**	**146.6**	**148.3**	**148.8**	**149.7**
a. Ferrous Metals	8.064	100.1	123.1	133.8	133.1	133.0	135.9	139.5	140.9	141.3	141.8
a1. Iron & Semis	1.563	97.9	119.0	127.9	125.2	126.0	133.8	139.1	140.3	140.6	143.4
a2. Steel: Long	1.630	100.9	128.4	139.5	140.7	135.7	141.9	148.0	151.2	152.9	153.3
a3. Steel: Flat	2.611	99.0	118.3	135.1	134.3	135.8	136.8	140.1	141.2	140.7	141.3
a4. Steel: Pipes & Tubes	0.314	97.8	115.0	118.3	117.8	118.3	119.6	121.3	124.4	126.7	126.1
a5. Stainless Steel & alloys	0.938	106.2	137.9	142.8	143.0	143.6	140.4	141.3	140.8	140.4	139.7
a6. Castings & Forgings	0.871	103.8	121.7	123.4	121.7	124.0	124.5	125.5	126.6	128.2	126.7
a7. Ferro alloys	0.137	79.9	126.8	148.1	147.4	146.6	148.6	150.7	147.4	147.3	146.6
b. Non-Ferrous Metals	1.004	111.9	145.8	153.5	153.9	153.5	153.6	155.3	155.2	156.8	156.3
b1. Aluminium	0.489	108.3	121.4	126.3	127.7	127.1	125.0	126.4	126.5	126.5	127.2
b2. Other Non-Ferrous Metals	0.515	115.2	169.0	179.3	178.7	178.5	180.8	182.9	182.4	185.5	183.9
c. Metal Products	1.680	106.6	150.5	166.5	156.5	173.4	173.9	175.5	180.1	179.8	183.3
(K) Machinery & Machine Tools	**8.931**	**103.6**	**118.0**	**121.3**	**120.2**	**121.9**	**122.3**	**122.5**	**123.3**	**123.6**	**124.0**
a. Agricultural Machinery & Implements	0.139	106.4	123.2	133.7	134.2	133.7	133.2	132.6	133.1	131.0	132.0
b. Industrial Machinery	1.838	108.2	130.9	139.0	137.7	139.4	139.9	140.3	140.9	141.4	142.0
c. Construction Machinery	0.045	106.4	130.5	131.7	132.1	131.8	132.6	130.4	131.0	130.9	131.0
d. Machine Tools	0.367	105.8	120.4	135.9	128.6	132.4	140.4	142.6	145.4	147.3	147.4
e. Air Conditioner & Refrigerators	0.429	96.8	111.2	110.9	111.3	111.4	110.6	109.1	109.1	109.0	109.1
f. Non-Electrical Machinery	1.026	104.6	115.1	118.4	117.6	118.0	118.5	119.6	120.2	120.0	120.3
g. Electrical Machinery, Equipment & Batteries	2.343	103.1	122.1	123.9	123.1	123.7	125.1	125.1	126.4	126.7	127.4
h. Electrical Accessories, Wires, Cables etc.	1.063	108.4	132.6	133.5	131.9	139.2	135.0	135.5	136.7	136.9	136.8
i. Electrical Apparatus & Appliances	0.337	103.0	108.1	111.2	108.6	112.8	113.3	114.3	114.3	112.4	115.7
j. Electronics Items	0.961	94.9	86.2	84.5	84.1	84.7	84.5	84.0	84.4	84.8	84.8
k. IT Hardware	0.267	93.7	86.6	87.0	87.0	87.0	87.5	87.2	86.5	87.1	86.5
l. Communication Equipments	0.118	96.3	95.7	92.0	91.9	91.9	91.9	92.0	92.5	92.2	94.2
(L) Transport, Equipment & Parts	**5.213**	**102.7**	**116.8**	**120.3**	**120.1**	**119.9**	**121.5**	**121.6**	**122.4**	**122.7**	**124.9**
a. Automotives	4.231	102.2	115.9	120.0	120.0	119.6	121.1	120.8	121.6	122.0	124.5
b. Auto Parts	0.804	103.8	118.6	120.1	119.1	119.5	121.4	122.8	123.8	123.3	124.4
c. Other Transport Equipments	0.178	109.1	130.4	129.5	127.9	128.5	130.0	134.9	136.6	135.3	137.0

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

Trade and Balance of Payments

No. 39(A): Foreign Trade (Annual and Monthly)

(₹ crore)

Year / Month	Exports			Imports			Trade Balance		
	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil
	1	2	3	4	5	6	7	8	9
2003-04	2,93,367	16,397	2,76,969	3,59,108	94,520	2,64,588	-65,741	-78,123	12,382
2004-05	3,75,340	31,404	3,43,935	5,01,065	1,34,094	3,66,971	-1,25,725	-1,02,690	-23,035
2005-06	4,56,418	51,533	4,04,885	6,60,409	1,94,640	4,65,769	-2,03,991	-1,43,107	-60,884
2006-07	5,71,779	84,520	4,87,259	8,40,506	2,58,572	5,81,935	-2,68,727	-1,74,052	-94,675
2007-08	6,55,864	1,14,192	5,41,672	10,12,312	3,20,655	6,91,657	-3,56,448	-2,06,463	-1,49,985
2008-09	8,40,755	1,23,398	7,17,357	13,74,436	4,19,968	9,54,468	-5,33,680	-2,96,570	-2,37,111
2009-10	8,45,534	1,32,899	7,12,635	13,63,736	4,11,649	9,52,087	-5,18,202	-2,78,750	-2,39,452
2010-11	11,18,823	..	..	15,96,869	4,63,008	11,33,861	-4,78,046	..	..
2009-10 R									
April	62,456	7,592	54,863	96,823	23,729	73,095	-34,368	-16,136	-18,231
May	59,776	7,281	52,495	97,243	25,757	71,486	-37,467	-18,476	-18,991
June	64,999	6,773	58,227	1,10,137	31,539	78,598	-45,138	-24,767	-20,371
July	69,524	8,768	60,756	1,05,312	35,604	69,708	-35,788	-26,835	-8,952
August	65,670	10,199	55,470	1,08,506	33,525	74,981	-42,836	-23,325	-19,511
September	70,838	11,655	59,184	1,04,275	31,708	72,567	-33,437	-20,054	-13,383
October	69,175	12,799	56,376	1,21,175	39,195	81,980	-52,000	-26,396	-25,604
November	69,537	13,709	55,828	1,16,402	35,160	81,242	-46,864	-21,450	-25,414
December	76,907	14,372	62,535	1,31,733	38,453	93,280	-54,826	-24,081	-30,746
January	71,500	11,410	60,090	1,16,127	39,126	77,001	-44,627	-27,716	-16,911
February	73,002	10,909	62,093	1,21,212	38,113	83,099	-48,210	-27,204	-21,006
March	92,149	16,972	75,177	1,34,792	39,680	95,112	-42,643	-22,708	-19,935
2010-11 R									
April	78,952	12,462	66,490	1,28,025	42,070	85,955	-49,073	-29,608	-19,465
May	75,729	11,835	63,894	1,26,188	39,266	86,923	-50,459	-27,430	-23,029
June	92,888	15,569	77,319	1,25,284	36,464	88,821	-32,396	-20,894	-11,502
July	75,593	13,708	61,884	1,28,126	39,125	89,001	-52,533	-25,417	-27,117
August	78,388	14,116	64,272	1,27,679	33,329	94,350	-49,291	-19,213	-30,078
September	83,081	13,912	69,169	1,23,931	37,014	86,917	-40,850	-23,102	-17,748
October	78,620	15,426	63,194	1,28,910	35,793	93,116	-50,290	-20,367	-29,922
November	95,998	14,499	81,499	1,14,948	33,636	81,313	-18,951	-19,136	186
December	1,15,508	17,439	98,070	1,25,740	38,119	87,620	-10,231	-20,680	10,449
January	97,113	21,172	75,942	1,42,672	43,634	99,038	-45,558	-22,462	-23,096
February	1,07,215	..	..	1,44,037	37,345	1,06,692	-36,822	..	..
March	1,31,082	..	..	1,56,314	42,466	1,13,848	-25,232	..	..
2011-12 P									
April	1,05,819	..	..	1,45,686	45,195	1,00,491	-39,867	..	..

P : Provisional. R : Revised. .. : Not Available. **Source :** DGCI & S and Ministry of Commerce & Industry.

Note : Monthly data may not add up to the annual data on account of revision in monthly figures.

Also see 'Notes on Tables'.

No. 39(B): Foreign Trade (Annual and Monthly)

(US $ Million)

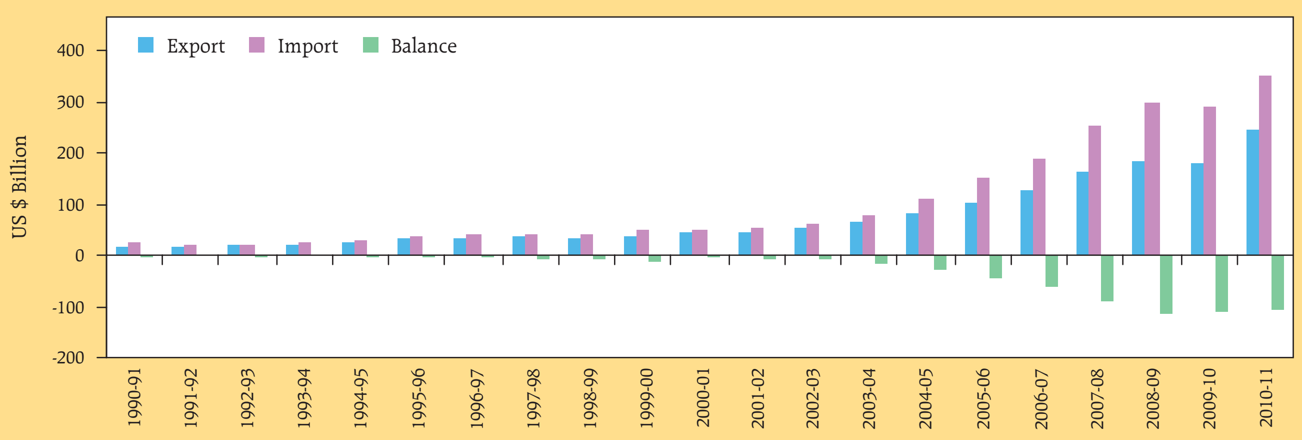
Year / Month	Exports			Imports			Trade Balance		
	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil
	1	2	3	4	5	6	7	8	9
2003-04	63,843	3,568	60,274	78,149	20,569	57,580	-14,307	-17,001	2,694
2004-05	83,536	6,989	76,547	111,517	29,844	81,673	-27,981	-22,855	-5,127
2005-06	103,091	11,640	91,451	149,166	43,963	105,203	-46,075	-32,323	-13,752
2006-07	126,414	18,635	107,779	185,735	56,945	128,790	-59,321	-38,311	-21,011
2007-08	162,904	28,363	134,541	251,439	79,645	171,795	-88,535	-51,281	-37,254
2008-09	182,799	27,547	155,253	298,834	93,672	205,162	-116,034	-66,125	-49,910
2009-10	178,220	28,012	150,208	287,445	87,136	200,310	-109,226	-59,124	-50,102
2010-11	245,557	..	..	350,478	101,620	248,858	-104,921	..	..
2009-10 R									
April	12,476	1,517	10,959	19,341	4,740	14,601	-6,865	-3,223	-3,642
May	12,316	1,500	10,816	20,036	5,307	14,729	-7,720	-3,807	-3,913
June	13,606	1,418	12,189	23,055	6,602	16,453	-9,449	-5,184	-4,264
July	14,341	1,809	12,533	21,724	7,344	14,379	-7,382	-5,536	-1,847
August	13,586	2,110	11,476	22,449	6,936	15,513	-8,862	-4,826	-4,037
September	14,624	2,406	12,218	21,527	6,546	14,981	-6,903	-4,140	-2,763
October	14,806	2,739	12,067	25,936	8,389	17,547	-11,130	-5,650	-5,480
November	14,933	2,944	11,989	24,996	7,550	17,446	-10,064	-4,606	-5,458
December	16,493	3,082	13,411	28,251	8,247	20,005	-11,758	-5,164	-6,594
January	15,557	2,483	13,074	25,267	8,513	16,754	-9,710	-6,031	-3,679
February	15,758	2,355	13,403	26,164	8,240	17,924	-10,406	-5,885	-4,521
March	20,254	3,730	16,524	29,627	8,722	20,905	-9,373	-4,991	-4,382
2010-11 R									
April	17,794	2,801	14,993	28,854	9,454	19,400	-11,060	-6,653	-4,407
May	16,531	2,583	13,947	27,545	8,571	18,974	-11,014	-5,988	-5,027
June	19,947	3,343	16,604	26,904	7,830	19,074	-6,957	-4,487	-2,470
July	16,139	2,927	13,213	27,356	8,353	19,002	-11,216	-5,427	-5,790
August	16,833	3,031	13,802	27,418	7,157	20,261	-10,585	-4,126	-6,459
September	18,037	3,020	15,017	26,905	8,036	18,870	-8,868	-5,015	-3,853
October	17,703	3,474	14,229	29,027	8,060	20,967	-11,324	-4,586	-6,738
November	21,324	3,221	18,103	25,534	7,472	18,062	-4,210	-4,251	41
December	25,579	3,862	21,718	27,845	8,442	19,404	-2,266	-4,580	2,314
January	21,394	4,664	16,730	31,430	9,612	21,818	-10,036	-4,948	-5,088
February	23,597	..	..	31,701	8,219	23,482	-8,104	..	..
March	29,135	..	..	34,743	9,439	25,304	-5,608	..	..
2011-12 P									
April	23,849	..	..	32,834	10,186	22,648	-8,985	..	..

P : Provisional. R : Revised. .. : Not Available. **Source :** DGCI & S and Ministry of Commerce & Industry.

Notes : 1) Data conversion has been done using period average exchange rates.
2) Monthly data may not add up to the annual data on account of revision in monthly figures.

Also see 'Notes on Tables'.

Foreign Trade



No. 40: India's Overall Balance of Payments

(₹ crore)

Item	2007-08			2008-09		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
A. CURRENT ACCOUNT						
I. MERCHANDISE	**6,68,008**	**10,35,672**	**-3,67,664**	**8,57,960**	**14,05,412**	**-5,47,452**
II. INVISIBLES (a+b+c)	**5,98,088**	**2,93,902**	**3,04,185**	**7,70,429**	**3,50,608**	**4,19,821**
a) Services	3,63,042	2,06,798	1,56,244	4,88,010	2,39,604	2,48,406
i) Travel	45,526	37,191	8,335	50,226	43,336	6,890
ii Transportation	40,199	46,278	-6,079	52,073	58,531	-6,458
iii) Insurance	6,586	4,192	2,393	6,531	5,230	1,301
iv) G.n.i.e.	1,331	1,518	-186	1,771	3,777	-2,006
v) Miscellaneous	2,69,400	1,17,618	1,51,781	3,77,409	1,28,730	2,48,679
of which						
Software Services	1,62,020	13,494	1,48,526	2,12,242	11,608	2,00,634
Business Services	67,430	66,469	961	85,544	70,922	14,622
Financial Services	12,917	12,560	357	20,425	13,569	6,856
Communication Services	9,682	3,462	6,220	10,525	5,027	5,498
b) Transfers	1,77,745	9,293	1,68,452	2,16,906	12,568	2,04,338
i) Official	3,024	2,073	951	3,029	1,900	1,129
ii) Private	1,74,721	7,220	1,67,501	2,13,877	10,668	2,03,209
c) Income	57,300	77,811	-20,511	65,513	98,436	-32,923
i) Investment Income	55,451	73,410	-17,959	61,723	92,418	-30,695
ii) Compensation of Employees	1,849	4,402	-2,552	3,790	6,018	-2,228
Total Current Account (I+II)	**12,66,096**	**13,29,575**	**-63,479**	**16,28,389**	**17,56,020**	**-1,27,631**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**10,86,530**	**9,12,135**	**1,74,395**	**7,55,703**	**7,33,018**	**22,685**
a) Foreign Direct Investment (i+ii)	1,49,902	86,125	63,776	1,76,679	88,945	87,734
i) In India	1,39,885	465	1,39,420	1,71,592	773	1,70,819
Equity	1,07,749	434	1,07,315	1,26,394	773	1,25,621
Reinvested Earnings	30,916	–	30,916	41,541	–	41,541
Other Capital	1,220	31	1,189	3,657	–	3,657
ii) Abroad	10,017	85,660	-75,644	5,087	88,172	-83,085
Equity	10,017	67,956	-57,939	5,087	68,976	-63,889
Reinvested Earnings	–	4,365	-4,365	–	4,986	-4,986
Other Capital	–	13,340	-13,340	–	14,210	-14,210
b) Portfolio Investment	9,36,628	8,26,009	1,10,619	5,79,024	6,44,073	-65,049
i) *In India*	9,35,683	8,25,715	1,09,968	5,78,344	6,42,544	-64,200
of which						
FIIs	9,07,936	8,25,715	82,221	5,73,451	6,42,548	-69,097
ADR/GDRs	26,556	–	26,556	4,890	–	4,890
ii) *Abroad*	945	294	651	680	1,529	-849
2. Loans (a+b+c)	**3,30,331**	**1,66,840**	**1,63,491**	**2,85,412**	**2,50,612**	**34,800**
a) External Assistance	17,019	8,553	8,466	24,435	12,877	11,558
i) By India	94	112	-18	332	1,913	-1,581
ii) To India	16,925	8,441	8,484	24,103	10,964	13,139
b) Commercial Borrowings	1,21,942	30,855	91,086	70,846	34,316	36,530
i) By India	6,412	6,538	-126	9,225	3,643	5,582
ii) To India	1,15,529	24,317	91,212	61,621	30,673	30,948
c) Short Term to India	1,91,370	1,27,432	63,939	1,90,131	2,03,419	-13,288
i) Suppliers' Credit >180 days & Buyers' Credit	1,71,184	1,27,432	43,752	1,77,843	1,77,675	168
ii) Suppliers' Credit up to180 days	20,187	–	20,187	12,288	25,744	-13,456
3. Banking Capital (a+b)	**2,23,979**	**1,76,824**	**47,155**	**2,95,408**	**3,14,613**	**-19,205**
a) Commercial Banks	2,23,664	1,75,113	48,551	2,94,843	3,11,869	-17,026
i) Assets	78,366	50,734	27,632	1,14,753	1,30,576	-15,823
ii) Liabilities	1,45,298	1,24,379	20,919	1,80,090	1,81,293	-1,203
of which: Non-Resident Deposits	1,18,077	1,17,372	705	1,71,047	1,50,617	20,430
b) Others	315	1,712	-1,397	565	2,744	-2,179
4. Rupee Debt Service	**–**	**492**	**-492**	**–**	**471**	**-471**
5. Other Capital	**1,17,094**	**73,716**	**43,377**	**85,467**	**97,258**	**-11,791**
Total Capital Account (1to5)	**17,57,933**	**13,30,007**	**4,27,926**	**14,21,990**	**13,95,972**	**26,018**
C. Errors & Omissions	**5,241**	**–**	**5,241**	**4,498**	**–**	**4,498**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**30,29,270**	**26,59,582**	**3,69,689**	**30,54,877**	**31,51,992**	**-97,115**
E. Monetary Movements (i+ii)	**–**	**3,69,689**	**-3,69,689**	**97,115**	**–**	**97,115**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	3,69,689	-3,69,689	97,115	–	97,115
of which: SDR allocation	–	–	–	–	–	–

P: Preliminary. PR: Partially Revised.

