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by Duvvuri Subbarao, Governor, Reserve Bank of India

Macroeconomic and Monetary Developments
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First Quarter Review of Monetary Policy 2011-12*

Introduction

The Reserve Bank's Annual Policy Statement of May 3, 2011 highlighted several risk factors to the growth-inflation outlook. Many of these risks have materialised. On the global front, the sovereign debt problems that have beset the euro area over the past year now threaten larger economies in the region. In the US, concerns over a sovereign default loom over financial markets, with potentially disruptive consequences for global capital flows. Japan is dealing with the challenges of recovering from the impact of the *tsunami* amidst deeper recessionary tendencies.

2. In striking contrast to advanced economies, emerging market economies (EMEs) have generally been dealing with rising inflation, caused by a combination of elevated commodity prices and robust domestic demand. While the two-speed recovery has been spoken about for some time, its very different impact on advanced economies and EMEs is now clearly visible.

3. From the perspective of India's macroeconomic policy imperatives, a critical consideration is the effect that global conditions will have on commodity prices. Since the May 3 Statement, the prices of many commodities, including that of crude oil, have shown signs of softening, reflecting weakening demand in advanced economies. Had this trend consolidated, it would have provided some welcome relief from inflationary pressures. However, one quarter later, the downtrend has not yet proved to be very strong. Prices are generally still high compared with last year. With no immediate prospects of monetary tightening in the advanced economies, the impact of weakening demand appears to be offset by that of abundant liquidity.

4. On the domestic front, a revised and rebased index of industrial production (IIP) suggested that earlier signals of a growth deceleration in the second half of 2010-11 were exaggerated. In fact, the growth momentum remained strong throughout the year. However, data for April-May 2011 suggest that some moderation might be under way, reflecting in part a lagged response to the monetary tightening that has been effected since October 2009.

5. Notwithstanding signs of moderation, inflationary pressures are clearly very strong. Importantly, the softening of commodity prices over the past three months did not translate into a decline in either headline wholesale price index (WPI) inflation or non-food manufacturing inflation. If the softening reverses, commodity prices are likely to exert inflationary pressures for some time, making moderation in demand necessary to bring inflation down.

6. Overall, the current balance of global and domestic factors suggests that monetary policy needs to persist with a firm anti-inflationary stance. Moreover, moderating domestic growth will certainly help ease inflationary pressures, which may be reinforced by possible softening in global commodity prices.

7. This policy review is set in the context of the above uncertain global and domestic economic environment. It should be read and understood together with the detailed review in *Macroeconomic and Monetary Developments* released yesterday by the Reserve Bank. This Statement is organised in four sections: Section I provides an overview of the global and domestic macroeconomic developments; Section II sets out the outlook and projections for growth, inflation and monetary aggregates; Section III explains the stance of monetary policy; and Section IV specifies the monetary policy measures.

I. The State of the Economy

Global Economy

8. The pace of global expansion moderated in Q2 of 2011. Several factors contributed to this - high oil and other commodity prices, supply chain disruptions from Japan, sovereign debt concerns in the euro area, and continued weakness in the US housing and labour markets.

* Announced by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India on July 26, 2011 in Mumbai.

9. Concerns over the euro area sovereign debt problem re-emerged on the back of Greece's deteriorating fiscal position, downgrading of Portugal's sovereign debt rating, and most significantly, signs of stress in Italy's sovereign debt. There is heightened anxiety about whether the euro area will be able to agree on an economically viable, fiscally sustainable and politically feasible solution to the vexing sovereign debt problem. In this regard, the agreement reached by the euro zone leaders in their meeting on July 21, 2011 is a positive development. However, its effective implementation remains to be seen.

10. Medium-term sovereign debt sustainability issues are also under debate in the US, although the near-term focus is on the constraints posed by the existing debt ceiling. The unemployment rate edged up in the US and showed no improvement in other major advanced economies. The US national home price index declined further in Q1 of 2011.

11. International prices of oil and other commodities softened in the weeks after the May 3 Policy Statement on the back of a slowdown in economic activity, but they remain at elevated levels. Crude prices, which moderated in June 2011 on account of the decision of the International Energy Agency (IEA) members to release 60 million barrels of crude from their strategic reserves to offset supply disruptions, have edged up again. Brent crude price has ruled above US$ 110 a barrel in July 2011 so far. On a year-on-year (y-o-y) basis, the World Bank's index of energy prices was up by 39 per cent in June 2011. Also, the Food and Agriculture Organisation's (FAO) food price index in June 2011 was 39 per cent higher than in June 2010.

12. Despite sluggish economic activity, inflationary pressures also emerged in advanced economies under the impact of high commodity prices. Core inflation has picked up in the US and the euro area. In view of headline inflation remaining above its target, the European Central Bank (ECB) raised its policy rate in July 2011, its second rate hike since it began to exit from its expansionary monetary stance in April 2011.

13. Reflecting high commodity prices as well as strong demand, headline as well as core inflation in EMEs remained elevated in the first half of 2011. Inflation in China reached a 3-year high of 6.4 per cent in June 2011. Many EMEs persisted with monetary tightening in Q2 of 2011.

Domestic Economy

14. GDP grew by 8.5 per cent during 2010-11. This estimate could undergo some upward revision since the new IIP series (base: 2004-05) shows that industrial growth did not moderate in the second half of 2010-11 as earlier thought. Latest available data for 2011-12, however, suggest some moderation in economic activity. The increase in the IIP by 5.7 per cent in April-May 2011 was lower as compared with the increase of 10.8 per cent in the corresponding period of last year. Merchandise trade, however, registered strong growth with exports expanding by 46 per cent during Q1 of 2011-12.

15. According to the Reserve Bank's order books, inventories and capacity utilisation survey (OBICUS), capacity utilisation in Q4 of 2010-11 increased significantly to 77.4 per cent. However, the forward-looking industrial outlook survey (IOS), conducted during June 2011, showed a decline in the overall business sentiment in Q1 of 2011-12 and further slippage for the following quarter. The HSBC purchasing managers' index (PMI) for June 2011 showed moderation in the growth of manufacturing activity, although the PMI for services moved up marginally.

16. The south-west monsoon has been one per cent below normal so far (July 20, 2011). However, the Reserve Bank's production weighted rainfall index at 104 shows an above normal trend so far. Area-wise, 88 per cent of the country received excess/normal rainfall. Significantly, *kharif* sowing this season (up to July 22, 2011) in respect of pulses, coarse cereals, oilseeds and cotton has been lower compared with the same period of last year.

17. Inflation continues to be the dominant macroeconomic concern. The headline WPI inflation rate was 9.7 per cent in April 2011. The provisional inflation figure was 9.1 per cent in May 2011 and 9.4 per cent in June. Given the recent pattern, these numbers are likely to be revised upwards. Thus, the headline WPI inflation rate for Q1 of 2011-12 remained stubbornly close to double digits and inflationary

pressures continued to remain broad-based. Both the level and the persistence of WPI inflation are a cause for concern.

18. Non-food manufactured products inflation was 7.0 per cent in April 2011. According to provisional data, it rose to 7.3 per cent in May and remained high at 7.2 per cent in June. This should be seen in comparison with the average non-food manufactured product inflation of 4 per cent over the last six years. The persistence of high non-food manufactured products inflation suggests that producers, operating at high levels of capacity utilisation, are able to pass on rising commodity input prices and wage costs to consumers. Early corporate results for Q1 of 2011-12 suggest some moderation in margins. However, such moderation so far has been modest, implying that pricing power persists.

19. Fuel group inflation increased in June 2011 due, in part, to the impact of the administered price increases on June 25, 2011, even though non-administered fuel prices, especially that of aviation turbine fuel, declined.

20. Inflation in respect of protein rich items such as egg, fish, meat and milk remains elevated. According to the 66th Round of Consumer Expenditure Survey of the National Sample Survey Office (NSSO), the share of food items in total consumer expenditure declined between 2004-05 and 2009-10. However, during the same period, the share of protein-rich items in total consumer expenditure increased both in rural and urban areas.

21. Inflation, as measured by the consumer price indices (CPI), has been declining but remains high. Reflecting the moderation in food inflation, CPI inflation for industrial workers (CPI - IW) dropped from 9.4 per cent in April to 8.7 per cent in May 2011. With the latest reading of 108.8 in June 2011 (base: 2010=100), the new all-India CPI too suggests persistence of price pressures.

22. In response to the monetary policy measures initiated by the Reserve Bank, scheduled commercial banks (SCBs) have been raising their domestic deposit rates. During 2010-11, the modal term deposit rate of all SCBs rose by 165 basis points (bps). It rose further by about 60 bps during April-July, 2011.

23. As SCBs raised their deposit rates, they saw response by way of an acceleration in growth of deposits from 17.4 per cent, y-o-y, in early April 2011 to 18.4 per cent in early July 2011. Simultaneously, currency growth decelerated from 18.4 per cent to 15.0 per cent in the corresponding period. On the back of good deposit growth, y-o-y broad money supply (M_3) increased by 17.1 per cent in early July 2011 outpacing the Reserve Bank's indicative trajectory of 16 per cent. Though a decline in the currency-deposit ratio is desirable for efficient financial intermediation, paradoxically, its immediate impact in terms of a higher money multiplier may be in the form of increased inflationary pressure.

24. Year-on-year non-food credit growth decelerated from 21.3 per cent in March 2011 to 19.5 per cent as on July 1, 2011, but it was still above the May 3 Statement indicative projection of 19 per cent. Non-food credit growth was broad-based with credit to industry, services and personal categories registering higher growth. Disaggregated data suggest that credit to the industrial sector continued to be led by infrastructure.

25. The Reserve Bank's estimates show that the total flow of financial resources from banks, domestic non-bank and external sources to the commercial sector during Q1 of 2011-12 was lower at ₹2,40,000 crore as compared with ₹2,63,000 crore during the corresponding period of last year.

26. The Base Rate system, introduced since July 1, 2010, has improved the transparency in lending rates and also enabled a more informed assessment of the transmission of monetary policy impulses to banks' lending rates. Since July 2010, the modal Base Rate of banks has increased by 225 basis points. The Base Rate system of loan pricing coupled with deficit liquidity conditions has increased both the strength and the transparency of the monetary transmission process.

27. Consistent with the policy stance, liquidity conditions have generally remained in deficit mode so far in 2011-12. The average daily net injection of liquidity through the liquidity adjustment facility (LAF) window during this period till July 22 was around ₹48,000 crore, which was within one per cent of NDTL.

28. The 10-year government security yield increased from 8.1 per cent at end-April 2011 to 8.3 per cent in July 2011. However, short-term yields rose faster in response to policy rate hikes and increased issuance of short-term paper, resulting in flattening of the yield curve. One interpretation of the relatively stable long-term yields is that inflationary expectations over the longer-term horizon remain anchored.

29. The real estate market remained firm. The Reserve Bank's quarterly house price index suggests that housing prices rose in most cities in Q4 of 2010-11. The volume of house transactions also picked up in Q4 of 2010-11 in most of the seven cities for which the index is compiled.

30. During April-May 2011, the Central Government's revenue deficit and fiscal deficit turned out to be higher than the levels during the corresponding period of the previous year reflecting lower revenue receipts and higher expenditure. Up to July 18, 2011, the Central Government completed 34 per cent of its budgeted net market borrowing programme, as compared with 37 per cent in the corresponding period of last year.

31. The exchange rate moved in both directions in the range of ₹44.05–45.38 per US$ during Q1 of 2011-12. On an average basis, while the 6-currency real effective exchange rate (REER) appreciated by 1.5 per cent, both the 30-currency REER and the 36-currency REER depreciated marginally by around 0.6 per cent.

32. As regards the external sector, the current account deficit (CAD) moderated to 2.6 per cent of GDP in 2010-11 from 2.8 per cent of GDP in the previous year. Apart from sustained invisible receipts, this was due to robust export growth in the second half of 2010-11. In Q1 of 2011-12, export growth remained strong, expanding by 46 per cent over the corresponding quarter of the previous year; imports grew by 31 per cent during the quarter.

33. In Q1 of 2011-12, major components of capital inflows showed an increase. In particular, FDI inflows were US$ 7.8 billion in April-May 2011 compared with US$ 4.4 billion in the corresponding period of last year. ECB approvals were higher at US$ 8.1 billion in April-June 2011 compared with US$ 5.3 billion in the corresponding period of last year. Foreign exchange reserves were at US$ 314.5 billion as on July 15, 2011, up from US$ 304.8 billion at end-March 2011, largely reflecting normal accruals and valuation effects.

II. Outlook and Projections

Global Outlook

Growth

34. Taking into account the loss of momentum of recovery during Q2 of 2011, the IMF, in its June, 2011 Update of World Economic Outlook (WEO), revised downwards its estimates for global growth in 2011 to 4.3 per cent from its April 2011 estimate of 4.4 per cent. More importantly, according to the IMF, downside risks to global growth have increased on account of continuing sluggishness in major advanced economies due to the weak labour and housing markets, and lingering sovereign debt concerns.

Inflation

35. Globally, while growth is set to decelerate, inflation is expected to edge up in 2011 reflecting higher commodity prices and strong demand in EMEs. Although prices of cotton, rubber and metals have softened in the recent period, crude oil prices continue to be volatile and the outlook on this front remains uncertain. The IMF's projection is that consumer price inflation is likely to increase from 1.6 per cent in 2010 to 2.6 per cent in 2011 in advanced economies, and from 6.1 per cent to 6.9 per cent in emerging and developing economies.

Domestic Outlook

Growth

36. The May 3 Policy Statement projected baseline real GDP growth for 2011-12 at around 8.0 per cent. This estimate, made for policy purposes, was based on the assumption of a normal monsoon and crude oil prices averaging US$ 110 a barrel. Subsequent information suggests that this projection remains valid. The baseline scenario envisages some moderation in growth partly as a result of the monetary stance, but this is consistent with the objective of controlling inflation. However, the extent of moderation will be limited by

the overall buoyancy in consumption, in part an outcome of overall increases in real wages. Exports performance, if persists, will also help contain the growth moderation. As regards the monsoon, its performance till the third week of July 2011 was close to normal, which bodes well for overall production. However, its spatial distribution indicates possible pressure on yields of coarse grains, pulses, oilseeds and cotton. A firmer assessment of agricultural performance will be made in the mid-quarter review to be released in September 2011.

37. Against this backdrop, the baseline projection of real GDP growth is retained at 8.0 per cent, as set out in the May 3 Policy Statement (Chart 1).

38. It is important to recognise that in the absence of appropriate actions for addressing supply bottlenecks, especially in food and infrastructure, questions about the ability of the economy to sustain the current growth rate without significant inflationary pressures come to the fore. The economy's ability to grow rapidly for any length of time without provoking inflation is dependent on implementing policies, with corresponding resource allocations, which will allow the supply of various products and services to keep pace with demand.

Inflation

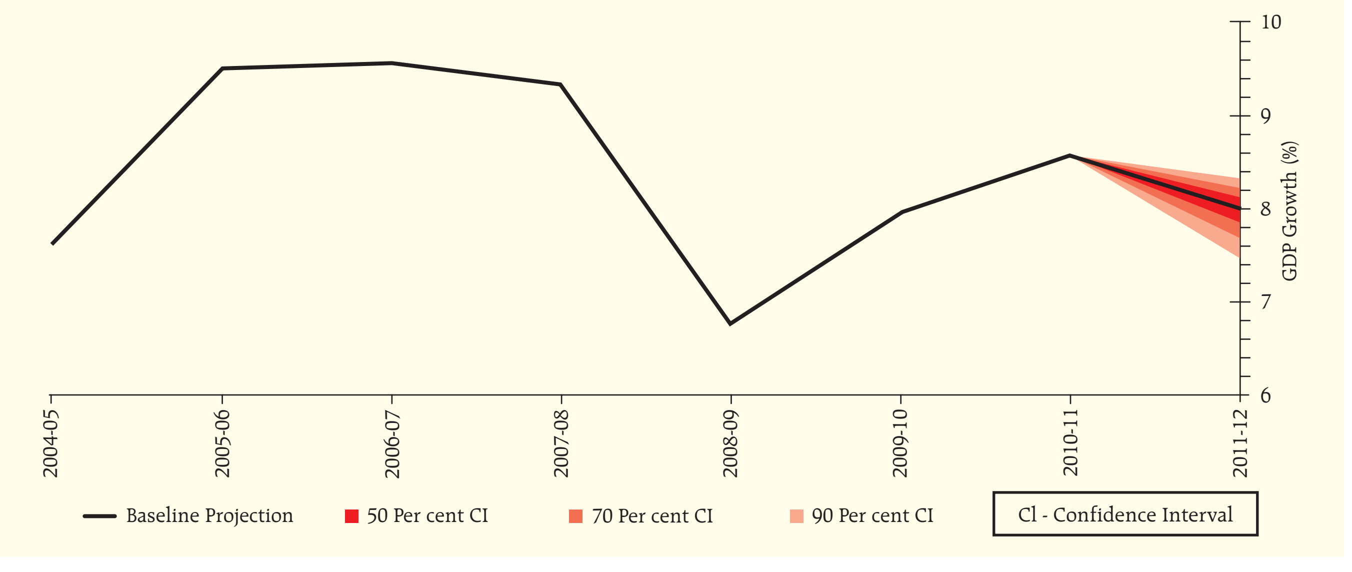
39. In its May 3 Policy Statement, the Reserve Bank made a baseline projection for WPI inflation for March 2012 at 6.0 per cent with an upside bias. Some of the upside risks have subsequently materialised and added to inflation pressures.

40. First, prices of petroleum products such as petrol, diesel, kerosene and LPG were raised in May/June 2011. The increase in administered petroleum product prices in June 2011 will add about 70 basis points to WPI inflation as a direct impact. In addition, there will be an indirect impact which will play out during the course of the year. There will be further upward pressure on inflation due to another one-off factor. The sharp upward revision in domestic crude prices under the minerals category, with a weight of 0.9 per cent in WPI, added about 40 bps to WPI inflation in April 2011. A similar impact may be felt in March 2012 unless crude prices moderate significantly.

41. Second, minimum support prices (MSPs) for some agricultural commodities, particularly rice and pulses, were increased significantly. This is likely to exert upward pressure on food inflation even if the harvest is good.

42. Third, non-food manufacturing inflation persists at elevated levels, reflecting underlying demand pressures. While early corporate results for Q1 of 2011-12 indicate some moderation in margins, suggesting reduced pricing power, the pass-through of higher commodity prices into more generalised inflation remains significant.

Chart 1: Projection of GDP Growth for 2011-12



43. Going forward, the inflation outlook will be shaped by the following factors. First, it will depend on the overall performance of the south-west monsoon. Even if there is no major deficiency at the aggregate level, an appropriate spatial and temporal distribution of rainfall during the whole season is crucial. As price pressures in respect of protein-rich items persist, any shortfall in rainfall or its pattern could pose significant risks to food inflation.

44. Second, the outlook for crude oil prices in the near future is uncertain. The price of the Indian crude basket rose to US$ 114 per barrel as on July 21, 2011 after declining to US$ 110 per barrel in May from US$ 118 per barrel in April. Going by the recent trend, the price of oil could remain volatile as a consequence of the pace of global recovery, liquidity conditions and, importantly, the overall oil supply situation.

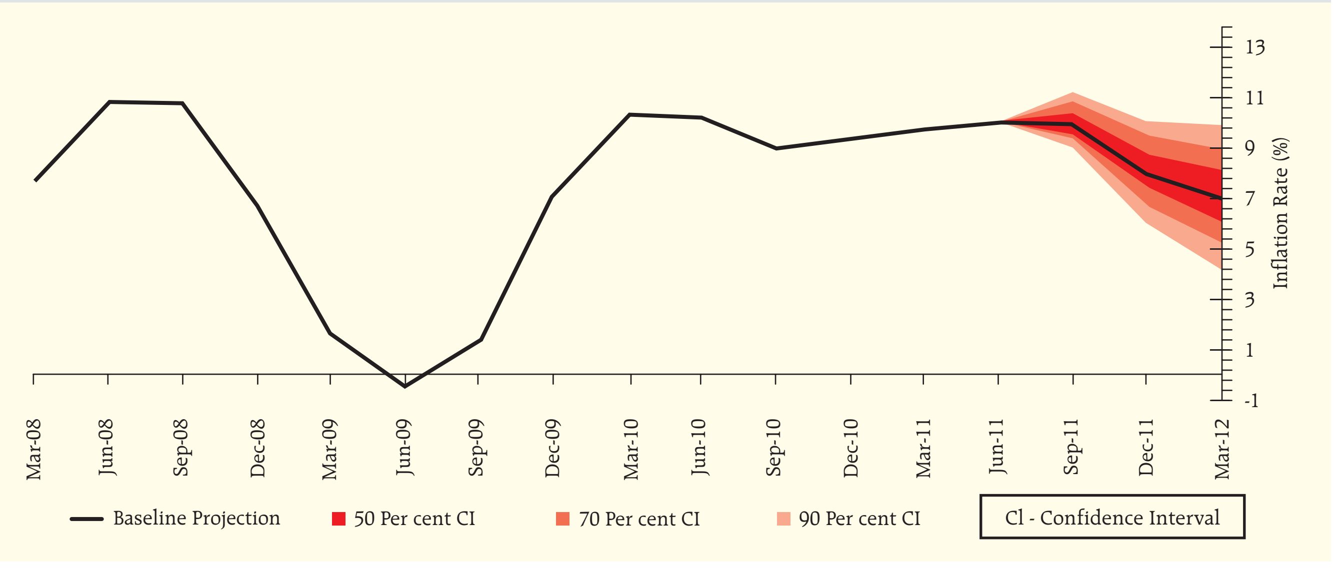
45. Third, there is still an element of suppressed inflation in the economy. Despite the recent increase in administered fuel prices, under-recoveries on account of subsidised fuel are estimated at over ₹1,00,000 crore (1.0 per cent of GDP) of which a major portion may have to be borne by the Government. Regardless of how this issue is handled, there will be implications for inflation. If the Government raises administered prices, the inflation implications are straightforward. If the Government absorbs this in the fiscal accounts, the resultant expansionary impact will add to inflation pressures. Notwithstanding the inflationary impact, if the crude prices do not moderate in the near-term, it will be desirable to pass on the increase, both from the perspective of energy conservation and containing demand.

46. Fourth, there are administered items in the WPI basket, whose prices might be increased in the coming months. For instance, coal prices were increased significantly in February 2011. Since coal is an input into electricity generation, administered electricity prices might also increase. But the timing of changes in administered prices is uncertain, which will have a bearing on the inflation path.

47. Keeping in view the domestic demand-supply balance, the global trends in commodity prices and the likely demand scenario, the baseline projection for WPI inflation for March 2012 is revised upward from 6.0 per cent with an upside bias, as indicated in the May 3 Policy Statement, to 7.0 per cent (Chart 2). As indicated in the May 3 Policy Statement, inflation is expected to remain at an elevated level for a few more months, before moderating towards the later part of the year.

48. Notwithstanding the current inflation scenario, it is important to recognise that in the last decade, the average inflation rate, measured in terms of both WPI and CPI, had moderated to around 5.5 per cent. As mentioned in the May 3 Policy Statement, the Reserve

Chart 2: Projection of WPI Inflation (y-o-y) – 2011-12



Bank is strongly of the view that controlling inflation is imperative both for sustaining growth over the medium-term and for increasing the potential growth rate. This is a critical attribute of a favourable investment climate, on which the economy's potential growth depends. Fiscal consolidation can contribute to a sustainable growth path by rebalancing demand away from government consumption and towards investment.

49. Monetary policy will, therefore, condition and contain perceptions of inflation in the range of 4.0-4.5 per cent, with particular focus on the behaviour of the non-food manufacturing component. This will be in line with the medium term objective of 3.0 per cent inflation consistent with India's broader integration into the global economy. The achievement of this objective will be helped by concerted policy actions and resource allocations to address domestic supply bottlenecks, particularly on the food and infrastructure fronts.

Monetary Aggregates

50. The current trends in money supply (M_3) and credit growth remain above the indicative trajectory of the Reserve Bank. Keeping in view the evolving growth-inflation dynamics, the indicative projection of M_3 growth for 2011-12 is revised downwards from 16.0 per cent, as set out in the May 3 Policy Statement, to 15.5 per cent. Non-food bank credit growth projection is also revised downwards from 19.0 per cent to 18.0 per cent.

Risk Factors

51. The indicative projections of growth and inflation for 2011-12 are subject to several risks as detailed below.

i) Notwithstanding some moderation, global commodity prices, especially that of oil, continue to weigh on both domestic growth and inflation. The future path of crude oil prices is uncertain. Should the recovery in advanced economies pick up, there may be upward pressure on prices. On the other hand, should the recovery stall, the easy liquidity conditions will continue to prevail leading to continued speculative positions which may prevent prices from softening.

ii) The uncertain global macro-economic environment poses a challenge for the domestic economy from the perspective of financing the current account deficit. In this context, the composition of capital flows remains a concern. In recent months, some shift in composition of capital flows towards FDI has been observed. This trend needs to be reinforced through policy actions to improve the quality of financing of the current account deficit.

iii) There are risks to the food inflation outlook. First, although the monsoon has been close to normal so far, deficient rainfall in August coupled with higher MSP could result in an upward movement in cereals and pulses price inflation. Second, inadequate supply response could keep price inflation of protein-rich items such as egg, meat, fish, milk and pulses high.

iv) The Central Government budgeted a fiscal deficit of 4.6 per cent of GDP for 2011-12. Subsequent developments have made the achievement of this target much more of a challenge. On the expenditure side, the subsidy burden will, in all likelihood, overshoot the budgeted amount in 2011-12 significantly, despite the recent revision in petroleum product prices. On the revenue side, while the tax cuts announced in June 2011, as part of the upward price adjustment of petroleum products, will primarily help in bringing down the magnitude of under-recoveries of oil marketing companies (OMCs), the revenue loss to the Central Government from such tax cuts (about 0.3 per cent of GDP) will impact both the fiscal and revenue deficits. The large fiscal deficit has been a key source of demand pressures. Fiscal consolidation is, therefore, critical to managing inflation. While meeting quantitative targets, the Government also needs to focus on the quality of expenditure to sustain the fiscal consolidation process, which, in turn, will help contain aggregate demand and raise potential output.

III. The Policy Stance

52. Since October 2009, when the Reserve Bank signalled the reversal of its crisis driven expansionary monetary policy stance, it has raised the cash reserve

ratio (CRR) by 100 bps. It has also raised the policy rate (the repo rate) ten times by a cumulative 275 bps. As the liquidity in the system transited from surplus to deficit, the effective tightening has been of the order of 425 bps.

53. The monetary policy response in 2010-11 was calibrated on the basis of India specific growth-inflation dynamics in the broader context of global uncertainties and perceived slowdown in the second half of the year. However, considering the persistence of inflation above the comfort level of the Reserve Bank, and based on the premise that high inflation is inimical to long-term growth, the Reserve Bank has persevered with its anti-inflationary stance in 2011-12.

54. Against the backdrop of global and domestic macroeconomic conditions, outlook and risks, our policy stance for 2011-12 has been conditioned by the following major considerations.

55. First, demand pressures have remained strong. As indicated in the May 3 Policy Statement, inflation was expected to remain elevated in the first half of 2011-12. Actual inflation so far has been even higher than expected. The sharp revision in non-food manufactured products inflation during February-April 2011 confirms the assessment of strong demand pressures. Crude oil prices remain volatile and are a major risk. The recent increase in domestic administered fuel prices and the minimum support price for certain food items will keep inflation under pressure.

56. Second, there are signs that growth is beginning to moderate, particularly in respect of some interest sensitive sectors. However, there is no evidence of a sharp or broad-based slowdown as yet. Several indicators such as exports and imports, indirect tax collections, corporate sales and earnings and demand for bank credit suggest that demand is moderating, but only gradually. As such demand side inflationary pressures continue to prevail. Although the impact of past monetary policy actions is still getting transmitted, considering the overall growth and inflation scenario, there is a need to persevere with the anti-inflationary stance.

57. Against the above backdrop, the stance of the monetary policy of the Reserve Bank will be as follows:

- Maintain an interest rate environment that moderates inflation and anchors inflation expectations.
- Manage the risk of growth falling significantly below trend.
- Manage liquidity to ensure that monetary transmission remains effective, without exerting undue stress on the financial system.

IV. Monetary Measures

58. On the basis of current assessment and in line with the policy stance outlined in Section III, the Reserve Bank announces the following policy measures:

Repo Rate

59. It has been decided to:

- increase the policy repo rate under the liquidity adjustment facility (LAF) by 50 basis points from 7.5 per cent to 8.0 per cent with immediate effect.

Reverse Repo Rate

60. The reverse repo rate under the LAF, determined with a spread of 100 basis points below the repo rate, automatically adjusts to 7.0 per cent with immediate effect.

Marginal Standing Facility (MSF) Rate

61. The Marginal Standing Facility (MSF) rate, determined with a spread of 100 basis points above the repo rate, stands recalibrated at 9.0 per cent with immediate effect.

Bank Rate

62. The Bank Rate has been retained at 6.0 per cent.

Cash Reserve Ratio

63. The cash reserve ratio (CRR) of scheduled banks has been retained at 6.0 per cent of their net demand and time liabilities (NDTL).

Expected Outcomes

64. It is expected that these policy actions will:

- reinforce the cumulative impact of past actions on demand;
- maintain the credibility of the commitment of monetary policy to controlling inflation, thereby keeping medium-term inflation expectations anchored; and
- reinforce the point that in the absence of complementary policy responses on both demand and supply sides, stronger monetary policy actions are required.

Guidance

65. Going forward, the monetary policy stance will depend on the evolving inflation trajectory, which, in turn, will be determined by trends in domestic growth and global commodity prices. A change in stance will be motivated by signs of a sustainable downturn in inflation.

Mid-Quarter Review of Monetary Policy

66. The next mid-quarter review of Monetary Policy for 2011-12 will be announced through a press release on Friday, September 16, 2011.

Second Quarter Review of Monetary Policy 2011-12

67. The Second Quarter Review of Monetary Policy for 2011-12, including developmental and regulatory policies, is scheduled on Tuesday, October 25, 2011.

Mumbai
July 26, 2011

Macroeconomic and Monetary Developments First Quarter Review 2011-12

Overview

1. Drivers of inflation changed over the course of 2010-11. With evidence emerging that not only did headline inflation persist at around 9 per cent, but that it had become generalised with significant price pressures in non-food manufacturing since December 2010, monetary policy was tightened more aggressively. Following up on a series of rate hikes through 2010-11, policy rates were raised by 75 bps in Q1of 2011-12, through a 50 bps hike in May and 25 bps in June. Altogether, in a span of 15 months starting March 2010, operational policy rates were raised by 425 bps–one of the sharpest monetary tightenings seen across the world.

2. Monetary transmission improved further during this quarter. In response to the monetary tightening, most banks raised their deposit and lending rates. As a result, deposit growth picked up and credit growth decelerated, though it remained above the projected trajectory. Also, real lending rates remained positive despite high inflation. These dynamics helped limit the overheating pressures in the economy. However, inflationary pressures have persisted due to a series of supply-side shocks that spilled over in the face of strong demand stoking generalised inflation. While growth has showed some signs of softening in Q1 of 2011-12, it is likely to stay around the trend. Inflationary pressures are likely to stay, if not intensify, in Q2 of 2011-12, before moderating.

Global Economic Conditions

Recovery at risk with global growth entering soft patch

3. Globally, the momentum of recovery appears to be stalling. High oil and commodity prices, the Middle East political strife, Japanese earthquake, sovereign debt problems in the Euro zone and the impasse on the fiscal and debt problems in the US have taken a toll on economic activity and business as well as consumer confidence.

4. In its June 17, 2011 update of the World Economic Outlook, the IMF marginally lowered its global growth projection for 2011 to 4.3 per cent from 4.4 per cent. The IMF lowered the estimate for advanced economies by 0.2 percentage points, but projected that growth in most emerging and developing economies will stay. It also retained its growth forecast for India at 8.2 per cent at market prices corresponding to 8.0 per cent at factor cost.

Inflation surprise in advanced economies increases global risks

5. Global inflation is rising rapidly. The IMF revised its 2011 consumer price inflation forecast for advanced economies upwards by 0.4 percentage points. There are indications that inflation may start cooling off in some key emerging market economies. However, the wedge between producer price and headline consumer price inflation, as also between the latter and the core inflation component have widened disconcertingly. This has triggered a debate over how much longer advanced economies can defer an exit from an excessively accommodative monetary policy stance. The ECB has already raised policy rates twice this year, but policy dilemmas are palpable elsewhere.

6. Unemployment is proving to be intransigent to policy action, and with growth relapsing amidst increasing fiscal and debt burdens, the fragility of global recovery and its vulnerability to macroeconomic shocks remains.

Indian Economy: Developments and Outlook

Output

Signs of moderation after acceleration in 2010-11

7. Growth showed signs of some moderation during Q1 of 2011-12 after it reverted to the recent trend in 2010-11. Signs of moderation were visible from

deceleration in IIP growth in April-May, poor performance of certain core industries, especially cement and natural gas and consumption deceleration in cement, steel and automobiles. Manufacturing and services PMIs also show that growth is turning softer. Even as some deceleration is expected in 2011-12, overall growth is likely to stay around trend growth of about 8 per cent in the face of still strong consumption demand. The monsoon may be close to normal and services sector momentum has been maintained.

Aggregate demand

Investment demand slows down, private spending still strong

8. Aggregate investment dipped in H2 of 2010-11 and is yet to show signs of improvement. Corporate investment intentions in projects that received financial assistance dropped by 43 per cent sequentially during the second half of the year. Private consumption demand remains strong but is adjusting downwards. Corporate sales growth remained strong during Q4 of 2010-11 and is expected to retain the pace in Q1 of 2011-12. Profits, however, have been impacted by margin pressures from high interest rates and raw material costs. A rebalancing of demand from government consumption to private investment is necessary in 2011-12. This rebalancing will require shifting of government expenditure from revenue expenditure to capital expenditure, beyond what has been envisaged in the budget. Reduction in subsidies through better targeting is also needed. Despite recent initiatives to scale down subsidies, there is likelihood of a fiscal slippage in 2011-12. In face of decelerating investment, improved project execution and governance can also help in improving investment demand.

External sector

Trade diversification, invisibles turnaround help moderate CAD

9. A significant pick-up in exports, supported by a strategy of trade diversification in composition and direction, and strong software services exports, helped in moderating the CAD during 2010-11. Going forward, CAD is expected to remain manageable. However, risks to current account persist from a slowdown in global growth. Risks to capital account arise from rising sovereign debt risks in the Euro zone and the uncertainties on in the US debt ceiling.

10. FDI flows have picked up in 2011-12 so far. Portfolio flows have started to rise again since the last week of June. The inflows at the current rate can be absorbed by the CAD, but it is necessary to adjust the structural balance of flows by attracting larger FDI inflows.

Monetary and Liquidity Conditions

Tight monetary and liquidity conditions bringing desired adjustment

11. Liquidity conditions, though still in a deficit mode, have eased during the first quarter of 2011-12. The increase in deposit rates by banks helped deposit growth to pick-up, which eased the structural liquidity gap. The runaway growth in currency has also been arrested consequent to the rising opportunity cost of holding cash. Reserve money growth decelerated with low primary liquidity creation, but monetary growth increased with accelerating time deposit growth. Credit growth decelerated during the quarter, but remains above the indicative trajectory.

Financial Markets

Indian markets see range bound fluctuations, amidst low volatility

12. Notwithstanding the firming up of interest rates, there has been no stress visible across the financial markets. Financial asset prices have shown low volatility. Conditional volatility in equity prices that had dropped significantly after the global financial crisis continued to be low during Q1 of 2011-12. Exchange rate movements remained orderly obviating the need for interventions. The yield curve flattened, largely in response to policy rate hikes. Property prices and volume of transactions were on the upswing after a subdued movement in Q3 of 2010-11.

Price Situation

Generalised inflation with near-term upside risks do not provide any comfort

13. Inflation became generalised in Q4 of 2010-11 and has remained unchanged in trajectory as also in composition in 2011-12 so far. This was in line with the

Reserve Bank's projections. While some revision in fuel prices hike was factored in the projected path of inflation, the pass-through is yet incomplete which will keep up the near term pressure. The softening of global commodity prices since May 2011 may provide some relief in the short run, but price pressures will persist as a result of a combination of demand side factors and structural drivers. Food inflation may not soften much even with a normal monsoon as the increase in MSP will provide a higher floor to food prices. Electricity prices are yet to reflect the rising input costs. Near term trends on non-food manufacturing inflation will be critical in shaping the future macroeconomic dynamics.

Macroeconomic Outlook

In the midst of downside risks to growth, inflation stays above comfort level

14. Monetary and liquidity conditions have remained tight in the wake of inflation persistence. The anti-inflationary monetary policy stance adopted by the Reserve Bank since October 2009 continued well into the first quarter of 2011-12 as inflation persisted beyond Reserve Bank's comfort level. Inflationary pressures, which initially emanated from supply side constraints, spilled over to wages and output prices as demand conditions remained buoyant. Currently, inflationary expectations are further feeding on themselves and warrant a close watch. While consumer demand remains strong, higher input costs and increased cost of borrowing are now eroding profit margins impacting the pricing power of corporate. On the other hand, indications of moderation in growth have surfaced, making the policy challenge even more complex. However, the persisting high inflation and its expected slow decline warrant that the Reserve Bank continue with its anti-inflationary policy stance.

I. Output

Growth showed signs of moderation in Q1 of 2011-12. Downside risks have increased as a result of forecast of sub-normal monsoon, global growth entering into a soft patch and persistence of high inflation. The new base IIP data confirms that industrial growth had not weakened during H2 of 2010-11, though it decelerated thereafter. The services sector had also maintained its momentum of growth, although its growth stayed below the pre-crisis rate. Going forward there could be some impact on growth from high input prices, high inflation and higher interest rates, but the economy is still likely to grow close to its trend.

Growth shows signs of moderation

I.1 Signs of moderation in growth have emerged lately. Sequentially, growth had decelerated in each quarter of 2010-11, though it still remained close to trend in the fourth quarter. The new base Index of Industrial Production (IIP) decelerated during April-May 2011. Core infrastructure industries growth also moderated, mainly on account of a decline in natural gas and cement production and subdued growth in coal production. Automobile sales witnessed moderation during Q1 of 2011-12. The manufacturing PMI has dipped to a nine-month low in June 2011, but still suggests a strong month-on-month expansion in industrial output. The services PMI also indicates an expansionary mode but the readings in Q1 of 2011-12 were slightly lower than the preceding quarter. Cement dispatches and steel consumption were slack during Q1 of 2011-12.

Notwithstanding some moderation, growth is likely to be near trend

I.2 As indicated in the Monetary Policy Statement of May 2011, growth is likely to decelerate in 2011-12 but stay close to the trend. The Policy Statement had placed the baseline projection at around 8.0 per cent, with a 90 per cent probability of it falling in the 7.4-8.5 per cent range. Though the downside risks have since increased, growth is still likely to stay near the trend. Even as there is some evidence of deceleration in interest-rate sensitive sectors (*viz.*, sales of automobiles and commercial vehicles), credit growth remains strong on a deseasonalised basis. House prices and transactions firmed up during Q4 of 2010-11.

I.3 In 2010-11, the growth at 8.5 per cent was supported by a strong performance of the agriculture sector. While GDP growth in 2010-11 was near trend, non-agricultural GDP growth was below trend (Chart I.1).

I.4 Year-on-year quarterly growth rates of GDP declined during successive quarters of 2010-11 (Table I.1). As the revised IIP index has not yet been incorporated in the quarterly GDP data, these numbers could see some upward revision. The sharp deceleration

Chart I.1: GDP Growth and Trend

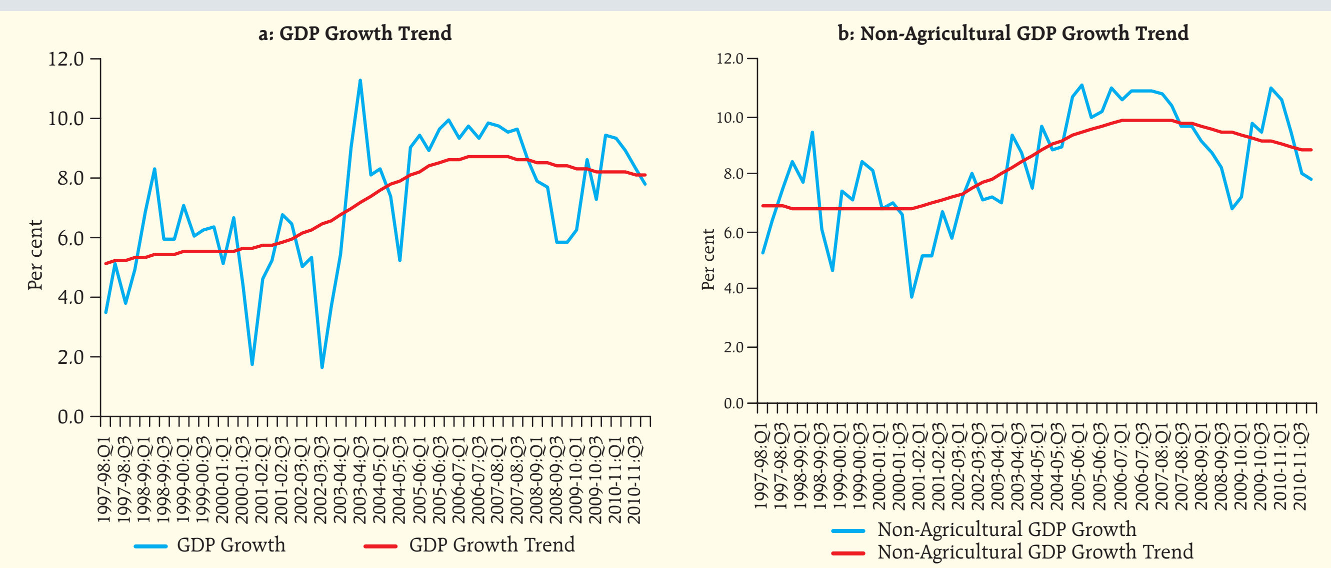


Table I.1 : Sectoral GDP Growth (Base: 2004-05)

(Per cent)

Item	2009-10*	2010-11#	2009-10 Q1	2009-10 Q2	2009-10 Q3	2009-10 Q4	2010-11 Q1	2010-11 Q2	2010-11 Q3	2010-11 Q4
1	2	3	4	5	6	7	8	9	10	11
1. Agriculture & allied activities	**0.4**	**6.6**	**1.8**	**1.2**	**-1.6**	**1.1**	**2.4**	**5.4**	**9.9**	**7.5**
2. Industry	**8.3**	**7.8**	**2.9**	**6.3**	**10.0**	**13.7**	**11.3**	**9.0**	**6.2**	**5.3**
2.1 Mining & quarrying	6.9	5.8	6.9	6.6	5.2	8.9	7.1	8.2	6.9	1.7
2.2 Manufacturing	8.8	8.3	2.0	6.1	11.4	15.2	12.7	10.0	6.0	5.5
2.3 Electricity, gas & water supply	6.4	5.7	6.2	7.5	4.5	7.3	5.6	2.8	6.4	7.8
3. Services	**9.7**	**9.2**	**8.5**	**10.8**	**9.2**	**10.1**	**10.3**	**9.5**	**8.6**	**8.6**
3.1 Construction	7.0	8.1	5.4	5.1	8.3	9.2	7.7	6.7	9.7	8.2
3.2 Trade, hotels, restaurants, transport and communication *etc*	9.7	10.3	5.4	8.2	10.8	13.7	12.6	10.9	8.6	9.3
3.3 Financing, insurance, real estate and business services	9.2	9.9	11.5	10.9	8.5	6.3	9.8	10.0	10.8	9.0
3.4 Community, social & personal services	11.8	7.0	13.0	19.4	7.6	8.3	8.2	7.9	5.1	7.0
4. GDP at factor cost (total 1 to 3)	**8.0**	**8.5**	**6.3**	**8.6**	**7.3**	**9.4**	**9.3**	**8.9**	**8.3**	**7.8**

*: Quick Estimates. #: Revised Estimates.
Source: Central Statistics Office.

during Q4 of 2010-11 was mainly on account of the base effect as concomitantly the GDP estimate for Q4 of 2009-10 was revised upwards substantially. Notwithstanding the near-trend growth in 2010-11, some moderation in growth is expected in 2011-12. The downside risks emanate from slightly below normal monsoon forecast for the year, uncertain global economic environment, high inflation and the impact of past monetary actions to curb aggregate demand.

Monsoon starts well, expected to weaken ahead

I.5 The agricultural sector emerged as the key driver of growth in 2010-11. As per the Fourth Advance Estimates, there was record production of foodgrains in 2010-11 (Table I.2). During 2011-12, agricultural growth may be lower on account of high base and some monsoon-related concerns.

Table I.2: Agriculture Production and *Kharif* Area Sown

(Area in Million hectares; Production in Million tonnes)

Crop	Sowing as on July 22: Normal	Sowing as on July 22: 2010	Sowing as on July 22: 2011	Sowing as on July 22: Per cent of Normal 2011	Production: Final 2009-10	Production: 4th Advance Estimates 2010-11
1	2	3	4	5	6	7
Rice 39.4	15.4	15.5 (0.6)	39.3	89.1	95.3 (7.0)	
Total Coarse Cereals	22.0	14.1 (-11.3)	12.5	56.8	33.6 (25.6)	42.2
Total Cereals	61.3	29.6 (-5.4)	28.0	45.7	203.5 (9.8)	223.5
Total Pulses	10.6	4.9 (-8.2)	4.5	42.5	14.7 (23.1)	18.1
Total Foodgrains	**72.0**	**34.5 (-5.8)**	**32.5**	**45.1**	**218.1 (10.8)**	**241.6**
Total Nine Oilseeds	17.7	13.0 (0.0)	13.0	73.4	24.9 (24.9)	31.1
Cotton #	9.4	9.7	9.3	99.0	24.2	33.4
Jute & Mesta ##	0.9	0.8	0.9	100.0	11.8	10.6
Sugarcane (Cane)	4.6	4.9	5.2	113.0	292.3	339.2
All Crops	**104.6**	**62.9 (-3.0)**	**61.0**	**58.3**	-	-

-: Nil/Not Available. #: Million bales of 170 kgs. each ##: Million bales of 180 kgs. each.
Note: Figures in parentheses are percentage change over previous year.
Source: Ministry of Agriculture, Government of India.

I.6 In June 2011, the India Meteorological Department (IMD) revised its earlier forecast of a normal South-West monsoon for 2011 from 98 per cent of the Long Period Average (LPA) to below normal at 95 per cent of the LPA. The downside risks have thus increased, but the downward revision is only marginally lower than the normal range of 96-104 per cent of LPA. Therefore, it may not have a dampening effect on the performance of the *kharif* crops provided the spatial distribution of rainfall continues to remain satisfactory. There has been timely arrival and advancement of the monsoon during the year so far and the IMD has forecast an equitable spatial distribution over the four homogeneous regions in the range of 94-97 per cent of the LPA.

1.7 For the country as whole, rainfall during June 1-July 20, 2011 was 1 per cent below the LPA, compared with 14 per cent below the LPA in the corresponding period of the previous year. The Reserve Bank's Production (foodgrains weighted) Rainfall Index (PRN) stood at 104 per cent for the period June 1, 2011 to July 20, 2011, compared with 87 per cent in the same period of the previous year, while the IMD rainfall index (area weighted) was 99 (Chart I.2). *Kharif* sowing with respect to rice, sugarcane, and jute and mesta as on July 22, 2011, was higher than the corresponding period of the previous year, while that for pulses, cereals and cotton was lower. The picture will become clearer in the weeks ahead.

Storage augmentation, reform of food security strategy needed

I.8 Against the backdrop of record procurement and food stocks, augmentation of storage capacity and reform of the food security strategy need urgent attention. Agricultural production has improved in recent years. However, certain structural bottlenecks such as inadequate storage capacity, inefficient supply-chain and marketing infrastructure are constraining the sector. With a record *rabi* production in 2010-11, there was unprecedented level of procurement during April-July 2011 (Chart I.3). Food stocks reached a record high of 65.6 million tonnes on June 1, 2011, which is more than twice the buffer stock norm and food security reserve requirement. This also exceeds the existing storage capacity in the country. Pending the implementation of the proposed National Food Security Bill, which may further increase the procurement requirement, failure to fast-track the existing projects and initiate new projects on augmenting storage capacity will lead to continued and increasing wastage and losses.

Need for improving post-harvest management of perishable crops

I.9 With respect to fruit and vegetables, the country is estimated to be losing about 40 per cent of the yearly produce on an annual basis due to lack of storage, cold chain and transport infrastructure. The seasonality and

Chart I.2: PRN Index vis-a-vis IMD Index

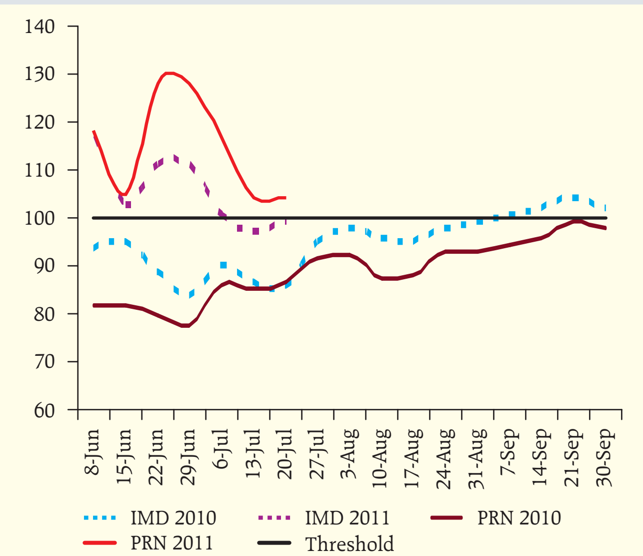
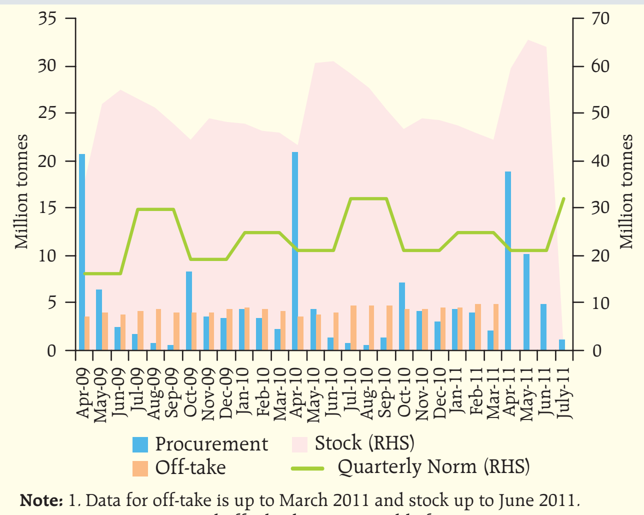


Chart I.3: Food Stock and its Determinants



Note: 1. Data for off-take is up to March 2011 and stock up to June 2011.
2. Procurement and off-take data are monthly figures.
3. Procurement for July 2011 is as on July 20.

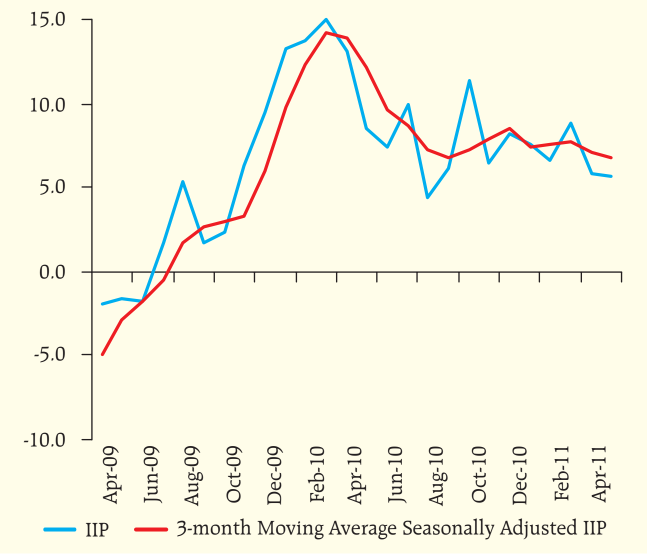
perishability of these items further magnify the demand-supply gap, which manifests in erratic movements in prices. This underscores the need to strengthen the existing schemes of clusters, cold-chains and transportation facilities.

Robust industrial growth in 2010-11, some moderation in early 2011-12

I.10 The new series of the IIP, with base 2004-05 that was released in June 2011 reinforced the Reserve Bank's view that the industrial growth had not significantly moderated in H2 of 2010-11. The new series gives better coverage and is more representative of the recent production structure based on 399 item groups as against 303 under the old base. The new series suggests that the recovery from the industrial downturn induced by the global financial crisis further consolidated in 2010-11, with IIP growth accelerating to 8.2 per cent from 5.3 per cent in the preceding year (Table I.3).

I.11 Industrial growth, however, moderated in April and May 2011 and turned out to be the lowest since September 2010. The deceleration is particularly strong for mining and manufacturing sectors. While lower growth in mining reflects the shortages in coal production, 14 out of the 22 industry groups that comprise manufacturing witnessed a deceleration. The slowdown in IIP growth during April-May 2011 can be partly attributed to the high base. Seasonal factors do not seem to have contributed to this deceleration (Chart I.4).

Chart I.4: Industrial Growth (Y-o-Y, per cent)



Manufacturing growth has turned more broad-based

I.12 The acceleration in IIP growth in 2010-11 was accompanied by more broad-based growth. The bottom 17 industries registered improved growth performance in 2010-11 compared to the previous year and their contribution to growth more than doubled (Chart I.5). The IIP data for April-May 2011 indicates continuation of this trend.

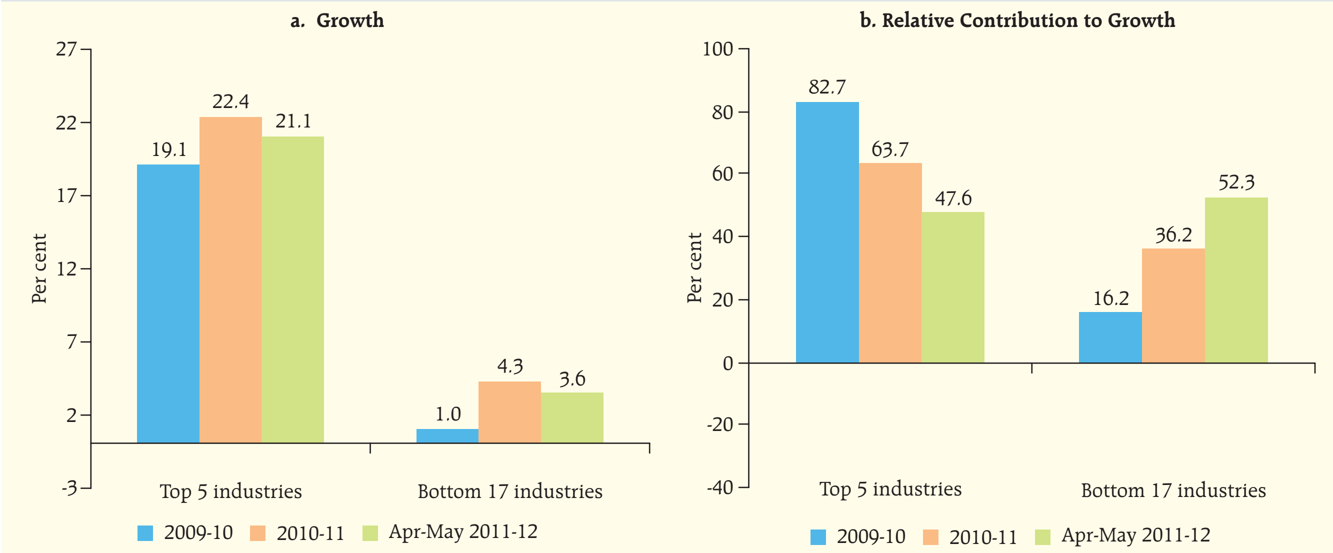
Table I.3: Index of Industrial Production – Sectoral and Use-Based Classification of Industries

(Per cent)

Industry Group	Weight in the IIP	Growth Rate			Weighted Contribution #		
		Apr-Mar	Apr-May		Apr-March	Apr-May	
		2010-11	2010-11	2011-12 P	2010-11	2010-11	2011-12 P
1	2	3	4	5	6	7	8
Sectoral							
Mining	14.2	5.2	8.5	1.3	7.4	9.3	2.7
Manufacturing	75.5	8.9	11.6	6.0	86.7	85.2	83.8
Electricity	10.3	5.5	6.3	8.4	6.0	5.6	13.4
Use-based							
Basic Goods	45.7	6.0	6.4	7.0	29.2	24.7	49.4
Capital Goods	8.8	14.9	25.2	6.6	25.5	28.0	15.9
Intermediate Goods	15.7	7.3	11.8	2.6	12.4	15.3	6.6
Consumer Goods (a+b)	29.8	8.4	10.5	4.9	33.0	32.0	28.0
a) Consumer Durables	8.5	14.1	19.0	4.5	24.0	24.5	11.8
b) Consumer Non-durables	21.3	4.1	4.3	5.3	9.0	7.5	16.2
General	**100.0**	**8.2**	**10.8**	**5.7**	**100.0**	**100.0**	**100.0**

P : Provisional. # : Figures may not add up to 100 due to rounding off.
Source: Central Statistics Office.

Chart I.5: Growth Concentration in Manufacturing Sector



I.13 The Reserve Bank's truncated measure of IIP[1] (ex-volatile items) based on new series exhibits movements similar to the overall IIP in the recent months, suggesting broad-based industrial growth (Chart I.6).

Subdued growth in some core industries a drag on overall industrial growth

I.14 The core sector growth decelerated in 2010-11 led by decline in coal production, stagnation in fertiliser and deceleration in production of electricity, cement and natural gas. The deceleration has continued in 2011-12, with lower growth during April-May 2011 compared to the corresponding period of the previous year (Chart I.7). Natural gas production declined mainly on account of lower production from the Krishna-Godavari basin. As a corollary of the revision in the base year of IIP, the base for computing the index of the core infrastructure sector has also been revised to 2004-05 from 1993-94. With the addition of natural gas and fertilisers, the core infrastructure sector now has eight industries with a combined weight of 37.9 in the IIP.

Chart I.6: IIP Truncated Index

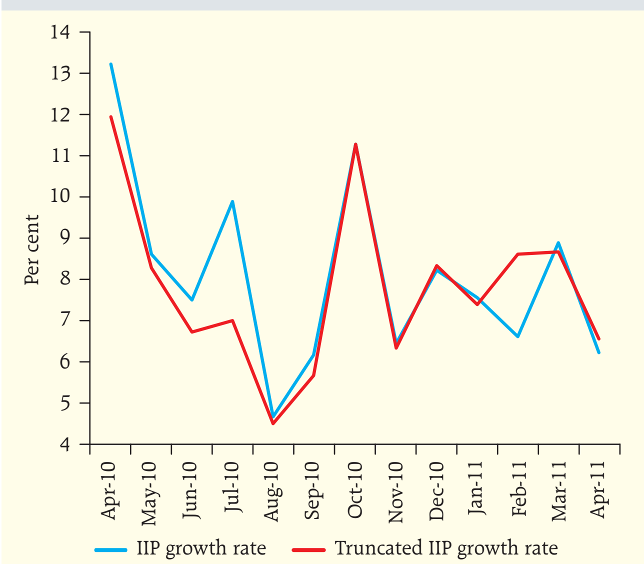
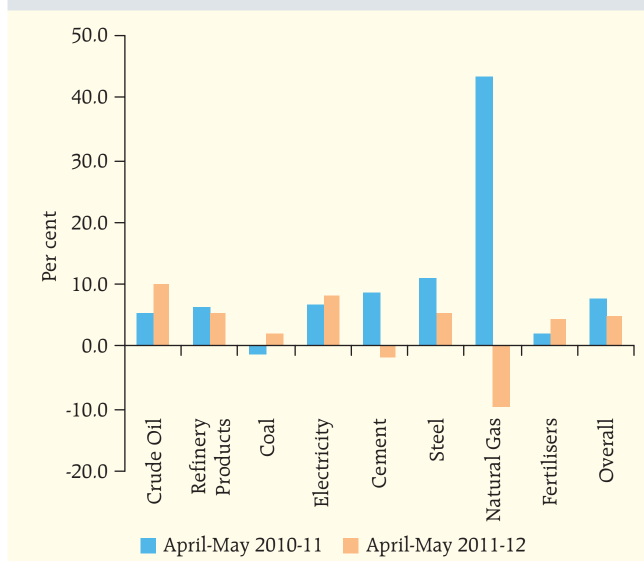


Chart I.7: Growth in Infrastructure Industries

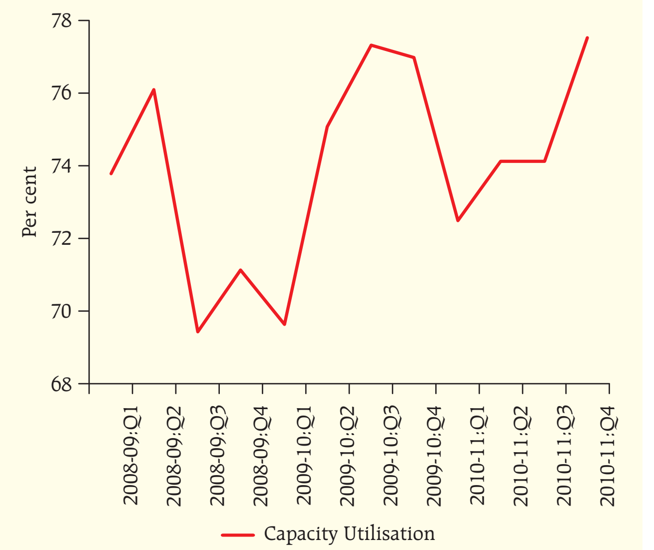


[1] Computed by excluding top 10 and bottom 10 volatile items in terms of growth (out of 399 sub-item groups of IIP) that may at times tend to undermine the overall momentum of IIP.

Capacity utilisation firms up

I.15 Capacity pressures are building up in the economy. Capacity utilisation, an indicator of demand pressure, was the highest in three years during the fourth quarter of 2010-11 (Chart I.8). Increase in capacity utilisation during Q4 of 2010-11 was observed in 17 out of 22 industries covered under the Order Book, Inventory and Capacity Utilisation Survey (OBICUS). The order books of machinery and equipment, basic metal, textiles and cement firms increased during the quarter.

Chart I.8: OBICUS (Capacity Utilisation)



Services sector sustains momentum

I.16 The services sector growth of 9.2 per cent in 2010-11 was only marginally lower than that in the previous year. This was largely due to deceleration in 'community, social and personal services' reflecting fiscal consolidation undertaken by the government. The main drivers of growth in the service sector during the year were 'trade, hotels, transport, storage and communication' and 'financing, insurance, real estate and business services'. Most of the lead indicators of services sector such as growth in tourist arrivals, railway freight traffic, cargo handled at major ports and passengers handled at international terminals showed sustained momentum. The number of cell phone connections and cement production, however, declined (Table I.4).

Unemployment shows declining trend

I.17 The 66th Round of Employment/Unemployment Survey of the National Sample Survey Office (NSSO) shows that the overall unemployment rate, measured by current daily status, declined to 6.6 per cent in 2009-10 from 8.2 per cent in 2004-05. The quarterly quick surveys of employment situation conducted by the Labour Bureau to study the impact of the global economic slowdown on employment in the Indian economy indicate that employment has increased in the recent period in major industries. As per the quarterly surveys of employment situation in eight major industries, employment increased by 9.8 lakh in 2010-11 in the industries surveyed. The IT/BPO sector accounted for 68 per cent of the increase during the year, with the bulk of the increase occurring during the fourth quarter (Table 1.5).

Table I.4: Indicators of Services Sector Activity

(Growth in per cent)

Services Sector Indicators	2009-10	2010-11	April 2010	April 2011
1	2	3	4	5
Tourist arrivals	5.7	8.3	6.3#	10.6#
Cement	10.5	4.5	8.7$	-1.7$
Steel	6.0	8.9	10.9$	5.5$
Railway revenue earning freight traffic	6.6	3.8	3.2	7.4
Cell phone connections	47.4	18.0	42.0	-9.1
Cargo handled at major ports	5.8	1.6	2.7	6.3
Civil aviation				
Export cargo handled	11.4	13.4	13.1	6.0
Import cargo handled	8.1	20.6	29.9	14.6
Passengers handled at international terminals	5.7	11.5	6.9	18.1
Passengers handled at domestic terminals	14.5	16.1	27.0	14.0

: Data pertain to April-June.$: Data pertain to April-May.

Source: Ministry of Tourism; Ministry of Statistics and Programme Implementation and CMIE.

Table I.5 : Changes in Estimated Employment

(in lakh)

Industry/Group	2010-11:Q1	2010-11:Q2	2010-11:Q3	2010-11:Q4	2010-11
1	2	3	4	5	6
Textiles including apparels	-0.63	2.45	0.40	-1.21	1.01
Leather	0.21	0.04	0.16	-0.08	0.33
Metals	0.45	0.27	0.00	0.16	0.88
Automobiles	0.51	0.29	0.18	0.13	1.11
Gems and jewellery	0.04	0.04	-0.10	-0.02	-0.04
Transport	-0.21	0.13	-0.01	0.06	-0.03
IT/BPO	1.29	1.08	1.41	2.87	6.65
Handloom / Powerloom	-0.03	0.06	0.03	-0.18	-0.12
Overall	**1.62**	**4.35**	**2.07**	**1.74**	**9.79**

Source: Tenth Quarterly Quick Employment Survey, January-March 2011, Labour Bureau.

Some moderation in growth expected in 2011-12

I.18 Growth in 2011-12 is likely to moderate compared with the growth in 2010-11. Despite the scaling down of the monsoon forecast to slightly below normal in 2011-12, agriculture growth is expected to stay broadly on track. Near-normal monsoon performance will, however, be an important factor for sustaining robustness of growth in 2011-12. There is evidence of continued strong growth in the services sector. Fiscal consolidation undertaken by the government is likely to further pull down growth in 'community, social and personal services'. There is possibility of some softening in the industrial sector which is faced with high input cost pressures and escalating cost of capital. Given that non-agricultural GDP growth was below trend in 2010-11, a further softening poses downside risk to growth.

II. Aggregate Demand

Aggregate demand decelerated in Q4 of 2010-11 mainly due to investment slowdown. Corporate investment intentions also moderated significantly during H2 of 2010-11. There are no signs of improvement in investment during 2011-12 as yet. Private consumption demand may be adjusting downwards, but still remains strong. Corporate sales growth remained robust during Q4 of 2010-11 and is expected to stay so in Q1 of 2011-12. Profits, however, decelerated in 2010-11 with margins coming under pressure from rising interest and raw material costs. A rebalancing of demand from government consumption spending to private consumption spending occurred during 2010-11. Going forward, some rebalancing towards investment is required to sustain the growth momentum. Though fiscal indicators improved during 2010-11, high growth in subsidies led to a moderation in GDP at market prices. Despite recent initiatives to downsize petroleum subsidies, there is a likelihood of fiscal slippage in 2011-12.*

Investment soft patch continues

II.1 Expenditure side data of GDP indicates a significant slowdown in gross fixed capital formation, as well as inventory formation during Q4 of 2010-11 (Table II.1). While these numbers could be possibly revised, there is evidence to suggest that investment entered a soft patch during H2 of 2010-11. Updated information on corporate investment intentions, as captured by projects sanctioned financial assistance by banks and financial institutions, suggest that project expenditure on new projects, that were sanctioned assistance, was strong during H1 of 2010-11, but dipped sharply in H2 of 2010-11. While the envisaged corporate investment in 2010-11 was marginally higher than that in the previous year, the slowdown was perceptible with a 43 per cent drop in the second half from the level of first half of 2010-11.

II.2 This slowdown since Q3 of 2010-11 is a concern, requiring some rebalancing of aggregate demand

Table II.1: Expenditure Side of GDP (Base: 2004-05)

(Per cent)

	2009-10 Q.E.	2010-11 R.E.	2009-10				2010-11			
			Q1	Q2	Q3	Q4	Q 1	Q2	Q3	Q4
1	2	3	4	5	6	7	8	9	10	11
(Growth Rate)										
Real GDP at Market Prices	9.1	8.8	6.5	7.6	9.2	12.6	9.4	9.1	9.2	7.7
Total Final Consumption Expenditure	8.7	8.0	9.3	12.2	7.4	6.5	8.6	8.5	7.4	7.5
Private	7.3	8.6	7.3	8.5	7.0	6.6	8.9	8.9	8.6	8.0
Government	16.4	4.8	21.3	37.5	9.6	6.2	6.7	6.4	1.9	4.9
Gross Fixed Capital Formation	7.3	8.6	-0.4	0.3	8.7	19.2	17.4	11.9	7.8	0.4
Change in Stock	90.8	7.4	78.9	86.1	95.4	102.1	11.7	9.0	5.1	4.6
Net Exports	10.2	-15.3	5.4	-21.1	15.0	70.8	33.8	14.1	-52.6	-34.8
(Share in GDP)										
Total Final Consumption Expenditure	70.1	69.5	73.1	71.4	73.6	63.2	72.6	71.0	72.3	63.1
Private	58.5	58.3	61.8	60.2	60.5	52.4	61.6	60.1	60.1	52.6
Government	11.6	11.2	11.3	11.2	13.1	10.8	11.0	10.9	12.2	10.5
Gross Fixed Capital Formation	32.0	32.0	30.4	31.9	30.9	34.5	32.6	32.7	30.5	32.1
Change in Stock	3.5	3.5	3.5	3.6	3.5	3.5	3.6	3.6	3.3	3.4
Net Exports	-7.2	-5.6	-6.3	-7.3	-8.8	-6.5	-7.7	-7.6	-3.8	-3.9
Memo:										(₹ crore)
Real GDP at Market Prices	48,69,317	52,98,129	11,12,318	11,37,985	12,55,040	13,63,974	12,17,270	12,41,332	13,70,188	14,69,339

Q.E.: Quick Estimates. R.E. : Revised Estimates.
Note: As only major items are included in the table, data will not add up to 100.
Source: Central Statistics Office

*Despite well-known limitations, expenditure side GDP data are being used as proxies for components of Aggregate Demand.

towards investment. In 2010-11, 796 projects were sanctioned assistance for planned project expenditures of ₹4,60,000 crore versus 754 projects that were sanctioned assistance in 2009-10 for planned project expenditures of ₹4,56,000 crore. Corporate investments are driven by the power sector followed by metal and metal products and telecommunication and have still not become broad-based. While some adverse impact on investment may come from high interest rates that have become necessary to combat inflation, better implementation can help in improving investment. The Government has made clear its intentions to remove constraints in investment and also encourage FDI in certain sectors such as multi-brand retail.

Private consumption demand decelerates but remains strong

II.3 The drivers of growth from the expenditure side revealed the continued predominance of private final consumption expenditure (PFCE). The buoyancy in private consumption was largely driven by improved agriculture growth and support from the consumer durables segment (Table II.1).

Corporate sales growth remains robust but profits moderate

II.4 Reflecting strong private consumption demand, sales of non-government non-financial (NGNF) listed companies grew by around 20 per cent during 2010-11 as also in the fourth quarter of the year (Table II.2). Further, in anticipation of better demand, companies accumulated stocks leading to a rise in stock-in-trade to sales ratio (Chart II.1). Operating profits and net profits, however, decelerated in 2010-11, due to higher input and interest costs. With decline in profit margins and increase in interest outflow, the interest coverage ratio, which indicates the number of times gross profits cover the interest payment, also declined in 2010-11 compared to the previous year. Earnings forecasts for Q1 of 2011-12, suggest a robust top line growth, indicating that the demand environment remains good. However, margin compression may decelerate profits somewhat. Early results are broadly in line with these expectations (Table II.3).

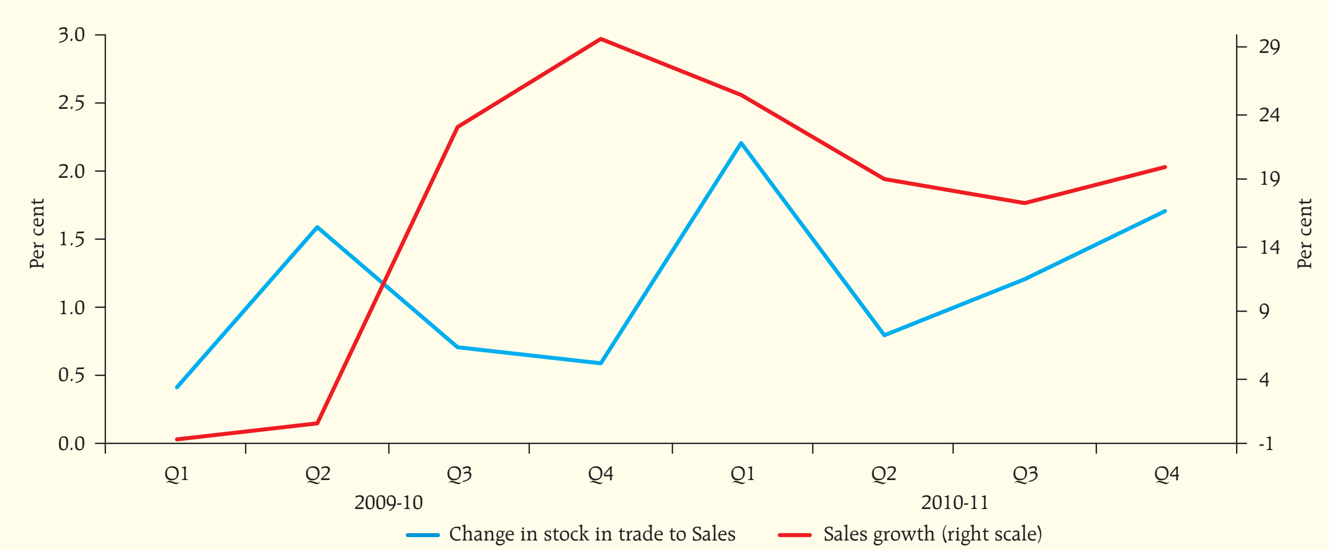
Table II.2: Corporate Sector- Financial Performance

(Per cent)

	2009-10	2010-11 (P)	2009-10				2010-11			
			Q1	Q2	Q3	Q4	Q 1	Q2	Q3	Q4
1	2	3	4	5	6	7	8	9	10	11
No. of Companies	2196									
Growth rates in per cent										
Sales	12.8	19.7	-0.8	0.6	23.0	29.8	25.3	19.2	17.1	19.9
Other Income*	15.5	3.8	51.5	3.4	7.8	8.3	-23.0	56.2	8.4	-24.7
Expenditure, *of which*	10.6	22.3	-4.8	-2.3	20.6	30.9	29.8	20.5	19.1	22.4
Raw Material	13.2	25.7	-13.8	-4.2	33.5	43.7	37.7	21.5	19.7	26.6
Staff Cost	8.5	18.4	8.4	6.3	5.3	14.0	16.3	20.0	20.5	20.0
Operating Profits (PBDIT)	27.8	11.5	6.7	14.4	59.3	39.4	15.4	7.8	10.5	14.6
Depreciation	22.0	15.3	22.4	21.2	23.2	21.2	20.2	16.7	13.1	13.3
Interest	-3.8	20.0	5.5	-0.2	-13.6	-3.9	29.9	5.7	21.9	29.5
Net Profits (PAT)	32.4	7.5	7.6	12.9	91.0	43.4	1.6	9.2	9.1	11.9
Ratios in per cent										
Change in stock# to Sales	1.0	1.7	0.4	1.6	0.7	0.6	2.2	0.8	1.2	1.7
PBDIT to Sales	16.8	15.7	17.5	17.3	16.8	15.9	16.2	15.6	15.9	15.1
PAT to Sales	9.4	8.5	10.4	9.5	9.0	9.1	8.5	8.6	8.3	8.4
Interest to Sales	2.6	2.6	2.7	2.9	2.6	2.3	2.9	2.6	2.7	2.5
Interest to Gross Profits	17.6	19.6	17.2	19.8	17.6	16.1	21.1	19.1	19.7	19.1
Interest Coverage (Times)	5.7	5.1	5.8	5.1	5.7	6.2	4.8	5.2	5.1	5.2

* : Other income excludes extraordinary income/expenditure if reported explicitly.
# : For companies reporting this item explicitly.
PBDIT : Profit before depreciation, interest and tax. PAT : Profit after tax.
Note : Growth rates are percentage changes in the level for the period under reference over the corresponding period of the previous year for common set of companies.

Chart II.1: Sales Growth and Stock-in-Trade to Sales Ratio



External demand improves, but uncertainty remains

II.5 There has been some improvement in net external demand during Q4 of 2010-11. With exports growing at a faster pace than imports, the extent of negative contribution of net exports to GDP declined. Going forward, there is some uncertainty about external demand given the renewed global growth concerns, but typically, external demand has been a small contributor to aggregate demand in India.

Table II:3 Early Results for Q1:2011-12

	2010-11		2011-12
	Q1	Q4	Q1
1	2	3	4
No. of companies		127	
Growth rates in per cent			
Sales	27.3	26.1	27.1
Other Income*	-15.1	17.3	85.4
Expenditure, of which	35.8	29.6	25.0
Raw Material	50.9	34.9	29.8
Staff Cost	15.4	25.8	26.3
Operating Profits (PBDIT)	16.2	23.5	24.4
Depreciation	5.1	26.1	27.4
Interest		26.8	26.6
14.6			
Net Profits (PAT)	12.4	33.8	29.2
Ratio in per cent			
Change in stock# to Sales	4.6	1.5	2.2
PBDIT to Sales	18.7	19.3	18.3
PAT to Sales	13.1	15.1	13.3
Interest to Sales	1.3	1.2	1.2
Interest to Gross Profits	7.4	6.1	6.6
Interest Coverage (Times)	13.5	16.3	15.1

#: For companies reporting this item explicitly.
*: Other income excludes extraordinary income/expenditure if reported explicitly.
Note : Provisional data.

Improvement in deficit indicators augurs well for growth rebalancing

II.6 Provisional accounts of the Central government for 2010-11 turned out to be significantly better than the revised estimates (RE). Key deficit indicators showed an improvement over the RE reflecting higher realisation of tax and non-tax revenues and lower plan expenditure for both revenue and capital components. Preliminary indications are that the combined fiscal deficit of the Centre and States had narrowed to 7.7 per cent of GDP in 2010-11 (Tables II.4 and II.5). The combined revenue deficit had also fallen significantly. The higher than anticipated revenues in 2010-11 were utilised by the Centre for financing increased outlays in key priority areas (rural infrastructure, implementation of the Right to Education Act, plan assistance to States and recapitalisation of public sector banks).

Subsidies likely to overshoot budget estimates

II.7 Notwithstanding improvements during 2010-11 concerns about possible fiscal slippage during 2011-12 remain. The government's budgetary stance of expenditure-driven fiscal correction for 2011-12 was viewed as a move towards fiscal consolidation and

Table II.4 : Key Fiscal Indicators

(Per cent to GDP)

Year	Primary Deficit	Revenue Deficit	Gross Fiscal deficit	Outstanding Liabilities
1	2	3	4	5
Centre				
2009-10	3.1	5.2	6.4	53.7
2010-11 RE	2.0	3.4	5.1	49.9
	(1.7)	(3.1)	(4.7)	
2011-12 BE	1.6	3.4	4.6	48.5
States*				
2009-10	1.1	0.5	2.8	22.7
2010-11 RE	0.9	0.3	2.5	21.0
2011-12 BE	0.6	-0.2	2.1	20.6
Combined				
2009-10	4.5	5.7	9.2	68.9
2010-11 RE	3.2	3.7	7.7	64.0
2011-12 BE	2.4	3.3	6.8	62.7

RE: Revised Estimates. BE: Budget Estimates.
* : Data in respect of States pertains to 24 State governments of which four are Vote on Accounts.
Note: Figures in parentheses are from the provisional accounts released by the Controller General of Accounts on May 31, 2011.
Source: Budget documents of the Central and State Governments.

anchoring inflation expectations. However, the lower gross fiscal deficit (GFD)-GDP ratio budgeted for 2011-12 is challenging on account of sizeable upside risks to subsidies and downside risks to revenues from moderation in growth.