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	2009-10 PR			2010-11 P		
	Credit	Debit	Net	Credit	Debit	Net
	7	8	9	10	11	12
A. CURRENT ACCOUNT						
I. MERCHANDISE	**8,62,333**	**14,23,079**	**-5,60,746**	**11,39,517**	**17,34,545**	**-5,95,028**
II. INVISIBLES (a+b+c)	**7,74,512**	**3,94,392**	**3,80,120**	**8,99,484**	**5,06,990**	**3,92,494**
a) Services	4,53,246	2,83,403	1,69,843	6,00,636	3,83,578	2,17,058
i) Travel	56,045	44,240	11,805	69,488	51,152	18,336
ii) Transportation	52,902	56,398	-3,496	64,992	63,215	1,777
iii) Insurance	7,598	6,102	1,496	8,871	6,379	2,492
iv) G.n.i.e.	2,083	2,487	-404	2,430	3,734	-1,304
v) Miscellaneous	3,34,618	1,74,176	1,60,442	4,54,855	2,59,098	1,95,757
of which						
Software Services	2,35,161	6,992	2,28,169	2,68,538	10,000	2,58,538
Business Services	53,749	85,312	-31,563	1,09,479	1,26,909	-17,430
Financial Services	17,716	21,927	-4,211	29,659	34,078	-4,419
Communication Services	5,858	6,407	-549	7,117	5,245	1,872
b) Transfers	2,59,244	10,967	2,48,277	2,57,386	14,216	2,43,170
i) Official	3,403	2,239	1,164	2,938	2,870	68
ii) Private	2,55,841	8,728	2,47,113	2,54,448	11,346	2,43,102
c) Income	62,022	1,00,022	-38,000	41,462	1,09,196	-67,734
i) Investment Income	57,689	91,969	-34,280	36,379	99,731	-63,352
ii) Compensation of Employees	4,333	8,053	-3,720	5,083	9,465	-4,382
Total Current Account (I+II)	**16,36,845**	**18,17,471**	**-1,80,626**	**20,39,002**	**22,41,534**	**-2,02,532**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**9,43,447**	**6,99,806**	**2,43,641**	**13,04,426**	**11,32,272**	**1,72,154**
a) Foreign Direct Investment (i+ii)	1,83,186	93,511	89,675	1,50,131	1,17,355	32,776
i) In India	1,79,723	21,829	1,57,894	1,38,496	31,898	1,06,598
Equity	1,29,326	19,977	1,09,349	92,591	29,621	62,970
Reinvested Earnings	41,125	–	41,125	42,937	–	42,937
Other Capital	9,272	1,852	7,420	2,968	2,277	691
ii) Abroad	3,463	71,682	-68,219	11,635	85,457	-73,822
Equity	3,463	47,794	-44,331	11,635	46,581	-34,946
Reinvested Earnings	–	5,143	-5,143	–	4,939	-4,939
Other Capital	–	18,745	-18,745	–	33,937	-33,937
b) Portfolio Investment	7,60,261	6,06,295	1,53,966	11,54,295	10,14,917	1,39,378
i) *In India*	7,59,004	6,05,119	1,53,885	11,50,761	10,06,082	1,44,679
of which						
FIIs	7,43,016	6,05,119	1,37,897	11,41,396	10,06,082	1,35,314
ADR/GDRs	15,994	–	15,994	9,366	–	9,366
ii) *Abroad*	1,257	1,176	81	3,534	8,835	-5,301
2. Loans (a+b+c)	**3,49,720**	**2,88,047**	**61,673**	**4,86,050**	**3,59,057**	**1,26,993**
a) External Assistance	27,863	14,251	13,612	35,868	13,388	22,480
i) By India	247	1,992	-1,745	346	455	-109
ii) To India	27,616	12,259	15,357	35,522	12,933	22,589
b) Commercial Borrowings	70,371	57,188	13,183	1,05,152	50,816	54,336
i) By India	4,610	7,101	-2,491	8,350	6,913	1,437
ii) To India	65,761	50,087	15,674	96,802	43,903	52,899
c) Short Term to India	2,51,486	2,16,608	34,878	3,45,030	2,94,853	50,177
i) Suppliers' Credit > 180 days & Buyers' Credit	2,29,568	2,07,865	21,703	3,28,353	2,94,853	33,500
ii) Suppliers' Credit up to 180 days	21,918	8,743	13,175	16,677	–	16,677
3. Banking Capital (a+b)	**2,92,105**	**2,82,261**	**9,844**	**4,19,277**	**3,97,252**	**22,025**
a) Commercial Banks	2,89,280	2,80,091	9,189	4,11,575	3,91,867	19,708
i) Assets	81,517	72,633	8,884	1,59,935	1,75,493	-15,558
ii) Liabilities	2,07,763	2,07,458	305	2,51,640	2,16,374	35,266
of which: Non-Resident Deposits	1,96,435	1,82,181	14,254	2,24,283	2,09,461	14,822
b) Others	2,825	2,170	655	7,702	5,385	2,317
4. Rupee Debt Service	**–**	**452**	**-452**	**–**	**313**	**-313**
5. Other Capital	**54,300**	**1,16,874**	**-62,574**	**45,781**	**93,507**	**-47,726**
Total Capital Account (1to5)	**16,39,572**	**13,87,440**	**2,52,132**	**22,55,534**	**19,82,401**	**2,73,133**
C. Errors & Omissions	**–**	**7,269**	**-7,269**	**–**	**11,152**	**-11,152**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**32,76,417**	**32,12,180**	**64,237**	**42,94,536**	**42,35,087**	**59,449**
E. Monetary Movements (i+ii)	**–**	**64,237**	**-64,237**	**–**	**59,449**	**-59,449**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	64,237	-64,237	–	59,449	-59,449
of which: SDR allocation	–	24,983	-24,983	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Apr-June 2008			July-Sept 2008		
	Credit	Debit	Net	Credit	Debit	Net
	13	14	15	16	17	18
A. CURRENT ACCOUNT						
I. MERCHANDISE	**2,39,332**	**3,44,307**	**-1,04,975**	**2,34,792**	**4,06,064**	**-1,71,272**
II. INVISIBLES (a+b+c)	**1,66,564**	**75,754**	**90,810**	**2,05,410**	**87,832**	**1,17,578**
a) Services	98,374	51,420	46,954	1,26,967	59,214	67,753
i) Travel	10,431	9,012	1,419	12,196	11,868	328
ii) Transportation	10,894	13,863	-2,969	13,314	16,421	-3,107
iii) Insurance	1,457	946	511	1,652	1,340	312
iv) G.n.i.e.	541	460	81	355	418	-63
v) Miscellaneous	75,051	27,139	47,912	99,450	29,167	70,283
of which						
Software Services	50,324	3,514	46,810	53,061	2,999	50,062
Business Services	17,025	13,403	3,622	23,685	17,144	6,541
Financial Services	2,563	2,583	-20	7,323	4,229	3,094
Communication Services	2,125	944	1,181	3,239	1,298	1,941
b) Transfers	53,307	2,725	50,582	60,297	3,637	56,660
i) Official	616	447	169	222	424	-202
ii) Private	52,691	2,278	50,413	60,075	3,213	56,862
c) Income	14,883	21,609	-6,726	18,146	24,981	-6,835
i) Investment Income	14,239	20,241	-6,002	16,878	23,532	-6,654
ii) Compensation of Employees	644	1,368	-724	1,268	1,449	-181
Total Current Account (I+II)	**4,05,896**	**4,20,061**	**-14,165**	**4,40,202**	**4,93,896**	**-53,694**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,23,581**	**2,02,797**	**20,784**	**2,30,063**	**2,11,242**	**18,821**
a) Foreign Direct Investment (i+ii)	53,760	15,452	38,308	43,428	18,867	24,561
i) In India	52,778	89	52,689	42,046	229	41,817
Equity	42,689	89	42,600	32,012	229	31,783
Reinvested Earnings	9,406	–	9,406	9,885	–	9,885
Other Capital	683	–	683	149	–	149
ii) Abroad	982	15,363	-14,381	1,382	18,638	-17,256
Equity	982	11,085	-10,103	1,382	14,443	-13,061
Reinvested Earnings	–	1,129	-1,129	–	1,187	-1,187
Other Capital	–	3,149	-3,149	–	3,008	-3,008
b) Portfolio Investment	1,69,821	1,87,345	-17,524	1,86,635	1,92,375	-5,740
i) *In India*	1,69,728	1,87,129	-17,401	1,86,579	1,92,277	-5,698
of which						
FIIs	1,65,566	1,87,131	-21,565	1,85,984	1,92,276	-6,292
ADR/GDRs	4,161	–	4,161	595	–	595
ii) *Abroad*	93	216	-123	56	98	-42
2. Loans (a+b+c)	**66,239**	**40,424**	**25,815**	**71,382**	**60,148**	**11,234**
a) External Assistance	3,920	2,728	1,192	4,912	2,946	1,966
i) By India	75	433	-358	79	455	-376
ii) To India	3,845	2,295	1,550	4,833	2,491	2,342
b) Commercial Borrowings	11,473	5,292	6,181	15,645	8,139	7,506
i) By India	1,680	793	887	2,327	605	1,722
ii) To India	9,793	4,499	5,294	13,318	7,534	5,784
c) Short Term to India	50,846	32,404	18,442	50,825	49,063	1,762
i) Suppliers' Credit >180 days & Buyers' Credit	38,558	32,404	6,154	50,825	42,754	8,071
ii) Suppliers' Credit up to 180 days	12,288	–	12,288	–	6,309	-6,309
3. Banking Capital (a+b)	**91,588**	**80,359**	**11,229**	**71,626**	**61,666**	**9,960**
a) Commercial Banks	91,588	79,728	11,860	71,626	61,655	9,971
i) Assets	47,726	43,876	3,850	28,879	22,564	6,315
ii) Liabilities	43,862	35,852	8,010	42,747	39,091	3,656
of which : Non-Resident Deposits	37,898	34,509	3,389	40,172	39,040	1,132
b) Others	–	631	-631	–	11	-11
4. Rupee Debt Service	**–**	**123**	**-123**	**–**	**12**	**-12**
5. Other Capital	**19,178**	**54,215**	**-35,037**	**21,391**	**33,631**	**-12,240**
Total Capital Account (1to5)	**4,00,586**	**3,77,918**	**22,668**	**3,94,462**	**3,66,699**	**27,763**
C. Errors & Omissions	**807**	**–**	**807**	**5,206**	**–**	**5,206**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**8,07,289**	**7,97,979**	**9,310**	**8,39,870**	**8,60,595**	**-20,725**
E. Monetary Movements (i+ii)	**–**	**9,310**	**-9,310**	**20,725**	**–**	**20,725**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	9,310	-9,310	20,725	–	20,725
Of which: SDR Allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Oct-Dec 2008			Jan-Mar 2009		
	Credit	Debit	Net	Credit	Debit	Net
	19	20	21	22	23	24
A. CURRENT ACCOUNT						
I. MERCHANDISE	**1,92,300**	**3,62,934**	**-1,70,634**	**1,91,536**	**2,92,107**	**-1,00,571**
II. INVISIBLES (a+b+c)	**2,06,832**	**94,080**	**1,12,752**	**1,91,623**	**92,942**	**98,681**
a) Services	1,37,643	63,874	73,769	1,25,026	65,096	59,930
i) Travel	14,260	9,487	4,773	13,339	12,969	370
ii) Transportation	13,351	15,806	-2,455	14,514	12,441	2,073
iii) Insurance	1,692	1,305	387	1,730	1,639	91
iv) G.n.i.e.	471	1,134	-663	404	1,765	-1,361
v) Miscellaneous	1,07,869	36,142	71,727	95,039	36,282	58,757
of which						
Software Services	54,975	2,828	52,147	53,882	2,267	51,615
Business Services	23,655	17,397	6,258	21,179	22,978	-1,799
Financial Services	5,422	3,607	1,815	5,117	3,150	1,967
Communication Services	2,667	1,252	1,415	2,494	1,533	961
b) Transfers	53,625	4,122	49,503	49,677	2,084	47,593
i) Official	1,390	477	913	801	552	249
ii) Private	52,235	3,645	48,590	48,876	1,532	47,344
c) Income	15,564	26,084	-10,520	16,920	25,762	-8,842
i) Investment Income	14,628	24,435	-9,807	15,978	24,210	-8,232
ii) Compensation of Employees	936	1,649	-713	942	1,552	-610
Total Current Account (I+II)	**3,99,132**	**4,57,014**	**-57,882**	**3,83,159**	**3,85,049**	**-1,890**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**1,64,376**	**1,89,299**	**-24,923**	**1,37,683**	**1,29,680**	**8,003**
a) Foreign Direct Investment (i+ii)	34,679	31,217	3,462	44,812	23,409	21,403
i) In India	33,653	141	33,512	43,115	314	42,801
Equity	20,076	141	19,935	31,617	314	31,303
Reinvested Earnings	11,011	–	11,011	11,239	–	11,239
Other Capital	2,566	–	2,566	259	–	259
ii) Abroad	1,026	31,076	-30,050	1,697	23,095	-21,398
Equity	1,026	24,479	-23,453	1,697	18,969	-17,272
Reinvested Earnings	–	1,321	-1,321	–	1,349	-1,349
Other Capital	–	5,276	-5,276	–	2,777	-2,777
b) Portfolio Investment	1,29,697	1,58,082	-28,385	92,871	1,06,271	-13,400
i) *In India*	1,29,554	1,57,773	-28,219	92,483	1,05,365	-12,882
of which						
FIIs	1,29,520	1,57,773	-28,253	92,381	1,05,368	-12,987
ADR/GDRs	34	–	34	100	–	100
ii) *Abroad*	143	309	-166	388	906	-518
2. Loans (a+b+c)	**77,059**	**75,185**	**1,874**	**70,732**	**74,855**	**-4,123**
a) External Assistance	8,251	3,699	4,552	7,352	3,504	3,848
i) By India	88	507	-419	90	518	-428
ii) To India	8,163	3,192	4,971	7,262	2,986	4,276
b) Commercial Borrowings	26,310	8,406	17,904	17,418	12,479	4,939
i) By India	3,230	721	2,509	1,988	1,524	464
ii) To India	23,080	7,685	15,395	15,430	10,955	4,475
c) Short Term to India	42,498	63,080	-20,582	45,962	58,872	-12,910
i) Suppliers' Credit >180 days & Buyers' Credit	42,498	50,504	-8,006	45,962	52,013	-6,051
ii) Suppliers' Credit up to 180 days	–	12,576	-12,576	–	6,859	-6,859
3. Banking Capital (a+b)	**72,315**	**96,483**	**-24,168**	**59,879**	**76,105**	**-16,226**
a) Commercial Banks	72,303	94,381	-22,078	59,326	76,105	-16,779
i) Assets	25,317	36,772	-11,455	12,831	27,364	-14,533
ii) Liabilities	46,986	57,609	-10,623	46,495	48,741	-2,246
of which : Non-Resident Deposits	46,532	41,453	5,079	46,445	35,615	10,830
b) Others	12	2,102	-2,090	553	–	553
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**336**	**-336**
5. Other Capital	**24,406**	**3,379**	**21,027**	**20,492**	**6,033**	**14,459**
Total Capital Account (1to5)	**3,38,156**	**3,64,346**	**-26,190**	**2,88,786**	**2,87,009**	**1,777**
C. Errors & Omissions	**–**	**3,121**	**-3,121**	**1,606**	**–**	**1,606**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,37,288**	**8,24,481**	**-87,193**	**6,73,551**	**6,72,058**	**1,493**
E. Monetary Movements (i+ii)	**87,193**	**–**	**87,193**	**–**	**1,493**	**-1,493**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	87,193	–	87,193	–	1,493	-1,493
Of which: SDR Allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Apr-June 2009 PR			July-Sept 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
	25	26	27	28	29	30
A. CURRENT ACCOUNT						
I. MERCHANDISE	**1,91,086**	**3,19,245**	**-1,28,159**	**2,10,146**	**3,53,374**	**-1,43,228**
II. INVISIBLES (a+b+c)	**1,88,744**	**80,907**	**1,07,837**	**1,96,100**	**97,290**	**98,810**
a) Services	1,09,243	53,454	55,789	1,03,458	66,356	37,102
i) Travel	11,207	9,929	1,278	13,165	11,412	1,753
ii) Transportation	12,202	13,549	-1,347	12,443	10,754	1,689
iii) Insurance	1,893	1,532	361	1,859	1,651	208
iv) G.n.i.e.	488	503	-15	484	629	-145
v) Miscellaneous	83,453	27,941	55,512	75,507	41,910	33,597
of which						
Software Services	53,687	1,908	51,779	54,261	2,121	52,140
Business Services	12,617	16,076	-3,459	12,124	22,330	-10,206
Financial Services	5,445	4,074	1,371	3,544	5,495	-1,951
Communication Services	2,039	1,356	683	1,486	1,515	-29
b) Transfers	65,108	2,293	62,815	69,648	2,750	66,898
i) Official	229	537	-308	813	523	290
ii) Private	64,879	1,756	63,123	68,835	2,227	66,608
c) Income	14,393	25,160	-10,767	22,994	28,184	-5,190
i) Investment Income	13,285	23,448	-10,163	22,001	26,528	-4,527
ii) Compensation of Employees	1,108	1,712	-604	993	1,656	-663
Total Current Account (I+II)	**3,79,830**	**4,00,152**	**-20,322**	**4,06,246**	**4,50,664**	**-44,418**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,36,997**	**1,73,108**	**63,889**	**2,70,846**	**1,87,666**	**83,180**
a) Foreign Direct Investment (i+ii)	48,550	25,000	23,550	56,067	19,740	36,327
i) In India	47,940	4,518	43,422	55,607	3,060	52,547
Equity	35,567	4,391	31,176	41,382	2,891	38,491
Reinvested Earnings	10,573	–	10,573	10,492	–	10,492
Other Capital	1,800	127	1,673	3,733	169	3,564
ii) Abroad	610	20,482	-19,872	460	16,680	-16,220
Equity	610	14,554	-13,944	460	10,347	-9,887
Reinvested Earnings	–	1,322	-1,322	–	1,312	-1,312
Other Capital	–	4,606	-4,606	–	5,021	-5,021
b) Portfolio Investment	1,88,447	1,48,108	40,339	2,14,779	1,67,926	46,853
i) *In India*	1,88,335	1,47,986	40,349	2,14,760	1,67,790	46,970
of which						
FIIs	1,88,125	1,47,986	40,139	2,01,867	1,67,790	34,077
GDRs/ADRs	210	–	210	12,898	–	12,898
ii) *Abroad*	112	122	-10	19	136	-117
2. Loans (a+b+c)	**63,972**	**70,954**	**-6,982**	**80,508**	**65,339**	**15,169**
a) External Assistance	4,947	3,552	1,395	7,151	3,583	3,568
i) By India	63	512	-449	63	508	-445
ii) To India	4,884	3,040	1,844	7,088	3,075	4,013
b) Commercial Borrowings	9,621	11,871	-2,250	15,605	9,848	5,757
i) By India	1,190	1,625	-435	997	1,041	-44
ii) To India	8,431	10,246	-1,815	14,608	8,807	5,801
c) Short Term to India	49,404	55,531	-6,127	57,752	51,908	5,844
i) Suppliers' Credit >180 days & Buyers' Credit	49,404	46,788	2,616	53,230	51,908	1,322
ii) Suppliers' Credit up to 180 days	–	8,743	-8,743	4,522	–	4,522
3. Banking Capital (a+b)	**75,998**	**92,421**	**-16,423**	**80,097**	**58,739**	**21,358**
a) Commercial Banks	75,998	91,255	-15,257	80,097	58,047	22,050
i) Assets	21,311	33,889	-12,578	29,685	8,376	21,309
ii) Liabilities	54,687	57,366	-2,679	50,412	49,671	741
of which : Non-Resident Deposits	54,507	45,637	8,870	50,073	45,004	5,069
b) Others	–	1,166	-1,166	–	692	-692
4. Rupee Debt Service	**–**	**112**	**-112**	**–**	**5**	**-5**
5. Other Capital	**2,693**	**25,219**	**-22,526**	**33,398**	**59,626**	**-26,228**
Total Capital Account (1to5)	**3,79,660**	**3,61,814**	**17,846**	**4,64,849**	**3,71,375**	**93,474**
C. Errors & Omissions	**3,037**	**–**	**3,037**	**–**	**3,456**	**-3,456**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,62,527**	**7,61,966**	**561**	**8,71,095**	**8,25,495**	**45,600**
E. Monetary Movements (i+ii)	**–**	**561**	**-561**	**–**	**45,600**	**-45,600**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	561	-561	–	45600	-45600
Of which: SDR Allocation	–	–	–	–	24983	-24,983

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Oct-Dec 2009 PR			Jan-Mar 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
	31	32	33	34	35	36
A. CURRENT ACCOUNT						
I. MERCHANDISE	**2,19,997**	**3,64,237**	**-1,44,240**	**2,41,104**	**3,86,223**	**-1,45,119**
II. INVISIBLES (a+b+c)	**1,88,759**	**1,01,431**	**87,328**	**2,00,909**	**1,14,764**	**86,145**
a) Services	1,12,676	74,590	38,086	1,27,869	89,003	38,866
i) Travel	16,044	10,783	5,261	15,629	12,116	3,513
ii) Transportation	13,950	15,699	-1,749	14,307	16,396	-2,089
iii) Insurance	1,903	1,422	481	1,943	1,497	446
iv) G.n.i.e.	578	625	-47	533	730	-197
v) Miscellaneous	80,201	46,061	34,140	95,457	58,264	37,193
of which						
Software Services	61,550	1,553	59,997	65,663	1,410	64,253
Business Services	11,473	21,319	-9,846	17,535	25,587	-8,052
Financial Services	3,661	5,391	-1,730	5,066	6,967	-1,901
Communication Services	1,208	1,777	-569	1,125	1,759	-634
b) Transfers	63,789	2,976	60,813	60,699	2,948	57,751
i) Official	1,782	527	1,255	579	652	-73
ii) Private	62,007	2,449	59,558	60,120	2,296	57,824
c) Income	12,294	23,865	-11,571	12,341	22,813	-10,472
i) Investment Income	11,123	21,440	-10,317	11,280	20,553	-9,273
ii) Compensation of Employees	1,171	2,425	-1,254	1,061	2,260	-1,199
Total Current Account (I+II)	**4,08,756**	**4,65,668**	**-56,912**	**4,42,014**	**5,00,986**	**-58,972**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,08,425**	**1,67,739**	**40,686**	**2,27,179**	**1,71,293**	**55,886**
a) Foreign Direct Investment (i+ii)	41,546	27,373	14,173	37,023	21,398	15,625
i) In India	40,641	6,852	33,789	35,535	7,399	28,136
Equity	27,792	5,751	22,041	24,585	6,944	17,641
Reinvested Earnings	10,107	–	10,107	9,953	–	9,953
Other Capital	2,742	1,101	1,641	997	455	542
ii) Abroad	905	20,521	-19,616	1,488	13,999	-12,511
Equity	905	15,871	-14,966	1,488	7,022	-5,534
Reinvested Earnings	–	1,264	-1,264	–	1,245	-1,245
Other Capital	–	3,386	-3,386	–	5,732	-5,732
b) Portfolio Investment	1,66,879	1,40,366	26,513	1,90,156	1,49,895	40,261
i) *In India*	1,66,828	1,40,109	26,719	1,89,081	1,49,234	39,847
of which						
FIIs	1,64,613	1,40,109	24,504	1,88,411	1,49,234	39,177
GDRs/ADRs	2,215	–	2,215	671	–	671
ii) *Abroad*	51	257	-206	1,075	661	414
2. Loans (a+b+c)	**93,759**	**67,151**	**26,608**	**1,11,480**	**84,603**	**26,877**
a) External Assistance	7,677	3,741	3,936	8,087	3,375	4,712
i) By India	61	490	-429	60	482	-422
ii) To India	7,616	3,251	4,365	8,028	2,893	5,135
b) Commercial Borrowings	21,221	13,254	7,967	23,924	22,215	1,709
i) By India	1,059	2,658	-1,599	1,364	1,777	-413
ii) To India	20,162	10,596	9,566	22,560	20,438	2,122
c) Short Term to India	64,861	50,156	14,705	79,469	59,013	20,456
i) Suppliers' Credit >180 days & Buyers' Credit	56,223	50,156	6,067	70,711	59,013	11,698
ii) Suppliers' Credit up to 180 days	8,638	–	8,638	8,758	–	8,758
3. Banking Capital (a+b)	**70,760**	**61,712**	**9,048**	**65,250**	**69,390**	**-4,140**
a) Commercial Banks	67,990	61,400	6,590	65,195	69,390	-4,195
i) Assets	14,304	8,740	5,564	16,217	21,628	-5,411
ii) Liabilities	53,686	52,660	1,026	48,978	47,761	1,217
of which : Non-Resident Deposits	47,465	44,624	2,841	44,390	46,916	-2,526
b) Others	2,770	312	2,458	55	–	55
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**335**	**-335**
5. Other Capital	**7,448**	**15,568**	**-8,120**	**10,761**	**16,461**	**-5,700**
Total Capital Account (1to5)	**3,80,392**	**3,12,170**	**68,222**	**4,14,670**	**3,42,083**	**72,587**
C. Errors & Omissions	**–**	**3,067**	**-3,067**	**–**	**3,782**	**-3,782**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,89,148**	**7,80,905**	**8,243**	**8,56,684**	**8,46,851**	**9,833**
E. Monetary Movements (i+ii)	**–**	**8243**	**-8243**	**–**	**9,833**	**-9,833**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	8,243	-8,243	–	9,833	-9,833
Of which: SDR Allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Apr-June 2010 PR			July-Sept 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
	37	38	39	40	41	42
A. CURRENT ACCOUNT						
I. MERCHANDISE	**2,52,316**	**3,97,676**	**-1,45,360**	**2,41,877**	**4,15,206**	**-1,73,329**
II. INVISIBLES (a+b+c)	**1,97,329**	**1,07,184**	**90,145**	**2,18,027**	**1,22,791**	**95,236**
a) Services	1,21,548	77,801	43,747	1,45,380	91,109	54,271
i) Travel	13,455	10,654	2,801	15,709	12,887	2,822
ii) Transportation	14,340	14,299	41	15,234	16,383	-1,149
iii) Insurance	1,871	1,414	457	2,055	1,794	261
iv) G.n.i.e.	429	652	-223	581	953	-372
v) Miscellaneous	91,453	50,782	40,671	1,11,801	59,092	52,709
of which						
Software Services	59,834	2,623	57,211	61,324	2,720	58,604
Business Services	21,987	26,992	-5,005	27,624	32,486	-4,862
Financial Services	5,603	6,406	-803	8,456	8,856	-400
Communication Services	1,483	1,100	383	1,939	1,237	702
b) Transfers	62,754	3,312	59,442	63,475	3,147	60,328
i) Official	269	643	-374	655	637	18
ii) Private	62,485	2,669	59,816	62,820	2,510	60,310
c) Income	13,027	26,071	-13,044	9,172	28,535	-19,363
i) Investment Income	11,991	23,817	-11,826	8,024	26,466	-18,442
ii) Compensation of Employees	1,036	2,254	-1,218	1,148	2,069	-921
Total Current Account (I+II)	**4,49,645**	**5,04,860**	**-55,215**	**4,59,904**	**5,37,997**	**-78,093**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,40,860**	**2,06,466**	**34,394**	**3,15,148**	**2,11,966**	**1,03,182**
a) Foreign Direct Investment (i+ii)	39,804	26,422	13,382	39,669	25,708	13,961
i) In India	38,463	10,504	27,959	36,982	5,100	31,882
Equity	27,335	10,394	16,941	25,346	4,807	20,539
Reinvested Earnings	10,749	–	10,749	10,953	–	10,953
Other Capital	379	110	269	683	293	390
ii) Abroad	1,341	15,918	-14,577	2,687	20,608	-17,921
Equity	1,341	9,394	-8,053	2,687	11,543	-8,856
Reinvested Earnings	–	1,236	-1,236	–	1,260	-1,260
Other Capital	–	5,288	-5,288	–	7,805	-7,805
b) Portfolio Investment	2,01,056	1,80,044	21,012	2,75,479	1,86,258	89,221
i) *In India*	2,00,627	1,79,401	21,226	2,74,777	1,85,277	89,500
of which						
FIIs	1,95,544	1,79,401	16,143	2,72,490	1,85,277	87,213
GDRs/ADRs	5,083	–	5,083	2,287	–	2,287
ii) *Abroad*	429	643	-214	702	981	-279
2. Loans (a+b+c)	**1,07,062**	**66,007**	**41,055**	**1,23,865**	**92,969**	**30,896**
a) External Assistance	14,646	3,458	11,188	5,908	3,194	2,714
i) By India	87	114	-27	88	116	-28
ii) To India	14,559	3,344	11,215	5,820	3,078	2,742
b) Commercial Borrowings	20,212	10,052	10,160	27,675	11,669	16,006
i) By India	844	1,109	-265	1,381	2,585	-1,204
ii) To India	19,368	8,943	10,425	26,294	9,084	17,210
c) Short Term to India	72,204	52,497	19,707	90,282	78,106	12,176
i) Suppliers' Credit >180 days & Buyers' Credit	66,984	52,497	14,487	84,852	78,106	6,746
ii) Suppliers' Credit up to 180 days	5,220	–	5,220	5,430	–	5,430
3. Banking Capital (a+b)	**76,401**	**58,137**	**18,264**	**78,994**	**93,698**	**-14,704**
a) Commercial Banks	76,392	58,027	18,365	78,994	90,890	-11,896
i) Assets	14,888	11,671	3,217	19,502	37,307	-17,805
ii) Liabilities	61,504	46,356	15,148	59,492	53,583	5,909
of which : Non-Resident Deposits	51,338	46,233	5,105	54,262	49,408	4,854
b) Others	9	110	-101	–	2,808	-2,808
4. Rupee Debt Service	**–**	**73**	**-73**	**–**	**5**	**-5**
5. Other Capital	**6,739**	**23,890**	**-17,151**	**3,245**	**23,291**	**-20,046**
Total Capital Account (1to5)	**4,31,062**	**3,54,573**	**76,489**	**5,21,252**	**4,21,929**	**99,323**
C. Errors & Omissions	**–**	**4,205**	**-4,205**	**–**	**5,940**	**-5,940**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**8,80,707**	**8,63,638**	**17,069**	**9,81,156**	**9,65,866**	**15,290**
E. Monetary Movements (i+ii)	**–**	**17,069**	**-17,069**	**–**	**15,290**	**-15,290**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	17,069	-17,069	–	15,290	-15,290
Of which: SDR Allocation	–	–	–	–	–	–