II.8 Although the petroleum subsidy has been budgeted lower in 2011-12 than the RE for 2010-11, the actual level of petroleum subsidy is expected to exceed the budgeted level for 2011-12. It could overshoot by about 0.5 per cent of GDP even after partial upward revision in domestic prices of diesel, PDS kerosene and domestic LPG in June 2011 as the under-recoveries could still be close to ₹1,10,000 crore. Furthermore, payments undertaken for compensation of under-recoveries of oil marketing companies for the fourth quarter of 2010-11 would also add another 0.2 per cent of GDP to the subsidy burden of the current fiscal year. The elimination/reduction of customs/ excise duty on petroleum products is estimated to also cause revenue losses to the Centre to the extent of nearly 0.3 per cent of GDP and impact the fiscal balance of the Central government. The total fiscal slippage for the Centre from oil sector, could thus be about 1 per cent of GDP. In addition, there could be spillover in fertiliser subsidies. Therefore, for durable correction in revenue account, tax buoyancy must recover to the pre-crisis level and administered pricing of diesel, kerosene and LPG needs to be phased out at the earliest. Besides, fertiliser subsidies need to be contained.

II.9 During April-May 2011, the revenue deficit and the GFD of the Central government turned out to be higher than during the corresponding period of the

Table II.5 : Combined Finances

Item	Growth rate (per cent)			Per cent to GDP		
	2009-10	2010-11 (RE)	2011-12 (BE)	2009-10	2010-11 (RE)	2011-12 (BE)
1	2	3	4	5	6	7
1. Total Expenditure	15.8	21.7	6.5	28.0	28.4	26.5
2. Revenue Expenditure	16.4	20.0	6.4	23.9	23.9	22.3
3. Capital Expenditure	12.2	32.2	7.3	4.1	4.5	4.2
4. Non-Developmental Expenditure	20.7	14.3	9.9	11.7	11.1	10.7
5. Development Expenditure	12.5	26.9	4.1	16.0	16.9	15.4
6. Revenue Receipts	8.4	32.6	7.7	18.3	20.1	19.0
i) Tax Revenue (net)	6.3	25.6	17.1	15.0	15.6	16.1
ii) Non-tax Revenue	18.8	63.9	-25.0	3.3	4.5	3.0

previous year mainly due to decline in revenue receipts. Lead information for the first quarter of 2011-12 indicates that although gross direct tax collections have increased, the substantial amount of corporation tax refunds have resulted in a decline in net tax collections over April-June 2010.

State finances appear to be on track

II.10 State governments also reverted to the process of fiscal consolidation in 2010-11, after a setback during 2008-10. The RE for 2010-11, based on the 2011-12 budgets of 24 States received so far, confirms that at the consolidated level, States could broadly achieve the budgeted reduction in key deficit ratios in 2010-11. This indicates increasing credibility of State governments' commitment towards fiscal consolidation.

II.11 A disaggregated analysis shows that the budgeted improvement in revenue account of States in 2011-12 is mainly due to decline in revenue expenditure while revenue receipts-GDP ratio is expected to remain stable at 11.7 per cent. However, the moderation in revenue expenditure growth is attributable to a sharp deceleration in growth of development expenditure (comprising social and economic services) to 9.0 per cent in 2011-12, from 26.0 per cent in 2010-11 (RE). In line with the improvement in the revenue account, States' GFD-GDP ratio is budgeted to be lower in 2011-12. However, capital outlay to GDP ratio, budgeted at 2.1 per cent in 2011-12, is yet to revert to the high levels achieved during 2006-09. With several States reducing their State levies on petroleum products, there could be some impact on State finances.

II.12 Overall, States seem to be committed to bring their finances on a sustainable path in the medium-term and the present pace of fiscal consolidation appears to be in tandem with the path suggested by the Thirteenth Finance Commission. Thus, the fiscal position of the States appears encouraging, but the challenge lies in translating intentions into outcomes of fiscal consolidation, while not compromising on the quality of the fiscal correction process.

Moderation in demand in 2011-12 is likely

II.13 There are chances of further moderation in both investment and consumption as high inflation erodes real consumption and monetary policy actions to restrain demand in the short run work through the system. The slowdown in consumption has been restricted so far to interest rate sensitive sectors like car sales getting impacted. Some re-balancing of demand towards investment would be helpful, and industrial policy action and execution could go a long way to help bring about this rebalancing. Firm commitment towards fiscal consolidation by the government would also help the rebalancing of aggregate demand.

III. The External Sector

Better than expected performance of exports and invisibles receipts in Q4 of 2010-11 led to a considerable moderation in the current account deficit (CAD). With strong momentum in exports continuing during the first quarter, the current account is expected to remain manageable during 2011-12. Nevertheless, the size of current and capital accounts remains somewhat clouded in view of uncertain and uneven recovery in advanced economies (AEs), sovereign debt problems in the Euro zone periphery and volatile movements in global oil prices. While an improvement in FDI flows during the initial two months of 2011-12 augurs well for the economy, the volatility of flows, particularly with regard to portfolio investments as also the evolving composition of flows in favour of debt, remains a concern necessitating constant vigil.

CAD moderated in 2010-11

III.1 The CAD moderated significantly during Q4 of 2010-11 with moderation in trade deficit coupled with an upturn in net invisibles surplus. Merchandise exports expanded at a faster pace than imports and the trade deficit shrank in absolute terms. The turnaround in invisibles was supported by higher earnings from software exports. Accordingly, CAD at 2.6 per cent of GDP during 2010-11 turned out to be lower than 2.8 per cent in 2009-10. Capital flows remained moderate and were substantially absorbed by the CAD. Going forward, the external account is expected to remain manageable.

Risks to trade as global growth enters a soft patch

III.2 There are risks to current account arising from global growth entering a soft patch (Chart III.1a). If growth in advanced economies (AEs) weakens further and the soft patch turns into a more prolonged downturn, exports could face a distinctly tougher climate.

III.3 Global economic activity exhibited signs of slowing down in Q2 of 2011 as downside risks increased again. High commodity prices, political strife in the Middle East, the earthquake in Japan, sovereign debt problems in the Euro zone and rising fiscal and debt problems in the US took a toll on the levels of economic activity and business and consumer confidence. Private consumption is expected to be subdued as oil price hikes in the previous quarters cut into households' real incomes. After GDP growth for US and Japan decelerated markedly in Q1 of 2011(Chart III.1b), PMIs for US and Euro zone and leading indicators for OECD evidenced a dip.

Divergence between global economic activity of AEs and EMEs likely to remain in 2011

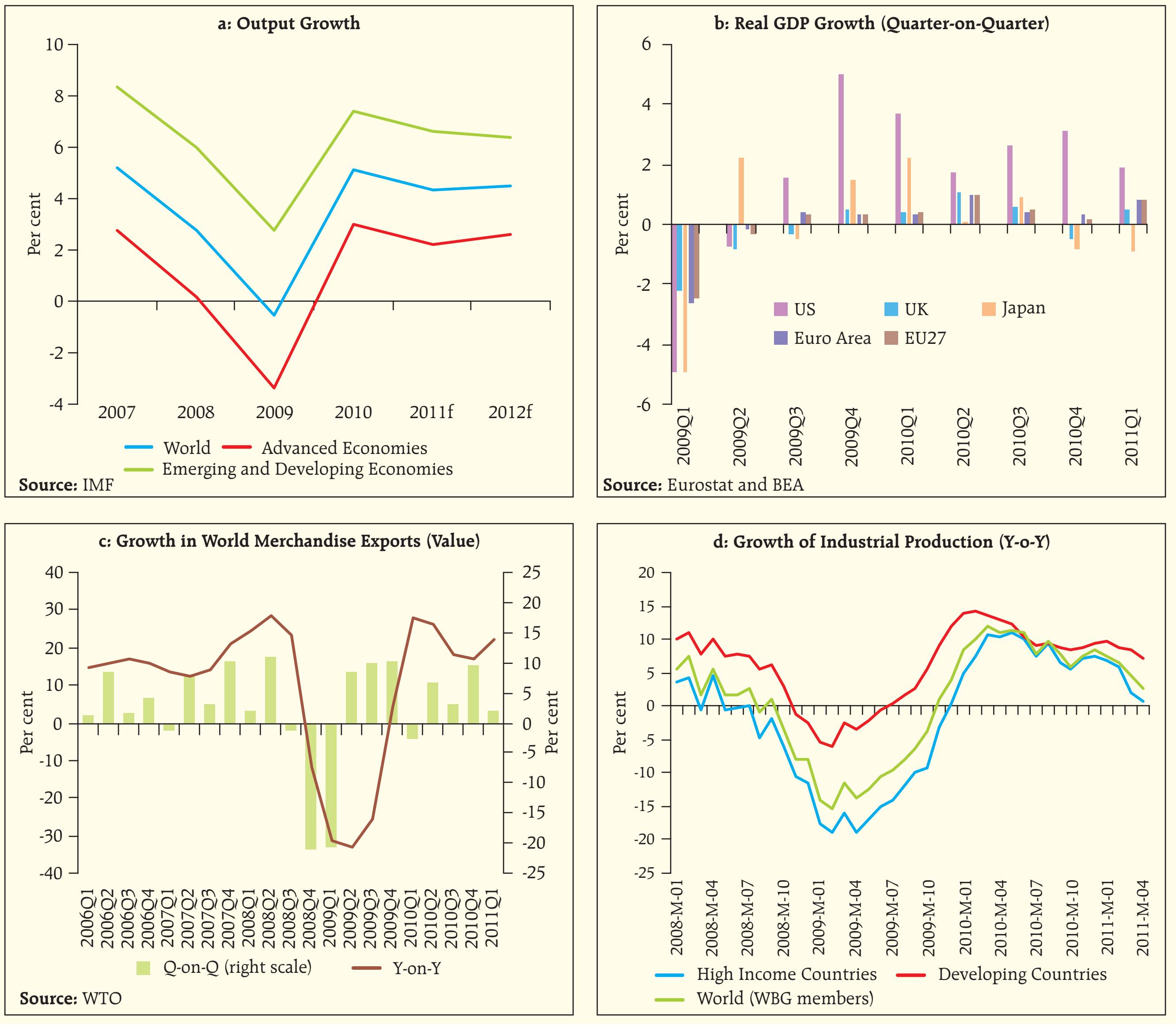
III.4 IMF has assessed that growth in most emerging and developing economies (EMDEs) would continue to be strong in 2011. Accordingly, the global economic recovery remains multi-paced with a further divergence in their growth rates. Moderation in commodity prices, especially oil, and government bond yields do offer hope for an economic turnaround during the second half of 2011.

III.5 The termination of QE2 by the US in June, tightening of monetary policy in the Euro Area and most of the EMEs, and fiscal consolidation initiatives/ austerity measures and deepening of debt crises in the Euro periphery could, however, depress global demand. Nonetheless, there remains a possibility of QE3 if the US economy fails to regain momentum in the second half of 2011. In the US, fiscal and sovereign debt risks are rising because of the absence of credible consolidation and reform plans, while in Japan, the fiscal response to the earthquake has raised challenges to medium-term fiscal sustainability.

Risks to capital flows as global fiscal and sovereign debt risks come to the fore

III.6 There are risks to capital flows to EMEs arising from the global fiscal and sovereign debt risks. These risks have been evident in the Euro zone, where stress has come time and again, compelling multilateral action to bailout private investors by incurring higher sovereign debt. However, the approach has its limits. It can precipitate a sovereign debt crisis at some stage. While simmering fiscal risks and sovereign debt problems in AEs encourage capital inflows into EMEs,

Chart III.1: Key Global Indicators



a full-blown crisis has a contagion risk that can adversely impact risk appetite and moderate capital flows all around. While we are currently seeing a surge in capital flows to India, net outflows were seen in March 2011, associated with elevated global risk aversion and increased concerns about inflation.

World trade recovers to exceed the pre-crisis high, but may moderate ahead

III.7 Global trade is recovering with the value of world merchandise trade exceeding the pre-crisis high of July 2008 for the first time in March 2011. In value terms, the world trade was 22.3 per cent higher in the first quarter of 2011 compared to the same period of 2010 (Chart III.1c). On account of downside risks to growth, world trade growth, in volume terms, is expected to moderate in 2011.

World industrial activity is progressing at a moderate pace

III.8 Industrial output growth once again decelerated in the first quarter of 2011, after expanding toward the end of 2010, reflecting the decline in the Japanese production in March 2011 and similar declines in some of the North African countries (Chart III.1d). Excluding these countries, growth momentum in the rest of the world has been well above the longer-term trend growth rate.

Exports continue to grow aided by trade diversification

III.9 India's merchandise exports during 2011-12 so far (up to June) continued to register strong growth primarily led by engineering, gems and jewellery and petroleum products. The resilience in export performance appeared to have resulted from the supportive government policy, focussing on the diversification in terms of higher value-added products in engineering and petroleum sectors and destinations across developing economies. Trade policy is supporting exports through schemes like focus market scheme (FMS), focus product scheme (FPS) and duty entitlement passbook scheme (DEPB). This trend seems to have continued in the current year as well.

III.10 Disaggregated data that are available up to February 2011 show that the share of developing economies in total exports improved, while the share of OECD countries declined. Countries like China and South Africa accounted for nearly 32 per cent of the increase in share of exports to developing countries. In terms of products, the share of engineering and petroleum products increased, while the share of labour intensive products declined (Chart III.2 a, b & c). Within engineering goods, transport equipment,

Chart III.2: India's Merchandise Trade

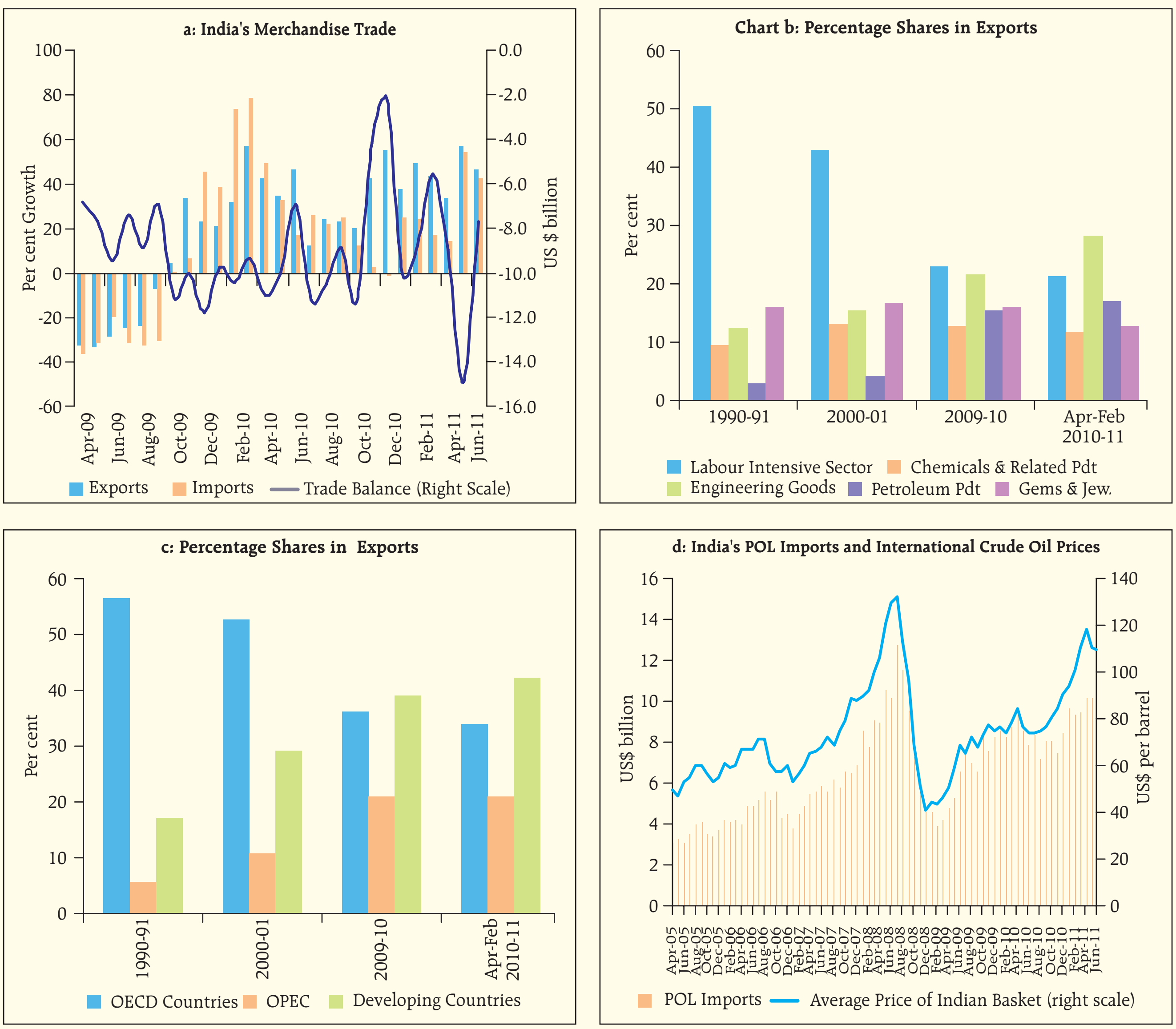


Table III.1 : India's Merchandise Trade

(US$ billion)

Item	2009-10 (R)		2010-11 (P)		April-June (P)			
					2010-11		2011-12	
	Absolute	Growth (%)	Absolute	Growth (%)	Absolute	Growth (%)	Absolute	Growth (%)
1	2	3	4	5	6	7	8	9
Exports	178.2	-2.5	245.6	37.8	54.2	41.2	79.0	45.7
Oil	28.0	1.7	42.5	51.8	8.7	96.8	14.0	60.9
Non-oil	150.2	-3.2	203.1	35.2	45.5	33.9	65.0	42.9
Imports	287.4	-3.8	350.5	21.9	84.2	35.0	110.6	31.4
Oil	87.1	-7.0	101.6	16.6	25.9	55.3	30.5	17.8
Non-oil	200.3	-2.4	248.9	24.2	58.4	27.6	80.1	37.2
Trade Balance	**-109.2**	**-5.9**	**-104.9**	**-3.9**	**-30.0**	**25.4**	**-31.6**	**5.3**
Non-Oil Trade Balance	**-50.1**	**0.4**	**-45.8**	**-8.6**	**-12.9**	**9.1**	**-15.1**	**17.1**

R: Revised. P: Provisional.Source: DGCI&S and Press Release, Department of Commerce Government of India.

metals and iron and steel were the major contributors to the rise in exports during the year.

Trade deficit increases marginally, reflecting large non-oil imports

III.11 During Q1 of 2011-12, though export growth continued to outstrip import growth, the trade deficit increased marginally in absolute terms. Import growth was primarily led by a spurt in gold and silver (a rise of 200 per cent) and machinery (49 per cent). However, growth in oil imports at 18 per cent has been lower than that during the corresponding period of the previous year, reflecting some moderation in demand (Chart III.2d and Table III.1).

Invisibles remain the mainstay of current account

III.12 During Q4 of 2010-11, the current account balance improved further over the corresponding period of the previous year as well as the preceding quarter as a result of continued good performance of both merchandise and invisibles exports (Table III.2). Interestingly, the increase in oil exports offset the increase in oil imports implying that oil trade balance did not deteriorate further during 2010-11.

III.13 Among invisibles receipts, services exports showed higher growth primarily due to software services, travel, transportation and business services. Private transfers remained buoyant despite uncertainties in MENA countries (Table III.3).

III.14 A noteworthy aspect in respect of services data was the release by the Reserve Bank of provisional aggregate data on international trade in services for the first time for the month of April 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).

Table III.2: India's Balance of Payments

(US $ billion)

	2009-10PR	2010-11P	2009-10	2010-11			
			Q4PR	Q1PR	Q2PR	Q3PR	Q4P
1	2	3	4	5	6	7	8
1. Exports	182.2	250.5	52.5	55.3	52.0	65.9	77.2
2. Imports	300.6	380.9	84.1	87.2	89.3	97.4	107.1
3. Trade Balance (1-2)	-118.4	-130.5	-31.6	-31.9	-37.3	-31.5	-29.9
4. Net Invisibles	80.0	86.2	18.8	19.8	20.5	21.5	24.5
5. Current Account Balance (3+4)	-38.4	-44.3	-12.8	-12.1	-16.8	-10.0	-5.4
6. Gross Capital Inflows	345.7	496.0	90.3	94.5	112.1	173.7	115.7
7. Gross Capital Outflows	292.3	436.3	74.5	77.7	90.8	160.3	107.5
8. Net Capital Account (6-7)	53.4	59.7	15.8	16.8	21.4	13.4	8.2
9. Overall Balance (5+8)#	**13.4**	**13.1**	**2.1**	**3.7**	**3.3**	**4.0**	**2.0**

Overall balance also includes errors and omissions apart from items 5 and 8.
PR: Partially Revised. P: Preliminary.

Table III.3: Net Invisibles

(US $ billion)

Item	April-March		January-March	
	2009-10 (PR)	2010-11 (P)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5
A. Services	35.7	47.7	8.5	14.5
Of which				
Travel	2.5	4.0	0.8	1.3
Transportation	-0.8	0.4	-0.5	0.9
Software	48.2	56.8	14.0	16.7
Business Services	-6.7	-3.8	-1.8	-0.8
Financial Services	-0.9	-1.0	-0.4	-0.4
B. Transfers (Private)	52.1	53.4	12.6	13.8
C. Income	-8.0	-14.9	-2.3	-3.8
Investment Income	-7.2	-13.9	-2.0	-3.6
Compensation of employees	-0.8	-1.0	-0.3	-0.2
Total (A+B+C)	**80.0**	**86.2**	**18.8**	**24.5**

PR: Partially Revised. P: Preliminary.

Henceforth, the aggregate data on trade in services will be released on a monthly basis after a gap of about 45 days.

Capital flows remain buoyant so far

III.15 As per the latest available information for the period April-May 2011, FDI inflows increased significantly. The increase in FDI was largely led by power, healthcare and pharmaceutical sectors. Net FII flows exhibited a considerable volatility during 2011-12 so far (Please see Chapter IV for details). ECB approvals, however, continued to increase on the back of strong domestic demand and interest rate differentials (Table III.4). The volatility in FII flows warrants a continuous monitoring of the evolving situation.

Table III.4: Capital Flows in 2011-12 so far

(US $ billion)

Component	Period	2010-11	2011-12
1	2	3	4
FDI to India	April-May	4.4	7.8
FIIs (net)	April-July, 15	6.2	3.1
ADRs/GDRs	April-June	1.1	0.3
ECB Approvals	April-June	5.3	8.1
NRI Deposits (net)	April-June	1.1	1.5

FDI : Foreign Direct Investment.
FII : Foreign Institutional Investors.
ADR : American Depository Receipts.
GDR : Global Depository Receipts.
ECB : External Commercial Borrowings.
NRI : Non Resident Indians.

III.16 Net capital flows during Q4 of 2010-11 were lower than those during the corresponding period of the previous year primarily due to a reversal in FII flows and lower net FDI flows (Table III.5). The moderation in inflows under FDI and short-term trade credits continued during the quarter. FDI moderated mainly on account of lower FDI inflows under services and 'construction, real estate and mining'.

Broad-based REER indices depreciate moderately during Q1 of 2011-12

III.17 In nominal as well as real terms, broad-based 30 and 36-currency indicators of effective exchange rate

Table III.5 : Net Capital Flows

(US $ billion)

Item	April-March		January-March	
	2009-10 (PR)	2010-11 (P)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5
Net Capital flows	53.4	59.7	15.8	8.2
Of which				
1. Foreign Direct Investment	18.8	7.1	3.4	0.6
Inward FDI	33.1	23.4	6.1	4.9
Outward FDI	-14.4	-16.2	-2.7	-4.3
2. Portfolio Investment	32.4	30.3	8.8	0.2
Of which:				
FIIs	29.0	29.4	8.5	-0.03
ADR/GDRs	3.3	2.0	0.1	0.2
3. External Assistance	2.9	4.9	1.0	0.8
4. External Commercial Borrowings	2.8	11.9	0.4	2.4
5. NRI Deposits	2.9	3.2	-0.6	0.9
6. Short-term Trade Credit	7.6	11.0	4.5	2.7

P: Preliminary. PR: Partially Revised.

Table III.6: Nominal and Real Effective Exchange Rates-Trade Based
(Base: 2004-05=100)

(Per cent, appreciation+/depreciation-)

	Index July 15, 2011 P	Year-on-Year Variation (Average)			
		2008-09	2009 10 P	2010- 11P	2011-12 P (April-June)
1	2	3	4	5	6
36-REER	102.0	-9.9	-3.1	7.7	-0.7
36-NEER	92.5	-10.9	-2.6	2.9	-3.5
30-REER	93.1	-10.2	-4.6	4.5	-0.6
30-NEER	94.1	-8.3	-2.2	1.0	-2.5
6-REER	118.5	-9.3	-0.3	13.1	1.5
6-NEER	90.5	-13.6	-3.7	5.7	-4.3
Rs/USD	44.5	-12.5	-3.1	4.1	2.1
Rs/USD (end-March)	44.7	-21.5	12.9	1.1	-0.2

NEER : Nominal Effective Exchange Rate. REER : Real Effective Exchange Rate. P : Provisional.
Note : Rise in indices indicates appreciation of the rupee and vice versa.

for rupee depreciated during Q1 of 2011-12 (Table III.6). The real effective exchange rate (REER) indices for 6-currency, however, showed a moderate appreciation, partly reflecting the higher inflation differential with the countries covered under the basket.

External debt indicators mixed, reserve accretion modest

III.18 India's external debt stock as at end-March 2011 showed an increase of 17.2 per cent over the level as at end-March 2010 reflecting increase in ECBs, bilateral and multilateral borrowings and short-term trade credit (Table III.7).

III.19 Key debt sustainability indicators such as debt to GDP ratio and debt service ratio improved while other indicators showed some deterioration during 2010-11 on account of the continued dominance of debt creating flows (Table III.7 and Table III.8). Debt creating flows could increase further going forward reflecting the interest rate differentials in a liquidity surfeit global economy characterised by multi-paced recovery as also the recent policy measures aimed at raising the limit on investments by FIIs in debt markets. The debt creating flows and the volatile FII flows need to be monitored closely to avoid risks emanating from unforeseen adverse global developments.

International Investment Position deteriorates

III.20 India's net international liabilities increased moderately despite the decline in the CAD during Q4 over the preceding quarter. The increase primarily

Table III.7: India's External Debt

(US$ billion)

Item	End-March 2009	End-March 2010 PR	End-March 2011 P	Variation (March 2011 over March 2010)	
				Amount	Per cent
1	2	3	4	5	6
1. Multilateral	39.5	42.9	48.5	5.6	13.1
2. Bilateral	20.6	22.6	26.0	3.4	14.9
3. International Monetary Fund	1.0	6.0	6.3	0.3	4.4
4. Trade Credit (above 1 year)	14.5	16.9	18.6	1.8	10.4
5. External Commercial Borrowings	62.4	70.8	88.3	17.5	24.7
6. NRI Deposit	41.6	47.9	51.7	3.8	7.9
7. Rupee Debt	1.5	1.7	1.6	-0.1	-3.4
8. Long-term (1 to 7)	181.2	208.7	240.9	32.2	15.4
9. Short-term	43.4	52.3	65.0	12.7	24.2
Total (8+9)	**224.5**	**261.0**	**305.9**	**44.9**	**17.2**

P: Provisional. PR: Partially Revised.

Table III.8: External Sector Vulnerability Indicators

(Per cent)

Indicator	End-March 2010	End-September 2010	End-December 2010	End-March 2011
1	2	3	4	5
1. Ratio of Total Debt to GDP	18.0	–	–	17.3
2. Ratio of Short-term to Total Debt (Original Maturity)	20.0	21.0	20.7	21.2
3. Ratio of Short-term to Total Debt (Residual Maturity)	41.2	42.9	-	42.2
4. Ratio of Concessional Debt to Total Debt	16.8	16.0	15.7	15.6
5. Ratio of Reserves to Total Debt	106.8	101.4	100.5	99.6
6. Ratio of Short-term Debt to Reserves	18.8	20.7	20.6	21.3
7. Reserves Cover of Imports (in months)	11.1	10.4	10.0	9.6
8. Reserves Cover of Imports and Debt Service Payments (in months)	10.5	9.8	9.5	9.2
9. Debt Service Ratio (Debt Service Payments to Current Receipts)	5.5	4.1	4.0	4.2

reflected the valuation effects due to the depreciation of the US dollar against major international currencies (Chart III.3).

Chart III.3: International Investment Position

Oil prices and the pattern of capital flows likely to determine external balance

III.21 India's external debt and CAD are likely to remain manageable over the medium-term. However, some pressures could emerge with event risks. The continued diversification in terms of products and destinations with supportive policies of the government, however, augur well for realising India's export growth potential over the medium-term. This is also reflected in the robust performance of exports during 2011-12 so far. Services exports are also likely to remain buoyant.

III.22 Elevated oil prices may have adverse implications for the import bill necessitating adoption of energy efficient technology, step-up in exploration of oil and research on developing oil substitutes. In an uncertain global financial and macroeconomic environment, capital flows can turn more volatile. A favourable investment climate would be necessary to further boost FDI inflows which have recovered in the early months of 2011-12. Overall, the BoP outlook for 2011-12 remains stable though it necessitates a constant monitoring due to global uncertainties.

IV. Monetary and Liquidity Conditions

Liquidity conditions eased further during Q1 of 2011-12 while remaining in deficit mode. This brought about an adjustment in liquidity in line with the policy objective. The easing reflected mainly structural factors, as the divergent trend between credit growth and deposit growth narrowed with rising interest rates. The sharp rise in currency growth observed during 2010-11 was also reversed as the opportunity cost of holding currency increased with rise in deposit rates. Following the pick-up in the deposit growth, the money supply growth remained above the indicative trajectory. Though credit growth moderated, partly reflecting base effect, it is still above the indicative trajectory.

Monetary conditions remain tight in line with policy stance

IV.1 Monetary conditions remained tight during Q1 of 2011-12 with interest rates firming, deposit growth picking up and credit growth decelerating. The Reserve Bank persisted with its anti-inflationary monetary policy stance during Q1 of 2011-12. As inflation became increasingly generalised, the Reserve Bank raised policy repo rate by 50 bps in May, followed by another 25 bps in June. The Reserve Bank has thus raised the reverse repo rate, repo rate and the CRR by 325 basis points (bps), 275 bps and 25 bps respectively since March 2010. Following a shift from absorption mode to injection mode in the liquidity adjustment facility (LAF), there has been, in effect, a rise in policy rates by 425 bps since February 2010 till date as the money market rate started hovering around the upper bound from the lower bound of the LAF corridor (Table IV.1).

IV.2 Based on the recommendations of the Working Group on Operating Procedures of Monetary Policy (Chairman: Shri Deepak Mohanty), the Reserve Bank in its Monetary Policy Statement for 2011-12 effected the following changes to the operating procedure of monetary policy: (i) the weighted average overnight call money rate has become the operating target of monetary policy; (ii) the repo rate has become the only independently varying policy rate; (iii) the reverse repo rate, pegged at 100 bps below the repo rate, provides the lower bound to the corridor of overnight interest rate and (iv) a new Marginal Standing Facility (MSF) has been instituted at 100 bps above the repo rate that provides the upper bound to the corridor. Banks can borrow overnight from the MSF up to one per cent of their respective net demand and time liabilities (NDTL). The new operating procedure became operational in May 2011.

Liquidity conditions continue to be in deficit mode

IV.3 Liquidity conditions eased significantly during Q1 of 2011-12. The average availment of liquidity under LAF was lower at around ₹49,300 crore in Q1 of 2011-12 as compared with around ₹84,400 crore in Q4 of 2010-11. The easing was mainly on account of sharp drawdown in Government's cash balances with the Reserve Bank. With the Government transiting to Ways and Means Advances/Overdraft in early April, reflecting, *inter alia*, tax refunds, the liquidity conditions were in absorption mode for a brief period in early April 2011. As part of their usual year-end balance sheet adjustments, banks maintained higher cash reserves with the Reserve Bank, which following

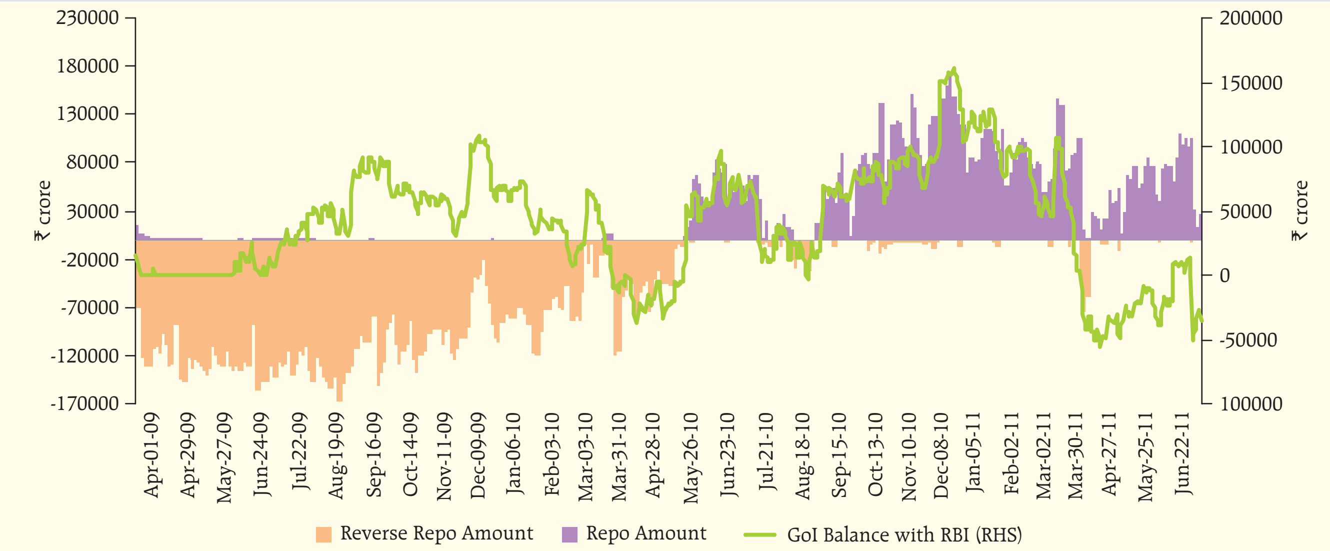
Table IV.1: Movements in Key Policy Rates in India

(Per cent)

Effective Since	Reverse Repo Rate	Repo Rate	Cash Reserve Ratio
1	2	3	4
Apr. 21, 2009	3.25 (-0.25)	4.75 (-0.25)	5.00
Feb. 13, 2010	3.25	4.75	5.50 (+0.50)
Feb.27, 2010	3.25	4.75	5.75 (+0.25)
Mar. 19, 2010	3.50 (+0.25)	5.00 (+0.25)	5.75
Apr. 20, 2010	3.75 (+0.25)	5.25 (+0.25)	5.75
Apr. 24, 2010	3.75	5.25	6.00 (+0.25)
Jul. 2, 2010	4.00 (+0.25)	5.50 (+0.25)	6.00
Jul. 27, 2010	4.50 (+0.50)	5.75 (+0.25)	6.00
Sept. 16, 2010	5.00 (+0.50)	6.00 (+0.25)	6.00
Nov. 2, 2010	5.25 (+0.25)	6.25 (+0.25)	6.00
Jan. 25, 2011	5.50 (+0.25)	6.50 (+0.25)	6.00
Mar. 17, 2011	5.75 (+0.25)	6.75 (+0.25)	6.00
May 3, 2011	6.25 (+0.50)	7.25 (+0.50)	6.00
Jun 16, 2011	6.50 (+0.25)	7.50 (+0.25)	6.00

Note: 1. Reverse repo indicates absorption of liquidity and repo indicates injection of liquidity.
2. Figures in parentheses indicate change in policy rates in percentage points.

Chart IV.1: LAF Volumes and GoI Balances



their unloading, also had an easing effect on liquidity conditions in early April 2011.

IV.4 Liquidity conditions reverted to the deficit mode in the second week of April 2011. Seasonally, the month of April has mostly seen surplus liquidity in terms of the net absorption under LAF, reflecting lower credit demand and Government's cash draw-down. This year turned out to be contrarian in that April experienced liquidity deficit on an average daily basis (around ₹19,000 crore, *albeit,* lower than that of ₹81,000 crore in March 2011) (Chart IV.1). The deficit liquidity conditions were in line with stated policy objective of the Reserve Bank. With the Government substituting WMA by issuances of cash management bills (CMBs) and additional borrowing through Treasury Bills from the market, the average daily net liquidity injection under the LAF increased to around ₹55,000 crore in May 2011.

IV.5 Even as liquidity was in the surplus mode during early April 2011, the Reserve Bank had anticipated reversal in liquidity conditions based on its liquidity assessment for the subsequent period. Accordingly on April 8, 2011, the Reserve Bank had pre-emptively extended the additional liquidity support to SCBs under the LAF to the extent of up to one per cent of their NDTL till May 6, 2011. Moreover, the second LAF (SLAF) on a daily basis was also extended up to May 6, 2011. Following the introduction of MSF on May 9, 2011, where banks can submit their bids during 15.30 - 16.30 hrs, the second LAF was discontinued. Further, under the MSF scheme, banks need not seek a specific waiver for default in SLR compliance arising out of use of this facility. Till date the maximum availment of liquidity under MSF has been ₹4,105 crore

IV.6 Liquidity in the banking system remained in deficit mode in June as Government balances increased reflecting quarterly advance tax outflows (Table IV.2).

Table IV.2: Liquidity Position

(₹ crore)

Outstanding as on last Friday	LAF	MSS	Centre's Surplus@	Total
1	2	3	4	5=(2+3+4)
2010				
April	35,720	2,737	-28,868	9,589
May	6,215	317	-7,531	-999
June	-74,795	317	76,431	1,953
July	1,775	0	16,688	18,463
August	11,815	0	20,054	31,869
September	-30,250	0	65,477	35,227
October	-1,17,660	0	86,459	-31,201
November	-1,03,090	0	93,425	-9,665
December	-1,13,415	0	1,44,437	31,022
2011				
January	-76,730	0	1,18,371	41,641
February	-72,005	0	77,397	5,392
March*	-1,06,005	0	16,416	-89,589
April	-39,605	0	-35,399	-75,004
May	-75,795	0	-9,544	-85,339
June	-96,205	0	8,339	-87,866
July ^	-38,450 #	0	-39,232	-77,682

@ : Excludes minimum cash balances with the Reserve Bank in case of surplus.

* : Data pertain to March 31 ^ : As on July 15, 2011.

\# : MSF of ` 4,105 crore has been included in LAF figure for July 15, 2011.

Note: 1. Negative sign in column 2 indicates injection of liquidity through LAF.

2. Negative sign in column 4 indicates WMA /OD availed by the Central Government.

The average daily net outstanding liquidity injection was around ₹74,000 crore in June 2011. Liquidity conditions eased in early July reflecting drawdown of Government cash balances including, *inter alia*, redemption of a security amounting to around ₹37,000 crore on July 2, 2011. The average daily net liquidity injection is placed at around ₹41,000 crore during July 1 to 22, 2011.

Structural drivers ease pressure on liquidity

IV.7 During the third quarter of 2010-11, the deficit liquidity conditions were driven by structural as well as frictional factors. The structural factors included a sharp rise in currency demand and divergent trends in credit and deposit growth, while the frictional factors included maintenance of surplus cash balances by the Government with the Reserve Bank (Table IV.3). During Q4 of 2010-11, the liquidity conditions eased marginally due to pick-up in government spending, staggered OMOs carried out by the Reserve Bank and narrowing divergence between credit growth and deposit growth. The currency growth, however, continued to be strong. In contrast, the deficit liquidity conditions during the first quarter of 2011-12 were largely driven by frictional factors, *i.e.*, Government's cash balance with the Reserve Bank. The structural drivers of liquidity responded to the monetary policy signals, thereby alleviating the pressure on liquidity.

Narrowing divergence between credit growth and deposit growth

IV.8 During the first three quarters of 2010-11, the divergence between credit growth and deposit growth was high and growing. As the cost of funds under LAF increased progressively with the rise in the repo rate, banks raised their deposit and lending rates making the monetary policy transmission increasingly effective. This resulted in narrowing of the divergence between deposit and credit growth from 9 percentage points in mid-December to 5.6 percentage points in March and further to 1.5 percentage points in July 2011 (Chart IV.2).

Currency growth moderates as opportunity cost of holding currency increases

IV.9 Currency growth, which had witnessed significant acceleration and remained above trend for most part of 2010-11, decelerated below the trend during the first quarter of 2011-12 (Chart IV.3). The currency growth was strong during 2010-11 mainly on account of stronger GDP growth and persistent high inflation. In addition, as deposit interest rates were low, the opportunity cost of holding currency was also low for most part of the year. The cumulative rise in the deposit rates, however, progressively raised the opportunity cost of holding idle currency; accordingly, a switch from currency holdings and demand deposits

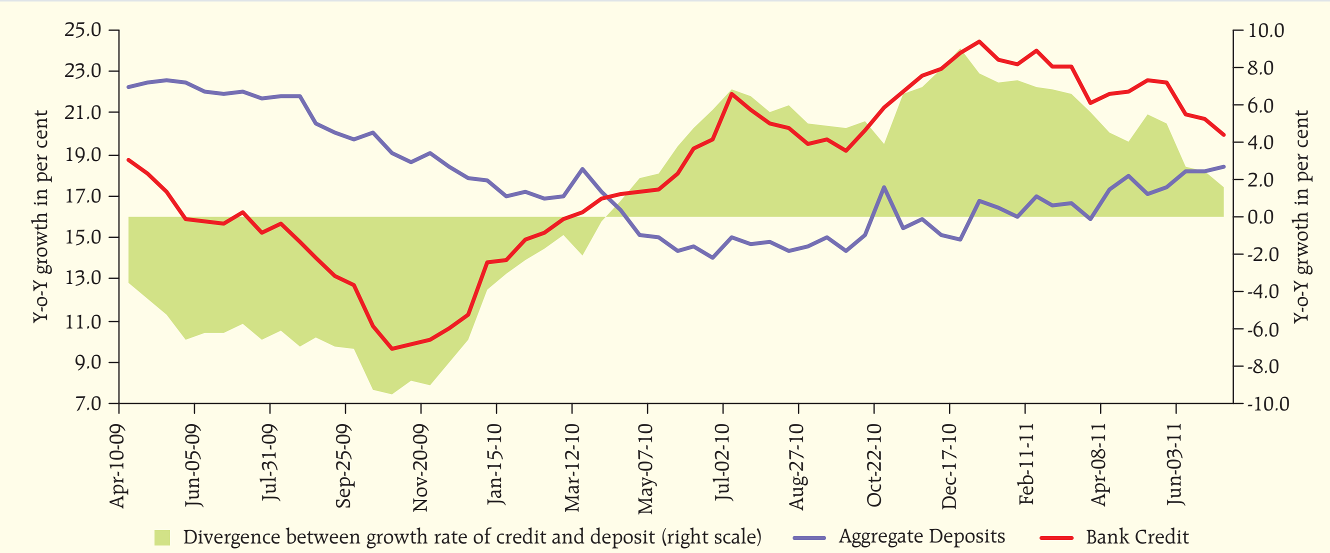
Table IV.3: Reserve Bank's Liquidity Management Operations

(₹ crore)

Item	2010-11				2011-12
	Q1	Q2	Q3	Q4	Q1
1	2	3	4	5	6
A. Drivers of Liquidity (1+2+3+4)	**-1,05,124**	**26,981**	**-1,12,597**	**79,222**	**-34,844**
1. RBI's net Purchase from Authorised Dealers	816	751	5,991	0	0
2. Currency with the Public	-58,421	240	-45,969	-45,487	-39,078
3. a. Centre's surplus balances with RBI	-58,249	10,953	-78,960	1,28,021	8,077
3. b. WMA and OD	0	0	0	0	0
4. Others (residual)	10,730	15,037	6,341	-3,312	-3,843
B. Management of Liquidity (5+6+7+8)	**67,255**	**-41,456**	**1,34,075**	**10,088**	**-8,965**
5. Liquidity impact of LAF	75,785	-44,545	83,165	-7,410	-9,800
6. Liquidity impact of OMO* (net)	1,550	2,772	50,910	23,181	835
7. Liquidity impact of MSS	2,420	317	0	0	0
8. First round impact of CRR change	-12,500	0	0	0	0
C. Bank Reserves # (A+B)	**-37,869**	**-14,475**	**21,478**	**89,311**	**-43,809**

(+): Injection of liquidity into the banking system.
(-): Absorption of liquidity from the banking system.
*: Includes oil bonds but excludes purchases of government securities on behalf of State Governments.
#: Includes vault cash with banks and adjusted for first round liquidity impact due to CRR change.
Note: Data pertain to March 31 for Q4 and last Friday for all other quarters.

Chart IV.2: Aggregate Deposits and Bank Credit



to time deposits ensued. The moderation in economic activity and correction in asset markets further aided this phenomenon.

Reserve money growth moderates

IV.10 During the first three quarters of 2010-11, reserve money growth was high reflecting the injection of primary liquidity by the Reserve Bank in response to the tight liquidity conditions. The injection of primary liquidity was mainly through repo operations under the LAF and open market purchases. Reserve money growth also reflected the increase in CRR. During the same period however, growth in money supply was restrained due to sharp moderation in the growth of aggregate deposits as a response to low deposit rates in an environment of high inflation.

IV.11 Liquidity conditions eased during Q1 of 2011-12 as reflected in the lower average availment of LAF window by banks. No primary liquidity was added by way of the Reserve Bank's forex management. The slowdown in the injection of primary liquidity by the Reserve Bank has resulted in a deceleration in reserve money growth since the peak attained in end-December 2010 (Chart IV.4).

Chart IV.3: Currency Growth

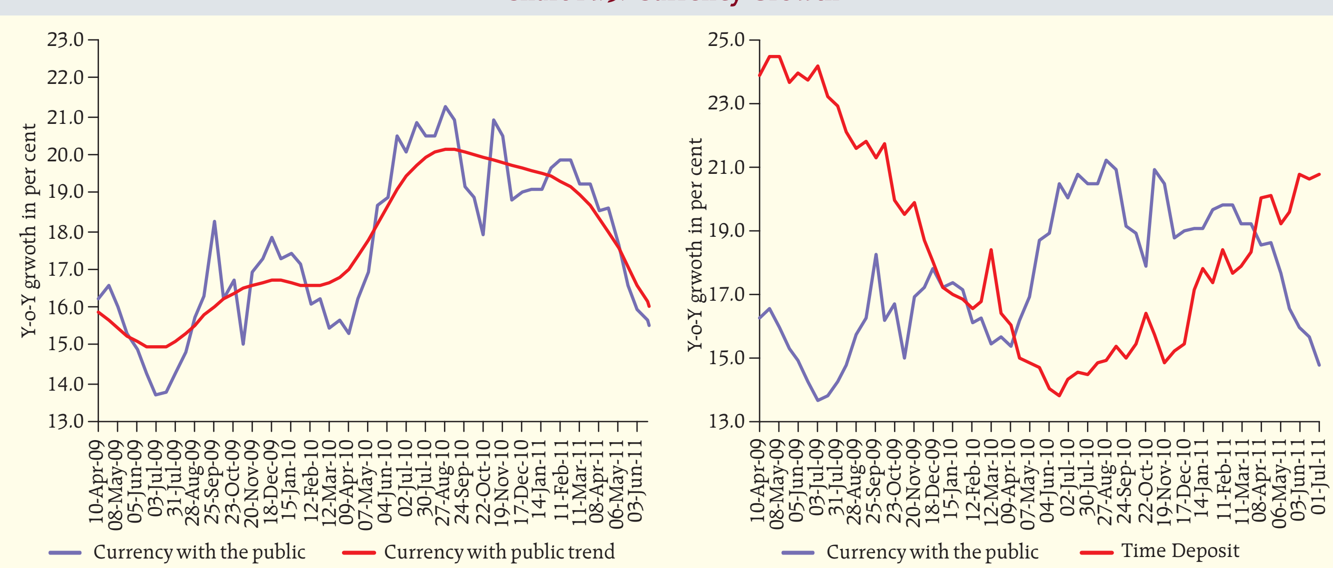


Chart IV.4: Base Money Growth vis-a-vis Broad Money Growth

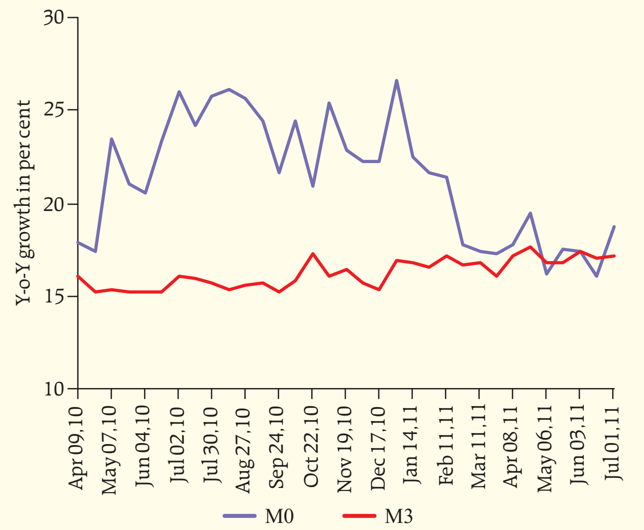
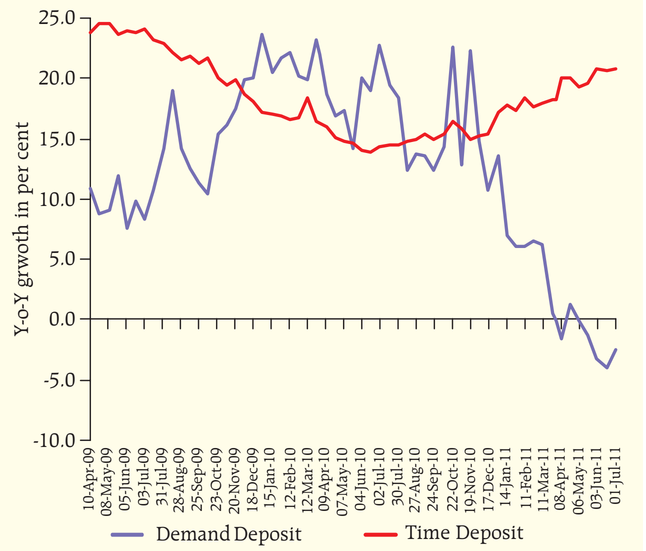


Chart IV.5: Behaviour of Money Supply and Deposits



Money supply growth remains above projection

IV.12 Even though reserve money growth decelerated, broad money growth increased faster in Q1 of 2011-12 as deposit growth picked-up. The broad money supply growth thus remains above the indicative trajectory of the Reserve Bank (Table IV.4). Time deposits, which account for nearly 88 per cent of aggregate deposits, have especially witnessed a strong growth as interest rates increased sharply in response to the deficit liquidity conditions coupled with steady increase in policy rates. Demand deposits declined on a year-on-year basis as the opportunity cost of holding money in low interest bearing deposits increased (Chart IV.5).

Credit growth stays above indicative trajectory

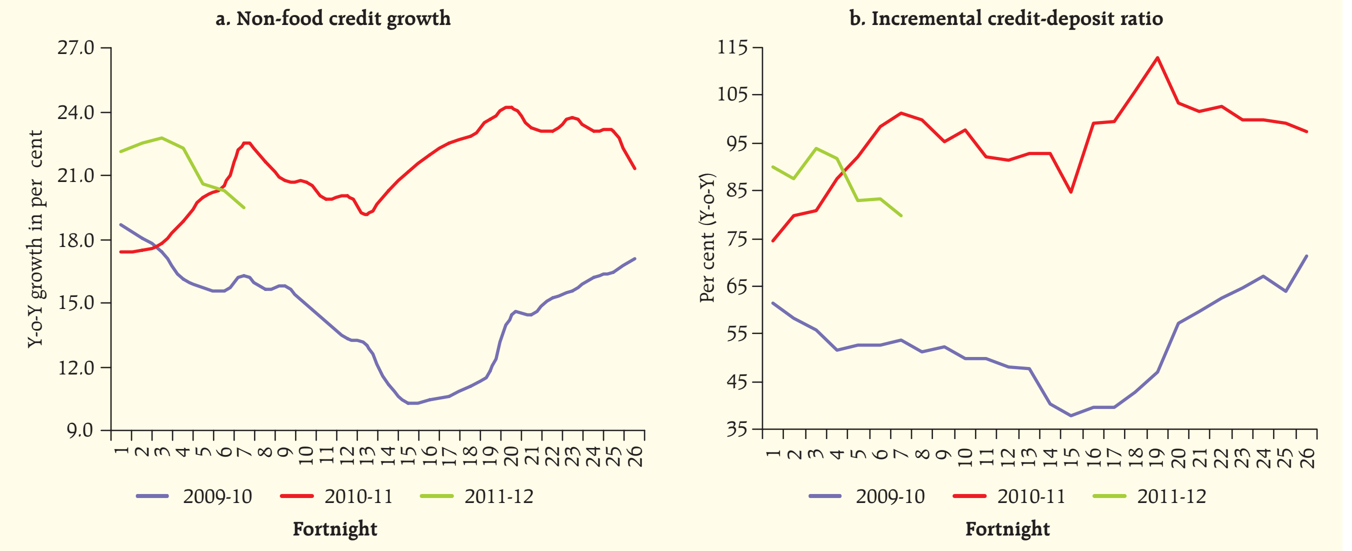
IV.13 Credit growth, which had witnessed sharp acceleration in 2010-11, moderated in the first quarter of 2011-12 on a year-on-year basis, partly reflecting transmission from higher lending rates and partly due to the base effect. Notwithstanding this deceleration, non-food credit growth remains high in the financial year so far, in contrast to the seasonal slack generally seen during this period. Currently, it is above the indicative trajectory. The higher interest rates also prompted sharper growth in deposits, especially time deposits. As a result, the incremental credit-deposit ratio moderated (Chart IV.6).

Table IV.4: Monetary Indicators

Item	Outstanding Amount (₹ crore)	FY variations (per cent)		Y-o-Y Variations (per cent)	
	July 01, 2011	2010-11	2011-12	Jul 02, 2010	Jul 01, 2011
1	2	3	4	5	6
Reserve Money (M_0)*	**13,62,693**	**1.5**	**-1.0**	**24.2**	**16.1**
Broad Money (M_3)	**68,12,286**	**3.8**	**4.8**	**16.0**	**17.1**
Main Components of M_3					
Currency with the Public	9,41,915	6.9	3.0	20.0	14.8
Aggregate Deposits	58,66,583	3.3	5.1	15.4	17.5
of which: Demand Deposits	6,79,369	-2.9	-5.3	22.7	-2.5
Time Deposits	51,87,215	4.4	6.6	14.3	20.8
Main Sources of M_3					
Net Bank Credit to Government	20,86,919	3.9	5.3	22.3	20.4
Bank Credit to Commercial Sector	43,78,440	5.0	3.4	20.9	19.4
Net Foreign Assets of the Banking Sector	14,43,817	2.4	3.6	-0.2	10.0

Note: 1. Data are provisional.
2. *: Data pertain to July 15, 2011.

Chart IV.6: Credit Indicators



Real rates remain positive

IV.14 With the recent acceleration in inflation, some real interest rates, measured *ex post*, by subtracting current inflation from the nominal interest rates are negative, giving an impression that the policy stance is not contractionary enough. The policy repo rate at 7.5 per cent seen against the current headline inflation rate of 9.4 per cent is negative. However, an appropriate way of calculation of real policy rates is by using expected inflation rate for calculations. The Reserve Bank has projected 6.0 per cent inflation rate by the end of 2011-12. *Ex-ante*, on this basis, the real rate is positive at the current level. However, what is important is the level of real lending rate which continues to remain positive in the various alternative ways of calculation (Chart IV.7). Taking a two-year moving average series of headline inflation rate to represent adaptive inflation expectations, the smoothened real lending rate series reinforces the observation that real interest rates remain positive.

Credit expansion shows a differential trend

IV.15 The moderation in credit growth on a y-o-y basis is especially evident in the case of public sector banks, as lending rates rose. Foreign banks, which had sharply cut back on their lending during the crisis period, significantly increased their lending in the recent period (Table IV.5).

IV.16 The year-on-year flow of credit continued to register high growth to industrial, services and personal loans sectors (Table IV.6). Credit to industry was led by sectors such as mining and quarrying, infrastructure, food processing and basic metal and metal products. While bank credit to NBFC sector continues to

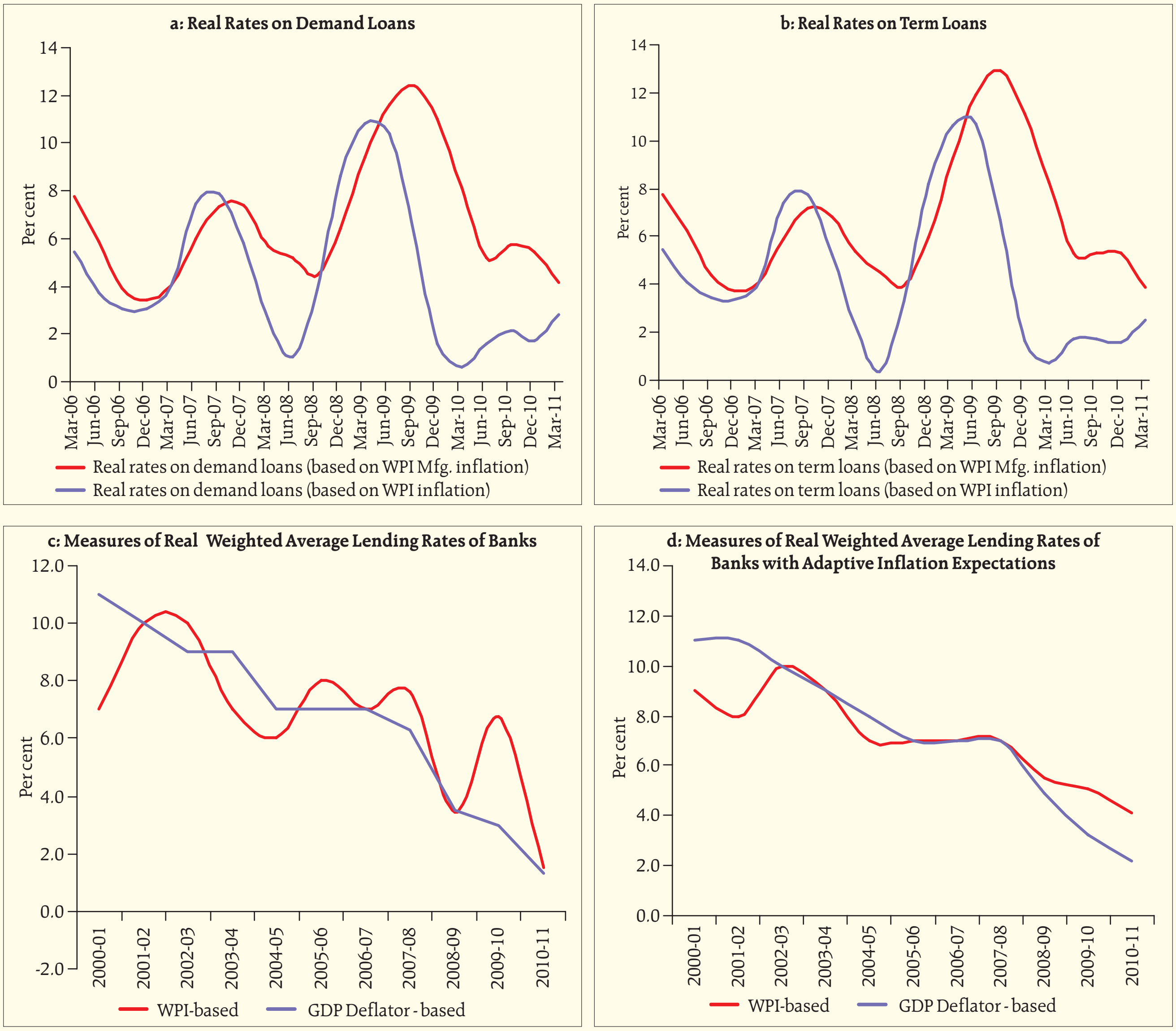
Table IV.5: Credit Flow from Scheduled Commercial Banks

(Amount in ₹ crore)

Bank Groups	Outstanding as on July 01, 2011	Year-on-Year Variation as on			
		July 02, 2010		July 01, 2011	
		Amount	Per cent	Amount	Per cent
1	2	3	4	5	6
1. Public Sector Banks*	30,32,648	4,65,942	22.6	5,03,142	19.9
2. Foreign Banks	2,08,635	19,401	12.2	30,430	17.1
3. Private Banks	7,49,089	1,11,509	22.0	1,30,566	21.1
4. All Scheduled Commercial Banks	40,86,327	6,12,578	21.9	6,78,182	19.9

Note: 1. Data as on July 01, 2011 are provisional.
2. * Excluding Regional Rural Banks.

Chart IV.7 : Real Rate of Interest on Demand Loans and Term Loans



accelerate sharply, the sharp rise in credit to infrastructure sector is also noteworthy as it is on a high base.

IV.17 Even though banks continued to be the dominant source of finance to the commercial sector, non-bank sources also contributed significantly to the credit requirements of the economy during Q1 of 2011-12 (Table IV.7). The share of non-bank sources to total flow of financial resources increased from about 36 per cent in April-June 2010-11 to 49 per cent in April-June 2011-12, with both domestic and foreign funding increasing. Within domestic sources, net issuance under CPs and NBFC-ND-SI, LIC and housing finance companies (HFCs) increased. The resource flow from external sources went up on account of higher mobilisation through foreign direct investment and external commercial borrowings.

Tight monetary conditions likely to prevail

IV.18 The Reserve Bank has been pursuing an anti-inflationary monetary policy stance since October 2009, with a view to containing inflation and anchoring inflationary expectations. The steady rise in policy rates was reflected in increase in borrowing as well as lending interest rates. As a result, reserve money

Table IV.6: Sectoral Deployment of Credit

(Per cent)

Sector	Outstanding Credit as on June 17, 2011 (₹ crore)	Y-o-Y Variation		Financial Year Variation	
		June 18, 2010/ June 19, 2009	June 17, 2011/ June 18, 2010	June 18, 2010/ March 26, 2010	June 17, 2011/ March 25, 2011
1	2	3	4	5	6
Non-food Credit	**37,08,927**	**20.2**	**19.6**	**2.0**	**1.1**
Agriculture & Allied Activities	**4,53,812**	**21.7**	**12.8**	**-3.3**	**-1.4**
Industry	**16,67,577**	**29.2**	**22.0**	**4.2**	**2.9**
Of which, Mining and Quarrying (incl. Coal)	26,890	32.6	41.6	5.0	17.6
Food Processing	86,482	26.8	24.8	5.5	1.8
Basic Metal & Metal Product	2,14,921	28.6	25.9	4.8	2.4
Infrastructure	5,52,682	50.0	30.2	11.8	5.0
Of which, Power	2,92,342	52.8	39.8	11.3	8.6
Telecommunications	94,319	72.0	16.7	36.1	-6.1
Roads	99,038	46.7	27.9	5.2	7.0
Services	**8,92,281**	**16.2**	**20.9**	**1.6**	**-0.9**
Of which, Transport Operators	58,254	35.8	11.2	-0.3	-11.0
Trade	1,85,142	16.3	11.4	1.0	-0.6
Commercial Real Estate	1,13,376	-4.5	23.2	-0.1	1.4
NBFCs	1,69,321	25.0	44.5	3.3	-3.6
Personal Loans	**6,95,257**	**6.6**	**17.3**	**1.2**	**1.4**
Of which, Housing (Including Priority Sector)	3,58,828	9.7	17.0	2.0	3.7
Credit Card Outstanding	18,134	-27.0	-5.8	-4.4	0.2
Vehicle Loans	82,330	11.0	22.9	5.0	3.8

Note: Based on data collected from select SCBs that account for 95 per cent of the total non-food credit extended by all SCBs. These data are dissemintaed every month from November 2010.

creation has been restrained. This may keep monetary conditions tight in near term. Credit and money supply growth may decelerate further and help in sustaining monetary transmission.

Table IV.7: Flow of Financial Resources to the Commercial Sector

(₹ crore)

Item	April-March		April-June	
	2009-10	2010-11	2010-11	2011-12
1	2	3	4	5
A. Adjusted Non-food Bank Credit (NFC)	**4,78,614**	**7,11,031**	**1,67,496**	**1,23,180+**
i) Non-Food Credit	4,66,960	6,81,501	1,57,396	1,28,919+
of which petroleum and fertilizer credit	10,014	-24,236	-18,288	6,435 *
ii) Non-SLR Investment by SCBs	11,654	29,530	10,100	-5,739+
B. Flow from Non-banks (B1+B2)	**5,88,784**	**5,11,006**	**95,111**	**1,16,488**
B1. Domestic Sources	**3,65,214**	**2,92,084**	**60,031**	**69,265**
1. Public issues by non-financial entities	31,956	28,520	5,187	1,521
2. Gross private placements by non-financial entities	1,41,964	63,947	-	-
3. Net issuance of CPs subscribed to by non-banks	26,148	17,207	31,795	40,846 *
4. Net credit by housing finance companies	28,485	38,386	4,028	6,386 *
5. Total gross accommodation by the four RBI regulated AIFIs - NABARD, NHB, SIDBI & EXIM Bank	33,783	40,007	3,281	-6,732
6. Systemically important non-deposit taking NBFCs (net of bank credit)	60,663	67,937	15,122	21,701 *
7. LIC's gross investment in corporate debt, infrastructure and social sector	42,215	36,080	618	5,543 *
B2. Foreign Sources	**2,23,570**	**2,18,922**	**35,080**	**47,223**
1. External Commercial Borrowings / FCCBs	15,674	52,899	10,425	11,196
2. ADR/GDR Issues excluding banks and financial institutions	15,124	9,248	4,832	1,237
3. Short-term credit from abroad	34,878	50,177	-	-
4. FDI to India	1,57,894	1,06,598	19,823	34,790 *
C. Total Flow of Resources (A+B)	**10,67,398**	**12,22,037**	**2,62,607**	**2,39,668**
Memo Item:				
Net resource mobilisation by Mutual Funds through Debt (non-Gilt) Schemes	96,578	-36,707	8,335	10,186

*: Up to May 2011 +: Up to July 1, 2011 - : Data is not available

Note: FDI Data include equity capital of incorporated entities for the period April-May and does not include reinvested earnings, other capital and equity capital of unincorporated entities.

V. Financial Markets

Interest rates generally firmed up further across the spectrum during Q1 of 2011-12 as monetary transmission strengthened in a liquidity deficit mode. Equity markets remained sluggish but rallied towards the end of the quarter with valuations turning attractive. The Rupee exhibited two-way movement. Financial asset prices generally remained range bound, though property prices stayed on up-course in Q4 of 2010-11. Going forward, the possibility of delayed exit from monetary easing by advanced economies, sovereign default risks in the Euro zone and the possibility of rating downgrades for major economies will have ramifications for capital flows and financial markets.

Global financial market conditions remained tepid in Q1 of 2011-12

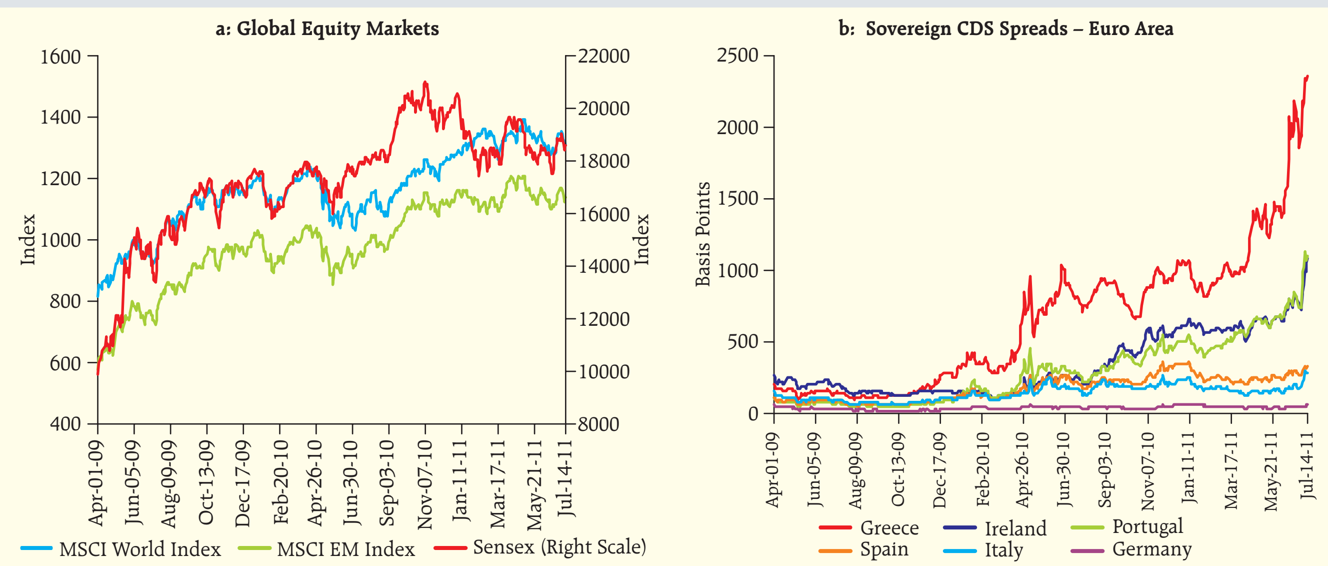
V.1 Global financial markets were generally in a corrective mode since end-April 2011 (Chart V.1a). Stagnant real estate markets, high unemployment and weak sovereign balance sheets in Advanced Economies (AEs) continue to pose major concerns for the financial markets. In the IMF June 2011 Market Update of the Global Financial Stability Report, a rise in the financial risks was reported due to (i) downside risks to the multi-speed recovery baseline; (ii) concern about debt sustainability in Europe's periphery; and (iii) "search for yield" pushing investors into riskier assets. The flattening of yield curves in both AEs as well as Asian Emerging Market Economies (EMEs), particularly since end-March 2011 suggest moderation in economic growth, *albeit* differentially, during 2011-12.

Widening credit spreads, rating downgrades reflect micro and macro prudential risks

V.2 On an average, credit spreads widened during Q1 of 2011-12 as balance sheet risks came to fore. Sovereign Credit Default Swap (CDS) spreads rose sharply in the Euro Area following the accentuation of the Greek debt crisis and the indications that the crisis may spread from periphery to some core Euro zone countries (Chart V.1b). Rating downgrades or downward revision of outlook in case of the US, Japan, Spain and Italy impacted financial market confidence that were reflected in widening spreads. Amplification of refinancing risks in Greece and Portugal and the sharp four-notch downward revision by Moody's of Portugal's credit rating to junk status with a negative outlook in early July reconfirmed the Euro zone fragilities.

V.3 Recapitalisation of the banking system in the fragile Euro zone countries is the most important

Chart V.1: Indicators of Global Financial Market Developments



element of an enduring Euro zone solution. The stress tests conducted by the European Banking Authority (EBA) have not succeeded in restoring confidence amongst investors and creditors. The EU needs to deal with capital shortfalls for banks that fail stress tests, but market access is limited for weaker sovereigns like Greece, Portugal and Ireland. On the other hand, with hardly any fiscal space and the potential moral hazard risk from bailouts, the solution is not easy. Euro zone risks may lead to global financial market volatility.

Financial risks increased while interest rates softened

V.4 While interest rates are firming up in the Indian economy, global financial markets witnessed rising financial risks and softening interest rates in Q1 of 2011-12. Libors for 1-month to 1-year tenors edged down marginally even from the low prevailing rates. G-sec yields across maturity spectrum eased by 30-50 bps in 5-10 year segment for the US, the UK and Germany. Falling interest rates co-existed with (1) policy rate hikes by some AE central banks, most notably by the ECB in April and again in July, (2) rising sovereign and credit spreads and (3) inflation in the AEs with escalating energy and food prices that have spilled over to rising producer price and headline inflation. It remains to be seen whether the movements in interest rates reflect temporary overreaction or are on the basis of expectations of future global growth.

Indian financial markets remain orderly and range bound

V.5 Even as domestic and global factors resulted in two-way movements in the Indian financial markets, asset price movements remained broadly range-bound and orderly. This was despite the challenges posed by persistent inflation, tight liquidity conditions and uncertainty in the international markets on account of Greek sovereign debt crisis and slowdown in AEs.

V.6 The call rate declined in the beginning of Q1 of 2011-12 on the backdrop of surplus liquidity, but firmed up thereafter, in step with policy rate hikes since May 2011. The interest rates on commercial paper (CP) and Certificates of Deposit (CDs) moved in tandem with the overnight money market rates. The yield curve for Government securities (G-sec) shifted upwards during the first two months of the quarter in line with the policy rate hike, but moderately shifted downwards in June 2011.

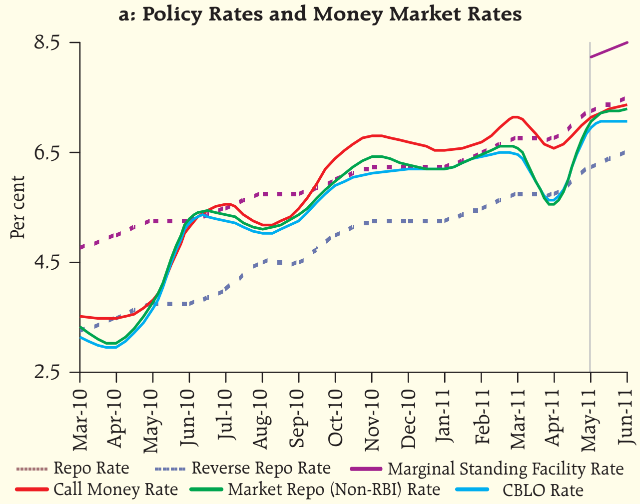
V.7 Stock prices fell during Q1 of 2011-12, *albeit* at a lesser pace than that of other BRIC nations, influenced by domestic and global concerns. There was, however, some rally towards the end of the quarter due to FII inflows. The P-E ratio of Indian equities was higher than those of other BRIC nations (Table V.1). On a quarter-on-quarter basis, prices in the housing market firmed up during Q4 in majority of cities tracked by the Reserve Bank after showing signs of moderation during Q3 of 2010-11.

Table V.1: Stock Price Movement and PE Ratios in EMEs (Year-on-Year Variations)

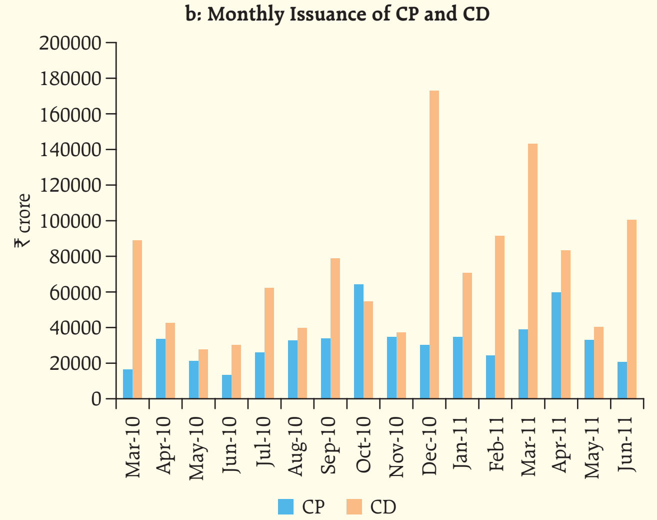
Items	Stock Price Variations (Per Cent)			P/E- Ratios		
	End-Mar 2010@	End-Mar 2011@	End-Jun 2011*	End-Mar 2010	End-Mar 2011	End-Jun 2011
1	2	3	4	5	6	7
Indonesia (Jakarta Composite)	93.7	32.5	5.7	16.6	16.9	17.9
Brazil (Bovespa)	71.9	-2.5	-9.0	16.2	10.9	9.8
Thailand (SET Composite)	82.6	32.9	-0.6	12.4	13.3	13.3
India (BSE Sensex)	80.5	10.9	-3.1	17.7	17.6	17.1
South Korea (KOSPI)	40.3	24.4	-0.3	12.2	13.8	13.9
China (Shanghai Composite)	31.0	-5.8	-5.7	23.0	16.3	15.4
Taiwan (Taiwan Index)	52.0	9.6	-0.4	19.1	15.7	15.5
Russia (RTS)	128.0	30.0	-6.7	9.0	8.4	7.6
Malaysia (KLCI)	51.3	17.0	2.2	18.9	17.0	16.8
Singapore (Straits Times)	69.9	7.6	0.5	13.4	10.3	10.5

@: Year-on-year variation. *: Variation Over End-March 2011.
Source: Bloomberg.

Chart V.2: Movement in Money Market Rates and Turnover



Note: Effective May 9, 2011, the MSF rate and reverse repo rate constitute the upper and lower bounds of the formal corridor.



Note: CP data for June 2011 is for the first half of the month.

Money market rates firm up on tight liquidity and rate hikes but do not exhibit signs of stress

V.8 Short-term rates moved up further, but there were no signs of stress in money markets. The interest rate movement tracked the 75 bps repo rate hike during the quarter and the tight liquidity conditions. Monetary transmission strengthened further during Q1 of 2011-12. The call rate, which had declined in April 2011 on the back of easing of liquidity conditions, firmed up thereafter, in response to the increase in the repo rate in May and June 2011 (Chart V.2a, Table V.2). The rates in the collateralised segments (*i.e.*, CBLO and market repo) moved in tandem with the call rate, but generally remained below it.

V.9 Transaction volumes in the CBLO and market repo segments were higher during the Q1 of 2011-12 than in the preceding quarter (Table V.3). During the quarter, banks and primary dealers were the major groups of borrowers in the collateralised segments whereas mutual funds (MFs) contributed nearly three-fourth of the total lending in CBLO, and more than half in market repo segment. The collateralised segment of the overnight money market remained dominant, accounting for more than 80 per cent of the total volume during Q1 of 2011-12.

V.10 With from strong growth in retail deposit mobilisation, banks offered a relatively lower rate of interest on CDs during 2011-12 so far (up to June 17) compared with the previous quarter. The CD issuance

Table V.2: Domestic Financial Markets at a Glance

	Money Market					Bond Market		Forex Market	Stock Market Indices	
	Call Rate* (Per cent)	Market Repo Rate (Non-RBI) (Per cent)	CBLO Rate (Per cent)	Commercial Paper WADR (Per cent)	Certificates of Deposit WAEIR (Per cent)	G-Sec 10-year yield@ (Per cent)	Corporate Bonds Yield AAA 5-Yr bond (Per cent)	Exchange Rate@@ (₹/US$)	CNX Nifty#	BSE Sensex#
1	2	3	4	5	6	7	8	9	10	11
Mar-10	3.51	3.32	3.15	6.29	6.07	7.94	8.61	45.50	5178	17303
Mar-11	7.15	6.56	6.46	10.40	9.96	8.00	9.23	44.99	5538	18457
Apr-11	6.58	5.55	5.63	8.62	8.66	8.05	9.25	44.37	5839	19450
May-11	7.15	7.05	6.94	9.49	9.30	8.31	9.48	44.90	5492	18325
Jun-11	7.38	7.30	7.06	10.15^	9.61	8.28	9.63	44.85	5473	18229

* : Average of daily weighted call money borrowing rates.
@: Average of daily FIMMDA closing rates.
WADR: Weighted Average Discount Rate.
#: Average of daily closing indices.
@@: Average of daily RBI reference rate. ^: As at mid-June 2011.
WAEIR: Weighted Average Effective Interest Rate.