P: Preliminary PR: Partially Revised

No. 40: India's Overall Balance of Payments *(Concld.)*

(₹ crore)

Item	Oct-Dec 2010 PR			Jan-Mar 2011 P		
	Credit	Debit	Net	Credit	Debit	Net
	43	44	45	46	47	48
A. CURRENT ACCOUNT						
I. MERCHANDISE	**2,95,631**	**4,36,784**	**-1,41,153**	**3,49,693**	**4,84,879**	**-1,35,186**
II. INVISIBLES (a+b+c)	**2,47,077**	**1,50,683**	**96,394**	**2,37,052**	**1,26,331**	**1,10,721**
a) Services	1,72,970	1,19,611	53,359	1,60,739	95,056	65,683
i) Travel	19,869	12,965	6,904	20,455	14,646	5,809
ii) Transportation	16,657	17,873	-1,216	18,761	14,660	4,101
iii) Insurance	2,274	1,808	466	2,671	1,363	1,308
iv) G.n.i.e.	673	875	-202	747	1,254	-507
v) Miscellaneous	1,33,496	86,090	47,406	1,18,105	63,134	54,971
of which						
Software Services	70,361	3,181	67,180	77,019	1,476	75,543
Business Services	31,785	35,952	-4,167	28,083	31,479	-3,396
Financial Services	7,555	8,797	-1,242	8,045	10,019	-1,974
Communication Services	1,902	1,364	538	1,793	1,544	249
b) Transfers	64,700	3,787	60,913	66,457	3,970	62,487
i) Official	1,530	893	637	484	697	-213
ii) Private	63,170	2,894	60,276	65,973	3,273	62,700
c) Income	9,407	27,285	-17,878	9,856	27,305	-17,449
i) Investment Income	8,124	24,692	-16,568	8,240	24,756	-16,516
ii) Compensation of Employees	1,283	2,593	-1,310	1,616	2,549	-933
Total Current Account (I+II)	**5,42,708**	**5,87,467**	**-44,759**	**5,86,745**	**6,11,210**	**-24,465**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**4,96,096**	**4,65,021**	**31,075**	**2,52,322**	**2,48,819**	**3,503**
a) Foreign Direct Investment (i+ii)	39,424	36,603	2,821	31,234	28,622	2,612
i) In India	34,561	9,870	24,691	28,490	6,424	22,066
Equity	23,566	8,349	15,217	16,344	6,071	10,273
Reinvested Earnings	10,569	–	10,569	10,666	–	10,666
Other Capital	426	1,521	-1,095	1,480	353	1,127
ii) Abroad	4,863	26,733	-21,870	2,744	22,198	-19,454
Equity	4,863	14,647	-9,784	2,744	10,997	-8,253
Reinvested Earnings	–	1,216	-1,216	–	1,227	-1,227
Other Capital	–	10,870	-10,870	–	9,974	-9,974
b) Portfolio Investment	4,56,672	4,28,418	28,254	2,21,088	2,20,197	891
i) *In India*	4,56,048	4,22,891	33,157	2,19,309	2,18,513	796
of which						
FIIs	4,55,003	4,22,891	32,112	2,18,359	2,18,513	-154
GDRs/ADRs	1,045	–	1,045	951	–	951
ii) *Abroad*	624	5,527	-4,903	1,779	1,684	95
2. Loans (a+b+c)	**1,19,324**	**90,877**	**28,447**	**1,35,799**	**1,09,204**	**26,595**
a) External Assistance	8,681	3,504	5,177	6,633	3,232	3,401
i) By India	85	112	-27	86	113	-27
ii) To India	8,596	3,392	5,204	6,547	3,119	3,428
b) Commercial Borrowings	28,380	11,144	17,236	28,885	17,951	10,934
i) By India	2,557	996	1,561	3,568	2,223	1,345
ii) To India	25,823	10,148	15,675	25,317	15,728	9,589
c) Short Term to India	82,263	76,229	6,034	1,00,281	88,021	12,260
i) Suppliers' Credit >180 days & Buyers' Credit	80,890	76,229	4,661	95,627	88,021	7,606
ii) Suppliers' Credit up to 180 days	1,373	–	1,373	4,654	–	4,654
3. Banking Capital (a+b)	**1,48,506**	**1,26,520**	**21,986**	**1,15,376**	**1,18,897**	**-3,521**
a) Commercial Banks	1,48,116	1,26,520	21,596	1,08,073	1,16,430	-8,357
i) Assets	89,688	68,370	21,318	35,857	58,145	-22,288
ii) Liabilities	58,428	58,150	278	72,216	58,285	13,931
of which : Non-Resident Deposits	56,373	55,539	834	62,310	58,281	4,029
b) Others	390	–	390	7,303	2,467	4,836
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**235**	**-235**
5. Other Capital	**15,374**	**36,859**	**-21,485**	**20,423**	**9,467**	**10,956**
Total Capital Account (1to5)	**7,79,300**	**7,19,277**	**60,023**	**5,23,920**	**4,86,622**	**37,298**
C. Errors & Omissions	**2,631**	**–**	**2,631**	**–**	**3,638**	**-3,638**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**13,24,639**	**13,06,744**	**17,895**	**11,10,665**	**11,01,470**	**9,195**
E. Monetary Movements (i+ii)	**–**	**17,895**	**-17,895**	**–**	**9,195**	**-9,195**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	17,895	-17,895	–	9,195	-9,195
Of which: SDR Allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments

(US$ million)

Item	2007-08			2008-09		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
A. CURRENT ACCOUNT						
I. MERCHANDISE	**166,162**	**257,629**	**-91,467**	**189,001**	**308,521**	**-119,520**
II. INVISIBLES (a+b+c)	**148,875**	**73,144**	**75,731**	**167,819**	**76,214**	**91,605**
a) Services	90,342	51,490	38,853	105,963	52,047	53,916
i) Travel	11,349	9,258	2,091	10,894	9,425	1,469
ii) Transportation	10,014	11,514	-1,500	11,310	12,820	-1,509
iii) Insurance	1,639	1,044	595	1,422	1,130	292
iv) G.n.i.e.	331	376	-45	389	793	-404
v) Miscellaneous	67,010	29,298	37,712	81,948	27,878	54,070
of which						
Software Services	40,300	3,358	36,942	46,300	2,564	43,736
Business Services	16,772	16,553	219	18,603	15,317	3,286
Financial Services	3,217	3,133	84	4,428	2,958	1,470
Communication Services	2,408	860	1,548	2,298	1,087	1,211
b) Transfers	44,261	2,316	41,945	47,547	2,749	44,798
i) Official	753	514	239	645	413	232
ii) Private	43,508	1,802	41,706	46,903	2,336	44,567
c) Income	14,272	19,339	-5,068	14,309	21,418	-7,110
i) Investment Income	13,811	18,244	-4,433	13,483	20,109	-6,626
ii) Compensation of Employees	461	1,095	-635	825	1,309	-484
Total Current Account (I+II)	**315,037**	**330,774**	**-15,737**	**356,820**	**384,735**	**-27,915**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**271,122**	**227,796**	**43,326**	**167,594**	**161,809**	**5,785**
a) Foreign Direct Investment (i+ii)	37,321	21,429	15,893	38,940	19,124	19,816
i) In India	34,844	116	34,728	37,837	166	37,672
Equity	26,865	108	26,757	28,029	166	27,863
Reinvested Earnings	7,679	–	7,679	9,032	–	9,032
Other Capital	300	8	292	776	–	776
ii) Abroad	2,477	21,312	-18,835	1,103	18,958	-17,855
Equity	2,477	16,899	-14,422	1,103	14,791	-13,688
Reinvested Earnings	–	1,084	-1,084	–	1,084	-1,084
Other Capital	–	3,330	-3,330	–	3,083	-3,083
b) Portfolio Investment	233,800	206,367	27,433	128,654	142,685	-14,031
i) *In India*	233,564	206,294	27,270	128,511	142,365	-13,854
of which						
FIIs	226,621	206,294	20,327	127,349	142,366	-15,017
GDRs/ADRs	6,645	–	6,645	1,162	–	1,162
ii) *Abroad*	236	73	163	142	319	-177
2. Loans (a+b+c)	**82,192**	**41,539**	**40,653**	**62,219**	**53,901**	**8,318**
a) External Assistance	4,241	2,126	2,114	5,232	2,791	2,441
i) By India	23	28	-4	72	416	-344
ii) To India	4,217	2,098	2,119	5,160	2,375	2,785
b) Commercial Borrowings	30,293	7,684	22,609	15,223	7,361	7,862
i) By India	1,593	1,624	-31	1,997	783	1,214
ii) To India	28,700	6,060	22,640	13,226	6,578	6,648
c) Short Term to India	47,658	31,729	15,930	41,765	43,750	-1,985
i) Suppliers' Credit >180 days & Buyers' Credit	42,641	31,729	10,913	38,815	38,352	463
ii) Suppliers' Credit up to 180 days	5,017	–	5,017	2,950	5,398	-2,448
3. Banking Capital (a+b)	**55,814**	**44,055**	**11,759**	**65,207**	**68,453**	**-3,246**
a) Commercial Banks	55,735	43,623	12,112	65,094	67,868	-2,774
i) Assets	19,562	12,668	6,894	25,823	28,725	-2,902
ii) Liabilities	36,173	30,955	5,217	39,270	39,142	128
of which: Non-Resident Deposits	29,400	29,222	179	37,147	32,858	4,290
b) Others	79	432	-353	113	585	-472
4. Rupee Debt Service	**–**	**122**	**-122**	**–**	**100**	**-100**
5. Other Capital	**29,229**	**18,261**	**10,969**	**18,612**	**22,602**	**-3,990**
Total Capital Account (1to5)	**438,357**	**331,772**	**106,585**	**313,632**	**306,864**	**6,768**
C. Errors & Omissions	**1,316**	**–**	**1,316**	**1,067**	**–**	**1,067**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**754,710**	**662,546**	**92,164**	**671,519**	**691,599**	**-20,080**
E. Monetary Movements (i+ii)	**–**	**92,164**	**-92,164**	**20,080**	**–**	**20,080**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	92,164	-92,164	20,080	–	20,080
Of which: SDR Allocation	–	–	–	–	–	–

P: Preliminary. PR: Partially Revised.

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	2009-10 PR			2010-11 P		
	Credit	Debit	Net	Credit	Debit	Net
	7	8	9	10	11	12
A. CURRENT ACCOUNT						
I. MERCHANDISE	**182,235**	**300,609**	**-118,374**	**250,468**	**380,935**	**-130,467**
II. INVISIBLES (a+b+c)	**163,404**	**83,413**	**79,991**	**197,583**	**111,397**	**86,186**
a) Services	95,759	60,033	35,726	131,972	84,308	47,664
i) Travel	11,859	9,342	2,517	15,275	11,232	4,043
ii) Transportation	11,177	11,934	-757	14,277	13,880	397
iii) Insurance	1,603	1,286	317	1,949	1,400	549
iv) G.n.i.e.	440	526	-86	534	820	-286
v) Miscellaneous	70,680	36,945	33,735	99,937	56,976	42,961
of which						
Software Services	49,705	1,469	48,236	59,001	2,195	56,806
Business Services	11,368	18,049	-6,681	24,049	27,871	-3,822
Financial Services	3,736	4,643	-907	6,508	7,483	-975
Communication Services	1,229	1,355	-126	1,562	1,152	410
b) Transfers	54,623	2,318	52,305	56,509	3,124	53,385
i) Official	723	473	250	648	631	17
ii) Private	53,900	1,845	52,055	55,861	2,493	53,368
c) Income	13,022	21,062	-8,040	9,102	23,965	-14,863
i) Investment Income	12,108	19,357	-7,249	7,985	21,885	-13,900
ii) Compensation of Employees	914	1,705	-791	1,117	2,080	-963
Total Current Account (I+II)	**345,639**	**384,022**	**-38,383**	**448,051**	**492,332**	**-44,281**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**198,669**	**147,502**	**51,167**	**286,896**	**249,462**	**37,434**
a) Foreign Direct Investment (i+ii)	38,500	19,729	18,771	32,944	25,802	7,142
i) In India	37,762	4,638	33,124	30,382	7,018	23,364
Equity	27,149	4,242	22,907	20,306	6,514	13,792
Reinvested Earnings	8,668	–	8,668	9,424	–	9,424
Other Capital	1,945	396	1,549	652	504	148
ii) Abroad	738	15,091	-14,353	2,562	18,784	-16,222
Equity	738	10,052	-9,314	2,562	10,236	-7,674
Reinvested Earnings	–	1,084	-1,084	–	1,084	-1,084
Other Capital	–	3,955	-3,955	–	7,464	-7,464
b) Portfolio Investment	160,169	127,773	32,396	253,952	223,660	30,292
i) *In India*	159,897	127,521	32,376	253,175	221,704	31,471
of which						
FIIs	156,570	127,521	29,049	251,126	221,704	29,422
GDRs/ADRs	3,328	–	3,328	2,049	–	2,049
ii) *Abroad*	272	252	20	777	1,956	-1,179
2. Loans (a+b+c)	**74,116**	**60,857**	**13,259**	**106,702**	**78,843**	**27,859**
a) External Assistance	5,898	3,005	2,893	7,881	2,940	4,941
i) By India	52	420	-368	76	100	-24
ii) To India	5,846	2,585	3,261	7,805	2,840	4,965
b) Commercial Borrowings	14,954	12,146	2,808	23,089	11,162	11,927
i) By India	974	1,505	-531	1,840	1,512	328
ii) To India	13,980	10,641	3,339	21,249	9,650	11,599
c) Short Term to India	53,264	45,706	7,558	75,732	64,741	10,991
i) Suppliers' Credit >180 days & Buyers' Credit	48,571	43,914	4,657	72,086	64,741	7,345
ii) Suppliers' Credit up to 180 days	4,693	1,792	2,901	3,646	–	3,646
3. Banking Capital (a+b)	**61,499**	**59,415**	**2,084**	**92,324**	**87,361**	**4,963**
a) Commercial Banks	60,893	58,966	1,927	90,622	86,188	4,434
i) Assets	17,097	15,259	1,838	35,370	38,666	-3,296
ii) Liabilities	43,796	43,707	89	55,252	47,522	7,730
of which: Non-Resident Deposits	41,356	38,432	2,924	49,253	46,014	3,239
b) Others	606	449	157	1,702	1,173	529
4. Rupee Debt Service	**–**	**97**	**-97**	**–**	**69**	**-69**
5. Other Capital	**11,390**	**24,406**	**-13,016**	**10,113**	**20,553**	**-10,440**
Total Capital Account (1to5)	**345,674**	**292,277**	**53,397**	**496,035**	**436,288**	**59,747**
C. Errors & Omissions	**–**	**1,573**	**-1,573**	**–**	**2,416**	**-2,416**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**691,313**	**677,872**	**13,441**	**944,086**	**931,036**	**13,050**
E. Monetary Movements (i+ii)	**–**	**13,441**	**-13,441**	**–**	**13,050**	**-13,050**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	13,441	-13,441	–	13,050	-13,050
Of which: SDR Allocation	–	5,160	-5,160	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Apr-June 2008			July-Sept 2008		
	Credit	Debit	Net	Credit	Debit	Net
	13	14	15	16	17	18
A. CURRENT ACCOUNT						
I. MERCHANDISE	**57,454**	**82,655**	**-25,201**	**53,630**	**92,752**	**-39,121**
II. INVISIBLES (a+b+c)	**39,986**	**18,186**	**21,800**	**46,919**	**20,062**	**26,857**
a) Services	23,616	12,344	11,272	29,001	13,525	15,476
i) Travel	2,504	2,164	341	2,786	2,711	75
ii) Transportation	2,615	3,328	-713	3,041	3,751	-710
iii) Insurance	350	227	123	377	306	71
iv) G.n.i.e.	130	110	19	81	95	-14
v) Miscellaneous	18,017	6,515	11,502	22,716	6,662	16,054
of which						
Software Services	12,081	844	11,237	12,120	685	11,435
Business Services	4,087	3,217	870	5,410	3,916	1,494
Financial Services	615	620	-5	1,673	966	707
Communication Services	510	227	284	740	296	444
b) Transfers	12,797	654	12,143	13,773	831	12,942
i) Official	148	107	40	51	97	-46
ii) Private	12,649	547	12,102	13,722	734	12,988
c) Income	3,573	5,187	-1,615	4,145	5,706	-1,561
i) Investment Income	3,418	4,859	-1,441	3,855	5,375	-1,520
ii) Compensation of Employees	155	328	-174	290	331	-41
Total Current Account (I+II)	**97,440**	**100,841**	**-3,400**	**100,550**	**112,814**	**-12,264**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**53,674**	**48,684**	**4,989**	**52,550**	**48,251**	**4,299**
a) Foreign Direct Investment (i+ii)	12,906	3,710	9,196	9,920	4,309	5,610
i) In India	12,670	21	12,649	9,604	52	9,552
Equity	10,248	21	10,227	7,312	52	7,260
Reinvested Earnings	2,258	–	2,258	2,258	–	2,258
Other Capital	164	–	164	34	–	34
ii) Abroad	236	3,688	-3,452	316	4,257	-3,941
Equity	236	2,661	-2,425	316	3,299	-2,983
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	756	-756	–	687	-687
b) Portfolio Investment	40,768	44,975	-4,207	42,630	43,942	-1,311
i) *In India*	40,745	44,923	-4,177	42,618	43,919	-1,302
of which						
FIIs	39,746	44,923	-5,177	42,482	43,919	-1,437
GDRs/ADRs	999	–	999	136	–	136
ii) *Abroad*	22	52	-29	13	22	-10
2. Loans (a+b+c)	**15,901**	**9,704**	**6,197**	**16,305**	**13,739**	**2,566**
a) External Assistance	941	655	286	1,122	673	449
i) By India	18	104	-86	18	104	-86
ii) To India	923	551	372	1,104	569	535
b) Commercial Borrowings	2,754	1,270	1,484	3,574	1,859	1,714
i) By India	403	190	213	532	138	393
ii) To India	2,351	1,080	1,271	3,042	1,721	1,321
c) Short Term to India	12,206	7,779	4,427	11,609	11,207	402
i) Suppliers' Credit >180 days & Buyers' Credit	9,256	7,779	1,477	11,609	9,766	1,843
ii) Suppliers' Credit up to180 days	2,950	–	2,950	–	1,441	-1,441
3. Banking Capital (a+b)	**21,987**	**19,291**	**2,696**	**16,360**	**14,086**	**2,275**
a) Commercial Banks	21,987	19,140	2,847	16,360	14,083	2,277
i) Assets	11,457	10,533	924	6,596	5,154	1,442
ii) Liabilities	10,530	8,607	1,923	9,764	8,929	835
of which : Non-Resident Deposits	9,098	8,284	814	9,176	8,917	259
b) Others	–	151	-151	–	3	-3
4. Rupee Debt Service	**–**	**30**	**-30**	**–**	**3**	**-3**
5. Other Capital	**4,604**	**13,015**	**-8,411**	**4,886**	**7,682**	**-2,796**
Total Capital Account (1to5)	**96,166**	**90,724**	**5,442**	**90,101**	**83,760**	**6,341**
C. Errors & Omissions	**194**	**–**	**194**	**1,189**	**–**	**1,189**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**193,800**	**191,565**	**2,235**	**191,840**	**196,574**	**-4,734**
E. Monetary Movements (i+ii)	**–**	**2,235**	**-2,235**	**4,734**	**–**	**4,734**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	2,235	-2,235	4,734	–	4,734
Of which: SDR Allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Oct-Dec 2008			Jan-Mar 2009		
	Credit	Debit	Net	Credit	Debit	Net
	19	20	21	22	23	24
A. CURRENT ACCOUNT						
I. MERCHANDISE	**39,436**	**74,428**	**-34,992**	**38,481**	**58,686**	**-20,205**
II. INVISIBLES (a+b+c)	**42,416**	**19,294**	**23,122**	**38,498**	**18,673**	**19,825**
a) Services	28,227	13,099	15,128	25,119	13,078	12,040
i) Travel	2,924	1,946	979	2,680	2,606	74
ii) Transportation	2,738	3,241	-503	2,916	2,499	416
iii) Insurance	347	268	79	348	329	18
iv) G.n.i.e.	97	233	-136	81	355	-273
v) Miscellaneous	22,121	7,412	14,709	19,094	7,289	11,805
of which						
Software Services	11,274	580	10,694	10,825	455	10,370
Business Services	4,851	3,568	1,283	4,255	4,616	-361
Financial Services	1,112	740	372	1,028	633	395
Communication Services	547	257	290	501	308	193
b) Transfers	10,997	845	10,151	9,980	419	9,562
i) Official	285	98	187	161	111	50
ii) Private	10,712	748	9,964	9,820	308	9,512
c) Income	3,192	5,349	-2,157	3,399	5,176	-1,777
i) Investment Income	3,000	5,011	-2,011	3,210	4,864	-1,654
ii) Compensation of Employees	192	338	-146	189	312	-123
Total Current Account (I+II)	**81,851**	**93,722**	**-11,870**	**76,979**	**77,359**	**-380**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**33,709**	**38,820**	**-5,111**	**27,661**	**26,053**	**1,608**
a) Foreign Direct Investment (i+ii)	7,112	6,402	710	9,003	4,703	4,300
i) In India	6,901	29	6,872	8,662	63	8,599
Equity	4,117	29	4,088	6,352	63	6,289
Reinvested Earnings	2,258	–	2,258	2,258	–	2,258
Other Capital	526	–	526	52	–	52
ii) Abroad	210	6,373	-6,163	341	4,640	-4,299
Equity	210	5,020	-4,810	341	3,811	-3,470
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	1,082	-1,082	–	558	-558
b) Portfolio Investment	26,597	32,418	-5,821	18,658	21,350	-2,692
i) *In India*	26,568	32,355	-5,787	18,580	21,169	-2,588
of which						
FIIs	26,561	32,355	-5,794	18,560	21,169	-2,609
GDRs/ADRs	7	–	7	20	–	20
ii) *Abroad*	29	63	-34	78	182	-104
2. Loans (a+b+c)	**15,803**	**15,419**	**384**	**14,210**	**15,039**	**-829**
a) External Assistance	1,692	759	933	1,477	704	773
i) By India	18	104	-86	18	104	-86
ii) To India	1,674	655	1,019	1,459	600	859
b) Commercial Borrowings	5,395	1,724	3,671	3,499	2,507	992
i) By India	662	148	514	399	306	93
ii) To India	4,733	1,576	3,157	3,100	2,201	899
c) Short Term to India	8,715	12,936	-4,221	9,234	11,828	-2,594
i) Suppliers' Credit >180 days & Buyers' Credit	8,715	10,357	-1,642	9,234	10,450	-1,216
ii) Suppliers' Credit up to 180 days	–	2,579	-2,579	–	1,378	-1,378
3. Banking Capital (a+b)	**14,830**	**19,786**	**-4,956**	**12,030**	**15,290**	**-3,260**
a) Commercial Banks	14,827	19,355	-4,528	11,919	15,290	-3,371
i) Assets	5,192	7,541	-2,349	2,578	5,498	-2,920
ii) Liabilities	9,636	11,814	-2,178	9,341	9,792	-451
of which : Non-Resident Deposits	9,543	8,501	1,042	9,331	7,155	2,176
b) Others	2	431	-429	111	–	111
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**68**	**-68**
5. Other Capital	**5,005**	**693**	**4,312**	**4,117**	**1,212**	**2,905**
Total Capital Account (1to5)	**69,346**	**74,718**	**-5,372**	**58,019**	**57,662**	**357**
C. Errors & Omissions	**–**	**639**	**-639**	**323**	**–**	**323**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**151,197**	**169,079**	**-17,881**	**135,321**	**135,021**	**300**
E. Monetary Movements (i+ii)	**17,881**	**–**	**17,881**	**–**	**300**	**-300**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	17,881	–	17,881	–	300	-300
Of which: SDR Allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Apr-June 2009 PR			July-Sept 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
	25	26	27	28	29	30
A. CURRENT ACCOUNT						
I. MERCHANDISE	**39,166**	**65,434**	**-26,268**	**43,403**	**72,985**	**-29,582**
II. INVISIBLES (a+b+c)	**38,686**	**16,583**	**22,103**	**40,502**	**20,094**	**20,408**
a) Services	22,391	10,956	11,435	21,368	13,705	7,663
i) Travel	2,297	2,035	262	2,719	2,357	362
ii) Transportation	2,501	2,777	-276	2,570	2,221	349
iii) Insurance	388	314	74	384	341	43
iv) G.n.i.e.	100	103	-3	100	130	-30
v) Miscellaneous	17,105	5,727	11,378	15,595	8,656	6,939
of which						
Software Services	11,004	391	10,613	11,207	438	10,769
Business Services	2,586	3,295	-709	2,504	4,612	-2,108
Financial Services	1,116	835	281	732	1,135	-403
Communication Services	418	278	140	307	313	-6
b) Transfers	13,345	470	12,875	14,385	568	13,817
i) Official	47	110	-63	168	108	60
ii) Private	13,298	360	12,938	14,217	460	13,757
c) Income	2,950	5,157	-2,207	4,749	5,821	-1,072
i) Investment Income	2,723	4,806	-2,083	4,544	5,479	-935
ii) Compensation of Employees	227	351	-124	205	342	-137
Total Current Account (I+II)	**77,852**	**82,017**	**-4,165**	**83,905**	**93,079**	**-9,174**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**48,576**	**35,481**	**13,095**	**55,940**	**38,760**	**17,180**
a) Foreign Direct Investment (i+ii)	9,951	5,124	4,827	11,580	4,077	7,503
i) In India	9,826	926	8,900	11,485	632	10,853
Equity	7,290	900	6,390	8,547	597	7,950
Reinvested Earnings	2,167	–	2,167	2,167	–	2,167
Other Capital	369	26	343	771	35	736
ii) Abroad	125	4,198	-4,073	95	3,445	-3,350
Equity	125	2,983	-2,858	95	2,137	-2,042
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	944	-944	–	1,037	-1,037
b) Portfolio Investment	38,625	30,357	8,268	44,360	34,683	9,677
i) *In India*	38,602	30,332	8,270	44,356	34,655	9,701
of which						
FIIs	38,559	30,332	8,227	41,693	34,655	7,038
GDRs/ADRs	43	–	43	2,664	–	2,664
ii) *Abroad*	23	25	-2	4	28	-24
2. Loans (a+b+c)	**13,112**	**14,543**	**-1,431**	**16,628**	**13,495**	**3,133**
a) External Assistance	1,014	728	286	1,477	740	737
i) By India	13	105	-92	13	105	-92
ii) To India	1,001	623	378	1,464	635	829
b) Commercial Borrowings	1,972	2,433	-461	3,223	2,034	1,189
i) By India	244	333	-89	206	215	-9
ii) To India	1,728	2,100	-372	3,017	1,819	1,198
c) Short Term to India	10,126	11,382	-1,256	11,928	10,721	1,207
i) Suppliers' Credit >180 days & Buyers' Credit	10,126	9,590	536	10,994	10,721	273
ii) Suppliers' Credit up to 180 days	–	1,792	-1,792	934	–	934
3. Banking Capital (a+b)	**15,577**	**18,943**	**-3,366**	**16,543**	**12,132**	**4,411**
a) Commercial Banks	15,577	18,704	-3,127	16,543	11,989	4,554
i) Assets	4,368	6,946	-2,578	6,131	1,730	4,401
ii) Liabilities	11,209	11,758	-549	10,412	10,259	153
of which : Non-Resident Deposits	11,172	9,354	1,818	10,342	9,295	1,047
b) Others	–	239	-239	–	143	-143
4. Rupee Debt Service	**–**	**23**	**-23**	–	**1**	**-1**
5. Other Capital	**552**	**5,169**	**-4,617**	**6,898**	**12,315**	**-5,417**
Total Capital Account (1to5)	**77,817**	**74,159**	**3,658**	**96,009**	**76,703**	**19,306**
C. Errors & Omissions	**622**	**–**	**622**	**–**	**714**	**-714**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**156,291**	**156,176**	**115**	**179,914**	**170,496**	**9,418**
E. Monetary Movements (i+ii)	**–**	**115**	**-115**	–	**9,418**	**-9,418**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	115	-115	–	9,418	-9,418
Of which: SDR Allocation	–	–	–	–	5160	-5160

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Oct-Dec 2009 PR			Jan-Mar 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
	31	32	33	34	35	36
A. CURRENT ACCOUNT						
I. MERCHANDISE	**47,170**	**78,097**	**-30,927**	**52,496**	**84,093**	**-31,597**
II. INVISIBLES (a+b+c)	**40,472**	**21,748**	**18,724**	**43,744**	**24,988**	**18,756**
a) Services	24,159	15,993	8,166	27,841	19,379	8,462
i) Travel	3,440	2,312	1,128	3,403	2,638	765
ii) Transportation	2,991	3,366	-375	3,115	3,570	-455
iii) Insurance	408	305	103	423	326	97
iv) G.n.i.e.	124	134	-10	116	159	-43
v) Miscellaneous	17,196	9,876	7,320	20,784	12,686	8,098
of which						
Software Services	13,197	333	12,864	14,297	307	13,990
Business Services	2,460	4,571	-2,111	3,818	5,571	-1,753
Financial Services	785	1,156	-371	1,103	1,517	-414
Communication Services	259	381	-122	245	383	-138
b) Transfers	13,677	638	13,039	13,216	642	12,574
i) Official	382	113	269	126	142	-16
ii) Private	13,295	525	12,770	13,090	500	12,590
c) Income	2,636	5,117	-2,481	2,687	4,967	-2,280
i) Investment Income	2,385	4,597	-2,212	2,456	4,475	-2,019
ii) Compensation of Employees	251	520	-269	231	492	-261
Total Current Account (I+II)	**87,642**	**99,845**	**-12,203**	**96,240**	**109,081**	**-12,841**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**44,689**	**35,965**	**8,724**	**49,464**	**37,296**	**12,168**
a) Foreign Direct Investment (i+ii)	8,908	5,869	3,039	8,061	4,659	3,402
i) In India	8,714	1,469	7,245	7,737	1,611	6,126
Equity	5,959	1,233	4,726	5,353	1,512	3,841
Reinvested Earnings	2,167	–	2,167	2,167	–	2,167
Other Capital	588	236	352	217	99	118
ii) Abroad	194	4,400	-4,206	324	3,048	-2,724
Equity	194	3,403	-3,209	324	1,529	-1,205
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	726	-726	–	1,248	-1,248
b) Portfolio Investment	35,781	30,096	5,685	41,403	32,637	8,766
i) *In India*	35,770	30,041	5,729	41,169	32,493	8,676
of which						
FIIs	35,295	30,041	5,254	41,023	32,493	8,530
GDRs/ADRs	475	–	475	146	–	146
ii) *Abroad*	11	55	-44	234	144	90
2. Loans (a+b+c)	**20,103**	**14,398**	**5,705**	**24,273**	**18,421**	**5,852**
a) External Assistance	1,646	802	844	1,761	735	1,026
i) By India	13	105	-92	13	105	-92
ii) To India	1,633	697	936	1,748	630	1,118
b) Commercial Borrowings	4,550	2,842	1,708	5,209	4,837	372
i) By India	227	570	-343	297	387	-90
ii) To India	4,323	2,272	2,051	4,912	4,450	462
c) Short Term to India	13,907	10,754	3,153	17,303	12,849	4,454
i) Suppliers' Credit >180 days & Buyers' Credit	12,055	10,754	1,301	15,396	12,849	2,547
ii) Suppliers' Credit up to 180 days	1,852	–	1,852	1,907	–	1,907
3. Banking Capital (a+b)	**15,172**	**13,232**	**1,940**	**14,207**	**15,109**	**-902**
a) Commercial Banks	14,578	13,165	1,413	14,195	15,109	-914
i) Assets	3,067	1,874	1,193	3,531	4,709	-1,178
ii) Liabilities	11,511	11,291	220	10,664	10,399	265
of which : Non-Resident Deposits	10,177	9,568	609	9,665	10,215	-550
b) Others	594	67	527	12	–	12
4. Rupee Debt Service	–	–	–	–	73	-73
5. Other Capital	**1,597**	**3,338**	**-1,741**	**2,343**	**3,584**	**-1,241**
Total Capital Account (1to5)	**81,561**	**66,933**	**14,628**	**90,287**	**74,483**	**15,804**
C. Errors & Omissions	**–**	**658**	**-658**	–	**822**	**-822**
D. Overall Balance	**169,203**	**167,436**	**1,767**	**186,527**	**184,386**	**2,141**
(Total Current Account, Capital Account and Errors & Omissions (A+B+C))						
E. Monetary Movements (i+ii)	**–**	**1767**	**-1767**	**–**	**2,141**	**-2,141**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	1767	-1767	–	–	-2,141
Of which: SDR Allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Apr-June 2010 PR			July-Sept 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
	37	38	39	40	41	42
A. CURRENT ACCOUNT						
I. MERCHANDISE	**55,301**	**87,160**	**-31,859**	**52,029**	**89,313**	**-37,284**
II. INVISIBLES (a+b+c)	**43,249**	**23,492**	**19,757**	**46,899**	**26,413**	**20,486**
a) Services	26,640	17,052	9,588	31,272	19,598	11,674
i) Travel	2,949	2,335	614	3,379	2,772	607
ii) Transportation	3,143	3,134	9	3,277	3,524	-247
iii) Insurance	410	310	100	442	386	56
iv) G.n.i.e.	94	143	-49	125	205	-80
v) Miscellaneous	20,044	11,130	8,914	24,049	12,711	11,338
of which						
Software Services	13,114	575	12,539	13,191	585	12,606
Business Services	4,819	5,916	-1,097	5,942	6,988	-1,046
Financial Services	1,228	1,404	-176	1,819	1,905	-86
Communication Services	325	241	84	417	266	151
b) Transfers	13,754	726	13,028	13,654	677	12,977
i) Official	59	141	-82	141	137	4
ii) Private	13,695	585	13,110	13,513	540	12,973
c) Income	2,855	5,714	-2,859	1,973	6,138	-4,165
i) Investment Income	2,628	5,220	-2,592	1,726	5,693	-3,967
ii) Compensation of Employees	227	494	-267	247	445	-198
Total Current Account (I+II)	**98,550**	**110,652**	**-12,102**	**98,928**	**115,726**	**-16,798**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**52,790**	**45,252**	**7,538**	**67,790**	**45,595**	**22,195**
a) Foreign Direct Investment (i+ii)	8,724	5,791	2,933	8,533	5,530	3,003
i) In India	8,430	2,302	6,128	7,955	1,097	6,858
Equity	5,991	2,278	3,713	5,452	1,034	4,418
Reinvested Earnings	2,356	–	2,356	2,356	–	2,356
Other Capital	83	24	59	147	63	84
ii) Abroad	294	3,489	-3,195	578	4,433	-3,855
Equity	294	2,059	-1,765	578	2,483	-1,905
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	1,159	-1,159	–	1,679	-1,679
b) Portfolio Investment	44,066	39,461	4,605	59,257	40,065	19,192
i) *In India*	43,972	39,320	4,652	59,106	39,854	19,252
FIIs	42,858	39,320	3,538	58,614	39,854	18,760
ADRs/GDRs	1,114	–	1,114	492	–	492
ii) *Abroad*	94	141	-47	151	211	-60
2. Loans (a+b+c)	**23,465**	**14,467**	**8,998**	**26,644**	**19,998**	**6,646**
a) External Assistance	3,210	758	2,452	1,271	687	584
i) By India	19	25	-6	19	25	-6
ii) To India	3,191	733	2,458	1,252	662	590
b) Commercial Borrowings	4,430	2,203	2,227	5,953	2,510	3,443
i) By India	185	243	-58	297	556	-259
ii) To India	4,245	1,960	2,285	5,656	1,954	3,702
c) Short Term to India	15,825	11,506	4,319	19,420	16,801	2,619
i) Suppliers' Credit >180 days & Buyers' Credit	14,681	11,506	3,175	18,252	16,801	1,451
ii) Suppliers' Credit up to180 days	1,144	–	1,144	1,168	–	1,168
3. Banking Capital (a+b)	**16,745**	**12,742**	**4,003**	**16,992**	**20,155**	**-3,163**
a) Commercial Banks	16,743	12,718	4,025	16,992	19,551	-2,559
i) Assets	3,263	2,558	705	4,195	8,025	-3,830
ii) Liabilities	13,480	10,160	3,320	12,797	11,526	1,271
of which: Non-Resident Deposits	11,252	10,133	1,119	11,672	10,628	1,044
b) Others	2	24	-22	–	604	-604
4. Rupee Debt Service	**–**	**16**	**-16**	**–**	**1**	**-1**
5. Other Capital	**1,477**	**5,236**	**-3,759**	**698**	**5,010**	**-4,312**
Total Capital Account (1to5)	**94,477**	**77,713**	**16,764**	**112,124**	**90,759**	**21,365**
C. Errors & Omissions	**–**	**921**	**-921**	**–**	**1,278**	**-1,278**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**193,027**	**189,286**	**3,741**	**211,052**	**207,763**	**3,289**
E. Monetary Movements (i+ii)	**–**	**3,741**	**-3,741**	**–**	**3,289**	**-3,289**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	3,741	-3,741	–	3,289	-3,289
Of which: SDR Allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Concld.)*

(US$ million)

Item	Oct-Dec 2010 PR			Jan-Mar 2011 P		
	Credit	Debit	Net	Credit	Debit	Net
	43	44	45	46	47	48
A. CURRENT ACCOUNT						
I. MERCHANDISE	**65,898**	**97,362**	**-31,464**	**77,240**	**107,100**	**-29,860**
II. INVISIBLES (a+b+c)	**55,075**	**33,588**	**21,487**	**52,360**	**27,904**	**24,456**
a) Services	38,556	26,662	11,894	35,504	20,996	14,508
i) Travel	4,429	2,890	1,539	4,518	3,235	1,283
ii) Transportation	3,713	3,984	-271	4,144	3,238	906
iii) Insurance	507	403	104	590	301	289
iv) G.n.i.e.	150	195	-45	165	277	-112
v) Miscellaneous	29,757	19,190	10,567	26,087	13,945	12,142
of which						
Software Services	15,684	709	14,975	17,012	326	16,686
Business Services	7,085	8,014	-929	6,203	6,953	-750
Financial Services	1,684	1,961	-277	1,777	2,213	-436
Communication Services	424	304	120	396	341	55
b) Transfers	14,422	844	13,578	14,679	877	13,802
i) Official	341	199	142	107	154	-47
ii) Private	14,081	645	13,436	14,572	723	13,849
c) Income	2,097	6,082	-3,985	2,177	6,031	-3,854
i) Investment Income	1,811	5,504	-3,693	1,820	5,468	-3,648
ii) Compensation of Employees	286	578	-292	357	563	-206
Total Current Account (I+II)	**120,973**	**130,950**	**-9,977**	**129,600**	**135,004**	**-5,404**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**110,583**	**103,656**	**6,927**	**55,733**	**54,959**	**774**
a) Foreign Direct Investment (i+ii)	8,788	8,159	629	6,899	6,322	577
i) In India	7,704	2,200	5,504	6,293	1,419	4,874
Equity	5,253	1,861	3,392	3,610	1,341	2,269
Reinvested Earnings	2,356	–	2,356	2,356	–	2,356
Other Capital	95	339	-244	327	78	249
ii) Abroad	1,084	5,959	-4,875	606	4,903	-4,297
Equity	1,084	3,265	-2,181	606	2,429	-1,823
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	2,423	-2,423	–	2,203	-2,203
b) Portfolio Investment	101,795	95,497	6,298	48,834	48,637	197
i) *In India*	101,656	94,265	7,391	48,441	48,265	176
FIIs	101,423	94,265	7,158	48,231	48,265	-34
ADRs/GDRs	233	–	233	210	–	210
ii) *Abroad*	139	1,232	-1,093	393	372	21
2. Loans (a+b+c)	**26,598**	**20,257**	**6,341**	**29,995**	**24,121**	**5,874**
a) External Assistance	1,935	781	1,154	1,465	714	751
i) By India	19	25	-6	19	25	-6
ii) To India	1,916	756	1,160	1,446	689	757
b) Commercial Borrowings	6,326	2,484	3,842	6,380	3,965	2,415
i) By India	570	222	348	788	491	297
ii) To India	5,756	2,262	3,494	5,592	3,474	2,118
c) Short Term to India	18,337	16,992	1,345	22,150	19,442	2,708
i) Suppliers' Credit >180 days & Buyers' Credit	18,031	16,992	1,039	21,122	19,442	1,680
ii) Suppliers' Credit up to 180 days	306	–	306	1,028	–	1,028
3. Banking Capital (a+b)	**33,103**	**28,202**	**4,901**	**25,484**	**26,262**	**-778**
a) Commercial Banks	33,016	28,202	4,814	23,871	25,717	-1,846
i) Assets	19,992	15,240	4,752	7,920	12,843	-4,923
ii) Liabilities	13,024	12,962	62	15,951	12,874	3,077
of which: Non-Resident Deposits	12,566	12,380	186	13,763	12,873	890
b) Others	87	–	87	1,613	545	1,068
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**52**	**-52**
5. Other Capital	**3,427**	**8,216**	**-4,789**	**4,511**	**2,091**	**2,420**
Total Capital Account (1to5)	**173,711**	**160,331**	**13,380**	**115,723**	**107,485**	**8,238**
C. Errors & Omissions	**586**	**–**	**586**	**–**	**803**	**-803**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**295,270**	**291,281**	**3,989**	**245,323**	**243,292**	**2,031**
E. Monetary Movements (i+ii)	**–**	**3,989**	**-3,989**	**–**	**2,031**	**-2,031**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	3,989	-3,989	–	2,031	-2,031
Of which: SDR Allocation	–	–	–	–	–	–

No. 42: Foreign Exchange Reserves

End of	Foreign Currency Assets*		Gold #		SDRs ##			Reserve Tranche Position in IMF		Total	
	₹ crore	In millions of US $	₹ crore	In millions of US $	In millions of SDRs	₹ crore	In millions of US $	₹ crore	In millions of US $	**₹ crore**	**In millions of US $**
	1	2	3	4	5	6	7	8	9	10= (1+3+6+8)	11= (2+4+7+9)
2006-07	8,36,597	191,924	29,573	6,784	1	8	2	2,044	469	8,68,222	199,179
2007-08	11,96,023	299,230	40,124	10,039	11	74	18	1,744	436	12,37,965	309,723
2008-09	12,30,066	241,426	48,793	9,577	1	6	1	5,000	981	12,83,865	251,985
2009-10	11,49,650	254,685	81,188	17,986	3,297	22,596	5,006	6,231	1,380	12,59,665	279,057
2010-11	12,24,883	274,330	1,02,572	22,972	2,882	20,401	4,569	13,158	2,947	13,61,013	304,818
2009-10											
April	12,12,747	241,487	46,357	9,231	1	6	1	4,938	983	12,64,048	251,702
May	11,89,136	251,456	45,417	9,604	–	2	1	5,886	1,245	12,40,441	262,306
June	12,16,345	254,093	46,914	9,800	–	2	1	5,974	1,248	12,69,235	265,142
July	12,55,197	260,631	46,576	9,671	–	3	1	6,444	1,338	13,08,220	271,641
August	12,76,976	261,247	48,041	9,828	3,083	23,597	4,828	6,595	1,349	13,55,209	277,252
September	12,70,049	264,373	49,556	10,316	3,297	25,096	5,224	6,557	1,365	13,51,258	281,278
October	12,52,740	266,768	50,718	10,800	3,297	24,618	5,242	7,426	1,581	13,35,502	284,391
November	12,23,313	263,191	84,508	18,182	3,297	24,676	5,309	6,806	1,464	13,39,303	288,146
December	12,07,065	258,583	85,387	18,292	3,297	24,128	5,169	6,655	1,426	13,23,235	283,470
January	11,88,753	256,362	83,724	18,056	3,297	23,762	5,124	6,554	1,413	13,02,793	280,955
February	11,74,202	253,991	82,845	17,920	3,297	23,360	5,053	6,441	1,393	12,86,848	278,357
March	11,49,650	254,685	81,188	17,986	3,297	22,596	5,006	6,231	1,380	12,59,665	279,057
2010-11											
April	11,32,211	254,773	82,377	18,537	3,297	22,142	4,982	5,961	1,341	12,42,691	279,633
May	11,51,731	247,951	90,220	19,423	3,297	22,580	4,861	6,079	1,309	12,70,610	273,544
June	11,63,266	249,628	92,704	19,894	3,297	22,719	4,875	6,118	1,313	12,84,807	275,710
July	12,01,227	258,551	89,564	19,278	3,297	23,257	5,006	6,263	1,348	13,20,311	284,183
August	12,06,317	256,227	94,199	20,008	3,297	23,420	4,974	9,098	1,932	13,33,033	283,142
September	11,91,418	265,231	92,157	20,516	3,297	23,046	5,130	8,953	1,993	13,15,574	292,870
October	11,98,542	269,093	96,510	21,668	3,297	23,080	5,182	8,966	2,013	13,27,098	297,956
November	12,12,145	263,281	1,01,857	22,124	3,297	23,161	5,031	8,997	1,954	13,46,160	292,389
December	12,00,077	267,814	1,00,686	22,470	3,297	22,753	5,078	8,838	1,972	13,32,354	297,334
January	12,40,156	269,893	1,00,739	21,924	3,297	23,663	5,150	10,378	2,259	13,74,936	299,224
February	12,28,841	271,988	1,00,041	22,143	3,298	23,436	5,187	10,277	2,275	13,62,594	301,592
March	12,24,883	274,330	1,02,572	22,972	2,882	20,401	4,569	13,158	2,947	13,61,013	304,818
2011-12											
April	12,51,681	282,037	1,05,582	23,790	2,882	20,731	4,671	13,371	3,013	13,91,365	313,511
May	12,58,756	279,537	1,09,832	24,391	2,882	20,772	4,613	13,398	2,975	14,02,758	311,516
May 6, 2011	12,45,431	278,122	1,05,582	23,790	2,882	20,751	4,634	13,384	2,989	13,85,148	309,535
May 13, 2011	12,40,158	276,143	1,05,582	23,790	2,882	20,639	4,596	13,312	2,964	13,79,691	307,493
May 20, 2011	12,45,467	277,202	1,05,582	23,790	2,882	20,602	4,585	13,288	2,957	13,84,939	308,534
May 27, 2011	12,60,784	278,873	1,05,582	23,790	2,882	20,754	4,591	13,386	2,961	14,00,506	310,215
June 3, 2011	12,59,873	280,908	1,09,832	24,391	2,882	20,733	4,623	13,372	2,982	14,03,810	312,904
June 10, 2011	12,45,501	278,511	1,09,832	24,391	2,882	20,665	4,621	13,328	2,980	13,89,326	310,503

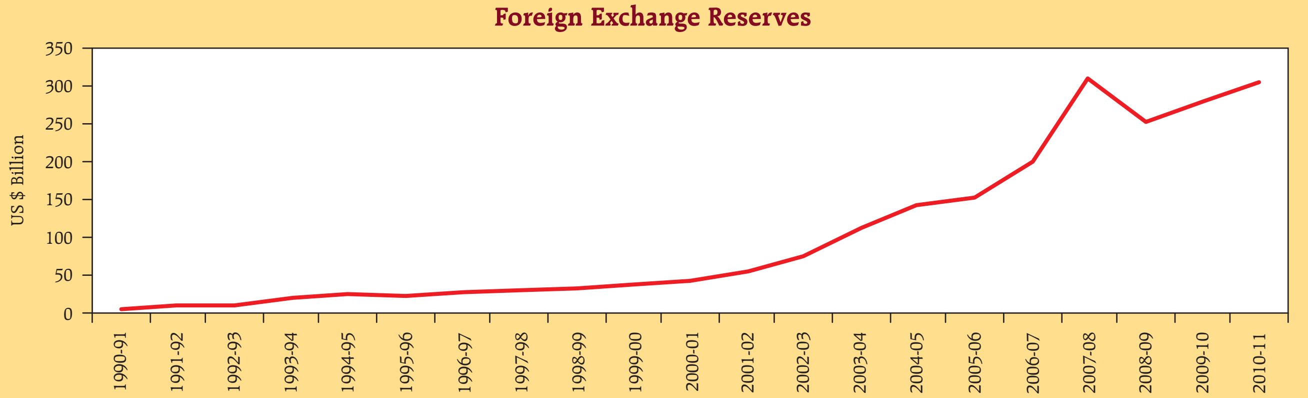
-Negligible   See 'Notes on Tables'

* FCA excludes US $ 250.00 millon (as also its equivalent value in Indian Rupee) invested in foreign currency denominated bonds issued by IIFC (UK) since March 20, 2009.