Table V.3: Average Daily Volumes in Domestic Financial Markets

(₹ crore)

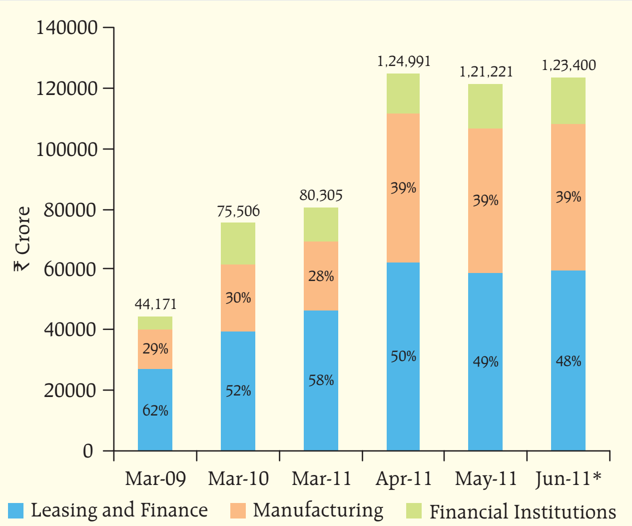
	Money Market						Bond Market		Forex Market	Stock Market#
	LAF	Call Money	Market Repo	CBLO	Commercial Paper*	Certificates of Deposit*	G-Sec@	Corporate Bond	Inter-bank (US$ mn)	
1	2	3	4	5	6	7	8	9	10	11
Mar-10	37,640	8,812	19,150	60,006	75,506	3,41,054	6,621	1,598	16,082	9,191
Mar-11	-80,963	11,278	15,134	43,201	80,305	4,24,740	8,144	1,314	22,211	7,276
Apr-11	-18,809	13,383	14,448	56,160	1,24,991	4,47,354	6,928	1,053	25,793	8,277
May-11	-54,643	10,973	15,897	40,925	1,21,221	4,33,287	7,356	691	24,167	6,668
Jun-11	-74,125	11,562	16,650	41,313	1,23,400^	4,23,767	12,844	1,168	19,099**	6,404

*: Outstanding position. @: Average daily outright trading volume in Central Government dated securities.
#: Volumes in BSE and NSE. ^: As at mid-June 2011. **: Up to June 24, 2011.
Note: In col. 2, (-) ve sign indicates injection of liquidity while (+) ve sign indicates absorption of liquidity.

declined in Q1 of 2011-12. In contrast, the CP issuance increased. The 'leasing and finance' and 'manufacturing companies' were the major issuers of CPs (Chart V.2b, V.3).

V.11 Primary yields on Treasury Bills (TBs) firmed up during Q1 of 2011-12 in line with the spike in short-term interest rates (Table V.4). The rise in yields reflected a sharp increase in Government short-term borrowing, through issuances of TBs over and above the amount as per the indicative calendar announced in March 2011 as also through issuances of Cash Management Bills (CMBs) to meet the unanticipated sharp cash flow mismatches, particularly, in the wake of large tax refunds.

Chart V.3: Major Issuers of Commercial Paper



Note: Data up to June 15, 2011.

Yield curve flattens with sharper rise at the short end

V.12 Reflecting the larger than anticipated issuances of TBs and CMBs by the Government, and the higher than expected hike in the Reserve Bank's policy rate in May 2011, the G-sec yield curve shifted up, particularly at the short end, flattening the yield curve. The rise in yields across the maturity spectrum also reflected the increase in the global commodity prices, including crude oil, and persistent high inflation. The yield curve, however, moved downward thereafter in the wake of growth concerns and moderation in crude oil prices (Chart V.4a).

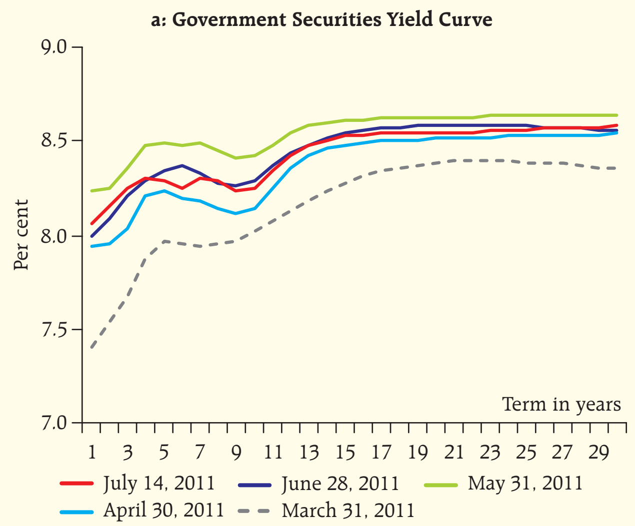
V.13 In the context of inflationary pressures and tight liquidity conditions, the primary market yields moved up. The weighted average yield in primary auctions firmed up during Q1 of 2011-12 (Table V.5). The investor sentiment, however, was largely sustained. The bid-cover ratio stood in the range of 1.39-3.20 during Q1 of 2011-12 as against 1.39-3.87 during the

Table V.4: Treasury Bills in the Primary Market

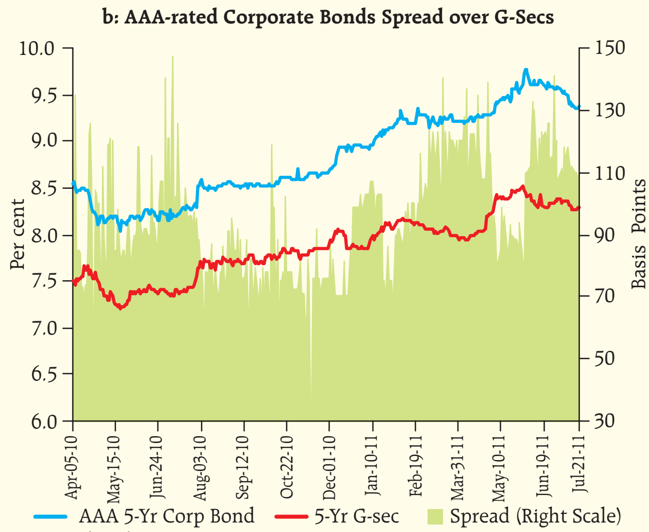
Year/ Month	Notified Amount (₹ crore)	Average Implicit Yield at Minimum Cut-off Price (Per cent)		
		91-day	182-day	364-day
1	2	3	4	5
2009-10	3,80,000	3.57	3.97	4.38
2010-11	3,03,000	6.18	6.48	6.56
Apr-11	30,000	7.32	7.60	7.65
May-11	44,000	8.05	8.24	8.25
Jun-11	53,000	8.21	8.19	8.32
Jul-11*	20,000	8.16	8.27	8.27

*: Up to July 15, 2011.

Chart V.4: Turnover and Yield in the Bond Market



Source: FIMMDA



Source: Bloomberg

corresponding quarter of the previous year. In view of the flattening yield curve, more long dated securities were issued and accordingly, the weighted average maturity of the dated securities issued during Q1 of 2011-12 increased.

V.14 During 2011-12 so far (up to July 15, 2011), 13 States raised ₹31,773 crore on a gross basis as compared with ₹28,210 crore raised during the corresponding period of 2010-11.

V.15 The spreads of 5-year corporate bonds over comparable G-secs decreased during May 2011, reflecting the impact of unanticipated increase in Government short-term borrowing. The spreads increased in June mainly reflecting the hardening of corporate bond yields (Chart V.4b).

Table V.5: Issuances of Central and State Government Dated Securities

Item	2009-10	2010-11	2011-12*
1	2	3	4
Central Government			
Gross amount raised (₹crore)	4,51,000	4,37,000	1,59,000
Devolvement on Primary Dealers (₹crore)	7,219	5,773	1,506
Bid-cover ratio (range)	1.44-4.32	1.39-3.88	1.39-3.20
Weighted average maturity (years)	11.16	11.62	12.35
Weighted average yield (per cent)	7.23	7.92	8.38
State Governments			
Gross amount raised (₹crore)	1,31,122	1,04,039	31,773
Cut-off yield range (per cent)	7.04-8.58	8.05-8.58	8.36-8.69
Weighted average yield (per cent)	8.11	8.39	8.57

*: Up to July 15, 2011.

Monetary transmission strengthens with rates hardening in the credit market

V.16 Monetary policy transmission to credit market strengthened further during Q1 of 2011-12 as banks increased their deposit and lending rates in response to the increase in the policy rate by the Reserve Bank (Table V.6). During Q1 of 2011-12, deposit rates of banks were increased in the range of 10-300 basis points (bps) across all maturities. Twenty-three major banks accounting for around 65 per cent of the total bank deposits raised their deposit rates in the range of 25-175 bps. The rise in deposit rates was relatively sharper for maturities up to 1 year for all categories of banks. As savings account deposits constitute around a quarter of total deposits, the 50 bps hike in the savings deposit rate also increased the cost of funds for the banks. During the quarter, all scheduled commercial banks increased their Base Rates in the range of 25-225 bps, of which 47 major banks with a credit share of around 98 per cent raised their Base Rates by 50-125 bps.

Exchange rate remains flexible with less volatility

V.17 During 2011-12 so far (up to July 20, 2011), the rupee appreciated marginally against all major currencies barring the Japanese Yen, reflecting in part the dollar's movement in the international currency markets due to uncertainty of growth prospects in the US (Chart V.5a). The average daily turnover in the

Table V.6: Deposit and Lending Rates of Banks

(Per cent)

	Sep-10	Dec-10	Mar-11	Jun-11
1	2	3	4	5
Domestic Deposit Rate (1-3 years tenor)				
(i) Public Sector Banks	6.75-7.75	7.00-8.50	8.00-9.75	8.25-9.75
(ii) Private Sector Banks	6.50-8.25	7.25-9.00	7.75-10.10	8.00-10.50
(iii) Foreign Banks	3.00-8.00	3.50-8.50	3.50-9.10	3.50-10.00
Base Rate				
(i) Public Sector Banks	7.50-8.25	7.60-9.00	8.25-9.50	9.25-10.00
(ii) Private Sector Banks	7.00-8.75	7.00-9.00	8.25-10.00	8.50-10.50
(iii) Foreign Banks	5.50-9.00	5.50-9.00	6.25-9.50	6.25-9.50
Median Lending Rate*				
(i) Public Sector Banks	7.75-13.50	8.75-13.50	8.88-14.00	-
(ii) Private Sector Banks	8.00-15.00	8.25-14.50	9.00-14.50	-
(iii) Foreign Banks	7.25-13.00	8.00-14.50	7.70-14.05	-

* : Median range of interest rates at which at least 60 per cent of business has been contracted. -: Not available.

Note: Bank group-wise variations in deposit interest rates worked out from the table would differ from those reported in the text as the latter are based on bank-wise and tenor-wise variations in deposit interest rates.

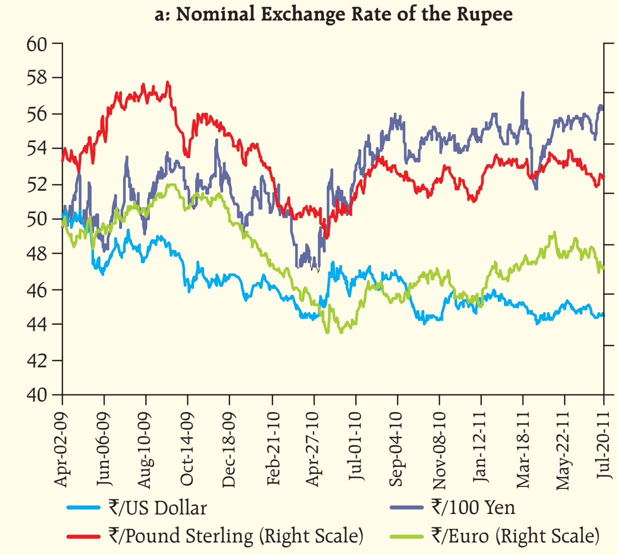
interbank segment of the foreign exchange market was higher while it was lower in the merchant segment than that in the preceding quarter. The 1-month, 3-month as well as 6-month forward premia declined significantly during the quarter, reflecting an increased supply by exporters in the forward market. The Reserve Bank did not intervene in the forex market during 2011-12 so far.

V.18 The average daily turnover in the exchange traded currency derivatives grew by 1.7 per cent when compared with the negative growth of 2.8 per cent in the previous quarter (Chart V.5b). Options recorded a higher growth rate than futures. In the OTC currency derivatives, the swap segment continued to dominate. The average daily turnover in the OTC market grew by around 14.8 per cent during Q1 of 2011-12 as compared with a negative growth of 3.7 per cent during the previous quarter.

Equity markets remained sluggish and less volatile

V.19 Volatility in equity markets declined substantially in the post-crisis period. This declining trend continued into Q1 of 2011-12. Although, in relative terms, the performance of the Indian equity markets was better than that of other BRIC nations during Q1, the two key

Chart V.5: Trends in Forex Market



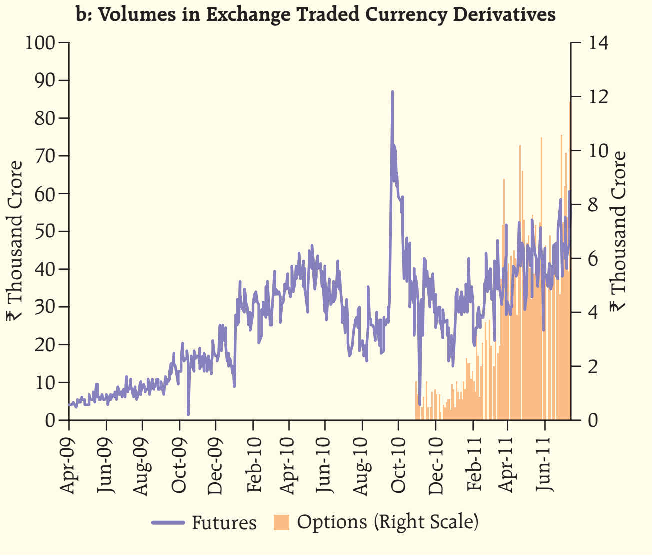


Table V.7: Key Stock Market Indicators

Indicator	BSE Sensex		NSE Nifty	
	2010-11	Apr-Jun 2011-12	2010-11	Apr-Jun 2011-12
1	2	3	4	5
BSE Sensex/NSE Nifty				
(i) End-period	19445.22	18845.87	5833.75	5647.40
(ii) Average	18605.18	18617.73	5583.54	5585.97
Coefficient of Variation	6.32	3.28	6.40	3.31
Price-Earning Ratio@	21.25	19.94	22.14	20.82
Price-Book Value Ratio	3.70	3.48	3.70	3.50
Market Capitalisation to GDP Ratio (per cent)@	86.80	74.90	85.10	73.20

@: As at end-period.
Source: Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

indices, Sensex and Nifty, declined by about 3 per cent (Table V.7). Rising crude oil prices, persistently high inflation, successive policy rate hikes by the Reserve Bank, domestic political developments and the worsening Greek sovereign debt crisis affected market sentiment negatively. Net investment by FIIs in equity and debt segments was US$ 1.0 billion during Q1 of 2011-12, of which flows to equity market amounted to US$ 0.8 billion (Chart V.6). Equity markets, however, rallied towards end-June with a revival in FII investments.

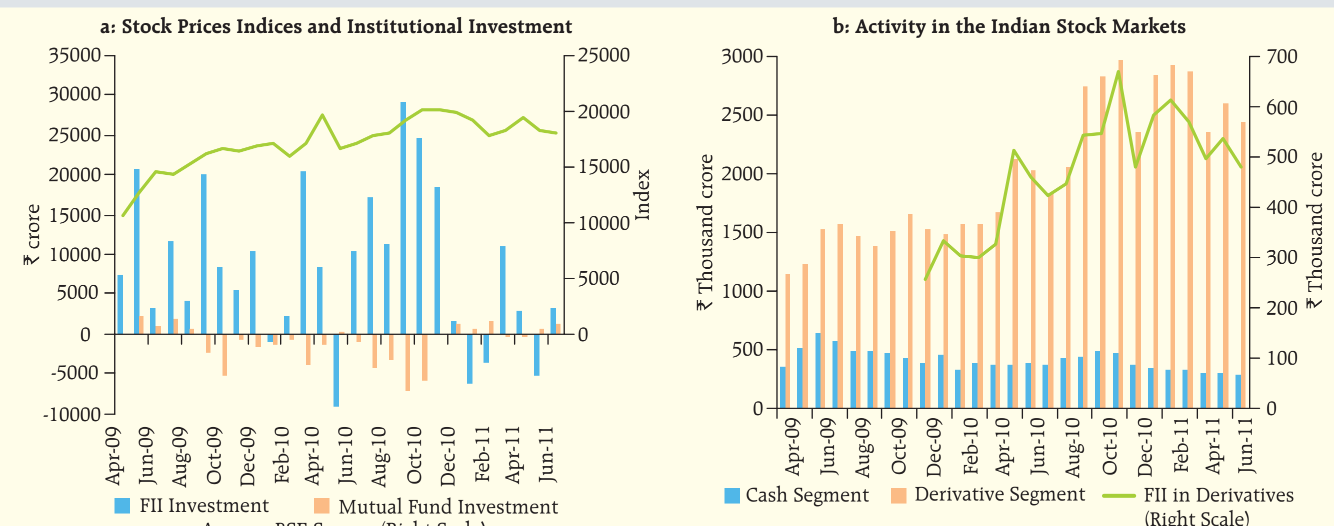
V.20 Stock price returns are affected by stock return volatility, and the extent of impact depends crucially on the permanence of shocks to the variance in returns. An analysis of the returns from the broad based S&P CNX Nifty index against the backdrop of the financial crisis and monetary policy action demarcates the time varying volatility persistence in the returns data (Chart V.7 a and b). The variability in returns, controlling for all other past factors, shows a sharp decline from the crisis period and appears to be moderating.

V.21 Turnover in the equity derivatives segment constituting almost 90 per cent of the overall investments, witnessed some moderation during Q1 of 2011-12. Volatility in Nifty index options as measured by the India Volatility Index (VIX) was lower in Q1 of 2011-12 than Q4 of 2010-11.

V.22 The resource mobilisation in the primary segment of the domestic capital market through public issues was lower during Q1 of 2011-12 than the corresponding quarter of the previous year (Table V.8). Poor performance of the IPOs after their listing affected investor and promoter sentiments.

V.23 Resource mobilisation by mutual funds during April-June 2011 was higher than that during the corresponding period of the previous year, although there were net outflows during May-June 2011, particularly in debt mutual funds. The increase in dividend distribution tax for non-retail investors in liquid/debt mutual funds effective from June 1, 2011 and the cap of 10 per cent of net worth placed on banks' investment in liquid/debt funds which will be made effective over a six-month period beginning July 5, 2011, could have affected flows into debt mutual funds.

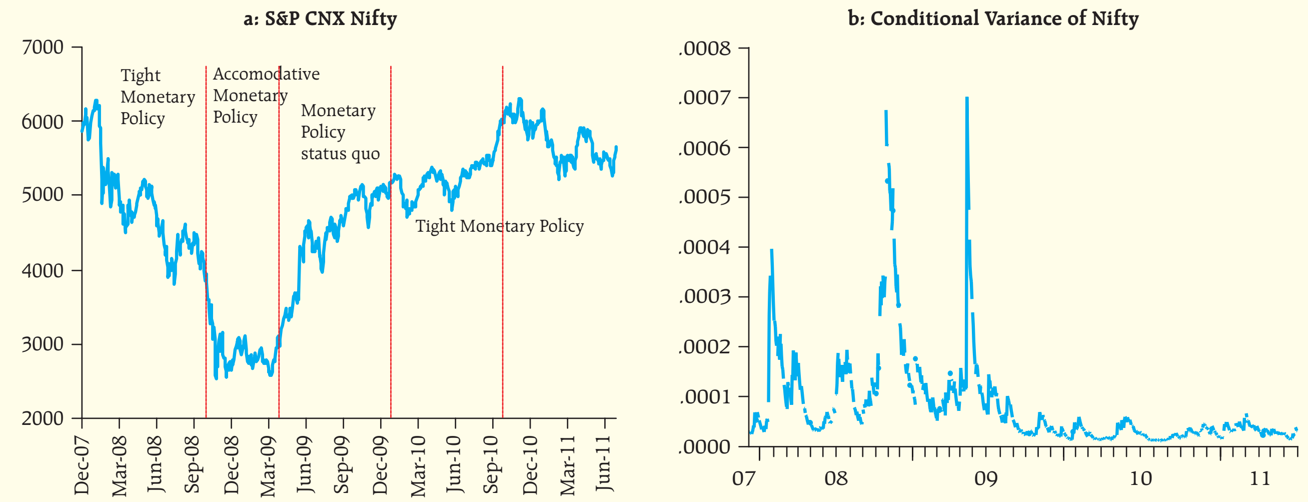
Chart V.6: Movement in Stock Prices and Turnover



Source: SEBI

Note: Data for FII investment in derivatives is available only from December 2009.

Chart V.7: Indian Stock Market Performance



Note: Variants of GARCH (Generalised Auto Regressive Conditional Heteroskedastic) models allow for effective modeling of conditional variance in returns.

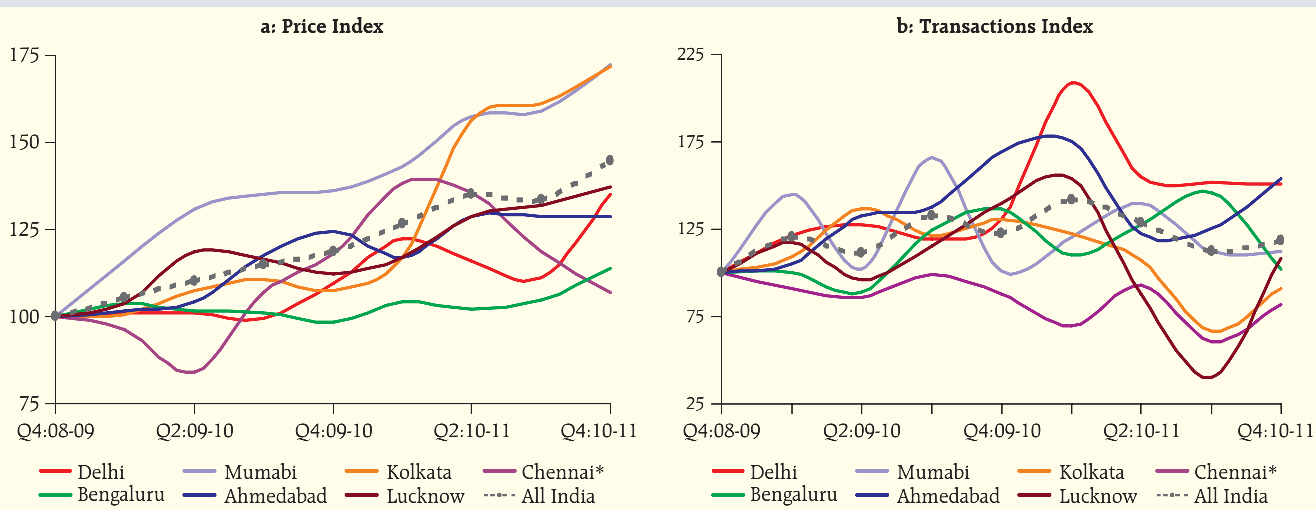
Housing prices and transaction volumes rise in Q4 of 2010-11

V.24 Property prices increased during 2010-11, despite firming up of mortgage rates. The Reserve Bank's Quarterly House Price Index (HPI) based on data in respect of seven cities collected from the Department of Registration and Stamps (DRS) of the respective State Governments show that house prices in five of the seven major cities were higher on a quarter-over-quarter basis in Q4 of 2010-11, but were flat in Ahmedabad and had continued to fall in Chennai (Chart V.8). The data on volume of transactions show that after stalling in Q3, transactions increased during Q4 of 2010-11. On a year-on-year basis, there has been an increase in housing prices in Q4 in six cities (*i.e.*, barring Chennai). Housing transactions, however, fell in five of the seven cities (*i.e.*, barring Delhi and Mumbai).

Market volatility could resurface if macro conditions deteriorate

V.25 The subdued current market volatility is no guidance for future. Financial market volatility can return if macro conditions worsen.

Chart V.8: Trends in Housing Indices



Note: 1. * Index for Chennai contains both residential and commercial properties.
2. All India Index is a weighted average of indices of 7 cities based on population.

Table V.8: Resource Mobilisation from Capital Market

(₹ crore)

Category	2010-11 (Apr-Mar)	2010-11 (Apr-Jun)	2011-12 (Apr-Jun)
1	2	3	4
Prospectus and Rights Issues*	37,620	7,737	7,000
1. Private Sector (a+b)	24,831	7,737	2,422
(i) Financial	4,335	2,550	901
(ii) Non-financial	20,496	5,187	1,521
2. Public Sector	12,790	0	4,578
Euro Issues	9,441	4,844	1,237
Mutual Fund Mobilisation(net)@	-49,406	3,547	73,039
1. Private Sector	-19,215	14,109	64,425
2. Public Sector#	-30,191	-10,562	8,614

*: Excluding offer for sale. @:Net of redemptions.
#: Including UTI Mutual fund.
Source: Mutual Fund data are sourced from SEBI and exclude funds mobilised under Fund of Funds Schemes.

V.26 Indian financial markets would continue to be influenced by the global as well as domestic factors. Money market rates would continue to be conditioned by monetary policy actions. If prolonged inflation feeds into inflationary expectations, it would affect all segments of the markets, particularly the G-sec markets. A widening of the fiscal deficit leading to a higher than budgeted market borrowings could also exert upward pressure on G-sec yields. A slowdown in economic growth could affect corporate performance which, in turn, would weigh on equity markets.

VI. Price Situation

In line with the projection made in the Annual Policy statement, inflation remained high in Q1 of 2011-12. The revision in fuel prices effected in June 2011 was factored in the projected inflation path which reduces, but does not fully eliminate the suppressed inflation risks. Softening of global commodity prices may provide some respite in the short-run. The favourable impact of a near normal monsoon on food inflation, however, could be offset by hike in minimum support prices. Non-food manufactured products inflation remains significantly higher than the long-term average of about 4 per cent, and reflects the persistence of pricing power. Apart from supply-side factors, demand pressures need to soften further for containing inflation. Price pressures are expected to persist through Q2 as well and then moderate in the later part of 2011-12.

Near-term upside risks to inflation remain significant

VI.1 Inflationary pressures persisted during Q1 of 2011-12 (9.4 per cent y-o-y, provisional in June 2011), reflecting transmission of global commodity prices to domestic inflation as well as increase in manufactured product prices on account of sustained input cost pressures. Producers were able to considerably pass on high costs amidst strong consumption demand. Global commodity prices exhibited some moderation in the recent period. However, as administered fuel prices were not raised earlier when global prices had risen sharply, a revision of fuel prices became inevitable and was effected on June 25, 2011. Even after this revision the pass-through is incomplete and remains a source of upside risk during the year.

VI.2 For many other commodities pass-through remains incomplete, limiting the possibility of domestic prices falling in tandem with softening global prices. On the other hand, should global commodity prices start firming up again there will be further pressure on domestic prices. In any case, sticky administered prices pose a fiscal risk as they entail larger subsidies. They are also a source of inflation in the medium-to-long run as they dampen supply response by keeping interest rates high and resulting in a drag on investment. There are other sources of likely price pressures during the course of the year. Utility prices, especially electricity, may need to be revised up to cover costs. Domestic fertiliser prices still remain disconnected with higher prices of imported fertilisers and fertiliser inputs. Large discrete changes in administered prices also affect inflation expectations.

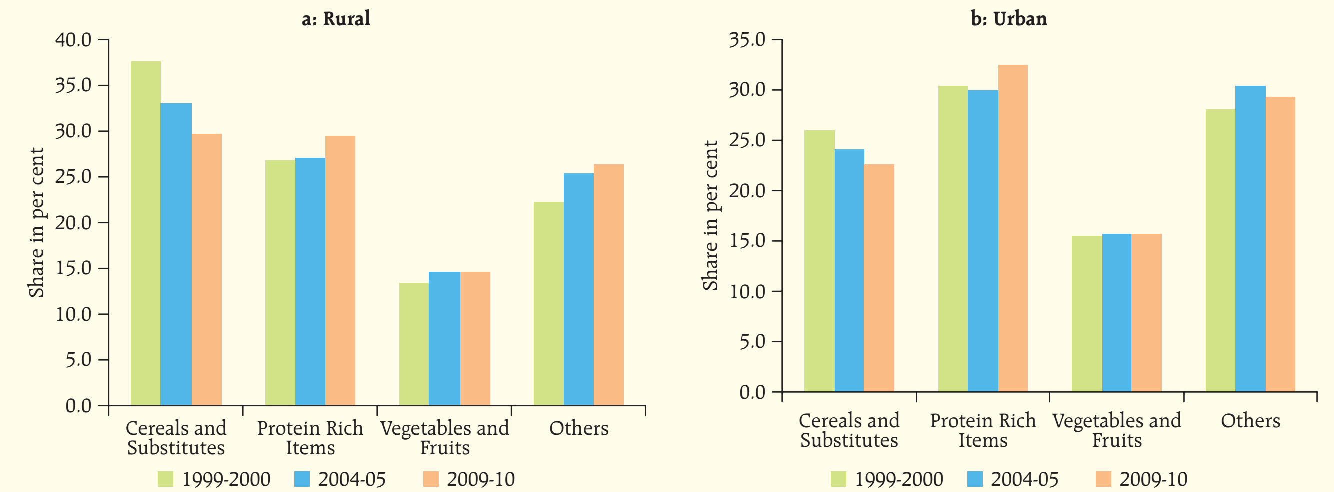
VI.3 Primary food articles inflation moderated to 9.1 per cent in Q1 of 2011-12 from over 20 per cent level seen in Q1 of 2010-11, largely reflecting base effect as index levels continued to increase reflecting the structural character of inflation especially in protein rich items. Latest data available from NSSO quinquennial consumer expenditure survey (2009-10) suggests that there has been a secular shift in dietary pattern towards protein rich food items, both in rural and urban areas. Price pressures in these items could continue in the absence of supply response, as was seen in recent years (Chart VI.1). Renewed pressures may also come from revision in Minimum Support Prices (MSP). Non-food manufactured products inflation persisted at very high levels compared to its historical average and may persist as cost pressures and pricing power remain significant.

Administered price revisions and increase in freely priced fuel products keep fuel inflation high

VI.4 The suppressed inflation concern, expressed in this Report in the preceding quarter came to roost, but this price adjustment is a significant step forward in strengthening the macroeconomic position of the Indian economy. Pass-through of international crude prices to domestic inflation has been significant in the recent period with most of the items under the freely priced category registering increases (Chart VI.2). International crude oil prices, though registered some decline in recent months, remain elevated as compared to the previous year.

VI.5 As domestic administered prices of fuel products were kept unchanged for one year, this had led to substantial increase in the magnitude of under

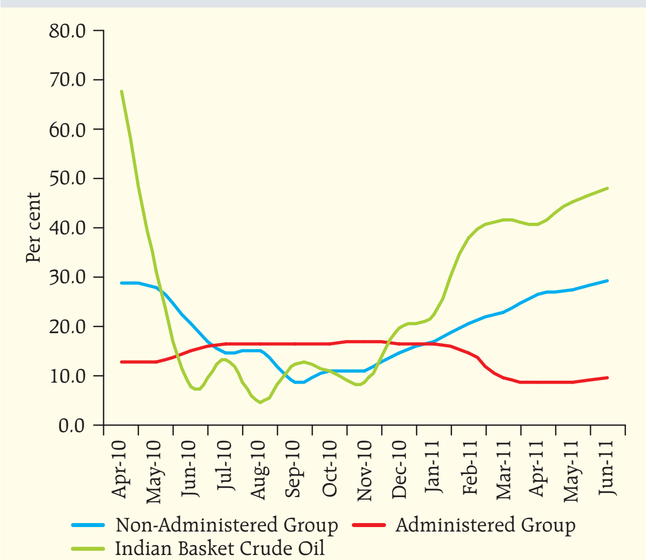
Chart VI. 1: Changing Composition of Food Consumption



Note: Protein rich items include pulses, milk & products, egg fish and meat. Others include edible oil, sugar, salt & spices, beverages etc.
Source: NSSO, Key Indicators of Household Consumer Expenditure in India, 2009-10.

recoveries leading to corresponding large increase in fiscal burden. On June 25, 2011 the Government decided to increase the price of diesel by ₹3 per litre, PDS kerosene by ₹2 per litre and of domestic LPG by ₹50 per cylinder and reduce the excise as well as custom duties to partly address the issue of under recoveries. The direct impact of this increase on WPI inflation was 0.7 percentage points. Given that monthly WPI is an average of weeks, the full impact of this increase would be seen in the WPI for the month July 2011, as the price revision was effected in the last week of June 2011.

Chart VI.2: Global and Domestic Fuel Inflation (Y-o-Y)

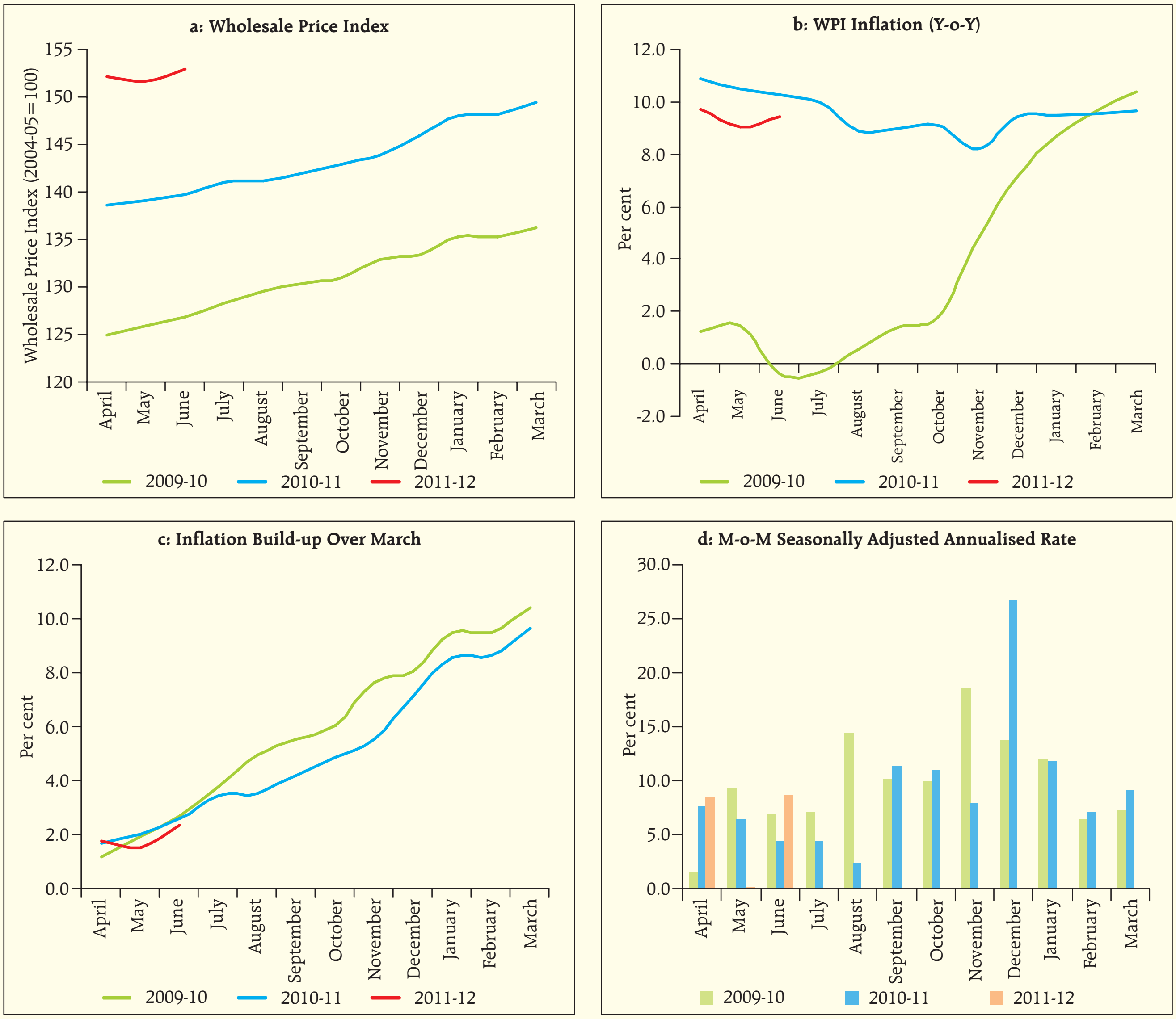


Inflation still driven by both cost-push and demand-side pressures

VI.6 The generalisation of inflation with significant cost-push and demand side factors driving price changes in non-food manufacturing commodities has extended into Q1 of 2011-12. The wholesale price index (WPI) has continued its uptrend during 2011-12 so far even though year-on-year WPI inflation declined marginally in April 2011, owing to the high base. Inflation edged up in May and June 2011 reflecting continued price pressures. This was corroborated by the month over month seasonally adjusted changes which remained significantly positive during the recent period (Chart VI.3). The m-o-m rate of change in WPI suggests that the build-up of price pressures has varied significantly over months, but remained positive in almost every successive month.

VI.7 Importantly, the underlying drivers of increase in WPI changed considerably over three phases since March 2010. Price rise since December 2010 reflects generalisation of the inflationary pressures as also the dominant contribution from non-food manufactured products inflation (Chart VI.4). The food group had the highest contribution to the increase in WPI during the first phase (between April and July 2010). Primary non-food articles, particularly fibres like raw cotton, raw jute and raw silk had the

Chart VI.3: Trends in Wholesale Price Inflation



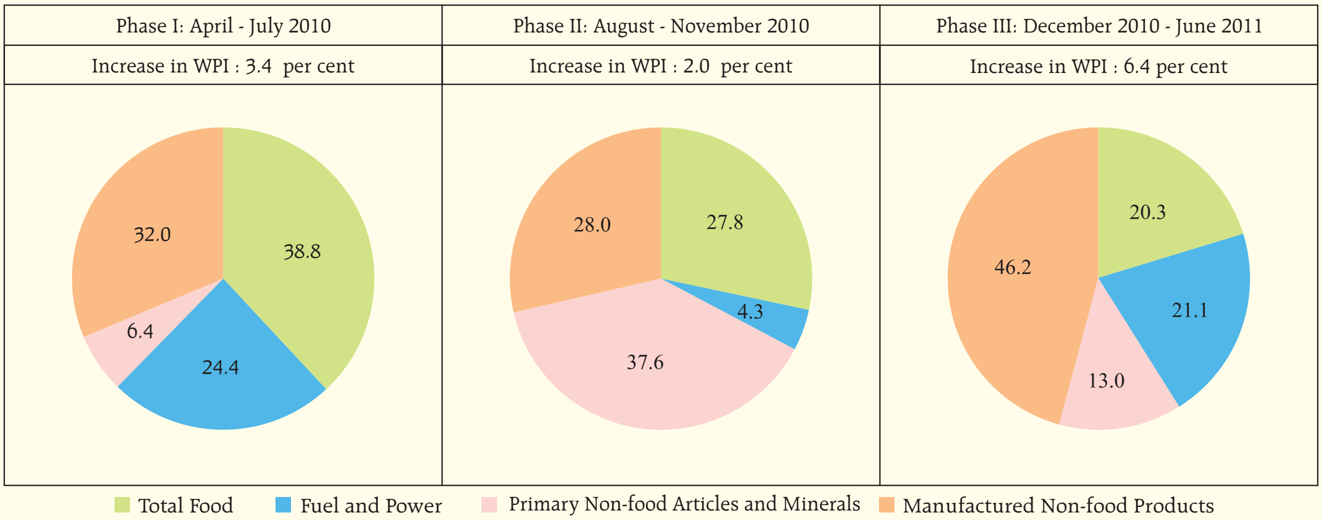
dominant contribution in the second phase (between August and November 2010). It may also be noted that, the contribution of food group to overall increase in WPI has declined over successive phases.

Non-food manufactured products inflation key to inflation concern

VI.8 The significant pick-up in non-food manufactured products inflation since December 2010 has been largely driven by pass-through of input cost pressures to output prices. Without the presence of demand pressures, the generalisation process would not have sustained over successive months. High month-over-month seasonally adjusted inflation indicates that the price pressures have been almost continuous (Chart VI.5).

VI.9 Textiles, chemicals and metals continue to contribute to most of the increase in manufactured non-food products (Chart VI.6). Input cost pressures have been significant for these products. Any moderation in manufactured non-food products inflation therefore would require both easing of pressures from input cost side as well as demand. Electricity price inflation remains moderate but given the increases in coal and mineral oils prices, electricity prices are likely to rise in the near-term.

Chart VI.4: Changing Weighted Contributions to Increase in WPI



Note: Pie Charts represent the contribution (in per cent) of different sub-groups to increase in WPI (adjusted for rounding up).

Inflation surprise in advanced countries changes global inflation dynamics

VI.10 Inflation emerged as a key policy concern in the global economy in recent months as increase in commodity prices spilled over to headline inflation. The World Economic Outlook Update (June 2011) of the IMF revised upwards the projection of inflation for 2011 for advanced economies to 2.6 per cent (from 2.2 per cent earlier projected in April 2011) while for emerging economies it was kept unchanged (6.9 per cent). Though core inflation in advanced economies remains subdued indicating absence of significant pressures from domestic demand, headline inflation has exceeded the target level for most inflation targeting economies. The divergence in inflation between advanced and emerging economies is both on account of higher share of food and fuel in total consumption basket as well as buoyant demand due to faster recovery in EMEs. The increase in unit labour costs in EMEs is being seen as a risk to global price stability because of the growing internationalisation of supply chains.

VI.11 Subdued core inflation provided the space to most advanced economies to continue with accommodative monetary policy. The BIS, in its annual report 2010-11, however, cautions that the degree of

Chart VI.5: Manufactured Non-food Products: Index, Inflation and Month-over-Month Seasonally Adjusted Annualised Changes

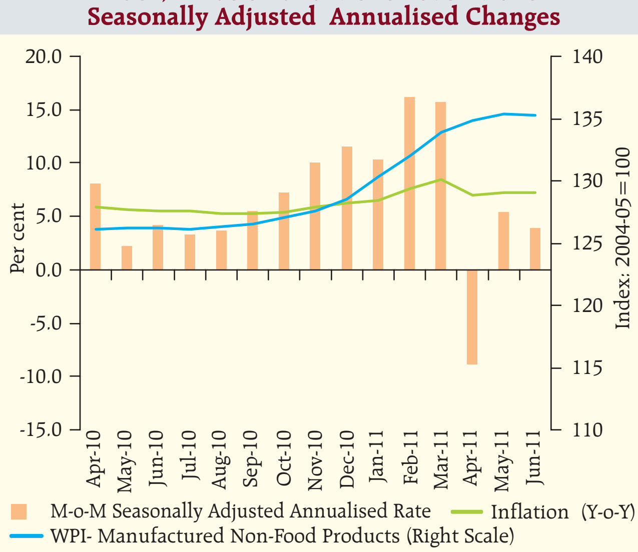
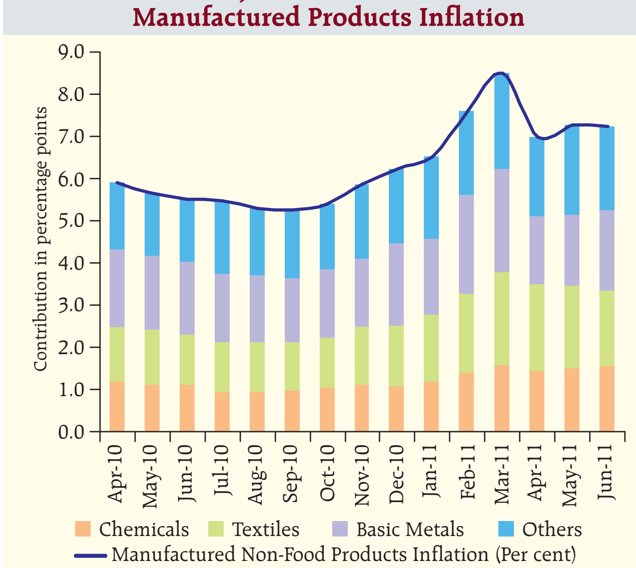


Chart VI.6: Major Contribution to Non-food Manufactured Products Inflation



global economic slack may be much less than what is generally believed and hence, inflationary pressures could stem from global recovery running into capacity constraints. Accommodative monetary policy conditions also entail the risk of adding to commodity price pressures. Most central banks of advanced economies continue to pursue policy rates at near zero/ very low levels, while emerging economies have gradually tightened monetary policy to contain inflation pressures (Table VI.1).

Commodity prices ease with global growth weakening, unclear if this is transitory

VI.12 Global commodity prices have exhibited some decline in the Q1 of 2011-12, largely driven by improved supply prospects as well as some unwinding of investment positions in commodity futures market by financial investors. Crude oil prices moderated on the back of 28 International Energy Agency (IEA) member countries agreeing to release 60 million barrels of oil in July 2011 (Chart VI.7). Food prices have also moderated somewhat as supply response to high prices are expected to be good along with removal of trade restrictions by a number of countries. However, the prices continue to rule at significantly high levels.

VI.13 Declining stocks in many key commodities also indicate that the price decline seen recently may not sustain for a prolonged period of time. The FAO-OECD Agricultural outlook for 2011-20 indicates that short-term supply response may temporarily ease price pressures but food prices "... on an average are projected to remain on a higher plateau compared to the previous decade in both nominal and real terms." Rising income, diversification of dietary pattern to more protein-rich

Table VI.1: Global Inflation Indicators

(Per cent)

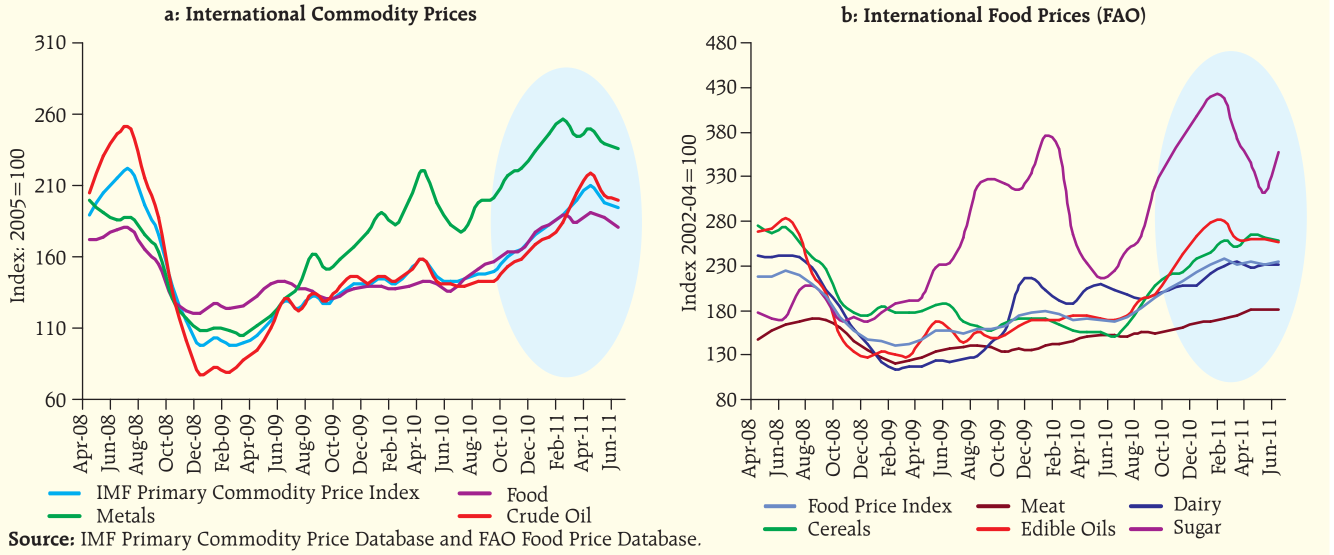
Country/ Region	Key Policy Rate	Policy Rate (as on July 22, 2011)	Changes in Policy Rates (basis points)		CPI Inflation (y-o-y)	
			Sep, 15, 08 to Aug. 23, 09	Since Aug. 23, 09	June-10	June-11
1	2	3	4	5	6	7
Developed Economies						
Australia	Cash Rate	4.75 (Nov. 3, 2010)	(-) 400	175	2.9^	3.3^
Canada	Overnight Rate	1.00 (Sep. 8, 2010)	(-) 275	75	1.0	3.1
Euro area	Interest Rate on Main Refinancing Operations	1.50 (Jul. 13, 2011)	(-) 325	50	1.5	2.7
Japan	Uncollateralised Overnight Call Rate#	0.0 to 0.10 (Oct. 5, 2010)	(-) 40	(-) 10	-0.7*	0.3*
UK	Official Bank Rate	0.50 (Mar. 5,2009)	(-) 450	0	3.2	4.2
US	Federal Funds Rate#	0.0 to 0.25 (Dec.16,2008)	(-) 200	0	1.1	3.6
Developing Economies						
Brazil	Selic Rate	12.50 (Jul. 21, 2011)	(-) 500	375	4.8	6.7
India	Repo Rate	7.50 (Jun.16, 2011)	(-) 425 (-400)	275 (100)	13.9*	8.7*
China	Benchmark 1-year Deposit Rate	3.50 (Jul. 7, 2011)	(-) 214	125	2.9	6.4
	Benchmark 1-year Lending Rate	6.56 (Jul. 7, 2011)	(-) 241 (-200)	125 (600)		
Indonesia	BI Rate	6.75 (Feb. 4, 2011)	(-) 275	25	5.0	5.5
Israel	Key Rate	3.25 (Jun. 1, 2011)	(-) 375	275	2.4	4.2
Korea	Base Rate	3.25 (Jun. 10, 2011)	(-) 325	125	2.6	4.4
Philippines	Reverse Repo Rate	4.50 (May. 5, 2011)	(-) 200	50	3.6	5.2
	Repo Rate	6.50 (May. 5, 2011)	(-) 200	50		
Russia	Refinancing Rate	8.25 (May. 3, 2011)	(-) 25	(-) 250	5.8*	9.6*
South Africa	Repo Rate	5.50 (Nov. 19, 2010)	(-) 500	(-) 150	4.2	5.0
Thailand	1-day Repurchase Rate	3.25 (Jul. 13, 2011)	(-) 250	200	3.3	4.1

^ : Q4 of 2010-11. # : Change is worked out from the minimum point of target range. *: May.

Note: 1. For India, data on inflation pertain to CPI for Industrial Workers.
2. Figures in parentheses in column (3) indicate the effective dates when the policy rates were last revised.
3. Figures in parentheses in column (4 & 5) indicate the variation in the cash reserve ratio during the period.

Source: Websites of respective central banks/statistical agencies.

Chart VI.7: Trends in Global Commodity Prices



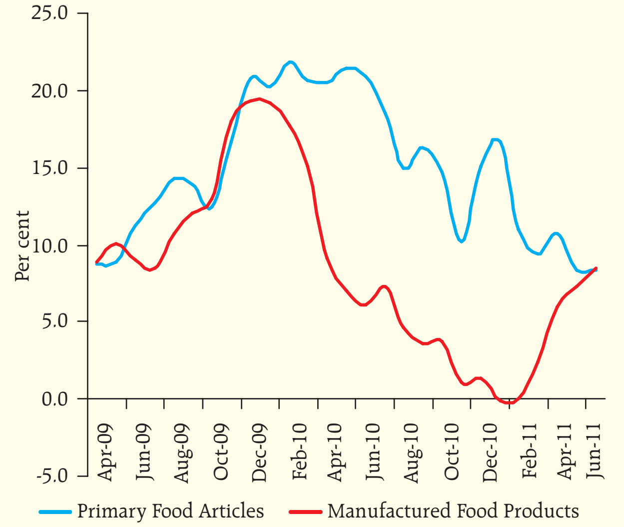
Source: IMF Primary Commodity Price Database and FAO Food Price Database.

items as well as attraction of bio-fuel as an alternative source of energy could contribute to market tightness.

Food inflation declines significantly, but seasonal and structural factors still important

VI.14 Primary food articles inflation declined significantly over past few months, barring December 2010-January 2011 when the trend reversed temporarily (Chart VI.8). The decline, however, has not been significant enough to ease the concern on food inflation. Moreover, it largely reflects the base effect, since food price levels continue to be high (Chart VI.9).

Chart VI.8: Primary Food and Manufactured Food inflation (Y-o-Y)



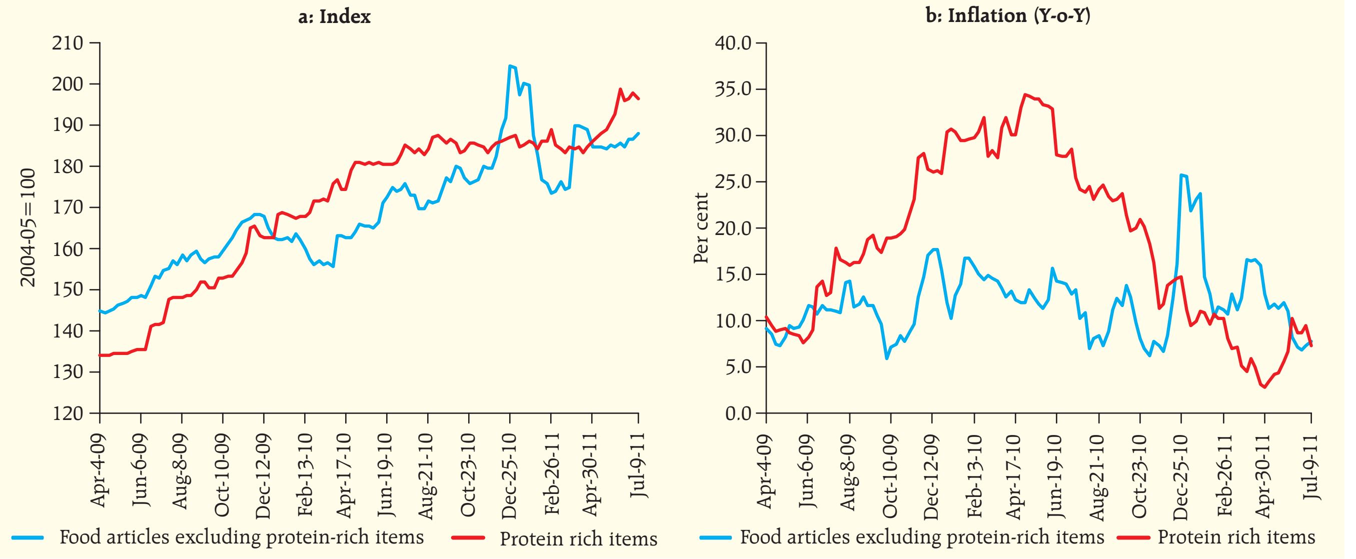
Moreover manufactured food products inflation, which declined sharply during 2010-11 has reversed course in recent months. This is mainly led by increase in prices of edible oils, milk products and tea & coffee indicating that the past increases in primary food prices are getting reflected in manufactured food price increases, with a lag.

Near normal monsoon may not ease pressure on food inflation.

VI.15 A near normal monsoon is generally expected to have a softening impact on prices of food articles, but some risks to food inflation have emerged. The recent increases in Minimum Support Prices (MSPs) for key agricultural commodities, though it aims at protecting producers from price risk, could in turn have some inflationary impact. It has been observed that the trend in prices of food articles more or less follows the increase in MSPs, with MSPs providing the floor to market prices (Chart VI.10).

VI.16 Since a cost-plus pricing approach underpins revisions in MSPs, trends in input costs and rural wages provide lead information about expected path of food inflation. Increases in wages in rural areas could also put pressure on food prices both from demand and supply side. While increase in wages push up cost of production for agriculture, higher wage income is expected to provide purchasing power which could translate to higher demand, thereby pushing up prices.

Chart VI.9: Primary Food Articles: Index and Inflation



It has been observed that during 2010-11 the increase in wages for rural unskilled labourers have been on an average much higher than the increase in prices (state wise CPI- Rural Labourers inflation) indicating possibility of further pressure on prices going forward from higher wages (Chart VI.11).

VI.17 During Q1 of 2011-12, prices of non-food primary articles showed moderation as raw cotton prices declined significantly both on account of favourable production and decline in international prices. A major contributor to manufactured non-food products inflation in recent months has been textiles, tracking past increase in raw cotton and fibres prices. The recent trend of declining cotton prices, however, could lead to moderation in inflation for textiles too. Among the minerals group, the crude petroleum index was revised upwards significantly by 34.4 per cent effective second week of April 2011, reflecting lagged reporting of past increases in prices of domestic crude oil. This alone raised WPI inflation by about 0.4 percentage points.

CPI and WPI inflation converge with generalisation of price pressures

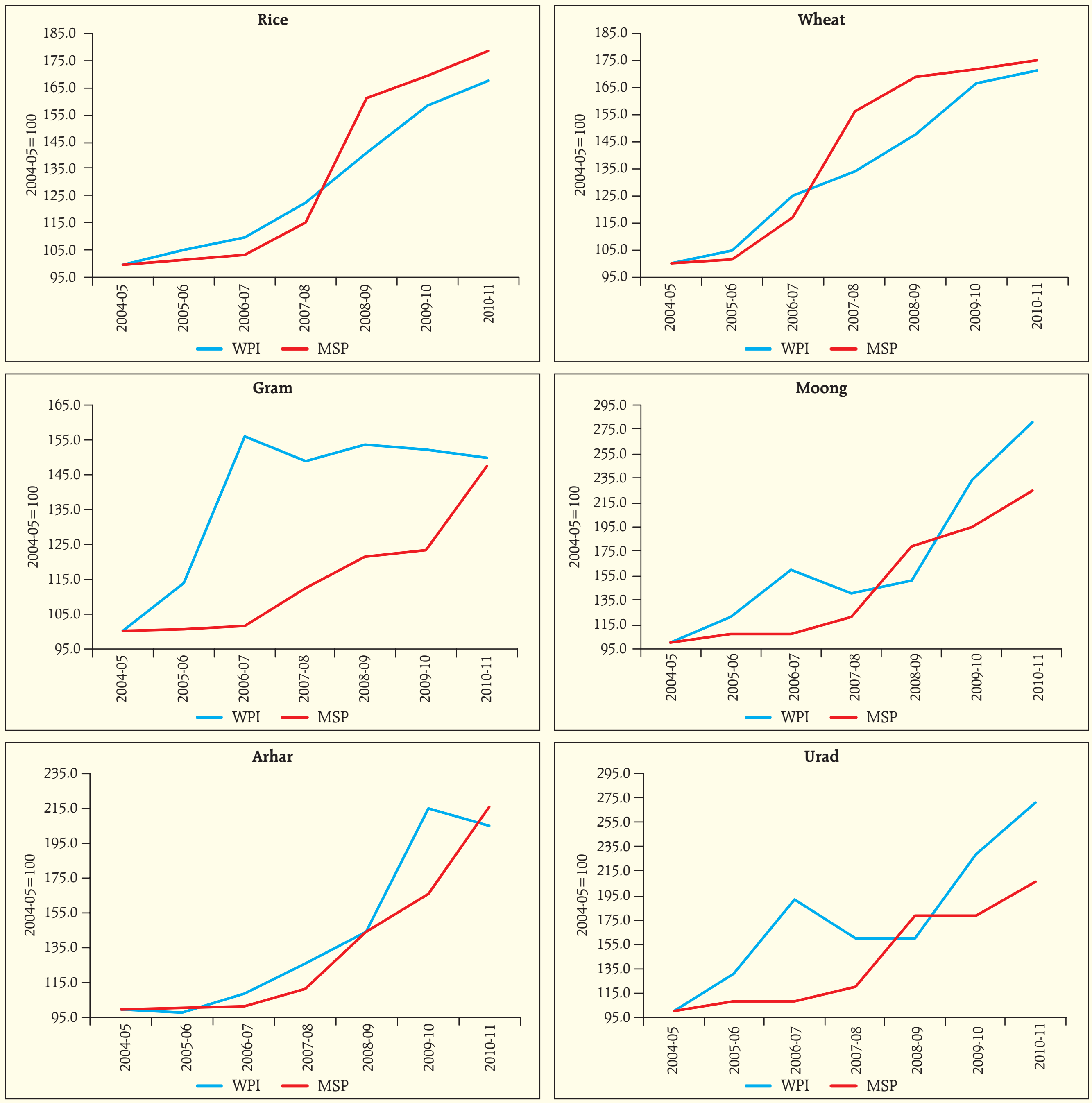
VI.18 Various measures of CPI inflation remained in the range of 8.7-9.3 per cent in May/June 2011. The convergence of various measures of CPI inflation with WPI inflation reflect moderation of food prices and increase in non-food manufactured products inflation (Chart VI.12).

VI.19 The new CPI introduced for urban and rural areas along with a composite All-India CPI suggest continued price pressures with the latest reading of 108.8 (provisional) for June 2011 (base: 2010=100). This new Consumer Price Index for 'rural', 'urban' and 'combined' introduced since January 2011 is a major initiative to improve price statistics. The introduction of new CPIs provides a nationwide price index which is more comprehensive in coverage across regions as well as commodity groups. A comparison of the new CPI series against the existing series suggests that while the weight of food group has declined significantly for both rural and urban groups, the miscellaneous group, largely services, has increased in share. As year-on-year inflation data based on the new CPI become available from January 2012, it will be closer to the measure of inflation that is being commonly used in other countries for the conduct of monetary policy. However, long time series data, especially for the back period would not be available for these new indices, which limits the suitability of the data for policy analysis in the near-term.

Inflation may moderate gradually due to structural constraints

VI.20 Responding to persistent high inflation and increasing generalisation of price pressures, the Reserve Bank has significantly raised its emphasis on containing inflation. The impact of the anti-inflationary

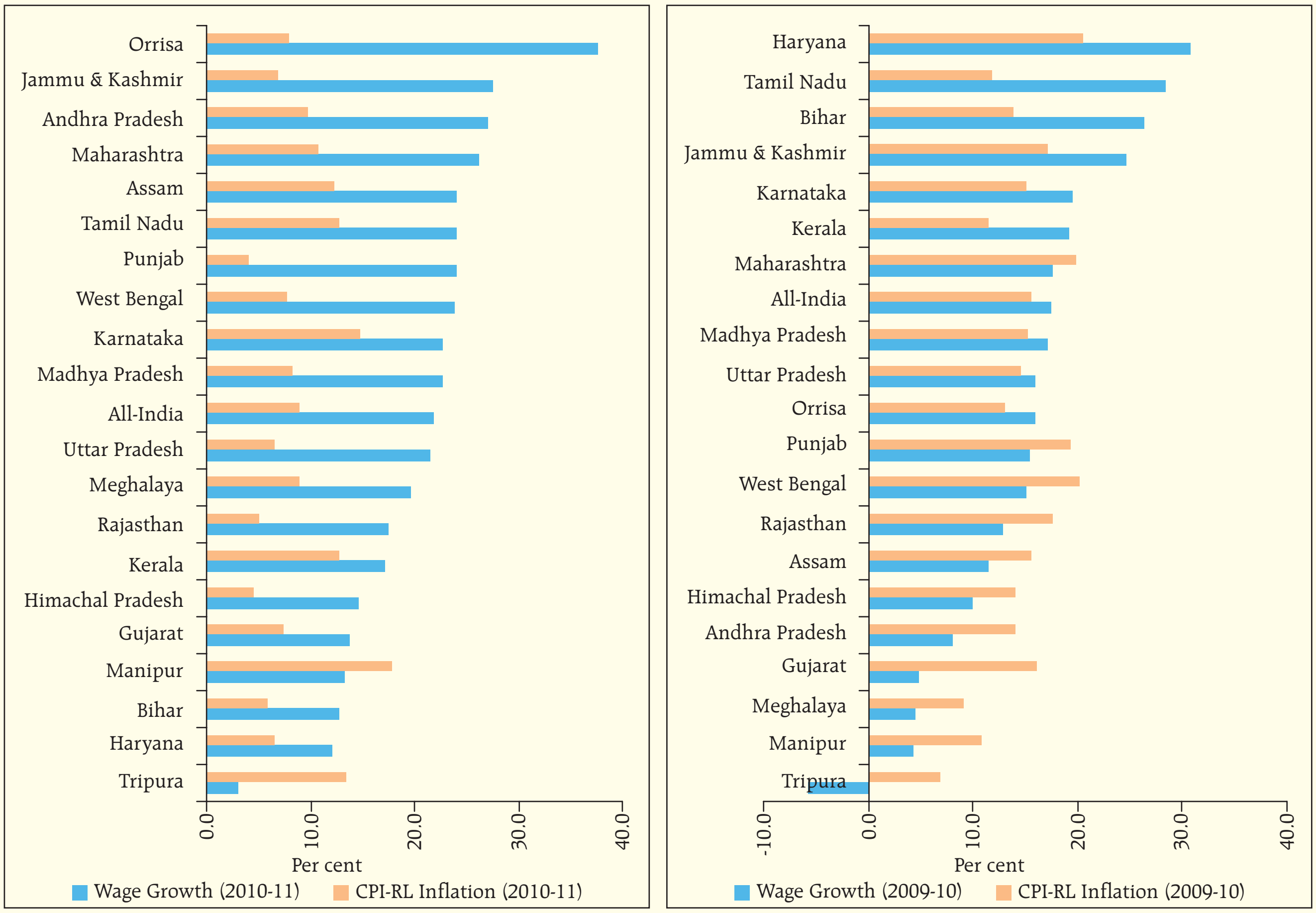
Chart VI.10: Minimum Support Prices and Wholesale Price Index



measures through expected moderation in demand, however, faces resistance from commodity price and wage inflation, which constantly add to price pressures. The softening of global commodity prices could be temporary. If the accommodative monetary policy stance of advanced economies continues, commodity price pressures are likely to resurface. Recent trends in minimum support prices and rural wages suggest that given their conditioning influence on food inflation, a near normal monsoon may not ease food inflation significantly.

VI.21 With overshooting of the fiscal deficit target a possibility, its expansionary impact on demand could partly offset the moderation in demand resulting from anti inflationary monetary actions and weaken monetary policy effectiveness. High inflation over

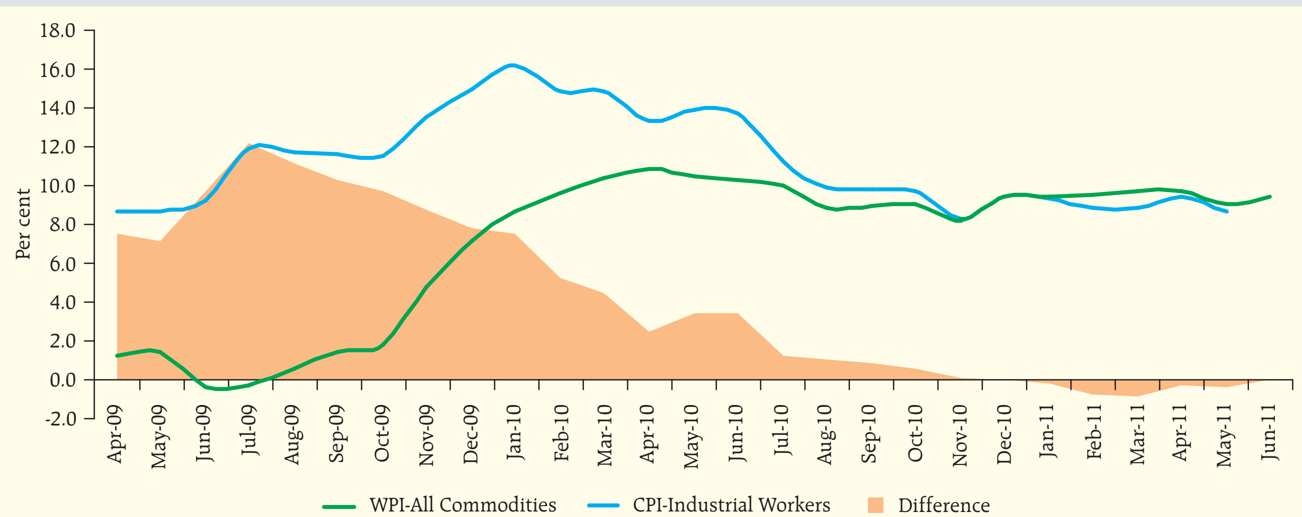
Chart VI.11: CPI-Rural Labourers Inflation and Wage Growth*



* Y-o-Y Growth in March; Rural Unskilled Labourer (Male) Wage.
Source: Labour Bureau, Ministry of Labour.

several months has not led to price induced supply response in many critical commodities; in turn input cost pressures have spilled over to output prices. These trends necessitate structural reforms to enhance supply response while anti-inflationary bias of monetary policy anchors inflation expectations.

Chart VI.12: WPI and CPI Inflation (Y-o-Y)



VII. Macroeconomic Outlook

Inflation has persisted at levels beyond Reserve Bank's comfort level which is inimical to growth. Inertial dynamics in wage and food prices have exacerbated the inflationary pressures. Inflation risks have stayed and high inflation is likely to persist during Q2 of 2011-12, though moderation in inflation is expected in the later part of the year. On the other hand, growth has showed signs of some moderation. Risk factors have emerged that could adversely impact aggregate demand. The business expectation surveys of various agencies, as well as the Reserve Bank's Industrial Outlook Survey suggest moderation due to higher input costs and rising interest rates. Professional forecasters' survey also supports the possibility of marginal moderation in economic activity. While monetary policy has been considerably tightened, the policy exigency at this juncture warrants continuation of anti-inflationary stance to tame inflation and anchor inflationary expectations.

Inflation risks stay, while growth showed signs of moderation

VII.1 In its Policy Statement of May 3, 2011, the Reserve Bank stated that inflation would stay at elevated level during the first half of 2011-12 before declining in the second half. Trends during Q1 of 2011-12 suggest that inflation trends have conformed with that assessment. Not only has the headline inflation stayed at around 9 per cent, non-food manufacturing inflation remains significantly high at above 7 per cent. On a sequential basis, the pace of price rise in this segment has stayed high since December 2010 on back of cost-push and demand-side factors. If the monsoon turns sub-normal, upside risks to the projected moderation in inflation during the second half would go up.

VII.2 On the other hand, there are signs of growth moderation during Q1 of 2011-12. On current reckoning, growth is likely to stay around trend during 2011-12 in line with the policy projection made in May. However, downside risks have increased. Challenges from the policy perspective have become even more stringent with increased risks to growth though inflation is likely to remain high in near term. The downside risks to growth emerge from uncertainties relating to South-West monsoon, likely moderation in private consumption and investment demand, high input costs, escalating cost of capital and uncertain global outlook which may impact the external demand and capital flows adversely. The overall assessment however suggests that agricultural growth may turn out to be lower on account of high growth last year.

VII.3 Notwithstanding the slowdown in growth, with high inflation, there are risks to growth sustainability that cannot be overlooked by monetary policy. It requires continued anti-inflationary bias with a close watch and nimble-footed calibration to new information. It is important to complete monetary transmission while it is also necessary that any possible turning points in cyclical conditions are not missed. There are upside risks to inflation from still incomplete pass-through of global commodity prices, downward stickiness of food prices, recent revisions in minimum support prices and evidence of wage price spiral. The inflation has proved to be stubborn so far and in view of the above factors may not subside in the second quarter of 2011-12. The challenge at this juncture is to contain inflationary pressures, while factoring in the lags in transmission of the monetary policy action. The task of monetary policy is made complex as these lags are often long and variable in length.

Business expectations surveys indicate moderation

VII.4 Various business expectations surveys show moderation over the previous quarter and year, indicating a slowdown in overall economic activity. Persistent inflation appears to be the most important factor affecting the business expectations. Global uncertainty, higher input costs, higher interest rates and expectation of lower demand for finished goods are some of the other factors affecting the business sentiments of the Indian companies (Table VII.1).

VII.5 The seasonally adjusted HSBC Markit Manufacturing Purchasing Managers' Index (PMI) declined to its nine month low in June 2011, though it

Table VII.1: Business Expectations Surveys

Period Index	NCAER-Business Confidence Index Apr. 2011	FICCI Overall Business Confidence Index Q3:2010-11	Dun & Bradstreet Business Optimism Index Q3: 2011	CII Business Confidence Index Apr.-Jun. 2011-12
1	2	3	4	5
Current level of the Index	145.2	63.8	143.6	62.5
Index as per previous survey	145.3	76.2	183.3	66.7
Index levels one year back	155.9	70.0	150.0	67.6
% change (q-o-q) sequential	-0.1	-16.3	-21.7	-6.3
% change (y-o-y)	-6.9	-8.9	-4.2	-7.5*

*: Percentage change over April-September 2010-11 survey.

remained in expansionary mode. Sequential growth in output and new orders decelerated further. Rising input costs and borrowing costs have put further pressure on growth momentum. Seasonally adjusted PMI for services sector in June also remained in expansionary mode. It was marginally above May, though lower than that during January-April 2011.

Survey suggests Industrial Outlook has weakened

VII.6 The 54th round of the Industrial Outlook Survey of the Reserve Bank conducted during April-June 2011, based on a sample of 1,504 companies, showed moderation for the assessment quarter (April-June 2011) as well as for the expectation quarter (July-September 2011), but still remained in growth terrain (*i.e.* above 100, which is the mark that separates contraction from expansion) (Chart VII.1). The survey shows that the Indian manufacturing sector has moderated its view about demand conditions as net responses on production, order books, capacity utilisation, exports and imports showed lower optimism for the assessment quarter. In the expectation quarter however, slight improvement was visible.

VII.7 While outlook on availability of finance was less optimistic, the respondents expected cost of finance to rise further. A majority of respondents anticipated raw material costs to go up, which may affect profit margin adversely (Table VII.2). Overall, lower business optimism is seen in cement, textiles, basic metals, electrical machinery, transport equipment and fertiliser industry.

No significant downward revision in growth forecasts by other agencies

VII.8 Various international as well as domestic agencies have maintained their earlier forecasts, while

Chart VII.1: Industrial Outlook Surveys

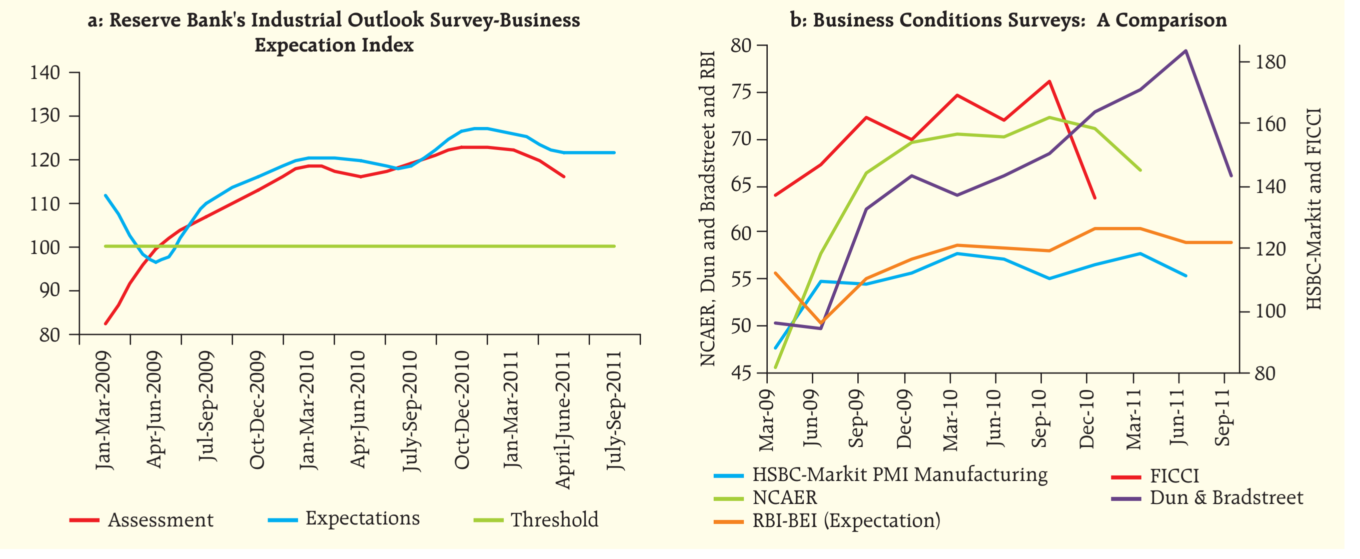


Table VII.2: Reserve Bank's Industrial Outlook Survey

Parameter	Optimistic Response	Net Response						
		October-December 2010		January-March 2011		April-June 2011		July-September 2011
		E	A	E	A	E	A	E
1	2	3	4	5	6	7	8	9
1. Overall Business Situation	Better	47.5	45.9	50.1	38.6	41.4	32.6	39.8
2. Overall Financial Situation	Better	39.6	37.1	41.1	27.1	33.4	24.1	30.6
3. Availability of Finance	Improve	31.3	30.3	32.3	23.8	27.3	21.5	24.2
4. Cost of External Finance	Decrease	-28.3	-33.9	-31.3	-42.5	-35.0	-49.0	-39.7
5. Production	Increase	49.1	43.9	48.6	41.4	40.0	32.1	40.6
6. Order Books	Increase	44.8	37.9	44.0	34.7	38.4	28.1	35.9
7. Level of Capacity Utilisation	Above Normal	7.2	5.6	9.5	4.9	4.4	17.2	25.0
8. Cost of Raw Material		-49.3	63.9	-53.6	-71.9	-57.0	-65.5	-51.7
9. Employment in the Company	Increase	21.0	19.4	20.6	18.7	17.4	18.2	19.4
10. Exports	Increase	26.1	23.1	26.3	18.9	24.0	18.2	25.8
11. Imports	Increase	22.2	20.9	21.3	19.9	18.9	17.6	19.0
12. Selling Price	Increase	17.0	20.2	18.6	26.5	23.7	21.5	18.3
13. Profit Margin	Increase	9.2	-0.4	8.3	-4.3	3.8	-9.9	2.5

Note: 1. 'Net response' is measured as the percentage share differential between the companies reporting 'optimistic' (positive) and 'pessimistic' (negative) responses; responses indicating *status quo* (no change) are not reckoned. Higher 'net response' indicates higher level of confidence and *vice versa*.
2. E: Expectations and A: Assessment.

OECD has revised it upwards. Only World Bank has revised the outlook downwards from the high of 9.0 per cent to 8.2 per cent, which in any case is in line with other forecasts (Table VII.3).

Survey of Professional Forecasters suggests moderation in activity[1]

VII.9 The results of the sixteenth round of 'Survey of Professional Forecasters' conducted by the Reserve Bank in June 2011 shows a downward revision in growth rate for 2011-12 as compared to the previous survey (Table VII.4). While the growth forecast for the agriculture sector was revised upwards, the forecast of industrial growth rate and services sector was revised downwards. Annual average WPI inflation forecast for the year 2011-12 was also revised upwards.

The troika that may alter baseline growth and inflation projections

VII.10 It is clear that there has been no significant alteration to the growth and inflation projections or the growth-inflation dynamics that were discussed in the 'Macroeconomic and Monetary Developments' released a quarter ago. However, at the margin, downside risks to growth may have increased, while inflation stickiness is more evident.

VII.11 The three important factors that could significantly alter the baseline path of growth and inflation are: (1) significant departure of monsoon from 'normal', (2) a collapse or re-build of global commodity price bubble, and (3) Euro zone debt crisis assuming a full-blown proportion. Growth could slowdown and inflation pick up further if *kharif* crop is affected or

Table VII.3: Agencies' Projections for 2011-12

Agency	Latest Projection		Earlier Projection	
	Real GDP Growth (Per cent)	Month	Real GDP Growth (Per cent)	Month
1	2	3	4	5
Economic Advisory Council to the PM	9.0 (+/-0.25)	Feb-11	-	-
Finance Ministry	9.0 (+/-0.25)	Feb-11	-	-
IMF#	8.0	Jun-11	8.0	Apr-11
OECD	8.5	May-11	8.2	Nov-10
World Bank	8.2	Jun-11	9.0	Feb-11
ADB	8.2	Apr-11	-	-
NCAER	8.5	Apr-11	-	-

#: IMFs' forecast for growth is 8.2 per cent at market prices.

[1] Introduced by the Reserve Bank from the quarter ended September 2007. The forecasts reflect the views of external professional forecasters and not of the Reserve Bank.

Table VII.4: Median Forecasts of Select Macroeconomic Indicators byProfessional Forecasters 2011-12 and 2012-13

	Actual 2010-11	Annual Forecasts				Quarterly Forecast									
		2011-12		2012-13		2011-12								2012-13	
						Q1		Q2		Q3		Q4		Q1	
		E	L	E	L	E	L	E	L	E	L	E	L	E	L
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Real GDP growth rate at factor cost (in per cent)	8.5#	8.2	7.9	-	8.3	8.3	7.7	8.1	7.7	8.2	8.1	8.5	8.2	-	8.1
a. Agriculture & Allied Activities	6.6#	3.1	3.5	-	3.6	3.8	4.8	3.1	3.5	3.0	2.2	3.0	3.0	-	3.8
b. Industry	7.8#	8.2	7.4	-	8.1	7.0	6.2	8.0	7.2	8.7	8.1	8.5	8.3	-	8.0
c. Services	9.2#	9.6	9.0	-	9.4	9.8	8.7	9.3	9.0	9.5	9.8	9.7	9.6	-	9.4
2. Gross Domestic Saving (per cent of GDP at current market price)	-	35.3	34.2	-	35.0	-	-	-	-	-	-	-	-	-	-
3. Gross Domestic Capital Formation (per cent of GDP at current market price)	-	37.5	35.5	-	36.4	36.5	34.0	37.3	35.0	37.8	35.0	38.5	36.0	-	37.0
4. Average WPI-Inflation	9.6	7.5	8.6	-	6.5	8.2	9.4&	7.8	10.0	7.5	8.8	6.7	6.9	-	6.8
5. Exchange Rate (INR/1USD end period)	44.65	44.5	44.5	-	43.5	44.5	44.7&	44.7	44.8	44.5	44.6	44.5	44.5	-	44.0
6. T-Bill 91 days Yield (per cent-end period)	7.31	7.5	8.0	-	7.6	-	-	-	-	-	-	-	-	-	-
7. 10-year Govt. Securities Yield (per cent-end period)	8.02	8.0	8.3	-	8.0	-	-	-	-	-	-	-	-	-	-
8. Export (growth rate in per cent)!	37.4	17.2	20.5	-	20.0	-	-	-	-	-	-	-	-	-	-
9. Import (growth rate in per cent)!	21.6	20.0	23.0	-	19.7	-	-	-	-	-	-	-	-	-	-
10. Trade Balance (US$ billion)	-104.9	-	-	-	-	-36.0	-35.5	-39.1	-39.4	-38.5	-34.3	-39.8	-35.0	-	-40.0

E: Previous Round Projection. L: Latest Round Projection. #: Revised Estimate. P: Provisional
- : Not Available. &: Actual !: US$ on BoP basis.

Note: The latest round refers to sixteenth round for the quarter ended June 2011, while previous round refers to fifteenth round for the quarter ended March 2011.

Source: Survey of Professional Forecasters, First Quarter 2011-12.

global commodity prices surge again. Alternatively, normal monsoon or further softening of global commodity prices could be growth positive and bring about a faster fall in inflation. A full-scale Euro zone crisis could result in domestic inflation falling quickly, through a fall in external demand and international commodity prices. It could, however, also impact growth adversely through trade and capital flow channels. So how growth-inflation dynamics may play is a complex process, but clearly persistent high inflation remains a risk to growth sustainability. The risk of inflation persistence are also exacerbated by structural drivers of food inflation.

VII.12 The data from new IIP base has reconfirmed the Reserve Bank's view that there was no significant moderation in industrial production in H2 of 2010-11 and the deceleration in fourth quarter was exacerbated by a few volatile components. Similarly, the deceleration in industrial growth in April-May 2011 partly reflects subdued growth in some core industries along with base effect. Going forward, there is a possibility of some softening of industrial activity due to high input cost pressures and escalating cost of capital. In contrast to the likely subdued trend in agriculture and industrial sector, the services sector may continue to show a buoyant trend, which may support the growth process.

VII.13 On the expenditure side, the domestic demand conditions continue to receive support from strong growth in private demand so far. Even though exports are growing at a faster pace than imports, going forward, the outlook for exports remains uncertain given the subdued growth and employment trends in Euro zone countries and the US. On domestic front, the recent initiatives by the Central and State governments for fiscal consolidation has resulted in slowdown in government consumption expenditure. Though this growth driver, on expenditure side, has slowed down, the trend may not continue in 2011-12 unless more radical measures are implemented to contain subsidies expenditure so that private investment demand is not crowded out amidst monetary tightening.

VII.14 Corporate sales growth has remained robust indicating continuation of strong demand conditions so far. The profit margins have however, come under stress following higher input and interest costs. Going forward, some moderation in investment and consumption demand is likely, as high inflation may erode purchasing power. The anti-inflationary monetary policy stance is also likely to soften the demand. There is also a need for credit growth to decelerate further.

Breaking inertial dynamics of wage and food price rise important for arresting inflation

VII.15 The latest employment survey result of the NSSO indicates that the real wages of the casual labourers have been rising in recent years. This implies that on an average, the purchasing power of the poor may not have been dented by inflation. The Government's schemes such as MGNREGA to promote inclusive growth seem to have had a positive welfare impact. However, the faster increase in wages *vis-à-vis* inflation poses the risk of wage-price spiral, particularly for food inflation, as the revision in MSPs take into account wage cost escalation. Increase in demand for food as a result of higher wages, in the absence of adequate supply response, leads to higher food prices. Rise in wages in response to inflation could also become faster both on account of MGNREGA wages being indexed to inflation and increase in wage bargaining capacity in the casual labour market. This wage-price inertial movement could add to the structural pressure on food inflation.

VII.16 Evidence also suggests that resultant primary food inflation eventually gets reflected in manufactured food inflation. This, coupled with indications of downward stickiness of food prices, especially in the case of protein-rich items, gets translated into higher inflation. The capacity utilisation levels are also high which may put further pressure on manufacturing products inflation. Taking into account all these factors, it is important to break the inertial dynamics to contain the inflationary pressures.

Unfinished task of taming inflation warrants continuation of anti-inflationary monetary stance

VII.17 The emerging growth risks are likely to be factored in the policy reaction. However, inflation has stayed high for a year and a half now, averaging 9.5 per cent in this period. Amidst a wage-price spiral and continued cost-push and demand side pressures on domestic prices, monetary policy confronts two key questions. First, will the recent signs of weakening activity persist and restrain wage price and demand side pressures on manufacturing inflation? Second, are there other factors that might put further pressure on prices and wages and keep inflation high, thus feeding further on inflation expectations? A judgement on the answers to these questions will influence the calibration of the monetary policy stance. Monetary policy will have to preserve the broad thrust on tight monetary stance till there is credible evidence of inflation trending close to a level within the Reserve Bank's comfort zone.

Statistics Day

Statistics in the World of RBI
by Duvvuri Subbarao

Statistics in the Reserve Bank of India
by Deepak Mohanty

Statistics in the World of RBI*

Duvvuri Subbarao

We are gathered here today for the 5th Annual Statistics Day Conference of the Reserve Bank to honour the signal contribution of late Prof. P.C. Mahalanobis to the Indian statistical system. Let me start by noting that the United Nations declared October 20, 2010 as the first World Statistics Day. In recognising the importance of statistics and statistical analysis to public policy formulation, we in India have been ahead of the world.

Statistics Day in RBI

2. I note with satisfaction, indeed some pride, that the celebration of the Statistics Day in the Reserve Bank is much more than an annual calendar event. We are deeply conscious of the fact that our policy calibration, be it monetary policy, regulatory actions or decisions in pursuit of financial stability, is improved by the quality of data at our command and our ability to analyse and interpret that data. The decisions that we in the Reserve Bank make have a profound impact on the macroeconomy, and errors can be costly. Our policy judgement should, therefore, be based not only on state- of-the-art skills in data analysis and interpretation but also on an intellectual value system of ruthlessly honest validation and peer review.

3. While on the subject of intellectual integrity, I must pay a tribute to Prof. Suresh Tendulkar, who passed away a couple of weeks ago. Prof. Tendulkar, as many of you know, was a director on the Central Board of the Reserve Bank. He was a distinguished economist and was widely respected for his teaching and scholarship as well as for his authoritative comments on Indian macroeconomic issues. Among Prof. Tendulkar's many strengths was his unwavering commitment to base whatever he said on data analysis. You could rely on what he said because you knew that it came from painstaking empirical work and a sharp mind that could relate what the data said to the real world situation. It is that value system and that judgemental capability that we must pursue and promote in the Reserve Bank.

This Year's Conference

4. I gather this year's conference has two special themes: (i) time series analysis; and (ii) financial statistics. I can hardly overemphasise the relevance of the two themes. Time series analysis is important for understanding the underlying trends and for identifying inflexion points. In interpreting time series analysis, we need to apply judgement on whether the future would be different from the past and, if so, in what way. In other words, we must be able to say if the underlying trend has turned non-linear. The second conference theme, Financial Statistics, has always been important; indeed, its importance has grown in the rapidly globalising world. In a globalising world, financial systems are interconnected both within and across jurisdictions. In analysing and interpreting Financial Statistics, we must keep these interconnections in view.

5. We are privileged to have with us today two eminent guest speakers – Prof. Sastry G. Pantula from the University of North Carolina, USA and Prof. Rajeeva Karandikar, Director of the Chennai Mathematical Institute – two statisticians in the forefront of their respective fields of specialisation. They bring together enormous intellectual acumen, wisdom and expertise in two vital branches of statistics: time series analysis and financial statistics. On behalf of all of us, I want to extend a hearty welcome to both of them.

Global Crisis and Statistical Analysis

6. Let me make another observation on a larger canvas before turning to specifics. As we emerge out of the global crisis, the deepest financial crisis of our time, there are many lessons being drawn. Among the 'big picture' lessons is that the real world is not deterministic but that the real world is stochastic. Our analysis and policy judgements should not lose sight of this truism.

*Inaugural address by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India at the Statistics Day Conference of RBI, Mumbai, July 5, 2011.

7. Let me explain this by drawing an analogy from physics. In the Newtonian world view, we have a clockwork universe. All we need to know are the basic laws of physics and the initial conditions, and it would be possible to determine the outcome of the universe at any and every point of time in the future with absolute precision. Newtonian physics requires a God, but a God who is no more than a clockmaker.

8. With the benefit of hindsight, we now know that the mistake economists made was to extend the Newtonian world view, applicable to the world of machines, to the real world inhabited by capricious human beings. In line with the 'deterministic reductionism' that was the defining feature of Newtonian mechanics, economists deluded themselves into thinking that the laws of economics can be reduced to precise and deterministic mathematical equations. We should have known better. It took a devastating crisis to tell us that this was a serious mistake. How the economy evolves, both at the macro level and the micro level, is determined by human behaviour which can scarcely be fitted into an analytical mathematical equation. The sub-prime crisis and the financial engineering that caused it are a powerful illustration of the fact that it is human behaviour that drives the destiny of finance and economics.

9. In that sense, the crisis reinforced the importance of empirical analysis in interpreting the real world. People inhabiting the real world act, react and respond to the evolving situations in inexplicable, unpredictable and often capricious ways, and the only way to capture that real-world sociology and psychology, as it translates to economic trends, is through collection of reliable and relevant data and analysing and interpreting that data. Statistical analysis, therefore, has to be an increasingly important support system for our policy formulation.

Statistics in RBI's Policymaking

10. Let me now move on from the big picture to the world of Reserve Bank. Needless to say, statistical analysis is critical to Reserve Bank's policy formulation. We face many challenges and dilemmas in this area. I will address the more important of these under the following heads: (i) Quality of data; (ii) Data revisions; (iii) Data interpretation; and (iv) Data gaps.

Quality of Data

11. At the outset, I must say that India has a rich tradition of statistics. Given the size, diversity and as yet low levels of literacy, this is a tribute to the diligence of our public statistical agencies. Surely, some of the basic statistics such as, for example, the poverty ratio are highly contentious. Both the methodology used for estimation of the poverty ratio and the quality of data used have frequently been called into question. Actually, I see this as a positive sign. I would read this as an indication of the intellectual watchdog function that is built into our statistical tradition. What is put out by a public agency should after all be contestable.

12. Having said that, in the Reserve Bank, we are handicapped by the reliability of some of the basic data that we need to use in policy calculations. In particular, the data we get on unemployment and wages do not inspire confidence as regards quality. The recently put out data on employment throw up a paradox as they simultaneously indicate fewer jobs created in the five year period to 2010 along with a decline in the long-term unemployment rate. On the issue of wage statistics, the upward pressure on wages in the unorganised sector is inconsistent with what are believed to be high rates of unemployment and underemployment in the informal economy.

13. The Index of Industrial Production (IIP) is another statistic that has shown counter-intuitive trends. During the period when the global financial crisis was at its peak – December 2008 to June 2009 – IIP growth was positive according to the then available IIP series. This was contrary to our assessment of the underlying trend of some deceleration on account of the crisis. The new IIP series, revised with 2004-05 as the base, now shows that IIP growth was, in fact, negative during that period, vindicating our intuition. Again, the old IIP series indicated that industrial activity slowed in the second half of last year (2010-11) relative to the first half but the revised IIP series shows that industrial growth maintained roughly the same pace between the two halves of the fiscal year.

14. Another problem with IIP has been its volatility, with the volatility being even larger in the capital goods sector. This is analytically bewildering. The volatility persists in new series too. It is important for policy purposes to determine whether the root cause of such behaviour is the production decisions in the wake of uncertainty or whether it is due to the compilation process. Several explanations have been offered for this including that IIP captures the product manufactured in the month and not the 'product under production'. Hence, items, particularly with a manufacturing cycle of longer than a month, can lead to sharp month-to-month spikes/dips, not necessarily consistent with the underlying demand in the economy.

15. The above illustrations demonstrate how poor-quality data could potentially mislead policy calculations.

Data Revision

16. The Reserve Bank's policy formulation is also handicapped by frequent revisions to data. We make policies in real time and if the provisional data that these are based on are inaccurate, the resultant policies can turn out to be sub-optimal choices. Take estimates of GDP growth. For the year 2009-10, for example, the Advance Estimate of GDP growth rate at market prices from the expenditure side, that came out in February 2010, was 6.8 per cent. That was changed to 7.7 per cent in the Revised Estimate in May 2010 and further to 9.1 per cent in the Quick Estimate in February 2011. Therefore, policy that per force had to use information on Advance Estimate of GDP was fraught with the risk of underestimating the growth momentum.

17. The more critical data on wholesale price index (WPI) inflation, too, has been subject to large revisions. For example, initial estimates of WPI inflation were 8.2 per cent for January 2011 and 8.3 per cent for February 2011. Both these numbers were substantially revised upwards by 120 basis points each. Oftentimes, it is not clear if the revisions are occasioned by one-off factors or systemic factors. Nevertheless, each time we have to make an assessment of the inflation situation, we are left to double-guessing how the provisional number might be revised.

18. I think it was Groucho Marx who said, 'never make a forecast, especially about the future'. The Reserve Bank does not enjoy the freedom of choice in this regard. As a matter of policy guidance for stakeholders, we are obliged to give our projection of inflation. Such a projection is evidently based on data available at that point in time. But if the provisional data that we feed into the econometric model are off-track and does not exhibit any systematic pattern, our projections of inflation too get off-track.

19. The Reserve Bank's inflation projections systematically under-predicted year-end inflation during 2010-11. The under-prediction is owed to a variety of factors: (i) the larger-than-expected increase in prices of international crude oil and other commodities; (ii) the less-than-expected decline in food prices, despite a normal monsoon, which in turn reflected structural changes in food consumption and more demand for protein-based food items; (iii) erroneous signals from the then-available IIP data which suggested some moderation in growth and demand pressures in the second half of 2010-11, whereas the revised IIP series, now available, shows no such deceleration in growth and demand; and (iv) larger-than-usual upward revisions to the past inflation data. In this context, persistently high inflation during 2010-11 and the continuation of this trend through the first half of 2011-12 suggests that we need to revisit our estimates of the potential growth rate of the economy.

20. Admittedly, data revisions are unavoidable in real world, real time statistics but we must make a conscious effort to minimise the quantum as well as the number of revisions in order to make policy choices better informed and more effective.

Interpretation of Inflation Data

21. This is possibly an appropriate context for me to address some criticism against the Reserve Bank's use and analysis of inflation data. Abstracting from all the details and nuances, the criticism can be summarised as follows:

(i) The use of Wholesale Price Index (WPI) as the headline inflation index is flawed as it does not capture the final goods prices that consumers actually experience in the market. The Reserve Bank should be guided more by the Consumer Price Index (CPI) which more accurately reflects demand pressures because it is demand pressures that monetary policy action can influence.

(ii) The Reserve Bank's interpretation of non-food manufacturing inflation as a proxy for demand pressures is flawed as it reflects more supply-side price adjustments and cost-push factors than demand-side pressures.

22. At the outset, I must admit that this criticism has some merit. Conceptually, the CPI is a better indicator of demand-side pressures than the WPI. An increase in wholesale prices, if sustained, either results in an eventual increase in prices by retailers or a squeeze in their margins. If demand is strong, retailers may exercise pricing power and pass on the increase in wholesale prices to consumers. In case demand is weak, retailers will be forced to partly absorb the increase in wholesale prices in their margins. Thus, there is no denying that consumer prices better reflect demand-side pressures than wholesale prices.

23. Even so, in India, we have opted for WPI over CPI as a second-best choice for a number of reasons. First, and most importantly, we do not have a single CPI that is representative of the whole country. Until recently we had four, and of those, currently we have three CPIs representing different segments of the population. While WPI is computed on an all-India basis, CPIs are constructed for specific centres and then aggregated to an all-India index. Second, WPI is available with a slightly shorter lag than the CPIs. Third, WPI has a broader coverage than the CPIs in terms of the number of commodities, number of quotations, inclusion of non-agricultural products and tradeable items.

24. Finally, the revision of the basket for CPI series lags that of the WPI series. Last year, the WPI series was revised to the base of 2004-05 whereas the existing CPIs continue with the old base – for CPI-RL (1986-87), CPI-AL (1986-87) and CPI-IW (2001) which makes CPIs ill-equipped to capture the price behaviour caused by the rapid structural changes in the economy. The revision of the base year in the case of WPI also led to some increase in the weights towards fuel and power and manufactured products away from primary articles. Although changes in the weights for manufactured products were not substantial for the group as a whole, there has been a tilt in the weights towards non-food manufactured products reflecting changes in the production pattern over the decade. The number of commodities included in the new WPI series increased from 435 to 676, even after dropping/revising 176 items from the old series.

25. Given the limited efficacy of monetary policy to deal with food and fuel inflation, and the limits on using core CPI inflation measures, we have focused our attention on non-food manufactured products inflation as an indicator of demand-side pressures in the economy. Generally, core inflation is a derived inflation measure from the headline. The transitory component of the headline, food and fuel, is excluded. This is the standard practice though there are many statistical methods of exclusion. The short point is that core inflation is designed to capture the persistent component of inflation, which is amenable to policy. While it is true that commodity prices influence the non-food manufactured products component of WPI, it is also true that the pass-through from higher commodity prices to WPI depends critically upon the underlying demand conditions in the economy.

26. Let me reiterate what we have said several times in the past. For an assessment of the inflation situation, in the Reserve Bank, we look at all the measures of inflation, both overall and disaggregated components, in conjunction with other economic and financial indicators. In the context of monetary policy formulation, it is important to have a robust primary measure of inflation at the national level. In this direction, the compilation and dissemination of CPI (Urban), CPI (Rural) and the CPI for the country by CSO is an important step forward. However, long time series data, especially for the back period are not available for these new indices making them unsuitable for policy analysis. There is also a need to augment the price indices with appropriate coverage of the service prices to improve their overall representativeness. Moreover, regular and more frequent updating of the base year for price indices is

also important to reflect the structural changes in the economy and to enhance their representativeness.

27. Data interpretation is also important in areas other than monetary policy. One of the critical building blocks of the post-crisis Basel III package is the build-up of countercyclical buffers during the upswing of a business cycle and their use during the downturn of the business cycle. This means we need to be able to make a judgement on the inflexion point in the business cycle in real time. Quite evidently, both pre-mature action or delayed action can be costly in macroeconomic terms. In order to deploy countercyclical buffers, we need to hone our skills in business cycle analysis which again is based on time series analysis – one of the two focus areas of this conference.

Data Gaps

28. Let me, under this heading, address some of the areas where we have to make improvements in statistical measurement.

Potential output

29. First, we need a more reliable measure of the potential output of the economy. Potential output, as we all know, is the maximum output that the economy can produce without putting pressure on the trend/ average inflation rate. When the economy is operating at the potential level, aggregate demand and supply in the economy are balanced so that inflation tends to its long-run expected value. A measure of potential output is, therefore, important not only to capture output data but to assess the inflation dynamics in the economy. The measurement of potential output depends on reliable data on employment and wages. I commented on both these statistics earlier while speaking about the quality of data. I am happy to note that the National Statistical Commission and the official statistical agencies are engaged in improving the quality of both employment and wage data. As that happens, we can look forward to a statistically more robust potential output measurement of the economy, and that in turn should improve our inflation watch.

30. In the aftermath of the global financial crisis, growth rates in major advanced economies remain sluggish despite large output gaps. Past experience with financial crises episodes suggests that growth and investment rates typically remain below the pre-crisis levels and potential growth rates take a hit. Similar dynamics are at play in the aftermath of the recent financial crisis. There is a perception that potential growth rates of advanced economies are likely to be lower than their pre-crisis trends. If so, given the growing trade and financial globalisation, potential growth rates of the fast-growing emerging market economies can be expected to be lower than the pre-crisis trends. Against this backdrop, it would be useful to re-assess India's potential growth rate consistent with our objective of low and stable inflation.

Services Sector Production and Price Index

31. A defining feature of the Indian economy is the large share of the services sector, unique at this level of per capita income. In order to assess our growth and inflation dynamics, we need reliable indicators of services sector production and prices. Admittedly, the output of services sector is less tangible than that of the traditional industrial sector, and that makes measurement of output and price levels of services intellectually challenging. I understand our official statistical agencies are engaged in addressing this challenge. I urge them to expedite their efforts.

Financial Stability

32. Financial stability has come centre stage post-crisis. As much as we now know that price stability and macroeconomic stability do not guarantee financial stability, we need to develop additional metrics to monitor financial stability. The IMF initiative on financial soundness indicators offers a model in this regard. Its 'monitoring grid' focuses on four major areas, the first of which is financial market surveillance. For evaluation of the risk arising from imbalances or shocks, we need data on asset prices, as also on early warning indicators. The second area of focus of the IMF grid is macro-prudential surveillance, which concentrates on the impact of shocks on the financial sector. The third area consists of the analysis of macro-financial linkages, particularly on the credit spreads, credit to the private sector and balance sheet data for different sectors of the economy. The fourth area of focus is the surveillance of macroeconomic conditions.

33. To get started on adopting the IMF framework, we need to take stock of what data we have and of what quality. Off-hand, I can say that we need to improve our data and data analysis skills relating to real estate, capital flows, and with reference to banks and non-banks, data relating to credit, liquidity and market risk indicators.

Summing up

34. Let me now conclude. To sum up very briefly indeed, I have tried to communicate to you the importance of statistics and statistical analysis to the quality of the Reserve Bank's policy formulation and emphasised areas where we need to improve the quality of data, areas where we need to learn to better interpret data and areas where we need to explore new frontiers. My exposition is, by no means, intended to be comprehensive, but I do hope it conveys the importance the Reserve Bank, as an institution, should attach to statistical analysis.

35. I wish this conference all success.

Statistics in the Reserve Bank of India*

Deepak Mohanty

Governor Dr. Subbarao, Deputy Governor Dr. Subir Gokarn, Professor Pantula, Professor Karandikar, distinguished invitees and friends. I welcome you all to the Reserve Bank's 5th Statistics Day Conference. This annual event provides an occasion to learn about developments in the area of statistics, review the contribution of statisticians in the Reserve Bank and reflect on challenges in the way forward.

2. Since 2007, 29th June is celebrated as the Statistics Day in honour of Professor Prasanta Chandra Mahalanobis. This day commemorates his invaluable contributions in the field of statistics and to the development of the Indian statistical system. Professor Mahalanabis was a great institution builder who can truly be called the Father of the Indian statistical system. The Indian Statistical Institute (ISI), the Central Statistical Organisation (CSO) and the National Sample Survey Organisation (NSSO) bear testimony to this. He was the founder-editor of the Indian Journal of Statistics, 'Sankhya'. During his career, several international acclaims came his way, such as: Fellow of the Royal Society, President, International Statistical Institute and Chairman of United Nations Statistical Commission. He was bestowed with Padma Vibhushan in 1968 in recognition of his immense contribution.

3. Professor Mahalanobis technical contributions in the field of theoretical and applied statistics were no less. These include, the famous Mahalanobis D^2 (D-square) – a multivariate distance function for classification of populations – and the methodology for design of large-scale sample surveys. Commenting on his contributions to sampling techniques, Harold Hotelling wrote, 'No technique of random sample has, so far as I can find, been developed in the United States or elsewhere, which can compare in accuracy with that described by Professor Mahalanobis'. Of course, his contribution to public policy, particularly the Second Five-Year Plan of industry-led growth, is well-known. In modern management parlance, Professor Mahalanobis was an 'out of the box' thinker. While many of his research findings primarily arose from the need to solve applied statistical problems, the solutions straddled both applied and theoretical statistics.

4. We are happy that Professor Sastry Gouripathi Pantula, an alumnus of Indian Statistical Institute, has kindly accepted our invitation and will be sharing his thoughts with us today. Professor Pantula, an authority in time series analysis, is currently Director of the Mathematical Sciences Division, National Science Foundation, the United States of America. Professor Pantula, presided over the American Statistical Association (ASA) last year as its 105th President. Professor Pantula in his presidential address to the American Statistical Association last year, while paying glowing tribute to Professor Mahalanobis aptly captured his vision of statistics, 'as a key technology to solve real-world problems'. In a data-centric world, Professor Pantula noted, statistics or statistical thinking is the key to innovation. This is an aspect we are deeply aware in the Reserve Bank of India.

5. We are delighted that Professor Rajeeva Lakshman Karandikar has graciously agreed to share his thoughts with us today. Professor Karandikar currently Director, Chennai Mathematical Institute, has distinguished himself in the fields of probability theory, stochastic processes, derivative pricing and risk modelling. Professor Karandikar is an expert in cryptography which has wider application in electronic banking; an area of great interest to all of us in the Reserve Bank. Professor Karandikar is also a renowned psephologist. We often see him on television, given the frequency of elections in our country.

6. Professor Pantula and Professor Karandikar, between them, bring together valuable expertise. I am

*Welcome Address by Shri Deepak Mohanty, Executive Director in the Statistics Day Conference on July 5, 2011 at the Reserve Bank of India, Mumbai. The assistance of Dr. O. P. Mall is acknowledged.

sure we will benefit a great deal from their discourses today.

7. Let me briefly turn to the role of the statistician in the Reserve Bank of India. As the Reserve Bank is responsible for a wide range of central banking functions from monetary policy to financial inclusion, the statistical and analytical requirement becomes all the more diverse and demanding. To my mind, the statistics department has four key responsibilities. First, compilation and dissemination of macro-financial statistics. Second, conduct of surveys. Third, technical support to operational departments. Fourth, research.

8. The Reserve Bank is responsible for money, banking, financial, external and corporate balance sheet data. The Reserve Bank compiles and disseminates these statistics as per the best international practices. The monetary and balance of payments (BoP) statistics generated by the Reserve Bank of India conform to the International Monetary Fund (IMF) special data dissemination standards (SDDS) and general data dissemination system (GDDS). We are also participating in the IMF's co-ordinated portfolio investment survey (CPIS) and co-ordinated direct investment survey (CDIS). We contribute to the Bank for International Settlements, (BIS) data exchange programme. Apart from the standard balance sheet related data for banks, we have a unique database, the Basic Statistical Return (BSR), that provides detailed granular unit level data on important parameters of financial intermediation by the banking sector. The Balance of Payments (BoP) statistics are generally based on near-complete enumeration of transactions through banking channel, unlike many other countries. We have started disseminating data on trade in services on a monthly basis starting from June 2011. Statistics on corporate sector is being collected and analysed by the Reserve Bank for well over six decades now.

9. The Reserve Bank has a long tradition in conducting surveys. For example, the direct All-India rural credit survey, later rechristened as the All-India Debt and Investment Survey, was initiated by the Reserve Bank way back in 1951. The Reserve Bank conducted the first census of India's foreign assets and liabilities in 1948. Since then surveys have evolved as per the need for analysis. In the recent years, the Reserve Bank has introduced several forward-looking quarterly surveys such as the industrial outlook survey, order book and capacity utilisation survey, inflation expectations survey, professional forecasters survey and credit conditions survey. These surveys provide inputs to the Reserve Bank's quarterly monetary policy assessments. The results of these surveys are released in public domain for further research and analysis.

10. Apart from generation and dissemination of statistics, statisticians are also posted across various departments of the Bank. They provide support for different operational aspects such as payment system, risk analysis, currency management and portfolio management evaluation. Furthermore, statisticians internally generate forecasts for key macroeconomic variables. They do their own research, and publish many of their research findings.

11. Let me now turn to some of the emerging challenges. First, we must recognise that timely and accurate representation is the core objective of a good statistical system. It provides foundation for good analysis and effective policy-making. In this context, the Bank's IT Vision Document emphasises the use of uniform reporting standards and automated data flow from the source system of banks to the Reserve Bank. This will ensure data integration, reduce reporting burden and improve overall efficiency of the statistical system. The department should, therefore, gear up towards on-line reporting of information.

12. Second, earlier data were released periodically through the Reserve Bank's website and various publications. Consolidated time-series data were made available through the annual publication of Handbook of Statistics on the Indian Economy (HBS). These data are now being made available on-line, almost on a real time basis, on the RBI website. It will be desirable to aim at a single point of data storage and dissemination. The department can set an example by taking steps to migrate the entire macro-financial database into Reserve Bank's Data Warehouse (DBIE).

13. Third, in addition to the traditional statistical issues facing emerging economies like India, the global financial crisis has drawn attention to data gaps in the financial sector which needs to be addressed. The

G-20 has particularly emphasised the importance of data for better identification of the build-up of risks in the financial sector and of financial interconnectedness The proposal is to scale up SDDS by including financial stability indicators (FSIs). While the Reserve Bank has started providing data under this SDDS-plus initiative, this process needs to be expanded further. The demands on statisticians is going to increase for which we should be prepared.

14. Fourth, macroeconomic models are important tools developed and used by major central banks for understanding the dynamics of growth, inflation, money, interest rates and other related variables in the context of formulating monetary policy. There is no unique way of macro-economic modelling. Policymakers, therefore, tend to rely on a suite of models to make their own judgements about policy action. The department should develop an independent policy model, to help understand the transmission of the policy signals to the real and financial sector. This will facilitate assessment of the medium-term impact of various policy variables and how they are informed by changes in macro-conditions. Many countries have core dynamic stochastic general equilibrium (DSGE) models for this purpose, which takes into account the micro-foundations behind the macroeconomic behaviour of different sectors of the economy. The underlying microeconomic considerations could be quite complex for a rapidly growing economy like ours. There is, therefore, a need to make further progress towards development of a DSGE model for Indian economy.

15. Fifth, asset prices have become important to the conduct of monetary policy and maintenance of financial stability. One of the major data gaps in Indian economy relates to asset prices, particularly commercial real estate and house prices. Though initial efforts have been made to construct House Price Index (HPI) for seven cities. This needs to be expanded further to cover more areas so as to ultimately facilitate construction of an All-India HPI.

16. Sixth, there is a need for compilation of employment statistics, though this is not clearly in the purview of the Reserve Bank of India. However, from the perspective of monetary policy assessment, the need for data on employment and wages cannot be ignored. The department can explore possibilities of conducting quick surveys on wages covering both formal and informal sectors.

17. Seventh, another area where the role of the department will increasingly become crucial is the assessment of the Reserve Bank's financial inclusion initiatives through follow-up surveys. The survey finding could facilitate better policy design. In the conduct of surveys and in gathering market intelligence, the role of regional offices of the department becomes critical. The regional offices can also help in providing early warning indications on price pressures, build-up of supply shocks, sudden developments in the real estate sector and so on.

18. Noted economist Alfred Marshall once said: 'Statistics are the straw out of which, I, like every other economist, have to make the bricks'. In the Reserve Bank, the statisticians not only provide straw, they also make their own bricks. This is evident from the fact that the statisticians are equal partners with the economists when they present their own independent assessment of growth and inflation in the Monetary Strategy Committee chaired by the Governor. In these meetings, presentation of alternate viewpoints helps avoid the pitfalls of 'group-think'.

19. The Reserve Bank, like many other central banks, nevertheless draws its share of criticism for inaccuracies in its projection of growth and inflation. But, as observed by noted statistician Arthur L. Bowley in early 20th century, 'A statistical estimate may be good or bad, accurate or the reverse; but in almost all cases it is likely to be more accurate than a casual observer's impression, and in the nature of things can only be disproved by statistical methods'. Statistics has made significant strides since Professor Bowley's time. Hence, great challenges lie ahead for statisticians in the Bank not only to improve the quality of data but also to refine statistical methods to aid better policy formulation.

20. I once again extend a hearty welcome to all of you to this one-day event.

Speeches

Striking the Balance between Growth and Inflation in India*

Subir Gokarn

I. Introduction

The Indian economy recovered relatively quickly from the financial crisis of 2008, but inflationary pressures emerged even in the early stages of the recovery in late 2009. Over the past year and a half, the challenge for monetary policy has been to contain these inflationary pressures without disrupting the recovery. The economy grew by 8.5 per cent in the fiscal year 2010-11, which is close to the five-year average pre-crisis, but year-end headline inflation was over 9 per cent, well above tolerance limits. Meanwhile, global developments have implications for both growth and inflation trajectories in India over the coming months. In this presentation, I propose to talk about the key global and domestic factors that are shaping our growth and inflation outlook, as a backdrop to discussing monetary policy actions and their impact. I will then briefly talk about challenges to communication.

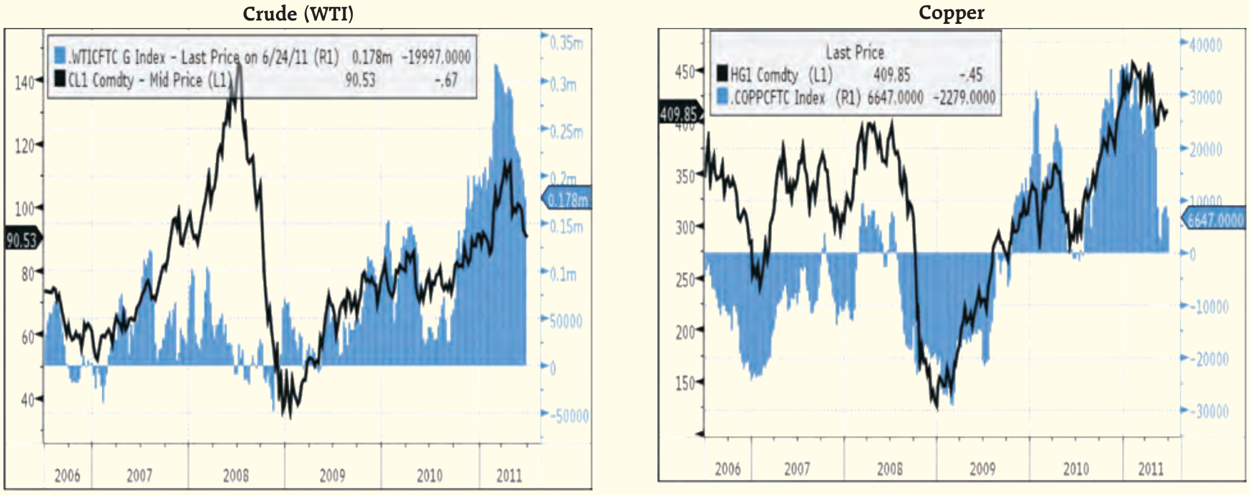
II. Global Forces

There are widespread perceptions and increasing concerns about the recovery in the advanced economies losing momentum. High energy prices appear to be feeding into a negative cycle of persistent unemployment and depressed housing prices in the US and UK, while the prospect of sovereign default and its real and financial consequences dominates the European policy discussion. In contrast, emerging Market Economies (EMEs) are showing symptoms of demand-driven inflationary pressures, which have, over the past several months, been exacerbated by rising global commodity prices. Apart from all the other things that are going on in the global environment, commodity prices have played a key role in India's inflation over this period. Consequently, their likely trajectory is going to be an important factor in influencing India's inflation path.

Charts 1 and 2 provide some perspective on this. They display the correlations in futures market between the build-up of non-commercial net long positions in four commodities – crude oil, copper, cotton and soyabeans – and price movements. It appears that the trading positions, possibly driven by

Chart 1: Commodity Prices

Net Long Non-Commercial Position in Futures Market and Generic 1st Futures Contract Prices



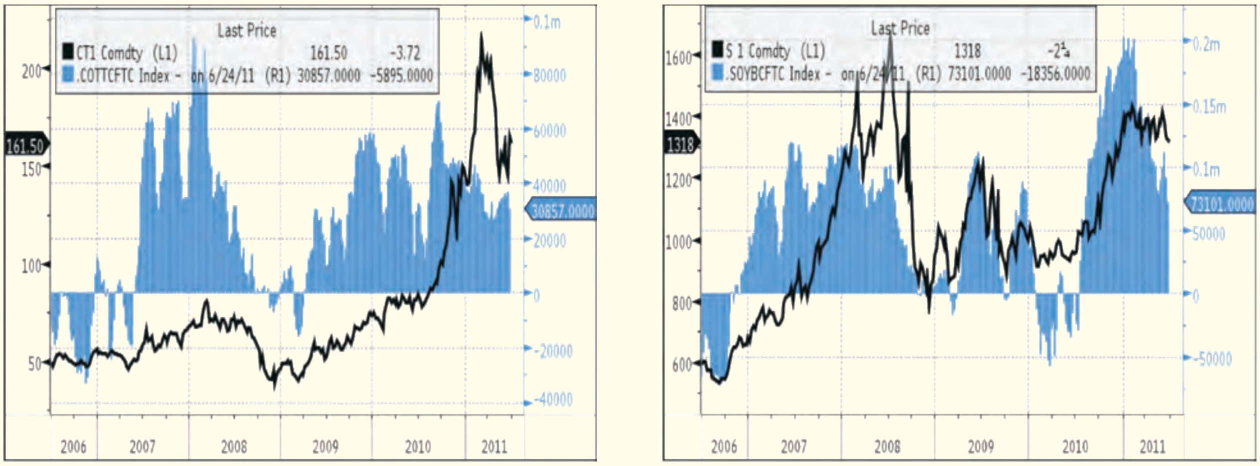
Source: Bloomberg

* Speach by Dr. Subir Gokarn, Deputy Governor, Reserve Bank of India at the US-India Economic and Financial Partnership: CII and Brookings Institution, Washington DC, June 27, 2011. Inputs from Bhupal Singh, Asish George and G.V. Nadhanael are gratefully acknowledged.

Chart 2: Commodity Prices

Net Long Non-Commercial Position in Futures Market and Generic 1st Futures Contract Prices

Cotton **Soyabeans**



Source: Bloomberg

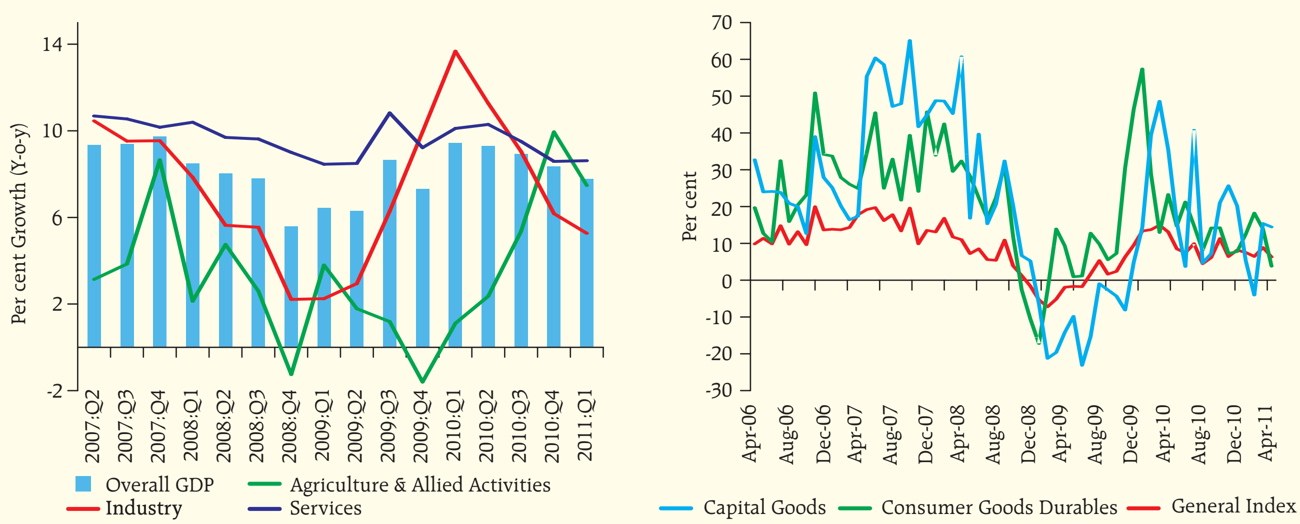
abundant liquidity, are contributing to recent price escalations, except in cotton, where temporary supply disruptions have been the main factor. Significantly, in recent weeks, there has been a reversal in net long positions, which in turn is associated with softening of prices. If this trend persists, it will provide substantial relief for global inflation management, particularly for large commodity importers, including India. Further, although hardly a desirable way to control inflation, slowing global growth, in addition to reinforcing these favourable commodity price trends, will also help to moderate demand and keep capacity utilisation low. This will contribute to moderating inflationary pressures coming from traded or tradable goods.

III. Domestic Growth Prospects

2010-11 was a year in which the economy continued its recovery from the impact of the financial crisis. Growth bottomed out at 6.8 per cent in 2008-09, the crisis year, picked up to 8 per cent in 2009-10 and further to 8.5 per cent in 2010-11. Chart 3 shows two pictures of the growth trajectory. With reference to aggregate and sectoral Gross Domestic Product (GDP) estimates, the trajectory in the graph suggests that the momentum is moderating somewhat, as the most recent quarters show decelerating year-on-year growth rates. The main contributor to this tendency is the industrial sector,

Chart 3: Domestic Growth Scenario

Sectoral Growth Trends **Growth in Industrial Production**



which has shown relatively high volatility over the period displayed. It slowed significantly during the crisis, recovered sharply subsequently and has recently begun to slow down.

Looking at the industrial sector a little more closely, the graph displaying trends in industrial production provide some clues to its dynamics. The most volatile segments of the index, both of which are displayed on the graph, are capital goods and consumer durables. These are generally seen as being the most interest-sensitive components of the index and their recent trends suggest that the impact of contractionary monetary policy is having an impact. Along with softening commodity prices, this trend will contribute to bringing inflation under control, by helping moderate demand pressures. Of course, industry associations, including Confederation of Indian Industry (CII), have been consistent critics of the monetary policy stance, arguing that it is slowing growth without really impacting inflation, which is being driven by supply side pressures. I will address this critique both in the discussion on inflation and the one on communication.

In short, the domestic growth scenario suggests that the growth rate will moderate somewhat in the coming year. The Reserve Bank of India projects growth during 2011-12 to be 8 per cent in its baseline scenario. From the inflation management perspective, this is not an entirely undesirable outcome. If it results in a significant reduction in the inflation rate, it will represent a soft landing, which in turn opens up the opportunity for a reversal in the interest rate cycle. However, many unknowns stand in the way and, ultimately inflation outcomes will determine the monetary stance.

IV. Domestic Inflation Dynamics

Over the past year, the nature of inflation has changed in significant ways. Chart 4 provides a broad picture of the dynamics. Headline inflation began to accelerate in the second half of 2009-10, at a time when growth was still relatively sluggish. It stayed high through 2010-11, actually accelerating in the last quarter of the year. In the first two months of 2011-12, that pattern has persisted. However, the relative importance of the drivers of inflation clearly changed over the period displayed. Food inflation was the predominant contributor in the early phase, but a resurgence of energy prices in the post-crisis environment began to play an increasingly important role. The prices of non-food manufactured products, which the Reserve Bank views as a reflection of demand pressures, began to rise noticeably in early 2010, but saw their rate of increase stabilise and even moderate somewhat in the third quarter of 2010-11. However, that pattern was short-lived and the rate of inflation for this category surged in the fourth quarter, a momentum that has clearly persisted into the current year.

Chart 4: Domestic Inflation Scenario

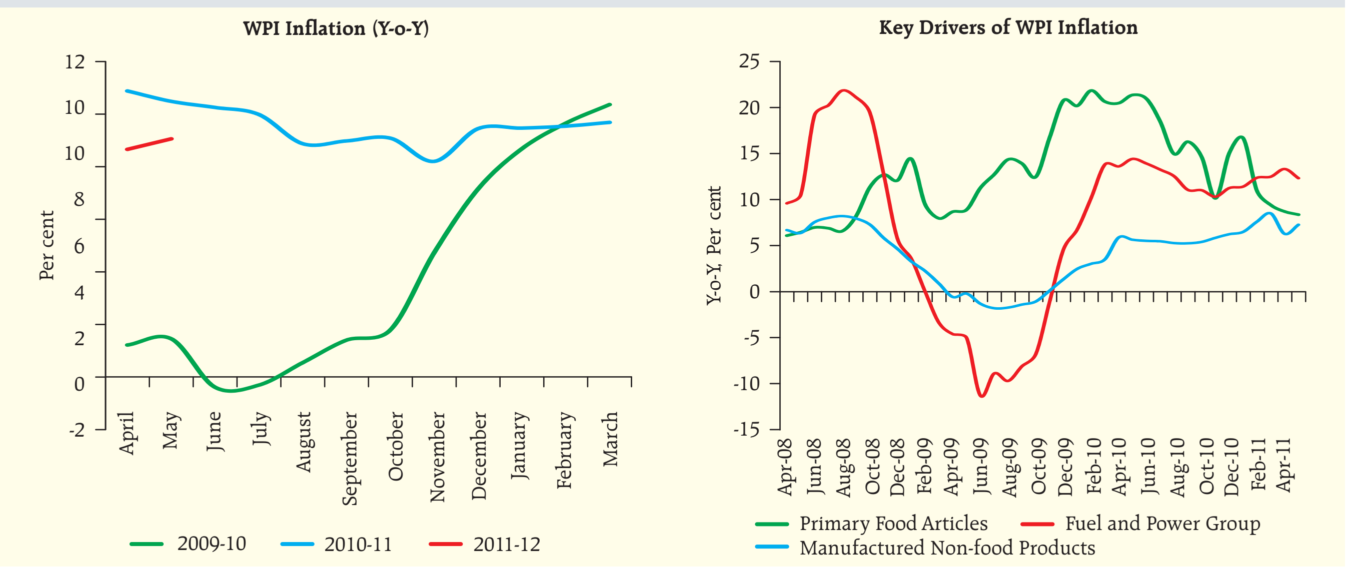
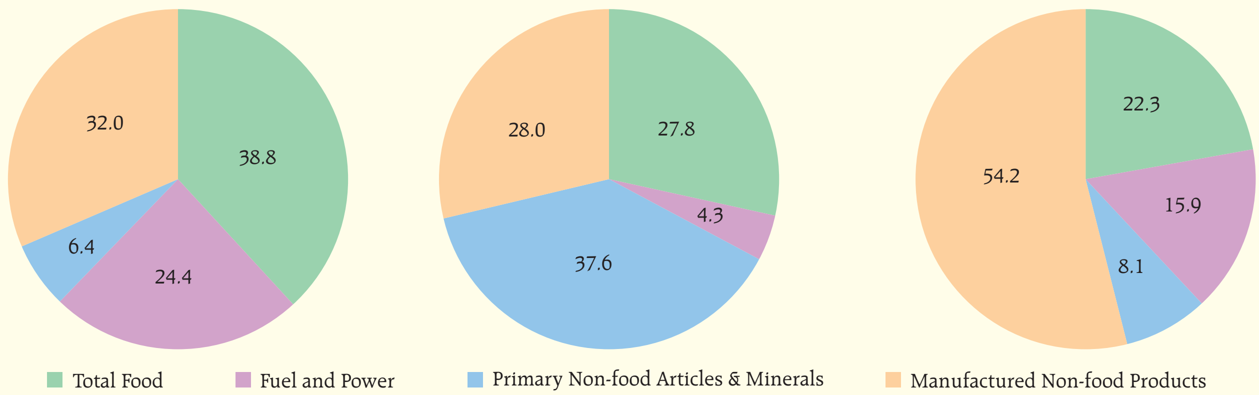


Chart 5: Changing Drivers of Inflation

Phase I: July 2010 over Mar 2010	Phase II: Nov 2010 over July 2010	Phase III: May 2011 over Nov 2010
Increase in WPI 3.4 per cent	Increase in WPI 2.0 per cent	Increase in WPI 5.5 per cent



Note: Pie chart represents the contribution of different sub-groups to increase in WPI.

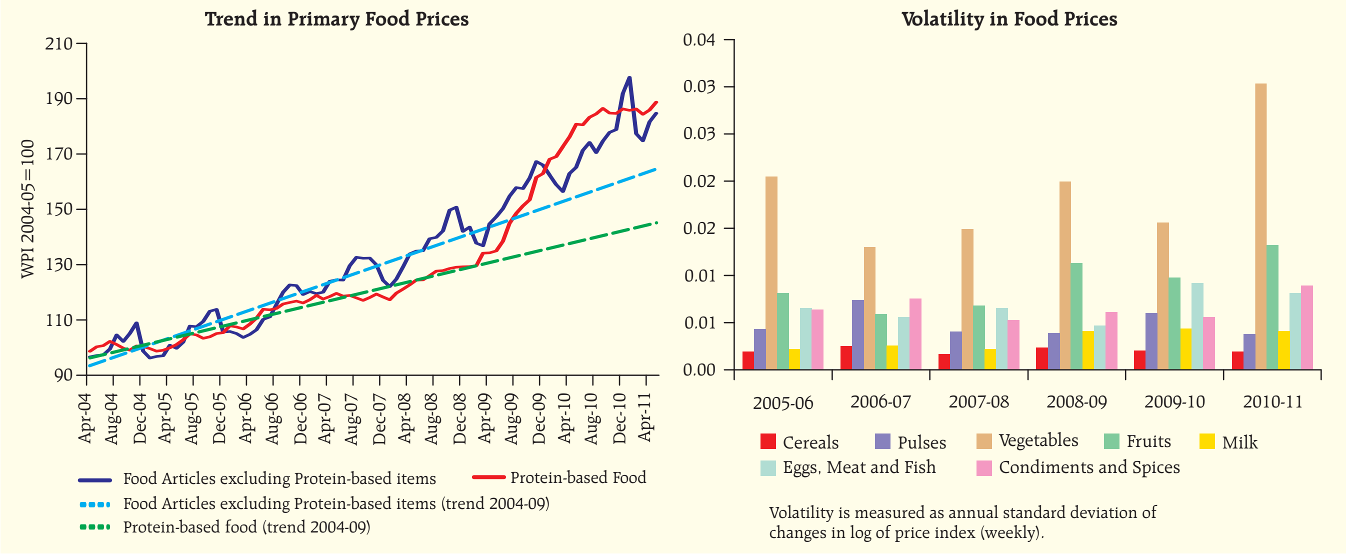
The changing contributions of different drivers are very sharply brought out in the decomposition exercise displayed in Chart 5. The analysis looked at recent patterns in terms of three periods of roughly equal lengths over the past 14 months, beginning April 2010. In the first period, food and energy, reflecting classic supply-side forces, were the primary contributors to inflation. Non-food manufacturing inflation, which, to the extent that it represents demand pressures, was not insignificant, suggesting that pricing power was present. In the second period, the weight of the contribution shifted dramatically towards commodities other than energy. The contribution from food moderated a bit, as did that from non-food manufacturing, suggesting that the pass-through or 'generalisation' risk was moderating. However, this pattern was short-lived. In the last period, energy returned as a major contributor and the sharp increase in the contribution of non-food manufacturing indicated that producers were able to pass on higher input costs without too much difficulty. The strength of the pass-through in this period indicated that demand conditions remained quite robust, even as some early signs of moderation were coming through the production estimates and feedback from industry.

I want to put particular emphasis on food price dynamics, as I believe that this is likely to be a significant factor in the medium-term. Although the overall contribution of food to inflation moderated over the past year, there are structural demand-supply imbalances at work, which will keep the pressure up in the absence of large and sustainable increases in supply. This phenomenon is demonstrated in the graph in Chart 6. The main point that the graph makes is that the prices of protein sources have deviated sharply from their trend in recent years and show no signs of reverting to it. By contrast, the prices of other foods have also shown periodic deviations from trend, but have generally reverted. This pattern has, of course, contributed to high volatility, as the Chart also demonstrates.

Volatility in food prices does have a welfare-reducing impact, but in the current Indian context, the much greater concern is the long-term nutritional impact of elevated protein prices. At a time when the combined impact of demographic transition and income increases is generating enormous demand for proteins, the supply chain is clearly struggling to meet this demand.

To conclude this part of the discussion, let me bring in the issue of inflationary expectations. The persistence and recent acceleration of inflation has clearly increased the risk of expectations becoming unanchored. The Reserve Bank monitors short-term expectations through household surveys. Recent surveys have reinforced the perception that household expectations are moving up. Food prices play an

Chart 6: Food Inflation: Trends and Cycles



important role in this process, but whatever the causes, the impact on wage-setting in both explicit and implicit contracts cannot be dismissed. However, the relative stability of long-term (10-year) yields on government securities suggests that expectations over this horizon remain anchored. This is reinforced by our regular surveys of professional forecasters, which also indicate no loss of confidence in a moderate inflation scenario over the medium and long-run.

V. Monetary Policy: Actions and Transmission

The current cycle of contractionary monetary policy was initiated in the context of two important factors. First, there was an enormous volume of liquidity in the domestic financial system, as a result of policy responses to the crisis, which also took policy rates to very low levels. Second, even as the early signs of recovery were visible, inflationary tendencies had also begun to show. All this was happening in a global environment which was still quite turbulent and uncertain in late 2009 and early 2010. Chart 7 shows the trajectory of policy instruments – the Repo, the Reverse Repo and the Cash Reserve Ratio (CRR) in the pre-crisis, crisis and recovery periods.

In contrast to the very sharp and quick actions on rates and liquidity that were taken in responding to

Chart 7: Monetary Policy Trajectory

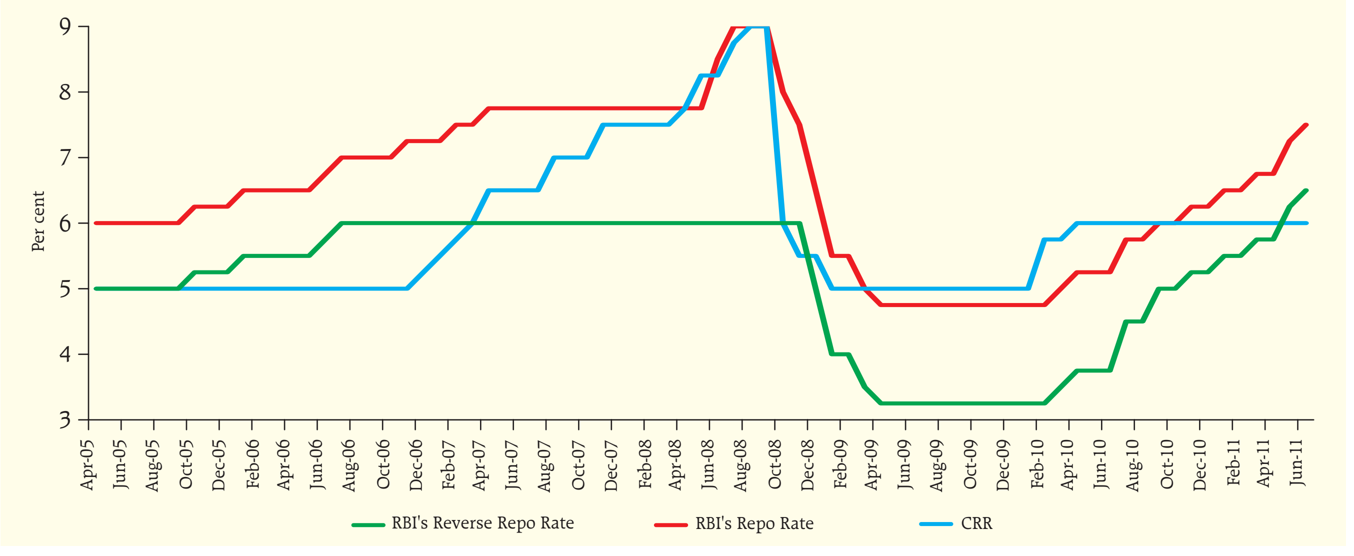
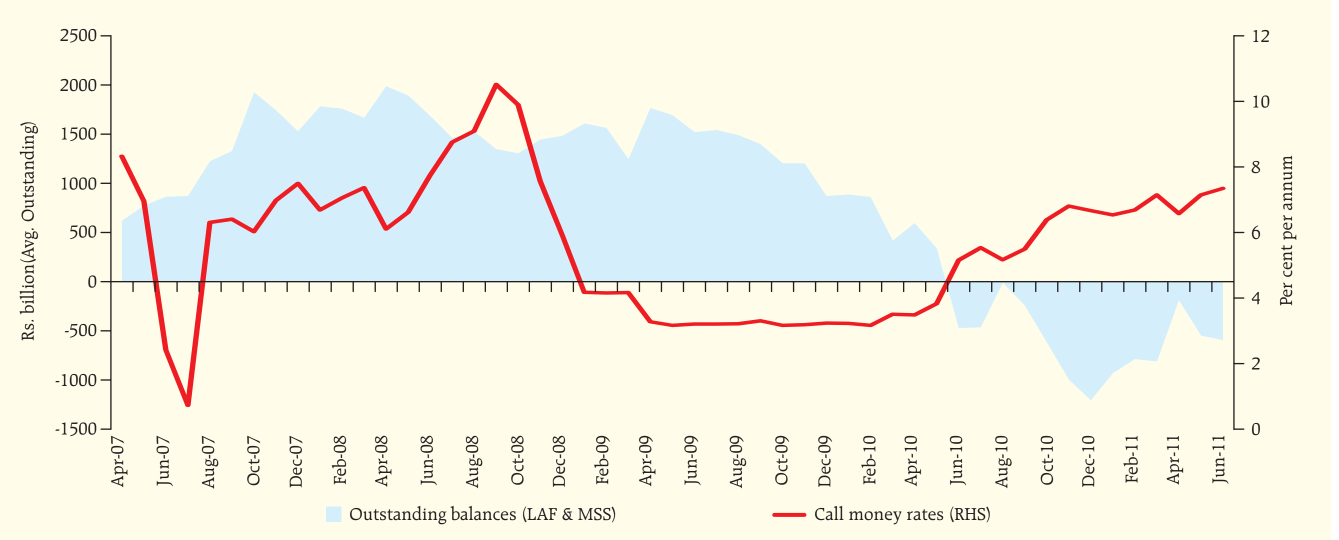


Chart 8: Liquidity and Transmission



the crisis, the recovery has been characterised by a much more calibrated approach. This was motivated by considerations related to the factors that I mentioned earlier. A more aggressive response to the incipient inflationary pressures may have been warranted under somewhat more predictable domestic growth and global scenarios, but in both these respects the situation in early 2010 was nowhere near stable or predictable. A calibrated approach, which was essentially a relatively frequent series of small rate hikes, was seen as the best way to balance the potentially conflicting objectives.

In the early phase of the cycle, surplus liquidity conditions persisted, which clearly made transmission of policy rates to transaction rates very sluggish. From this perspective, the early actions were essentially a signalling effort, accompanied by steady moves to eliminate the liquidity surplus through CRR increases. By the middle of the 2010, the liquidity scenario had moved to a deficit and transmission became much stronger. Chart 8 shows the immediate impact on the call rate, which is effectively the operating target of monetary policy, of a change in the liquidity situation. The strengthening of

Chart 9: Policy and Transmission

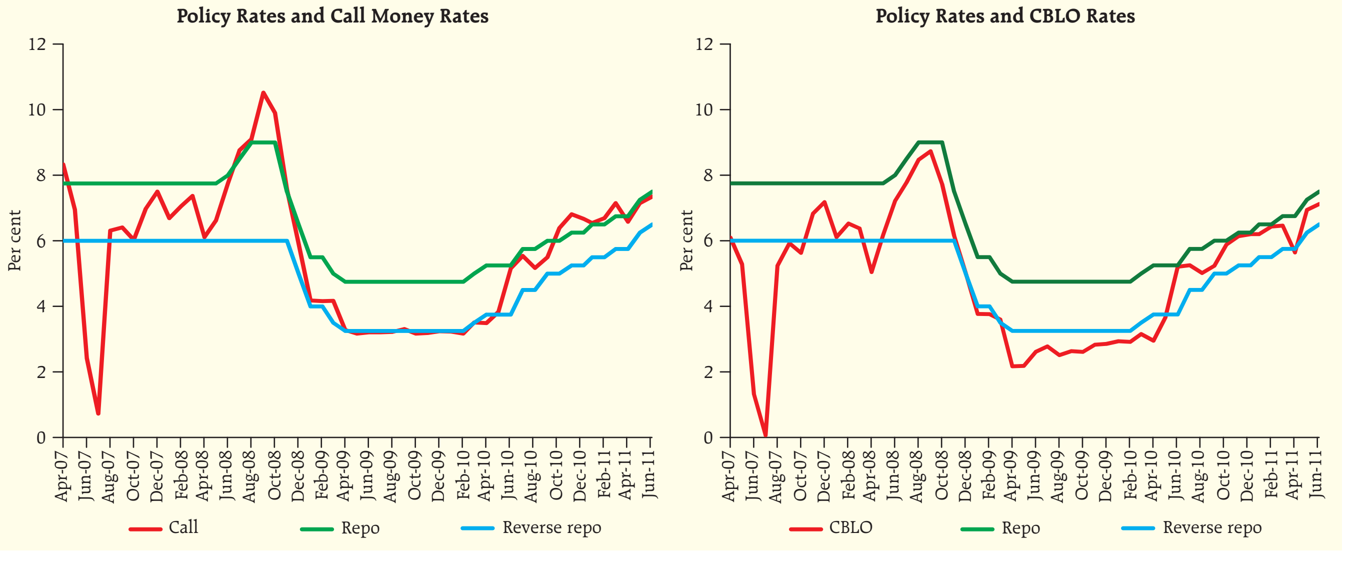
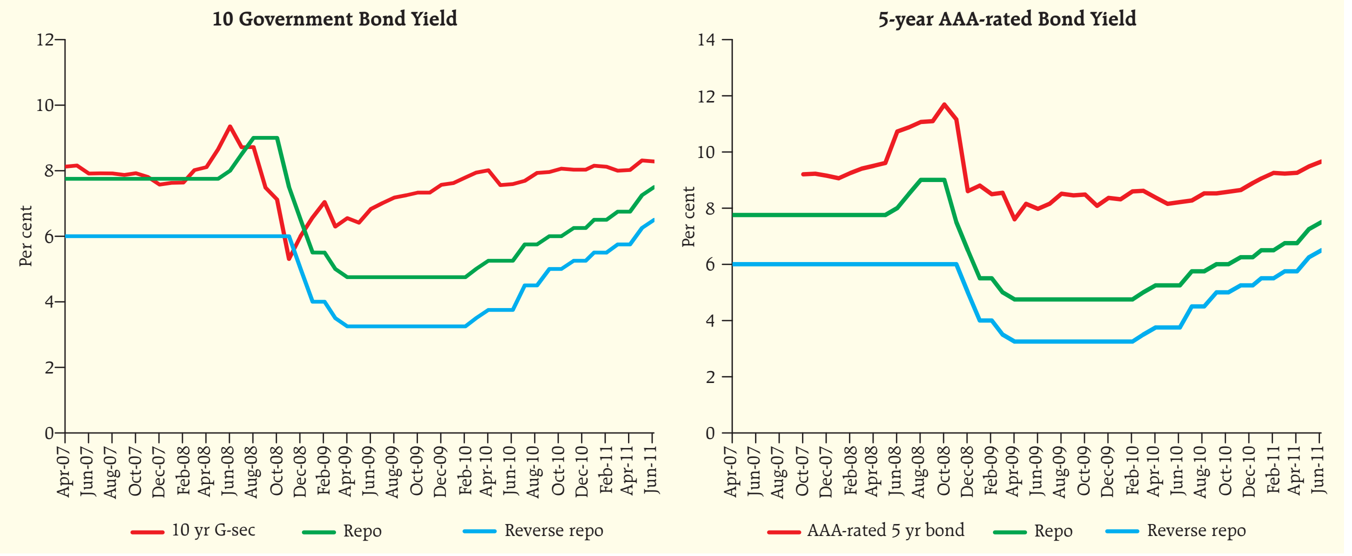


Chart 10: Policy and Transmission



transmission was visible across a variety of financial market segments. Charts 9 and 10 provide some illustrative evidence of this.

In Chart 9, the call and Collateralised Borrowing and Lending Operations (CBLO) rates, a secured short-term channel of liquidity management, are shown with reference to the repo-reverse repo corridor. The transmission intensity is quite clear, with the added dimension of movement from the lower bound of the corridor to the upper bound, as liquidity conditions tightened. Chart 10 shows the yield on 10-year government securities and that on 5-year AAA corporate bonds from the same perspective. Transmission is visible here as well.

Of course, the banking system is by far the more important intermediary in the Indian financial context and what banks do matters a great deal. Significantly, a similar analysis of transmission through bank lending rates does not suggest that it is as strong as that in markets. Chart 11 displays the dynamics of bank lending rates in response to policy rate changes in both the expansionary and contractionary cycles. The sensitivities do not appear to be very strong. Rates did not come down very sharply in the expansionary phase

Chart 11: Policy and Transmission to Bank Lending Rates

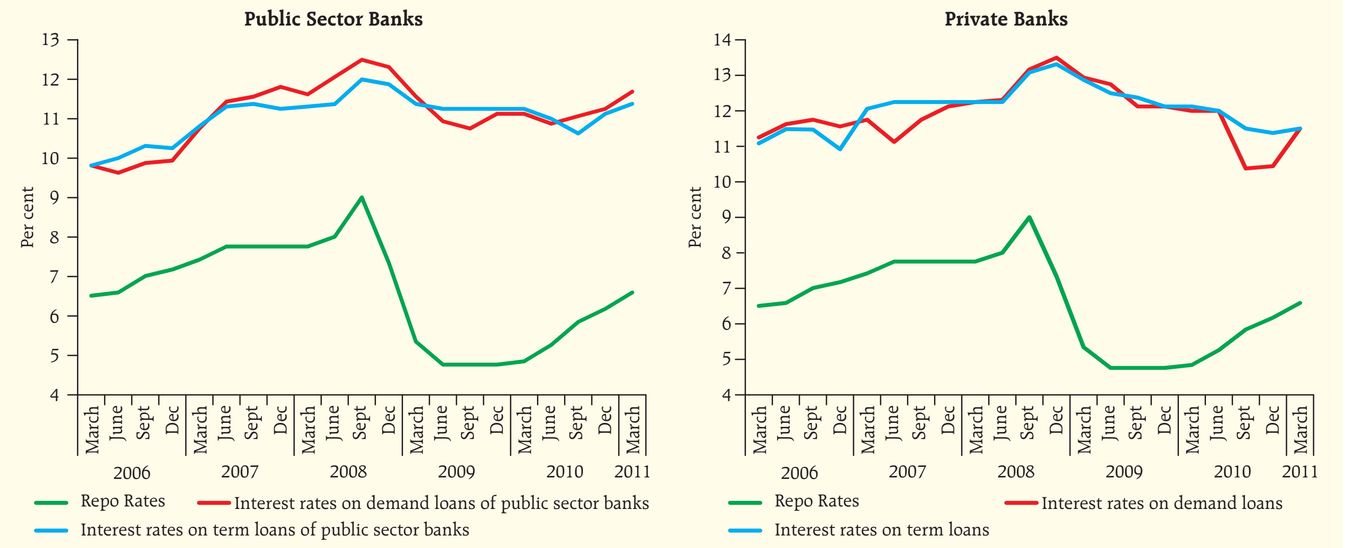
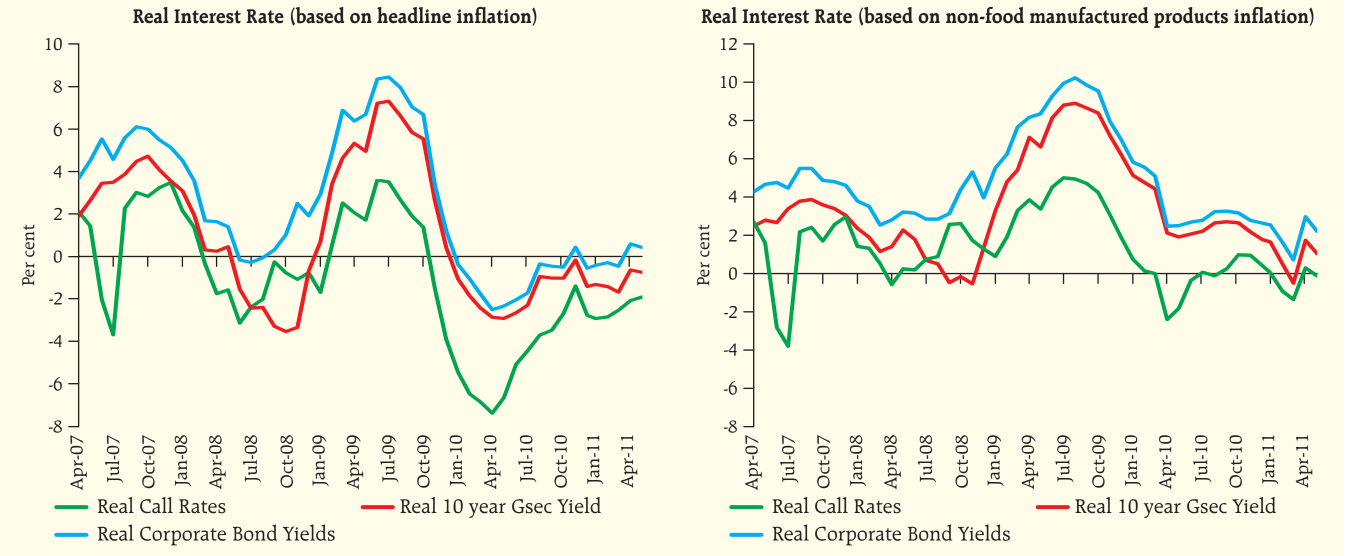


Chart 12: Real Interest Rates

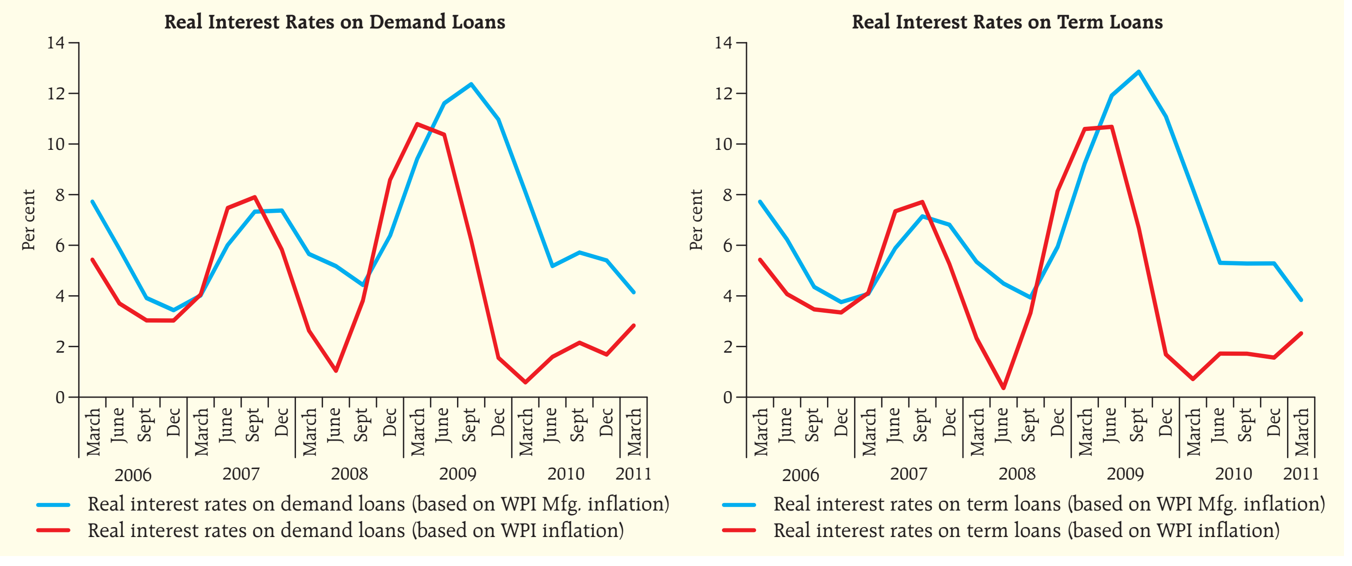


and, while they are increasing in the contractionary phase, the magnitudes appear to be small. Aggregation problems may be masking some of the impact. In the Reserve Bank consultations with industry, the fact that banks are aggressively passing on rate increases is often alluded to, which is undoubtedly intended as a complaint, but is entirely consistent with monetary policy objectives.

Finally, in the context of monetary actions and transmission, let me address the issue of real rates. One consistent critique of the monetary policy stance, that it has been behind the curve, is based on the criterion that real rates have been and still are negative. Of course, this leads to a usually inconclusive debate on what the deflator should be, but widespread perceptions that real rates are negative are likely to impact both spending behaviour and expectations. This then leads to the more operational issue of whether rates are to be brought into positive territory relatively rapidly or gradually.

Charts 12 and 13 provide some perspective on the real rate issue. As Chart 12 shows, with the recent acceleration in inflation, many real rates, measured in the simplest way of subtracting either current headline inflation or core inflation from the nominal rate, are negative when the headline rate is used to deflate. The

Chart 13: Real Interest Rates on Bank Loans



picture changes, but hardly decisively, if the core (non-food manufacturing) inflation is used. So, going by some of these indicators, it may appear that the policy stance is not contractionary enough. However, when we look at some other measures of real rates, specifically bank lending rates as depicted in Chart 13, the picture is a little different. Allowing for differences in risk and other differentiating prices, real rates are significantly positive. As I said, this is a criterion on which the debate in the Indian context is yet unresolved and is keeping some of my colleagues in the research departments engaged. The point I would like to make is that, at least in terms of a large proportion of financial transactions, real rates are positive. It remains a matter of judgment whether they are lower than they should be and, if so, how quickly the necessary adjustment should be made.

This judgment is partly related to the issue of expectations. Looking back over the past year and a half, the balancing act between growth and inflation can also be seen in a slightly different way. There is also a trade-off between minimising the sacrifice of growth and not letting expectations run out of control as a result of inflation persistence, exacerbated by new shocks.

In the run-up to its recent Annual Policy statement, the Reserve Bank made an assessment that this had indeed emerged as a risk. Against a backdrop of firm and possibly rising commodity prices, the prospects of inflation going down soon were seen as not being very high. This supported the decision to send a stronger signal of commitment to bringing inflation under control. However, in our baseline projections, the cumulative impact of the tightening that has been done over the past few quarters – the call rate has moved up by about 450 basis points over a little more than a year – is likely to soften both growth and inflation in the second half of 2011-12. If this trajectory materialised as anticipated, the monetary policy stance could then respond accordingly. But, ultimately, as I indicated earlier, the stance is going to be predominantly determined by the actual and prospective inflation outcomes.

VI. Issues of Communication

This is an enormous challenge at the best of times, which becomes even more complex in circumstances like the current ones. Let me briefly address two sets of issues, to which a lot of thought is being given.

First, there is the concern with forecasts going wrong. Having been an analyst in my previous position, I am quite used to making frequent changes in forecasts, as new information emerges. The difference in this position is that actual decisions, with huge national consequences have to be made on the basis of forecasts that might be very short-lived. This poses risks to credibility, because actions consistent with one forecast may not be equally so with the revised one. Apart from improvements in forecasting methodology, which is really a long-term process, there are immediate implications of this problem. One is to make better and more explicit assessments of alternative scenarios and then make policy decisions, taking into account the risks associated with different scenarios materialising. In effect, this is being done, but perhaps the communication strategy around it needs to be fine-tuned.

Second, there is the issue of communicating the goals of monetary policy. For a variety of reasons, we have chosen not to commit to a formal and explicit inflation target, which has many advocates in the country. There is a credibility risk to not being held accountable to a single target, but there is also a risk to regularly missing that target, even if it is due to factors outside the control of monetary policy. But, that does not mean that some clear and, most importantly, achievable goals should not be articulated. We attempt to do this with every policy statement and look very carefully at feedback and public comments and debate that appear to have read messages differently from what we intended and how we can sharpen it.

In this connection, the growth-inflation trade-off, and sometimes conflicting perceptions of it, is a significant issue. Going by theory and empirics, the trade-off is essentially a short-term one, with monetary policy aiming to keep growth at close to its long-term, structural trend as possible. Contractionary policy will slow growth down only to the extent that the economy is growing beyond its capacity, provoking inflation. It cannot, in terms of this framework, have any significant impact on the trend rate of growth. In fact, long-term growth can only be helped, not hurt, by low and stable inflation. However, much of the debate tends to view any slowdown in growth resulting from an anti-inflationary monetary policy stance as a long-term sacrifice, *i.e.*, a downshift in trend. We need to articulate the distinctions involved more strongly, which has been done rather consciously in recent statements, but perhaps needs to be sharpened again.

VII. Concluding Remarks

The inflationary situation is India's most significant near-term macroeconomic challenge. There are some factors, global and domestic, that are clearly outside the purview of monetary influence. But, that doesn't mean that monetary policy does not have a role in addressing factors that it does influence – demand pressures and the risks of inflation becoming generalised through expectations and price-setting actions. To the extent that growth may be impacted, it must be understood as a short-term tradeoff, with positive consequences for long-term performance. Finally, the contribution of supply forces, which I have highlighted with the example of proteins, but which also exert pressure elsewhere, can only be addressed by increasing supply. Measures to do this are an integral part of a long-term inflation management strategy.

I would like to thank CII and the Brookings Institution for inviting me to speak at this seminar and look forward to listening to the comments of the panelists and the participants.

Mutual Funds and Market Development in India*

Subir Gokarn

I. Introduction

Financial sector development can be viewed as a process that enhances four critical attributes of the financial system: efficiency, stability, transparency and inclusion. The emergence of intermediation mechanisms and products that help improve on one or more of these without causing others to weaken are, therefore, a meaningful indicator of financial development.

From this perspective, mutual funds play an important role in the development of the financial system. First, they pool the resources of small investors together, increasing their participation in financial markets, which helps both inclusion and the efficient functioning of markets themselves, as a result of larger volumes. Second, mutual funds, being institutional investors, can invest in market analysis generally not available or accessible to individual investors, thereby providing services based on informed decisions to small investors. Decisions made on the basis of deeper understanding of risks and returns contribute to financial stability, besides helping to mitigate market risk for this group of investors. Third, transparency in investment strategies and outcomes, though typically mandated by regulators, is relatively easy to deliver on, so that investors can find out exactly where they stand with regard to their investments at any point of time.

As far as regulation is concerned, mutual funds cut across domains. The Reserve Bank of India regulates three categories of financial markets; money markets, government securities markets and foreign exchange markets. Mutual funds have a presence in the first two and the Reserve Bank is therefore interested in the role that they play in developing them. In what follows, I shall provide a brief description of the role of mutual funds in these two critical markets and discuss some of the regulatory issues that arise. I shall then make some more general comments about the role of mutual funds in financial inclusion.

II. Mutual Funds and Market Development

Mutual Funds have contributed significantly in broadening and deepening of different segments of the Money Market and, to some extent, the government securities market. Money Market Mutual Funds (MMMFs) were introduced in India in April 1991 to provide an additional short-term investment avenue to investors and to bring money market instruments within the reach of individuals.

The guidelines for MMMFs were announced by the Reserve Bank in April 1992. The Reserve Bank had made several modifications in the scheme to make it more flexible and attractive to banks and financial institutions. These guidelines were subsequently incorporated into the revised SEBI regulations. In October 1997, MMMFs were permitted to invest in rated corporate bonds and debentures with a residual maturity of up to one year, within the ceiling existing for Commercial Paper (CPs). The minimum lock-in period was also reduced gradually to 15 days, making the scheme more attractive to investors.

MMMFs have witnessed phenomenal growth over the period. As on May 31, 2011 the total assets under management of the MMMFs were placed at ₹1,83,622 crore[1], 25 per cent of the aggregate assets under management of the Mutual Funds.