\# Includes ₹ 31,463 crore (US$ 6,699 million) reflecting the purchase of 200 metric tonnes of gold from IMF on November 3, 2009.

\## Includes SDRs 3,082.5 million allocated under general allocation and SDRs 214.6 million allocated under special allocation by the IMF done on August 28, 2009 and September 9, 2009, respectively.

Foreign Exchange Reserves



No. 43: NRI Deposits- Outstanding and Inflows (+) /Outflows (-) @

(As at end - March) (US$ Million)

SCHEME	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. FCNR(A) *	7,051	4,255	2,306	1	–	–	–	–	–	–	–	–	–	–	–	–	–
2. FCNR(B) **	3,063	5,720	7,496	8,467	7,835	8,172	9,076	9,673	10,199	10,961	11,452	13,064	15,129	14,168	13,211	14,258	15,597
3. NR(E)RA	4,556	3,916	4,983	5,637	6,045	6,758	7,147	8,449	14,923	20,559	21,291	22,070	24,495	26,716	23,570	26,251	26,378
4. NR(NR)RD +	2,486	3,542	5,604	6,262	6,618	6,754	6,849	7,052	3,407	1,746	232	–	–	–	–	–	–
5. NRO	–	–	–	–	–	–	–	–	–	–	–	1,148	1,616	2,788	4,773	7,381	9,707
Total	**17,156**	**17,433**	**20,389**	**20,367**	**20,498**	**21,684**	**23,072**	**25,174**	**28,529**	**33,266**	**32,975**	**36,282**	**41,240**	**43,672**	**41,554**	**47,890**	**51,682**

(US$ million)

SCHEME	2010-11 End Month											
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	1	2	3	4	5	6	7	8	9	10	11	12
1.FCNR(B) **	14,466	14,159	14,369	14,697	14,665	15,012	15,327	15,072	15,100	15,256	15,395	15,597
2. NR(E)RA	26,686	26,031	26,067	26,595	26,124	26,579	26,803	26,132	26,562	25,912	25,970	26,378
3.NRO	7,724	7,643	7,672	7,829	7,895	8,316	8,827	8,632	9,010	9,046	9,312	9,707
Total	**48,876**	**47,833**	**48,108**	**49,121**	**48,684**	**49,907**	**50,957**	**49,836**	**50,672**	**50,214**	**50,677**	**51,682**

(US$ million)

SCHEME	2011-12 (P) End Month	
	Apr.	May
	1	2
1. FCNR(B) **	15,931	15,896
2. NR(E)RA	26,267	26,050
3. NRO	10,118	10,339
Total	**52,316**	**52,285**

Inflow (+) /Outflow (-) During the Month (US$ million)

SCHEME	2010-11												
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.- Mar.
	1	2	3	4	5	6	7	8	9	10	11	12	13
1. FCNR(B)	207	-307	210	329	-33	347	316	-256	29	156	139	202	1,339
	(173)	(633)	-(3)	(142)	-(103)	(135)	(437)	(73)	-(33)	-(131)	-(176)	-(100)	(1,047)
2. NR(E)RA	-85	558	39	468	-234	-300	-381	41	-120	-105	-162	1	-280
	(67)	(128)	(187)	(234)	-(68)	(38)	-(270)	-(31)	(44)	-(286)	-(11)	-(103)	-(71)
3. NRO	197	272	29	139	138	189	322	41	194	223	188	248	2,180
	(229)	(257)	(146)	(316)	(120)	(233)	(166)	(207)	(16)	(104)	(68)	(84)	(1,946)
Total	**319**	**523**	**278**	**936**	**-129**	**236**	**257**	**-174**	**103**	**274**	**165**	**451**	**3,239**
	(469)	(1,018)	(330)	(692)	-(51)	(406)	(333)	(249)	(27)	-(313)	-(119)	-(119)	(2,922)

Inflow (+) /Outflow (-) During the Month (US$ million)

SCHEME	2011-12 (P)		
	Apr.	May	Apr.-May
	1	2	3
1. FCNR(B)	334	-36	298
	(207)	-(307)	-(100)
2. NR(E)RA	-277	61	-216
	-(85)	(558)	(473)
3. NRO	350	328	678
	(197)	(272)	(469)
Total	**407**	**353**	**760**
	(319)	(523)	(842)

Note:
1. FCNR(A) : Foreign Currency Non-Resident (Accounts).
2. FCNR(B) : Foreign Currency Non-Resident (Banks).
3. NR(E) RA : Non-Resident(External) Rupee Accounts.
4. NR(NR)RD : Non-Resident(Non-Repatriable) Rupee Deposits
5. NRO Non-Resident Ordinary Rupee Account
6. Figures in the brackets represent inflows(+) outflows (-) during the corresponding month/period of the previous year
7. Flows derived from the month-end balances may not be consistent with the data provided under monthly total 'outflows/inflows' as exchange rates used in two sets of data are different.

P: Provisional –: Not Available
@ All figures are inclusive of accrued interest
* Withdrawn effective August 1994
** Introduced in May 1993.
+ Introduced in June 1992 and discontinued w.e.f. April 2002

No. 44: Foreign Investment Inflows

(US$ million)

Item	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10(P)	2010-11(P)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
A. Direct Investment (I+II+III)	**2,144**	**2,821**	**3,557**	**2,462**	**2,155**	**4,029**	**6,130**	**5,035**	**4,322**	**6,051**	**8,961**	**22,826**	**34,835**	**37,838**	**37,763**	**30,380**
I. Equity (a+b+c+d+e)	2,144	2,821	3,557	2,462	2,155	2,400	4,095	2,764	2,229	3,778	5,975	16,481	26,864	28,031	27,149	20,304
a. Government (SIA/FIPB)	1,249	1,922	2,754	1,821	1,410	1,456	2,221	919	928	1,062	1,126	2,156	2,298	4,699	3,471	1,945
b. RBI	169	135	202	179	171	454	767	739	534	1,258	2,233	7,151	17,127	17,998	18,990	12,994
c. NRI	715	639	241	62	84	67	35	–	–	–	–	–	–	–	–	–
d. Acquisition of shares *	11	125	360	400	490	362	881	916	735	930	2,181	6,278	5,148	4,632	3,148	4,491
e. Equity capital of unincorporated bodies #	..	..	..	..	..	61	191	190	32	528	435	896	2,291	702	1,540	874
II. Reinvested earnings +	..	..	..	..	..	1,350	1,645	1,833	1,460	1,904	2,760	5,828	7,679	9,030	8,669	9,424
III. Other capital ++	..	..	..	..	..	279	390	438	633	369	226	517	292	777	1,945	652
B. Portfolio Investment (a+b+c)	**2,748**	**3,312**	**1,828**	**-61**	**3,026**	**2,760**	**2,021**	**979**	**11,377**	**9,315**	**12,492**	**7,003**	**27,271**	**-13,855**	**32,376**	**31,471**
a. GDRs/ADRs # #	683	1,366	645	270	768	831	477	600	459	613	2,552	3,776	6,645	1,162	3328	2,049
b. FIIs **	2,009	1,926	979	-390	2,135	1,847	1,505	377	10,918	8,686	9,926	3,225	20,328	-15,017	29,048	29,422
c. Offshore funds and others	56	20	204	59	123	82	39	2	–	16	14	2	298	–	–	–
Total (A+B)	**4,892**	**6,133**	**5,385**	**2,401**	**5,181**	**6,789**	**8,151**	**6,014**	**15,699**	**15,366**	**21,453**	**29,829**	**62,106**	**23,983**	**70,139**	**61,851**

(US$ million)

Item	2010-11 (P)												
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.- Mar.
	1	2	3	4	5	6	7	8	9	10	11	12	13
A. Direct Investment (I+II+III)	2,179	2,213	1,380	1,785	1,330	2,118	1,392	1,628	2,014	1,042	1,274	1,075	30,380
I. Equity (a+b+c+d)	2,179	2,213	1,380	1,785	1,330	2,118	1,392	1,628	2,014	1,042	1,274	1,075	20,304
a. Government (SIA/FIPB)	440	555	159	49	151	61	146	43	118	32	79	112	1,945
b. RBI	1,361	1,274	914	1,387	998	565	1,204	1,247	1,732	788	876	648	12,994
c. Acquisition of shares *	378	384	307	349	181	1,492	42	338	164	222	319	315	4,491
d. Equity capital of unincorporated bodies #	..	..	..	..	..	..	..	..	..	..	..	..	874
II. Reinvested earnings +	..	..	..	..	..	..	..	..	..	..	..	..	9,424
III. Other capital ++	..	..	..	..	..	..	..	..	..	..	..	..	652
B. Portfolio Investment (a+b+c)	3,315	88	1,250	9,114	-440	10,577	28,704	-19,811	-1,502	1,691	-1,600	85	31,471
a. GDRs/ADRs # #	156	579	379	364	-	128	74	110	49	116	-	94	2,049
b. FIIs **	3,159	-491	871	8,750	-440	10,449	28,630	-19,921	-1,551	1,575	-1,600	-9	29,422
c. Offshore funds and others	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A+B)	**5,494**	**2,301**	**2,630**	**10,899**	**890**	**12,695**	**30,096**	**-18,183**	**512**	**2,733**	**-326**	**1,160**	**61,851**

(US$ million)

Item	2011-12 (P)		
	Apr.	May	Apr.-May
	1	2	3
A. Direct Investment (I+II+III)	**3,121**	**4,664**	**7,785**
I. Equity (a+b+c+d)	3,121	4,664	7,785
a. Government (SIA/FIPB)	655	103	758
b. RBI	2,263	4,359	6,622
c. Acquisition of shares *	203	202	405
d. Equity capital of unincorporated bodies #	..	..	..
II. Reinvested earnings +	..	..	..
III. Other capital ++	..	..	..
B. Portfolio Investment (a+b+c)	**3,545**	**-1,584**	**1,961**
a. GDRs/ADRs # #	105	125	230
b. FIIs **	3,440	-1,709	1,731
c Offshore funds and others	–	–	–
Total (A+B)	**6,666**	**3,080**	**9,746**

* Relates to acquisition of shares of Indian companies by non-residents under Section 6 of FEMA, 1999. Data on such acquisitions have been included as part of FDI since January 1996.

** Represents inflow of funds (net) by Foreign Institutional Investors (FIIs).

\# Figures for equity capital of unincorporated bodies for 2010-11 are estimates.

\# # Represents the amount raised by Indian Corporates through Global Depository Receipts (GDRs) and American Depository Receipts (ADRs).

\+ Data for 2010-11 are estimated as average of previous two years .

++ Data pertain to inter company debt transactions of FDI entities.

Notes : 1. Data on FDI have been revised since 2000-01 with expanded coverage to approach international best practices.

2. These data, therefore, are not comparable with FDI data for previous years.Also see 'Notes on Tables 'of Table No 40 & 41.

3. Monthly data on components of FDI as per expanded coverage are not available.

Table 44 A: Outward Remittances under the Liberalised Remittance Scheme for Resident Individuals

(US$ million)

Purpose	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	1	2	3	4	5	6	7
1. Deposit	9.1	23.2	19.7	24.0	30.4	37.4	29.6
2. Purchase of immovable property	0.5	1.9	8.5	39.5	55.9	47.6	66.3
3. Investment in equity/debt	–	–	20.7	144.7	151.4	206.5	265.9
4. Gift	–	–	7.4	70.3	133.0	159.9	242.5
5. Donations	–	–	0.1	1.6	1.4	5.3	3.6
6. Travel	–	–	–	–	–	17.4	16.2
7. Maintenance of close relatives	–	–	–	–	–	170.9	255.2
8. Medical Treatment	–	–	–	–	–	18.3	5.7
9. Studies Abroad	–	–	–	–	–	217.8	150.1
10. Others**	–	–	16.4	160.4	436.0	101.8	128.6
Total (1 to 10)	**9.6**	**25.0**	**72.8**	**440.5**	**808.1**	**983.0**	**1163.5**

(US$ million)

Purpose	2010-11											
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	1	2	3	4	5	6	7	8	9	10	11	12
1. Deposit	3.6	2.5	2.3	1.5	1.3	0.8	2.9	1.7	1.6	1.1	2.5	7.8
2. Purchase of immovable property	7.5	5.8	5.9	4.4	4.6	4.6	6.8	5.0	4.0	4.4	4.5	8.8
3. Investment in equity/debt	22.2	21.6	18.2	17.6	17.5	15.6	24.8	15.3	16.9	19.4	26.5	50.3
4. Gift	24.5	16.6	16.5	15.1	19.2	15.8	23.1	23.1	29.3	15.1	15.0	29.2
5. Donations	0.5	0.1	0.2	0.1	0.4	0	0.3	0.3	0.1	0.2	0.3	1.1
6. Travel	1.6	1.5	1.2	2.2	2.6	1.3	1.3	1.2	1.1	0.7	0.8	0.7
7. Maintenance of close relatives	61.1	19.7	15.1	14.7	20.7	14.5	18.9	12.1	40.4	9.6	9.1	19.3
8. Medical Treatment	0.8	0.6	0.7	0.7	0.5	0.4	0.3	0.6	0.6	0.04	0.3	0.2
9. Studies Abroad	7.7	9.6	6.9	13.0	18.6	23.9	12.6	10.4	11.7	13.1	10.4	12.2
10. Others **	11.7	12.2	10.1	7.6	9.5	7.3	8.3	12.0	14.0	10.1	7.9	17.9
Total (1 to 10)	**141.2**	**90.2**	**77.1**	**76.9**	**94.7**	**84.2**	**99.3**	**81.7**	**119.7**	**73.7**	**77.3**	**147.5**

(US$ million)

Purpose	2011-12
	Apr.
	1
1. Deposit	3.6
2. Purchase of immovable property	7.5
3. Investment in equity/debt	22.2
4. Gift	24.5
5. Donations	0.5
6. Travel	1.6
7. Maintenance of close relatives	61.1
8. Medical Treatment	0.8
9. Studies Abroad	7.7
10. Others **	11.7
Total (1 to 10)	**141.2**

– Not available.

** Include items such as subscription to journals, maintenance of investment abroad, student loan repayments, credit card payments etc. (till 2008-09 also includes education, travel, maintenance of close relatives and medical treatment).

Notes : (i) The data from 2004 to 2007 are on calendar basis.

(ii) Under Liberalised Remittance Scheme (LRS), currently, the residents are permitted to remit up to an amount of US $ 2,00,000 per financial year (April-March) for any permitted current or capital account transactions or a combination of both with effect from September 26, 2007. The LRS Scheme was introduced in February 2004 to facilitate resident individuals to freely remit up to US $ 25,000 per calendar year, which was enhanced to US $ 50,000 per financial year in December 2006; to US $ 1,00,000 per financial year in May 2007; and to US $ 2, 00,000 per financial year in September 2007.

No. 45: Daily Foreign Exchange Spot Rates

(₹ per Unit of Foreign Currency)

Date	RBI's Reference Rate ₹ Per Foreign Currency		FEDAI Indicative Rates							
			US Dollar		Pound Sterling		Euro		One Hundred Japanese Yen	
	US Dollar	Euro	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
	1	2	3	4	5	6	7	8	9	10
May 2, 2011	44.3000	65.5700	44.2950	44.3050	73.8700	73.9000	65.5250	65.5675	54.3425	54.3825
May 3, 2011	44.3400	65.7500	44.3350	44.3450	73.6900	73.7200	65.7125	65.7450	54.7200	54.7675
May 4, 2011	44.5900	66.0400	44.5850	44.5950	73.4800	73.5100	66.0125	66.0575	55.1100	55.1375
May 5, 2011	44.5700	66.2300	44.5600	44.5700	73.5775	73.6025	66.1900	66.2075	55.4650	55.4975
May 6, 2011	44.7800	65.2700	44.7750	44.7850	73.4075	73.4475	65.2650	65.2875	55.5650	55.6125
May 9, 2011	44.7000	64.4300	44.6850	44.6950	73.1850	73.2250	64.3825	64.4200	55.4200	55.4600
May 10, 2011	44.7300	63.9000	44.7450	44.7550	73.2250	73.2650	63.9050	63.9225	55.6050	55.6375
May 11, 2011	44.6900	64.3900	44.6800	44.6900	73.1200	73.1475	64.3975	64.4250	55.2775	55.3100
May 12, 2011	44.7900	63.5900	44.7950	44.8050	73.2125	73.2525	63.5950	63.6275	55.2625	55.2800
May 13, 2011	44.9100	64.0300	44.9050	44.9150	73.0425	73.0775	64.0350	64.0525	55.6375	55.6850
May 16, 2011	45.0700	63.5700	45.0700	45.0800	72.9650	73.0025	63.5525	63.5775	55.6625	55.7100
May 17, 2011 +										
May 18, 2011	45.0800	64.3000	45.0800	45.0900	73.3225	73.3475	64.2875	64.3175	55.5450	55.5650
May 19, 2011	44.9800	64.1600	44.9750	44.9850	72.6700	72.6925	64.1425	64.1675	55.0900	55.1225
May 20, 2011	44.9300	64.3400	44.9300	44.9400	72.9025	72.9325	64.3125	64.3350	54.9600	55.0000
May 23, 2011	45.2800	63.6100	45.2600	45.2700	73.2800	73.3150	63.6175	63.6350	55.2700	55.3150
May 24, 2011	45.2500	63.5800	45.2500	45.2600	72.8250	72.8550	63.6025	63.6225	55.3175	55.3425
May 25, 2011	45.3800	63.7000	45.3700	45.3800	73.2828	73.3125	63.7175	63.7350	55.4025	55.4350
May 26, 2011	45.2900	64.1800	45.2800	45.2900	73.7700	73.8000	64.1575	64.1750	55.3200	55.3400
May 27, 2011	45.2100	64.4000	45.2050	45.2150	74.2950	74.3250	64.3775	64.4125	55.7875	55.8200
May 30, 2011	45.1000	64.3500	45.0900	45.1000	74.2400	74.2800	64.3425	64.3675	55.7700	55.8175
May 31, 2011	45.0300	64.7500	45.0200	45.0300	74.4125	74.4475	64.7425	64.7675	55.2800	55.3125

+ Market closed.
FEDAI: Foreign Exchange Dealers' Association of India.
Note: Euro Reference rate was announced by RBI with effect from January 1, 2002.
Source: FEDAI for FEDAI rates.

No. 46: Sale/Purchase of U.S. Dollar by the Reserve Bank of India

Month		Foreign Currency (US $ million)			₹ equivalent at contract rate (₹ crore)	Cumulative (over end-April 2010)		Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ million)
		Purchase (+)	Sale (–)	Net (+/–)		(US $ million)	(₹ crore)	
		1	2	3	4	5	6	7
2010-11								
April	2010	–	–	–	–	–	–	370.00
May	2010	–	–	–	–	–	–	370.00
June	2010	370.00	260.00	110.00	491.73	110.00	491.73	260.00
July	2010	–	–	–	–	110.00	491.73	260.00
August	2010	–	–	–	–	110.00	491.73	260.00
September	2010	260.00	–	260.00	1,215.75	370.00	1,707.48	0.00
October	2010	450.00	–	450.00	2,001.59	820.00	3,709.06	450.00
November	2010	1,370.00	500.00	870.00	3,848.70	1,690.00	7,557.77	0.00
December	2010	–	–	–	–	1,690.00	7,557.77	0.00
January	2011	–	–	–	–	1,690.00	7,557.77	0.00
February	2011	–	–	–	–	1,690.00	7,557.77	0.00
March	2011	–	–	–	–	1,690.00	7,557.77	0.00

Month		Foreign Currency (US $ million)			₹ equivalent at contract rate (₹ crore)	Cumulative (over end-April 2011)		Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ million)
		Purchase (+)	Sale (–)	Net (+/–)		(US $ million)	(₹ crore)	
		1	2	3	4	5	6	7
2011-12								
April	2011	–	–	–	–	–	–	0.00
May	2011	–	–	–	–	–	–	0.00

(+) Implies Purchase including purchase leg under swaps and outright forwards.

(–) Implies Sales including sale leg under swaps and outright forwards.

Note : This table is based on value dates.

No. 47: Turnover in Foreign Exchange Market

(US$ Million)

Position Date	Merchant						Inter-bank					
	FCY / INR			FCY / FCY			FCY/INR			FCY/FCY		
	Spot	Forward	Forward Cancellation	Spot	Forward	Forward Cancellation	Spot	Swap	Forward	Spot	Swap	Forward
	1	2	3	4	5	6	7	8	9	10	11	12
Purchases												
May 2, 2011	2,839	1,384	243	131	427	336	6,982	6,089	1,555	2,943	1,572	209
May 3, 2011	2,438	2,023	619	169	446	236	7,779	8,553	1,224	3,598	1,842	336
May 4, 2011	3,155	2,261	455	443	582	682	7,578	6,379	1,419	3,541	1,996	326
May 5, 2011	3,066	2,082	945	219	422	240	8,220	8,139	1,391	3,768	2,235	172
May 6, 2011	3,791	1,709	825	425	579	251	7,858	8,944	1,882	3,117	1,684	366
May 9, 2011	3,544	1,634	422	194	555	383	8,406	6,637	1,231	3,965	2,054	324
May 10, 2011	3,363	1,536	759	277	717	572	6,970	7,535	1,507	3,497	1,275	225
May 11, 2011	3,102	1,089	374	171	471	312	7,075	7,122	1,245	3,471	1,052	320
May 12, 2011	3,712	2,361	794	228	402	306	9,170	9,935	2,360	3,332	1,847	518
May 13, 2011	3,073	1,520	882	237	317	235	7,286	6,874	1,747	2,892	1,448	241
May 16, 2011	2,735	1,566	879	184	685	302	8,054	11,340	2,112	3,180	2,254	455
May 17, 2011+												419
May 18, 2011	4,107	1,604	873	307	544	293	7,544	9,247	1,564	3,678	2,095	272
May 19, 2011	2,321	1,074	550	149	343	280	6,121	8,188	1,205	3,205	1,392	263
May 20, 2011	2,969	1,144	394	177	287	233	6,794	8,825	1,459	2,824	1,223	169
May 23, 2011	2,762	1,793	774	201	420	375	8,082	10,489	1,344	3,133	1,665	156
May 24, 2011	2,824	1,694	905	442	614	564	7,161	12,968	1,426	3,662	2,665	250
May 25, 2011	2,977	2,180	972	279	276	292	8,248	9,458	1,435	2,974	3,235	242
May 26, 2011	2,857	1,626	1,100	176	859	716	6,574	8,776	1,502	3,224	5,459	502
May 27, 2011	4,882	2,302	1,321	156	502	434	8,820	8,115	2,065	3,161	3,423	451
May 30, 2011	2,147	1,601	531	178	350	276	5,820	6,109	829	2,405	4,563	188
May 31, 2011	4,246	2,067	1,277	400	367	365	8,184	13,108	1,938	3,916	4,285	263
Sales												
May 2, 2011	3,238	892	362	128	443	340	7,530	6,941	1,473	2,947	1,586	177
May 3, 2011	2,785	1,342	795	144	465	231	8,150	8,360	1,102	3,563	1,831	242
May 4, 2011	4,219	1,000	689	427	569	425	7,871	5,744	1,350	3,491	2,089	270
May 5, 2011	2,981	1,331	1,274	210	480	228	7,885	8,665	1,311	3,729	2,320	172
May 6, 2011	3,673	1,334	851	587	668	225	8,373	10,964	2,000	3,067	1,816	404
May 9, 2011	3,855	1,257	480	213	601	402	9,236	7,177	1,397	4,092	2,176	309
May 10, 2011	3,475	1,354	752	281	736	633	7,708	8,018	1,350	3,516	1,354	226
May 11, 2011	3,050	1,272	359	152	443	329	7,205	7,572	1,606	3,370	1,074	295
May 12, 2011	3,838	1,834	722	219	446	344	9,306	10,582	2,437	3,376	1,994	496
May 13, 2011	3,594	1,399	622	219	319	268	6,959	7,079	2,081	2,798	1,573	215
May 16, 2011	3,794	1,165	671	201	712	392	7,332	12,576	2,166	3,270	2,560	409
May 17, 2011+												
May 18, 2011	3,682	2,079	536	321	537	298	7,947	10,770	2,001	3,582	2,210	243
May 19, 2011	2,502	1,086	659	153	346	262	6,297	8,803	1,425	3,147	1,441	266
May 20, 2011	2,937	1,209	595	161	294	221	6,629	8,974	2,170	2,839	1,343	170
May 23, 2011	2,894	1,959	711	198	480	402	8,130	10,318	1,762	3,111	1,765	198
May 24, 2011	2,574	2,391	1,064	397	719	676	7,318	13,812	1,446	3,646	2,654	173
May 25, 2011	3,623	1,663	685	267	276	288	8,516	9,623	1,499	3,023	3,108	217
May 26, 2011	2,779	1,777	949	184	864	712	6,721	9,034	1,832	3,206	5,724	508
May 27, 2011	4,413	1,608	1,660	206	434	431	8,793	7,051	2,557	3,254	3,453	352
May 30, 2011	2,314	1,676	564	158	342	290	5,965	6,475	957	2,305	4,559	177
May 31, 2011	4,106	2,340	1,445	362	341	363	8,425	13,026	2,032	3,767	4,605	347

+ : Market Closed INR : Indian Rupee FCY : Foreign Currency

Note: Data relate to sales and purchases of foreign exchange on account of merchant and inter-bank transactions. Data are provisional.

No. 48: Indices of Real Effective Exchange Rate (REER) and Nominal Effective Exchange Rate (NEER) of the Indian Rupee

(36-Currency Export and Trade Based Weights)

(Base: 2004-05=100)

Year	Trade Based Weights		Export Based Weights	
	REER	NEER	REER	NEER
	1	2	3	4
2004-05	100.00	100.00	100.00	100.00
2005-06	103.10	102.24	102.74	102.20
2006-07	101.29	97.63	101.05	98.00
2007-08	108.52	104.75	108.57	105.62
2008-09	97.80	93.34	97.77	94.00
2009-10 (P)	94.74	90.94	95.28	91.42
2010-11 (P)	102.04	93.56	103.27	94.75

Year		Trade Based Weights		Export Based Weights	
		REER	NEER	REER	NEER
		1	2	3	4
2009-10 (P)	April	90.62	89.65	90.93	89.90
	May	91.89	90.59	92.36	90.96
	June	92.70	91.04	93.11	91.37
	July	92.03	89.59	92.38	89.86
	August	92.50	89.33	92.85	89.60
	September	91.72	88.35	92.16	88.73
	October	94.33	90.66	94.87	91.20
	November	95.66	90.67	96.17	91.20
	December	96.19	91.10	96.79	91.66
	January	99.11	92.63	99.82	93.30
	February	99.10	93.08	99.90	93.81
	March	101.08	94.56	102.03	95.47
2010-11 (P)	April	103.78	96.35	104.77	97.30
	May	102.95	95.55	103.88	96.42
	June	102.30	94.66	103.26	95.54
	July	99.98	92.03	101.63	93.49
	August	99.57	92.02	100.66	92.99
	September	100.75	92.87	101.93	93.98
	October	102.66	94.51	103.87	95.70
	November	101.67	93.34	102.88	94.53
	December	103.52	93.82	104.93	95.21
	January	102.65	92.72	104.04	94.13
	February	101.78	92.32	103.16	93.72
	March	102.88	92.54	104.28	94.01
2011-12 (P)	April	104.37	93.02	105.79	94.35
	May	101.20	91.79	102.53	93.15

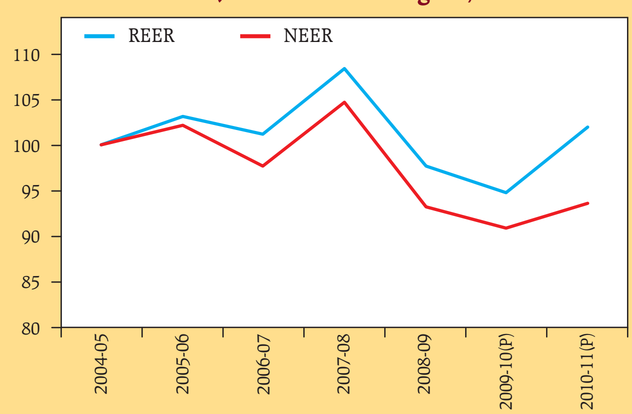
P : Provisional

Note : 1) For 'Note on Methodology' please see December 2005 issue of this Bulletin.

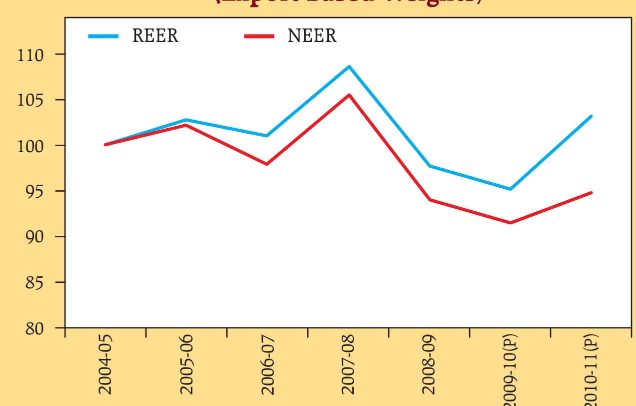
2) The Base year is changed from 1993-94 to 2004-05.

3) In this revision Denmark and Myanmar have been replaced by Taiwan and Vietnam in the list of countries covered under the index.

Indices of REER and NEER of the Indian Rupee (Trade Based Weights)



Indices of REER and NEER of the Indian Rupee (Export Based Weights)



No. 49: Indices of Real Effective Exchange Rate (REER) and Nominal Effective Exchange Rate (NEER) of the Indian Rupee

(6-Currency Trade Based Weights)

Year/Month		Base: 2004-05 (April-March) =100		Base: 2009-10 (April-March) =100	
		NEER	REER	NEER	REER
		1	2	3	4
2004-05		100.00	100.00	114.88	98.10
2005-06		103.04	105.17	118.34	103.13
2006-07		98.09	104.30	112.66	102.28
2007-08		104.62	112.76	120.16	110.58
2008-09		90.42	102.32	103.85	100.34
2009-10		87.07	101.97	100.00	100.00
2010-11		92.02	115.28	105.69	113.05
2008-09	April	99.35	110.58	114.10	108.44
	May	94.86	105.92	108.94	103.87
	June	93.26	105.77	107.11	103.72
	July	92.49	105.29	106.22	103.25
	August	94.33	108.24	108.33	106.14
	September	90.35	103.67	103.76	101.66
	October	86.86	99.98	99.76	98.04
	November	88.08	100.80	101.16	98.85
	December	86.83	98.30	99.72	96.39
	January	87.00	97.86	99.92	95.96
	February	87.66	97.58	100.68	95.69
	March	84.00	93.90	96.47	92.08
2009-10	April	85.28	96.12	97.94	94.26
	May	86.48	98.51	99.32	96.60
	June	86.71	98.71	99.59	96.80
	July	85.22	97.84	97.87	95.95
	August	85.04	98.90	97.66	96.99
	September	84.18	98.48	96.68	96.58
	October	86.67	101.53	99.54	99.57
	November	86.56	102.86	99.41	100.87
	December	87.21	103.99	100.16	101.98
	January	89.30	107.33	102.56	105.25
	February	90.03	107.98	103.40	105.88
	March	92.19	111.43	105.88	109.28
2010-11	April	94.70	116.00	108.76	113.75
	May	94.23	116.20	108.22	113.95
	June	93.50	115.21	107.38	112.98
	July	90.96	112.63	104.46	110.45
	August	90.92	112.72	104.42	110.53
	September	91.38	113.96	104.95	111.75
	October	92.32	115.19	106.03	112.96
	November	91.52	115.08	105.11	112.86
	December	92.47	117.94	106.20	115.66
	January	91.45	117.30	105.02	115.03
	February	90.37	115.54	103.79	113.31
	March	90.44	116.26	103.86	114.01
2011-12	April	90.60	117.43	104.06	115.15
	May	89.48	117.20	102.77	114.93

All Figures are Provisional.

Notes: 1. Rise in indices indicate appreciation of rupee and vice versa.

2. For "Note on Methodology" on the indices presented here, please see December 2005 issue of this Bulletin.

3. Base year 2009-10 is a moving one, which gets updated every year.

Notes on Tables

Table No. 1

(1) Annual data are averages of the months.

(2) Figures relate to last Friday of the month/year.

(3) Total of Rupee Securities held in Issue and Banking Departments.

(4) Relates to loans and advances only.

(5) Figures relate to the last Friday/last reporting Friday (in case of March).

(6) Total for Mumbai, Chennai, Kolkata and New Delhi only.

(7) Figures relate to last reporting Friday/March 31.

(8) Rates presented as low/high for the period indicated. The source of data prior to April 2000 issue of the Bulletin has been DFHI. The data from April 2000 issue of the Bulletin are not strictly comparable with that pertaining to earlier periods due to wider coverage of Call Market business.

(9) Relating to major banks.

(10) Base Rate relates to five major banks since July 1, 2010. Earlier figures relate to Benchmark Prime Lending Rate (BPLR).

(11) Annual data are averages of the months.

(12) Figures relate to the end of the month/year.

(13) Data relate to January – December.

(14) Cash Reserve Ratio of Scheduled Commercial Banks (excluding Regional Rural Banks).

Table No. 2

The gold reserves of Issue Department were valued at ₹84.39 per 10 grams up to October 16, 1990 and from October 17, 1990 they are valued close to international market prices.

(1) Includes Government of India one rupee notes issued from July 1940.

(2) Includes (i) Paid-up Capital of ₹5 crore (ii) Reserve Fund of ₹6,500 crore (iii) National Industrial Credit (Long-Term Operations): Fund of ₹16 crore and (iv) National Housing Credit (Long-Term Operations) Fund of ₹190 crore from the week ended November 30, 2007.

(3) Includes cash, short-term securities and fixed deposits. This also includes investment in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.

(4) Includes temporary overdrafts to State Governments.

(5) Figures in bracket indicate the value of gold held under other assets.

Table Nos. 3 & 4

The expression 'Banking System' or 'Banks' means (a) State Bank of India and its associates (b) Nationalised Banks (c) Banking companies as defined in clause 'C' of Section 5 of the Banking Regulation Act, 1949 (d) Co-operative banks (as far as scheduled co-operative banks are concerned) (e) Regional Rural Banks and (f) any other financial institution notified by the Central Government in this regard.

(1) Excludes borrowings of any scheduled state co-operative bank from the State Government and any Reserve Fund deposit required to be maintained with such bank by any co-operative society within the area of operation of such bank.

(2) Deposits of co-operative banks with scheduled state co-operative banks are excluded from this item but are included under 'Aggregate deposits'.

(3) Excludes borrowings of regional rural banks from their sponsor banks.

(4) Wherever it has not been possible to provide the data against the item 'Other demand and time liabilities'

under 'Liabilities to the Banking System' separately, the same has been included in the item 'Other demand and time liabilities' under 'Liabilities to others'.

(5) Data reflect redemption of India Millennium Deposits (IMDs) on December 29, 2005.

(6) Other than from the Reserve Bank of India, NABARD and Export-Import Bank of India.

(7) Figures relating to scheduled banks' borrowings in India are those shown in the statement of affairs of the Reserve Bank of India. Borrowings against usance bills and/or promissory notes are under section 17(4) of the Reserve Bank of India Act, 1934.

(8) Includes borrowings by scheduled state co-operative banks under Section 17(4AA) of the Reserve Bank of India Act, 1934.

(9) As per the Statement of Affairs of the Reserve Bank of India.

(10) Advances granted by scheduled state co-operative banks to co-operative banks are excluded from this item but included under 'Loans, cash-credits and overdrafts'.

(11) At book value; it includes treasury bills and treasury receipts, treasury savings certificates and postal obligations.

(12) Includes participation certificates (PCs) issued by scheduled commercial banks to other banks and financial institutions.

(13) Includes participation certificates (PCs) issued by scheduled commercial banks to others.

(14) Figures in brackets relate to advances of scheduled commercial banks for financing food procurement operations.

Table No. 6

(1) Total of demand and time deposits from 'Others'.

(2) Includes borrowings from the Industrial Development Bank of India and National Bank for Agriculture and Rural Development.

(3) At book value; includes treasury bills and treasury receipts, treasury savings certificates and postal obligations.

(4) Total of 'Loans, cash credits and overdrafts' and 'Bills purchased and discounted'.

(5) Includes advances of scheduled state co-operative banks to central co-operative banks and primary co-operative banks.

Table No. 7

With a view to enable the banks to meet any unanticipated additional demand for liquidity in the context of the century date change, a 'Special Liquidity Support' (SLS) facility was made available to all scheduled commercial banks (excluding RRBs) for a temporary period from December 1, 1999 to January 31, 2000.

(1) With effect from April 13,1996, banks are provided export credit refinance against their rupee export credit and post-shipment export credit denominated in U.S. Dollars taken together.

(2) General Refinance Facility was replaced by Collateralised Lending Facility (CLF)/Additional Collateralised Facility (ACLF) effective April 21, 1999. ACLF was withdrawn with the introduction of Liquidity Adjustment Facility (LAF), effective June 5, 2000. CLF was withdrawn completely effective October 5, 2002.

(3) Special Liquidity Support Facility which was introduced effective September 17, 1998 was available upto March 31, 1999.

(4) Post-shipment credit denominated in US dollars (PSCFC) scheme was withdrawn effective February 8, 1996 and the refinance facility thereagainst was withdrawn effective April 13, 1996. The scheme of government securities refinance was terminated effective July 6, 1996.

Table No. 8

(a) The data includes cheque clearing for both i.e. clearing houses managed by Reserve Bank of India and clearing houses managed by other banks. Paper based inter-bank clearing has been discontinued at all the centres since June, 2005.

The other MICR Centres are Agra, Allahabad, Amritsar, Aurangabad, Baroda, Belgaum, Bhavnagar, Bhilwara, Calicut, Coimbatore, Cuttak, Dehradun, Ernakulum, Erode, Gorakhpur, Gwalior, Hubli, Indore, Jabalpur, Jalandhar, Jamshedpur, Jammu, Jamnagar, Jodhpur, Kolhapur, Kozhikode, Kota, Lucknow, Ludhiana, Madurai, Mangalore, Mysore, Nasik, Panaji, Pondicherry, Pune, Raipur, Rajkot, Ranchi, Salem, Sholapur, Surat, Thiruchirapalli, Tirupur, Thrissur, Tirunelveli, Udaipur, Varanasi, Vijayawada and Vishakhapatnam.

(b) Graphs: The graphs 3 and 4 on Paper and Electronic payments - the Electronic Payment System data include Retail Electronic Payment Systems, RTGS (customer and inter-bank) and CCIL operated systems.

(c) Non MICR Data pertains to the Clearing Houses managed by 10 banks namely SBI, SBBJ, SB Indore, PNB, SBT, SBP, SBH, SBM, Jammu and Kashmir Bank and United Bank of India.

(d) The other MICR Centres includes 50 centres managed by 12 PSBs namely Andhra Bank, Bank of Baroda, Bank of India, Canara Bank, Corporation Bank, Oriental Bank of Commerce, Punjab National Bank, State Bank of India, State Bank of Indore, State Bank of Travancore, State Bank of Hyderabad and Union Bank of India.

Table No. 9A

The data pertains to retail electronic payment.

Table No. 9B

The data pertains to Large Value Payment Systems. The figures for CCIL, insofar as the operations pertain to selected services, are taken from the CCIL published data.

Table No. 10

(a) For details of money stock measures according to the revised series, reference may be made to January 1977 issue of this Bulletin (pages 70-134).

(b) Banks include commercial and co-operative banks.

(c) Financial year data relate to March 31, except scheduled commercial banks' data which relate to the last reporting Friday of March. For details, see the note on page S 963 of October 1991 issue of this Bulletin.

(d) Scheduled commercial banks' time deposits reflect redemption of Resurgent India Bonds (RIBs), since October 1, 2003 and of India Millennium Deposits (IMDs) since December 29, 2005.

(e) Data are provisional.

(1) Net of return of about ₹43 crore of Indian notes from Pakistan upto April 1985.

(2) Estimated : ten-rupee commemorative coins issued since October 1969, two-rupee coins issued since November 1982 and five-rupee coins issued since November 1985 are included under rupee coins.

(3) Exclude balances held in IMF Account No.1, Reserve Bank of India Employees' Provident Fund, Pension Fund, Gratuity and Superannuation Fund and Co-operative Guarantee Fund, the amount collected under the Additional Emoluments (Compulsory Deposit) Act, 1974 and the Compulsory Deposit Scheme (Income-Tax Payers') Act.

(f) Revised in line with the new accounting standards and consistent with the Methodology of Compilation (June 1998). The revision is in respect of pension and provident funds with commercial banks which are classified as other demand and time liabilities and includes those banks which have reported such changes so far.

Table Nos. 11 & 13

(a) On the establishment of National Bank for Agriculture and Rural Development (NABARD), on July 12, 1982, certain assets and liabilities of the Reserve Bank were transferred to NABARD, necessitating some reclassification of aggregates in the sources of money stock from that date.

(b) Please see item (c) of notes to Table 10.

(c) Data are provisional.

(1) Includes special securities and also includes ₹751.64 crore (equivalent of SDRs 211.95 million) incurred on account of Reserve Assets subscription to the IMF towards the quota increase effective December 11, 1992.

(2) Represents investments in bonds/shares of financial institutions, loans to them and holdings of internal bills purchased and discounted. Excludes since the establishment of NABARD, its refinance to banks.

(3) Inclusive of appreciation in the value of gold following its revaluation close to international market price effective October 17, 1990. Such appreciation has a corresponding effect on Reserve Bank's net non-monetary liabilities.

Table No. 11A

The conceptual basis of the compilation of the Commercial Bank Survey are available in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998, which recommended changes in the reporting system of commercial banks and the article entitled "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999.

(1) Time Deposits of Residents : These do not reckon non-residents' foreign currency repatriable fixed deposits (such as FCNR(B) deposits, Resurgent India Bonds (RIBs) and India Millennium Deposits (IMDs)) based on the residency criterion and exclude banks' pension and provident funds because they are in the nature of other liabilities and are included under 'other demand and time liabilities'.

(2) Short-term Time Deposits : Refers to contractual maturity of time deposits of up to and including one year. This is presently estimated at 45.0 per cent of total domestic time deposits.

(3) Domestic Credit : It includes investments of banks in non-SLR securities, comprising commercial paper, shares and bonds issued by the public sector undertakings, private sector and public financial institutions and net lending to primary dealers in the call/term money market, apart from investment in government and other approved securities and conventional bank credit (by way of loans, cash credit, overdrafts and bills purchased and discounted).

(4) Net Foreign Currency Assets of Commercial Banks : Represent their gross foreign currency assets netted for foreign currency liabilities to non-residents.

(5) Capital Account : It consists of paid-up capital and reserves.

(6) Other Items (net) : It is the residual balancing the components and sources of the Commercial Banking Survey and includes scheduled commercial banks' other demand and time liabilities, net branch adjustments, net inter-bank liabilities etc.

Table No. 11B

The conceptual basis of the compilation of new monetary aggregates are available in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998. A link series between the old and present monetary series has been published in the article entitled "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999.

(1) NM_2 and NM_3: Based on the residency concept and hence does not directly reckon non-resident foreign currency repatriable fixed deposits in the form of FCNR(B) deposits, Resurgent India Bonds (RIBs) and India Millennium Deposits (IMDs).

(2) NM_2 This includes M_1 and residents' short-term time deposits (including and up to the contractual maturity of one year) with commercial banks.

(3) Domestic Credit : Consistent with the new definition of bank credit which includes investments of banks in non-SLR securities, comprising of commercial paper, shares and bonds issued by the public sector undertakings, private sector and public financial institutions and net lending to primary dealers in the call/term money market. The RBI's loans and advances to NABARD would be included in the RBI credit to commercial sector. Other components such as credit to Government, investments in other approved securities and conventional bank credit remain unchanged.

(4) Net Foreign Assets of The Banking Sector : It comprises the RBI's net foreign assets and scheduled commercial banks' net foreign currency assets (refer to note 4 of Table 11A).

(5) Capital Account : It consists of paid-up capital and reserves.

(6) Other Items (net) of the Banking System : It is the residual balancing the components and sources of money stock, representing other demand and time liabilities *etc.* of the banking system.

Table No. 11C

The conceptual basis of the compilation of the Reserve Bank Survey is given in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998 and the article "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999. The components of reserve money (to be referred as M_0) remain unchanged. On the sources side, the RBI's refinance to the National Bank for Agriculture and Rural Development (NABARD), which was hitherto part of RBI's claims on banks has been classified as part of RBI credit to commercial sector. The Reserve Bank's net non-monetary liabilities are classified into capital account (comprising capital and reserves) and other items (net).

Table No. 12

Please see item (c) of notes to Table 10.