In order to promote retail holding in government securities and broaden the investor base, mutual funds, which invest exclusively in government securities, gilt funds, were introduced. The first gilt fund in India

*Address by Dr. Subir Gokarn, Deputy Governor, Reserve Bank of India at the CII 7th Edition of Mutual Fund Summit 2011 on June 22, 2011 at Mumbai. Inputs from Sudarsana Sahoo, Bhupal Singh and Deepa S. Raj are gratefully acknowledged.

[1] Source : AMFI Monthly – May 2011

was set up in December 1998. However, gilt funds have registered moderate growth. As on May 31, 2011 the total assets under management of the gilt funds were placed at ₹3,336 crore[2], 0.5 per cent of the aggregate assets under management of the mutual funds.

Mutual funds occupy a large share of the primary market of Certificates of Deposit (CDs) and (CPs). As on June 10, 2011[3] the total holdings of mutual funds in CDs and CPs remained at ₹2,95,164 crore (66 per cent of the aggregate outstanding) and ₹82,951 crore (65 per cent of the aggregate outstanding), respectively. Mutual funds have also provided substantial liquidity to the secondary market segments of CPs and CDs. Their increased activity in the secondary market corresponds to their growing portfolio of money market investments. During the last six months, MFs' share in the daily turnover of the secondary market of CDs and CPs stood at around 41 per cent and 46 per cent, respectively.

The overnight segment of the money market has also benefitted from the participation of mutual funds. Their reliance on the collateralised segment of the overnight markets, *viz.,* market repo and Collateralised Borrowing and Lending Operations (CBLO), for placement of their daily surplus liquidity enhanced the depth of the markets.

By contrast, in the Government securities market, the participation of mutual funds has not been very encouraging. Of the outstanding Government of India dated securities[4], the mutual funds held 0.9 per cent as at end December 2010, which dropped to 0.2 per cent as at end-March 2011. The average holding of government securities by the mutual funds during the last two years remained at 0.6 per cent as against 38.7 per cent by the banks, 22.4 per cent by insurance companies, 8.9 per cent by Primary Dealers (PDs), 6.7 per cent by Provident Fund (PFs), 3.1 per cent by corporate entities. During the current calendar year till end of May, the average share of mutual funds in the secondary G-Sec market remained at 5.8 per cent of the total traded volume. One possible reason for the lower level of participation of mutual funds in the G-Sec market is lack of investor interest in the gilt-oriented mutual funds due to significant interest rate risks.

[2] Source: AMFI Monthly – May 2011

[3] Source: NSDL

[4] ₹23.3 lakh crore as on December 31, 2010; ₹23.5 lakh crore as on March 31, 2011.

III. Future Role and Regulatory Issues

There is a need for mutual funds, especially gilt funds, to complement the role of (PDs) in promoting retail holding in government securities. Mutual funds are supposed to tap retail investors, who in turn, to the extent that they have long horizons, provide stability to the market. They also benefit small investors by providing them access to risk-free gilt-edged securities.

The mutual funds are allowed to participate in the Interest Rate Swap (IRS) market for the purpose of hedging their own balance sheet risks. However, their participation has remained quite muted. The IRS market, although very liquid, suffers from a low customer base of around 1 per cent. The mutual funds may increase the use of IRS for hedging their interest rate risk which would help in broadening and deepening of the IRS market.

Mutual funds are also allowed by SEBI to trade on Interest Rate Futures (IRF). IRF contracts on 10-year notional coupon bonds were launched on NSE in August 2009. The product witnessed significant activity during the initial period, but liquidity tapered off subsequently. The Reserve Bank has already issued guidelines for futures contracts on 91-day T-Bills, which are expected to be introduced shortly. The Reserve Bank is also considering introduction of IRF contracts on 2-year and 5-year G-Secs. If the reason for mutual funds not actively participating in the G-Sec market is the underlying interest rate risk, then they obviously should make use of the IRF to hedge their interest rate risk. Their active participation will give impetus to the development of the IRF market.

The launch of Credit Default Swap (CDS) is impending. The guidelines on introduction of plain vanilla OTC single-name CDS for corporate bonds in India would be effective from October 24, 2011. The mutual funds would be eligible to buy credit protection (buy CDS contracts) to hedge their underlying credit risk on corporate bonds. They would also be permitted as market-makers subject to their having strong financials and risk management capabilities as prescribed by SEBI and as and when permitted by the SEBI. It is expected that mutual funds' participation will provide momentum to the CDS market.

A significant feature of MMMFs or liquid mutual funds in India is that they have been mainly catering to the short-term investment needs of institutional investors such as corporates and banks whose redemption requirements are large and simultaneous. As on March 31, 2011[5] the investor profile of liquid funds was dominated by corporates (76.5 per cent) followed by Banks/FIs (17.1 per cent), HNIs (5.3 per cent). As a consequence, when the banking sector faces liquidity shortfall and withdraws its investment from liquid mutual funds, they collectively come under stress. This may lead to a sharp fall in banks' fresh investment in liquid funds which, in turn, could intensify the pressure on those entities that receive investments from the liquid funds.

It may be recalled that during October-November 2008, The Rerserve Bank had to provide a special dispensation in the form of Term Repo facility of ₹60,000 crore, under which banks could avail central bank funds to address the liquidity stress faced by Mutual Funds, Non-Banking Financial Companies (NBFCs), and Housing Finance Companies (HFCs). Banks were given an SLR exemption up to 1.5 per cent of NDTL to address this problem.

A related issue is the circularity of funds between the banking system and mutual funds. Banks invest in mutual funds and the mutual funds put large volume of funds back to the banking system through investments in CDs, lending in CBLO and market repos. Such circular flow of funds between banks and mutual funds has the potential for creating systemic instability in times of stress/liquidity crunch. Thus, banks could potentially face a large liquidity risk. In this connection, the Reserve Bank had announced in the monetary policy on May 3, 2011 that the banks' investment in debt-oriented mutual funds to be capped at 10 per cent of networth as on March 31 of the previous year and banks would be given a period of six months to achieve this limit.

[5] Source: AMFI

From a prudential perspective, there is the possibility of banks' investments in the mutual funds getting channelised to sensitive sectors such as real estate and stocks. This may lead to banks' exposure to such sensitive sectors going beyond the prescribed prudential limits.

IV. Mutual Funds and Inclusion

The role of mutual funds in promoting savings continues to be insignificant in India. Despite a long history, assets of mutual funds in India constitute less than 10 per cent of GDP. A cross-country comparison suggests that mutual funds are very popular all over the world. However, assets under them in India are relatively low as compared with other emerging market economies.

One of the major reasons for relatively low activity of mutual funds in India is that penetration, especially in the rural areas, remains small. This is an important issue from the perspective of financial inclusion of low-income households in the formal financial system. It is generally perceived that mutual funds are popular mainly with the middle and high-income groups and have not been found to be an attractive investment avenue for the low-income groups. Thus, if the sector has to grow fast, it needs to devise appropriate schemes to attract the saving of low-income groups, especially in rural areas. This is the only way to ensure participation of all categories of investors in the financial markets, which is crucial for sustained development, both of the financial sector and the economy as a whole.

V. Concluding Remarks

Mutual funds clearly have a significant role to play in financial development. Their *modus operandi* of aggregating pools of saving from a large number of retail investors and deploying these resources in a variety of financial markets, based on different risk-return preferences simultaneously enhances efficiency, stability and inclusion. It is also relatively easy for them to be transparent about both their strategies and outcomes.

This, of course, is a statement of ideal conditions. In the real world, there are clearly barriers to achieving these objectives. Some of these have to do with penetration, others with the preferences of investors, particularly with respect to duration, some more with legitimate regulatory concerns about systemic risk and yet others with gaps or imbalances in the broader regulatory framework. However, if there is broad agreement that appropriately regulated mutual fund activity can play a large part in financial development in all its dimensions, these barriers can surely be addressed in a collaborative way between the three stakeholders – the investors, the fund managers and the regulators.

Economic Reforms for Sustainable Growth*

Subir Gokarn

I. Introduction

It is a great pleasure and privilege for me to be speaking at the 175th Annual General Meeting of the Madras Chamber of Commerce and Industry (MCCI). I have had the opportunity to speak at previous events organised by the Chamber, and also interact with committee members and the secretariat during my tenure as the chairperson of the Economic Affairs Committee of ASSOCHAM. But, this is a special occasion and I thank the Chamber for inviting me to speak on a topic that has been close to my heart and mind for many years now.

An organisation that has been in existence and, by all indications, thrived for 175 years clearly knows a thing or two about sustainability. It has, presumably, through trial and error, figured out what it needs to change and what it needs to retain in order to remain relevant and useful to its individual stakeholders. To be meaningful, sustainable growth has to be viewed from the perspective of the individual. Ultimately, it is individuals or households who determine whether the growth process has benefitted them or not. In short, just as the durability of an institution such as the MCCI depends on how effectively it serves the interests of its members, so also does the sustainability of a growth process depend on how effectively it serves the interests of its core stakeholders – the individuals and households in the economy.

This is the broad perspective with which I plan to address today's topic. In what follows, I will address four issues – food, human capital, infrastructure and financial sector development – in which I believe reforms are critical to the sustainability of the growth process in the way I have defined it. This is not intended to be an exhaustive list. I am acutely aware that there are many other issues, which have a legitimate claim to be on anybody's list of reform priorities. I have chosen my list based on my understanding and knowledge of them and not because I believe they are decisively more important than others that have been excluded. Nor am I claiming to offer panaceas by way of reform ideas. Given complex inter-linkages, many solutions that may seem perfectly reasonable in a limited context break down when the context is widened. However, despite all these caveats, I will assert that these are all critical reform agendas and it is worth debating and refining the solutions that emerge.

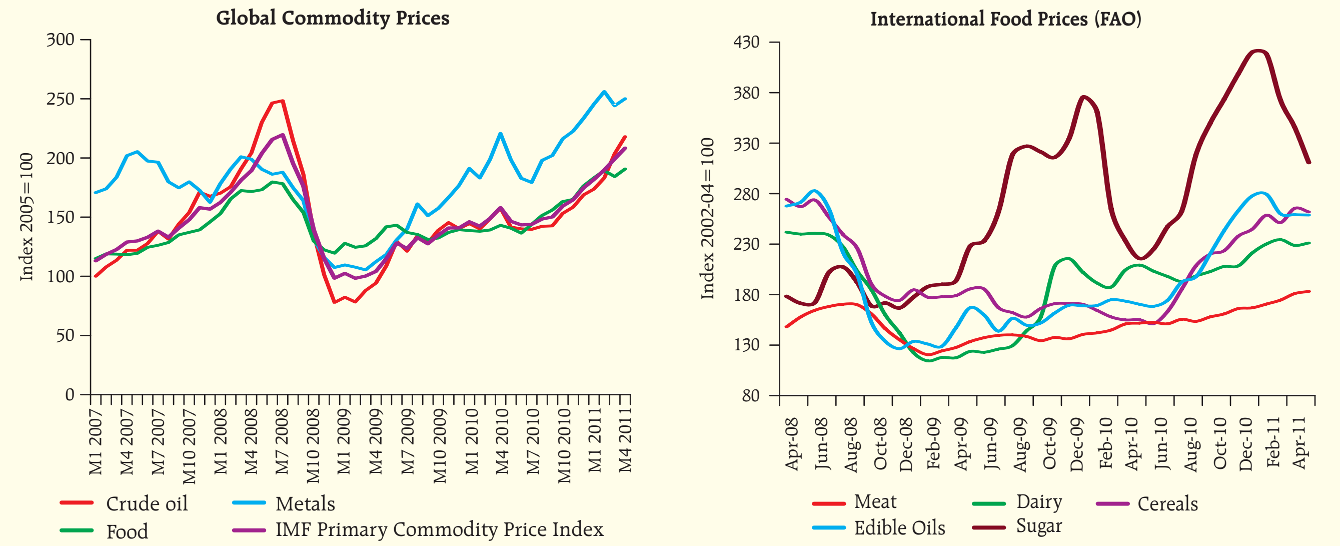
II. Food

Food inflation is a significant negative feature of today's economic environment. It has a tremendous impact on quality of life, as people struggle to maintain nutritional standards that they had previously achieved, or give up some other forms of consumption so as to keep themselves well-fed. For a country that legitimately believed that it had effectively dealt with its vulnerability to food shortages in the form of the Green Revolution of the late 1960s and early 1970s, the current situation comes as a rude reminder that solutions are rarely permanent.

To place the current developments in context, it must be pointed out that the world economy is itself facing problems with food prices. As Chart 1 shows, food as a category has been following global trends in commodity prices over the past couple of years. There is a view that this is the outcome of the larger trend towards financialisation of commodities, wherein large increases in global liquidity as a response to the 2008 crisis feed directly into higher asset prices, including commodities. Be that as it may, the price dynamics of individual food items, also displayed on Chart 1, suggest that there are also some commodity-specific factors at work, which may either reinforce or counteract the broader trend. Sugar, for example, shows

*Presentation by Dr. Subir Gokarn, Deputy Governor, Reserve Bank of India at the 175th Annual General Meeting of the Madras Chamber of Commerce & Industry, June 23, 2011 at Chennai. Inputs from Bhupal Singh are gratefully acknowledged.

Chart 1: Global Food Price Situation



fluctuations in response to current supply conditions, while wheat reflects the effect of persistent drought in some major cultivating areas.

India's food inflation is certainly linked to global trends, particularly in relatively heavily traded commodities like sugar and oilseeds, but, given the high degree of self-reliance in many other commodities, domestic factors play a big role. Chart 2 shows the significance of food inflation in the overall domestic inflation scenario. As the graph suggests, although the drivers of inflation in recent months have been energy prices and demand pressures, as reflected in the non-food manufactured products index, food prices contributed significantly in the first half of 2010 and remain uncomfortably high. Apart from the direct impact on the index, it is also likely to feed through into the wider inflationary process through higher wage demands, of which there is some evidence.

It is generally believed that food prices are highly sensitive to monsoon performance, but this belief has been tested over the past few years. I think there is sufficient evidence to suggest that food prices are being driven not by transitory factors, such as rainfall, but by more fundamental forces. Essentially, a long period

Chart 2: Domestic Inflation Outlook

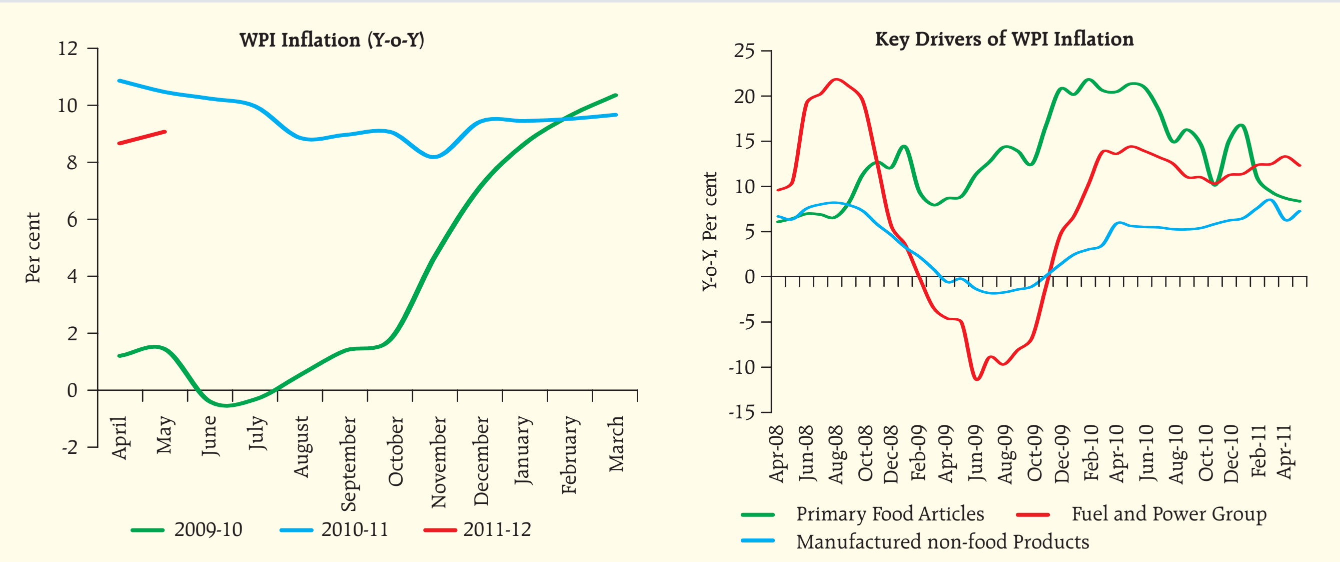
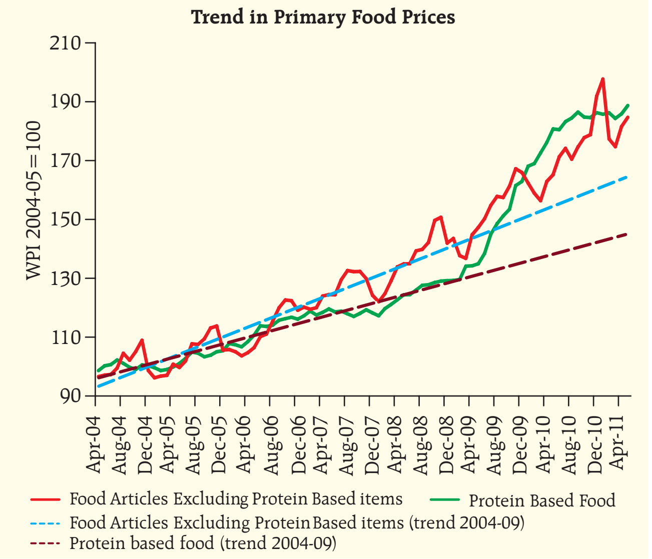


Chart 3: Food Inflation: Nutrient Differences



of relatively rapid growth has taken large numbers of households across a threshold at which they begin to look for nutritional diversification. The predominance of cereals in the typical household diet gives way to greater balance and a consequent increase in the demand for proteins – pulses, milk, meat, fish and eggs, vegetables and fruit. It is no surprise that these items have been the primary causes of food inflation in the recent period.

Further, as Chart 3 clearly shows, as far as proteins are concerned there is a significant deviation from an earlier trend, with no significant sign of reverting to the more moderate trend, unlike non-protein items. The implication is that, as long as growth is leading to rising household incomes, particularly at the lower end of the income distribution, the pressure on food prices resulting from nutritional diversification will continue.

The enduring solution to the persistent demand-supply imbalances in food is to rapidly increase supply. This is exactly what the Green Revolution did. The combination of inputs that achieved that success is well-known and some lessons may yet be relevant. The basic principles, however, are quite clear. Production of the relevant items has to be increased, mostly by increasing productivity. Cultivation risks have to be mitigated for farmers to find these products more attractive. Transportation, storage and distribution efficiency have to be increased to keep losses and distribution margins down. These may seem obvious points, even clichés, but there is no getting around them. There will be some generic strategies and some crop-specific ones, which makes it worthwhile to approach the problem from a wider perspective. A first step has been taken by the Government in setting up the National Mission on Protein Supplements, from which a concrete action plan needs to emerge quickly. In its absence, the likely scenario is one of persistent food inflation and, from the all-important perspective of quality of life, persistent nutritional imbalances. This is not a recipe for sustainable growth.

III. Human Capital

India is the second most populous country in the world and will become the most populous in a couple of decades. It is also one of the youngest and will remain so for some decades to come. At one level, this 'demographic dividend' provides an enormous opportunity. Chart 4 shows the contrasting demographic transition in India and China over the next two decades. The Chinese growth story over the past three decades has been well-chronicled and I don't want to go into it here, except to make the point that a critical input into the sustained high growth was the abundance of labour. Of course, other policies contributed, but they can all be seen in terms of how they facilitated the absorption of large numbers of workers from the farms into the factories.

Chart 4: Demographic Transitions

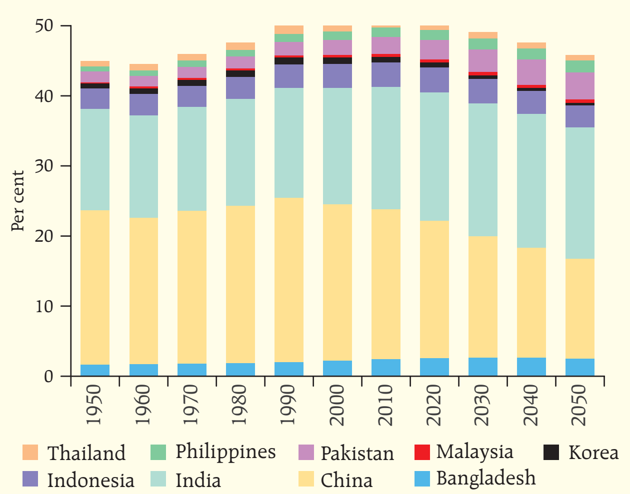
The main point that Chart 4 makes is that the Chinese pool of workers is going to shrink as the population ages over the next two decades, during which period India will add a substantial number of workers. While China will lose about 40 million workers between 2010 and 2030 as they move past the age of 60, India will actually add 220 million workers. In terms of competitive advantage, this is an opportunity to take over the mantle 'factory to the world', with hundreds of millions of relatively low-cost workers producing goods that the rest of the world will consume. In fact, as Chart 5 shows very clearly, India will dominate the global pool of workers as China's population ages, because no other country that is likely to face the same level of labour costs as India, is anywhere close to having that number of people. If the hub of global manufacturing is to move from China, realistically speaking, it can only move to India, or to expand the geographic scope somewhat, South Asia.

However, the mere fact that the economy has a large number of potential workers doesn't guarantee that they will be employed in desirable, relatively high-productive, well-paying jobs. There is nothing automatic about the process, which is what makes the other policies that facilitate and support it extremely important. This is where some questions about India's ability to replicate the process arise.

A basic concern is the quality of the workforce. Table 1 provides a comparative picture of the most basic

Chart 5: Distribution of Working Age Population

(Share in total World Population Aged between 15-59 years)



Source: UN Population Statistics

Table 1: Skill Levels

School Enrolment, secondary (% gross)

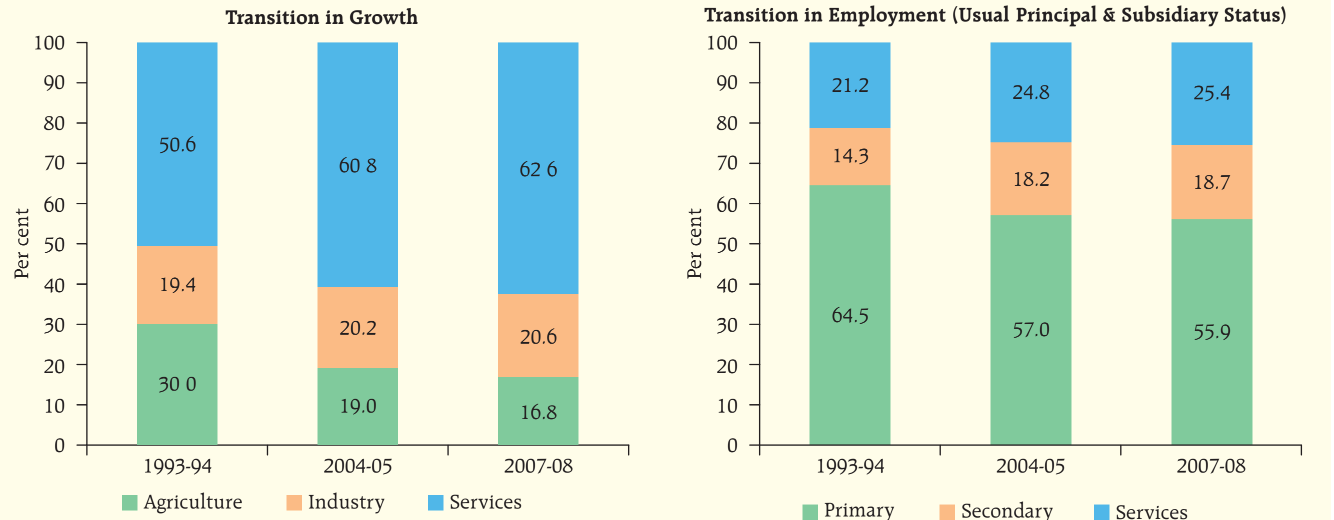
	1975	1980	1990	2001	2007
Bangladesh	19	17	18	45	44
China	–	51	38	63	74
India	26	29	41	46	57
Indonesia	21	–	48	58	76
Korea, Rep.	54	77	93	94	97
Malaysia	46	48	56	65	68
Pakistan	18	17	20	–	32
Philippines	54	65	71	75	81
Thailand	23	27	29	63	75

Source: World Bank

workforce quality parameter, *i.e.*, whether workers have been through secondary school. Evidently, despite significant improvements in India's record, it lags a long distance behind China and the South-East Asian economies, all of which have been, or still are, manufacturing powerhouses. Of course, the mere fact of having finished school does not guarantee that a worker can be productively employed. Vocational, job-oriented training may be a necessary part of equipping workers to function. Data on these indicators are sketchy, but anecdotal evidence suggests that this is not a very large pipeline and, in its current state, can hardly hope to make a dent on the large numbers of potential workers today, let alone the surge that is anticipated over the next two decades.

Partly as a result of this, but also due to some other factors, some of which will be addressed in the next section, India's record in moving people from farm to factory has not been very good. As Chart 6 shows, over the 1993-94 period, the structure of economic activity changed significantly. While the share of agriculture declined, the share of services increased and that of industry virtually remained the same. The decline in the share of agriculture is a universal historical pattern, but the transition of the share predominantly to services is unique to India. But, that is a separate issue. What is striking in Chart 6 is that the transition in the workforce has been far less significant. Over 55 per cent of the workforce remained in agriculture, with the decline in this sector's share being equally absorbed by industry and services. In 1993-94, agriculture, with 30 per cent of GDP, was providing employment and livelihood to 65 per cent of the workforce. By 2007-08,

Chart 6: Slow Employment Transition



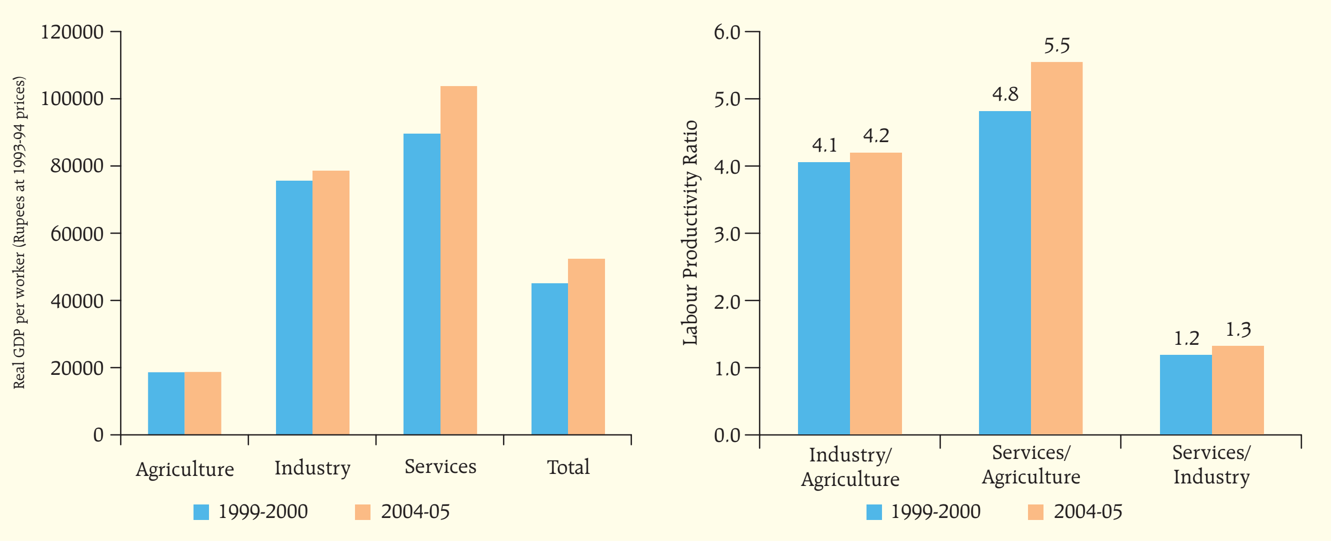
Source: CSO and Economic Survey, Govt. of India.

the same sector accounted for less than 17 per cent of GDP, but continued to support 55 per cent of the workforce. In short, the workforce did not restructure as rapidly as the economy did, indicating the inability of the non-agricultural sectors to absorb workers.

How much did this impact livelihood and inequality in the economy? A simple calculation gives some indication. Chart 7 displays the absolute and relative levels of average labour productivity across the three sectors, agriculture, industry and services. Although these are very crude measures of productivity differentials, the magnitudes are suggestive. The graph shows that the average worker in industry or services is about 5 times as productive as the average worker in agriculture, which means that the ratio of their earnings must be about the same order of magnitude. In other words, in terms of this simple arithmetic, every worker shifting from agriculture to industry or services would contribute four more units of GDP, besides spending and saving more out of higher earnings.

As crude as the arithmetic may be, the point is clear. Accelerating growth in a way that is sustainable will inevitably involve moving workers from agriculture to industry and services. However, the past pace of

Chart 7: Productivity Differentials



transition does not provide much reassurance that the Indian economy does this very well. Facilitating the transition is, therefore, a critical requirement for sustainable growth. In my view, three things are absolutely necessary for this to happen.

First, there is evidence to suggest that job security regulations in the manufacturing sector deter employers from hiring workers. There are clearly ways around this, but since they exist, their deterrent effect is probably being felt. Second, if job security is eliminated, workers must have access to a safety net of unemployment insurance. By all accounts, the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is providing a tangible safety net for rural workers. It is time to think of cost-effective ways to extend safety net access to industrial workers as a concomitant to scaling down job security regulations. Third, large numbers of workers have to be trained and equipped to work in modern industrial environments. Whether this is to be done through traditional schooling or alternative methods is a matter of debate, but the primary objective should be to move from generic knowledge to work-oriented skills. The numbers involved indicate that the whole exercise is going to be a huge organisational and financial challenge, but it must be faced.

IV. Infrastructure

The third critical area for reforms, to my mind, is infrastructure. The problems in most infrastructure sectors are well-known and can be summarised in a couple of sentences. Rapid growth has raised demand for infrastructure services far in excess of available capacity. Meanwhile, a combination of policy, regulatory and financial factors has slowed the pace of investment in infrastructure, leading to a persistence of the gap.

We can look at this basic condition of shortage from a variety of perspectives. Tables 2 and 3 provide some indications of the gaps that currently exist. Table 2 reinforces the general perception of severe power shortages across the country. The Northern and Western regions are relatively dynamic in terms of their growth momentum and the magnitude of shortage that is estimated for them may prove to be a significant drag on growth. Of course, since the deficit has persisted for some time, most establishments look for alternatives in the form of captive power. However, this is relatively costly, not to mention more dependent on diesel, which then contributes to an increase in petroleum demand, which has both fiscal and balance of payments consequences. The Table also provides an indication of how much distance there is to cover in providing the country a comprehensive four-lane highway system, the absence of which is leading to huge inefficiencies in the national transportation system.

Table 2: Infrastructure – Large Gaps

	Power Shortage (2009-10)			Peak Power Shortage (2009-10)		
	Availability (BU)	Deficit (BU)	Deficit (%)	Peak Availability (MW)	Peak Deficit (MW)	Peak Deficit (%)
All-India	747	84	10.1	104	15	12.7
Northern Region	225	30	11.6	31	6	15.4
Western Region	223	35	13.7	33	7	17.7

Source: Central Electricity Authority.

Type of highways	% to total
Single-lane/intermediate lane	27
Two-lane standard	54
Four-lane standard or more	19

The impact of inadequate supply of power and transport infrastructure on manufacturing activity is quite significant. This sector, in general, is infrastructure-intensive and any increase in costs due

Table 3: Infrastructure – Large Gaps

Water Source, Urban (% of Urban Population with Access)

Country Name	1990	2000	2008
Brazil	96	97	99
China	97	98	98
United Kingdom	100	100	100
India	**90**	**93**	**96**
North America	100	100	100
OECD Members	99	99	100
World	95	95	96

Sanitation facilities, urban(% of urban population with access)

Country Name	1990	2000	2008
Brazil	81	84	87
China	48	55	58
United Kingdom	100	100	100
India	**49**	**52**	**54**
North America	100	100	100
OECD Members	98	98	99
world	77	77	76

Source: WDI, World Bank

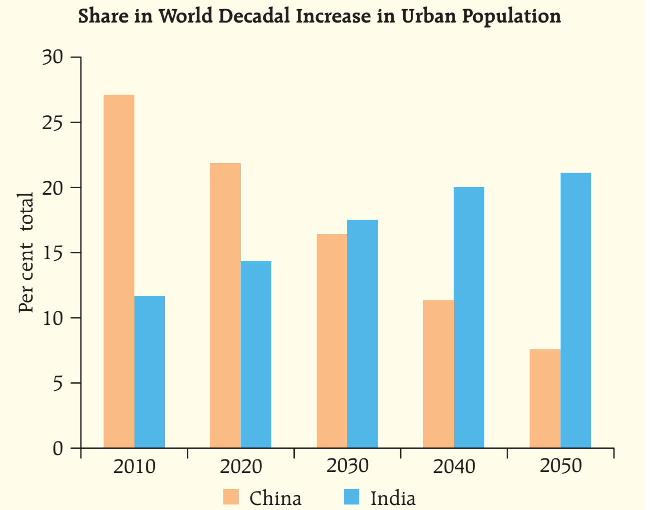
to unreliable or privately provided infrastructure services tends to reduce the competitiveness of producers. Since virtually all manufactured goods are tradable, inefficient domestic cost structures put producers at a disadvantage not only in global markets but also in their home markets, where they have to compete against imports. This is a significant reason why the industrial sector's share of GDP has virtually remained the same over a long period of time. This is in sharp contrast to virtually all other economies, particularly those in East Asia, whose industrial sectors acted as engines of growth, resulting in a large increase in their share of GDP over comparably long periods.

Table 3 focuses on parameters that impinge very directly on quality of life, access to water and sanitation. These statistics suggest that access to water is relatively high, but sanitation is a different matter altogether. It is no comfort that on this one parameter, India and China are quite close to each other. Over 45 per cent of India's population is estimated to be without access to sanitation facilities, a gap that presumably vitiates many of the quality of life improvements arising from higher earnings and better access to a range of goods and services.

This leads to a larger point about urban infrastructure. As we look ahead at the country's population trajectory, apart from the aggregates, it is very important to keep in mind that there is likely to be a significant shift from rural areas to urban areas. Chart 8 provides projections of the incremental contribution to the world urban population expected to come from India and China over the next few decades. Evidently, Indian cities are going to become the repository of a very large number of the young workers that the country will add to its workforce during this period. In a situation in which cities are already reeling under enormous pressure on all urban systems because of rapidly increasing population, their ability to cope with even larger numbers without both more resources and significant increases in their organisational and managerial capacities is doubtful.

In a nutshell, the infrastructure problem has two dimensions – sectoral and geographic. Each needs distinct focus in order to arrive at meaningful solutions. As far as sectoral imbalances are concerned, there are,

Chart 8: Urbanisation and Demand for Infrastructure



Source: UN Population Statistics

fortunately, areas in which significant progress has been made. Over a period of time, policy clarity has been achieved and appropriate regulatory structures have been or are being put into place. This, in turn, has created the space for significant private investment to flow in, typically, though not always, in partnership with the public sector. In fact, for the past two years or more, infrastructure has been the largest contributor to growth in bank credit. This has given rise to some problems, which I shall address in the next section, but, it is a reassuring sign that new infrastructure capacity is being created.

As the supply-demand gaps in a variety of sectors close, the stress that they impose on industrial investment will ease. Conditions will be created for new industrial capacity to be created, unburdened by uncertain or high-cost infrastructure services. This, in turn, should facilitate the movement of workers from relatively low-productivity agriculture to relatively high-productivity manufacturing, provided that the policy framework indicated in the human capital discussion are put into place.

However, the urbanisation scenario raises concerns. If the ultimate goal of sustained growth is to create enduring improvements in the quality of life of as many people as possible, this is not going to be achieved if urban systems do not keep pace with the number of entrants. Fortunately, there are a number of initiatives in place that at least provide the prospect for the needed improvement. These are both top-down and bottom-up approaches. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) is the primary example of the former, in which the central government provides resources for urban investments, subject to explicit accountability standards as well as resource commitments by city governments.

In the bottom-up category, many cities have launched initiatives to digitise their land records, which immediately enhance the capacity to collect property taxes, always a significant source of revenue for cities. Simplification of tax formulae and procedures is another aspect of urban governance reform. Rationalisation of user charges for civic services, the use of private agents to provide some services, e.g., waste management and so on are all ways in which cities are going about the task of improving service delivery to their current residents as well as creating the capacity to do so for newcomers.

As reassuring and promising as all these programmes and initiatives are, they do not seem to be at a scale matching the enormity of the challenge. A significant restructuring of urban governance framework, which helps build the capacity to meet the challenge is, therefore, a reform priority in this domain. There is plenty to learn from the experience of other countries where the quality of urban environment is noticeably superior to that in India. Some broad guidelines may include, for example, greater powers to tax with a consequent decrease in the dependence on higher tiers of government, and the creation of a professional cadre of urban management specialists, who spend their entire career running the city and can rise to levels of seniority comparable to other government hierarchies. Of course, cities exist in a socio-cultural context, so no model is strictly transplantable, but that does not mean that some widely applicable principles do not exist.

There have been other kinds of suggestions specifically in the Indian context, *e.g.,* to convert the larger cities into Union Territories to give them some autonomy from political economy forces at the state level, which also tend to favour rural areas due to simple electoral arithmetic. Such ideas are worth examining. But certainly, any means of giving cities both greater autonomy in resource mobilisation, along with greater managerial capability need to be pursued, even if this is to be achieved within the existing federal framework.

V. The Financial Sector

Looking back over the past 20 years, there have clearly been massive changes in the financial sector, which have completely changed the nature of intermediation, the range of products and services available and the intensity of competition. This has clearly been in sync with the overall development and structural change of the economy. The financial sector has had the space to service the requirements of an increasing number of individuals and organisations. However, the process is clearly far from complete. It is useful to think of financial sector reforms as a perpetual work-in-progress, in which policy and regulation need to create space for service providers to cater to increasing and new customer requirements, while ensuring that existing and emerging risks are monitored and mitigated.

This topic could be the basis of a full-length speech by itself, but I clearly don't want to do that here. I will confine myself to two sets of issues – financial inclusion and the development of a corporate bond market.

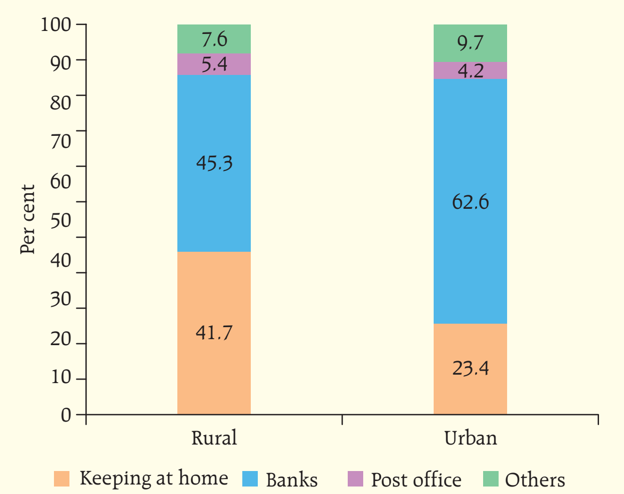
Expanding the reach of financial services to those individuals who do not currently have access is an objective that is fully consistent with the people-centric definition of sustainable growth. Going by the evidence, there is a long way to go in achieving this objective. Table 4 provides a picture of the current levels of access to different financial products and services. Bank accounts are relatively widespread, but even in that most basic of services, the gap is quite large. Other

Table 4: Access to Formal Finance

• Habitations in the country have a commercial bank branch: 30,000 (out of 600,000)	
• Population having	
Bank account (savings)	57%
Life insurance	10%
Non-life Insurance	0.6%
Debit cards	13%
Credit cards	2%

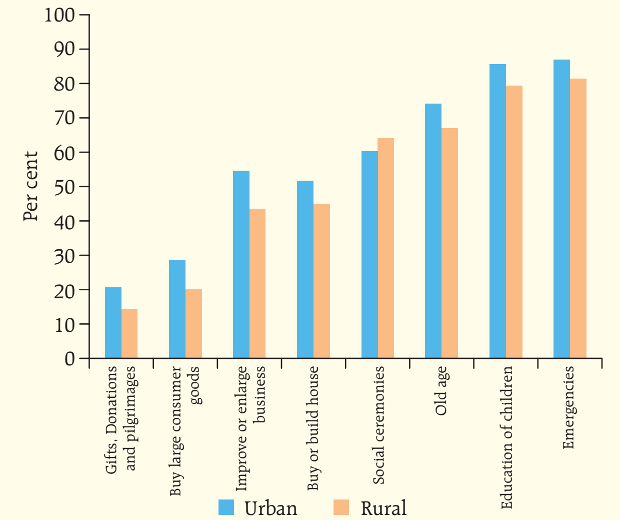
Source: Reserve Bank of India

Chart 9: Distribution of Cash Savings by Households



Source: NSHIE 2004-05 data: NCAER-CMCR analysis.

Chart 10: Household Motivations to Save



Source: NSHIE 2004-05 data: NCAER-CMCR analysis.

services have very low levels of penetration. Of course, high penetration depends on demand conditions as well and not everyone may want or need every kind of product or service, but, as subsequent Charts will suggest, the unmet demand for some kinds of services may be quite large.

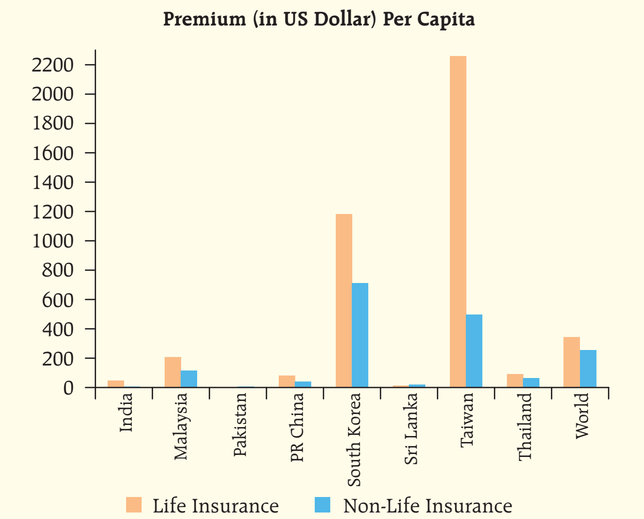
Chart 9 makes the point that a very high proportion of household financial assets are held in cash, which suggest that the ability of many households to access the financial system is low. This is, understandably, even higher in rural areas than in the urban ones. Bank deposits are clearly providing an alternative to cash, which is a positive development, but the room for improvement is clearly visible in the picture.

The Reserve Bank has been emphasising on expanding the access to the banking system. The broad objective is to ensure access to all households in villages with a population of over 2,000 (as per the 2001 Census) by 2012. The extensive use of technology facilitates this by allowing banks to operate virtual branches in the form of an IT-enabled Business Correspondent (BC). This model shows some promise as it rolls out across the country, and also some limitations. It is reasonably clear that the BC model is not infinitely scalable. Banks have to innovate in terms of their own organisational structures and support systems to increase the viability and sustainability of the model. But, even with all these concerns, it is a good beginning and the generic model, with appropriate adaptations to local conditions, is the most likely way to achieve at least minimal access to the financial system through a basic or no-frills bank account. This is visualised as the beginning of the process; once the customer is in the system, it can begin to address his or her other needs by adapting existing products or designing new ones.

What other products may interest this new pool of financial service customers? One way to gauge this is to identify the reasons for people to use financial services. Chart 10, reporting results from a recent survey of households, provides some important insights on this. Ceremonies or social obligations, old-age security, children's education and meeting emergency needs are four of the most important motivations for accessing financial services. Clearly, there is a role for insurance, pension and other long-term savings instruments in advancing the cause of financial inclusion. It is in these segments that penetration is extremely low. Chart 11 provides a cross-country comparison of insurance services. It speaks for itself.

What is needed here is to develop last-mile delivery mechanisms that can take these products from the large providers in the formal sector to this vast pool of new customers. Though volumes are potentially large, individual transactions will be small and geographically scattered, which can play havoc with costs. Organisational structures, whether within the

Chart 11: Insurance Penetration in India

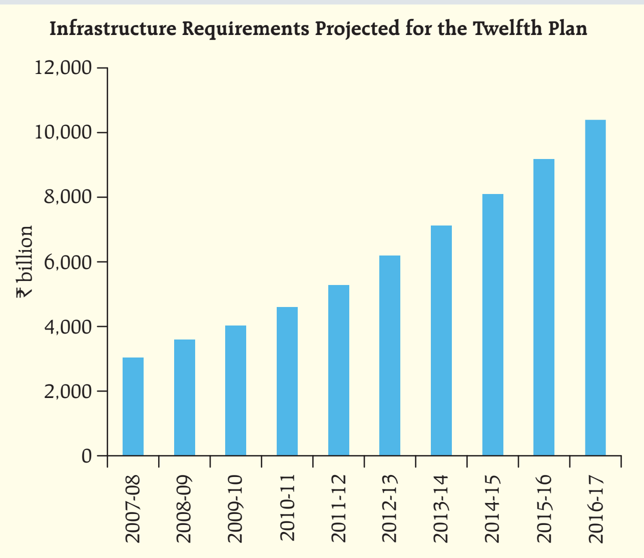


Source: Swiss Re, Sigma

existing providers or independent, have to be developed to accommodate these specific market conditions. From a regulatory perspective, the massive expansion of services brings with it risks and these have to be identified and provided for.

I will now turn to the issue of the corporate bond market. To provide a backdrop, Chart 12 shows the estimated financial requirements for infrastructure over the 12th Plan period, 2012-17. Over the next five years, over ₹40 lakh crore or US$ 1 trillion are desired to be invested. As I indicated earlier, infrastructure supply is a serious bottleneck and large, efficiently implemented and well-managed projects across sectors

Chart 12: Projected Infrastructure Investment in India



are imperative. Even as these are getting under way, there is an obvious lack of financial channels for them to mobilise resources. So far, the responsibility for financing new investments has fallen predominantly on banks. For reasons relating to asset-liability management and sector exposure limits, the capacity of banks to continue to finance this sector is limited. Therefore, alternative channels have to be quickly put into place. The corporate bond market is perhaps the most important of these.

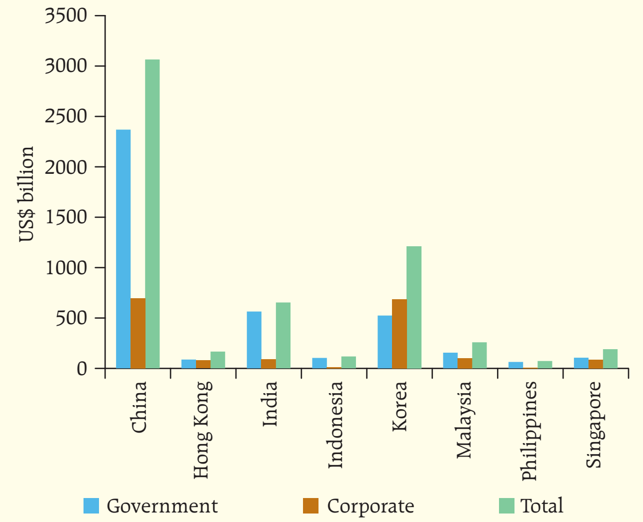
For several years, one committee after another has been making recommendations for actions to develop this market. These cut across regulatory domains and this is perhaps one reason why, despite the several steps taken, a critical threshold that would make the market viable was not reached. However, in recent months this is on high priority with both the regulators and the government addressing the remaining binding constraints. The 2011-12 Union Budget took a crucial step in exempting bonds issued by Infrastructure Development Funds from withholding tax. It would be reasonable to extend this facility to bonds issued directly by infrastructure companies. Another issue that has been flagged, inter-state differentials in stamp duties, is being addressed by attempting a harmonisation of rates across states. To make a large number of bonds attractive to a potentially large domestic investor base in the form of insurance and pension funds, credit-enhancement mechanisms which will allow bonds to meet minimum rating requirements for a price are being explored. The more efficiently and reliably this service is delivered, the larger will be the potential pool of investment for these huge institutions.

Of course, aspirations notwithstanding, the question is whether bond markets can realistically emerge as an alternative channel of financing, for infrastructure certainly, but also for investment in other sectors. Chart 13 provides a cross-country comparison. It would appear that even in the context of emerging economies, Indian bond markets do have some headroom available.

VI. Concluding Remarks

I have addressed four sets of factors, which I believe hold the key to sustainable growth and tried to

Chart 13: Bond Market Size: March 2011



Source: Asian Bonds Online; BIS.

articulate my thoughts on what the policy imperatives are. As I have pointed out, in many areas, reform measures have been taken or are in the pipeline. However, there are also many in which either action needs to be taken on the basis of credible supporting evidence or, new approaches and solutions need to be visualised. I also want to re-emphasise my caveat that this was not meant to be an exhaustive list of actions for sustainable growth.

I will not attempt to summarise my thoughts on actions and solutions for each set of factors. But, I would like to end by emphasising three key principles that have provided, explicitly or implicitly, a common thread running through my presentation.

First, policies and strategies for growth have to be welfare-oriented. Placing the well-being or quality of life of the key stakeholders – individuals or households here – at the centre of strategic thinking is the key to sustainability.

Second, any policy or strategy must give due consideration to the risks involved. High-risk-high-return may be a valid approach to portfolio management by individuals, but is not so in a policy setting, where it is difficult to justify the large losses to some stakeholders in terms of large gains to others. 'The greatest good for the greatest number' is certainly a valid premise for policymakers, but it needs to be complemented with 'the least risk for the greatest number'. In situations in which heightened risks are unavoidable for some stakeholders, reliable safety nets need to be an integral part of the strategy.

Third, a pragmatic, 'whatever works' approach is important. There are multiple environments, multiple economic, social and political contexts in which policies are made and implemented, even within a single country. No single solution can be expected to work in all of them. Bottom-up thinking, which draws on local knowledge and understanding to design appropriate solutions is necessary. At the same time, a top-down element, which articulates common goals and policy principles, increases efficiency in resource mobilisation and allocation and facilitates learning across jurisdictions, also plays a critical part. An optimal mix of the two needs to be found.

Secured Online Banking vs. Customer Convenience – Opportunities and Challenges*

G. Padmanabhan

It is my pleasure to be here amongst all of you in the Annual conference on secure banking 2011, and share with you some of my thoughts on the subject. I thank Indian Banks' Association (IBA) and MP TFCI, co-organisers for the event, for this opportunity.

2. Banking, as all of us know, is a business activity synonymous with trust, and security in banking is a paramount presumption for trust. The concept and perception of such security in banking has, over a period of time, changed drastically, in tandem with changes in the way banking business is conducted. Assets with the banks are maintained more in digitised rather than physical form, transactions are carried out over technology-enabled platforms/applications and communications are over electronic modes. Physical, geographical and product boundaries are no more the constraints for the growth of banking business, which is rapidly expanding. There are newer products and channels of delivery. Networked environment has enabled delivery of banking services at the doorstep of the customer. Anywhere anytime banking with core banking and newer delivery channels, *viz.*, ATM, online banking, mobile banking, *etc.*, have provided convenience of banking to the customer and an increasing number of people rely upon the convenience and ease of use of internet banking services in their business as well as daily life. But, this also enhances customer expectations about efficient delivery with security. Retaining customer loyalty and, thus, business in a fiercely competitive electronic banking industry lies in delivering as per customer expectations.

3. In the IT-enabled banking environment, it has to be recognised that fraud possibilities have assumed international dimensions. As it is often said, in a chain, it is the weakest link that is most vulnerable. Therefore, it is not only important to *ab initio* set up a safe platform, one needs to make sure that the so-called 'Safety' is continuously benchmarked against international standards. In such a scenario, all the three attributes of information security, *viz.*, confidentiality, Integrity and availability at all the relevant stages of entry, storage, and transaction acquire immense importance. As such, there has to be a paradigm shift in the perception about security in banking and responses to the same.

4. The threats which bother every one of us in this context are multifold, ranging from password hacking, card copying/cloning to data and identity theft at various levels of transaction, information storage as well as transmission stage. Managing security is more challenging in online and phone banking as compared to other delivery channels. Online threats in the form of phishing attacks, spyware, viruses, Trojans, key loggers are frequent. Threats from ATM take the form of ATM skimming, eavesdropping, spoofing, service denial, *etc.* Identity theft in the electronic transactions is a growing cyber crime. Innovative methods of hacking and stealing come to the fore regularly and the industry has to take prompt action to safeguard business and customer interest.

5. As per information published by CSIS (Center for Strategic and International Studies, US), between March 2010 and April 2011, the FBI identified twenty incidents in which the online banking credentials of small-to-medium sized US businesses were compromised. As of April 2011, the total attempted fraud amounts to approximately US$ 20 million; the actual victim losses are US$ 11 million. I am flagging this issue to highlight the point that hackers have started to target medium and small organisations

*Comments by Shri G. Padmanabhan, Executive Director, RBI at the Annual Conference on Secure Banking 2011 held at Mumbai on July 29, 2011. Assistance provided by Shri K. Sivaraman and Shri P.K. Chophla in preparation of these comments is gratefully acknowledged.

given the increasing safety standards put in place by large organisations. Further, they shift geographical locations targeting vulnerable jurisdictions with lax security.

6. Apart from the above, lack of customer awareness itself is an important concern, which aggravates threats to security. According to the findings of a survey, conducted by DSCI and KPMG in the year 2010, on the state of data security and privacy in Indian banking, 'One of the most significant information security challenges highlighted by the banks in the survey is lack of customer awareness on information security and the threat from insecure customer end-points. The boundary-less cyberspace exposes the banks to internationally organised crimes and new age threats. Further, with banks increasingly working with third parties and in the process, sharing business information, management of third party risks is also becoming a challenging task.

7. Let me amplify with a few examples on what I have been saying so far.

8. You are aware that the Reserve Bank of India introduced the system of a Second Factor of Authentication for all Card Not Present transactions almost two years back. This measure has ensured greater security in online card transactions and instances of online frauds has considerably dropped. More importantly, this has resulted in a significant growth in card transactions in this mode reflecting the enhanced level of customer confidence. Perhaps as a consequence, the focus of fraudsters has shifted to card present transactions. For example, in Chandigarh, card data – including the PIN – was compromised at a few ATMs. The stolen information was used to clone the cards to withdraw cash from various locations across the country. There was certainly a breach of security at the ATMs where the data was compromised. It is important that bankers need to ponder on how to tackle this issue through technology.

9. On its part, the Reserve Bank has mandated with effect from July 1, 2011, a system of alerts for all card transactions, irrespective of the channel used. Such a system will surely help in containing frauds. However, it is for the banks to make this effective by ensuring that the customers are persuaded to register their mobile phone numbers for receiving the alerts.

10. Fraudsters are not only tech savvy but have clear understanding of the systems and procedures obtaining in banks. There have reportedly been instances in Coimbatore where PoS terminals were set up after due compliance with the KYC requirements and stolen cards were used to transact at these terminals by the fraudsters. (I believe that the fraudsters used stolen card details purchased through online e-payment schemes operating internationally to acquire such information)

11. In Hyderabad, fraudsters posing as merchants offered Baskin Robbins/mobile recharge voucher talk time worth ₹250 against payment of a mere ₹50, the condition being only debit cards would be accepted. The kiosk machine set up was configured to prompt for PIN and print a charge slip indicating approval of the transaction by the Bank. The Magnetic Stripe Card data and the PIN were captured from the unsuspecting customers and later used to make counterfeit cards for withdrawal of cash. The typical customer response to such incidents was 'But it is the primary responsibility of banks to ensure safety of my money. They cannot leave it to customers'. The same *modus operandi* was used at a Petrol Pump in Ranchi; only this time instead of mobile recharge voucher, customers were offered car wash liquid and air freshener. Bankers may argue that there was no breach of security of their systems and these were driven by the customers' avarice. While conceding this point, the purpose of my citing these instances was to highlight the need to constantly educate customers. With banks encouraging customers to move more and more towards electronic modes of payments, it is necessary to realise that however robust and secure the systems deployed may be, it is the customers' perception that matters in the end.

12. It may not be out of place to mention that the Reserve Bank of India recently commissioned a survey of the customer service obtaining at various ATMs across the country. While the overall satisfaction with the usage at ATM at the national level was found to be at 7.8 on a scale of 1-10, it was well below the national

average in states like Uttar Pradesh, Gujarat and Chandigarh. However, the survey revealed scope for improvement in the grievance redressal mechanism. Over two-thirds of the respondents revealed that they had noticed the help-line number at the ATMs. Over 52 per cent of the respondents reported that complaint resolution took about two weeks or more. But what is disquieting is that the response of banks about their inability to offer a proper solution to the grievance in over 43 per cent of the cases was 'they are following RBI guidelines'. I think it is necessary that the customer relations personnel are adequately trained to guide customers with greater clarity.

13. While the focus of the conference is on secure banking, it is not adequate to ensure that all banking transactions are duly authorised and customer interests protected. It is important for banks to realise that they have a vital role and responsibility to ensure that appropriate risk management measures are in place, particularly to address issues relating to money laundering and terrorist funding. I recall that an year or so back, we found on enquiry that about 3-4 cards issued overseas were used extensively in the ATMs of one bank resulting in cash withdrawal of over ₹2.00 crore in a short span of three months. Obviously, whoever used the card was not a tourist on a shopping spree! When the matter was brought to the notice of the bank, they conceded that with reasonable risk mitigation measures, the transactions could have been identified and remedial action initiated. In this regard, we at the Reserve Bank also noticed that a bank overseas was offering prepaid cards which could be delivered in India by courier. While we had no idea about the Know You Customer (KYC) aspects overseas, these cards could be used at any ATM in India to withdraw cash. The implications of such a system to our country are not hard to imagine. While the Reserve Bank stepped in to halt the use of these cards in India, it is important for banks to be vigilant against similar events and alert the appropriate authorities, if necessary.

14. Another area of concern that has emerged relates to fraudsters soliciting information by directing unsuspecting customers to a website purported to be that of an authentic institution, through a link in the email. This has also happened when mails were received by members of the public that a huge amount was received in their name and held with the Reserve Bank of India. They were provided with a link which masqueraded as the Reserve Bank website and invited them to provide their bank account details. While the Reserve Bank has cautioned the public through advertisements in the media, banks also need to be watchful. But an important question that begs an answer here is that, in many of these cases, money has been paid by the unsuspecting public into bank accounts from where the funds have been withdrawn. How did these accounts get opened in the first place? Are banks lax in observing KYC requirements? Is monitoring getting increasingly lackadaisical once the machines have taken over the work hitherto done manually?

15. Another challenge faced by the industry is handling of systems, data and processes by third party vendors, which is a necessity today, and the need to have effective control over the actions of these vendors/ service providers. This is in addition to the internal threats as often computer criminals are employees of the same organisation. So, while still aware of outside threats, banks have a new threat, inside violations concerning data at rest. Today's employees are able to easily export sensitive files and information via email, FTP or by copying data to portable media. Banks have to have control over where their sensitive information is, how it is used, and who obtains it, (*e.g.*, customer data being compromised at Citi Account Online, Hyundai Capital and Sony).

16. Banking industry has been conscious of the challenges to security and appreciable efforts are being made by all the stakeholders in the context, *viz.*, governments, Regulators, banks and technology providers. As you know, a working group was constituted by the Reserve Bank under the Chairmanship of Shri. G. Gopalakrishna, ED, RBI on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds which provides detailed suggestions in areas relating to IT Governance, Information security, IT operations, Information system audit, Cyber frauds, Business Continuity Planning, customer education and legal issues arising out of use of IT.

17. The Group has given recommendations that need to be based on the nature and scope of activities engaged by banks and the technology environment prevalent in the bank and the support rendered by technology to the business processes. The major recommendations pertain to IT Governance, IT Operations, Information security, IT outsourcing, IS audit, Cyber Fraud, Business Continuity Plan, Customer education and legal issues.

18. The Group has recommended the policies that should be in place for the areas quoted above and also the best practices to be adopted by banks for achieving optimum benefit of technology in a secure and safe manner. While the implementation of the recommendations is being looked into by a Working Group constituted by the IBA, the banks may do well to make a self-assessment of their position *vis-à-vis* the recommendations and initiate appropriate measures.

19. Having stated as above, I must add that the real challenge in this environment goes beyond merely providing additional technology solutions and increasingly complex security layers, and translates into providing secured banking while balancing the same against customer convenience requirements, which puts the regulators and security implementers on the horns of a dilemma. I would enumerate a few of such dilemmas here.

- One-time password/two-factor authentication is one of the methods in securing transactions. However, the essential requirement of such OTP being sent to the registered mobile of the customer leads to several issues/inconvenience due to factors like network availability, restriction to a particular phone number, non-availability of the service when customer travels abroad, timing out of online transactions due to slow speed of OTP transmission, *etc.*, It also has cost implications for the customer as he has to pay for charges at international data transmission tariffs.
- Multilayer security by way of log-in password, transaction password and some confidential data confirmation make on-line transactions secure in a better manner. But, there are issues like memorising of multiple passwords, slogans, pictures, answers to questions, *etc.*, and some transaction of urgent nature getting stuck due to these problems and even online access getting blocked some times. This, coupled with the time taken for access re-activation, password generation, *etc.*, which is sometimes a lengthy/time-taking process, causes irritation and inconvenience to the customer.
- In mobile banking, the challenge is to decide the transaction value limits up to which unencrypted data can be transmitted for payments/funds transfer. If the limits are set too tight there can be cost and efficiency implications while making it too lax may invite the risk of information getting compromised.
- Surveillance cameras help in making ATM transactions more secure, but there are issues about privacy and, more so, customer discomfort with the same.

20. Overall, while the challenges to security are stiff and increasing by the day, being alive to threats is more important. This involves resources – human and monetary – attitude and aptitude. Having reasonably secured Card Not Present transactions, the Reserve Bank has started looking at enhancing security of Card Present transactions. If we recognise that compromise of cards could happen, not only at ATMs but also at over half-a-million and still growing PoS terminals, the task is indeed formidable. The questions that would arise are: Is a move to Chip-based card system the only solution against the risk of skimming and cloning? Or is there a relatively less expensive alternative like a second factor authentication for all Card Present transactions? Should the 2FA be static or dynamic? How will it help if the static 2FA is compromised? Will a dynamic OTP really work without impacting the efficiency of the merchant operations and inconvenience to the customers? As you may be aware, RBI constituted a Working Group to address these

issues. The report of the Group which was placed on the public domain for comments on June 2, 2011 is now being processed. The Group has noted that Aadhar biometric data would serve as a secure second factor of authentication even for Magnetic Stripe Cards obviating the need for mandating a switch over to EMV Chip and Pin card regime, which has cost implications for the industry. The Group has recommended that the need for a move to EMV Chip cards could be considered after 18 months depending on the progress of Aadhar. While the Reserve Bank is processing the report, we are aiming at a secure 2FA for all Card Present transactions without being prescriptive about the technology to be deployed for the purpose.

21. Innovative thinking and creative solutions by the industry, focused attention on enhancing customer awareness coupled with required investments in suitable technology for security risk mitigation will be imperative for ensuring optimal levels of banking security with appropriate customer convenience.

22. The Reserve Bank is with you in your endeavor to offer secure and convenient online banking.

Articles

Developments in India's Balance of Payments during Fourth Quarter (January-March) of 2010-11

India's External Debt as at the end of March 2011

Inflation Expectations Survey of Households: June 2011(Round 24)

Quarterly Industrial Outlook Survey: April-June 2011 (Round 54)

*Developments in India's Balance of Payments during Fourth Quarter (January-March) of 2010-11**

The data on India's Balance of Payments (BoP) are compiled and published by the Reserve Bank on a quarterly basis with a lag of one quarter. The compilation of BoP data is based on the IMF guidelines set out in its Balance of Payments Manual (BPM) which is revised from time to time. IMF has recently brought out the Sixth Edition of BPM, *i.e.*, BPM6 which has suggested revised compilation procedure as well as new format of standard presentation of BoP statistics.

The Report of the Working Group on Balance of Payments Manual for India (Chairman: Shri Deepak Mohanty), released by the RBI on its website (www.rbi.org.in) on November 23, 2010 had recommended that the BoP data for India should be presented in the new format of standard presentation of BoP as suggested under BPM6. Accordingly, from this quarter (Q4 of 2010-11), BoP data are presented in the revised format as per BPM6.

This article covers the analysis of major developments in India's BoP during the fourth quarter of 2010-11, along with the earlier three quarters of the year, on the basis of new format. However, the Balance of Payments statistics based on the old format are also given for the period of 2007-08 to 2010-11 in the Annex 1 for ease of comparison.

One of the major features of the new format is that erstwhile capital account has been bifurcated into two separate 'capital account' and 'financial account'. Further, the correspondence between the old and new formats in terms of various components of balance of payments has been given in Annex 2.

In addition, the disaggregated data on invisibles for all the quarters of 2010-11, are also published as part of this article (Attachment I).

*Prepared in the Division of International Trade and Finance, Department of Economic and Policy Research, Reserve Bank of India. This article sets out the developments in the India's Balance of Payments during the fourth quarter of 2010-11 (January-March 2011) and also incorporates revision in data for first quarter (April-June 2010), second quarter (July-September 2010) and third quarter (October-December 2010) of 2010-11.

Major Highlights of BoP during January-March (Q4) of 2010-11

During Q4 of 2010-11, moderation in trade deficit, resulting from robust growth in merchandise exports coupled with improved net services receipts led to significant contraction in current account deficit (CAD).

(i) On a BoP basis, goods exports during Q4 of 2010-11 recorded a growth of 17.3 per cent over the preceding quarter while imports rose by 10.0 per cent. Notably, import of non-monetary gold (import by entities other than central bank) at about US$ 12 billion recorded a growth of around 50 per cent in Q4 of 2010-11 over the preceding quarter.

(ii) With higher growth in exports relative to imports, the trade deficit on BoP basis, in absolute terms, moderated to US$ 29.7 billion from US$ 31.4 billion in the preceding quarter.

(iii) With larger decline in services imports particularly in case of transport, other business services and computer services, overall net services receipts recorded a growth of 21.6 per cent as compared to 1.3 per cent rise in the preceding quarter.

(iv) While net secondary income (private transfers) receipts remained buoyant at US$ 13.8 billion primary income account (investment income) continued to show a net outflow.

(v) Accordingly, the CAD during Q4 of 2010-11 at US$ 5.4 billion witnessed a sharp moderation compared to the earlier quarters during the year as well as to the corresponding quarter of the previous year.

(vi) Financial account witnessed moderation during the quarter primarily on account of portfolio flows and loans especially to the deposit taking institutions.

(vii) There was a net accretion to foreign exchange reserves of US$ 2.0 billion during the quarter (excluding valuation).

Major Highlights of BoP during full year 2010-11

During the year as a whole, *i.e.,* April-March 2010-11, despite improvement in net receipts under services and secondary income account, higher trade deficit led to increase in absolute size of current account deficit. However, as a proportion of GDP, CAD was marginally lower than the preceding year.

(i) In absolute terms, on BoP basis, the trade deficit amounted to US$ 130.6 billion (7.5 per cent of GDP) during 2010-11 as compared with US$ 118.6 billion (8.6 per cent of GDP) a year ago. Net earnings from services together with net income receipts increased to US$ 86.4 billion from US$ 80.0 billion in 2009-10.

(ii) The CAD at US$ 44.3 billion works out to 2.6 per cent of GDP during 2010-11 as compared with US$ 38.6 billion (2.8 per cent of GDP) a year ago.

(iii) Financial account balance represented by net capital inflows and reserve movement increased to US$ 46.7 billion mainly driven by loans to government and non-government sector.

(iv) Although net capital flows have been higher, accretion to foreign exchange reserves during 2010-11 was marginally lower as a larger share of increased flows was absorbed by the widened current account deficit.

1. Balance of Payments for January-March (Q4) of 2010-11

The developments in the major items of the BoP for the fourth quarter (Q4) of 2010-11 are set out below in Table 1.

Goods Trade

On Q-o-Q basis, growth in goods exports, during Q4 of 2010-11, continued its momentum while growth in imports was relatively moderate.

(i) On a BoP basis, India's goods exports, Q-o-Q, recorded a growth of 17.3 per cent during Q4 of 2010-11 on top of a rise of 26.8 per cent during the preceding quarter.

(ii) Similarly goods imports registered a growth of 10.0 per cent, Q-o-Q, during the quarter as compared with a growth of 9.0 per cent in the preceding quarter.

(iii) According to the data released by the Directorate General of Commercial Intelligence and Statistics (DGCI&S), oil imports and non-oil imports recorded growth of 36.3 per cent and 12.8 per cent, respectively, during Q4 of 2010-11. Oil imports accounted for about 32.4 per cent of total imports during Q4 of 2010-11 (28.4 per cent in Q3 of 2010-11) (Chart 1).

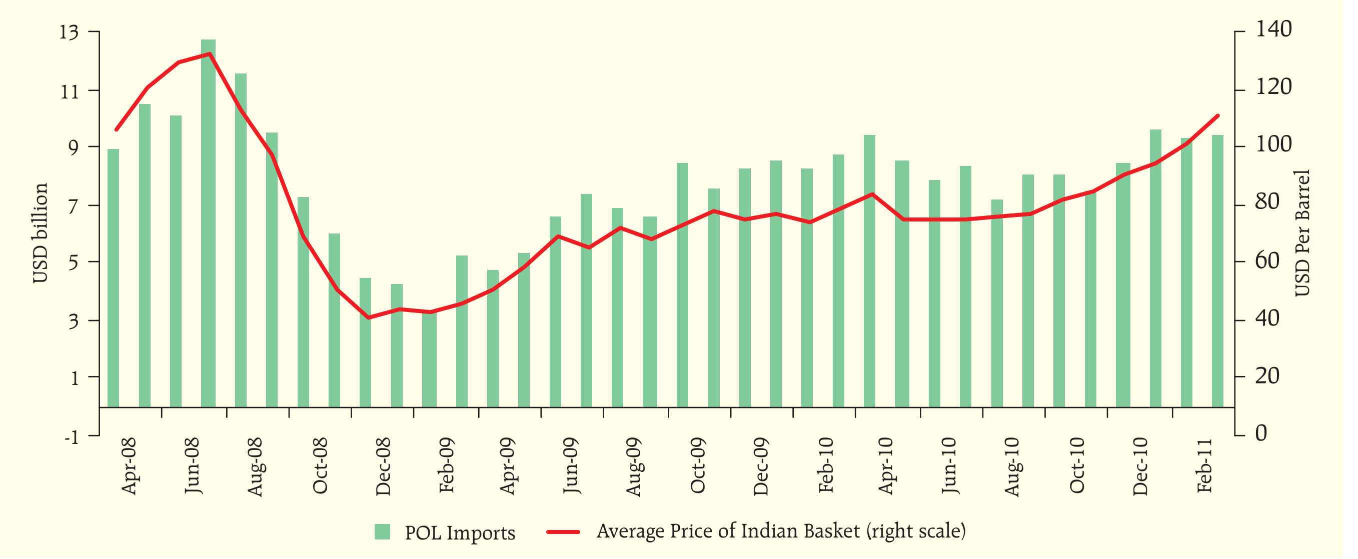
Table 1: Major Items of India's Balance of Payments

(US$ billion)

Item	April-June 2010 (PR)			July-September 2010 (PR)			October-December 2010 (PR)			January-March 2011 (P)		
	Exports	Imports	Net	Exports	Imports	Net	Exports	Imports	Net	Exports	Imports	Net
	1	2	3	4	5	6	7	8	9	10	11	12
A. Current Account (1+2+3+4)	97.9	109.9	-12.0	98.4	115.2	-16.8	120.4	130.5	-10.1	129.3	134.7	-5.4
1. Goods	54.9	87.2	-32.3	52.0	89.3	-37.3	66.0	97.4	-31.4	77.4	107.1	-29.7
2. Services	26.5	16.4	10.0	30.9	19.3	11.7	38.2	26.4	11.8	35.2	20.8	14.4
3. Primary Income	2.9	5.7	-2.9	2.0	6.1	-4.2	2.1	6.1	-4.0	2.2	6.0	-3.9
4. Secondary Income	13.7	0.6	13.1	13.5	0.5	13.0	14.1	0.6	13.4	14.6	0.7	13.8
B. Capital Account	0.1	0.1	-0.1	0.1	0.1	0.0	0.3	0.2	0.1	0.1	0.2	0.0
C. Financial Account	94.5	81.5	13.0	112.1	94.0	18.1	173.7	164.3	9.4	115.7	109.5	6.2
D. Errors & Omissions -(A+B+C)			-0.9			-1.3			0.6			-0.8

PR: Partially Revised. P: Preliminary.
Changes in Reserve Assets are included under the Financial Account as recommended by the BPM 6.

Chart 1: India's POL Imports and International Crude Prices



Trade Deficit

(i) Higher growth in exports relative to imports led to contraction in trade deficit in absolute terms to US$ 29.7 billion as compared with US$ 31.4 billion during the preceding quarter (Chart 2).

Services

Unlike the trade in goods, both services exports as well as imports, during Q4 of 2010-11, witnessed decline over the quarter. However, with decline in imports being sharper than that of exports, net earnings from services made net positive contribution to BoP.

Chart 2: Quarterly Movements in Trade Balance

(i) Services exports, on Q-o-Q basis, declined by 8.0 per cent whereas services imports were lower by 21.3 per cent; net services exports grew by 21.6 per cent on top of 1.3 per cent in the preceding quarter.

(ii) Decline in services exports was largely on account of lower receipts from telecommunications, information services and other business services.

(iii) Decline in import of services was spread across almost all the sub-categories though decline was more pronounced in case of transport, computer and other business services (Statement I).

Primary Income

(i) Net outflow on account of primary income that mainly comprises 'investment income' and 'compensation to employees' at US$ 3.9 billion continued to be about at the same level as in the preceding quarter.

(ii) Investment income receipts, on Q-o-Q basis, recorded a slower rise of only 0.5 per cent as compared to 4.9 per cent rise in the preceding quarter.

(iii) Investment income payments that comprise mainly interest payments on loans, NRI deposits and reinvested earnings of FDI companies in India though declining marginally by 0.7 per cent, continued to be sizeable. As a result, net investment income receipts declined by 1.3 per cent over the preceding quarter.

Secondary Income

(i) Net receipts under secondary income largely comprising personal transfers grew by 3.1 per cent to US$ 13.8 billion (US$ 13.4 billion in Q3 of 2010-11) (Table 2).

Current Account Deficit

(i) With higher growth in exports relative to imports and rise in net receipts from services and secondary income, the current account deficit moderated to US$ 5.4 billion from US$ 10.1 billion in the preceding quarter (Chart 3).

Capital Account

The capital account showed a decline in net receipts during the quarter largely on account of lower capital transfers.

Financial Account

The size of overall net financial account was significantly lower during the quarter largely due to sharp slowdown in net inflows under FIIs and build up of foreign currency assets by the commercial banks.

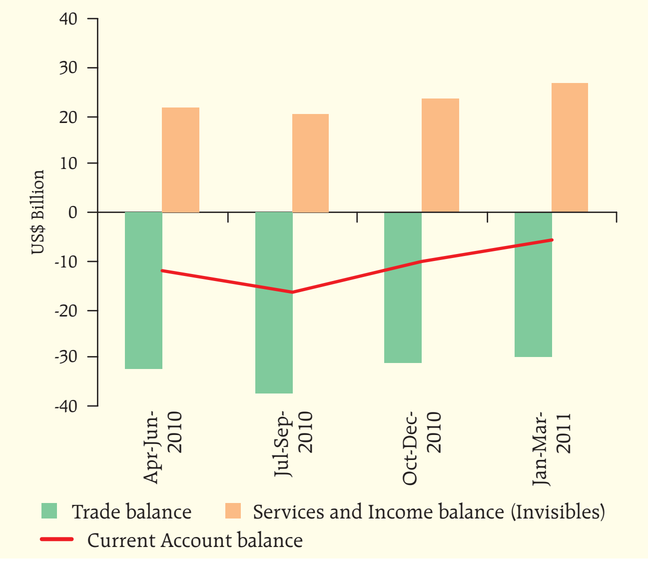
Table 2: Disaggregated Items of Current Account

(US$ billion)

Item	Apr.-Jun. 2010 (PR)	Jul.-Sep. 2010 (PR)	Oct.-Dec. 2010 (PR)	Jan.-Mar. 2011 (P)	2010-11 (Apr.-Mar.) (P)
	1	2	3	4	5
1. Goods	**-32.3**	**-37.3**	**-31.4**	**-29.7**	**-130.6**
2. Services	**10.0**	**11.7**	**11.8**	**14.4**	**47.8**
2.a Transportations	0.0	-0.3	-0.3	0.9	0.4
2.b Travel	0.6	0.6	1.5	1.3	4.0
2.c Construction	-0.2	0.0	-0.1	-0.2	-0.5
2.d Insurance and Pension Services	0.1	0.1	0.1	0.3	0.5
2.e Financial Services	-0.2	-0.1	-0.3	-0.4	-1.0
2.f Charges for the Use of Intellectual Property	-0.5	-0.5	-0.7	-0.5	-2.2
2.g Telecommunications, Computer and Information Services	12.6	12.8	15.3	16.6	57.4
2.h Personal, Cultural and Recreational Services	0.0	0.0	-0.2	-0.1	-0.3
2.i Government Goods & Services	0.0	-0.1	0.0	-0.1	-0.3
2.j Other Business Services	-0.7	-1.1	-1.0	-0.9	-3.6
2.k Others n.i.e	-1.7	0.2	-2.6	-2.5	-6.6
3. Primary Income	**-2.9**	**-4.2**	**-4.0**	**-3.9**	**-14.9**
3.a Compensation of Employee	-0.3	-0.2	-0.3	-0.2	-1.0
3.b Investment Income	-2.6	-4.0	-3.7	-3.6	-13.9
4. Secondary Income	**13.1**	**13.0**	**13.4**	**13.8**	**53.4**
4.a Personal Transfers	12.7	12.6	13.0	13.3	51.7
4.b. Other Transfers	0.4	0.4	0.4	0.5	1.6
5. Current Account (1+2+3+4)	**-12.0**	**-16.8**	**-10.1**	**-5.4**	**-44.3**

PR: Partially Revised. P: Preliminary.

Chart 3: Movement in Current Account Balance



(i) Net flows under financial account were significantly lower at US$ 6.2 billion during Q4 of 2010-11 (US$ 9.4 billion in Q3) (Table 3).

(ii) Net FDI flows (net inward FDI minus net outward FDI) continued to be low at US$ 0.6 billion during Q4 of 2010-11 (US$ 0.6 billion in Q3). Net FDI inflows during first two quarters of 2010-11 were about US$ 3.0 billion each.

(iii) Net loans availed by sectors excluding Government & banks (Net ECB) were lower at US$ 2.1 billion during the quarter (US$ 3.5 billion in Q3).

(iv) Loans to deposit taking corporations (banks) recorded net outflows of US$ 2.7 billion during the quarter (inflow of US$ 4.6 billion in Q3) mainly due to rise in their foreign currency assets.

(v) The net inflows under short-term trade credit to India at US$ 2.7 billion during the quarter were higher (US$ 1.3 billion in Q3).

(vi) There was a net accretion to foreign exchange reserves of US$ 2.0 billion during the quarter. In nominal terms (*i.e.*, including valuation changes), foreign exchange reserves increased by US$ 7.5 billion during the quarter reflecting depreciation of US dollar against major international currencies during the quarter.

Table 3: Disaggregated Items of Financial Account

(US$ billion)

Item	Apr.-Jun. 2010 (PR)	Jul.-Sep. 2010 (PR)	Oct.-Dec. 2010 (PR)	Jan.-Mar. 2011 (P)	2010-11 (Apr.-Mar.) (P)
	1	2	3	4	5
1. Direct Investment (net)	2.9	3.0	0.6	0.6	7.1
1.a Direct Investment to India	6.1	6.9	5.5	4.9	23.4
1.b Direct Investment by India	-3.2	-3.9	-4.9	-4.3	-16.2
2. Portfolio Investment	3.5	18.7	6.1	0.0	28.2
2.a Portfolio Investment in India	3.5	18.8	7.2	0.0	29.4
2.b Portfolio Investment by India	0.0	-0.1	-1.1	0.0	-1.2
3. Other investment	10.3	-0.3	6.7	7.7	24.3
3.a Other Equity (ADRs/GDRs)	1.1	0.5	0.2	0.2	2.0
3.b Currency and Deposits	1.1	0.4	0.3	2.0	3.8
Deposit-taking Corporations (NRI Deposits)	1.1	1.0	0.2	0.9	3.2
3.c Loans*	7.6	0.4	9.6	0.4	18.1
3.c.iLoans to India	7.6	0.7	9.3	0.1	17.8
Deposit-taking Corporations	2.9	-3.6	4.6	-2.7	1.2
General Government (External Assistance)	2.5	0.6	1.2	0.8	5.0
Other sectors (ECBs)	2.3	3.7	3.5	2.1	11.6
3.c.ii Loans by India	-0.1	-0.3	0.3	0.3	0.3
General Government (External Assistance)	0.0	0.0	0.0	0.0	0.0
Other sectors (ECBs)	-0.1	-0.3	0.3	0.3	0.3
3.d Trade Credit and Advances	4.3	2.6	1.3	2.7	11.0
3.e Other Accounts Receivable/ Payable-other	-3.7	-4.3	-4.9	2.4	-10.5
4. Reserve Assets	-3.7	-3.3	-4.0	-2.0	-13.1
Financial Account (1+2+3+4)	**13.0**	**18.1**	**9.4**	**6.2**	**46.7**

PR: Partially Revised. P: Preliminary.
* includes External Assistance, ECBs, Banking Capital and short-term trade credit.

2. Balance of Payments for April-March of 2010-11

The BoP data for April-March 2010-11 have been compiled taking into account the partially revised data for Q1, Q2, Q3 and preliminary data for Q4 of 2010-11. While the detailed data are set out in Statement I in standard format of BoP presentation, the major items are presented in Table 4.

Goods Trade

(i) On a BoP basis, India's goods exports recorded a growth of 37.5 per cent in 2010-11 while import payments registered a growth of 26.7 per cent during the year.

(ii) Oil imports recorded an increase of 21.7 per cent in 2010-11 (as against a decline of 7.0 per cent a year ago). In absolute terms, the oil imports accounted for 30.1 per cent of total imports during this period (30.2 per cent in 2009-10).

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

(US$ billion)

Item	April-March 2010-11 (P)	April-March 2009-10 (PR)
	1	2
1. Goods exports	250.3	182.1
2. Goods Imports	380.9	300.6
3. Trade Balance(1-2)	-130.6	-118.6
4. Services Exports	130.7	95.4
5. Services Imports	82.9	60.0
6. Net Services (4-5)	47.8	35.4
7. Goods & Services Balances (3+6)	-82.8	-83.1
8. Primary Income (Net)	-14.9	-8.0
9. Secondary Income (Net)	53.4	52.1
10. Net Income (8+9)	38.5	44.0
11. Current Account Balance (7+10)	-44.3	-38.6
12. Capital Account Balance	0.0	0.3
13. Financial Account Balance	46.7	39.9
of which: Change in Reserves	-13.1	-13.4
14. Errors & Omissions -(11+12+13)	-2.4	-1.6

PR: Partially revised. P: Preliminary.

(iii) According to the DGCI&S data at the disaggregated level, the increase in merchandise exports has been largely driven by engineering goods, petroleum products, gems & jewellery and chemicals and related products. Growth in imports on the other hand has primarily been led by petroleum & related products, pearls & semi-precious stones.

Trade Deficit

(i) On a BoP basis, the trade deficit widened to US$ 130.6 billion during 2010-11 from US$ 118.6 billion during 2009-10 (Table 4).

Services

(i) There has been a sharp increase in both exports and imports of services during the year. Though pick-up has been broad-based, the rise was more prominent in case of business and financial services. Receipts on account of computer services also witnessed a significant rise (Table 2).

(ii) Computer services receipts at US$ 59.0 billion during 2010-11 showed an increase of 18.7 per cent as compared to an increase of 7.4 per cent a year ago mainly on account of improved efficiency and diversified exports destinations.

(iii) Service payments witnessed a sharp increase during the period particularly on account of other business and financial services.

(iv) On a net basis, services increased to US$ 47.8 billion from US$ 35.4 billion in the preceding year.

Primary Income

(i) Primary income mainly comprises compensation of employees and investment income. Investment income receipts declined by 34.0 per cent to US$ 8.0 billion during 2010-11 due to continuation of low interest rate regime abroad.

(ii) Investment income payments amounted to US$ 21.9 billion during 2010-11 (US$ 19.4 billion a year ago).

Secondary Income

(i) Secondary income receipts that primarily comprise personal transfers increased marginally to US$ 55.9 billion during 2010-11 (US$ 53.9 billion a year ago).

(ii) NRI deposits, when withdrawn domestically, form part of personal transfers because once withdrawn for local use, these become unilateral transfers and do not have any *quid pro quo.* During 2010-11, the share of local withdrawals in total outflows from NRI deposits at 57.4 per cent has been lower compared to that in the preceding year (Table 5).

(iii) Under personal transfers, the inward remittances for family maintenance accounted for 49.0 per cent of the total personal transfer receipts, while local withdrawals accounted for 47.2 per cent during 2010-11 (Table 6).

Current Account Balance

(i) During the year as a whole, *i.e.,* April-March 2010-11, despite improvement in net services and secondary income, higher trade deficit led to increase in absolute size of current account deficit. However, as a proportion of GDP, CAD at 2.6 per cent was lower than 2.8 per cent in the preceding year.

Table 5: Inflows and Outflows from NRI Deposits and Local Withdrawals

(US$ billion)

Year	Inflows	Outflows	Local Withdrawals
	1	2	3
2009-10 (PR)	41.4	38.4	23.6
2010-11 (P)	49.3	46.0	26.4
January-March 2010 (PR)	9.7	10.2	5.7
January-March 2011 (P)	13.8	12.9	6.7

P: Preliminary. PR: Partially Revised.

Table 6: Details of Private Transfers to India

(US$ billion)

Year	Total Private Transfers	*Of Which:* Inward remittances for family maintenance		Local withdrawals/ redemptions from NRI Deposits	
		Amount	Percentage Share in Total	Amount	Percentage Share in Total
	1	2	3	4	5
2009-10 (PR)	53.9	28.4	52.7	23.6	43.8
2010-11 (P)	55.9	27.4	49.0	26.4	47.2
Jan-Mar 2010 (PR)	13.1	6.9	52.7	5.7	43.5
Jan-Mar 2011 (P)	14.6	7.3	50.0	6.7	45.9

P: Preliminary. PR: Partially Revised.

Financial Account

(i) Both gross inflows and outflows under the financial account were higher in 2010-11 as compared with the preceding year.

(ii) In net terms, financial inflows increased moderately to US$ 46.7 billion in 2010-11 mainly on account of trade credit and loans (ECBs and banking capital). These were partly offset by slowdown in net FDI inflows.

(iii) Sector-wise, the deceleration in gross FDI to India (*i.e.,* inward FDI) during 2010-11 was mainly on account of lower FDI inflows under manufacturing, financial services, electricity and construction (Table 7).

(iv) Country-wise, investment routed through Mauritius remained the largest component of gross FDI inflows to India in 2010-11 followed by Singapore and the Netherlands (Table 8).

(v) During 2010-11, outward FDI grew by 24.5 per cent to US$ 18.8 billion. In terms of sectors, there has been significant increase in the area of services which accounted for the largest share in outward FDI at 47.6 per cent during 2010-11 (Table 7).

(vi) Direction-wise (*i.e.,* in terms of recipient countries), investment routed through Mauritius constituted the largest component of gross outward FDI during the period, followed by Singapore and the Netherlands (Table 8).

(vii) During the year 2010-11, the actual outward FDI in joint ventures and wholly owned subsidiaries

Table 7: Sector-wise FDI – Inflows and Outflows

(US$ billion)

Industry	Gross FDI Inflows to India#			Industry	Gross FDI Outflows from India*		
		Jan-March				Jan-March	
	2010-11	2009-10	2010-11		2010-11	2009-10	2010-11
	1	2	3		4	5	6
• Manufacture	4.8	1.0	0.8	• Community, Social and Personal Services	0.7	0.0	0.0
• Communication Services	1.2	0.1	0.1	• Financial, Insurance, Real Estate and Business Services	6.5	0.8	2.1
• Financial Services	1.4	0.4	0.1	• Manufacturing	5.0	0.7	1.4
• Electricity and allied	1.3	0.6	0.4	• Construction	0.4	0.0	0.1
• Construction	1.6	0.9	0.3	• Wholesale, Retail Trade, Restaurants and Hotels	1.9	0.3	0.3
• Computer Services	0.8	0.2	0.1	• Agriculture, Hunting, Forestry and Fishing	1.2	0.2	0.1
• Mining	0.6	0.1	0.0	• Transport, Storage and Communication Services	0.7	0.1	0.2
• Real Estate Activities	0.4	0.2	0.0	• Electricity, Gas & water	0.1	0.0	0.0
• Others	2.8	1.0	0.7	• Others	0.2	0.0	0.0
Total	**14.9**	**4.5**	**2.5**	**Total**	**16.6**	**2.2**	**4.4**

Includes equity FDI through SIA/FIPB and RBI routes only and hence are not comparable with data in other tables.
* Includes equity (except that of individuals and banks), loans and guarantee invoked, and hence are not comparable with data in other tables.

stood at US$ 16.6 billion, which was about 35 per cent higher than the investment made during the previous year. During 2010-11, investment financed through equity increased by 11.4 per cent whereas the loan component registered a growth of 83.8 per cent over the previous year. Accordingly, the share of equity in total FDI fell to about 55 per cent as compared to 67 per cent in the preceding year (Table 9).

(viii) With lower gross inward FDI and rise in gross outward FDI, the net FDI to India stood considerably lower at US$ 7.1 billion during 2010-11 (US$ 18.8 billion a year ago).

(ix) 'Other receivables/payables' that include leads and lags in exports, SDR allocation, net funds held abroad, advances received pending issue of shares under FDI and other capital not included elsewhere recorded a lower net outflow of US$ 10.4 billion in 2010-11 as compared with a higher net outflow of US$ 13.0 billion in the preceding year (Table 10). 'Lead & lag in exports' also includes trade credit extended by Indian exporters to non-residents.

Reserve Variation

(i) Notwithstanding higher level of net capital inflows, accretion to reserves (on a BoP basis)

Table 8: Country-wise FDI – Inflows and Outflows

(US$ billion)

Country	Inward FDI#			Country	Outward FDI*		
	April-March	January-March			April-March	January-March	
	2010-11	2009-10	2010-11		2010-11	2009-10	2010-11
	1	2	3		4	5	6
1. Mauritius	5.6	1.3	0.9	1. Mauritius	5.0	0.6	0.7
2. Singapore	1.5	0.7	0.2	2. Singapore	3.9	0.5	1.0
3. Netherlands	1.4	0.1	0.2	3. USA	1.2	0.2	0.2
4. USA	1.1	0.4	0.1	4. Netherlands	1.5	0.2	1.0
5. Japan	1.3	0.1	0.1	5. UK	0.4	0.1	0.2
6. UK	0.5	0.3	0.1	6. UAE	0.8	0.1	0.2
7. Cyprus	0.6	0.3	0.3	7. Cayman Islands	0.4	0.0	0.1
8. Germany	0.2	0.1	0.1	8. Cyprus	0.5	0.1	0.1
9. Others	2.7	1.2	0.5	9. Others	2.9	0.4	0.9
Total	**14.9**	**4.5**	**2.5**	**Total**	**16.6**	**2.2**	**4.4**

Includes equity FDI through SIA/FIPB and RBI routes only and hence are not comparable with data in other tables.
* Includes equity (except that of individuals and banks), loans and guarantee invoked, and hence are not comparable with data in other tables.

Table 9: India's Outward FDI

(US$ billion)

Sr. No	Period	Equity*	Loan	Guarantee Invoked	Total
		1	2	3	4
1	2010-2011	9.1 (55.1)	7.5 (44.9)	0.1 (0.1)	16.6
2	2009-2010	8.2 (66.5)	4.1 (33.3)	0.02 (0.2)	12.3
3	2008-2009	13.3 (73.1)	4.9 (26.9)	0.0 (0.0)	18.2

* The equity data do not include equity of individuals and banks

Note: Figures in brackets relate to percentage share in total outward FDI for the period.

during 2010-11 was marginally lower as compared to the previous year mainly due to widening of the current account deficit. The accretion to foreign exchange reserves on BoP basis (*i.e.*, excluding valuation) was US$ 13.1 billion in 2010-11 (US$ 13.4 billion a year ago) (Chart 4). Taking into account the valuation gains, foreign exchange reserves recorded an increase of US$ 25.8 billion in 2010-11 (US$ 27.1 billion a year ago).

(ii) At the end of March 2011, the level of foreign exchange reserves stood at US$ 304.8 billion.

Difference in DGCI&S and Balance of Payments Imports

(i) During 2010-11, as per the records of the DGCI&S imports (based on customs) data and the BoP merchandise imports (based on banking channel data), the difference between the two data sets works out to about US$ 28 billion (Table 11). DGCI&S is in the process of revising their import numbers for the year 2010-11 and the gap between BoP (RBI) and DGCI&S import estimates is likely to get reduced.

Table 10: Details of 'Other Receivables/Payables' (Net)

(US$ billion)

Item	April-March		January-March	
	2009-10 (PR)	2010-11 (P)	2009-10 (PR)	2010-11 (P)
	1	2	3	4
1 Lead and Lags in Exports	-4.7	-10.0	-1.6	-0.4
2 Net Funds Held Abroad	-6.9	-4.0	-1.1	-0.7
3 Advances Received Pending Issue of Shares under FDI	3.1	6.9	2.0	2.6
4 SDR Allocation	5.2	–	–	–
5 Other capital not included elsewhere#	-9.7	-3.3	-0.5	0.9
Total (1 to 5)	**-13.0**	**-10.4**	**-1.2**	**2.4**

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

\# Inclusive of derivatives and hedging, migrant transfers and other capital transfers.

Table 11: DGCI&S and the BoP Import Data

(US$ billion)

Item	April-March		
	2008-09 (R)	2009-10 (PR)	2010-11 (P)
	1	2	3
1. BoP Imports	308.5	300.6	380.9
2. DGCI&S Imports	298.8	288.4	352.6
3. Difference (1-2)	9.7	12.2	28.3

Chart 4: Variation in India's Foreign Exchange Reserves (BOP Basis)

Statement I: Standard Presentation of BoP as per BPM6

(US$ million)

Item	Apr-Jun 2010 (PR)			Jul-Sept 2010 (PR)			Oct-Dec 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6	7	8	9
1 Current Account (1.A+1.B+1.C)	97873	109891	-12018	98444	115247	-16803	120390	130507	-10118
1.A Goods and Services (1.A.a+1.A.b)	81322	103592	-22269	82958	108569	-25611	104212	123780	-19568
1.A.a Goods (1.A.a.1 to 1.A.a.3)	54864	87160	-32296	52044	89313	-37269	65987	97362	-31375
1.A.a.1 General merchandise on a BOP basis	55301	80757	-25456	52029	81369	-29340	65898	89461	-23563
1.A.a.1.1 Re-exports	–	–	–	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	-437		-437	15		15	89		89
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold	–	6403	-6403	–	7944	-7944	–	7901	-7901
1.A.b Services (1.A.b.1 to 1.A.b.13)	26458	16431	10027	30914	19255	11658	38225	26418	11807
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–	–	–	–
1.A.b.3 Transport	3144	3146	-2	3303	3555	-252	3717	3992	-275
1.A.b.3.1 Sea transport	1378	1797	-419	1640	2055	-415	1607	2268	-661
1.A.b.3.2 Air transport	589	1133	-544	541	1164	-623	579	1431	-852
1.A.b.3.3 Other modes of transport	1176	204	972	1097	304	792	1527	285	1242
1.A.b.3.4 Postal and courier services	1	12	-11	26	31	-5	4	8	-4
1.A.b.4 Travel	2949	2335	615	3379	2772	606	4429	2890	1539
1.A.b.4.1 Business	–	883	-883	–	1032	-1032	–	1284	-1284
1.A.b.4.2 Personal	–	1451	-1451	–	1740	-1740	–	1606	-1606
1.A.b.4.2.1 Health-related	–	41	-41	–	6	-6	–	7	-7
1.A.b.4.2.2 Education-related	–	325	-325	–	664	-664	–	435	-435
1.A.b.4.2.3 Other	–	1086	-1086	–	1070	-1070	–	1164	-1164
1.A.b.5 Construction	122	345	-223	173	136	37	128	220	-91
1.A.b.5.1 Construction abroad	122	200	-78	173	77	97	128	117	11
1.A.b.5.2 Construction in the reporting economy	–	146	-146	–	59	-59	–	102	-102
1.A.b.6 Insurance and pension services	410	310	100	442	386	56	507	403	104
1.A.b.6.1 Direct insurance	374	143	231	405	178	228	463	131	332
1.A.b.6.2 Reinsurance	29	147	-118	29	192	-164	37	255	-218
1.A.b.6.3 Auxiliary insurance services	7	20	-13	8	16	-8	7	16	-10
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–	–	–	–
1.A.b.7 Financial services	1228	1404	-176	1819	1905	-87	1684	1961	-276
1.A.b.7.1 Explicitly charged and other financial services	1228	1404	-176	1819	1905	-87	1684	1961	-276
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	35	566	-531	27	560	-533	25	696	-671
1.A.b.9 Telecommunications, computer, and information services	13520	880	12640	13690	888	12802	16426	1118	15309
1.A.b.9.1 Telecommunications services	324	230	94	392	235	157	421	296	125
1.A.b.9.2 Computer services	13114	575	12539	13191	585	12605	15684	709	14975
1.A.b.9.3 Information services	83	75	7	108	68	39	322	113	209
1.A.b.10 Other business services	4636	5296	-660	5584	6645	-1061	6754	7772	-1018
1.A.b.10.1 Research and development services	170	66	104	286	51	235	224	79	145
1.A.b.10.2 Professional and management consulting services	1914	2389	-475	2596	2995	-399	3131	3408	-277
1.A.b.10.3 Technical, trade-related, and other business services	2553	2841	-289	2702	3599	-897	3399	-4285	-886

Statement I: Standard Presentation of BoP as per BPM6

(US$ million)

Item	Apr-Jun 2010 (PR)			Jul-Sept 2010 (PR)			Oct-Dec 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6	7	8	9
1.A.b.11 Personal, cultural, and recreational services	49	71	-21	56	105	-49	52	228	-176
1.A.b.11.1Audiovisual and related services	22	36	-15	27	47	-20	30	39	-9
1.A.b.11.2Other personal, cultural, and recreational services	28	35	-7	29	58	-29	22	190	-168
1.A.b.12 Government goods and services n.i.e.	94	143	-49	125	205	-80	150	195	-44.8
1.A.b.13 Others n.i.e.	270	1936	-1666	2316	2096	220	4352	6944	-2592
1.B Primary Income (1.B.1to1.B.3)	2855	5714	-2859	1973	6139	-4165	2096	6082	-3986
1.B.1 Compensation of employees	227	494	-267	247	445	-199	286	578	-293
1.B.2 Investment income	2628	5220	-2592	1726	5693	-3967	1811	5504	-3693
1.B.2.1 Direct investment	1685	5140	-3455	511	5557	-5045	898	5430	-4533
1.B.2.1.1 Income on equity and investment fund shares	351	3435	-3084	393	3879	-3486	723	3722	-2999
1.B.2.1.2 Interest	1335	1705	-370	119	1678	-1559	174	1708	-1534
1.B.2.2 Portfolio investment	–	–	–	–	–	–	–	–	–
1.B.2.2.1 Investment income on equity and investment fund shares	–	–	–	–	–	–	–	–	–
1.B.2.2.2 Interest	–	–	–	–	–	–	–	–	–
1.B.2.3 Other investment	0	77	-77	0	133	-133	0	68	-68
1.B.2.4 Reserve assets	943	4	939	1215	4	1211	913	5	908
1.B.3 Other primary income	–	–	–	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	13695	585	13110	13513	540	12973	14081	645	13436
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	13695	585	13110	13513	540	12973	14081	645	13436
1.C.1.1 Personal transfers (Current transfers between resident and non-resident households)	13219	486	12733	13051	443	12608	13573	540	13033
Of which:									
1.C.1.1.1 Workers' remittances	6900	486	6414	5999	443	5556	7227	540	6687
1.C.1.2 Other current transfers	476	100	377	462	97	365	508	105	403
2 Capital Account (2.1+2.2)	69	144	-75	142	139	3	343	206	137
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	11	3	8	1	2	-1	3	7	-5
2.2 Capital transfers	59	141	-83	141	137	4	341	199	141
2.2.1 General government	59	141	-83	141	137	4	341	199	141
2.2.1.1 Debt forgiveness	–	–	–	–	–	–	–	–	–
2.2.1.2 Other capital transfers	59	141	-83	141	137	4	341	199	141
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–	–	–	–
3 Financial Account (3.1 to 3.5)	**94467**	**81453**	**13014**	**112120**	**94048**	**18072**	**173706**	**164312**	**9394**
3.1 Direct Investment (3.1A+3.1B)	**8724**	**5791**	**2933**	**8532**	**5531**	**3002**	**8787**	**8159**	**628**
3.1.A Direct Investment in India	8430	2302	6128	7955	1097	6858	7703	2200	5504
3.1.1 Equity and investment fund shares	8347	2278	6069	7808	1034	6774	7609	1861	5748
3.1.1.1 Equity other than reinvestment of earnings	5991	2278	3713	5452	1034	4418	5253	1861	3392
3.1.1.1.1 Direct investor in direct investment enterprises	5991	2278	3713	5452	1034	4418	5253	1861	3392
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	2356	–	2356	2356	–	2356	2356	–	2356
3.1.2 Debt instruments	83	24	59	147	63	84	95	339	-244
3.1.2.1 Direct investor in direct investment enterprises	83	24	59	147	63	84	95	339	-244
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–	–	–	–
3.1.B Direct Investment by India	294	3489	-3195	578	4434	-3856	1084	5959	-4876
3.1.1 Equity and investment fund shares	294	2330	-2036	578	2754	-2176	1084	3536	-2452
3.1.1.1 Equity other than reinvestment of earnings	294	2059	-1765	578	2483	-1905	1084	3265	-2181
3.1.1.1.1 Direct investor in direct investment enterprises	294	2059	-1765	578	2483	-1905	1084	3265	-2181
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	271	-271	–	271	-271	–	271	-271

Statement I: Standard Presentation of BoP as per BPM6

(US$ million)

Item	Apr-Jun 2010 (PR)			Jul-Sept 2010 (PR)			Oct-Dec 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6	7	8	9
3.1.2 Debt instruments	–	1159	-1159	–	1679	-1679	–	2423	-2423
3.1.2.1 Direct investor in direct investment enterprises	–	1159	-1159	–	1679	-1679	–	2423	-2423
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–	–	–	–
3.2 Portfolio Investment	42952	39461	3491	58764	40065	18699	101562	95496	6066
3.2A Portfolio Investment in India	42858	39320	3538	58614	39854	18759	101423	94265	7158
3.2.1 Equity and investment fund shares	32352	27763	4589	36346	18256	18090	84647	62916	21731
3.2.2 Debt securities	10506	11556	-1051	22266	21596	670	16776	31348	-14572
3.2.B Portfolio Investment by India	94	141	-47	151	211	-60	139	1232	-1092
3.3 Financial derivatives (other than reserves) and employee stock options	–	–	–	–	–	–	–	–	–
3.4 Other investment	**42791**	**32460**	**10332**	**44824**	**45163**	**-339**	**63357**	**56668**	**6689**
3.4.1 Other equity (ADRs/GDRs)	1114	–	1114	492	–	492	233	–	233
3.4.2 Currency and deposits	11255	10157	1097	11672	11232	440	12652	12380	272
3.4.2.1 Central bank	2	24	-22	–	604	-604	87	–	87
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	11252	10133	1119	11672	10628	1044	12566	12380	185
3.4.2.3 General government	–	–	–	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	13131	5547	7584	12543	12120	423	28711	19087	9623
3.4.3A Loans to India	12927	5279	7648	12227	11539	688	28122	18840	9283
3.4.3.1 Central bank	–	–	–	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	5491	2586	2905	5320	8923	-3603	20451	15822	4629
3.4.3.3 General government (External Assistance)	3191	733	2458	1252	662	590	1916	756	1160
3.4.3.4 Other sectors (External Commercial Borrowings)	4245	1960	2284	5656	1954	3701	5756	2262	3494
3.4.3B Loans by India	204	268	-64	316	581	-265	589	248	341
3.4.3.1 Central bank	–	–	–	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–	–	–	–
3.4.3.3 General government	19	25	-6	19	25	-6	19	25	-6
3.4.3.4 Other sectors	185	243	-58	297	556	-259	570	222	347
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–	–	–	–
3.4.5 Trade credit and advances	15825	11506	4319	19420	16801	2618	18337	16992	1345
3.4.5.1 Central bank	–	–	–	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–	–	–	–
3.4.5.4 Other sectors	15825	11506	4319	19420	16801	2618	18337	16992	1345
3.4.6 Other accounts receivable/payable—other	1466	5249	-3782	696	5009	-4313	3424	8209	-4785
3.4.7 Special drawing rights	–	–	–	–	–	–	–	–	–
3.5 Reserve assets	–	3741	-3741	–	3289	-3289	–	3989	-3989
3.5.1 Monetary gold	–	–	–	–	–	–	–	–	–
3.5.2 Special drawing rights n.a.	–	–	–	–	–	–	–	–	–
3.5.3 Reserve position in the IMF n.a.	–	–	–	–	–	–	–	–	–
3.5.4 Other reserve assets (Foreign Currency Assets)	–	3741	-3741	–	3289	-3289	–	3989	-3989
3.5.4.1 Currency,deposits and securities	–	3741	-3741	–	3289	-3289	–	3989	-3989
3.5.4.2 Financial derivatives	–	–	–	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–	–	–	–
3 Total assets/liabilities	94537	81597	12939	112262	94187	18075	174049	164519	9530
***Of which:* (by instrument):**	–	–	–	–	–	–	–	–	–
3.0.1 Equity and investment fund shares	41087	32512	8575	44882	22256	22626	93478	69544	23934
3.0.2 Debt instruments	10589	12740	-2151	22415	23340	-925	16871	34111	-17240
3.0.3 Other financial assets and liabilities	42791	36201	6591	44824	48452	-3629	63357	60657	2700
4 Net errors and omissions			-921			-1272			587

Statement I: Standard Presentation of BoP as per BPM6 *(Concld.)*

(US$ million)

Item	Jan-Mar 2011 (P)			Apr-Mar 2010-11 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	10	11	12	13	14	15
1 Current Account (1.A+1.B+1.C)	129295	134650	-5355	446002	490296	-44294
1.A Goods and Services (1.A.a+1.A.b)	112546	127897	-15351	381038	463837	-82799
1.A.a Goods (1.A.a.1 to 1.A.a.3)	77395	107100	-29705	250291	380936	-130645
1.A.a.1 General merchandise on a BOP basis	77240	95393	-18153	250468	346981	-96512
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	156	–	156	-178	–	-178
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold	–	11707	-11707	–	33955	-33955
1.A.b Services (1.A.b.1 to 1.A.b.13)	35151	20797	14354	130748	82901	47846
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	4166	3254	912	14330	13947	383
1.A.b.3.1 Sea transport	1545	1995	-450	6170	8116	-1946
1.A.b.3.2 Air transport	755	1051	-296	2465	4780	-2315
1.A.b.3.3 Other modes of transport	1844	192	1652	5643	984	4659
1.A.b.3.4 Postal and courier services	21	16	5	52	67	-15
1.A.b.4 Travel	4518	3235	1283	15275	11232	4043
1.A.b.4.1 Business	–	1904	-1904	–	5103	-5103
1.A.b.4.2 Personal	–	1331	-1331	–	6129	-6129
1.A.b.4.2.1 Health-related	–	5	-5	–	59	-59
1.A.b.4.2.2 Education-related	–	468	-468	–	1893	-1893
1.A.b.4.2.3 Other	–	858	-858	–	4178	-4178
1.A.b.5 Construction	253	456	-203	677	1157	-481
1.A.b.5.1 Construction abroad	253	239	14	677	633	44
1.A.b.5.2 Construction in the reporting economy	–	216	-216	–	524	-524
1.A.b.6 Insurance and pension services	590	301	289	1949	1400	549
1.A.b.6.1 Direct insurance	548	133	415	1790	584	1206
1.A.b.6.2 Reinsurance	31	155	-124	127	750	-623
1.A.b.6.3 Auxiliary insurance services	11	13	-3	32	65	-33
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	1777	2213	-436	6508	7483	-975
1.A.b.7.1 Explicitly charged and other financial services	1777	2213	-436	6508	7483	-975
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	106	602	-495	193	2424	-2231
1.A.b.9 Telecommunications, computer, and information services	17480	862	16619	61117	3748	57369
1.A.b.9.1 Telecommunications services	376	325	51	1512	1085	427
1.A.b.9.2 Computer services	17012	326	16686	59000	2194	56805
1.A.b.9.3 Information services	93	211	-118	605	468	137
1.A.b.10 Other business services	5848	6754	-905	22823	26466	-3643
1.A.b.10.1 Research and development services	198	53	145	878	249	624
1.A.b.10.2 Professional and management consulting services	2985	3199	-214	10626	11991	-1365
1.A.b.10.3 Technical, trade-related, and other business services	2665	3502	-836	11319	14227	-290

Statement I: Standard Presentation of BoP as per BPM6 *(Concld.)*

(US$ million)

Item	Jan-Mar 2011 (P)			Apr-Mar 2010-11 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	10	11	12	13	14	15
1.A.b.11 Personal, cultural, and recreational services	70	139	-69	227	543	-316
1.A.b.11.1Audiovisual and related services	38	25	14	117	147	-30
1.A.b.11.2Other personal, cultural, and recreational services	31	114	-83	110	396	-287
1.A.b.12 Government goods and services n.i.e.	165	277	-111	535	820	-285
1.A.b.13 Others n.i.e.	176	2705	-2529	7114	13681	-6567
1.B Primary Income (1.B.1to1.B.3)	2177	6030	-3853	9102	23965	-14863
1.B.1 Compensation of employees	357	563	-206	1116	2081	-965
1.B.2 Investment income	1820	5467	-3646	7986	21884	-13898
1.B.2.1 Direct investment	729	5386	-4657	3824	21513	-17689
1.B.2.1.1 Income on equity and investment fund shares	583	3289	-2707	2049	14325	-12275
1.B.2.1.2 Interest	147	2097	-1950	1775	7188	-5414
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.2.1 Investment income on equity and investment fund shares	–	–	–	–	–	–
1.B.2.2.2 Interest	–	–	–	–	–	–
1.B.2.3 Other investment	–	75	-75	–	353	-353
1.B.2.4 Reserve assets	1091	6	1085	4162	18	4144
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	14572	723	13848	55861	2494	53368
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	14572	723	13848	55861	2494	53368
1.C.1.1 Personal transfers (Current transfers between resident and non-resident households)	13958	609	13350	53801	2078	51724
Of which:						
1.C.1.1.1 Workers' remittances	7282	609	6673	27408	2078	25331
1.C.1.2 Other current transfers	613	115	499	2060	416	1644
2 Capital Account (2.1+2.2)	131	155	-24	685	645	40
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	24	2	22	38	14	25
2.2 Capital transfers	107	154	-47	647	631	16
2.2.1 General government	107	154	-47	647	631	16
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	107	154	-47	647	631	16
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–
3 Financial Account (3.1 to 3.5)	**115699**	**109516**	**6183**	**495992**	**449329**	**46663**
3.1 Direct Investment (3.1A+3.1B)	**6899**	**6323**	**576**	**32941**	**25804**	**7138**
3.1.A Direct Investment in India	6292	1419	4873	30380	7018	23362
3.1.1 Equity and investment fund shares	5966	1341	4624	29728	6514	23214
3.1.1.1 Equity other than reinvestment of earnings	3610	1341	2269	20304	6514	13791
3.1.1.1.1 Direct investor in direct investment enterprises	3610	1341	2269	20304	6514	13791
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	2356	–	2356	9424	–	9424
3.1.2 Debt instruments	327	78	249	652	504	147
3.1.2.1 Direct investor in direct investment enterprises	327	78	249	652	504	147
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	606	4904	-4297	2562	18785	-16224
3.1.1 Equity and investment fund shares	606	2700	-2094	2562	11321	-8759
3.1.1.1 Equity other than reinvestment of earnings	606	2429	-1823	2562	10237	-7675
3.1.1.1.1 Direct investor in direct investment enterprises	606	2429	-1823	2562	10237	-7675
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	271	-271	–	1084	-1084

Statement I: Standard Presentation of BoP as per BPM6 *(Concld.)*

(US$ million)

Item	Jan-Mar 2011 (P)			Apr-Mar 2010-11 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	10	11	12	13	14	15
3.1.2 Debt instruments	–	2203	-2203	–	7465	-7465
3.1.2.1 Direct investor in direct investment enterprises	–	2203	-2203	–	7465	-7465
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	48624	48637	-13	251903	223660	28243
3.2A Portfolio Investment in India	48231	48265	-34	251125	221704	29422
3.2.1 Equity and investment fund shares	34492	35015	-523	187837	143950	43887
3.2.2 Debt securities	13739	13250	489	63289	77754	-14465
3.2.B Portfolio Investment by India	393	372	21	777	1956	-1179
3.3 Financial derivatives (other than reserves) and employee stock options	–	–	–	–	–	–
3.4 Other investment	**60176**	**52525**	**7651**	**211148**	**186815**	**24332**
3.4.1 Other equity (ADRs/GDRs)	210	–	210	2049	–	2049
3.4.2 Currency and deposits	15375	13417	1958	50954	47186	3768
3.4.2.1 Central bank	1613	545	1068	1702	1172	529
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	13763	12873	890	49252	46014	3238
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	17953	17524	429	72338	54280	18058
3.4.3A Loans to India	17146	17008	138	70422	52665	17757
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	10108	12844	-2737	41369	40175	1194
3.4.3.3 General government (External Assistance)	1446	689	757	7805	2840	4965
3.4.3.4 Other sectors (External Commercial Borrowings)	5592	3474	2118	21248	9651	11597
3.4.3B Loans by India	807	517	290	1916	1614	302
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	19	25	-6	76	102	-26
3.4.3.4 Other sectors	788	491	297	1840	1513	328
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–
3.4.5 Trade credit and advances	22150	19442	2708	75732	64742	10990
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	22150	19442	2708	75732	64742	10990
3.4.6 Other accounts receivable/payable—other	4487	2141	2346	10074	20608	-10534
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	–	2031	-2031	–	13050	-13050
3.5.1 Monetary gold	–	–	–	–	–	–
3.5.2 Special drawing rights n.a.	–	–	–	–	–	–
3.5.3 Reserve position in the IMF n.a.	–	–	–	–	–	–
3.5.4 Other reserve assets (Foreign Currency Assets)	–	2031	-2031	–	13050	-13050
3.5.4.1 Currency,deposits and securities	–	2031	-2031	–	13050	-13050
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	115830	109671	6159	496677	449974	46703
***Of which:* (by instrument):**						
3.0.1 Equity and investment fund shares	41457	39428	2029	220904	163741	57163
3.0.2 Debt instruments	14066	15532	-1466	63940	85723	-21782
3.0.3 Other financial assets and liabilities	60176	54556	5620	211148	199866	11282
4 Net errors and omissions			-804			-2409

– Not Available.

Discrepancy in data, if any, between standard format and earlier format is due to rounding off.

Annex 1: India's Overall Balance of Payments

(Earlier Format) (US$ million)

Item	2007-08 (PR)			2008-09 (PR)		
	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.

Annex 1: India's Overall Balance of Payments *(Contd.)*

(Earlier Format) (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	–	–	–

Annex 1: India's Overall Balance of Payments *(Contd.)*

(Earlier Format) (US$ million)

Item	Apr-Jun 2006 (R)			Jul-Sep 2006 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	13	14	15	16	17	18
A. CURRENT ACCOUNT						
I. MERCHANDISE	**29,663**	**46,613**	**-16,950**	**32,701**	**48,717**	**-16,016**
II. INVISIBLES (a+b+c)	**24,934**	**12,421**	**12,513**	**24,866**	**14,597**	**10,269**
a) Services	16,042	8,475	7,567	16,416	9,966	6,450
i) Travel	1,708	1,488	220	1,796	1,811	-15
ii) Transportation	1,715	1,997	-282	1,973	1,978	-5
iii) Insurance	238	129	109	315	154	161
iv) G.n.i.e.	40	79	-39	61	122	-61
v) Miscellaneous	12,341	4,782	7,559	12,271	5,901	6,370
of which						
Software Services	7,039	415	6,624	7,121	405	6,716
Business Services	3,386	2,646	740	3,436	3,300	136
Financial Services	509	318	191	716	703	13
Communication Services	475	108	367	569	180	389
b) Transfers	7,170	289	6,881	6,218	361	5,857
i) Official	69	82	-13	119	100	19
ii) Private	7,101	207	6,894	6,099	261	5,838
c) Income	1,722	3,657	-1,935	2,232	4,270	-2,038
i) Investment Income	1,659	3,461	-1,802	2,160	4,042	-1,882
ii) Compensation of Employees	63	196	-133	72	228	-156
Total Current Account (I+II)	**54,597**	**59,034**	**-4,437**	**57,567**	**63,314**	**-5,747**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**34,299**	**33,067**	**1,232**	**22,485**	**18,219**	**4,266**
a) Foreign Direct Investment (i+ii)	3,477	1,739	1,738	4,545	2,429	2,116
i. In India	3,413	8	3,405	4,400	2	4,398
Equity	1,946	8	1,938	2,886	2	2,884
Reinvested Earnings	1,457	–	1,457	1,457	–	1,457
Other Capital	10	–	10	57	–	57
ii. Abroad	64	1,731	-1,667	145	2,427	-2,282
Equity	64	1,189	-1,125	145	1,868	-1,723
Reinvested Earnings	–	269	-269	–	269	-269
Other Capital	–	273	-273	–	290	-290
b) Portfolio Investment	30,822	31,328	-506	17,940	15,790	2,150
In India	30,801	31,327	-526	17,929	15,789	2,140
of which						
FIIs	29540	31327	-1787	17469	15789	1680
GDRs/ADRs	1261	–	1261	460	–	460
Abroad	21	1	20	11	1	10
2. Loans (a+b+c)	**11,499**	**6,288**	**5,211**	**11,228**	**6,446**	**4,782**
a) External Assistance	577	526	51	788	449	339
i) By India	5	8	-3	5	8	-3
ii) To India	572	518	54	783	441	342
b) Commercial Borrowings (MT&LT)	5,051	1,073	3,978	2,680	920	1,760
i) By India	87	223	-136	114	170	-56
ii) To India	4,964	850	4,114	2,566	750	1,816
c) Short Term to India	5,871	4,689	1,182	7,760	5,077	2,683
i) Suppliers' Credit >180 days & Buyers' Credit	5,082	4,689	393	6,579	5,077	1,502
ii) Suppliers' Credit up to 180 days	789	–	789	1,181	–	1,181
3. Banking Capital (a+b)	**9,909**	**4,848**	**5,061**	**5,754**	**7,472**	**-1,718**
a) Commercial Banks	9,837	4,848	4,989	5,754	7,428	-1,674
i) Assets	5,257	1,877	3,380	1,568	3,553	-1,985
ii) Liabilities	4,580	2,971	1,609	4,186	3,875	311
of which : Non-Resident Deposits	4,246	2,944	1,302	4,185	3,277	908
b) Others	72	–	72	–	44	-44
4. Rupee Debt Service	**–**	**67**	**-67**	**–**	**–**	**–**
5. Other Capital	**342**	**1,054**	**-712**	**1,084**	**554**	**530**
Total Capital Account (1to5)	**56,049**	**45,324**	**10,725**	**40,551**	**32,691**	**7,860**
C. Errors & Omissions	**91**	**–**	**91**	**157**	**–**	**157**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**110,737**	**104,358**	**6,379**	**98,275**	**96,005**	**2,270**
E. Monetary Movements (i+ii)	**–**	**6,379**	**-6,379**	**–**	**2,270**	**-2,270**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase -/Decrease +)	–	6,379	-6,379	–	2,270	-2,270

Annex 1: India's Overall Balance of Payments *(Contd.)*

(Earlier Format) (US$ million)

Item	Oct-Dec 2006 (R)			Jan-Mar 2007 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	19	20	21	22	23	24
A. CURRENT ACCOUNT						
I. MERCHANDISE	**30,824**	**47,257**	**-16,433**	**35,700**	**48,083**	**-12,383**
II. INVISIBLES (a+b+c)	**29,704**	**16,875**	**12,829**	**35,054**	**18,448**	**16,606**
a) Services	18,451	12,371	6,080	22,871	13,499	9,372
i) Travel	2,621	1,638	983	2,998	1,747	1,251
ii) Transportation	2,092	2,102	-10	2,194	1,991	203
iii) Insurance	288	201	87	354	158	196
iv) G.n.i.e.	87	97	-10	65	105	-40
v) Miscellaneous	13,363	8,333	5,030	17,260	9,498	7,762
of which						
Software Services	7,602	684	6,918	9,538	763	8,775
Business Services	3,690	4,267	-577	4,032	5,653	-1,621
Financial Services	828	647	181	1,053	1,323	-270
Communication Services	597	239	358	621	269	352
b) Transfers	8,961	333	8,628	9,121	408	8,713
i) Official	287	89	198	160	110	50
ii) Private	8,674	244	8,430	8,961	298	8,663
c) Income	2,292	4,171	-1,879	3,062	4,541	-1,479
i) Investment Income	2,193	3,936	-1,743	2,914	4,249	-1,335
ii) Compensation of Employees	99	235	-136	148	292	-144
Total Current Account (I+II)	**60,528**	**64,132**	**-3,604**	**70,754**	**66,531**	**4,223**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**38,646**	**32,179**	**6,467**	**37,780**	**34,992**	**2,788**
a) Foreign Direct Investment (i+ii)	10,008	7,110	2,898	5,560	4,619	941
i. In India	9,855	7	9,848	5,158	70	5,088
Equity	8,203	7	8,196	3,446	70	3,376
Reinvested Earnings	1,457	–	1,457	1,457	–	1,457
Other Capital	195	–	195	255	–	255
ii. Abroad	153	7,103	-6,950	402	4,549	-4,147
Equity	153	6,454	-6,301	402	3,857	-3,455
Reinvested Earnings	–	269	-269	–	269	-269
Other Capital	–	380	-380	–	423	-423
b) Portfolio Investment	28,638	25,069	3,569	32,220	30,373	1,847
In India	28,625	25,063	3,562	32,179	30,351	1,828
of which						
FIIs	28418	25063	3355	30329	30351	-22
GDRs/ADRs	207	–	207	1848	–	1848
Abroad	13	6	7	41	22	19
2. Loans (a+b+c)	**14,731**	**8,250**	**6,481**	**17,184**	**9,168**	**8,016**
a) External Assistance	1,113	494	619	1,289	523	766
i) By India	5	8	-3	5	8	-3
ii) To India	1,108	486	622	1,284	515	769
b) Commercial Borrowings (MT&LT)	5,418	1,369	4,049	7,734	1,418	6,316
i) By India	425	345	80	–	228	-228
ii) To India	4,993	1,024	3,969	7,734	1,190	6,544
c) Short Term to India	8,200	6,387	1,813	8,161	7,227	934
i) Suppliers' Credit >180 days & Buyers' Credit	5,660	6,387	-727	8,161	6,022	2,139
ii) Suppliers' Credit up to 180 days	2,540	–	2,540	–	1,205	-1,205
3. Banking Capital (a+b)	**7,160**	**10,273**	**-3,113**	**14,386**	**12,703**	**1,683**
a) Commercial Banks	6,944	10,239	-3,295	14,264	12,703	1,561
i) Assets	556	4,530	-3,974	7,085	8,000	-915
ii) Liabilities	6,388	5,709	679	7,179	4,703	2,476
of which: Non-Resident Deposits	6,325	4,862	1,463	5,158	4,510	648
b) Others	216	34	182	122	–	122
4. Rupee Debt Service	**–**	**2**	**-2**	**–**	**93**	**-93**
5. Other Capital	**1,976**	**994**	**982**	**4,828**	**1,419**	**3,409**
Total Capital Account (1to5)	**62,513**	**51,698**	**10,815**	**74,178**	**58,375**	**15,803**
C. Errors & Omissions	**294**	**–**	**294**	**426**	**–**	**426**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**123,335**	**115,830**	**7,505**	**145,358**	**124,906**	**20,452**
E. Monetary Movements (i+ii)	**–**	**7,505**	**-7,505**	**–**	**20,452**	**-20,452**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase -/Decrease +)	–	7,505	-7,505	–	20,452	-20,452

Annex 1: India's Overall Balance of Payments *(Contd.)*

(Earlier Format)

(US$ million)

Item	Apr-Jun 2007 (PR)			Jul-Sep 2007 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	25	26	27	28	29	30
A. CURRENT ACCOUNT						
I. MERCHANDISE	**36,601**	**56,348**	**-19,747**	**38,429**	**59,904**	**-21,475**
II. INVISIBLES (a+b+c)	**29,921**	**14,706**	**15,215**	**34,442**	**17,224**	**17,218**
a) Services	18,931	9,926	9,006	21,016	11,598	9,418
i) Travel	2,088	1,906	182	2,248	2,047	201
ii) Transportation	1,953	2,526	-573	2,091	2,559	-468
iii) Insurance	373	185	188	341	284	57
iv) G.n.i.e.	94	110	-16	68	128	-60
v) Miscellaneous	14,424	5,199	9,225	16,267	6,580	9,687
of which						
Software Services	8,836	679	8,157	9,050	801	8,248
Business Services	3,758	3,222	536	3,894	3,537	357
Financial Services	528	449	79	916	702	215
Communication Services	513	231	282	613	180	433
b) Transfers	8,628	432	8,196	9,708	408	9,300
i) Official	153	165	-11	158	112	46
ii) Private	8,475	267	8,208	9,550	296	9,254
c) Income	2,362	4,349	-1,987	3,718	5,218	-1,500
i) Investment Income	2,279	4,151	-1,871	3,608	4,920	-1,312
ii) Compensation of Employees	83	198	-116	110	298	-188
Total Current Account (I+II)	**66,523**	**71,054**	**-4,532**	**72,871**	**77,128**	**-4,257**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**43,173**	**32,757**	**10,416**	**54,343**	**41,177**	**13,166**
a) Foreign Direct Investment (i+ii)	8,409	5,535	2,874	5,640	3,374	2,266
i. In India	7,616	20	7,595	4,865	19	4,847
Equity	5,574	20	5,553	2,822	19	2,803
Reinvested Earnings	1,920	–	1,920	1,920	–	1,920
Other Capital	122	–	122	124	–	124
ii. Abroad	793	5,514	-4,721	774	3,355	-2,581
Equity	793	4,758	-3,965	774	2,515	-1,741
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	485	-485	–	569	-569
b) Portfolio Investment	34,764	27,222	7,542	48,704	37,803	10,900
In India	34,706	27,216	7,490	48,698	37,781	10,918
of which						
FIIs	34,305	27,216	7,089	46,199	37,781	8,418
GDRs/ADRs	316		316	2,477		2,477
Abroad	58	6	52	5	23	-17
2. Loans (a+b+c)	**16,740**	**7,593**	**9,147**	**20,008**	**10,428**	**9,580**
a) External Assistance	731	491	241	983	515	468
i) By India	6	7	-1	6	7	-1
ii) To India	726	484	242	977	508	469
b) Commercial Borrowings	8,282	1,338	6,944	6,288	2,071	4,217
i) By India	359	345	14	443	503	-60
ii) To India	7,923	993	6,930	5,845	1,568	4,277
c) Short Term to India	7,726	5,764	1,962	12,737	7,842	4,895
i) Suppliers' Credit >180 days & Buyers' Credit	6,883	5,764	1,119	11,012	7,842	3,170
ii) Suppliers' Credit up to 180 days	843	–	843	1,725	–	1,725
3. Banking Capital (a+b)	**8,561**	**9,479**	**-918**	**13,714**	**7,070**	**6,643**
a) Commercial Banks	8,561	9,473	-913	13,690	7,000	6,690
i) Assets	2,543	2,861	-318	4,404	358	4,046
ii) Liabilities	6,017	6,612	-595	9,286	6,642	2,645
of which: Non-Resident Deposits	5,252	5,699	-447	6,975	6,606	369
b) Others	–	6	-6	24	71	-47
4. Rupee Debt Service	**–**	**43**	**-43**	**–**	**2**	**-2**
5. Other Capital	**2,822**	**5,726**	**-2,904**	**9,025**	**5,188**	**3,837**
Total Capital Account (1to5)	**71,296**	**55,598**	**15,698**	**97,090**	**63,866**	**33,224**
C. Errors & Omissions	**34**	**–**	**34**	**269**	**–**	**269**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**137,852**	**126,652**	**11,200**	**167,769**	**138,533**	**29,236**
E. Monetary Movements (i+ii)	**–**	**11,200**	**-11,200**	**–**	**29,236**	**-29,236**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase -/Decrease +)	–	11,200	-11,200	–	29,236	-29,236

Annex 1: India's Overall Balance of Payments *(Contd.)*

(Earlier Format)

(US$ million)

Item	Oct-Dec 2007 (PR)			Jan-Mar 2008 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	31	32	33	34	35	36
A. CURRENT ACCOUNT						
I. MERCHANDISE	**43,054**	**67,294**	**-24,241**	**48,079**	**74,084**	**-26,005**
II. INVISIBLES (a+b+c)	**39,044**	**18,314**	**20,730**	**45,468**	**22,901**	**22,567**
a) Services	24,109	12,763	11,346	26,286	17,203	9,083
i) Travel	3,395	2,519	876	3,618	2,786	832
ii) Transportation	2,799	3,043	-245	3,171	3,386	-215
iii) Insurance	438	261	177	487	314	173
iv) G.n.i.e.	90	75	16	78	63	15
v) Miscellaneous	17,387	6,865	10,522	18,932	10,654	8,278
of which						
Software Services	9,608	852	8,757	12,806	1,026	11,780
Business Services	4,588	4,245	343	4,532	5,549	-1,016
Financial Services	882	763	119	891	1,219	-328
Communication Services	601	183	418	681	265	416
b) Transfers	11,427	493	10,934	14,498	982	13,515
i) Official	195	121	73	247	116	131
ii) Private	11,233	372	10,861	14,251	866	13,384
c) Income	3,508	5,058	-1,550	4,684	4,715	-31
i) Investment Income	3,401	4,791	-1,390	4,523	4,383	140
ii) Compensation of Employees	106	267	-160	161	333	-171
Total Current Account (I+II)	**82,097**	**85,607**	**-3,511**	**93,546**	**96,984**	**-3,438**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**84,486**	**69,639**	**14,847**	**89,119**	**84,222**	**4,897**
a) Foreign Direct Investment (i+ii)	8,396	6,275	2,120	14,877	6,245	8,633
i. In India	7,996	43	7,953	14,367	34	14,334
Equity	6,022	43	5,978	12,448	26	12,422
Reinvested Earnings	1,920	–	1,920	1,920	–	1,920
Other Capital	54	–	54	–	8	-8
ii. Abroad	400	6,232	-5,832	510	6,211	-5,701
Equity	400	5,206	-4,806	510	4,419	-3,909
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	755	-755	–	1,521	-1,521
b) Portfolio Investment	76,090	63,364	12,727	74,242	77,978	-3,736
In India	75,972	63,345	12,627	74,188	77,952	-3,764
of which						
FIIs	72,309	63,345	8,964	73,808	77,952	-4,144
GDRs/ADRs	3,473	–	3,473	379	–	379
Abroad	119	19	100	54	26	28
2. Loans (a+b+c)	**20,657**	**10,587**	**10,070**	**24,787**	**12,931**	**11,856**
a) External Assistance	1,109	544	565	1,417	577	840
i) By India	6	7	-1	6	7	-1
ii) To India	1,103	537	566	1,411	570	841
b) Commercial Borrowings	8,427	2,187	6,240	7,296	2,088	5,209
i) By India	363	384	-21	427	392	35
ii) To India	8,064	1,803	6,261	6,869	1,696	5,173
c) Short Term to India	11,121	7,855	3,266	16,074	10,267	5,807
i) Suppliers' Credit >180 days & Buyers' Credit	10,231	7,855	2,376	14,515	10,267	4,248
ii) Suppliers' Credit up to 180 days	890		890	1,559		1,559
3. Banking Capital (a+b)	**12,588**	**12,381**	**207**	**20,951**	**15,124**	**5,827**
a) Commercial Banks	12,586	12,029	557	20,899	15,121	5,777
i) Assets	5,636	3,939	1,698	6,979	5,510	1,469
ii) Liabilities	6,949	8,090	-1,141	13,920	9,612	4,308
of which: Non-Resident Deposits	6,456	7,309	-853	10,718	9,608	1,110
b) Others	3	352	-350	52	3	49
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**76**	**-76**
5. Other Capital	**9,407**	**4,892**	**4,515**	**7,976**	**2,455**	**5,521**
Total Capital Account (1to5)	**127,138**	**97,499**	**29,639**	**142,833**	**114,809**	**28,024**
C. Errors & Omissions	**609**		**609**	**405**	**–**	**405**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**206,333**	**179,595**	**26,738**	**236,783**	**211,794**	**24,990**
E. Monetary Movements (i+ii)	**–**	**26,738**	**-26,738**	**–**	**24,990**	**-24,990**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase -/Decrease +)	–	26,738	-26,738	–	24,990	-24,990

Annex 1: India's Overall Balance of Payments *(Contd.)*

(Earlier Format)

(US$ million)

Item	Apr-June 2008 (PR)			July-Sept 2008 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	37	38	39	40	41	42
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	–	–	–	–	–	–

Annex 1: India's Overall Balance of Payments *(Contd.)*

(Earlier Format)

(US$ million)

Item	Oct-Dec 2008 (PR)			Jan-Mar 2009 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	43	44	45	46	47	48
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	–	–	–	–	–	–

Annex 1: India's Overall Balance of Payments *(Contd.)*

(Earlier Format)

(US$ million)

Item	Apr-June 2009 (PR)			July-Sept 2009 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	49	50	51	52	53	54
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	–	–	–	–	5,160	-5,160

Annex 1: India's Overall Balance of Payments *(Contd.)*

(Earlier Format) (US$ million)

Item	Oct-Dec 2009 (PR)			Jan-Mar 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	55	56	57	58	59	60
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 (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**169,203**	**167,436**	**1,767**	**186,527**	**184,386**	**2,141**
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	–	–	–	–	–	–

Annex 1: India's Overall Balance of Payments *(Contd.)*

(Earlier Format)

(US$ million)

Item	Apr-June 2010 (PR)			July-Sept 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	61	62	63	64	65	66
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	–	–	–	–	–	–

Annex 1: India's Overall Balance of Payments *(Concld.)*

(Earlier Format)

(US$ million)

Item	Oct-Dec 2010 (PR)			Jan-Mar 2011 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	67	68	69	70	71	72
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	–	–	–	–	–	–

Annex 2: Correspondance Between Old & New Formats of BOP

The Report of the Working Group on Balance of Payments Manual for India (Chairman: Shri Deepak Mohanty), released by the RBI on its website (www.rbi.org.in) on November 23, 2010, had recommended that the BoP data for India should be presented in the new format of standard presentation of BoP as suggested by the IMF's Balance of Payments Manual (Sixth Edition), *i.e.,* BPM6. The time line set by the IMF for implementing the BPM6 standards is the end of 2012. As a follow up of the implementation of the recommendations of the Working Group, the BoP data for the four quarters of 2010-11 have been presented in the new format to comply with the BPM6 standards. The granular details under each sub-head of BoP would be presented in due course once new information become available through standard reporting. This note lists out the major changes in the various accounts of BoP to provide a link between the earlier and new formats, as noted below.

I. Current Account

- Merchanting, which was part of services earlier, has been added to goods as net exports of goods under merchanting. Accordingly, receipts and payments under services has been adjusted for merchanting receipts and payments (*i.e.,* on a gross basis).
- Services have been presented in the new format under the 12 sub-heads. Within services, postal and courier services, which was earlier part of communication services, have been added to arrive at transportation services. Royalties and license fees have been renamed as 'charges for the use of intellectual property rights' in the new format.
- Income and private transfers have been classified under the heads of 'primary income' and 'secondary income', respectively, in line with the BPM6. Accordingly, primary income includes compensation of employees and investment income from the old format. On the other hand, secondary income in the new format includes only the private transfers portion, while official transfers is included as part of rechristened capital account.

II. Capital Account

- Existing capital account has been bifurcated under two heads as 'capital account' and 'financial account' in the new format. Accordingly, the rechristened capital account in the new format includes official transfer part of current account and purchase/sale of intangible assets like patents, copyrights, trademarks *etc.* portion of capital account of the old format.

III. Financial Account

- The 'financial account' in the new format excludes purchase/sale of intangible assets like patents, copyrights, trademarks, *etc.* portion of capital account of the old format and includes reserve assets, which was the item below the line in the old format.
- Funds raised by Indian corporates through ADRs/ GDRs which was part of portfolio investment in the old format has been classified under 'other investments'.
- Banking capital has been classified into three parts. 1. NRI deposits has been named as 'currency and deposits' of 'deposit taking corporations, except the central banks'; 2. Movements in Nostro/Vostro balances have been classified as loans to deposit taking corporations; 3. Others' of banking capital in the old format has been included as currency and deposits of central banks.
- External assistance to/by India has been reclassified as Loans to/by General Government.
- External Commercial Borrowings to/by India has been reclassified as Loan to/by other sectors.

Attachment I: Invisibles by Category

(US$ million)

Items	2007-08 (PR)	2008-09 (PR)	2009-10 (PR)	2010-11 (P)	Apr-Jun 2010-11 (PR)	Jul-Sept 2010-11 (PR)	Oct-Dec 2010-11 (PR)	Jan-Mar 2010-11 (P)
	1	2	3	4	5	6	7	8
I. Invisibles Receipts (A+B+C)	**148,875**	**167,819**	**163,404**	**197,583**	**43,249**	**46,899**	**55,075**	**52,360**
A. Services	**90,342**	**105,963**	**95,759**	**131,972**	**26,640**	**31,272**	**38,556**	**35,504**
1) Travel	11,349	10,894	11,859	15,275	2,949	3,379	4,429	4,518
2) Transportation	10,014	11,310	11,177	14,277	3,143	3,277	3,713	4,144
3) Insurance	1,639	1,422	1,603	1,949	410	442	507	590
4) GNIE	331	389	440	534	94	125	150	165
5) Miscellaneous	67,010	81,948	70,680	99,937	20,044	24,049	29,757	26,087
of which:								
Software Services	40,300	46,300	49,705	59,001	13,114	13,191	15,684	17,012
B. Transfers	**44,261**	**47,547**	**54,623**	**56,509**	**13,754**	**13,654**	**14,422**	**14,679**
1) Official Transfers	753	645	723	648	59	141	341	107
2) Private Transfers	43,508	46,903	53,900	55,861	13,695	13,513	14,081	14,572
C. Income	**14,272**	**14,309**	**13,022**	**9,102**	**2,855**	**1,973**	**2,097**	**2,177**
1) Investment Income	13,811	13,483	12,108	7,985	2,628	1,726	1,811	1,820
2) Compensation of Employees	461	825	914	1,117	227	247	286	357
II. Invisibles Payments (A+B+C)	**73,144**	**76,214**	**83,413**	**111,397**	**23,492**	**26,413**	**33,588**	**27,904**
A. Services	**51,490**	**52,047**	**60,033**	**84,308**	**17,052**	**19,598**	**26,662**	**20,996**
1) Travel	9,258	9,425	9,342	11,232	2,335	2,772	2,890	3,235
2) Transportation	11,514	12,820	11,934	13,880	3,134	3,524	3,984	3,238
3) Insurance	1,044	1,130	1,286	1,400	310	386	403	301
4) GNIE	376	793	526	820	143	205	195	277
5) Miscellaneous	29,298	27,878	36,945	56,976	11,130	12,711	19,190	13,945
of which:								
Software Services	3,358	2,564	1,469	2,195	575	585	709	326
B. Transfers	**2,316**	**2,749**	**2,318**	**3,124**	**726**	**677**	**844**	**877**
1) Official Transfers	514	413	473	631	141	137	199	154
2) Private Transfers	1,802	2,336	1,845	2,493	585	540	645	723
C. Income	**19,339**	**21,418**	**21,062**	**23,965**	**5,714**	**6,138**	**6,082**	**6,031**
1) Investment Income	18,244	20,109	19,357	21,885	5,220	5,693	5,504	5,468
2) Compensation of Employees	1,095	1,309	1,705	2,080	494	445	578	563
Net Invisibles(I - II)	**75,731**	**91,605**	**79,991**	**86,186**	**19,757**	**20,486**	**21,487**	**24,456**

Attachment IA: Invisibles Receipts by Category of Transactions

(US$ million)

Items	2007-08 (PR)	2008-09 (PR)	2009-10 (PR)	2010-11 (P)	Apr-Jun 2010-11 (PR)	Jul-Sept 2010-11 (PR)	Oct-Dec 2010-11 (PR)	Jan-Mar 2010-11 (P)
	1	2	3	4	5	6	7	8
I. Invisibles Receipts (A+B+C)	**148,875**	**167,819**	**163,404**	**197,583**	**43,249**	**46,899**	**55,075**	**52,360**
A) SERVICES	**90,342**	**105,963**	**95,759**	**131,972**	**26,640**	**31,272**	**38,556**	**35,504**
1) TRAVEL ACCOUNT								
Tourist Expenses in India	11,349	10,894	11,859	15,275	2,949	3,379	4,429	4,518
TOTAL	**11,349**	**10,894**	**11,859**	**15,275**	**2,949**	**3,379**	**4,429**	**4,518**
2) TRANSPORTATION ACCOUNT								
a) Sea Transport								
i) Surplus remitted by Indian companies operating abroad	507	578	610	649	133	185	178	153
ii) Operating expenses of foreign companies in India	773	1,023	788	765	182	203	205	175
Charter hire charges	207	193	139	116	28	35	27	26
b) Air Transport								
i) Surplus remitted by Indian companies operating abroad	690	448	420	530	138	122	122	148
ii) Operating expenses of foreign Companies in India	155	129	67	56	8	10	19	19
iii) Charter hire charges	42	19	12	20	–	7	7	6
c) Freight on exports	6,921	7,527	7,967	10,368	2,258	2,318	2,680	3,112
d) Others	717	1,394	1,176	1,774	396	396	476	506
TOTAL (a to d)	**10,014**	**11,310**	**11,179**	**14,277**	**3,143**	**3,276**	**3,714**	**4,144**
3) INSURANCE ACCOUNT								
a) Insurance on export	964	1,050	1,040	1,355	295	303	350	407
b) Premium								
i) Life	98	56	46	50	20	7	10	13
ii) Non-life	132	77	102	124	25	25	43	31
iii) Reinsurance from foreign companies	185	81	217	126	29	29	37	31
c) Commission on Business received from foreign companies	125	54	25	33	7	8	7	11
d) Others	135	104	173	262	34	70	60	98
TOTAL (a to d)	**1,639**	**1,422**	**1,603**	**1,949**	**410**	**442**	**507**	**590**
4) Government Not Included Elsewhere								
a) Maintenance of foreign embassies and diplomatic missions in India	197	261	278	387	65	90	106	126
b) Maintenance of international and regional institution in India	134	128	162	147	29	35	44	39
TOTAL (a to b)	**331**	**389**	**440**	**534**	**94**	**125**	**150**	**165**
5) MISCELLANEOUS ACCOUNT								
a) Communication services	2,408	2,298	1,228	1,562	325	417	424	396
b) Construction services	764	986	588	676	122	173	128	253
c) Financial services	3,217	4,428	3,737	6,508	1,228	1,819	1,684	1,777
d) Software services	40,300	46,300	49,705	59,001	13,114	13,191	15,684	17,012
IT Services	29,400	33,600	36,285	–				–
ITES-BPO	10,900	12,700	13,420	–	–	–	–	–
e) News agency services	503	878	321	605	82	108	322	93
f) Royalties, copyright and license fees	157	133	203	193	35	27	25	106
g) Business services (1 to 12)	16,772	18,605	11,369	24,055	4,819	5,944	7,088	6,204
i) Merchanting services	417	1,212	316	1,225	183	356	331	355
ii) Trade related services	2,233	2,126	1,688	5,357	1,226	1,299	1,639	1,193
iii) Operational Leasing Services	476	471	423	830	175	127	300	228
iv) Legal services	702	786	609	439	124	122	74	119
v) Accounting/Auditing services	228	228	225	301	51	62	68	120
vi) Business Managemen & consultancy services	4,433	6,067	3,777	9,184	1,605	2,279	2,747	2,553
vii) Advertising/trade fair	712	508	590	703	134	134	243	192
viii) Research & Development services	1,335	1,550	565	878	170	286	224	198
ix) Architectural Engineering & other technical services	3,144	1,873	1,403	2,013	513	483	551	466
x) Agricultural Mining & on-site processing services	57	85	196	286	78	54	77	77
xi) Maintanence of offices abroad services	2,861	3,502	1,507	2,777	535	725	825	692
xii) Environmental services	174	197	72	60	25	15	9	11
h) Personal, Cultural & Recreational services	562	729	497	227	49	56	52	70
i) Refunds/rebates	270	291	512	507	9	209	132	157
j) Other services	2,057	7,300	2,519	6,603	261	2,106	4,217	19
TOTAL (a to j)	**67,010**	**81,948**	**70,681**	**99,935**	**20,044**	**24,048**	**29,756**	**26,087**

Attachment IA: Invisibles Receipts by Category of Transactions *(Concld.)*

(US$ million)

Items	2007-08 (PR)	2008-09 (PR)	2009-10 (PR)	2010-11 (P)	Apr-Jun 2010-11 (PR)	Jul-Sept 2010-11 (PR)	Oct-Dec 2010-11 (PR)	Jan-Mar 2010-11 (P)
	1	2	3	4	5	6	7	8
B) TRANSFERS	**44.261**	**47,548**	**54,623**	**56,510**	**13,754**	**13,654**	**14,423**	**14,679**
1) OFFICIAL TRANSFERS								
i) Donations received from Non- residents	67	58	67	75	25	18	22	10
ii) Grant under PL 480 II	28	7	4	–	–	–	–	–
iii) Grants from other Governments	658	579	652	573	34	123	319	97
TOTAL (i to iii)	**753**	**645**	**723**	**648**	**59**	**141**	**341**	**107**
ii) PRIVATE TRANSFERS								
i) Inward remittance from Indian workers abroad for family maintenance etc.	21.920	23,886	28,406	27,408	6,900	5,999	7,227	7,282
ii) Local withdrawals/redemptions from non-resident deposits	18.919	20,617	23,552	26,393	6,319	7,052	6,346	6,676
iii) Gold and silver brought through passenger baggage	26	19	85	36	5	6	9	16
iv) Personal gifts/donations to charitable/ religious institutions in India.	2.644	2,381	1,857	2,025	471	456	500	598
TOTAL (i to iv)	**43,508**	**46,903**	**53,900**	**55,862**	**13,695**	**13,513**	**14,082**	**14,572**
C) INCOME ACCOUNT	**14,272**	**14,308**	**13,022**	**9,101**	**2,855**	**1,973**	**2,096**	**2,177**
I) Compensation of Employees								
Wages received by Indians working on foreign contracts	461	825	914	1,117	227	247	286	357
II) Investment Income								
i) Interest received on loans to non-residents	1,466	951	4,138	1,721	1,313	112	159	137
ii) Dividend/profit received by Indians on foreign investment	476	401	350	283	38	60	67	118
Of which:								
Dividend received by Indians on foreign investment	131	167	225	156	15	47	40	54
Profit received by Indians on foreign investment	345	234	125	127	23	13	27	64
iii) Reinvested Earning	1,084	1,084	1,084	1,084	271	271	271	271
iv) Interest received on debentures,FRNs,CPs, fixed deposits and funds held abroad by ADs out of foreign currency loans/export proceeds	106	83	57	42	18	3	14	7
v) Interest received on overdraft of VOSTRO accounts of foreign correspondents/branches by the ADs	227	228	17	12	4	3	1	4
vi) Payment of taxes by the non-residents/refund of taxes by foreign governments to Indians	321	253	553	679	41	62	384	192
vii) Interest/discount earnings etc. earnings on RBI investment	10,124	10,480	5,900	4,142	939	1,211	908	1,084
viii) Interest/remuneration on SDR holdings	4	3	10	20	4	4	6	6
TOTAL (ito viii)	**13,811**	**13,483**	**12,108**	**7,984**	**2,628**	**1,726**	**1,810**	**1,820**

Attachment IB: Invisibles Payments by Category of Transactions

(US$ million)

Items	2007-08 (PR)	2008-09 (PR)	2009-10 (PR)	2010-11 (P)	Apr-Jun 2010-11 (PR)	Jul-Sept 2010-11 (PR)	Oct-Dec 2010-11 (PR)	Jan-Mar 2010-11 (P)
	1	2	3	4	5	6	7	8
Invisibles Payments (A+B+C)	**73,145**	**76,214**	**83,413**	**111,397**	**23,492**	**26,413**	**33,588**	**27,904**
A) SERVICES	**51,490**	**52,047**	**60,033**	**84,308**	**17,052**	**19,598**	**26,662**	**20,996**
I) TRAVEL ACCOUNT								
i) Business	3,296	3,463	3,569	5,103	883	1,032	1,284	1,904
ii) Health Related	18	25	29	59	41	6	7	5
iii) Education Related	2,826	2,258	2,252	1,892	325	664	435	468
iv) Basic travel quota (BTQ)	1,967	2,401	2,336	2,780	802	669	714	595
v) Pilgrimage	88	174	232	309	3	119	180	7
vi) Others	1,063	1,104	924	1,090	281	283	270	256
TOTAL (i to vi)	**9,258**	**9,425**	**9,342**	**11,233**	**2,335**	**2,773**	**2,890**	**3,235**
II) TRANSPORTATION ACCOUNT								
a. Sea Transport								
i) Surplus remitted by Foreign companies operating in India	1,663	1,835	1,208	1,771	313	472	483	503
ii) Operating expenses of Indian companies abroad	901	1,015	1,671	962	211	221	301	229
iii) Charter hire charges	148	128	97	93	25	23	30	15
iv) Freight on imports	2,952	4,062	3,265	4,186	944	1,115	1,213	914
v) Freight on Exports	779	1,026	1,018	1119	330	218	239	332
vi) Remittance of passage booking abroad	4	7	6	11	1	6	2	2
b. Air Transport								
i) Surplus remitted by Foreign companies operating in India	2,637	2,375	2,451	3,120	773	779	881	687
ii) Operating expenses of Indian companies abroad	565	673	603	923	159	238	279	247
iii) Charter hire charges	513	387	510	491	139	88	194	70
iv) Freight on imports	556	272	112	152	26	35	56	35
v) Freight on Exports	27	13	23	86	24	13	6	43
vi) Remittance of passage booking abroad	25	38	37	41	8	12	15	6
c. Others	743	988	933	925	181	304	285	155
TOTAL (a to e)	**11,513**	**12,819**	**11,934**	**13880**	**3134**	**3524**	**3984**	**3,238**
III) INSURANCE ACCOUNT								
a. Premium								
i) Life	102	77	25	15	2	3	3	7
ii) Non-life	128	99	117	128	25	24	30	49
iii) Reinsurance	567	530	653	749	147	192	255	155
b. Commission on Business	27	43	58	65	20	16	16	13
c. Others	220	382	433	443	116	151	99	77
TOTAL (a to c)	**1,044**	**1,131**	**1,286**	**1,400**	**310**	**386**	**403**	**301**
IV) Government Not Included Elsewhere								
a. Maintenance of Indian embassies and diplomatic mission abroad	272	648	358	531	99	133	107	192
b. Remittances by foreign embassies and mission in India	104	145	168	289	44	72	89	84
TOTAL (a to b)	**376**	**793**	**526**	**820**	**143**	**205**	**196**	**276**
V) MISCELLANEOUS ACCOUNT								
a) Communication services	860	1,088	1,355	1,152	241	266	304	341
b) Construction services	707	888	998	1,157	345	136	220	456
c) Financial services	3,133	2,959	4,642	7,483	1,404	1,905	1,961	2,213
d) Software services	3,358	2,564	1,468	2,195	575	585	709	326
e) News agency services	506	385	639	467	75	68	113	211
f) Royalties, copyright and license fees	1,037	1,722	2,017	2,424	566	560	696	602
g) Business services (1 to 12)	16,554	15,317	18,049	27,869	5,917	6,988	8,012	6,952
i) Merchanting services	717	735	495	1,068	284	343	242	199
ii) Trade related services	2,286	1,651	1,772	1,878	496	362	501	519
iii) Operational Leasing Services	1,166	1,012	907	1,236	301	282	354	299
iv) Legal services	482	336	192	158	37	36	47	38
v) Accounting/Auditing services	69	132	178	274	17	126	89	42
vi) Business Managemen & consultancy services	3,422	3,465	5,376	10,613	2,172	2,632	2,948	2,861
vii) Advertising/trade fair	1,302	912	792	945	163	202	323	257
viii) Research & Development services	405	432	318	249	66	51	79	53
ix) Architectural Engineering & other technical services	3,091	3,078	4,252	5,127	1,110	1,366	1,622	1,029
x) Agricultural Mining & on-site processing services	50	169	191	131	36	15	11	69
xi) Maintanence of offices abroad services	3,555	3,386	3,573	6,178	1,234	1,572	1,795	1,577
xii) Environmental services	9	9	4	12	1	1	1	9
h) Personal, Cultural & Recreational services	211	322	260	543	71	105	228	139
i) Refunds/rebates	561	374	473	641	57	68	233	283
j) Other services	2,372	2,260	7,043	13,045	1,879	2,030	6,714	2,422
TOTAL (a to j)	**29,299**	**27,879**	**36,945**	**56,976**	**11,130**	**12,711**	**19,190**	**13,945**

Attachment IB: Invisibles Payments by Category of Transactions *(Concld.)*

(US$ million)

Items	2007-08 (PR)	2008-09 (PR)	2009-10 (PR)	2010-11 (P)	Apr-Jun 2010-11 (PR)	Jul-Sept 2010-11 (PR)	Oct-Dec 2010-11 (PR)	Jan-Mar 2010-11 (P)
	1	2	3	4	5	6	7	8
B) TRANSFERS	**2,315**	**2,749**	**2,318**	**3,123**	**726**	**677**	**844**	**876**
i) OFFICIAL TRANSFERS								
Grants/donations from official sector	514	413	473	631	141	137	199	154
TOTAL	**514**	**413**	**473**	**631**	**141**	**137**	**199**	**154**
ii) PRIVATE TRANSFERS								
i) Remittance by non-residents towards family maintenance and savings	1,585	1,931	1,516	2,078	486	443	540	609
ii) Personal gifts/donations to charitable/ religious institutions	216	405	329	414	99	97	105	113
Of which:								
Remittance towards personal gifts and donations	182	373	286	11	3	3	2	3
Remittance towards donations to religious and charitable institutions abroad	24	22	40	1	–	–	–	1
Remittance towards grants and donations to other governments and charitable institutions established by the governments	10	10	3	1	–	–	–	1
TOTAL (i to ii)	**1,801**	**2,336**	**1,845**	**2,492**	**585**	**540**	**645**	**722**
C) INCOME	19,340	21,418	21,062	23,965	5,713	6,139	6,082	6,031
i) Compensation of Employees								
Payment of wages/salary to Non-residents working in India	1,095	1,309	1,705	2,080	492	448	578	563
TOTAL	**1,095**	**1,309**	**1,705**	**2,080**	**492**	**448**	**578**	**563**
ii) Investment Income								
i) Payment of interest on NRI deposits	1,813	1,547	1,599	1,737	416	423	417	481
ii) Payment of interest on loans from non-residents	5,062	5,265	4,168	5,092	1,065	1,174	1,277	1,576
iii) Payment of dividend/profit to non-resident share holder	3,226	3,171	3,809	4,681	1,038	1,446	1,299	898
Of which:								
Payment of dividend to non-resident share holder	2,998	2,893	3,208	4,337	947	1,352	1,228	810
Payment of profit to non-resident share holder	228	278	601	344	91	94	71	88
iv) Reinvested Earning	7,680	9,032	8,668	9,424	2,356	2,356	2,356	2,356
v) Payment of interest on debentures, FRNs, CPs fixed deposits, Government securities etc.	57	120	227	322	69	112	66	75
vi) Charges on SDRs	21	28	9	19	4	4	5	6
vii) Interest paid on overdraft on VOSTRO a/c Holders/ OD on NOSTRO a/c	238	510	656	397	232	102	23	40
viii) Payment of taxes by the Indians/refund of taxes by government to non-residents	148	436	221	218	41	74	67	36
TOTAL (I to viii)	**18,245**	**20,109**	**19,357**	**21,885**	**5,221**	**5,691**	**5,504**	**5,468**

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

India's External Debt as at the end of March 2011*

As per the standard practice, India's external debt statistics for the quarters ending March and June are released by the Reserve Bank of India and those for the quarters ending September and December by the Ministry of Finance, Government of India. The external debt data are released with a lag of one quarter. The external debt data, as compiled in the standard format, as at end-March 2011 in Rupee and US Dollar terms and revised data for the earlier quarters are set out in Statement 1 and 2. The major developments relating to India's external debt as at end-March 2011 are presented in the following paragraphs.

Major Highlights

(i) India's external debt, as at end-March 2011, was placed at US$ 305.9 billion (17.3 per cent of GDP) recording an increase of US$ 44.9 billion or 17.2 per cent over the end-March 2010 level on account of significant increase in commercial borrowings, short-term trade credits, bilateral borrowing and multilateral borrowings.

(ii) Excluding the valuation effects due to depreciation of US dollar against other major international currencies and Indian Rupee, the stock of external debt has increased by US$ 38.4 billion over the stock as at end-March 2010.

(iii) The US Dollar accounted for 59.9 per cent of the total external debt stock as at end-March 2011 followed by Indian Rupee (13.2 per cent) and Japanese Yen (11.4 per cent).

(iv) The share of commercial borrowings stood highest at 28.9 per cent as at end-March 2011 followed by short-term debt (21.2 per cent), NRI deposits (16.9 per cent) and multilateral debt (15.8 per cent).

(v) Based on residual maturity, short-term debt accounted for 42.2 per cent of the total external debt as at end-March 2011. Whereas the share of short-term debt, by original maturity, was 21.2 per cent of the total external debt stock.

*Prepared in the Division of International Trade and Finance, Department of Economic and Policy Research.

(vi) The debt service ratio declined to 4.2 per cent during 2010-11 as compared to 5.5 per cent during 2009-10.

(vii) The ratio of short-term debt to foreign exchange reserves at 21.3 per cent as at end-March 2011 was higher compared to 18.8 per cent as at end-March 2010.

(viii) India's foreign exchange reserves provided a cover of 99.6 per cent to the external debt stock at the end of March 2011 as compared with 106.9 per cent as at end-March 2010.

(ix) India continued to be the fifth most indebted country in 2009, based on international comparison of external debt of the twenty most indebted countries.

1. India's External Debt as at end March 2011

(i) India's external debt, as at end-March 2011, was placed at US$ 305.9 billion (17.3 per cent of GDP) recording an increase of US$ 44.9 billion or 17.2 per cent over the end-March 2010 level on account of significant increase in commercial borrowings, short-term trade credits, multilateral and bilateral borrowings (Chart 1 and Table 1).