Table No. 26C

(a) Month-end yields for different integer valued residual maturities are estimated using interpolation technique on weighted average yields of select indicative securities derived from SGL transactions data on government securities observed during a select month-end day. Yield corresponding to each transaction in a security is calculated from the following Yield to Maturity (YTM) and price relationship.

$$P + bpi = \sum_{i=1}^{n} \frac{c/v}{(1+y/v)^{vt_i}} + \frac{F}{(1+y/v)^{vt_n}}$$

Where,

P	=	price of the bond
bpi	=	broken period interest
c	=	annual coupon payment
y	=	yield to maturity
v	=	number of coupon payments in a year
n	=	number of coupon payments till maturity
F	=	Redemption payment of the bond
t_i	=	time period in year till i^{th} coupon payment

(b) The weighted average yield corresponding to each traded security on that particular day is calculated from the yields of all transactions on that security using amount (Face Value) traded as the weights.

(c) Broken period (number of days) is based on day count convention of 30 days a month and 360 days a year.

Table Nos. 28 & 29

Table 28 presents Index Numbers of Industrial Production (Sectoral and Use-based Classification). Due to revision of the indices of the mining sector and also the deletion of four items, *viz.*, radio receivers, photosensitised paper, chassis (assembly) for HCVs (bus, truck) and engines from the item–basket of the manufacturing sector, the IIP data have been revised from 1994-95 onwards. This has also resulted in the change in redistribution of weights in use-based classification of IIP. Table 29 contains data on manufacturing sector at two digit level of 17 groups along with general index and sectoral indices, *viz.*, Mining and Quarrying, Manufacturing and Electricity.

Table No. 30

(a) Figures exclude data on private placement and offer for sale but include amounts raised by private financial institutions.

(b) Equity shares exclude bonus shares.

(c) Preference shares include cumulative convertible preference shares and equi-preference shares.

(d) Debentures include bonds.

(e) Convertible debentures include partly convertible debentures.

(f) Non-convertible debentures include secured premium notes and secured deep discount bonds.

(g) Figures in brackets indicate data in respect of premium on capital issues which are included in respective totals.

Table No. 34

The ban on forward trading in gold and silver, effective November 14, 1962 and January 10, 1963, has been lifted with effect from April 1, 2003.

(1) In case Friday is a holiday, prices relate to the preceding working day.

Table No. 35

Annual data relate to average of the months April to March.

(1) The new series of index numbers with base 2001=100 was introduced from January 2006 and with that the compilation of the index numbers with the base year 1982 was discontinued. The linking factor can be used to work out the index numbers with the base year 2001 for data from January 2006 onwards.

(2) Based on indices relating to 78 centres.

Table No. 36

Annual data relate to average of the months April to March. The new series of index numbers with base 1984-85=100 was introduced from November 1987.

(1) Based on indices relating to 59 centres.

As per the Press Release of Central Statistics Office, all-India linked Consumer Price Index for Urban Non-Manual Employees (UNME) has been discontinued with effect from January 2011. Therefore, this Table will not be updated henceforth.

Table No. 37

Annual data relate to the average of the months July to June.

(1) With respect to base: July 1960-June 1961=100.

(2) The new series of index numbers with base : July 1986 to June 1987 = 100 was introduced from November 1995 and with that the compilation of index numbers with base : July 1960 to June 1961 was discontinued. The linking factor given in this column can be used to work out the index numbers with old base (i.e., 1960-61 = 100) for November 1995 and subsequent months.

(3) In the case of Assam, the old series (i.e., with base 1960-61 = 100) was being compiled for the composite region viz. Assam, Manipur, Meghalaya and Tripura while the index of the new series (i.e., with base 1986-87 = 100) has been compiled for each of the constituent States separately. The index for Assam region on old base can be estimated from the corresponding indices of the new series as under :

$I^A_O = 5.89\ [\ (0.8126 \text{ X } I^A_N) + (0.0491 \text{ X } I^{Ma}_N) + (0.0645 \text{ X } I^{Me}_N) + (0.0738 \text{ X } I^T_N)]$

where I_O and I_N represent the index numbers for old and new series, respectively, and superscripts A, Ma, Me and T indicate Assam, Manipur, Meghalaya and Tripura, respectively.

(4) Similarly, in the case of Punjab, where the old series (*i.e.*, with base 1960-61 = 100) was being compiled for the composite region, *viz.*, Punjab, Haryana and Himachal Pradesh, the index for the Punjab region on old base can be estimated as under :

$I^P_O = 6.36\ [(0.6123 \text{ X } I^P_N) + (0.3677 \text{ X } I^{Ha}_N) + (0.0200 \text{ X } I^{Hi}_N)]$

where I_O and I_N represent the index numbers for old and new series, respectively, and superscripts P, Ha and Hi indicate Punjab, Haryana and Himachal Pradesh, respectively.

(5) Indices for the State compiled for the first time from November, 1995.

(6) Consumer Price Index for Rural Labourers (including agricultural labourers) are compiled from November 1995 only.

(7) Average of 8 months (November 1995 - June 1996).

Table Nos. 38

The new series of index numbers with base 2004-05=100 was introduced in September 2010 and was first published in the October 2010 issue of the Bulletin. An article giving the details regarding the scope and coverage of new series is published in October 2010 issue of the Bulletin. As per the press release dated October 19, 2009 of the Cabinet Committee of Economic Affairs (CCEA), Government of India, the weekly release of WPI will cover only the 'Primary Articles' and the 'Fuel, Power, Light & Lubricants' groups. Now on, the WPI for 'All commodities' and 'Manufactured Products' will be released only on a monthly basis.

Table No. 39

(a) The foreign trade data relate to total sea, air and land trade, on private and government accounts. Exports are on f.o.b. basis and imports are on c.i.f. basis. Exports include re-exports of foreign merchandise previously imported to India and imports relate to foreign merchandise whether intended for home consumption, bonding or re-exportation. Direct transit trade, transshipment trade, passengers baggage, ship's stores, defence goods and transactions in treasure i.e. gold and current coins and notes, diplomatic goods, "proscribed substances" under Atomic Energy Act, 1962, are excluded from the trade data, while indirect transit trade, transactions in silver (other than current coins) and in notes and coins not yet in circulation or withdrawn from circulation are included.

Table Nos. 40 & 41

(1) Data up to 1980-81 are final, subsequent data are preliminary actuals.

(2) Interest accrued during the year and credited to NRI deposits has been treated as notional outflow under invisible payments and added as reinvestment in NRI deposits under Banking Capital – NRD.

(3) The item "Non-monetary Gold Movement" has been deleted from Invisibles in conformity with the IMF Manual on BOP (5 th edition) from May 1993 onwards; these entries have been included under merchandise.

(4) Since 1990-91 the value of defence related imports are recorded under imports (merchandise debit) with credits financing such imports shown under "Loans (External commercial Borrowings to India)" in the capital account. Interest payments on defence debt owed to the General Currency Area (GCA) are recorded under Investment Income debit and principal repayments under debit to "Loans (External commercial Borrowings to India)". In the case of the Rupee Payment Area (RPA), interest payment on and principal repayment of debt is clubbed together and shown separately under the item "Rupee Debt Service" in the capital account. This is in line with the recommendations of the High Level Committee on Balance of Payments (Chairman : Dr. C. Rangarajan).

(5) In accordance with the provisions of IMF's Balance of Payments Manual (5th Edition), gold purchased from the Government of India by the RBI has been excluded from the BOP statistics. Data from the earlier years have, therefore, been amended by making suitable adjustments in "Other Capital Receipts" and "Foreign Exchange Reserves". Similarly, item "SDR Allocation" has been deleted from the table.

(6) In accordance with the recommendations of the Report of the Technical Group on Reconciling of Balance of Payments and DGCI & S Data on Merchandise Trade, data on gold and silver brought in by the Indians returning from abroad have been included under import payments with contra entry under Private Transfer Receipts since 1992-93.

(7) In accordance with the IMF's Balance of Payments Manual (5th edition), 'compensation of employees' has been shown under head, "income" with effect from 1997-98; earlier, 'compensation of employees' was recorded under the head "Services – miscellaneous".

(8) Since April 1998, the sales and purchases of foreign currency by the Full Fledged Money Changers (FFMC) are included under "travel" in services.

(9) Exchange Rates : Foreign currency transactions have been converted into rupees at the par/central rates up to June 1972 and on the basis of average of the Bank's spot buying and selling rates for sterling and the monthly averages of cross rates of non-sterling currencies based on London market thereafter. Effective March 1993, conversion is made by crossing average spot buying and selling rate for US dollar in the forex market and the monthly averages of cross rates of non-dollar currencies based on the London market.

Explanatory Notes

Balance of payments is a statistical statement that systematically summarises, for a specific time period, the economic transactions of an economy with the rest of the world.

Merchandise credit relate to export of goods while ***merchandise debit*** represent import of goods.

Travel covers expenditure incurred by non-resident travellers during their stay in the country and expenditure incurred by resident travellers abroad.

Transportation covers receipts and payments on account of international transportation services. ***Insurance*** comprises receipts and payments relating to all types of insurance services as well as reinsurance.

Government not included elsewhere (G.n.i.e.) relates to receipts and payments on government account not included elsewhere as well as receipts and payments on account of maintenance of embassies and diplomatic missions and offices of international institutions.

Miscellaneous covers receipts and payments in respect of all other services such as communication services, construction services, software services, technical know-how, royalties etc.

Transfers (official, private) represent receipts and payments without a quid pro quo.

Investment Income transactions are in the form of interest, dividend, profit and others for servicing of capital transactions. Investment income receipts comprise interest received on loans to non-residents, dividend/profit received by Indians on foreign investment, reinvested earnings of Indian FDI companies abroad, interest received on debentures, floating rate notes (FRNs), Commercial Papers (CPs), fixed deposits and funds held abroad by ADs out of foreign currency loans/export proceeds, payment of taxes by nonresidents/ refunds of taxes by foreign governments, interest/discount earnings on RBI investment etc. Investment income payments comprise payment of interest on non-resident deposits, payment of interest on loans from non-residents, payment of dividend/profit to non-resident share holders, reinvested earnings of the FDI companies, payment of interest on debentures, FRNs, CPs, fixed deposits, Government securities, charges on Special Drawing Rights (SDRs) etc.

Foreign investment has two components, namely, foreign direct investment and portfolio investment.

Foreign direct investment (FDI) to and by India up to 1999-2000 comprise mainly equity capital. In line with international best practices, the coverage of FDI has been expanded since 2000-01 to include, besides equity capital reinvested earnings (retained earnings of FDI companies) and 'other direct capital' (intercorporate debt transactions between related entities). Data on equity capital include equity of unincorporated entities (mainly foreign bank branches in India and Indian bank branches operating abroad) besides equity of incorporated bodies. Data on reinvested earnings for the latest year are estimated as average of the previous two years as these data are available with a time lag of one year. In view of the above revision, FDI data are not comparable with similar data for the previous years. In terms of standard practice of BoP compilation, the above revision of FDI data would not affect India's overall BoP position as the accretion to the foreign exchange reserves would not undergo any change. The composition of BoP, however, would undergo changes. These changes relate to investment income, external commercial borrowings and errors and omissions. In case of reinvested earnings, there would be a contra entry (debit) of equal magnitude under investment income in the current account. 'Other Capital' reported as part of FDI inflow has been carved out from the figure reported under external commercial borrowings by the same amount. 'Other Capital' by Indian companies abroad and equity capital of unincorporated entities have been adjusted against the errors and omissions for 2000-01 and 2001-02.

Portfolio investment mainly includes FIIs' investment, funds raised through ADRs/GDRs by Indian companies and through offshore funds. Data on investment abroad, hitherto reported, have been split into equity capital and portfolio investment since 2000-01.

External assistance by India denotes aid extended by India to other foreign Governments under various agreements and repayment of such loans. External Assistance to India denotes multilateral and bilateral loans received under the agreements between Government of India and other Governments/International institutions and repayments of such loans by India, except loan repayment to erstwhile "Rupee area" countries that are covered under the Rupee Debt Service.

Commercial borrowings covers all medium/long term loans. Commercial Borrowings by India denote loans extended by the Export Import Bank of India (EXIM bank) to various countries and repayment of such loans. Commercial Borrowings to India denote drawals/repayment of loans including buyers' credit, suppliers' credit, floating rate notes (FRNs), commercial paper (CP), bonds, foreign currency convertible bonds (FCCBs) issued abroad by the Indian corporate etc. It also includes India Development Bonds (IDBs), Resurgent India Bonds (RIBs), India Millennium Deposits (IMDs).

Short term loans denotes drawals in respect of loans, utilized and repayments with a maturity of less than one year.

Banking capital comprises of three components : a) foreign assets of commercial banks (ADs), b) foreign liabilities of commercial banks (ADs), and c) others. 'Foreign assets' of commercial banks consist of (i) foreign currency holdings, and (ii) rupee overdrafts to non-resident banks. 'Foreign liabilities' of commercial banks consists of (i) Non-resident deposits, which comprises receipt and redemption of various nonresident deposit schemes, and (ii) liabilities other than non-resident deposits which comprises rupee and foreign currency liabilities to non-resident banks and official and semi-official institutions. 'Others' under banking capital include movement in balances of foreign central banks and international institutions like IBRD, IDA, ADB, IFC, IFAD etc. maintained with RBI as well as movement in balances held abroad by the embassies of India in London and Tokyo.

Rupee debt service includes principal repayments on account of civilian and non-civilian debt in respect of Rupee Payment Area (RPA) and interest payment thereof.

Other capital comprises mainly the leads and lags in export receipts (difference between the custom data and the banking channel data). Besides this, other items included are funds held abroad, India's subscription to international institutions, quota payments to IMF, remittances towards recouping the losses of branches/subsidiaries and residual item of other capital transactions not included elsewhere.

Movement in reserves comprises changes in the foreign currency assets held by the RBI and SDR balances held by the Government of India. These are recorded after excluding changes on account of valuation. Valuation changes arise because foreign currency assets are expressed in US dollar terms and they include the effect of appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen) held in reserves.

Table No. 42

1. Gold is valued at average London market price during the month.
2. Conversion of SDRs into US dollars is done at exchange rates released by the International Monetary Fund (IMF).
3. Conversion of foreign currency assets into US dollars is done at week-end (for week-end figures) and month-end (for month-end figures) New York closing exchange rates.
4. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI Holding rates.
5. Reserve Tranche Position (RTP) in IMF has been included in foreign exchange reserves from April 2, 2004 to match the international best practices. Foreign exchange reserves figures have accordingly been revised for 2002-03 and 2003-04 to include RTP position in the IMF.

Table No. 49

The 5-country indices of REER/NEER were replaced with new 6-currency indices in December 2005. The RBI Bulletin December 2005 carried a detailed article on the rationale and methodology for the replacement. A revision has now been undertaken in the construction of the 6-currency REER indices. This revision was necessitated by a sudden spurt in Chinese inflation indices during April-May, 2006. It may be mentioned that Chinese inflation indices are not readily available in the public domain. The National Bureau of Statistics provides only point-to-point inflation rates on a monthly basis in the public domain. In view of this, inflation indices were constructed taking into account the inflation rates with 1993-94 as the base year. It may be further mentioned that the period from January 1993 to December 1995 was marked by continuous double digit inflation rates in China. This lent an upward bias to the Chinese inflation indices (base: 1993-94=100) leading to a sharp fall in the value of 6-currency REER in April 2006. In order to remove the distortion in REER on account of sudden spurt in Chinese inflation numbers, a new series of Chinese inflation indices has been constructed taking 1990 as the base year (a year with much less volatility in inflation rates). Subsequently, the base year of the new series of Chinese inflation indices has been changed from 1990 to 1993-94 through splicing to facilitate the construction of the 6-currency REER (base 1993-94=100).

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viii) 2005-06 (a) Print Version (£)		2006	200 225 * 170 **	25 *	
(b) CD-ROM			110 130 * 100 **	15 *	
(c) Print Version alongwith CD-ROM			300 350 * 270 **	30 *	
ix) 2006-07 (a) Print Version		2007	270 300 * 200 *** 230 **	40	
(b) CD-ROM			100 120 * 75 *** 95 **	15	
(c) Print Version alongwith CD-ROM			330 380 * 240 *** 300 **	50	

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1	2	3	4	5	6
x) 2007-08 (a) Print Version	DEPR	2008	250 290 * 190 *** 230 **	38 □	
(b) CD-ROM			150 170 * 115 *** 135 **	6 □	
(c) Print Version alongwith CD-ROM			400 450 * 300 *** 350 **	40 □	
xi) 2008-09 (a) Print Version		2009	175 240 * 130*** 190 **		
(b) CD-ROM			185 210 * 140 *** 160 **		
(c) Print Version alongwith CD-ROM			350 450 * 250 *** 350 **		
4. State Finances - A Study of Budgets	DEPR				
i) 1999-00		2000	110 * 90 **	20	
ii) 2000-01		2000	110 * 90 **	20	
iii) 2001-02 (English £ & Hindi)		2002	110 *£ 90 **	20	
iv) 2002-03		2003	110 * 90 **	20	
v) 2003-04		2004	100 125 * 90 **	 15 * 12 *	
vi) 2004-05 (English & Hindi)		2005	120 150 * 100 **	 15 □	
vii) 2005-06 (English & Hindi)		2006	170 200 * 130 **	15 *	
viii) 2006-07 (English & Hindi)		2007	200 230 * 150 *** 175 **	20*	
ix) 2007-08		2008	320 350 * 250 *** 280 **	 30 □	
x) 2008-09 (English & Hindi)		2009	215 245 * 160 *** 190 **	 29 □	
xi) 2009-10			300 350 * 225 *** 275 **		

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	(a) Print version			170		
				200 *	25 ☐	
				125 **	20 *	
	(b) CD ROM			120	15 ☐	
				140 *	10 *	
				90 **		
6.	Handbook of Monetary Statistics in India 2006	DEPR	2006			
	(a) Print version			130	20 *	
				155 *		
				120 **		
	(b) CD ROM			100	15 *	
				90 **		
				120 *		
	(c) Print version along with CD ROM			200	25 *	
				250 *		
				190 **		
B.	**Banking Statistics**					
1.	Basic Statistical Returns of Scheduled Commercial Banks in India					
	(Formerly Banking Statistics (BSR) till March 1999 Vol. 28 issue)	DSIM				
	i) Dec. 76-77 - Vol. 7	(Formerly known	1981	65 * £		
	ii) June 79 to Dec. 79 Vol. 9	as DESACS)	1984	150 * £		
	iii) June 80 to June 81 Vol. 10		1986	125 * £		
	iv) March 1990 - Vol. 19		1992	210	65	
	v) March 1994 - Vol. 23		1997	220 *	70	
	vi) March 1995 - Vol. 24		1997	220 *	70	
	vii) March 1996 - Vol. 25		1998	220 *	70	
	viii) March 1997 - Vol. 26		1999	220 *	70	
	ix) March 1998 - Vol. 27		1999	220 *	70	
	x) March 1998 - Vol. 27 (Hindi Edition)		1999	220 *		
	xi) March 1999 - Vol. 28		2000	220 *	70	
	xii) March 2000 - Vo. 29 (English Hindi)		2000	220 *	70	
	xiii) March 2001 - Vol. 30 (Hindi English)		2002	220 *	70	
	xiv) March 2002 - Vol. 31 (Print Version)		2003	225 *	70	
	(a) CD-ROM		2003	225 *	70	
	xv) March 2003 - Vol. 32 (Print Version)		2004	210	55 ☐	
				250 *	20 *	
	(a) CD-ROM			210	55 ☐	
				250 *	20 *	
	xvi) March 2004 - Vol. 33 (Print Version)		2005	180	55 ☐	
				220 *	20 *	
	(a) CD-ROM			180	55 ☐	
				220 *	20 *	
	xvii) March 2005 - Vol. 34 (Print Version)		2006	180	55 ☐	
				220 *	20 *	
	(a) CD-ROM			180	55 ☐	
				220 *	20 *	
	xviii) March 2006 - Vol. 35 (Print Version)		2007	280	60 ☐	
				320 *	25 *	
	xix) March 2007 - Vol. 36 (Print Version)		2008	280	60 ☐	
				320 *	25 *	
	xx) March 2008 - Vol. 37 (Print Version)		2009	300	60 ☐	
				340 *	25 *	

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	1	2	3	4	5	6	
2.	Basic Statistical Return 1 & 2	DSIM					
	i) Handbook of Instructions (English)		1996	20 * £			
	ii) Handbook of Instructions (Hindi)		1996	20 * £			
	iii) Basic Statistical Returns 1 and 2 Handbook of Instructions		2002	35 *			
3.	i) Form A-1 (Revised)		1996	2 £		13	
	ii) Form A-2 (Revised)		1996	3 £		38	
	iii) BSR-1 A forms (1 pad contains 25 sheets)		1996	14 £		200	19
	iv) BSR-1 B forms (1 pad contains 25 sheets) (Revised)		1996	14 £			
	v) BSR-2 forms (1 pad contains 25 Sheets) (Revised)		1996	14 £		200	19
	(The Regional Rural Banks from Western region may please contact DESACS, RBI, B.K. Complex, Bandra (E), Mumbai 400 051 for BSR-1A, BSR-1B & BSR-2 forms.)						
4.	Banking Statistics Basic Statistical Returns 1 & 2	DSIM	2004	420	59 □		
	Vol. 1 to 31, 1972 to 2002 DISC 1 & 2			475 *	27 *		
5.	Banking Statistics-Summary Tables,	DSIM					
	i) March 1995		1997	25 *			
	ii) March 1996		1998	25 *			
	iii) March 1997		1999	25 *			
	iv) March 1998		1999	25 *			
	v) March 1999		2000	25 *			
	vi) March 2000		2001	25 *			
6.	Banking Statistics - Quarterly Handout #	DSIM					
	i) 1990 (4 Issues)		1990	40 * £			
	ii) March 1991		1991	10 * £			
	iii) June 1991		1991	12 * £			
	iv) September 1991		1991	15 * £			
	v) December 1991		1991	12 * £			
	vi) 1992 (3 Issues)		1992	75 *			
	vii) 1993 (4 Issues)		1993	120 *			
	viii) 1994 (4 Issues)		1994	120 *			
	ix) 1995 (4 Issues)		1995	120 *			
	x) 1996 (4 Issues)		1996	120 *			
	xi) 1997 (4 Issues)		1997	100 *			
	xii) 1998 (4 Issues)		1998	100 *			
	xiii) 1999 (4 Issues)		1999	100 *			
	xiv) 2000 (4 Issues)		2000	100 *			
	xv) 2001 (4 Issues)		2001	100 *			
	xvi) 2002 (4 Issues)		2002	100 *			
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	xviii) 2004 (4 Issues)		2004	140 *			
	xix) 2005 (4 Issues)		2005	140 *			
	xx) 2006 (4 Issues)		2006	140 *			
	xxi) 2007 (4 Issues)		2007	140 *			
	xxii) 2008 (4 Issues)		2008	140 *			
	xxiii) 2009 (4 Issues)		2009	240 *			
	Name changed w.e.f. Sept. 2003 issue as Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks.						
	xxiii) 2009 (4 Issues)		2009	240 *			
7.	Banking Statistics - Bank Credit	DSIM					
	i) June 1987		1989	20 * £			
	ii) December 1987 - June 1988		1989	40 * £			
	iii) December 1988		1989	20 * £			
	iv) June 1989		1989	25 * £			
8.	Banking Statistics 1972-95	DSIM	1998	120 *			
9.	Branch Banking Statistics - Vol. 1 March 1999	DSIM	1999	130 *	40		