Chart 1: India's External Debt

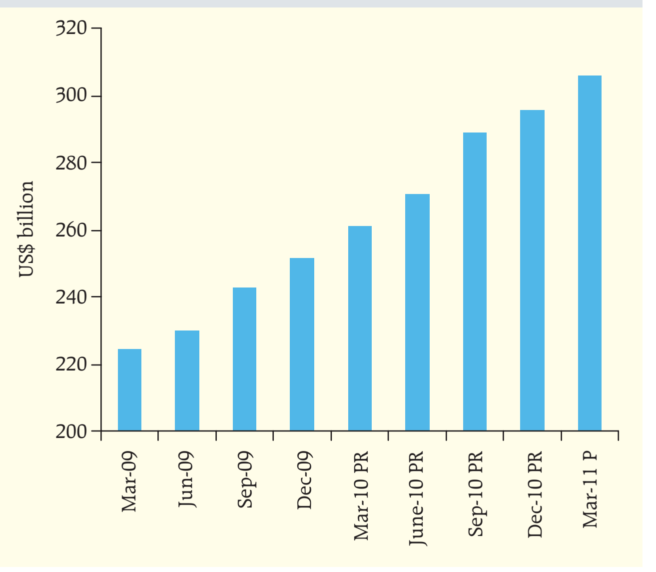


Table 1: External Debt Outstanding

(US$ billion)

	Total External Debt	Variation			
		Over Corresponding Quarter of Previous Year		Over Previous Quarter	
		Amount	Per cent	Amount	Per cent
	1	2	3	4	5
Mar-09	224.5	0.1	0.05	-5.3	-2.3
Jun-09	229.7	4.3	1.9	5.2	2.3
Sep-09	242.6	17.5	7.8	12.9	5.6
Dec-09	251.8	22.0	9.6	9.2	3.8
Mar -10 PR	261.0	36.5	16.3	9.2	3.7
June -10 PR	270.3	40.6	17.7	9.3	3.6
Sep - 10 PR	288.7	46.1	19.0	18.4	6.8
Dec - 10 PR	295.9	44.1	17.5	7.2	2.5
Mar - 11 P	305.9	44.9	17.2	10.0	3.4

P: Provisional. PR: Partially Revised.

2. Valuation Changes

(i) The valuation effect reflecting the depreciation of the US dollar against other major international currencies and Indian rupee resulted in an increase in India's external debt by US$ 6.5 billion during 2010-11. Excluding the valuation effects, the stock of external debt as at end-March 2011 would have increased by US$ 38.4 billion over the level at end-March 2010.

(ii) Compared with the previous quarter (end-December 2010), the valuation effect reflecting the depreciation of the US dollar against other major international currencies and Indian rupee resulted in an increase of US$ 1.3 billion in India's external debt. Excluding the valuation effects, the stock of external debt as at end-March 2011 would have increased by US$ 8.7 billion over the level at end-December 2010.

3. Components of External Debt

(i) The long-term debt at US$ 240.9 billion and short-term debt at US$ 65.0 billion accounted for 78.8 per cent and 21.2 per cent, respectively, of the total external debt as at end-March 2011. The share of commercial borrowings continued to be highest at 28.9 per cent in the total external debt as at end-March 2011 followed by short-term debt (21.2 per cent), NRI deposits (16.9 per cent) and multilateral debt (15.8 per cent) (Table 2).

(ii) The loans under external assistance (multilateral and bilateral debt) increased by around US$ 9.0 billion during 2010-11 as compared with a lower increase of US$ 5.3 billion during the previous year (Table 3).

(iii) Trade credits (both long-term and short-term) increased, by US$ 12.8 billion, as at end-March 2011 compared to US$ 9.9 billion over the level at end-March 2010 (Table 3 and Chart 2).

(iv) The commercial borrowings increased by US$ 17.5 billion as at end-March 2011 over its level as at end-March 2010 as compared to an increase of US$ 8.4 billion during the corresponding period of the preceding year.

(v) The short-term debt increased by US$ 12.7 billion to around US$ 65.0 billion as at end-March 2011 as compared to US$ 52.3 billion as at end-March 2010 primarily on account of rise in short-term trade credits.

(vi) The NRI deposits increased by US$ 3.8 billion to US$ 51.7 billion as at end-March 2011 over the level as at end-March 2010 largely on account of increase in NRO deposits and FCNR(B) deposits.

(vii) The approvals of ECBs during 2010-11 (April-March) were higher at US$ 25.7 billion as compared to US$ 20.7 billion in the preceding year. Concomitantly, gross disbursements were also significantly higher for 2010-11 at US$ 23.1 billion than that of US$ 15.0 billion during the previous year (Table 4).

4. Currency Composition of India's External Debt

(i) India's external debt is largely denominated in major international currencies such as US Dollar,

Table 2: External Debt by Component

(US$ million)

Item	End-March								
	1991	1998	2005	2006	2007	2008	2009	2010 PR	2011 P
	1	2	3	4	5	6	7	8	9
1. Multilateral	20,900	29,553	31,744	32,620	35,337	39,490	39,538	42,859	48,464
	(24.9)	(31.6)	(23.7)	(23.4)	(20.5)	(17.6)	(17.6)	(16.4)	(15.8)
2. Bilateral	14,168	16,969	17,034	15,761	16,065	19,708	20,613	22,593	25,953
	(16.9)	(18.1)	(12.7)	(11.3)	(9.3)	(8.8)	(9.2)	(8.7)	(8.5)
3. IMF	2,623	664	1,029	981	1,029	1,120	1,018	6,041	6,308
	(3.1)	(0.7)	(0.8)	(0.7)	(0.6)	(0.5)	(0.5)	(2.3)	(2.1)
4. Trade Credit	4,301	6,526	5,022	5,420	7,165	10,328	14,490	16,867	18,627
	(5.1)	(7.0)	(3.7)	(3.9)	(4.2)	(4.6)	(6.5)	(6.5)	(6.1)
5. ECBs	10,209	16,986	26,405	26,452	41,443	62,334	62,413	70,800	88,267
	(12.2)	(18.2)	(19.7)	(19.0)	(24.0)	(27.8)	(27.8)	(27.1)	(28.9)
6. NRI Deposits	10,209	11,913	32,743	36,282	41,240	43,672	41,554	47,890	51,682
	(12.2)	(12.7)	(24.4)	(26.1)	(23.9)	(19.5)	(18.5)	(18.3)	(16.9)
7. Rupee Debt	12,847	5,874	2,302	2,059	1,951	2,017	1,527	1,657	1,601
	(15.3)	(6.3)	(1.7)	(1.5)	(1.1)	(0.9)	(0.7)	(0.6)	(0.5)
8. Long-term Debt (1to 7)	**75,257**	**88,485**	**1,16,279**	**1,19,575**	**1,44,230**	**1,78,669**	**1,81,153**	**2,08,707**	**2,40,902**
	(89.8)	(94.6)	(86.8)	(86.0)	(83.7)	(79.6)	(80.7)	(80.0)	(78.8)
9. Short-term Debt	**8,544**	**5,046**	**17,723**	**19,539**	**28,130**	**45,738**	**43,362**	**52,329**	**64,990**
	(10.2)	(5.4)	(13.2)	(14.0)	(16.3)	(20.4)	(19.3)	(20.0)	(21.2)
Total (8+9)	**83,801**	**93,531**	**1,34,002**	**1,39,114**	**1,72,360**	**2,24,407**	**2,24,515**	**2,61,036**	**3,05,892**
	(100)	**(100)**	**(100)**	**(100)**	**(100)**	**(100)**	**(100)**	**(100)**	**(100)**

P: Provisional. PR: Partially Revised. IMF: International Monetary Fund. ECBs: External Commercial Borrowings. NRI: Non-Resident Indian.

Note: Figures in parentheses are percentage to total external debt.

Source: Ministry of Finance, Government of India and Reserve Bank of India.

Japanese Yen, Euro, Pound Sterling, Special Drawing Rights (SDR) and the domestic currency, *i.e.*, Indian Rupee.

(ii) The US Dollar denominated debt continues to be the largest with a share of 59.9 per cent in the total external debt as at end-March 2011.

Table 3: Variation in External Debt by Component

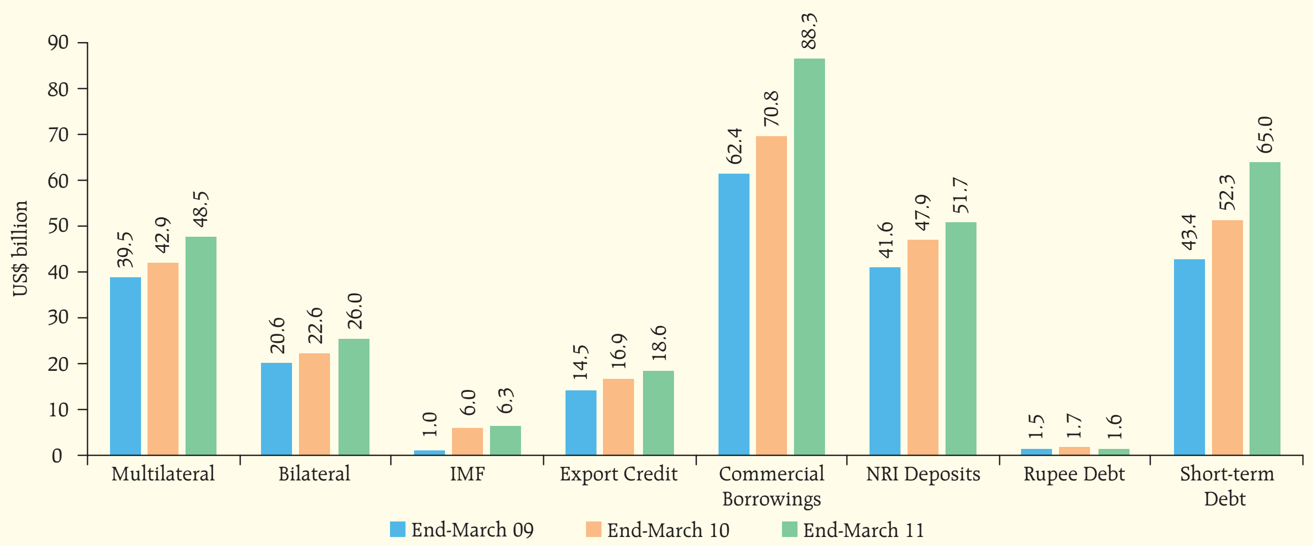
(US$ million)

Memo Items	Outstanding at the End-of			Absolute Variation		Percentage Variation	
	09-Mar	Mar-10 PR	Mar-2011 P	Mar-09 to Mar-10	Mar-10 to Mar-11	Mar-09 to Mar-10	Mar-10 to Mar-11
	1	2	3	4	5	6	7
1. Multilateral	39,538	42,859	48,464	3,321	5,605	8.4	13.1
2. Bilateral	20,613	22,593	25,953	1,980	3,360	9.6	14.9
3. IMF	1,018	6,041	6,308	5,023	267	493.4	4.4
4. Export Credit	14,490	16,867	18,627	2,377	1,760	16.4	10.4
5. Commercial Borrowings	62,413	70,800	88,267	8,387	17,467	13.4	24.7
6. NRI Deposits	41,554	47,890	51,682	6,336	3,792	15.2	7.9
7. Rupee Debt	1,527	1,657	1,601	130	-56	8.5	-3.4
8. Short-term Debt	43,362	52,329	64,990	8,967	12,661	20.7	24.2
Of which							
Short-term Trade Credit	39,964	47,473	58,462	7,509	10,989	18.8	23.1
Total Debt	**2,24,515**	**2,61,036**	**3,05,892**	**36,521**	**44,856**	**16.3**	**17.2**
Memo Items							
A. Long-Term Debt	1,81,153	2,08,707	2,40,902	27,554	32,195	15.2	15.4
B. Short-Term Debt	43,362	52,329	64,990	8,967	12,661	20.7	24.2

P: Provisional. PR: Partially Revised.

Source: Ministry of Finance, Government of India and Reserve Bank of India.

Chart 2: Components of External Debt



The share of Indian rupee in the total external debt stock accounted for 13.2 per cent as at end-March 2011 followed by Japanese Yen (11.4 per cent), and SDR (9.7 per cent). The share of Euro was 3.7 per cent as at end-March 2011 (Table 5).

5. Instrument-wise Classification of External Debt

(i) The instrument-wise classification of India's external debt across the borrower category reveals that loans accounted for 49.4 per cent of total debt outstanding as at end-March 2011 as

Table 4: External Commercial Borrowings

(US$ million)

Year	Approvals#	Gross Disbursement*	Amortisation*	Interest*	Total Servicing	ECB Debt Outstanding
	1	2	3	4	5 (3+4)	6
1990-91	1,903	4,252	2,004	1,410	3,414	10,209
1995-96	6,286	4,252	2,977	1,380	4,357	13,873
2000-01	2,837	9,621	5,313	1,695	7,008	24,408
2001-02	2,653	2,684	4,272	1,456	5,728	23,320
2002-03	4,235	3,505	5,206	1,167	6,373	22,472
2003-04	6,671	5,225	8,153	2,119	10,272	22,007
2004-05	11,490	9,084	3,658	959	4,617	26,405
2005-06	17,175	14,343	11,584	3,015	14,599	26,452
2006-07	25,353	20,257	3,814	2,517	6,331	41,443
2007-08	28,900	28,700	6,060	3,652	9,712	62,334
2008-09 R	15,702	15,223	6,578	3,965	10,543	62,461
2009-10 PR	20,703	14,954	10,641	3,244	13,885	70,800
2010-11 P	25,702	23,089	9,650	3,525	13,175	88,267

R: Revised; PR: Partially Revised; P: Provisional.

* Revised, based on Balance of Payments data.

\# Based on date of agreement of the loan which may differ from the date of granting the loan registration number by the RBI. Ceiling on ECB approvals is fixed on the basis of the latter, which may either be after or before the date of agreement of the loan. Hence, there may be some difference between the amount shown under approvals in the table and the amount of ceiling fixed for a particular year.

Note: Disbursements during 2000-01 include IMDs (US$5.5 billion). Debt service payments during 2003-04 and 2005-06 include redemption of RIBs and IMDs, respectively.

Table 5: Currency Composition of India's External Debt

(Percentage share in total external debt)

Currency	As at end-March						
	2005	2006	2007	2008	2009	2010	2011
	1	2	3	4	5	6	7
US Dollar	47.7	48.8	51.1	55.3	54.1	58.2	59.9
Indian Rupee	19.4	18.8	18.5	16.2	15.4	13.8	13.2
Japanese Yen	10.4	10.9	11.4	12	14.3	11.4	11.4
SDR	14.9	14.3	12.4	10.5	9.8	10.7	9.7
Euro	4.6	4.4	3.9	3.5	4.1	3.6	3.7
Pound Sterling	2.6	2.6	2.4	2.2	2	1.8	1.7
Others	0.4	0.2	0.3	0.3	0.3	0.5	0.4
Total	100	100	100	100	100	100	100

Note: Currency composition as at end-March 2008, end-March 2009, end -March 2010 and end-March 2011 incorporates the original currency composition of short-term debt; in the previous years, the entire short-term debt was taken to be denominated in US dollars.

Source: Ministry of Finance, Government of India and Reserve Bank of India.

compared to 48.9 per cent as at end-March 2010 (Table 6).

(ii) The share of trade credit (long-term and short-term) at 19.8 per cent as at end-March 2011 recorded a marginal increase as compared to 19.0 per cent as at end-March 2010.

Table 6: Instrument-wise Classification of External Debt Outstanding

(US$ million)

Sr. No.	Borrower	End-March 2010	End-March 2011
		1	2
A.	**Government (1+2+3)**	**67,080**	**78,165**
	1 Short-Term	1,518	2,842
	(i) Money Market Instruments	1,518	2,842
	2 Long-term {(i)+(ii)+(iii)}	59,521	69,014
	(i) Bonds and Notes	3,026	5,428
	(ii) Loans	55,116	62,014
	(iii) Trade Credit	1,379	1,572
	3 Other debt liabilities	6,041	6,308
	(i) IMF	6,041	6,308
B.	**Monetary Authority**	**695**	**155**
	1. Short-term	695	155
	(i) Currency and Deposits	695	155
C.	**Non-Government (1+2)**	**1,93,261**	**2,27,572**
	1 Short-Term {(i)+(ii)}	50,115	61,993
	(i) Money Market Instruments	2,643	3,531
	(ii) Trade Credit	47,472	58,462
	2 Long-term {(i)+(ii)+(iii)+(iv)}	1,43,146	1,65,579
	(i) Bonds and Notes	22,064	24,073
	(ii) Loans	72,541	89,194
	(iii) Currency and Deposits	47,890	51,682
	(iv) Trade Credit	651	630
	Total External Debt (A+B+C)	**2,61,036**	**3,05,892**

Source: Ministry of Finance, Government of India and Reserve Bank of India.

(iii) The share of bonds and notes at 9.6 per cent as at end-March 2011 remained almost at the same level as at end-March 2010.

(iv) The share of currency and deposits at 16.9 per cent of the India's total external debt as at end-March 2011 witnessed a decline as against 18.6 per cent as at end-March 2010.

6. Short-term Debt

(i) The data on short-term debt includes suppliers' credit up to and above 180 days, FII investments in Government debt, investment by foreign central banks and international institutions in Treasury Bills and external liabilities of central banks and commercial banks.

(ii) Short-term debt by original maturity has increased over the period because of the increase in trade-related credits due to growing imports marginally and larger FII investment in government securities. The share of short-term trade credit in total short-term debt declined to 90.0 per cent as at end-March 2011 as against 91.0 per cent as at end-March 2010 (Table 7).

7. External Debt by Residual Maturity

(i) Based on residual maturity, the short-term debt accounted for 42.2 per cent of total external debt as at end-March 2011. The ratio of short-term debt by residual maturity to foreign exchange reserves worked out to 42.3 per cent at end-March 2011 (Table 8).

Table 7: Short-Term Debt by Original Maturity

(US$ million)

Components	End-March						
	1991	2006	2007	2008	2009	2010	2011
	1	2	3	4	5	6	7
A. Short-Term Debt	**8,544**	**19,539**	**28,130**	**45,738**	**43,362**	**52,329**	**64,990**
a) NRI Deposits (up to 1 year maturity) @	3,577	0	0	0	0	0	0
b) FC (B&O) Deposits (up to 1 year maturity)	167	0	0	0	0	0	0
c) Trade Related Credits #	4,800	19,399	25,979	41,901	39,964	47,473	58,462
(i) Above 6 months and up to 1 year	2,267	8,696	11,971	22,884	23,346	28,003	35,347
(ii) Up to 6 months	2,533	10,703	14,008	19,017	16,618	19,470	23,116
d) FII Investments in Government Treasury Bills & other instruments	0	140	397	651	2,065	3,357	5,424
e) Investment in Treasury Bills by foreign central banks and International Institutions etc.	..	..	164	155	105	103	50
f) External Debt Liabilities of:	..	..	1,590	3,031	1,228	1,396	1,053
(i) Central Bank	..	..	501	1,115	764	695	155
(ii) Commercial Bank			1,089	1,916	464	701	898
B. Imports (during the year)*	**27,915**	**1,57,056**	**1,90,670**	**2,57,629**	**3,08,521**	**3,00,609**	**3,80,936**
C. Trade Credit to Imports (%)	**17.2**	**12.4**	**13.6**	**16.3**	**13.0**	**15.8**	**15.3**

@ Short-term deposits of less than one-year maturity under FCNR(A) were withdrawn with effect from May 15, 1993, such deposits under FCNR(B) and NR(E)RA were withdrawn effective October 1999 and April 2003, respectively.

\# Data on Short-term Trade Credit of less than six months in respect of suppliers' credit and FII investment in debt papers are included since end-March 2005.

* On balance of payments basis.

Source: Ministry of Finance, Government of India and Reserve Bank of India.

(ii) The 'short-term debt by residual maturity' comprises the repayments due under medium and long-term debt by original maturity during one year reference period along with the short-term debt with original maturity. The balance constitutes the long-term debt by residual maturity.

(iii) While external debt is generally compiled in terms of original maturity, analysing the external debt, in particular short-term debt in terms of residual maturity is important from the point of view of foreign exchange liquidity management and to ascertain the total foreign exchange outgo on

Table 8: Residual Maturity of External Debt Outstanding as at End-March 2011

(US $ million)

Components	Short-term up to one year	Long-term			Total (1) to (4)
		1 to 2 years	2 to 3 years	More than 3 years	
	1	2	3	4	5
1. Sovereign Debt (long-term)	4,769	5,156	5,339	60,058	75,322
2. External Commercial Borrowings (including trade credit)	18,791	18,777	15,175	61,155	1,13,898
3. NRI deposits {(i)+(ii)+(iii)}	40,513	7,046	2,491	1,632	51,682
(i) FCNR(B)	11,979	2,230	858	530	15,597
(ii) NR(E)RA	21,419	3,350	1,002	607	26,378
(iii) NRO	7,115	1466	631	495	9,707
4. Short-term Debt* (Original maturity)	64,990	-	-	-	64,990
Total (1 to 4)	**1,29,062**	**30,979**	**23,006**	**1,22,845**	**3,05,892**
Memo Items					
Short-term debt (Residual maturity as per cent of total external debt)	**42.2**				
Short-term debt (Residual maturity as per cent of Reserves)	**42.3**				

* Also includes short-term component of sovereign debt amounting to US$ 2,842 million.

Note: Residual Maturity of NRI Deposits is estimated on the basis of the Survey conducted by the Reserve Bank of India on NRI deposits outstanding as on March 31, 2011.

Source: Ministry of Finance, Government of India and Reserve Bank of India.

Table 9: Government and Non-Government External Debt

(US$ million)

Components	End-March						
	2005	2006	2007	2008	2009	2010	2011
	1	2	3	4	5	6	7
A. Sovereign Debt (I+II)	**47,697**	**46,259**	**49,360**	**58,068**	**55,874**	**67,080**	**78,165**
(As a percentage of GDP)	6.3	5.5	5.0	4.6	5.1	4.7	4.4
I. External Debt on Government Account under External Assistance	43,686	43,510	46,155	52,538	51,816	55,235	62,388
II. Other Government External Debt @	4,011	2,749	3,205	5,530	4,058	11,845	15,777
B. Non-Government Debt #	**86,305**	**92,855**	**1,23,000**	**1,66,339**	**1,68,641**	**1,93,955**	**2,27,726**
(As a percentage of GDP)	11.8	11.3	12.5	13.4	15.4	13.4	12.9
C. Total External Debt (A+B)	**1,34,002**	**1,39,114**	**1,72,360**	**2,24,407**	**2,24,515**	**2,61,036**	**3,05,892**
(As a percentage of GDP)	18.1	16.8	17.5	18.0	20.5	18.0	17.3

@ Other Government external debt includes Defence Debt, Investment in Treasury Bills/ Government Securities by FIIs, Foreign Central Banks and International Institutions and IMF.

\# Includes external debt of Monetary Authority.

Source: Ministry of Finance, Government of India and Reserve Bank of India

account of debt service payments in the immediate future.

8. Government and Non-Government External Debt

(i) Government (Sovereign) external debt stood at US$ 78.2 billion as at end-March 2011 as against US$ 67.1 billion as at end-March 2010. The share of Government external debt in the total external debt at 25.6 per cent at end-March 2011 remained almost at the same level as at end-March 2010 (25.7 per cent).

(ii) The share of non-Government debt in total external debt at 74.4 per cent as at end-March 2011 also remained same as at end-March 2010 (74.3 per cent). The share of non-Government debt in total external debt, however, has increased steadily over the years (Table 9 and Chart 3).

9. Debt Service Payments

(i) India's debt service payments were placed at US$ 18.6 billion during 2010-11 as compared to US$19.0 billion during 2009-10 (Table 10).

(ii) India's debt service ratio has improved due to moderation in debt service payments coupled with higher growth in current receipts; it led to decline in the debt service ratio to 4.2 per cent during 2010-11 from 5.5 per cent in 2009-10.

Chart 3: Share of Government and Non-Government External Debt

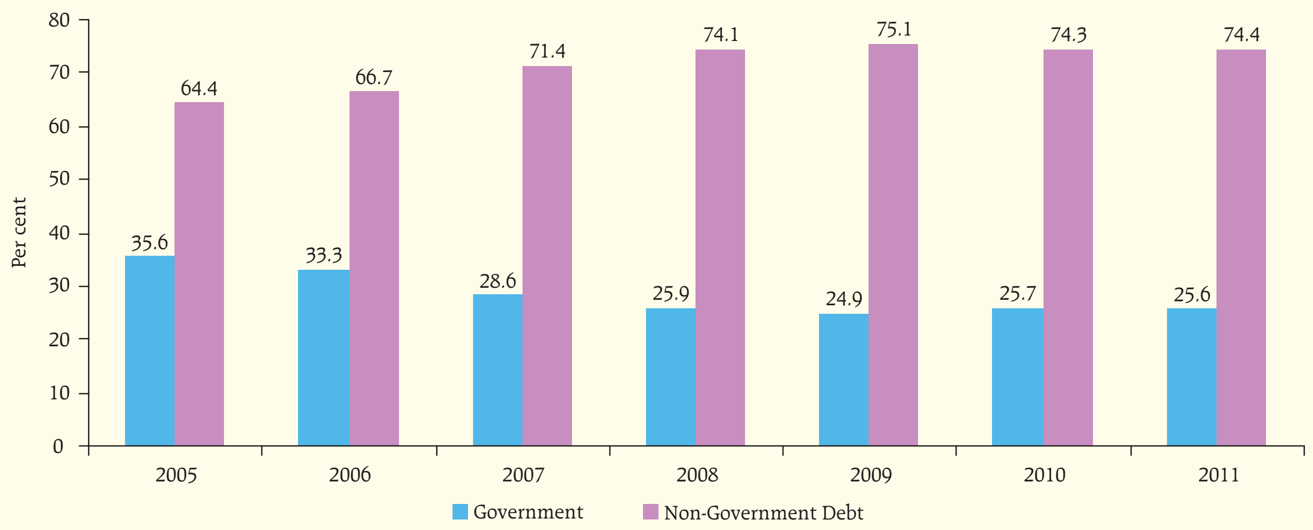


Table 10: India's External Debt Service Payments

(US$ million)

Item	1990-91	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	1	2	3	4	5	6	7	8
1 External Assistance	2,315	2,855	2,652	2,942	3,241	3,384	3,461	3,668
Repayment	1,187	2,129	1,945	1,960	2,099	2,375	2,585	2,840
Interest	1,128	726	707	982	1,142	1,009	876	828
2 External Commercial Borrowings	3,414	4,530	14,839	6,331	9,771	10,543	13,885	13,175
Repayment	2,004	3,571	11,824	3,814	6,119	6,578	10,641	9,650
Interest	1,410	959	3,015	2,517	3,652	3,965	3,244	3,525
3 I.M.F.	778	-	-	-	-	-	-	-
Repayment	644	-	-	-	-	-	-	-
Interest	134	-	-	-	-	-	-	-
4 NRI Deposits Interest	1,282	1,353	1,497	1,969	1,813	1,547	1,599	1,737
5 Rupee Debt Service Repayments	1,193	417	572	162	121	101	97	17
6 Total Debt Service (1 to 5)	8,982	9,155	19,560	11,404	14,946	15,575	19,042	18,649
Repayment	5,028	6,117	14,341	5,936	8,339	9,054	13,323	12,559
Interest	3,954	3,038	5,219	5,468	6,607	6,521	5,719	6,090
7 Current Receipts #	25,479	1,54,123	1,94,170	2,42,811	3,14,284	3,56,175	3,44,917	4,47,405
Debt Service Ratio (6/7) (%)	35.3	5.9	10.1	4.7	4.8	4.4	5.5	4.2

Current Receipts minus Official Transfers. – Nil.

Source: Ministry of Finance, Government of India and Reserve Bank of India.

(iii) Servicing of External Commercial Borrowings (including principal and interest payments) during 2010-11 accounted for 70.7 per cent of the total debt service as against 72.9 per cent during 2009-10.

(iv) The projected debt service payments at end-March 2011, for ECBs and Foreign Currency Convertible Bonds (FCCBs) revealed that the principal repayments between 2011-12 and 2015-16 would be higher (Table 11). The projections do not include future debt service obligations arising out of fresh borrowings.

Table 11: Projected Debt Service Payments for ECBs and FCCBs

(US$ million)

Year	Principal	Interest	Total
	1	2	3
2011-12	15,859	2,788	18,646
2012-13	15,747	2,714	18,460
2013-14	12,100	1,817	13,918
2014-15	13,381	1,531	14,912
2015-16	14,465	1,189	15,654
2016-17	8,488	750	9,238
2017-18	5,657	449	6,107
2018-19	3,327	300	3,627
2019-20	1,980	223	2,203
2020-21	2,077	148	2,225
2021-22	441	54	495

Note: Projections on debt servicing are based on the end-March 2011 debt outstanding position. The projections exclude NRI deposits and FII investment in government debt securities.

10. Sustainability of India's External Debt

(i) An assessment of the sustainability of the external debt was undertaken in terms of solvency and liquidity indicators such as the ratio of external debt to gross domestic product (GDP), the ratio of foreign exchange reserves to total external debt, debt service ratio, share of concessional debt and short-term debt in the total external debt and ratio of short-term debt to foreign exchange reserves. While the ratio of external debt to GDP and debt service ratio improved, other indicators as mentioned above deteriorated moderately (Table 12 and Chart 4).

(ii) The debt to GDP ratio declined to 17.3 per cent during 2010-11 as compared to 18.0 per cent during 2009-10.

(iii) The debt service ratio declined to 4.2 per cent during 2010-11 as compared to 5.5 per cent during 2009-10.

(iv) India's foreign exchange reserves provided a cover of 99.6 per cent to the external debt stock at the

Table 12: India's Key External Debt Indicators

Year	External Debt	Ratio of External Debt to GDP	Debt Service Ratio	Ratio of Foreign Exchange Reserves to Total Debt	Ratio of Concessional Debt to Total Debt	Ratio of Short-Term Debt to Foreign Exchange Reserves	Ratio of Short-Term Debt to Total Debt
	(US $ billion)	(per cent)	(per cent)	(per cent)	(per cent)	(per cent)	(per cent)
	1	2	3	4	5	6	7
1990-91	83.8	28.7	35.3	7.0	45.9	146.5	10.2
1995-96	93.7	27.0	26.2	23.1	44.7	23.2	5.4
2000-01	101.3	22.5	16.6	41.7	35.4	8.6	3.6
2001-02	98.8	21.1	13.7	54.7	35.9	5.1	2.8
2002-03	104.9	20.3	16.0*	72.5	36.8	6.1	4.5
2003-04	112.6	18.0	16.1**	100.3	35.8	3.9	3.9
2004-05	134.0	18.1	5.9^	105.6	30.7	12.5	13.2
2005-06	139.1	16.8	10.1#	109.0	28.4	12.9	14.0
2006-07	172.4	17.5	4.7	115.6	23.0	14.1	16.3
2007-08	224.4	18.0	4.8	138.0	19.7	14.8	20.4
2008-09	224.5	20.5	4.4	112.2	18.7	17.2	19.3
2009-10PR	261.0	18.0	5.5	106.9	16.8	18.8	20.0
2010-11P	305.9	17.3	4.2	99.6	15.6	21.3	21.2

P: Provisional. PR: Partially Revised.

* Works out to 12.4 per cent, with the exclusion of prepayment of external debt of US$ 3,430 million.

** Works out to 8.2 per cent with the exclusion of prepayment of external debt of US$ 3,797 million and redemption of Resurgent India Bonds (RIBs) of US$ 5,549 million.

^ Works out to 5.7 per cent with the exclusion of prepayment of external debt of US$ 381 million.

\# Works out to 6.3 per cent with the exclusion of India Millennium Deposits (IMDs) repayments of US $ 7.1 billion and prepayment of external debt of US$ 23.5 million.

Source: Ministry of Finance, Government of India and Reserve Bank of India.

end of March 2011 as compared to 106.9 per cent as at end-March 2010.

(v) The share of concessional debt in total external debt declined to 15.6 per cent as at end-March 2011 from 16.8 per cent at end-March 2010 reflecting the increase in non-concessional private debt in India's external debt stock.

(vi) The ratio of short-term debt to foreign exchange reserves increased to 21.3 per cent as at end-March 2011 from 18.8 per cent in the preceding year.

Chart 4: Reserves Cover for External Debt (End-March)

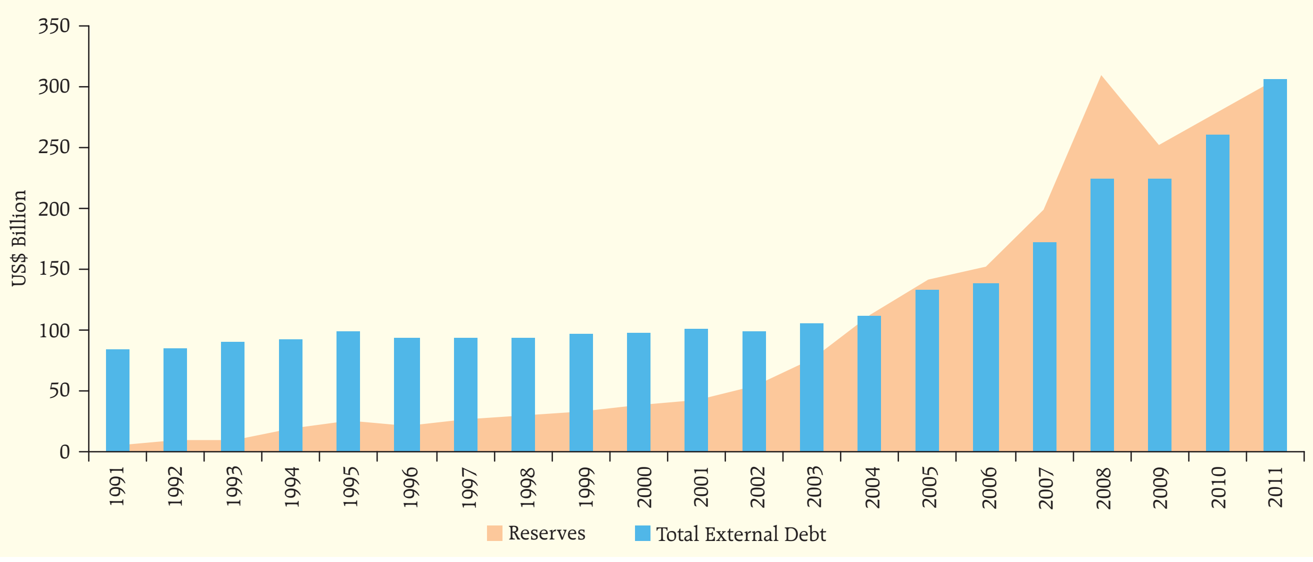


Table 13: International Comparison of Top Twenty Debtor Countries, 2009

Country	Total external debt (US$ billion)	Concessional debt/Total external debt (per cent)	Debt service ratio (per cent)	Total external debt/GNI (per cent)	Short-term debt/Total external debt (per cent)	Forex exchange reserves/Total external debt (per cent)
	1	2	3	4	5	6
China	428	10	3	9	56	573
Russian Federation	381	0	18	32	8	115
Brazil	277	2	23	18	14	86
Turkey	251	4	42	41	16	30
India	**238**	**20**	**6**	**18**	**18**	**120**
Mexico	192	1	16	22	12	52
Indonesia	158	28	18	30	12	42
Argentina	120	2	17	40	16	40
Romania	118	3	31	72	18	38
Kazakhstan	110	1	80	113	8	21
Ukraine	93	1	36	84	21	28
Chile	72	0	23	47	24	35
Malaysia	66	6	5	36	36	146
Philippines	63	23	19	39	6	70
Thailand	59	11	7	23	47	236
Venezuela, RB	55	2	6	17	29	63
Pakistan	54	59	15	31	3	25
Colombia	52	2	22	24	8	48
South Africa	42	0	9	15	32	94
Bulgaria	41	2	21	90	46	46

Source: World Bank's Global Development Finance Online Database.

(vii) The share of short-term debt in total debt increased to 21.2 per cent at end-March 2011 from 20.0 per cent in the previous year.

11. Cross-Country Comparison among Top 20 Indebted Countries

(i) According to the latest data available on Global Development Finance Online Database, World Bank, the international comparison of external debt of the twenty most indebted countries indicates that India continues to be the fifth most indebted country in 2009 (Table 13).

(ii) The element of concessionality in India's external debt portfolio was the fourth highest after Pakistan, Indonesia and Philippines.

(iii) India's debt service ratio was third lowest after China and Malaysia.

(iv) In terms of ratio of external debt to Gross National Income (GNI), India's position was fourth lowest, with China having the lowest ratio of external debt.

(v) India's position with respect to short-term debt to total external debt was eleventh lowest with Romania having the lowest ratio of short-term debt to total external debt.

(vi) In terms of reserves to total debt, India's position was fourth as China, Thailand and Malaysia had higher reserves to debt ratio than India.

(vii) The Quarterly External Debt Statistics (QEDS), jointly developed by the World Bank and the International Monetary Fund, brings out detailed external debt data of countries that are subscribing to IMF's Special Data Dissemination Standard/General Data Dissemination System. The position in respect of the 64 reporting countries for the fourth quarter of the calendar year 2010 and the first quarter of the calendar year 2011, which has been published by the World Bank (http://ddp-ext.worldbank.org/ext/ddpreports/ViewShared Report?REPORT_ID=13535&REQUEST_TYPE= VIEW) is given at Annex I.

Statement 1: India's External Debt Outstanding

(₹ crore)

Item	Mar-10 PR	Jun-10 PR	Sep-10 PR	Dec-10 PR	Mar-11 P
	1	2	3	4	5
I. Multilateral	**1,93,442**	**2,08,157**	**2,09,755**	**2,12,949**	**2,16,628**
A. Government borrowing	1,70,722	1,84,354	1,84,920	1,87,525	1,90,325
i) Concessional	1,16,046	1,17,550	1,18,395	1,17,648	1,20,651
a) IDA	1,14,552	1,16,027	1,16,852	1,16,125	1,19,066
b) Others #	1,494	1,523	1,543	1,523	1,585
ii) Non-concessional	54,676	66,804	66,525	69,877	69,674
a) IBRD	28,874	39,389	38,834	39,651	39,219
b) Others ##	25,802	27,415	27,691	30,226	30,455
B. Non-Government borrowing	22,720	23,803	24,835	25,424	26,303
i) Concessional	–	–	–	–	–
ii) Non-concessional	22,720	23,803	24,835	25,424	26,303
a) Public sector	14,919	15,603	15,457	15,506	15,802
IBRD	8,544	8,861	9,003	8,939	9,193
Others ##	6,375	6,742	6,454	6,567	6,609
b) Financial institutions	5,385	5,501	6,700	7,024	7,507
IBRD	1,343	1,348	1,813	1,786	1,899
Others ##	4,042	4,153	4,887	5,238	5,609
c) Private sector	2,416	2,699	2,678	2,894	2,993
IBRD	–	–	–	–	–
Others	2,416	2,699	2,678	2,894	2,993
II. Bilateral	**1,01,974**	**1,06,991**	**1,11,337**	**1,13,494**	**1,15,983**
A. Government borrowing	71,584	74,238	77,428	79,155	80,794
i) Concessional	71,584	74,238	77,428	79,155	80,794
ii) Non-concessional	–	–	–	–	–
B. Non-Government borrowing	30,390	32,753	33,909	34,339	35,189
i) Concessional	3,169	3,561	3,886	3,913	4,101
a) Public sector	1,121	1,295	1,471	1,467	1,621
b) Financial institutions	2,048	2,266	2,415	2,446	2,480
c) Private sector	–	–	–	–	–
ii) Non-concessional	27,221	29,192	30,023	30,426	31,088
a) Public sector	13,867	14,415	14,177	14,221	13,943
b) Financial institutions	3,435	3,428	3,689	3,691	3,777
c) Private sector	9,919	11,349	12,157	12,514	13,368
III. International Monetary Fund	**27,264**	**27,417**	**27,810**	**27,453**	**28,163**
IV. Trade Credit	**76,128**	**81,087**	**82,219**	**84,829**	**83,167**
a) Buyers' credit	66,965	71,691	72,617	75,074	73,328
b) Suppliers' credit	2,938	2,940	2,869	2,873	2,814
c) Export credit component of bilateral credit	6,225	6,456	6,733	6,883	7,026
d) Export credit for defence purposes	–	–	–	–	–

Statement 1: India's External Debt Outstanding *(Concld.)*

(₹ crore)

Item	Mar-10 PR	Jun-10 PR	Sep-10 PR	Dec-10 PR	Mar-11 P
	1	2	3	4	5
V. COMMERCIAL BORROWING	**3,19,556**	**3,41,340**	**3,62,542**	**3,78,663**	**3,94,070**
a) Commercial bank loans	2,02,618	2,20,117	2,28,565	2,44,239	2,59,095
b) Securitised borrowings $ (including FCCBs) SEBI Debt Funds	1,13,245	1,17,559	1,30,481	1,31,072	1,31,708
c) Loans/securitised borrowings, *etc.* with multilateral/bilateral guarantee and IFC(W)	3,693	3,663	3,496	3,351	3,267
VI. NRI Deposits (above one-year maturity)	**2,17,062**	**2,23,939**	**2,27,314**	**2,27,037**	**2,30,813**
a) NR(E)RA	1,18,984	1,21,340	1,21,062	1,19,010	1,17,802
b) FCNR(B)	64,625	66,887	68,374	67,657	69,658
c) NRO Deposits	33,453	35,712	37,878	40,370	43,352
VII. Rupee Debt *	**7,481**	**7,380**	**7,373**	**7,374**	**7,147**
a) Defence	6,710	6,635	6,630	6,631	6,416
b) Civilian +	771	745	743	743	731
VIII. Short-term Debt	**2,36,188**	**2,62,949**	**2,71,907**	**2,73,942**	**2,90,147**
a) Trade Related credits	2,14,267	2,41,297	2,44,435	2,49,808	2,61,006
1) Above 180 days	1,26,391	1,45,258	1,46,581	1,50,844	1,57,806
2) Upto 180 days	87,876	96,039	97,854	98,964	1,03,200
b) FII investment in Government T-Bills	87,876				
and other instruments	15,153	15,086	19,725	17,854	24,214
c) Investment in Treasury Bills by foreign central banks and international Institutions	467	393	385	200	225
d) External Debt Liabilities of :	6,301	6,173	7,362	6,080	4,703
1) Central Banks	3,139	2,977	2,808	2,980	693
2) Commercial Banks	3,162	3,196	4,554	3,100	4,011
IX. GROSS TOTAL	**11,79,096**	**12,59,260**	**13,00,257**	**13,25,741**	**13,66,117**
Memo Items					
A. Total Long-term Debt	9,42,908	9,96,311	10,28,350	10,51,799	10,75,970
As % of Total Debt	80.0	79.1	79.1	79.3	78.8
B. Short-term Debt	2,36,188	2,62,949	2,71,907	2,73,942	2,90,147
As % of Total Debt	20.0	20.9	20.9	20.7	21.2
C. Concessional Debt	1,98,280	2,02,729	2,07,082	2,08,090	2,12,693
As % of Total Debt	16.8	16.1	15.9	15.7	15.6

P: Provisional. PR: Partially Revised.

Refers to Debt outstanding to Institutions like IFAD, OPEC & EEC(SAC).

Refers to debt outstanding against loans from ADB.

$ Includes net investment by 100 per cent FII debt funds.

* Debt denominated in Rupees and payable in exports.

+ Includes Rupee suppliers' credit from end-March 1990 onwards.

Notes: Multilateral loans do not include revaluation of IBRD pooled loans and exchange rate adjustment under IDA loans for Pre-1971 credits.

Statement 2: India's External Debt Outstanding

(US$ million)

Item	Mar-10 PR	Jun-10 PR	Sep-10 PR	Dec-10 PR	Mar-11 P
	1	2	3	4	5
I. Multilateral	**42,859**	**44,678**	**46,690**	**47,528**	**48,464**
A. Government borrowing	37,825	39,569	41,162	41,854	42,578
i) Concessional	25,711	25,231	26,354	26,258	26,991
a) IDA	25,380	24,904	26,010	25,918	26,637
b) Others #	331	327	343	340	355
ii) Non-concessional	12,114	14,339	14,808	15,596	15,587
a) IBRD	6,397	8,454	8,644	8,850	8,774
b) Others ##	5,717	5,884	6,164	6,746	6,813
B. Non-Government borrowing	5,034	5,109	5,528	5,674	5,886
i) Concessional	–	–	–	–	–
ii) Non-concessional	5,034	5,109	5,528	5,674	5,886
a) Public sector	3,305	3,349	3,441	3,461	3,535
IBRD	1,893	1,902	2,004	1,995	2,057
Others ##	1,412	1,447	1,437	1,466	1,479
b) Financial institutions	1,193	1,181	1,491	1,568	1,680
IBRD	298	289	404	399	425
Others ##	896	891	1,088	1,169	1,255
c) Private sector	535	579	596	646	670
IBRD	–	–	–	–	–
Others	535	579	596	646	670
II. Bilateral	**22,593**	**22,964**	**24,783**	**25,331**	**25,953**
A. Government borrowing	15,860	15,934	17,235	17,667	18,075
i) Concessional	15,860	15,934	17,235	17,667	18,075
ii) Non-concessional	–	–	–	–	–
B. Non-Government borrowing	6,733	7,030	7,548	7,664	7,878
i) Concessional	702	764	865	873	917
a) Public sector	248	278	327	327	363
b) Financial institutions	454	486	538	546	555
c) Private sector	–	–	–	–	–
ii) Non-concessional	6,031	6,266	6,683	6,791	6,961
a) Public sector	3,072	3,094	3,156	3,174	3,121
b) Financial institutions	761	736	821	824	845
c) Private sector	2,198	2,436	2,706	2,793	2,994
III. International Monetary Fund	**6,041**	**5,885**	**6,190**	**6,127**	**6,308**
IV. Trade Credit	**16,867**	**17,404**	**18,301**	**18,933**	**18,627**
a) Buyers' credit	14,837	15,388	16,164	16,756	16,425
b) Suppliers' credit	651	631	639	641	630
c) Export credit component of bilateral credit	1,379	1,386	1,499	1,536	1,572
d) Export credit for defence purposes	–	–	–	–	–

Statement 2: India's External Debt Outstanding *(Concld.)*

(US$ million)

Item	Mar-10 PR	Jun-10 PR	Sep-10 PR	Dec-10 PR	Mar-11 P
	1	2	3	4	5
V. COMMERCIAL BORROWING	**70,800**	**73,265**	**80,699**	**84,513**	**88,267**
a) Commercial bank loans	44,892	47,246	50,877	54,512	58,034
b) Securitised borrowings $ (including FCCBs)	25,090	25,233	29,044	29,254	29,501
c) Loans/securitised borrowings, etc. with multilateral/bilateral guarantee and IFC(W)	818	786	778	748	731
d) Self-liquidating Loans	–	–	–	–	–
VI. NRI Deposits (above one-year maturity)	**47,890**	**48,108**	**49,907**	**50,672**	**51,682**
a) NR(E)RA	26,251	26,067	26,579	26,562	26,378
b) FCNR(B)	14,258	14,369	15,012	15,100	15,597
c) NRO Deposits	7,381	7,672	8,316	9,010	9,707
VII. Rupee Debt *	**1,657**	**1,584**	**1,641**	**1,646**	**1,601**
a) Defence	1,487	1,424	1,476	1,480	1,437
b) Civilian +	171	160	165	166	164
VIII. Short-term Debt	**52,329**	**56,439**	**60,525**	**61,141**	**64,990**
a) Trade Related credits	47,473	51,792	54,410	55,754	58,462
1) Above 180 days	28,003	31,178	32,628	33,667	35,347
2) Upto 180 days	19,470	20,614	21,782	22,088	23,116
b) FII investment in Government T-Bills and other instruments	3,357	3,238	4,391	3,985	5,424
c) Investment in Treasury Bills by foreign central banks and international Institutions *etc.*	103	84	86	45	50
d) External Debt Liabilities of:	1,396	1,325	1,639	1,357	1,053
1) Central Banks	695	639	625	665	155
2) Commercial Banks	701	686	1,014	692	898
IX. GROSS TOTAL	**261,036**	**270,328**	**288,737**	**295,891**	**305,892**
Memo Items					
A. Total Long-term Debt	208,707	213,889	228,212	234,750	240,902
As % of Total Debt	80.0	79.1	79.0	79.3	78.8
B. Short-term Debt	52,329	56,439	60,525	61,141	64,990
As % of Total Debt	20.0	20.9	21.0	20.7	21.2
C. Concessional Debt	43,930	43,513	46,095	46,443	47,584
As % of Total Debt	16.8	16.1	16.0	15.7	15.6

P: Provisional. PR: Partially Revised.

\# Refers to Debt outstanding to Institutions like IFAD, OPEC & EEC(SAC).

\#\# Refers to debt outstanding against loans from ADB.

$ Includes net investment by 100 per cent FII debt funds.

* Debt denominated in Rupees and payable in exports.

\+ Includes Rupee suppliers' credit from end-March 1990 onwards.

Notes: Multilateral loans do not include revaluation of IBRD pooled loans and exchange rate adjustment under IDA loans for Pre-1971 credits.

Annex I
Gross External Debt Position of QEDS Reporting Countries for end-December 2010 and end-March 2011

(US$ billion)

Sr. No.	Countries	2010 Q4			2011 Q1		
		Short-term	Long-term	Total	Short-term	Long-term	Total
		1	2	3	4	5	6
1	Argentina	29.5	99.1	128.6	30.1	100.7	130.8
2	Armenia	0.6	5.7	6.3	0.7	5.9	6.6
3	Australia	314.8	852.5	1,167.3	338.9	886.7	1,225.6
4	Austria	200.0	597.7	797.8	243.6	623.5	867.1
5	Belarus	12.0	16.5	28.5	13.4	18.3	31.7
6	Belgium	694.2	597.8	1,292.1	718.4	606.2	1,324.7
7	Brazil	57.3	294.6	351.9	57.5	320.6	378.1
8	Bulgaria	15.4	34.6	50.0	15.4	37.1	52.5
9	Canada	345.2	761.8	1,107.0	360.0	790.0	1,150.0
10	Chile	19.2	67.5	86.7	20.6	71.2	91.8
11	Colombia	8.2	56.6	64.8	9.8	58.1	67.9
12	Costa Rica	2.4	6.8	9.2	2.7	6.6	9.3
13	Croatia	6.8	55.7	62.5	7.7	59.7	67.4
14	Czech Republic	24.9	70.5	95.4	27.0	73.5	100.4
15	Denmark	277.4	318.7	596.1	279.7	346.4	626.1
16	Ecuador	0.3	13.3	13.7	0.0	0.0	0.0
17	Egypt	3.1	31.8	35.0	3.1	31.8	34.8
18	El Salvador	1.1	10.3	11.4	0.0	0.0	0.0
19	Estonia	8.9	13.1	22.0	8.8	14.3	23.1
20	Finland	176.4	261.9	438.4	223.8	281.3	505.1
21	France	2,031.2	3,060.0	5,091.3	2,127.9	3,238.9	5,366.8
22	Georgia	1.1	8.6	9.7	1.4	8.8	10.2
23	Germany	1,813.6	3,394.5	5,208.0	1,885.9	3,556.2	5,442.1
24	Greece	243.8	302.3	546.1	237.9	341.7	579.7
25	Hong Kong, China	626.5	176.9	803.4	643.2	172.5	815.6
26	Hungary	33.4	176.1	209.5	35.1	190.1	225.2
27	**India**	**61.1**	**234.8**	**295.9**	**65.0**	**240.9**	**305.9**
28	Indonesia	31.3	168.8	200.1	35.1	123.6	158.7
29	Ireland	752.8	1,550.7	2,303.4	200.1	493.7	693.9
30	Israel	50.0	56.0	106.0	52.9	56.1	109.1
31	Italy	569.6	1,858.4	2,427.9	607.2	1,994.5	2,601.7
32	Japan	1,805.7	782.9	2,588.6	1,854.5	786.4	2,640.9

Annex I
Gross External Debt Position of QEDS Reporting Countries for end-December 2010 and end-March 2011 *(Concld.)*

(US$ billion)

Sr. No.	Countries	2010 Q4			2011 Q1		
		Short-term	Long-term	Total	Short-term	Long-term	Total
		1	2	3	4	5	6
33	Jordan	9.4	6.8	16.3	9.5	6.8	16.3
34	Kazakhstan	8.8	110.4	119.2	12.3	111.9	124.2
35	Korea	135.0	225.0	360.0	0.0	0.0	0.0
36	Kyrgyz Republic	0.2	3.8	4.0	0.0	0.0	0.0
37	Latvia	12.7	26.6	39.3	12.4	28.8	41.2
38	Lithuania	5.5	25.7	31.2	5.8	27.7	33.5
39	Luxembourg	1,087.3	867.5	1,954.7	1,162.9	913.7	2,076.5
40	Malaysia	35.1	47.1	82.2	0.0	0.0	0.0
41	Malta	31.7	11.8	43.5	30.5	13.6	44.0
42	Mexico	44.6	206.3	251.0	51.2	214.8	266.0
43	Moldova	1.6	3.2	4.8	1.6	3.3	4.9
44	Morocco	2.7	24.2	27.0	3.1	25.6	28.7
45	Netherlands	938.7	1,488.3	2,426.9	1,010.9	1,536.3	2,547.2
46	Norway	229.0	352.7	581.7	260.1	380.6	640.7
47	Peru	6.1	29.6	35.6	0.0	0.0	0.0
48	Poland	48.4	266.1	314.6	63.7	282.3	346.0
49	Portugal	227.1	302.8	529.8	227.9	324.3	552.2
50	Romania	17.6	105.4	123.0	19.3	114.9	134.3
51	Russian Federation	60.2	428.8	489.0	62.3	447.6	509.9
52	Slovak Republic	30.0	36.4	66.4	32.2	41.7	73.9
53	Slovenia	11.3	43.1	54.4	10.5	50.1	60.7
54	South Africa	21.7	77.3	99.0	20.7	82.4	103.1
55	Spain	743.5	1,571.4	2,314.9	725.5	1,730.9	2,456.4
56	Sweden	296.8	647.7	944.5	323.3	677.7	1,001.0
57	Switzerland	816.8	474.7	1,291.5	828.0	476.4	1,304.4
58	Thailand	43.0	54.0	96.9	48.2	56.5	104.7
59	Tunisia	5.0	17.0	22.0	4.8	18.0	22.8
60	Turkey	78.1	211.4	289.5	77.2	221.6	298.8
61	Ukraine	25.6	91.8	117.3	27.5	93.0	120.5
62	United States	5,156.8	9,299.3	14,456.2	5,379.0	9,446.4	14,825.3
63	Uruguay	0.1	12.8	13.0	0.1	13.1	13.3
64	EURO Area	0.0	1,933.1	1,933.1	0.0	2,056.2	2,056.2

Source: World Bank and IMF.

Inflation Expectations Survey of Households: June 2011 (Round 24)[*]

This article presents the findings of ***Inflation Expectations Survey of Households*** *conducted in the* ***April-June 2011*** *quarter, the 24th round in the series. The survey captures the inflation expectations of 4,000 urban households across 12 cities for the next three months and for the next one year. These expectations are based on their individual consumption baskets and, hence, these rates should not be considered as predictors of any official measure of inflation. The households' inflation expectations provide useful directional information on near-term inflationary pressures and also supplement other economic indicators to get a better indication of future inflation. The survey results are those of the respondents and not necessarily shared by the Reserve Bank of India.*

The current round of the survey shows that the three-month ahead inflation expectations of households have tended to be slightly lower at 11.8 per cent from 11.9 per cent in the last round of survey but one-year ahead inflation expectations have moved slightly higher at 12.9 per cent from 12.7 per cent. The survey findings indicate that households expect inflation to rise further by 60 and 170 basis points during next three-month and next one-year period respectively, from the perceived current rate of 11.2 per cent. The percentage of respondents expecting price rise have gone up for all product groups (viz., food, non-food, household durables, housing and services). However, expectations on general price rise were mainly influenced by movements in food prices. On category-wise inflation expectations, daily-wage workers and housewives expected higher inflation rates compared to other categories. Across the cities, Bangalore expected the highest inflation while expectations were the lowest for Hyderabad. 25 per cent of the respondents felt that RBI is taking necessary action to control inflation, of which, 51 per cent felt that RBI's action has an impact on controlling inflation.

[*] Prepared in the Division of Household Surveys, Department of Statistics and Information Management. The previous article on the subject was published in June 2011 RBI Bulletin.

I Introduction

Reserve Bank of India has been conducting Inflation Expectations Survey of Households (IESH) on a quarterly basis, since September 2005. The survey elicits qualitative responses on expected price changes (general prices as well as prices of specific product groups) in the next three-month as well as in the next one-year and quantitative responses on current, three-month ahead and one-year ahead inflation expectations. Inflation expectations of households are subjective assessments and are primarily based on their individual consumption baskets and, therefore may be different from the official inflation numbers released periodically by the government.

II Data Coverage and Methodology

The survey schedule (Annex) designed for the IESH has been organised into six blocks. The first block seeks respondents' particulars including name, contact details, gender, age and occupation (category). The second and third blocks seek product-wise price expectations for three months ahead and one year ahead, respectively. The fourth block assesses the respondents' feedback on the Reserve Bank's action to control inflation. The fifth block collects the rate of inflation of the respondent for three time points - current, three-month ahead and one-year ahead. The last block captures the information on the amount paid by the respondents for the purchase of major food items, *viz.,* Milk (per litre), Wheat-atta (per kg), Rice (per kg), Chana dal (per kg) and Tur dal (per kg) during last one month.

II.1 Data Coverage

The Reserve Bank conducts this survey in 12 cities on a quarterly basis. The major metropolitan cities, *viz.*, Delhi, Kolkata, Mumbai and Chennai are represented by 500 households each, while another eight cities, *viz.*, Jaipur, Lucknow, Bhopal, Ahmedabad, Patna, Guwahati, Bangalore and Hyderabad are represented by 250

Table 1: Respondents' Profile (Category) – Share in Total Sample

Category of Respondents	Share in Total (%)	Target Share (%)
Financial Sector Employees	9.6	10.0
Other Employees	16.2	15.0
Self-Employed	20.6	20.0
Housewives	29.9	30.0
Retired Persons	8.9	10.0
Daily Workers	9.0	10.0
Other categories	5.9	5.0
Total	100	100

Note: Sample proportion above is for the quarter ended **June 2011** survey.

households each. The respondents are well spread-out across the cities to provide a good geographical coverage. The proportion of male and female respondents in the current round of the servey is in the ratio of 3:2. The category-wise representation of the respondents is presented in Table 1. The sample coverage is nearly as per the target in all rounds.

II.2 Information Collected

The price expectations are sought for general prices and for five product groups (food products, non-food products, household durables, housing and services). The general price comprises prices of all the product groups taken together. The options for responses are (i) price increase more than current rate, (ii) price increase similar to current rate, (iii) price increase less than current rate, (iv) no change in prices and (v) decline in prices. The first three of the five options pertain to the respondents' expectations on the rate of future price increase compared to the current rate. These expectations are sought from the respondents for three-month ahead as well as one-year ahead period. The inflation expectations of the respondents that represent the year-on-year changes in prices are collected through Block 5. The inflation rates are collected in intervals – the lowest being 'less than 1 per cent' and the highest being '16 per cent and above' with 100 basis point size for all intermediate classes. The information on the respondents' awareness on the Reserve Bank's action to control inflation as well as the impact of the Reserve Bank's action on inflation is obtained in Block 4 from the 21st survey round (quarter ended September 2010). From the 22nd round (quarter ended December 2010), a question was added in Block 6 to capture the information on the amount paid by the respondents for the purchase of major food items, *viz.*, Milk (per litre), Wheat-atta (per kg), Rice (per kg), Chana dal (per kg) and Tur dal (per kg) during the last one month.

III Survey Results

III.1 General Price Expectations

The survey results show that the percentage of respondents expecting increase in general prices for both three-month ahead and one-year ahead period have gone up in the latest round. The proportion of respondents in each of these response categories in the last 10 rounds is presented in Table 2. The percentage of respondents expecting price increase

Table 2: General Price Expectations

Round No./survey period (quarter ended) →	15	16	17	18	19	20	21	22	23	24
	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
Options	**Three-month ahead (percentage of respondents)**									
Prices will increase	**92.0**	**93.1**	**95.8**	**97.4**	**95.7**	**95.3**	**96.5**	**98.6**	**96.0**	**98.7**
Price increase more than current rate	54.9	63.5	72.2	74.6	66.9	72.7	72.2	74.3	72.9	71.8
Price increase similar to current rate	22.4	20.7	18.4	16.6	20.0	20.0	21.0	22.0	20.4	19.8
Price increase less than current rate	14.8	8.9	5.1	6.2	8.8	2.6	3.3	2.3	2.7	7.1
No change in prices	**6.9**	**6.1**	**3.7**	**2.4**	**3.4**	**4.2**	**2.9**	**1.1**	**3.5**	**1.2**
Decline in price	**1.1**	**0.9**	**0.6**	**0.3**	**0.9**	**0.5**	**0.6**	**0.4**	**0.5**	**0.1**
Options	**One-year ahead (percentage of respondents)**									
Prices will increase	**95.6**	**93.7**	**96.3**	**96.3**	**96.5**	**95.2**	**95.6**	**98.9**	**96.1**	**98.7**
Price increase more than current rate	64.7	62.8	69.5	68.2	62.8	70.8	70.4	77.4	73.4	73.3
Price increase similar to current rate	15.9	18.5	17.3	15.2	19.8	18.7	19.7	17.9	18.6	18.0
Price increase less than current rate	15.0	12.4	9.5	12.9	13.9	5.7	5.6	3.6	4.2	7.4
No change in prices	**3.3**	**5.3**	**3.1**	**3.1**	**2.6**	**3.8**	**3.5**	**0.9**	**3.5**	**1.3**
Decline in price	**1.1**	**0.9**	**0.7**	**0.6**	**0.9**	**1.1**	**0.9**	**0.3**	**0.3**	**0.0**

over the next three-month ahead and one-year ahead period have both increased to 98.7 per cent from around 96.0 per cent in the previous round (January-March 2011). However, for both these periods, the proportion of respondents who expect this price increase to be 'higher than current rate' has fallen marginally from the proportions registered in last round of survey, but the proportion of respondents who expects this price increase to be 'less than current rate' have increased in respect of previous quarter.

III.2 Product Group-Wise Price Expectations

The product group-wise price expectations are given in Statement I. For three-month ahead and one-year ahead price expectations, the percentage of respondents expecting increase in prices has gone up for all product groups, *viz*., food products, non-food products, household durables, housing and services. For the three-month ahead period, in case of food and non-food products prices, there has been a reduction in percentage of households which perceive price increase *'similar to the current rate'*. However, the proportion of households which expects price increase *'more than the current rate'* has gone up. In case of household durable prices, the proportion of households expecting price increase *'more than the current rate'* and *'similar to the current rate'* has gone up as compared with the previous round. Similarly, *vis-à-vis* the last round of survey, more households expect housing prices and cost of services to increase at lower than the current rate.

III.3 Coherence Between General Prices and Product Groups' Prices

General price expectations are influenced by the price expectations in respect of various product groups. However, price expectations of certain product groups can influence the general price expectations more than other products. Therefore, a measure of coherence between general prices and prices of various product groups was derived based on the total percentages of respondents who expect similar movements in general price and those of various product groups. This degree of coherence between general price and prices of various product groups for three-month ahead and one-year ahead period is depicted in Table 3 and Table 4.

As in the past rounds, the general price expectations are more aligned with food price expectations as compared to other product groups. This association was the lowest with household durables prices. In the current round of the survey, about 88.5 per cent and 94.8 per cent of the respondents are seen to have been influenced by changes in food prices for arriving at three-month ahead and one-year ahead general price expectations respectively. The extent of coherence between general price expectations and that of other product groups has, by and large, increased in the current survey round as compared with the previous round.

III.4 Inflation Expectations

The perception on current inflation rate and expectations for three-month ahead and one-year

Table 3: Percentage of Respondents Expecting General Price Movements in Coherence with Movements in Price Expectations of Various Product Groups: Three-month Ahead

(percentage of respondents)

Round No.	Survey Quarter	Food	Non-Food	House-hold Durables	Housing	Cost of Services
15	Mar-09	85.4	85.3	62.8	73.0	73.9
16	Jun-09	87.0	79.3	59.4	72.0	76.7
17	Sep-09	89.1	81.3	56.5	78.1	82.2
18	Dec-09	88.3	83.6	62.3	82.7	79.3
19	Mar-10	87.4	81.4	66.5	78.1	76.6
20	Jun-10	89.9	82.4	63.6	80.2	80.8
21	Sep-10	91.4	86.1	64.8	79.2	76.7
22	Dec-10	92.3	77.3	58.9	82.5	76.6
23	Mar-11	85.5	78.9	62.5	82.5	76.4
24	Jun-11	88.5	83.0	68.1	80.4	80.0

Table 4: Percentage of Respondents Expecting General Price Movements in Coherence with Movements in Price Expectations of Various Product Groups: One-year Ahead

(percentage of respondents)

Round No.	Survey Quarter	Food	Non-Food	House-hold Durables	Housing	Cost of Services
15	Mar-09	89.1	88.1	65.3	79.4	74.8
16	Jun-09	89.2	82.2	61.4	76.8	78.5
17	Sep-09	91.9	85.8	65.0	78.9	82.3
18	Dec-09	91.1	88.4	69.0	82.8	79.3
19	Mar-10	89.9	83.6	67.3	79.7	76.2
20	Jun-10	91.7	83.2	67.2	79.4	81.1
21	Sep-10	93.4	88.0	66.8	81.0	76.3
22	Dec-10	91.7	83.5	62.4	83.0	78.8
23	Mar-11	89.8	81.6	68.1	82.4	80.6
24	Jun-11	94.8	86.6	70.4	81.6	81.6

Table 5: Household Inflation Expectations – Current, Three-month Ahead and One-year Ahead

Survey Round No.	Survey Quarter ended	Three-month Expectation period	Inflation rate in Per cent		
			Current	Three-month Ahead	One-year Ahead
13	Sep-08	Oct-Dec 08	12.0	12.8	13.5
14	Dec-08	Jan-Mar 09	9.3	8.9	9.6
15	Mar-09	Apr-Jun 09	5.2	5.3	6.2
16	Jun-09	Jul-Sep 09	5.8	6.3	6.7
17	Sep-09	Oct-Dec 09	8.2	8.7	9.2
18	Dec-09	Jan-Mar 10	11.1	11.6	11.9
19	Mar-10	Apr-Jun 10	10.3	10.6	11.0
20	Jun-10	Jul-Sep 10	11.1	11.4	11.9
21	Sep-10	Oct-Dec 10	12.1	12.3	12.7
22	Dec-10	Jan-Mar 11	11.8	12.4	13.1
23	Mar-11	Apr-Jun 11	11.5	11.9	12.7
24	Jun-11	Jul-Sep 11	11.2	11.8	12.9

ahead inflation since round 12 (September 2008) are presented in Table 5 and Chart 1. It represents the average of inflation rate reported by 4,000 households. The current round of the survey shows that the three-month ahead inflation expectations of households have tended to be slightly lower at 11.8 per cent from 11.9 per cent in the last round of survey but one-year ahead inflation expectations have moved slightly higher at 12.9 per cent from 12.7 per cent. The respondents' view of the current inflation and the three-month ahead expected inflation in the current survey round have declined by 30 and 10 basis points, respectively, whereas one-year ahead expected inflation rate has increased by 20 basis points *vis-à-vis* corresponding average rates reported in the previous round. The survey findings also indicate that households expect inflation to rise further by 60 and 170 basis points during next three-month and next one-year, period respectively, from the perceived current rate of 11.2 per cent. Though these inflation expectations provide useful inputs on directional movements of future inflation, these are not to be treated as forecast of any official measure of inflation.

It may be seen from Chart 1 that the short and long-term expectations corresponding to three-month and one-year ahead periods lie above the perceived current inflation rates.

Chart 1: Household Inflation Expectations – Current, Three-month Ahead and One-year Ahead

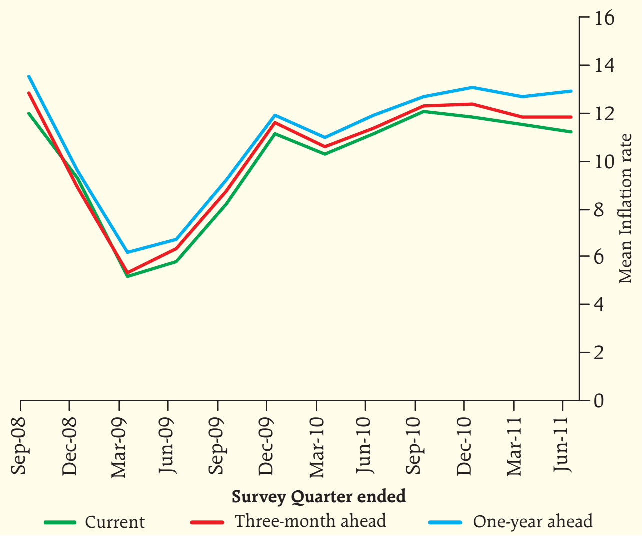


Chart 2: Households Inflation Expectations *vis-à-vis* Official Inflation Numbers

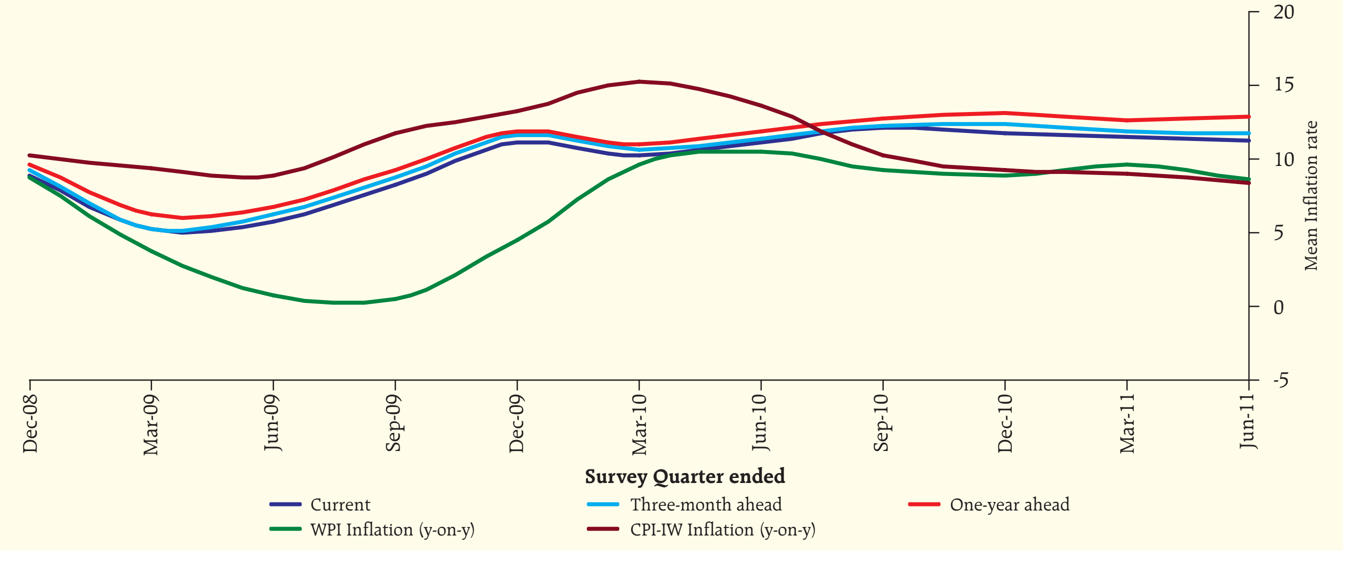


Table 6: Volatility in Responses in Various Rounds

Round No.	Survey Quarter ended	Inflation Rate					
		Current		Three-month Ahead		One-year Ahead	
		Mean %	Std. Dev.	Mean %	Std. Dev.	Mean %	Std. Dev.
14	Dec-08	9.3	1.9	8.9	3.5	9.6	3.9
15	Mar-09	5.2	1.9	5.3	2.6	6.2	2.7
16	Jun-09	5.8	4.4	6.3	4.6	6.7	4.7
17	Sep-09	8.2	6.0	8.7	6.0	9.2	5.9
18	Dec-09	11.1	4.9	11.6	4.9	11.9	5.1
19	Mar-10	10.3	4.4	10.6	4.7	11.0	4.8
20	Jun-10	11.1	3.6	11.4	4.1	11.9	4.2
21	Sep-10	12.1	3.2	12.3	3.6	12.7	3.8
22	Dec-10	11.8	3.5	12.4	3.7	13.1	3.6
23	Mar-11	11.5	3.1	11.9	3.7	12.7	3.6
24	Jun-11	11.2	3.4	11.8	3.3	12.9	3.3

Chart 2 depicts the household inflation expectations along with the official inflation measures based on Wholesale Price Index for all commodities (WPI) and Consumer Price Index for Industrial Workers (CPI-IW). For a large part of the survey history, the households' inflation expectations remained between the WPI and CPI-IW inflation rates. However, from September 2010 round of the survey, household inflation expectations are higher than the official inflation rates. In the current round also, the same trend has been observed.

III.5 Volatility in Responses

Over different rounds of the survey, the volatility in the responses in terms of standard deviation has been observed to be lower for current inflation rate as compared to three-month ahead and one-year ahead expected inflation rates (Table 6). However, in the latest round, the volatility in all the three periods were more or less at the same level.

Table 8: Gender-wise Inflation Expectations for June 2011 Survey Round

Gender-wise	Current		Three-month Ahead		One-year Ahead	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Male	11.1	3.5	11.7	3.3	12.9	3.3
Female	11.4	3.3	12.0	3.2	12.9	3.3

The total variability in responses for inflation expectations may partly be explained by different classificatory factors (*viz. gender, age-group, city and category*) of respondents over different rounds. An Analysis of Variance (ANOVA) carried out over different rounds revealed that 'city' has always been a significant source of variation in each round (Table 7). Category of the respondents has also been observed to be a significant source of variation particularly since last one year. This may be due to variation in consumption baskets across the cities and across the categories of the respondents.

III.6 Gender-wise Expectations

In the current round of survey, though female respondents expected marginally higher inflation rates as compared to their male counterparts, the analysis finds no significant difference between male and female respondents' responses for current, three-month ahead and one-year ahead periods (Table 8).

III.7 Category-wise Expectations

The category of respondents indicates their occupation status. For the latest survey round, daily workers and housewives reported higher inflation

Table 7: Factors that Explain the Total Variability

Round No.	Survey Quarter ended	Current	Three-month Ahead	One-year Ahead
14	Dec-08	City, Gender, Age	City, Gender, Category	City, Category
15	Mar-09	City, Category	City, Gender, Category	City, Category
16	Jun-09	City, Gender, Category, Age	City, Gender, Category	City, Category, Age
17	Sep-09	City, Age	City, Age	City, Age
18	Dec-09	City, Category, Age	City, Age	City
19	Mar-10	City, Category, Age	City, Category	City, Category
20	Jun-10	City, Category, Age	City, Category, Age	City, Category, Age
21	Sep-10	City, Gender, Category, Age	City, Gender, Category	City, Category
22	Dec-10	City, Category	City, Category	City, Category
23	Mar-11	City, Category	City, Category	City, Category, Age
24	Jun-11	City, Category	City, Category	City, Category

Note: Results based on exercise using Analysis of Variance.

Table 9: Category-wise Inflation Expectations for June 2011 Survey Round

Occupation	Current		Three-month Ahead		One-year Ahead	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Financial Sector Employees	10.6	3.2	11.3	3.1	12.1	3.6
Other Employees	11.0	3.4	11.6	3.3	12.8	3.1
Self-Employed	11.3	3.5	11.8	3.4	13.0	3.4
Housewives	11.4	3.4	12.0	3.2	13.1	3.2
Retired Persons	11.2	3.3	11.9	3.1	13.0	3.2
Daily Workers	11.8	3.5	12.2	3.4	13.4	3.2
Other categories	11.0	3.4	11.7	3.2	12.9	3.0

expectations whereas financial sector employees expected lowest inflation (Table 9).

III.8 Age Group-wise Expectations

The survey covers only adult respondents of 18 years or more. During the current survey round, the respondents in the age group 'up to 25 years' and '55 year and above' are found to expect the highest inflation rates for the three-month ahead and one-year ahead periods (Table 10). However, in other age group, no specific pattern is observed in inflation expectations.

III.9 City-wise Expectations

Significant variations are observed in the inflation expectations across different cities, which may be attributed to the divergence in consumption pattern between cities. In the latest round of survey, current inflation was found to be the highest in Jaipur and the lowest in Patna. However, for three-month ahead and one-year ahead periods, households in Bangalore expected the highest and households in Hyderabad expected the lowest inflation (Table 11). The variability in responses was the highest in Ahmedabad and the lowest in Patna for the current inflation.

Table 10: Age Group-wise Inflation Expectations for June 2011 Survey Round

Age	Current		Three-month Ahead		One-year Ahead	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Upto 25 years	11.3	3.5	12.1	3.2	13.3	3.1
25 to 30 years	11.2	3.4	11.8	3.2	12.9	3.3
30 to 35 years	11.3	3.4	11.8	3.3	12.8	3.4
35 to 40 years	11.2	3.4	11.7	3.4	12.8	3.2
40 to 45 years	11.0	3.3	11.7	3.1	12.7	3.3
45 to 50 years	11.4	3.5	11.8	3.4	12.8	3.5
50 to 55 years	11.1	3.3	11.5	3.5	12.7	3.4
55 to 60 years	11.3	3.4	12.1	3.2	13.3	2.9
60 years and above	11.5	3.5	12.1	3.3	13.3	3.2
All	**11.2**	**3.4**	**11.8**	**3.3**	**12.9**	**3.3**

III.10 Cross-tabulation of Current Inflation and Future Expectations

The distribution of inflation expectations expresses the degree of respondents' optimism on future price movement *vis-à-vis* current price changes. The cross-tabulation depicting the relationship between the current and future inflation expectations for three-month and one-year ahead period are presented in Table 12 & Table 13 and the same is depicted in Chart 3 also. It may be observed that 52.8 per cent respondents perceived double-digit current inflation. Similarly, 71.5 per cent and 81.4 per cent of the respondents expected the double-digit inflation rates for the three-month ahead and one-year ahead periods. A cross-tabulation of the current inflation

Table 11: City-wise Inflation Expectations for June 2011 Survey Round

City	Current		Three-month Ahead		One-year Ahead	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Mumbai	14.4	2.8	14.4	3.8	15.4	2.7
Delhi	11.0	3.6	11.9	3.7	13.4	3.2
Chennai	11.7	2.2	12.5	2.2	11.6	3.4
Kolkata	9.6	1.2	10.0	1.7	10.1	2.3
Bangalore	15.6	2.2	15.7	2.0	15.9	1.6
Hyderabad	8.5	2.1	8.9	2.2	9.8	2.4
Ahmedabad	11.6	3.7	13.3	2.8	14.8	1.9
Lucknow	8.6	1.2	10.5	1.6	13.0	2.1
Jaipur	15.7	2.3	12.1	4.9	15.5	3.1
Bhopal	8.9	1.3	10.1	1.4	11.9	1.8
Patna	7.6	0.7	10.4	0.9	14.6	1.5
Guwahati	9.8	1.0	10.3	1.2	10.6	1.5
All	**11.2**	**3.4**	**11.8**	**3.3**	**12.9**	**3.3**

Table 12: Cross-tabulation of Current and Three-month Ahead Inflation Expectations

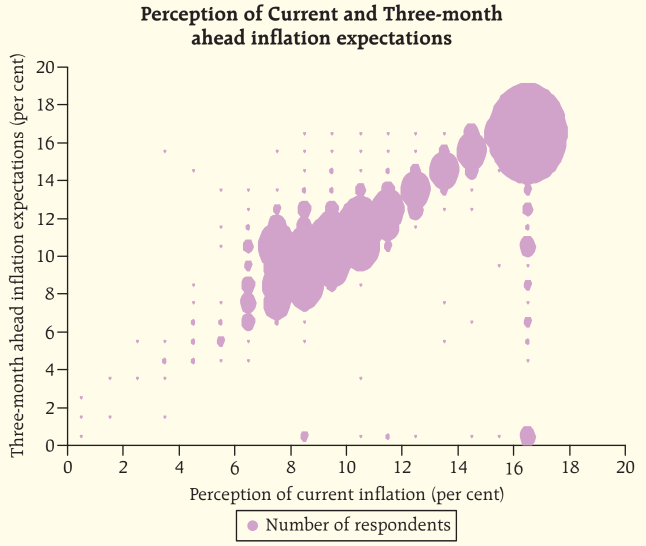
		Three-month ahead inflation rate (per cent)																	
		< 1	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	9-10	10-11	11-12	12-13	13-14	14-15	15-16	>=16	No Idea	Total
Current inflation rate (per cent)	<1	1	1	1																3
	1-2		1		1															2
	2-3				2		1													3
	3-4		1		3	4	2													11
	4-5					4	4	6	1	1						1				17
	5-6					1	7	4	3			1	1		1					18
	6-7					1	3	25	32	22	8	14	6	1	1					113
	7-8							4	84	106	93	165	38	10	3		1			504
	8-9	7					1	2	20	152	275	129	29	24	4	2	1	1		647
	9-10									17	143	281	90	24	6	4	1	2	2	570
	10-11	3			1					2	5	160	229	52	16	1	3	2	4	478
	11-12	4										9	53	128	26	4	1	3	2	230
	12-13	1											3	36	108	18	3	3		172
	13-14						1		1					3	12	99	17	3		136
	14-15	2						2						2	2	21	97	28		154
	15-16	2									1					2	11	97		113
	>=16	36				1	6	8	3	8	1	33	4	19	7	16	5	681	1	829
	Total	56	3	1	7	11	25	51	144	308	526	792	453	299	186	168	141	820	9	4000

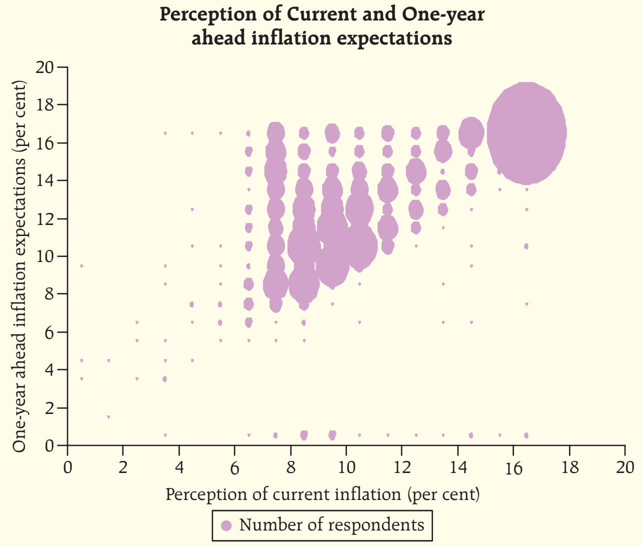
perception with the future inflation expectations points out that among the 52.8 per cent (66.3 per cent in previous round) respondents who perceived the current inflation in double-digit, 95.5 per cent (93.7 per cent in previous round) and 96.8 per cent (92.3 per cent in previous round) respondents expected that it would remain in the same level for three-month ahead period, and one-year ahead respectively.