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12. Branch Banking Statistics - Vol. 3 March 2002		DSIM	2003	185 *	40	
13. Statistical Tables Relating to Banks in India		DSIM				
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iii) 1992-93			1998	135 £ 200 *	50	
iv) 1994-95			1997	125 185 *	45	
v) 1995-96			1998	125 185 *	45	
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ix) 1999-00			2000	175 225 *	50	
x) 2000-01	(a) Print version		2001	150 200 *	50	
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xi) 2001-02	(a) Print version		2002	150 200 *	50	
	(b) CD-ROM		2002	100 150 *	 50	
xii) 2002-03	(a) Print version		2003	200 250 *	50 *	
	(b) CD-ROM		2003	200 250 *	50 *	
xiii) 2003-04	(a) Print version		2004	230 280 *	25 ☐ 15 *	
	(b) CD-ROM		2004	175 225 *	25 ☐ 15 *	
xiv) 2004-05	(a) Print version		2005	190 240 *	55 ☐ 20*	
	(b) CD-ROM			200 250 *	55 ☐ 20*	
xv) 2005-06	(a) Print version		2006	250 300 *	55 ☐ 20*	
	(b) CD-ROM			200 250 *	55 ☐ 20*	
xvi) 2006-07	(a) Print version		2007	180 230 *	55 ☐ 20*	
	(b) CD-ROM			150 200 *	55 ☐ 20*	
xvii) 2007-08	(a) Print version		2008	200 250 *	80 ☐ 20*	
	(b) CD-ROM			225 250 *	15 ☐ 45*	
xviii) 2008-09	(a) Print version		2009	200 250 *	80 ☐ 20*	
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	(a) CD -ROM		1998	50		
15.	Selected Banking Indicators 1981 to 2002	do	2003	320 460 *	75	
16.	Selected Banking Indicators 1981 to 2002 (On CD-ROM)	do	2003	250 300 *	75	
17.	Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks 1981-2003 (on CD-ROM)	do	2004	185 240 *	55 □ 20 *	
18.	Annual Accounts of Scheduled Commercial Banks (Including Regional Rural Banks) 1989-90 to 2000-01 (on CD-ROM)	do	2002	200 250 *	50	
19.	Annual Accounts of Scheduled Commercial Bank (Including Regional Rural Banks 1979-2004) CD-Rom		2004	85 £ 135	25	
20.	Directory of Commercial Bank Offices in India Vol. 1-0 December 2000 (on CD-ROM)	do	2000	500 * £	100	
21.	Directory of Commercial Bank offices in India Vol. 2 September 2003 (On CD-ROM)	do	2003	200 * £	40 *	
22.	All-India Debt and Investment Survey 1981-82	do				
	i) Assets and liabilities of households as on 30th June 1981		1987	75 85 * 60 **	15	
	ii) Statistical tables relating to capital expenditure and capital formation of households during the year ended 30th June 1982		1987	125 £ 135 * 100 **	25	
	iii) Statistical tables relating to cash borrowings and repayments of households during July 1981 to June 1982 and cash dues outstanding as on 30th June 1982		1990	100 £ 110 * 80 **	32	
23.	A Profile of Banks					
	i) 2004-05	DSIM	2005	100 130 *	20 *	
	ii) 2005-06		2006	90 120 *	55 □ 20 *	
	iii) 2006-07		2007	90 120 *	55 □ 20 *	
	iv) 2007-08		2008	40 70 *	5 * 45 □	
	v) 2008-09		2009	60 90 *	5 * 45 □	
C.	**Public/Private Limited Companies**					
1.	Selected Financial Statistics Public Ltd. Companies 1974-75 to 1999-2000 (Selected Industries) on CD-ROM	DSIM	2001	350 *	70	
2.	Selected Financial Statistics Public Ltd. Companies 1974-75 to 1999-2000 (Selected Industries)	do				
	1974-75 To 1982-1983 Vol.I		2001	700 *	140	1700
	1982-83 To 1990-1991 Vol.II		2001			1500
	1990-91 To 1999-2000 Vol.III		2001			2000
	(₹ 700 for three volums)					
3.	Selected financial and other ratios-public limited companies	do				
	1980-81 to 1987-88 Vol.I		1990	45 £	15	
	Vol.II		1990	60 £	20	
	1988-89 to 1990-91 (Part I)		1996	90 £	50	
4.	Selected financial & other ratios-private limited companies 1988-89 to 1990-91 (Part II)	do	1996	80	45	

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5.	Private Corporate Business Sector in India Selected Financial Statistics from 1950-51 to 1997-98 (All-Industries) (Print Version)	DSIM	2000	300 *	60 *		
	(a) CD-ROM			500 *	100 *		
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1.	Study group on deployment of resources by State and Central co-operative banks (Hate committee report)	UBD	1982	25 * £			
2.	Capital formation and savings in India 1950-51 to 1979-80 Report of the working group on savings (Raj committee report)	DEPR	1982	18 £		400	21
3.	Report of the working group to consider feasibility of introducing MICR/ OCR technology for cheque processing (Damle committee report)	DBOD	1983	7 £ (Amt. rounded off)		200	19
4.	Report of the committee to review the working of the monetary system (Sukhamoy Chakravarty committee report)	DEPR	1985	35 £ 25 **	10		
5.	Report of the committee to consider final accounts of banks (Ghosh committee report)	DBOD	1985	56 £		500	22
6.	Report of the committee on agricultural productivity in Eastern India	DEPR					
	(Sen Committee Report) Vol. I		1985	70 * £	15		
	(Hard Bound) Vol. II		1985	85 * £	20		
7.	Report of the working group on the money market (Vaghul committee report)	MPD	1987	15 *			
8.	Report of the committee to review the working of credit authorisation scheme (Marathe committee report)	IECD (Old)	1988	10 *	10		
9.	Co-ordination between term lending institutions and commercial banks (Bucher committee report)	do	1988	10 *	1		
10.	Report of the working group to review the system of cash credit (Chore committee report)	do	1988	12 * £			
11.	Report of the study group to frame guidelines for follow-up of bank credit (Tandon committee report)	do	1988	16 * £			
12.	Report of the study group for examining introduction of factoring services in India (Kalyansundaram committee report)	do	1989	30 *			
13.	Report of the committee on computerization in banks (Rangarajan committee report)	DSIM	1989	40 £		500	22
14.	Report of the Committee on Financial System (Narasimham Committee Report)	DBOD	1991 (Reprint)	60 £		170	19
15.	Report of the working group on financial companies (Shah committee report)	DFC	1992	30 £		300	20
16.	Report of the task force on money market mutual funds (Basu committee report)	MPD	1992	10 * £	5		
17.	Report of the committee on the licensing of new urban co-operative banks (Marathe committee report) (Hindi Edition)	UBD	1992	40		400	21
18.	Report of the committee to examine the legal and other difficulties faced by banks and financial institutions in rehabilitation of sick industrial undertakings and suggestremedial measures including changes in the law (Tiwari committee report)	IECD (Old)	1993 (Reprint)	90 £		500	22
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21.	Report of the committee to examine the adequacy of institutional credit to the SSI sector & related aspects (Nayak committee report)	RPCD	1993 (Reprint)	55	9	300	20
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23.	Report of the committee to enquire into securities transactions of banks and financial institutions (Jankiraman committee report)	DOC	1994	85 £ 100 *			
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27. Report of the expert group for designing a supervisory framework for non-banking financial companies (Khanna Committee Report)	DBOD	1996	35		307	21
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30. Money Supply : Analystics and Methodology of Compilation- Report of the working group (Reddy Committee Report)	DEPR	1998	35 £	20		
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34. Report of the Committee on Banking Sector Reforms (Narasimham Committee Report)	DBOD	1998	32 £		244	20
35. Report of the Working Group on Euro (Subramanyam Committee Report)	DEIO	1998	100 £	30		
36. Report of the Committee on Hedging through International Commodity Exchange (Gupta Committee Report)	FED	1998	100 *	50		
37. Report of the Committee on Tecnnology Upgradation in the Banking Sector (Vasudevan Committee Report)	DIT	1999	100 *	25		
38. Report of the High Power Committee on Urban Co-operative Banks (Madhava Rao Committee Report)	UBD	1999	80		490	22
39. Report of the Advisory Group on Payment and Settlement System Part (I) June 2000	MPD	2000	40 * 30 **	15		
40. Report of the Advisory Group on Payment and Settlement System (Part II)	do	2000	20 * 15 **	10		
41. Report of the Advisory Group on Payment and Settlement System (Part III)	do	2001	20 * 15 **	10		
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44. Report of the Advisory Group on Fiscal Transperency	do	2001	30 * 20 **	15		
45. Report of the Advisory Group on Data Dissemination	do	2001	35 * 25 **	20		
46. Report of the Advisory Group on Banking Supervision	do	2001	90 * 60 **	40		
47. Report of the Advisory Group on Securities Market Regulation	do	2001	25 * 20 **	10		
48. Report of the Advisory group on Bankruptcy Laws (Volume-I & II)	do	2001	90 * 75 **	45		
49 . Report of the Advisory Group on Insurance Regulation	do	2001	35 * 25 **	20		
50 Report of the Advisory group on Accounting & Auditing	do	2001	40 *	20		
51. Report of the Technical Group on Market Integrity	do	2002	65 * 50 **	20		
52 Standing Committee on International Financial Standards and Codes on CD-ROM	do	2002	200 * 150 **	60		

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54.	The Standing Advisory Committee for Urban Co-operative Banks	UBD					
	i) First meeting		1983	5		200	19
	ii) Second meeting		1984	6 £		200	19
	iii) Third meeting		1985	6		200	19
	iv) Fourth meeting		1985	9		300	20
	v) Fifth meeting		1986	9 £		200	19
	vi) Sixth meeting		1988	12 £		200	19
	vii) Seventh meeting		1989	12		200	19
	viii) Eighth meeting		1990	21		300	20
	ix) Ninth meeting (Bilingual edition)		1992	24		200	19
	x) Tenth meeting		1994	95		300	20
	xi) Eleventh meeting		1995	90		300	20
	xii) Twelfth meeting		1996	52		100	18
E.	**Manuals**						
1.	Manual for urban co-operative banks	UBD	1984	15 £		400	21
2.	Manual on costing exercise in commercial banks	MSD	1987	5 £		200	19
3.	Manual on costing exercises in private sector and urban banks (Reprint)	do	1989	27 £		200	19
4.	RBI-Exchange Control Manual- (Reprint of 1993 edition) (Vol.I & II) (updated upto July, 1998)	FED	1998	400 £		2200	39
	i) RBI - Exchange Control Manual on floppy Disc - size 3.5 (Upadated upto June, 1999)		1999	400 £			
	ii) RBI - Exchange Control Manual - on C.D. Rom (updated upto 31st May, 2000)		1999	400 £			
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1.	i) Compendium of A.D. (M.A. Series) circulars No. 1	FED	1997	75 £			
	ii) Compendium of A.D. (M.A. Series) circulars No. 2		1998	120 £			
	iii) Compendium of A.D. (M.A. Series) circulars No. 3		1999	200			
2.	A. D. (M.A. Series) Circular No. 11 Foreign Exchange Management Act 1999	do	2000	185		900	26
3.	MPD Circulars						
	i) August 1970 to December 1981 - Vol. I	MPD	1989	75 *			
	ii) January 1982 to March 1989 - Vol.II		1989	75 *			
	iii) April 1989 to April 1995 Vol.III		1996	200		1530	33
4.	i) Circulars on Monetary and Credit Policy Vol. 4 (From May 1995 to April 1997)		2002	165 * 130 **	50		
	ii) Circular on Monetary and Credit Policy Vol. No. 5 (From May 1997 to March 1999)		2002	235 422 * 372 ** 185 ***	70		
	iii) Circulars on Monetary and Credit Policy Vol. No. 6. Part I & II (from April 1999 to March 2003) (English & Hindi)						
	a) Print Version (A set of four books)		2003	900 1300 * 1100 ** 700 ***	170		
	b) CD-ROM			400 * 300 **	80		
	iv) Circulars on Monetary and Credit Policy Vol. No. 7 (from April 2003 to March 2004) (English & Hindi)						
	a) Print Version		2004	250 275 * 200 **	25 □ 20 *		
	b) CD-ROM			180 200 * 140 **	5 □ 12 *		

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v) Circulars on Monetary and Credit Policy Vol. No. 8	MPD	2005				
(from April 2004 to March 2005)			375	30 *		
(a) Print Version (Billingual)			400 *			
			280 **			
(b) CD-ROM			180	15 *		
			200 *			
			140 **			
vi) Compendium of MPD Circulars - Vol. No. 9		2006	480	35 *		
(April 2005 - March 2006) (Billingual)			500 *			
			375 **			
vii) Circulars on Monetary Policy Vol. No. 10		2007	600	40		
(April 2006 to March 2007) Billingual			620 *			
			450 **			
viii) Circulars on Monetary Policy Vol. No. 11 (CD-ROM)		2008	210	8 *		
(April 2007 to March 2008)			230 *			
			160 ***			
			180 **			
ix) Circulars on Monetary and Credit Policy Vol. No. 12 (CD-ROM)		2009	335	9 *		
(from April 2008 to March 2009)			355 *	43 □		
			275 ***			
			255 **			
5. IECD circulars	IECD (Old)					
i) July 1978 to June 1986 bilingual (Vol.I & II)		1993	250	10	2114	39
ii) 1986-89		1990	70		1325	31
iii) 1989-94 (Vol. I&II)		1995	250 £		2295	40
iv) 1994-95		1995	80		700	24
v) 1995-96		1996	55		380	21
vi) 1996-97		1997	65		445	22
6. Rural Planning and Credit Department (RPCD) Circulars (Bilingual edition)	RPCD					
i) July 1994 to June 1995 (Vol. X)		1998	180			
			200 *			
ii) July 1995 to June 1996 (Vol. XI)			180 £			
			200 *			
iii) July 1996 to June 1997 (Vol. XII)		1999	180			
			200 *			
iv) July 1997 to June 1998 (Vol. XIII)		1999	180			
			200 *			
v) July 1998 to June 1999 (Vol. XIV)		2000	180			
			200 *			
vii) July 1999 to June 2000 (Vo. XV)		2001	210			
			240 *			
7. Compendium of Circulars on Small Scale Industries	do	2000	120	25		
			150 *			
8. RPCD Circular (on CD-ROM) (1st July 1982 to 31 March 2004)	do	2004	120			
			150 *			
9. RPCD Circulars on Small Scale Industries (upto 30-09-2004)	do	2004	120			
on CD-ROM			150 *			
10. Compendium of Circulars on Small Scale Industries	do	2004	140			
(January 2000 - March 2004)			170 *			
11. UBD circulars	UBD					
i) June 1985		1986	115		274	20
ii) 1985-1992 (Vol.I & II)		1995	250		3195	49
iii) 1992-1994		1995	165		1792	35
iv) 1995-96		1997	55		735	25

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	1	2	3	4	5	6	
12.	i) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (July 1996-December 1997)	UBD	2000	85 £		742	25
	ii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 1998-December 1999)		2003	100 £		1032	68
	iii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 2000-December 2001)		2003	120 £		1300	68
G.	**Memorandum**						
1.	Memorandum of Exchange Control Manual, 1993 containing detailed procedural instructions	FED					
	a) Relating to general insurance in India (GIM)		1994	20		70	19
	b) Relating to channeling transactions through Asian Clearing Union (ACM)		1996	20		70	19
	c) Relating to co-operative/commercial banks (other than authorised dealers) authorised to maintain non-resident rupee accounts (ABM)		1994	20 £			
	d) Memorandum of Instructions to full-fledged money changers (FLM)		1999	30 £		110	19
	e) Memorandum of Instructions to restricted money changers (RLM)		1999	30 £		90	18
	f) Memorandum of Instruction on project & service exports (PEM)		1997	40 £		280	20
2.	Memorandum of Exchange Control Regulations Relating to general insurance in India (GIM)	do	2002	30			26
3.	Memorandum of instructions to Authorised Money Changers (AMC)	do	2002	30			
4.	Memorandum of Procedure for channelling transaction through Asian Clearing Union (ACU) Memorandum ACM	do	2003	30			21
5.	Memorandum of Instructions on Project and Service Exports (PEM)	do	2003	40			
H.	**Reserve Bank of India Occasional Papers (Quarterly)**	DEPR	–				
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	ii) 1990 to 1995 (Yearly four issues)			35 * @ £	25 @		
	iii) 1996 (Yearly four issues)			35 * @	25 @		
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	vii) 1999 (Yearly 3 issues)			50 * @	30 @		
	viii) 2000 (Yearly 2 issues) Summer - Vol. 21 No. 1			80 * @	45 @		
	ix) (Monsoon & Winter Combined Issue) - Vol. 21 No. 2 & 3			80 * @	45 @		
	x) 2001 Vol. 22 Nos. 1, 2 & 3 (Combined Issue)			80 * @	45 @		
	xi) 2003 Vol. 24 Nos. 1 & 2 (Summer & Monsoon Combined Issue)			80 * @ £	45 * @		
	xii) 2003 Vol. 24 No. 3 (Winter)			80 * @	45 * @		
	xiii) 2004 Vol. 25 No. 1, 2 & 3 (Summer, Monsoon & Winter Combined Issue)			80 * @ £	45 * @		
	xiv) 2006 Vol. 27 No.1 and 2 (Summer and Monsoon Combined Issue)			80 * @	45 * @		
	xv) 2006 Vol. 27 No. 3 (Winter)			80 * @	45 * @		
	xvi) 2007 Vol. 28 (Yearly Three Issues)			80 * @ £	45 * @		
	xvii) 2008 Vol. 29 (Yearly Three Issues)			80 * @ £	45 * @		
	xviii) 2009 Vol. 30 (Yearly Three Issues)			80 * @	45 * @		
I.	**Others Important Publications**						
1.	Small Scale Industries-Policy & Guidelines	RPCD	1997	20		200	19
2.	Regulatory Framework for Non-Banking Financial Companies	DNBS	1998	40 £		365	21
3.	Question/Answer New NBFC Policy	do	1998	10 £		50	18
4.	Payment Systems in India	DIT	1998	60 * 150 *	10		
5.	Mechanised Cheque Processing Using MICR Technology Procedural Guidelines	do	1999	50 *£			
6.	Mechanised Cheque Processing using MICR Technology Procedural Guidelines. (Second Edition)	do	2002	50 *			
7.	Indian Financial Network Banking Applications Message Formats (INFINET)	do	2000	100 *			
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9.	Balance of Payments compilation	DEPR	1987	45 *	30		

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11.	India's Balance of Payments monograph – 1948-49 to 1988-89	do	1993	90 £	40		
12.	Centenary Commemorative Volume (C.D. Deshmukh Memorial Lecture series)	do	1996	100	25	400	21
13.	50 years of Central Banking : Governors Speak	do	1997	400		800	25
14.	Indian Economy – Basic Statistics – 1997	do	1997	4 £			
15.	External Debt-Management : Issues, Lessons and Preventive Measures	do	1999	250 *	20		
16.	Foreign Collaboration in Indian Industry - Sixth Survey Report	do	1999	60 *	20		
17.	Foreign Collabration in Indian Industry Seventh Survey Report 2007 (1994-95 to 2000-01)	do	2007	75 90 * 70 **	15 □	–	
18.	Flow of Funds Accounts of the Indian Economy 1951-52 to 1995-96	do	2000	75 *	20		
19.	Exchange facilities for foreign travel	FED	1996	8 £		35	18
20.	Exchange facilities for resident Indians	do	1997	15 £		32	18
21.	A Handbook on foreign Collaboration	do	1997	50 £ 65 *	15 *		
22.	Indian Overseas Investment Handbook of Policies and Procedures	do	1998	100 £ 125 *			
23.	Facilities for Non-resident Indians	do	1999	35 £ 50 *	8		
24.	RBI Remittance Facilities Scheme - 1975	DGBA	1989	3 £		25	
25.	Karyalayeen Shabdavli (English-Hindi)	DAPM	1994	15		166	19
26.	Directory of Bank Offices 1993 (English)	DBOD	1996	485 568 *	 36		
27.	Computer Paribhasha Kosh (Hindi)	do	1999	100		528	23
28.	Your Guide to Money Matters	DCM	1999	5 £		44	
29.	The Paper & The Promise: A Brief History of Currency & Bank notes in India (Revised Edition)	do	2009	200	30	370	36
30.	Functions and Working of RBI (Hindi)	CO	1984	30 £		719	25
31.	RBI 50 years - 1935-85	do	1985	50 £ 35 **	15	428	22
32.	Banking Glossary (English-Hindi)	Rajbhasha	1995	38		471	22
33.	Banking Glossary (English-Hindi)	do	2003	50	5		24
34.	Banking Glossary (English-Hindi)	do	2007	75 100 *			
35.	Reserve Bank of India Functions and working	RBI Staff College, Chennai	2001	120			68
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With a view to improving the format and content of RBI Bulletin, we approach you with the following questionnaire. We greatly appreciate your sparing time to answer the questionnaire and mail it to the address given below:

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Readers' Views on the Monthly Bulletin

(3) Please indicate, with reference to the answer given for (2) above, your suggestions for improvements in regard to items other than the 'Current Statistics' portion of the Bulletin.

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Thank you very much for your cooperation.

Editor

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To facilitate quicker access to RBI documents available on the RBI Website (URL : www.rbi.org.in), frequently accessed documents have been given a special URL. By keying-in the URL which can also be saved in 'Favourites', the visitor can directly reach the desired document on the RBI site.

Advance release calenders relating to data categories pertaining to: (i) analytical accounts of the banking sector, (ii) analytical accounts of the central bank, (iii) share price index, (iv) balance of payments, (v) international reserves, and (vi) exchange rates under the Special Data Dissemination Standards (SDDS) of the IMF are also posted on the RBI Website (http://www.rbi.org.in).

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– Editor

RBI provides Web based Access to its Database on Indian Economy

The Reserve Bank of India has released a number of long time series data on several aspects of Indian economy covering key macro economic aggregates to the public in user-friendly manner through dynamic web based application.

Objective : The Database on Indian Economy is built for the convenience of researchers, analysts and other users. It is created to provide the public with an access to the published data series, with additional details on some series as available in the Reserve Bank of India's enterprise wide data warehouse.

Coverage : Data available on published time series, can be accessed through a completely browser based software include data on:

- financial sector,
- real sector,
- financial market,
- external sector,
- public finance and
- corporate finance

Features :

- All the data series are accompanied with data definitions, i.e. metadata, which allow the user to view the definitions/concepts of the underlying variables;
- The data definitions provides search feature;
- Extract data through standard reports which allows the users to select and view the preformatted reports or
- Dynamic 'data query', which enables user to define list of data series and allows the user to choose the time period for data extraction.
- Data files can be downloaded in the form of CSV / pdf format.

Access : The data can be accessed from the home page of the RBI website (www.rbi.org.in) through the static headline 'Database on Indian Economy' List of data series available on the site is available on the homepage of the site, i.e. Database on Indian Economy.

This list will be proggressively enlarged on the basis of feedback received and availability of relevant data series in the RBI data warehouse. Feedback may please be sent to dbiehelpdesk@rbi.org.in or through the feedback option on the home page of the website.

– Editor

India's Financial Sector – An Assessment

A comprehensive assessment of India's financial sector by the **Committee on Financial Sector Assessment (CFSA)**, constituted by the Government of India and the Reserve Bank of India, evaluating financial sector stability and development, identifying gaps in compliance with various international financial standards and codes, and suggesting corrective policy measures. The Report contains six volumes. Volume III – VI contain independent reports by the four Advisory Panels assisting the CFSA as follows:

- **Financial Stability Assessment and Stress Testing**, covering macro-prudential analysis, stability assessment and stress-testing of the financial sector **(Volume III).**
- **Financial Regulation and Supervision**, covering assessment of standards pertaining to banking regulation and supervision, securities market regulation and insurance regulation **(Volume IV).**
- **Institutions and Market Structure**, covering assessment of financial infrastructure including legal, regulatory and liquidity management aspects and standards regarding accounting and auditing, corporate governance, payment and settlement systems and effective insolvency and creditor rights systems **(Volume V).**
- **Transparency Standards**, covering assessments of standards regarding transparency in monetary and financial policies, fiscal transparency and data dissemination **(Volume VI).**

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Perspectives on Central Banking: Governors Speak

2009-10 marks the Platinum Jubilee of the Reserve Bank of India. On this occasion, the Reserve Bank has brought out a book entitled ***Perspectives on Central Banking: Governors Speak***, which is a compendium of landmark speeches by its Governors.

The compendium provides a glimpse into the ideas, issues and concerns that shaped the institution over the years. The array of themes covered in the speeches - monetary policy, external sector management, issues in the financial sector and the real economy, regulation and supervision of banks, poverty and financial inclusion and the policy challenges in a globalised environment - is a reflection of the broad mandate of the Reserve Bank and its enduring concern for the larger public good.