Table 13: Cross-tabulation of Current and One-year Ahead Inflation Expectations

		One-year ahead inflation rate (per cent)																	
		< 1	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	9-10	10-11	11-12	12-13	13-14	14-15	15-16	>=16	No Idea	Total
Current inflation rate (per cent)	<1				1	1					1									3
	1-2		1			1														2
	2-3				1		1	1												3
	3-4	1			4	1	1			1	1							2		11
	4-5					1		3	5			3		1				3	1	17
	5-6						2	4	4	1	2	3						2		18
	6-7	1					3	9	19	20	6	8	13	8	3	10	8	5		113
	7-8	5					1	3	25	88	43	43	33	44	44	73	54	45	3	504
	8-9	12					1	5	14	126	59	160	80	69	46	26	28	19	2	647
	9-10	10							3	13	161	51	134	68	56	27	10	31	6	570
	10-11	3						1		3	17	170	46	112	44	40	18	19	5	478
	11-12	3										23	63	18	61	21	17	21	3	230
	12-13	3										2	14	39	16	62	15	20	1	172
	13-14	2						1		1			2	20	34	6	42	28		136
	14-15	5						1			1	1		2	18	23	13	90		154
	15-16	2													1	4	16	90		113
	>=16	7							1			4		3	1	5		801	7	829
	Total	54	1		6	4	9	28	71	253	291	468	385	384	324	297	221	1176	28	4000

Chart 3: Relationship in the Perception level of Current Inflation with Future Expectations



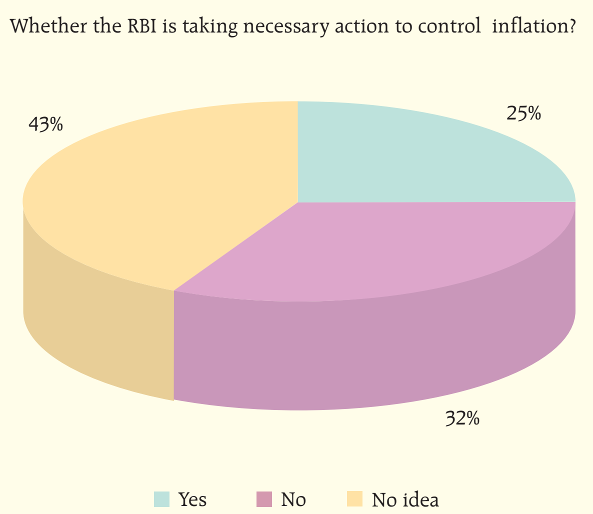


III.11 Awareness on Reserve Bank of India's Action to Control Inflation

An additional block (Block 4) was added to the survey schedule from the 21st round (September 2010) to gauge the awareness of public on Reserve Bank's action on inflation control. Out of the two questions in this block, the first one elicits the respondent's awareness whether the Reserve Bank is taking necessary action for controlling inflation whereas the second one seeks whether the respondent thinks that the Reserve Bank's action has any impact on inflation. The responses for the latest survey round are presented in Chart 4. 57 per cent of households felt that the Reserve Bank is taking action to control inflation. Of these, 25 per cent of the respondents felt that the Reserve Bank is taking necessary action to control inflation. Out of these 25 per cent respondents, 51 per cent felt that the Reserve Bank's action has an impact on controlling inflation.

The category-wise distribution of the responses based on this block of the survey schedule shows that the awareness on the Reserve Bank's action on inflation control is the most among 'financial sector employees' and was the least in case of 'daily workers' and 'housewives' (Chart 5).

Chart 4: Respondents' view on RBI's Action to Control Inflation



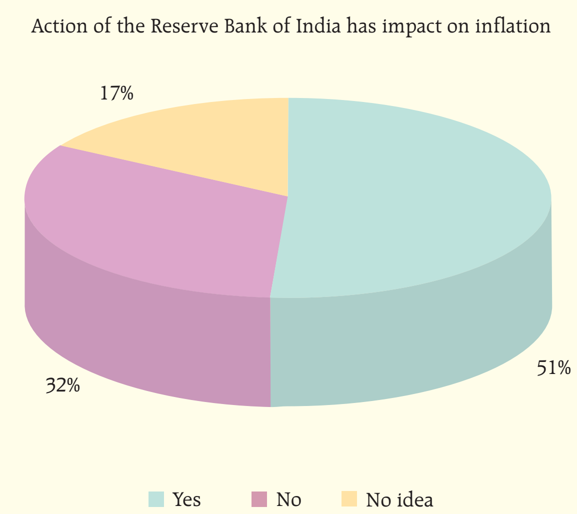
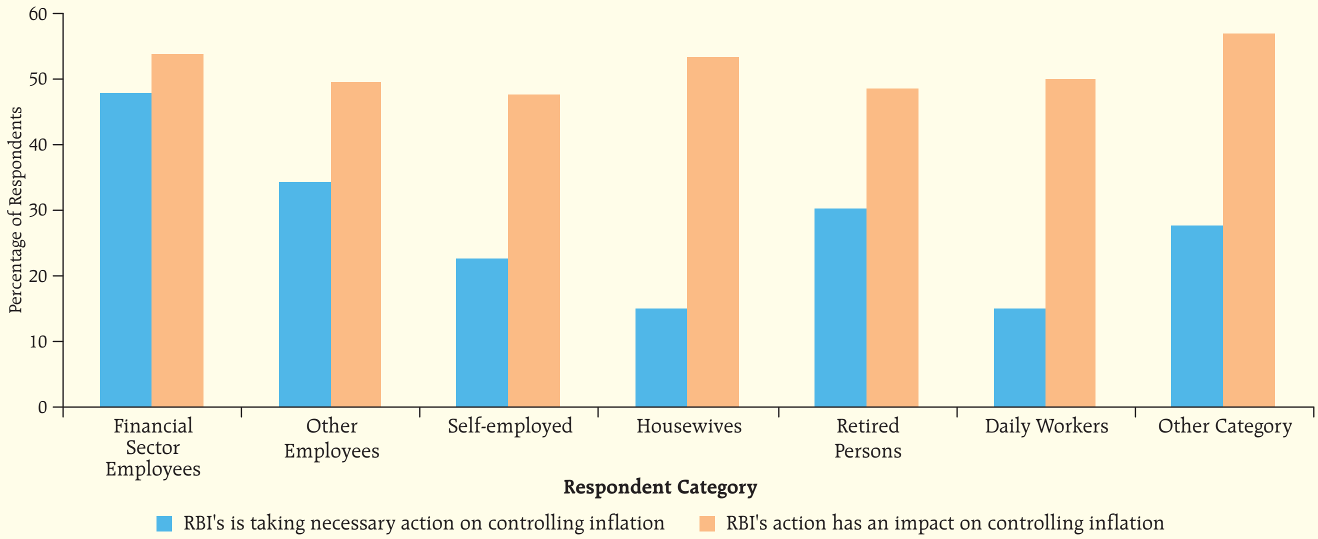


Chart 5: Category-wise Awareness on RBI's Action on Inflation Control



The category-wise distribution of the responses on 'the impact of RBI's action on inflation control' out of the 25 per cent respondents who felt that the Reserve Bank is taking necessary action to control inflation is presented in Table 14.

IV A Bootstrap Confidence Interval for Inflation Expectations

In the previous Sections, the average rates of inflation expectations are presented. As the exact distribution of the population variable under study, *i.e.*, inflation expectations is unknown, bootstrap re-sampling method for statistical inference has been used to derive the interval estimates of the average inflation expectations of households. These confidence intervals for mean are presented to give an idea of the error associated with the estimates of households' inflation expectations.

Table 14: Category-wise Responses on the Impact of RBI's Action on Inflation Control

Category	Impact of RBI's action on inflation control (per cent of respondents*)		
	Yes	No	No Idea
Financial Sector Employees	53.8	33.2	13.0
Other Employees	49.5	34.2	16.2
Self-employed	47.6	34.2	18.2
Housewives	53.3	26.1	20.6
Retired Persons	48.6	33.6	17.8
Daily Workers	50.0	35.2	14.8
Other Category	56.9	29.2	13.8

* Respondents who are aware of the RBI's action on inflation control

Table 15: 99% Bootstrap Confidence Intervals (BCI) Based on 10,000 Resamples

Current		Three-month Ahead		One-year Ahead	
99% BCI for Mean %	Interval width	99% BCI for Mean %	Interval width	99% BCI for Mean %	Interval width
(11.38, 11.10)	0.28	(11.96,11.69)	0.27	(13.07,12.81)	0.26

Drawing 10,000 re-samples using simple random sampling with replacement from the sample of the survey, 99 per cent Bootstrap Confidence Intervals (BCI) for mean were obtained. The results are presented in Table 15. It is observed that the exercise leads to a confidence interval with a small width indicating that the point estimates are quite precise for estimating the population means of households' expectations of inflation.

Statement I: Percentage of Respondents – Product-wise Expectations of Prices for Three-month and One-year Ahead

1. General

Round No./survey period (quarter ended) →	15	16	17	18	19	20	21	22	23	24
	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
Options	**Three-month ahead (percentage of respondents)**									
Prices will increase	**92.0**	**93.1**	**95.8**	**97.4**	**95.7**	**95.3**	**96.5**	**98.6**	**96.0**	**98.7**
Price increase more than current rate	54.9	63.5	72.2	74.6	66.9	72.7	72.2	74.3	72.9	71.8
Price increase similar to current rate	22.4	20.7	18.4	16.6	20.0	20.0	21.0	22.0	20.4	19.8
Price increase less than current rate	14.8	8.9	5.1	6.2	8.8	2.6	3.3	2.3	2.7	7.1
No change in prices	**6.9**	**6.1**	**3.7**	**2.4**	**3.4**	**4.2**	**2.9**	**1.1**	**3.5**	**1.2**
Decline in price	**1.1**	**0.9**	**0.6**	**0.3**	**0.9**	**0.5**	**0.6**	**0.4**	**0.5**	**0.1**
Options	**One-year Ahead (percentage of respondents)**									
Prices will increase	**95.6**	**93.7**	**96.3**	**96.3**	**96.5**	**95.2**	**95.6**	**98.9**	**96.1**	**98.7**
Price increase more than current rate	64.7	62.8	69.5	68.2	62.8	70.8	70.4	77.4	73.4	73.3
Price increase similar to current rate	15.9	18.5	17.3	15.2	19.8	18.7	19.7	17.9	18.6	18.0
Price increase less than current rate	15.0	12.4	9.5	12.9	13.9	5.7	5.6	3.6	4.2	7.4
No change in prices	**3.3**	**5.3**	**3.1**	**3.1**	**2.6**	**3.8**	**3.5**	**0.9**	**3.5**	**1.3**
Decline in price	**1.1**	**0.9**	**0.7**	**0.6**	**0.9**	**1.1**	**0.9**	**0.3**	**0.3**	**0.0**

2. Food Prices

Round No./survey period (quarter ended) →	15	16	17	18	19	20	21	22	23	24
	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
Options	**Three-month Ahead (percentage of respondents)**									
Prices will increase	**93.6**	**94.6**	**96.3**	**98.0**	**95.9**	**95.8**	**96.7**	**98.1**	**95.4**	**98.6**
Price increase more than current rate	58.6	64.5	76.1	81.1	70.4	74.9	74.7	73.1	69.4	72.0
Price increase similar to current rate	23.3	21.5	15.0	11.7	15.5	17.7	18.0	21.3	21.0	17.5
Price increase less than current rate	11.8	8.6	5.2	5.3	10.0	3.2	4.0	3.7	5.1	9.1
No change in prices	**5.6**	**4.6**	**3.0**	**1.4**	**3.1**	**3.5**	**2.3**	**1.4**	**3.8**	**1.2**
Decline in price	**0.8**	**0.9**	**0.8**	**0.6**	**1.0**	**0.7**	**1.0**	**0.6**	**0.8**	**0.2**
Options	**One-year Ahead (percentage of respondents)**									
Prices will increase	**96.6**	**94.7**	**96.2**	**96.5**	**96.8**	**95.6**	**95.7**	**98.6**	**95.9**	**98.6**
Price increase more than current rate	66.2	63.6	71.0	72.1	65.9	72.8	71.7	76.4	75.5	73.6
Price increase similar to current rate	18.1	18.9	15.2	11.9	16.5	16.9	17.8	17.8	16.6	17.2
Price increase less than current rate	12.4	12.2	10.0	12.5	14.5	5.9	6.2	4.4	3.9	7.9
No change in prices	**2.7**	**4.5**	**2.9**	**2.7**	**2.3**	**3.3**	**3.2**	**1.1**	**3.6**	**1.3**
Decline in price	**0.7**	**0.8**	**0.9**	**0.9**	**0.9**	**1.1**	**1.1**	**0.4**	**0.5**	**0.1**

3. Non-Food Prices

Round No./survey period (quarter ended) →	15	16	17	18	19	20	21	22	23	24
	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
Options	**Three-month Ahead (percentage of respondents)**									
Prices will increase	**91.0**	**91.4**	**94.7**	**95.8**	**94.0**	**92.9**	**95.4**	**95.9**	**95.0**	**98.0**
Price increase more than current rate	48.6	51.2	59.3	63.1	57.4	60.1	64.4	58.8	58.4	65.6
Price increase similar to current rate	25.5	28.4	27.1	24.8	28.0	29.4	27.3	33.2	31.3	25.0
Price increase less than current rate	17.0	11.8	8.3	7.9	8.7	3.4	3.7	3.9	5.3	7.4
No change in prices	**7.8**	**7.7**	**4.7**	**3.7**	**4.8**	**6.3**	**3.9**	**0.5**	**4.4**	**1.9**
Decline in price	**1.2**	**1.0**	**0.7**	**0.5**	**1.2**	**0.9**	**0.7**	**0.7**	**0.6**	**0.1**
Options	**One-year Ahead (percentage of respondents)**									
Prices will increase	**94.6**	**91.9**	**95.2**	**94.6**	**94.7**	**92.8**	**94.6**	**97.5**	**94.7**	**97.8**
Price increase more than current rate	57.5	53.1	59.6	60.7	53.0	59.7	64.0	65.2	59.9	66.9
Price increase similar to current rate	20.4	25.0	23.6	20.7	27.6	26.4	24.9	28.1	29.2	24.0
Price increase less than current rate	16.7	13.8	12.1	13.2	14.1	6.7	5.7	4.2	5.6	7.0
No change in prices	**4.1**	**7.3**	**4.0**	**4.6**	**4.2**	**5.9**	**4.4**	**2.2**	**4.6**	**2.0**
Decline in price	**1.4**	**0.8**	**0.8**	**0.8**	**1.1**	**1.3**	**1.0**	**0.4**	**0.7**	**0.1**

Statement I: Percentage of Respondents – Product-wise Expectations of Prices for Three-month and One-year Ahead *(contd.)*

4. Prices of Household durables

Round No./survey period (quarter ended) →	15	16	17	18	19	20	21	22	23	24
	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
Options	**Three-month ahead (percentage of respondents)**									
Prices will increase	**82.5**	**80.0**	**86.8**	**87.7**	**86.4**	**87.1**	**89.7**	**91.9**	**90.4**	**91.7**
Price increase more than current rate	33.2	37.2	38.4	45.5	44.1	45.1	45.8	45.5	47.0	49.0
Price increase similar to current rate	24.2	26.3	30.5	23.4	27.2	30.5	32.9	28.9	28.0	30.6
Price increase less than current rate	25.2	16.5	18.0	18.9	15.1	11.6	11.0	17.5	15.4	12.1
No change in prices	**14.6**	**15.7**	**11.0**	**9.5**	**8.8**	**9.1**	**6.3**	**5.9**	**5.9**	**6.7**
Decline in price	**2.9**	**4.4**	**2.2**	**2.9**	**4.8**	**3.8**	**4.1**	**2.4**	**3.8**	**1.7**
Options	**One-year Ahead (percentage of respondents)**									
Prices will increase	**84.6**	**80.4**	**88.7**	**87.8**	**85.2**	**87.2**	**89.0**	**94.4**	**91.3**	**92.8**
Price increase more than current rate	40.1	38.4	43.3	45.5	43.2	46.6	46.3	48.6	49.6	52.0
Price increase similar to current rate	22.4	24.3	28.2	22.1	25.4	30.1	31.8	32.5	29.0	25.7
Price increase less than current rate	22.1	17.7	17.3	20.3	16.6	10.6	11.0	13.3	12.8	15.1
No change in prices	**11.2**	**16.2**	**9.1**	**8.5**	**9.6**	**8.0**	**6.7**	**3.8**	**5.7**	**5.4**
Decline in price	**4.2**	**3.5**	**2.2**	**3.7**	**5.3**	**4.8**	**4.3**	**1.9**	**3.0**	**1.9**

5. Housing Prices

Round No./survey period (quarter ended) →	15	16	17	18	19	20	21	22	23	24
	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
Options	**Three-month ahead (percentage of respondents)**									
Prices will increase	**89.8**	**92.4**	**93.8**	**96.1**	**95.2**	**96.1**	**96.0**	**97.0**	**94.5**	**95.2**
Price increase more than current rate	46.2	55.9	64.4	70.8	60.4	70.8	64.6	73.1	73.5	65.4
Price increase similar to current rate	26.4	25.4	22.0	19.8	25.4	21.0	24.8	21.3	18.3	23.5
Price increase less than current rate	17.2	11.1	7.4	5.6	9.5	4.3	6.7	2.6	2.7	6.4
No change in prices	**8.3**	**6.4**	**5.0**	**3.4**	**3.5**	**3.1**	**2.8**	**2.1**	**4.7**	**4.5**
Decline in price	**1.9**	**1.3**	**1.2**	**0.5**	**1.3**	**0.9**	**1.2**	**0.9**	**0.8**	**0.3**
Options	**One-year Ahead (percentage of respondents)**									
Prices will increase	**93.0**	**93.0**	**94.9**	**96.4**	**94.1**	**96.1**	**95.3**	**97.9**	**94.8**	**97.6**
Price increase more than current rate	57.4	57.6	66.0	73.4	61.0	72.0	65.9	75.5	72.1	70.4
Price increase similar to current rate	20.0	22.1	21.4	15.1	21.7	19.1	21.6	19.4	20.1	21.7
Price increase less than current rate	15.6	13.3	7.6	7.9	11.4	5.0	7.9	3.0	2.7	5.6
No change in prices	**5.4**	**5.8**	**3.8**	**2.9**	**4.6**	**2.7**	**3.2**	**1.4**	**4.6**	**2.0**
Decline in price	**1.6**	**1.2**	**1.3**	**0.7**	**1.3**	**1.2**	**1.5**	**0.8**	**0.6**	**0.4**

6. Cost of Services

Round No./survey period (quarter ended) →	15	16	17	18	19	20	21	22	23	24
	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
Options	**Three-month ahead (percentage of respondents)**									
Prices will increase	**87.8**	**87.3**	**92.4**	**91.7**	**89.9**	**94.1**	**94.2**	**94.1**	**91.6**	**96.2**
Price increase more than current rate	42.2	53.1	63.7	62.7	58.6	63.2	59.2	61.4	62.1	61.0
Price increase similar to current rate	29.2	22.2	22.9	21.2	23.9	26.2	28.6	28.9	26.4	26.2
Price increase less than current rate	16.4	12.0	5.8	7.8	7.5	4.8	6.4	3.8	3.1	9.1
No change in prices	**10.4**	**11.3**	**6.3**	**7.0**	**6.7**	**4.8**	**5.2**	**4.5**	**7.7**	**3.8**
Decline in price	**1.8**	**1.5**	**1.3**	**1.4**	**3.4**	**1.1**	**0.6**	**1.4**	**0.7**	**0.0**
Options	**One-year Ahead (percentage of respondents)**									
Prices will increase	**90.7**	**88.1**	**95.0**	**92.3**	**89.9**	**94.2**	**94.3**	**95.2**	**91.2**	**97.3**
Price increase more than current rate	49.2	54.4	65.6	62.9	57.2	63.2	58.0	64.6	62.6	62.7
Price increase similar to current rate	23.9	20.2	21.5	18.5	23.0	24.9	29.5	25.7	24.4	25.3
Price increase less than current rate	17.6	13.5	7.9	10.9	9.8	6.1	6.8	4.9	4.2	9.3
No change in prices	**7.3**	**10.3**	**4.1**	**6.0**	**6.9**	**4.6**	**4.9**	**4.1**	**8.2**	**2.6**
Decline in price	**2.1**	**1.6**	**1.0**	**1.8**	**3.2**	**1.2**	**0.9**	**0.7**	**0.7**	**0.1**

Annex

RESERVE BANK OF INDIA
DEPARTMENT OF STATISTICS AND INFORMATION MANAGEMENT
INFLATION EXPECTATIONS SURVEY OF HOUSEHOLDS, March 2011

Respondent's Code

Round No.	Zone	City			Gender	Age group	Category	Sr. No.			
24											

Block 1: Identification of the Respondent

1. Name of the Respondent: ______________________
2. Address of the Respondent: ______________________

____

City		State		PIN						

3. Telephone/Mobile No.: ______________________
4. Gender of the respondent (Please tick (✓) appropriate one) [1] Male [2] Female
5. Age of the respondent (in completed years, above 18 years): _____
6. Category of the respondent (Please tick (✓) appropriate one)

Financial Sector Employees	Other Employees	Self- Employed	House Wife	Retired Persons	Daily workers	Others

Block 2: Expectations of respondent on prices in next 3 months: (Please tick (✓) the relevant cell for each Col.)

	OPTIONS	General	Food Products	Non-Food Products	Household durables	Housing	Services
i	Price increase more than current rate						
ii	Price increase similar to current rate						
iii	Price increase less than current rate						
iv	No change in prices						
v	Decline in prices						

Block 3: Expectations of respondent on prices in next one year: (Please tick (✓) the relevant cell for each Col.)

	OPTIONS	General	Food Products	Non-Food Products	Household durables	Housing	Services
i	Price increase more than current rate						
ii	Price increase similar to current rate						
iii	Price increase less than current rate						
iv	No change in prices						
v	Decline in prices						

Block 4: Respondent's feedback on Reserve Bank's Action on Price stability

Do you feel Reserve Bank of India is taking necessary action on controlling Inflation? Options-Yes/No/No idea
If Yes, do you think it has any impact on Inflation? Options- Yes/No/No idea

Block 5: Respondent's views on the following inflation rates:(Please tick (✓) the relevant cell)

Parameters	Options								
Current inflation rate	Less than 1%	1 - 2 %	2 - 3 %	3 - 4 %	4 - 5 %	5 - 6 %	6 - 7%	7 - 8%	8 - 9%
	9 - 10%	10 - 11%	11 - 12%	12 - 13%	13 - 14%	14 - 15%	15 - 16 %	16 % and above	No idea
Inflation rate after 3 months	Less than 1%	1 - 2 %	2 - 3 %	3 - 4 %	4 - 5 %	5 - 6 %	6 - 7%	7 - 8%	8 - 9%
	9 - 10%	10 - 11%	11 - 12%	12 - 13%	13 - 14%	14 - 15%	15 - 16 %	16 % and above	No idea
Inflation rate after one year	Less than 1%	1 - 2 %	2 - 3 %	3 - 4 %	4 - 5 %	5 - 6 %	6 - 7%	7 - 8%	8 - 9%
	9 - 10%	10 - 11%	11 - 12%	12 - 13%	13 - 14%	14 - 15%	15 - 16 %	16 % and above	No idea

Block 6: *Please specify the amount you have paid for the purchases of the following major food items during the last one month*

(1)	*(2)*	*(3)*	*(4)*	*(5)*
Milk (₹ per litre)	*Wheat-atta (₹ per Kg.)*	*Rice (₹ per Kg.)*	*Chana-dal (₹ per Kg.)*	*Tur-dal (₹ per Kg.)*

Name of the Investigator: Signature of the Investigator: Date of the Interview (DD/MM/YYYY) / /2011

Annex *(Contd.)*

Description of Parameters

Food Products	(i)	Cereals (Wheat, Rice, Pulses, *etc.*), Fruits, Vegetables, Sugar, Edible oils, Dairy products and Bakery products, Tea, Coffee, *etc.*
	(ii)	Meat, fish and sea products
	(iii)	Soft drinks carbonated and Mineral water, Beverages
	(iv)	Bidi, cigarette and other tobacco products like zarda, pan masala and related products, *etc.*
Non-Food Products	(i)	Clothes and wearing apparels
	(ii)	Pharmaceutical and Medicines, Cleaning and polishing products, Soaps and detergents
	(iii)	Rubber and rubber products, Tyres and tubes
	(iv)	Plastic and plastic products
	(v)	Leather and leather products (footwear, *etc.*)
	(vi)	Paper and paper products (stationery, *etc.*)
	(vii)	Petroleum and coal products
	(viii)	Basic chemical and chemical products, Dyes and dyestuff
	(ix)	Basic metal and non-metallic mineral products, *etc.*
Household Durables	(i)	Audiovisual equipment (Radio, television, video camera telephone microphone, mobile, *etc.*)
	(ii)	Furniture, Wood and wood products
	(iii)	Washing machines, Air cooler and Air conditioner
	(iv)	Personal computer
	(v)	Watches and clocks, *etc.*
Housing	(i)	Construction and maintenance of residential/office premises
	(ii)	Site preparation
Services	(i)	Computer, related activities like computer hardware/software consultancy, data processing, computer-related education institute
	(ii)	Health and social work
	(iii)	Banking/postal services
	(iv)	Activities of membership organisations
	(v)	Other business activities like washing, cleaning, hairdressing, courier activities, *etc.*

Annex (Concld.)

Code Lists for filling in Respondents' Codes:

A. Zone Codes

Sr.No.	Zone	Zone Code
1	Mumbai	1
2	Kolkata	2
3	Chennai	3
4	Delhi	4

B. City Codes

Zone	Sr.No	City Name	City Code
Mumbai	1	Mumbai	600
	2	Ahmedabad	540
	3	Bhopal	700
Kolkata	4	Kolkata	100
	5	Guwahati	010
	6	Patna	060
Chennai	7	Chennai	900
	8	Hyderabad	800
	9	Bangalore	840
Delhi	10	Delhi	290
	11	Jaipur	500
	12	Lucknow	200

C. Gender Codes

Sr.No.	Gender	Gender Code
1	Male	1
2	Female	2

D. Category Codes

Sr. No.	Category of Respondent	Category Code
1	Financial sector employees	1
2	Other employees	2
3	Self-employed	3
4	Housewives	4
5	Retired persons	5
6	Daily workers	6
7	Other categories	7

E. Age Group Codes

Sr.No.	Age Group	Age group code
1	Up to 25 years	1
2	25 to 30 years	2
3	30 to 35 years	3
4	35 to 40 years	4
5	40 to 45 years	5
6	45 to 50 years	6
7	50 to 55 years	7
8	55 to 60 years	8
9	60 years and above	9

*Quarterly Industrial Outlook Survey: April-June 2011 (54th Round)**

This article presents the survey findings of Industrial Outlook Survey conducted for ***April-June 2011*** *quarter, the 54th round in the series. It gives the* ***assessment*** *of business situation of companies in manufacturing sector, for the quarter* ***April-June 2011,*** *and their* ***expectations*** *for the ensuing quarter* ***July-September 2011.*** *The survey results signal weakened business conditions in the Indian manufacturing sector for assessment quarter as well as expectation quarter. The Business Expectation Index – a measure that gives a single snapshot of the industrial outlook in each study quarter – declined from 122.0 to 116.3 for assessment quarter and marginally from 121.9 to 121.5 for the expectation quarter; however, it still remains much higher than 100 which is the threshold that separates contraction from expansion.*

Highlights

The survey conducted in **April-June 2011** shows that the business condition in India's manufacturing sector has shown further moderation in the sentiments in assessment as well as *expectation quarter.*

- The **demand conditions** showed signs of moderation during the *assessment quarter* as compared to the previous round of the survey; however, slight improvement is expected in the *expectation quarter.* Lesser proportion of respondents felt that production at Indian manufacturing sector would increase in the *assessment quarter*, which is also reflected in decline in net response in favour of higher Production, Order books, Capacity Utilisation, Imports and Exports. Moderate demand conditions anticipated by manufacturing sector during *expectation quarter* of the previous survey round is well reflected in *assessment quarter* of the current survey round. The survey signalled slight improvement in Employment outlook. Majority of respondents reported maintaining average level of Inventory of Finished goods and Raw material.
- The **financial condition** showed lower optimism in both the assessment as well as *expectation quarter.* Similar trend was observed for improved availability of finance as net responses declined in both the quarters under review. The cost of external finance is perceived to rise further. The pressure from cost of raw material which mounted in the last few quarters continued in the *assessment quarter* but with nominal decline in net response. Net responses on selling price and profit margin declined in both the quarters under review which indicates lack of adequate pricing power of manufacturing sector. Though the survey signalled less optimism in overall business conditions, better **investment intentions** in fixed capital are expected for 2011-12.
- The **Business Expectation Index** (BEI) for the assessment quarter (April-June 2011) declined from 122.0 to 116.3 and it is expected to decline marginally from 121.9 to 121.5 for the expectation quarter (July-September 2011).
- The **industry-wise** analysis shows that majority of the industry groups reported less optimistic outlook for major performance parameters, *viz.*, Overall Business Situation, Overall Financial Situation, Cost of Raw materials, Profit margin, and the cost of external finance as compared to the previous survey round. However, the outlook for production and employment was reported optimistic by almost all industries.
- **Size-wise analysis** showed lower optimism for almost all major performance parameters across all size groups and more visibly for small and medium size companies (PUC and Production-wise). The impact of higher cost of finance

* Prepared in the Division of Enterprise Surveys of Department of Statistics and Information Management. The previous article on the subject based on 53rd round (January-March 2011) was published in June 2011 Bulletin.

appeared to be stronger for the bigger companies (Production group ₹100 Crore. and above).

I. Introduction

The Reserve Bank of India has been conducting the Industrial Outlook Survey (IOS) on a quarterly basis since 1998. The Survey gives insight into the perception of the public and private limited companies engaged in manufacturing activities about their own performance and prospects. The survey covers private and public limited companies with a good size/industry representation. The assessment of business sentiments for the current quarter and expectations for the ensuing quarter are based on qualitative responses on 20 major parameters covering overall business situation, financial situation, demand indicators, price, profit margins and employment situation. The survey provides useful forward-looking inputs for policymakers, analysts and business alike.

II. Data Coverage and Methodology[1]

II. 1 Sample Size

The sample covers a panel of about 2,000 public and private limited companies, mostly with paid-up capital above ₹50 lakh, in the manufacturing sector. The fieldwork for the survey was carried out by an agency during the three-month period ending June 2011. The panel of respondents is kept uniform to the extent possible with periodic updation in the case of addition of new companies or deletion of closed/ merged companies. The sample is chosen so as to get a good representation of size and industry.

II. 2 Response to the Survey

The survey elicited response from 1,596 companies (79.8 per cent of the sample) within the stipulated time. Companies with incomplete or improperly filled-in schedules were excluded from the analysis. The study is based on responses of 1,504 companies which were included in the analysis.

II. 3 The Survey Schedule

The survey schedule consists of qualitative questions and the target respondents are senior management personnel or finance heads of the companies. The schedule, canvassed on quarterly basis, runs into three pages containing six blocks. (Annex)

III. Survey Findings

The survey results are being published in a concise form in the Reserve Bank's quarterly publication 'Macroeconomic and Monetary Developments' since 2005. The survey findings of the 54th round conducted for *April-June 2011 quarter* are presented in this article.

III. 1 Demand conditions

The survey collects perceptions of the Indian manufacturers about prominent demand-related parameters, namely, Production, Order Books, Capacity Utilisation, Inventory, Exports and Imports (Statement 1 to 4).

III.1.1 Production

The survey seeks the company's assessment for April-June 2011 and expectations for July-September 2011 on change in overall production (in quantity terms for all products put together). The net response favouring higher production registered a decline from 41.4 per cnet to 32.1 per cent for the *assessment quarter* and marginal increase from 40.0 per cent to 40.6 per cent for the *expectation quarter* (Table 1 and Chart 1).

III.1.2 Order Books

The demand position of the manufacturing companies, as reflected in order books position, has also shown similar trend. The net responses, for the assessment and *expectation quarters*, have moderated (Table 2 and Chart 2).

III.1.3 Pending orders

The respondents were required to review the pending orders for assessment and *expectation quarters* with respect to the normal level. It is seen that the pending order position has improved for the *assessment quarter*, over the preceding survey round, as some more companies shifted their responses from 'above normal'/'normal' to 'below normal' category. (Table 3 and Chart 3).

[1] The methodology used for the analysis has been provided in the article *Quarterly Industrial Outlook Surveys: Trends since 2001* in October 2009 Bulletin.

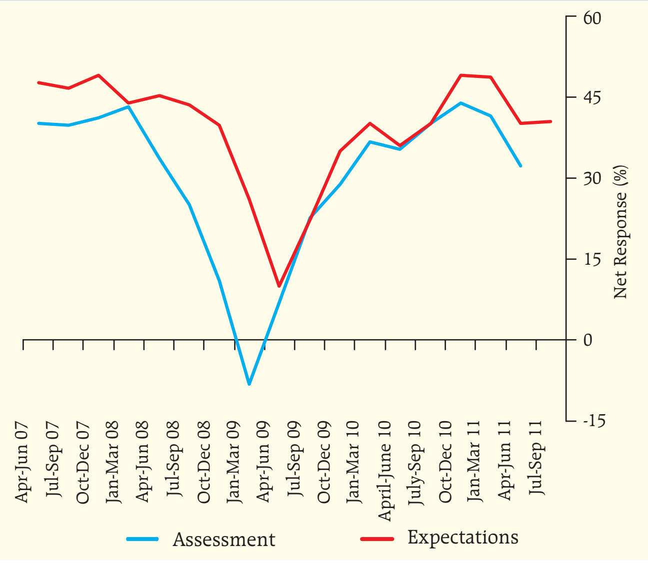
Table 1: Assessment & Expectations for Production

(Percentage responses)#

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
	1	2	3	4	5	6	7	8	9
Jan-Mar 09	1,225	27.1	35.1	37.7	-8.0	41.8	15.8	42.3	26.0
Apr-Jun 09	1,242	33.1	26.2	40.6	6.9	32.5	22.6	44.9	9.9
Jul-Sep 09	1,180	40.9	18.3	40.8	22.6	38.5	16.1	45.5	22.4
Oct-Dec 09	1,256	44.0	15.2	40.8	28.9	46.0	11.0	43.0	35.0
Jan-Mar 10	1,079	49.0	12.5	38.5	36.5	48.8	8.8	42.3	40.0
Apr-Jun 10	1,092	48.4	13.0	38.6	35.4	45.8	9.9	44.3	35.9
Jul-Sep 10	1,403	51.6	11.6	36.8	40.0	49.7	9.4	40.9	40.2
Oct-Dec 10	1,561	53.9	10.0	36.0	43.9	55.9	6.8	37.3	49.1
Jan-Mar 11	1,524	52.1	10.7	37.1	41.4	55.4	6.8	37.7	48.6
Apr-Jun 11	1,504	47.8	15.7	36.5	32.1	49.1	9.1	41.8	40.0
Jul-Sep 11						49.6	9.0	41.5	40.6

Increase in production is 'optimistic'.
Due to rounding off, percentages may not add up to 100. This is applicable throughout this article.

Chart 1: Production



III.1.4 Capacity Utilisation

The survey collects views of manufacturing companies on change in capacity utilisation level of the main product (increase/decrease/no change), Level of capacity utilisation compared to the average in the last four quarters (above normal/below normal/normal) and assessment of production capacity with regard to expected demand in the next six months (more than adequate/less than adequate/adequate).

While about 56 per cent of the respondents reported no change in the capacity utilisation of their main product, on net response basis, there is a moderation in capacity utilisation level over previous quarter. However, the level of capacity utilisation is assessed to be normal with respect to average in the

Table 2: Assessment & Expectations for Order books

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
	1	2	3	4	5	6	7	8	9
Jan-Mar 09	1,225	22.9	39.7	37.4	-16.8	37.3	16.7	46.1	20.6
Apr-Jun 09	1,242	28.4	29.3	42.3	-0.9	31.0	24.6	44.4	6.4
Jul-Sep 09	1,180	38.2	17.7	44.1	20.5	35.5	18.7	45.8	16.8
Oct-Dec 09	1,256	39.5	13.6	46.8	25.9	43.5	11.2	45.3	32.3
Jan-Mar 10	1,079	43.5	11.6	44.9	31.9	44.8	9.1	46.1	35.8
Apr-Jun 10	1,092	41.8	10.5	47.7	31.3	42.3	8.9	48.8	33.4
Jul-Sep 10	1,403	45.4	9.3	45.3	36.1	44.4	8.1	47.5	36.3
Oct-Dec 10	1,561	46.9	9.1	44.0	37.9	49.8	5.1	45.1	44.8
Jan-Mar 11	1,524	44.8	10.1	45.2	34.7	49.6	5.6	44.8	44.0
Apr-Jun 11	1,504	42.5	14.4	43.0	28.1	45.9	7.5	46.6	38.4
Jul-Sep 11						45.4	9.4	45.2	35.9

Increase in order books is 'optimistic'.

Chart 2: Order Book

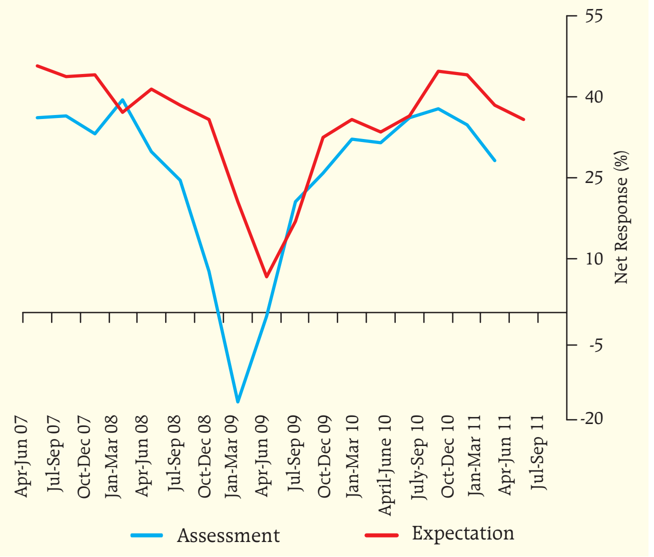
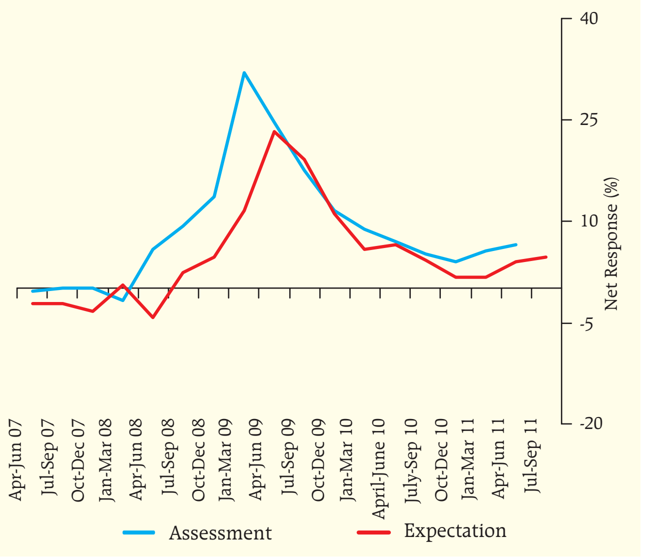


Chart 3: Pending Order



last four quarters. Also, assessment of production capacity with regard to expected demand in next six months shows that there will be adequate capacity in the July-September 2011 (Table 4 and Chart 4).

III.1.5 Inventory of Raw Materials & Finished Goods

The survey seeks responses on raw material and finished goods inventory level (both in quantity terms). Majority of the respondents (80-85 per cent) reported maintaining the average level of Inventory of raw materials and Inventory of finished goods for the assessment as well as *expectation quarter* (Table 5). Around 12 per cent of the respondents assessed their raw material inventory levels to be above average during the *assessment quarter.* This proportion is expected to decline marginally in the next quarter.

III.1.6 Exports and Imports

The external sector development is gauged in the survey through the assessment and expectation of respondents on Exports and Imports. The survey reveals lower optimism of the manufacturing sector

Table 3: Assessment & Expectations for Pending Orders

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Below Normal	Above Normal	Normal	Net response	Below Normal	Above Normal	Normal	Net response
	1	2	3	4	5	6	7	8	9
Jan-Mar 09	1,225	36.3	4.3	59.4	32.0	16.9	5.4	77.8	11.5
Apr-Jun 09	1,242	29.1	4.5	66.5	24.6	28.0	4.8	59.4	23.2
Jul-Sep 09	1,180	21.1	3.7	75.2	17.4	22.9	3.8	73.4	19.1
Oct-Dec 09	1,256	17.1	5.6	77.3	11.6	15.2	4.2	80.6	11.0
Jan-Mar 10	1,079	15.5	6.7	77.8	8.8	12.2	6.5	81.3	5.7
Apr-Jun 10	1,092	14.3	7.4	78.3	6.9	12.9	6.4	80.7	6.5
Jul-Sep 10	1,403	12.0	6.9	81.1	5.1	11.4	7.3	81.3	4.2
Oct-Dec 10	1,561	11.6	7.6	80.8	3.9	8.8	7.3	83.9	1.5
Jan-Mar 11	1,524	12.5	6.9	80.6	5.5	9.8	8.1	82.1	1.7
Apr-Jun 11	1,504	13.3	6.7	80.0	6.5	10.4	6.6	83.0	3.9
Jul-Sep 11						11.8	7.2	81.0	4.5

'Below normal' in pending orders is optimistic.

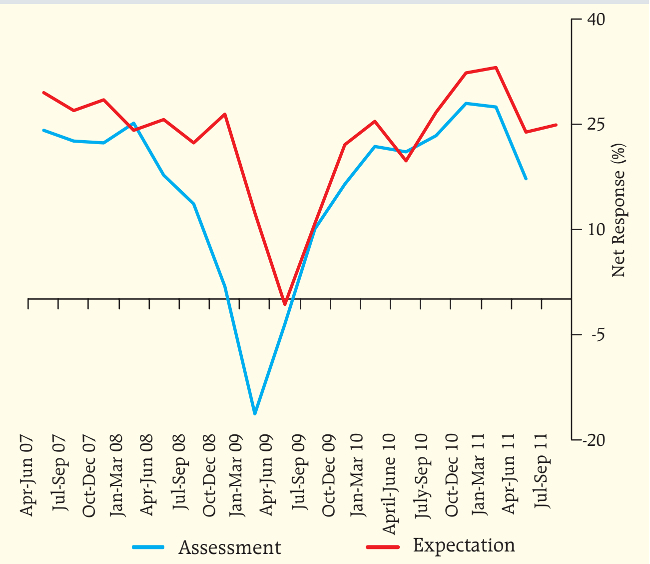
Table 4: Assessment & Expectations for Capacity Utilisation

(Percentage responses)

Parameter	Options	Assessment for Quarter		Expectations for Quarter	
		Jan-Mar 2011	Apr-June 2011	Apr-June 2011	July-Sep 2011
	1	2	3	4	5
Capacity Utilisation (main product)	Increase	36.2	30.5	31.9	33.9
	No Change	54.9	56.2	60.1	57.2
	Decrease	8.8	13.3	8.0	8.9
	Net Response	27.4	17.2	24.0	25.0
Level of Capacity Utilisation (compared to the average in last 4 quarters)	Above normal	15.5	13.8	13.3	14.3
	Normal	73.9	71.7	77.9	75.7
	Below Normal	10.6	14.5	8.8	10.0
	Net Response	4.9	-0.7	4.4	4.3
Assessment of Production Capacity (with regard to expected demand in next 6 months)	More than adequate	11.3	11.8	11.2	11.2
	Adequate	81.7	80.8	82.7	82.8
	Less than adequate	6.9	7.4	6.2	5.9
	Net Response	4.4	4.3	5.0	5.3

Increase in capacity utilisation is 'optimistic'.

Chart 4: Capacity Utilisation



in terms of growth in exports and imports. The net response for Exports has marginally declined from 18.9 per cent to 18.2 per cent whereas, for imports it declined from 19.9 per cent to 17.6 per cent in the *assessment quarter.* However, improvement for both exports and imports is expected in the ensuing quarter (Table 6, Table 7 and Chart 5).

III.1.7 Employment Situation

The Survey seeks responses from the manufacturers about their perceptions on change in employment in their companies covering full-time, part-time and casual labour. Though about 70 per cent of the respondents have reported 'no change' in their labour force, slight moderation is observed in the net response in *assessment quarter* (Table 8 and Chart 6). However, a better employment outlook is expected in

Table 5: Assessment & Expectations for Level of Inventory (Raw Material and Finished Goods)

(Percentage responses)

Parameter	Options	Assessment for Quarter		Expectations for Quarter	
		Jan-Mar 2011	Apr-June 2011	Apr-June 2011	July-Sep 2011
	1	2	3	4	5
Inventory of raw material	Below average	6.3	6.6	6.3	5.7
	Average	79.7	81.1	84.2	85.8
	Above average	14.1	12.3	9.6	8.5
	Net Response	-7.8	-5.7	-3.3	-2.9
Inventory of Finished goods	Below average	6.6	6.7	6.2	6.2
	Average	80.3	79.5	84.8	84.5
	Above average	13.1	13.8	9	9.3
	Net Response	-6.5	-7.0	-2.9	-3.1

Inventory of raw material 'Below average' is optimistic.

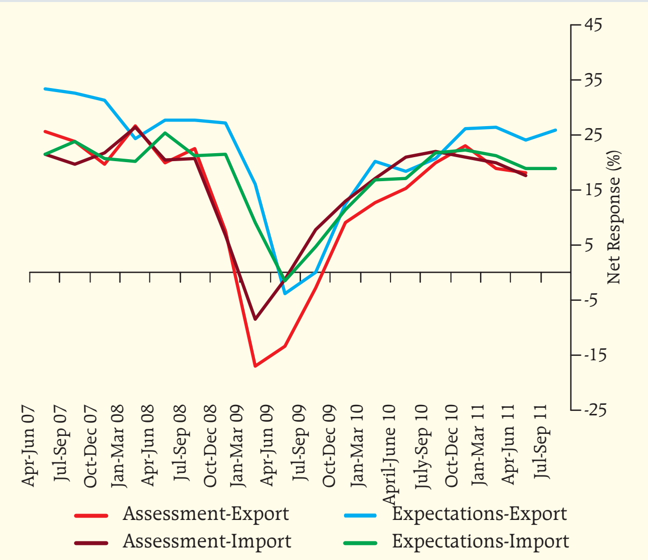
Table 6: Assessment & Expectations for Exports

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No Change	Net Response	Increase	Decrease	No Change	Net Response
	1	2	3	4	5	6	7	8	9
Jan-Mar 09	1,225	17.8	34.8	47.4	-17.0	30.6	14.6	54.8	16.0
Apr-Jun 09	1,242	17.4	30.9	51.7	-13.5	19.5	23.3	57.3	-3.8
Jul-Sep 09	1,180	20.9	23.8	55.3	-2.9	20.6	20.5	59	0.1
Oct-Dec 09	1,256	27.3	18.1	54.6	9.2	27.0	14.5	58.5	12.5
Jan-Mar 10	1,079	28.9	16.2	54.9	12.7	31.2	11.0	57.8	20.2
Apr-Jun 10	1,092	29.1	13.7	57.2	15.3	30.0	11.5	58.5	18.5
Jul-Sep 10	1,403	31.8	11.8	56.5	20.0	30.8	10.1	59.1	20.7
Oct-Dec 10	1,561	34.4	11.4	54.2	23.1	34.4	8.3	57.3	26.1
Jan-Mar 11	1,524	32.1	13.2	54.7	18.9	34.4	8.1	57.5	26.3
Apr-Jun 11	1,504	31.8	13.6	54.6	18.2	33.4	9.4	57.1	24.0
Jul-Sep 11						35.1	9.2	55.7	25.8

Increase of 'exports' is optimistic.

Chart 5: Exports and Imports



ensuing quarter as net response has increased to 19.4 from 17.4 per cent.

III. 2 Financial Parameters

The survey assesses sentiments about financial conditions through the parameters, *viz.*, Overall Financial Situation, Working Capital Finance Requirement (excluding internal sources of funds), Availability of Finance (both internal and external sources), Cost of External Finance, Cost of Raw material, Selling Price and Profit Margin (Statement 1 to 4).

III.2.1 Overall Financial Situation

The financial Situation has shown a further lower optimism level in the current survey quarter. The net response for better financial situation in the

Table 7: Assessment & Expectations for Imports

(Percentage responses)

Survey Quarter	Total Response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No Change	Net Response	Increase	Decrease	No Change	Net Response
	1	2	3	4	5	6	7	8	9
Jan-Mar 09	1,225	13.7	22.1	64.2	-8.4	19.7	10.6	69.7	9.1
Apr-Jun 09	1,242	17.1	18.4	64.5	-1.3	14.9	16.3	68.8	-1.4
Jul-Sep 09	1,180	21.8	14.0	64.2	7.8	17.0	12.4	70.6	4.6
Oct-Dec 09	1,256	23.3	10.3	66.5	13.0	21.3	9.8	68.9	11.5
Jan-Mar 10	1,079	25.5	8.4	66.1	17.1	23.4	6.5	70.1	16.9
Apr-Jun 10	1,092	27.7	6.8	65.6	20.9	22.9	5.9	71.2	17.1
Jul-Sep 10	1,403	28.6	6.6	64.7	22.0	27.0	5.4	67.6	21.7
Oct-Dec 10	1,561	27.3	6.4	66.3	20.9	27.3	5.1	67.6	22.2
Jan-Mar 11	1,524	27.0	7.1	65.8	19.9	26.7	5.4	67.9	21.3
Apr-Jun 11	1,504	25.0	7.4	67.6	17.6	25.1	6.2	68.6	18.9
Jul-Sep 11						25.1	6.1	68.9	19.0

Increase in imports is 'optimistic'.

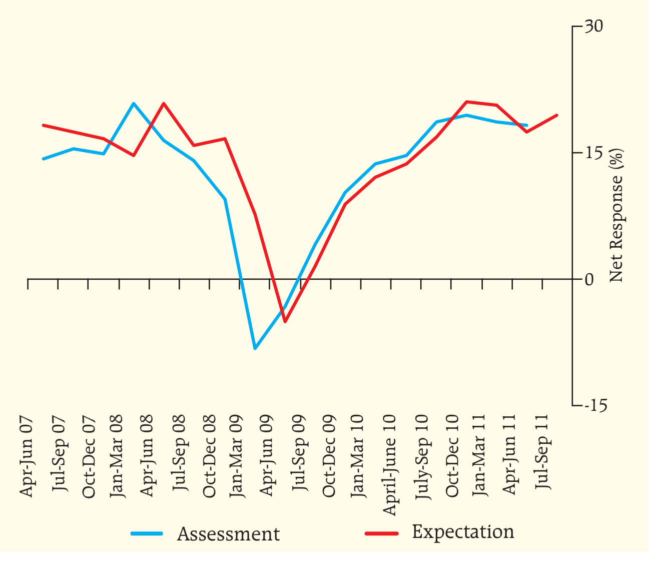
Table 8: Assessment & Expectations for Employment Outlook

(Percentage responses)

Survey Quarter	Total Response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No Change	Net Response	Increase	Decrease	No Change	Net Response
	1	2	3	4	5	6	7	8	9
Jan-Mar 09	1,225	11.2	19.5	69.3	-8.3	16.0	8.3	75.7	7.7
Apr-Jun 09	1,242	11.9	15.2	72.9	-3.3	10.5	15.6	74.0	-5.1
Jul-Sep 09	1,180	14.2	10.1	75.7	4.1	11.5	10.0	78.6	1.5
Oct-Dec 09	1,256	18.2	7.9	73.9	10.3	15.8	7.0	77.2	8.8
Jan-Mar 10	1,079	21.0	7.3	71.7	13.7	18.2	6.1	75.6	12.1
Apr-Jun 10	1,092	21.7	7.0	71.3	14.7	19.5	5.9	74.7	13.6
Jul-Sep 10	1,403	25.1	6.3	68.6	18.7	21.8	5.1	73.1	16.8
Oct-Dec 10	1,561	24.8	5.4	69.9	19.4	24.7	3.6	71.7	21.0
Jan-Mar 11	1,524	24.3	5.6	70.1	18.7	25.0	4.3	70.7	20.6
Apr-Jun11	1,504	24.3	6.1	69.6	18.2	23.0	5.6	71.4	17.4
Jul-Sep11						24.0	4.6	71.5	19.4

Increase in employment is 'optimistic'.

Chart 6: Employment Outlook



April-June 2011 quarter decreased to 24.1 per cent from 27.1 per cent in the previous quarter. The manufacturers also foresee decline in overall financial situation for the *expectation quarter* as the net response declined to 30.6 per cent from 33.4 per cent a quarter ago (Table 9, Chart 7).

III.2.2 Working Capital Finance requirement and Availability of Finance

In line with lower optimism in production, the sentiment for working capital finance requirement (excluding internal source of funds) in the *assessment quarter* (April-June 2011) has also moderated with net response declining from 36.9 per cent to 35.7. per cent However, marginal improvement is anticipated for the *expectation quarter* (Table 10).

Table 9: Assessment & Expectations for Overall Financial Situation

(Percentage responses)

Survey Quarter	Total Response	Assessment for Current Quarter				Expectation for Next Quarter			
		Better	Worsen	No Change	Net Response	Better	Worsen	No Change	Net Response
	1	2	3	4	5	6	7	8	9
Jan-Mar 09	1,225	20.3	29.9	49.9	-9.6	31.6	15.2	53.2	16.4
Apr-Jun 09	1,242	26.4	19.4	54.2	7.0	27.8	19.4	52.7	8.4
Jul-Sep 09	1,180	34.3	12.5	53.2	21.8	32.8	12.8	54.4	20.0
Oct-Dec 09	1,256	38.8	9.3	51.8	29.5	40.5	7.0	52.5	33.5
Jan-Mar 10	1,079	42.3	6.5	51.3	35.8	44.3	5.0	50.6	39.3
Apr-Jun 10	1,092	39.1	6.9	54.0	32.2	41.6	5.3	53.1	36.3
Jul-Sep 10	1,403	38.7	8.1	53.2	30.6	39.7	5.6	54.8	34.1
Oct-Dec 10	1,561	42.8	5.7	51.5	37.1	44.9	5.3	49.7	39.6
Jan-Mar 11	1,524	35.7	8.6	55.8	27.1	45.5	4.4	50.1	41.1
Apr-Jun 11	1,504	34.5	10.4	55.0	24.1	38.6	5.2	56.1	33.4
Jul-Sep 11						37.4	6.8	55.7	30.6

Overall financial situation 'Better' is optimistic.

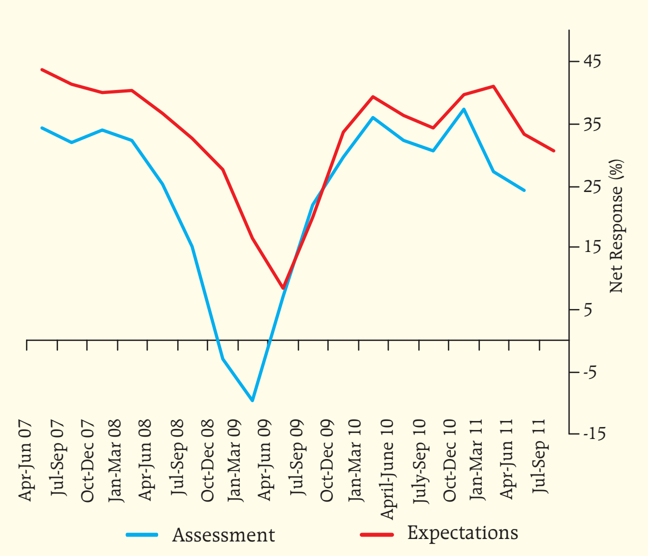
Table 10: Assessment & Expectations for Working Capital Finance Requirement

(Percentage responses)

Survey Quarter	Total Response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No Change	Net Response	Increase	Decrease	No Change	Net Response
	1	2	3	4	5	6	7	8	9
Jan-Mar 09	1,225	36.0	11.9	52.1	24.1	37.9	5.0	57.1	32.9
Apr-Jun 09	1,242	57.0	24.6	9.2	24.6	31.1	7.9	61.0	23.2
Jul-Sep 09	1,180	31.2	7.4	61.4	23.8	32.3	6.0	61.7	26.3
Oct-Dec 09	1,256	35.2	6.4	58.4	28.8	34.7	4.3	61.0	30.4
Jan-Mar 10	1,079	35.8	5.3	58.9	30.5	36.8	4.0	59.2	32.7
Apr-Jun 10	1,092	34.7	4.8	60.5	29.9	31.9	4.3	63.8	27.7
Jul-Sep 10	1,403	35.6	6.3	58.1	29.3	35.2	4.1	60.7	31.1
Oct-Dec 10	1,561	41.3	4.1	54.6	37.1	38.4	3.6	58.0	34.8
Jan-Mar 11	1,524	41.0	4.1	54.9	36.9	40.7	3.0	56.3	37.8
Apr-Jun 11	1,504	41.1	5.4	53.5	35.7	37.4	4.4	58.2	32.9
July-Sep 11						38.7	5.1	56.3	33.6

Increase in working capital finance is 'optimistic'.

Chart 7: Overall Financial Situation



The survey shows that lower percentage of respondents assesses/expects Availability of Finance to improve in the current/ensuing quarter. This is reflected in the lower net response for both the quarters under review (Table 11, Chart 8).

III.2.3 Cost of External Finance

The respondents are expressing stronger perception about rise in the cost of funds in the recent past. The survey results reveal that 52.5 per cent of the respondents feel that the cost of external funds have risen during April-June 2011 (Table 12). One quarter ahead outlook also signals similar sentiment about cost of funds.

III.2.4 Cost of Raw Material

About 70 per cent of respondents have reported further increase in cost of raw material, though the

Table 11: Assessment & Expectations for Availability of Finance

(Percentage responses)

Survey Quarter	Total Response	Assessment for Current Quarter				Expectation for Next Quarter			
		Improve	Worsen	No Change	Net Response	Improve	Worsen	No Change	Net Response
	1	2	3	4	5	6	7	8	9
Jan-Mar 09	1,225	19.2	21.7	59.1	-2.5	28.7	15.0	56.3	13.7
Apr-Jun 09	1,242	24.8	13.6	61.6	11.2	23.8	14.5	61.7	9.3
Jul-Sep 09	1,180	28.0	8.8	63.2	19.2	27.0	10.4	62.6	16.6
Oct-Dec 09	1,256	30.3	7.2	62.5	23.0	31.7	5.6	62.7	26.1
Jan-Mar 10	1,079	32.1	6.4	61.5	25.7	33.7	4.5	61.8	29.2
Apr-Jun 10	1,092	32.3	5.9	61.8	26.4	31.2	4.4	64.4	26.8
Jul-Sep 10	1,403	32.6	6.0	61.4	26.6	32.9	4.4	62.7	28.5
Oct-Dec10	1,561	35.9	5.6	58.4	30.3	35.3	4.0	60.6	31.3
Jan-Mar 11	1,524	32.1	8.3	59.6	23.8	36.4	4.0	59.6	32.3
Apr-Jun 11	1,504	30.2	8.7	61.1	21.5	32.6	5.3	62.2	27.3
Jul-Sep 11						30.0	5.8	64.2	24.2

Improvement in Availability of finance is 'optimistic'.

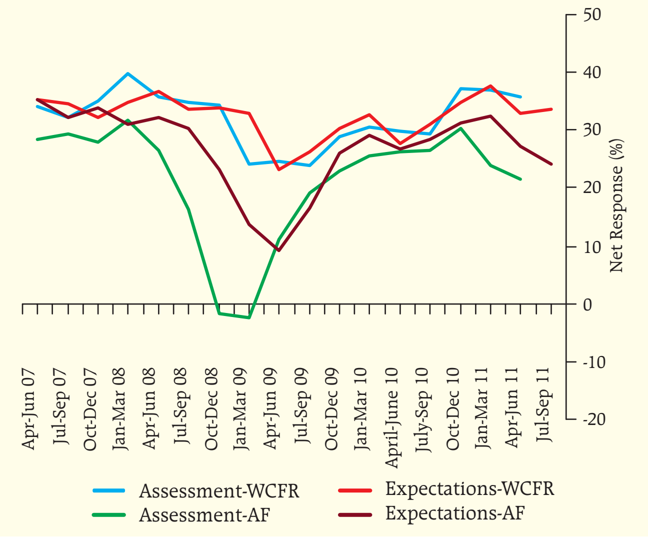
Table 12: Assessment & Expectations for Cost of External Finance

(Percentage responses)

Survey Quarter	Total Response	Assessment for Current Quarter				Expectation for Next Quarter			
		Decrease	Increase	No Change	Net Response	Decrease	Increase	No Change	Net Response
	1	2	3	4	5	6	7	8	9
Oct-Dec 09	1,256	9.0	23.8	67.2	-14.7				
Jan-Mar 10	1,079	7.7	23.6	68.7	-15.9	6.8	25.1	68.1	-18.3
Apr-Jun 10	1,092	7.0	28.9	64.0	-21.9	6.1	26.8	67.1	-20.6
Jul-Sep 10	1,403	5.0	33.2	61.8	-28.3	5.7	29.0	65.3	-23.3
Oct-Dec10	1,561	4.0	37.9	58.1	-33.9	3.8	32.1	64.2	-28.3
Jan-Mar 11	1,524	3.5	46.0	50.6	-42.5	3.7	35.0	61.3	-31.3
Apr-Jun 11	1,504	3.5	52.5	44.1	-49.0	3.9	38.9	57.1	-35.0
Jul-Sep 11						4.0	43.7	52.4	-39.7

Cost of external finance 'Decrease' is optimistic.

Chart 8: Working Capital Finance Requirement & Availabilty of Finance



net response has nominally declined as compared to the previous quarter. A similar scenario is reported in the next quarter (Table 13 Chart 9).

III.2.5 Selling Price

The survey seeks responses on change in selling prices (ex-factory unit prices) of the manufactured products on aggregate basis. Net response for selling price has dropped in both the quarters under review, indicating the softening of output prises (Table 14, Chart 9).

III.2.6 Profit Margin

The survey seeks opinion of manufacturing companies on change in profit margin (gross profits as percentage to net sales). While more than half of the respondents perceive no change in profit margin in

Table 13: Assessment & Expectations for Cost of raw material

(Percentage responses)

Survey Quarter	Total Response	Assessment for Current Quarter				Expectation for Next Quarter			
		Decrease	Increase	No Change	Net Response	Decrease	Increase	No Change	Net Response
	1	2	3	4	5	6	7	8	9
Jan-Mar 09	1,225	29.1	37.2	33.7	-8.1	12.3	48.0	39.7	-35.7
Apr-Jun 09	1,242	14.3	40.6	45.1	-26.3	14.3	30.5	33.7	-16.2
Jul-Sep 09	1,180	8.1	49.8	42.1	-41.7	8.7	35.8	55.5	-27.1
Oct-Dec 09	1,256	6.3	53.4	40.3	-47.1	5.0	43.4	51.6	-38.4
Jan-Mar 10	1,079	2.2	62.3	35.5	-60.2	3.6	47.9	48.5	-44.3
Apr-Jun 10	1,092	2.5	65.2	32.3	-62.7	2.2	50.8	47.0	-48.6
Jul-Sep 10	1,403	3.5	61.8	34.7	-58.3	2.7	52.0	45.2	-49.3
Oct-Dec 10	1,561	2.4	66.3	31.3	-63.9	3.3	52.6	44.1	-49.3
Jan-Mar 11	1,524	1.7	73.7	24.6	-71.9	2.3	55.9	41.8	-53.6
Apr-Jun 11	1,504	4.5	70.0	25.6	-65.5	2.5	59.5	38.0	-57.0
Jul-Sep 11						4.8	56.6	38.6	-51.7

Cost of raw material 'Decrease' is optimistic .

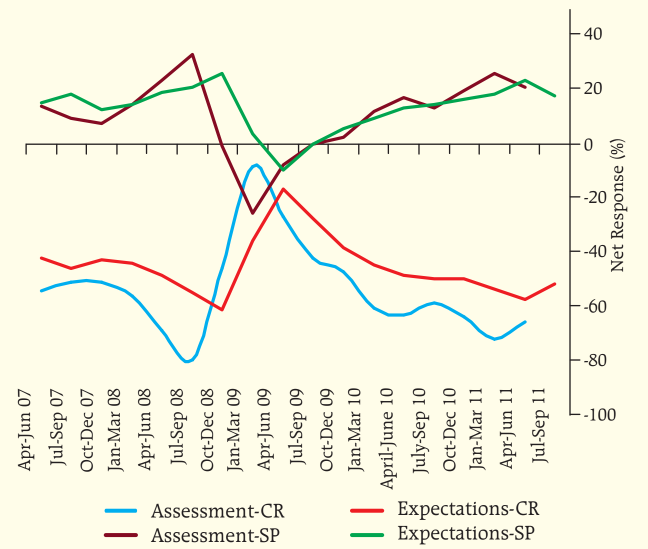
Table 14: Assessment & Expectations for Selling Price

(Percentage responses)

Survey Quarter	Total Response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No Change	Net Response	Increase	Decrease	No Change	Net Response
	1	2	3	4	5	6	7	8	9
Jan-Mar 09	1,225	12.5	38.0	49.5	-25.5	21.2	17.1	61.7	4.1
Apr-Jun 09	1,242	17.0	24.4	58.0	-7.4	14.5	23.6	61.9	-9.1
Jul-Sep 09	1,180	19.4	19.2	61.4	0.2	17.2	17.2	65.6	0
Oct-Dec 09	1,256	18.6	15.9	65.5	2.6	19.2	13.2	67.6	6.0
Jan-Mar 10	1,079	24.6	12.2	63.2	12.4	20.7	10.9	68.4	9.8
Apr-Jun 10	1,092	29.3	12.0	58.6	17.3	22.4	9.1	68.5	13.3
Jul-Sep 10	1,403	28.0	14.2	57.8	13.8	24.4	9.2	66.3	15.2
Oct-Dec 10	1,561	30.2	10.0	59.8	20.2	25.7	8.7	65.5	17.0
Jan-Mar 11	1,524	35.7	9.2	55.1	26.5	26.7	8.1	65.2	18.6
Apr-Jun 11	1,504	35.0	13.4	51.6	21.5	30.6	7.0	62.4	23.7
Jul-Sep 11						29.1	10.7	60.2	18.3

Increase of selling price is 'optimistic'.

Chart 9: Cost of Raw Material & Selling Price



the *assessment quarter* as well as *expectation quarter*, net response on profit margin declined in both the quarters under review (Table 15 and Chart 10). It points to lowering of pricing power in the manufacturing sector.

III.3 Overall Business Situation

III.3.1 Overall Business Situation

The Overall Business Situation is a parameter that captures the overall confidence of manufacturing companies. The companies are required to indicate if their overall business situation would improve/worsen/remain same. The net response of the overall business situation for *assessment quarter* shows marked decline to 32.6 per cent from 38.6 per cent in the previous quarter. The net response for *expectation quarter* has also shown similar trend (Table 16, Chart 11).

Table 15: Assessment & Expectations for Profit Margin

(Percentage responses)

Survey Quarter	Total Response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No Change	Net Response	Increase	Decrease	No Change	Net Response
	1	2	3	4	5	6	7	8	9
Jan-Mar 09	1,225	11.3	48.8	39.8	-37.5	16.9	29.8	53.3	-12.9
Apr-Jun 09	1,242	13.4	38.5	48.1	-25.1	15.4	34.0	50.6	-18.6
Jul-Sep 09	1,180	16.9	32.0	51.1	-15.1	16.0	29.4	54.5	-13.4
Oct-Dec 09	1,256	18.1	28.0	54.0	-9.9	20.2	23.0	56.8	-2.8
Jan-Mar 10	1,079	21.7	24.6	53.9	-2.9	21.1	20.1	58.8	1.1
Apr-Jun 10	1,092	20.2	25.0	54.9	-4.8	22.1	18.9	59.0	3.2
Jul-Sep 10	1,403	21.3	23.9	54.8	-2.5	22.2	19.1	58.7	3.1
Oct-Dec 10	1,561	22.7	23.1	54.2	-0.4	25.2	16.1	58.7	9.2
Jan-Mar 11	1,524	20.8	25.1	54.1	-4.3	25.6	17.2	57.2	8.3
Apr-Jun 11	1,504	18.2	28.1	53.6	-9.9	22.2	18.4	59.4	3.8
jul-Sep 11						22.0	19.5	58.5	2.5

Increase of profit margin is 'optimistic '.

Table 16: Assessment & Expectations of Overall Business Situation

(Percentage responses)

Survey Quarter	Total Response	Assessment for Current Quarter				Expectation for Next Quarter			
		Better	Worsen	No Change	Net Response	Better	Worsen	No Change	Net Response
	1	2	3	4	5	6	7	8	9
Jan-Mar 09	1,225	24.1	35.2	40.7	-11.1	38.6	17.5	43.9	21.1
Apr-Jun 09	1,242	30.7	21.4	47.9	9.3	31.8	20.6	47.6	11.2
Jul-Sep 09	1,180	39.3	13.0	47.7	26.3	38.8	14.6	46.7	24.2
Oct-Dec 09	1,256	46.0	10.1	43.9	36.0	47.2	7.4	45.4	39.8
Jan-Mar 10	1,079	50.5	7.4	42.1	43.1	50.4	5.5	44.2	44.9
Apr-Jun 10	1,092	47.8	7.1	45.0	40.7	47.3	6.1	46.6	41.2
Jul-Sep 10	1,403	46.7	8.0	45.3	38.7	47.6	6.2	46.2	41.5
Oct-Dec 10	1,561	51.4	5.5	43.1	45.9	52.5	5.1	42.4	47.4
Jan-Mar 11	1,524	46.0	7.4	46.6	38.6	54.2	4.1	41.8	50.1
Apr-Jun 11	1,504	42.8	10.1	47.1	32.6	47	5.6	47.4	41.4
Jul-Sep 11						46.6	6.8	46.6	39.8

Overall Business Situation 'Better' is optimistic .

III.3.2 Business Expectation Index (BEI)

Business Expectation Index gives a single snapshot of the industrial outlook in each study quarter. This index is computed from the weighted average of net responses from all the industries on selected nine performance parameters where the weights are the industry's share in Gross Value Added (GVA). The selected parameters are Overall Business Situation, Production, Order Books, Inventory of Raw Materials, Inventory of Finished Goods, Profit Margin, Employment, Exports, and Capacity Utilisation. Detailed methodology used in index compilation is given in the article *Quarterly Industrial Outlook Surveys: Trends since 2001* published in October 2009 Bulletin.

The current round of the survey shows further decline in the index for both the quarters under review (Statement 5). The index has declined from 122.0 to 116.3 for *assessment quarter* and marginally from 121.9 to 121.5 for the *expectation quarter*; however, it has still remained much higher than 100 which is the threshold that separates contraction from expansion.

Chart 10: Profit Margin

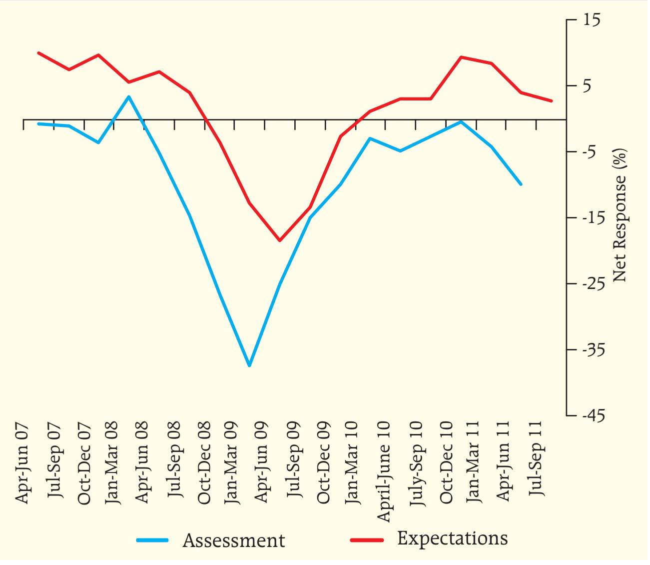


Chart 11: Overall Business Situation

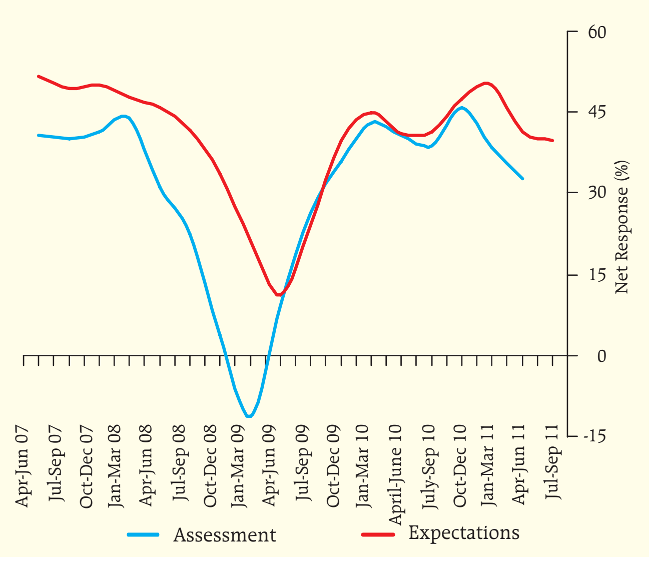


Table 17: Size-wise analysis: Annual Production and Paid-up Capital (PUC)

Net Response (%) Expectations quarter

Parameter	PUC-wise						Production-wise					
	Small		Medium		Big		Small		Medium		Big	
	Round 53	Round 54	Round 53	Round 54	Round 53	Round 54	Round 53	Round 54	Round 53	Round 54	Round 53	Round 54
	1	2	3	4	5	6	7	8	9	10	11	12
Overall Business Situation	32.9	32.1	42.2	40.7	46.3	41.7	36.8	35.7	46.2	43.2	41.8	42.4
Overall Financial Situation	24.6	22.2	34.0	31.3	41.5	36.5	26.2	26.6	40.3	34.6	37.1	30.2
Working Capital Finance Requirement	26.3	24.6	33.7	34.4	34.6	40.5	27.1	29.1	38.3	36.0	37.6	42.1
Availability of Finance	17.4	14.7	29.0	25.9	22.2	18.8	22.0	21.0	32.6	28.0	29.1	21.7
Cost of External Finance	-27.0	-29.5	-36.1	-40.4	-34.2	-49.4	-27.8	-31.5	-39.4	-44.7	-49.6	-52.3
Production	28.7	34.3	41.4	41.6	40.5	39.8	35.7	35.4	43.7	45.1	45.0	43.3
Order Books	27.0	24.6	39.5	37.4	45.7	35.1	32.6	32.1	42.4	39.1	48.8	38.0
Pending Orders, if applicable	8.5	9.5	3.4	4.4	1.6	-2.9	8.3	7.4	-0.2	2.5	0.0	0.7
Cost of Raw Materials	-56.7	-54.5	-57.5	-51.9	-48.8	-43.5	-57.8	-53.2	-57.3	-50.8	-51.8	-49.4
Inventory of Raw Materials	-3.6	-5.5	-3.5	-2.8	0.0	1.2	-0.6	-1.8	-6.3	-3.5	-3.6	-4.4
Inventory of Finished Goods	2.5	-3.1	-3.6	-2.9	-2.7	-6.1	-0.3	-1.6	-5.1	-4.4	-5.8	-3.8
Capacity utilisation	12.3	14.7	24.8	26.0	34.6	31	18.8	22.9	28.6	27.3	29.7	23.7
Level of Capacity Utilisation	-4.7	6.6	5.4	3.6	9.0	10.7	-1.3	1.7	10.3	5.8	5.7	8.8
Assessment of the Production Capacity	6.6	4.9	5.2	4.8	-1.3	13.1	3.5	4.2	6.4	6.2	6.5	6.4
Employment in the Company	12.9	14.0	18.4	20.6	12.2	11.9	11.8	14.2	21.0	23.1	27.5	25.2
Exports, if applicable	10.4	11.0	25.4	27.6	27.9	26.0	17.6	18.1	25.3	29.8	46.4	38.7
Imports, if any	8.6	4.7	20.5	20.6	14.9	19.5	12.3	11.9	23.1	22.5	27.8	29.9
Selling Prices	22.8	11.0	23.9	19.4	22.2	17.6	18.4	16.3	29.5	19.5	22.3	21.9
If increase expected in selling prices, rate of such increase	15.6	18.0	8.6	13.1	12.8	2.2	10.2	11.9	9.3	13.4	9.0	16.7
Profit Margin	-8.3	-11.1	5.3	3.6	6.2	12.9	-3.0	-1.5	9.8	5.5	8.0	7.2

- Smaller companies (annual production less than ₹100 crore/PUC less than ₹1 crore).
- Medium companies (annual production between ₹100 crore to ₹1000 crore/PUC between ₹1 crore to 100 crore).
- Big companies (annual production above ₹1000 crore/PUC above ₹100 crore).

III.3.3 Industry-wise Analysis

The industry-wise analysis (Statement 6) shows that majority of the industry groups reported less optimistic outlook for major performance parameters, *viz.*, Overall Business Situation, Overall Financial Situation, Cost of Raw Materials and Profit Margin, except a few industries, *viz.*, Electrical machinery, Other Machinery & Apparatus, Transport Equipment, and Fertilisers, as compared to previous survey round. As regards the cost of external finance, almost all industries except Textiles, Transport Equipment, Rubber & Plastic products reported less optimistic outlook. However, the outlook for production and employment is reported optimistic by almost all industries.

III.3.4 Size-wise Analysis

Outlook for almost all major performance parameters are perceived to be less optimistic across all size classes. Within that, Small size companies (according to annual production and paid up capital) are relatively less optimistic about demand conditions as compared to their larger counterparts as their net response on production, order books and capacity utilization are at lower levels than those of the bigger and medium companies. (Table 17).

Chart 12: Business Expectation Index

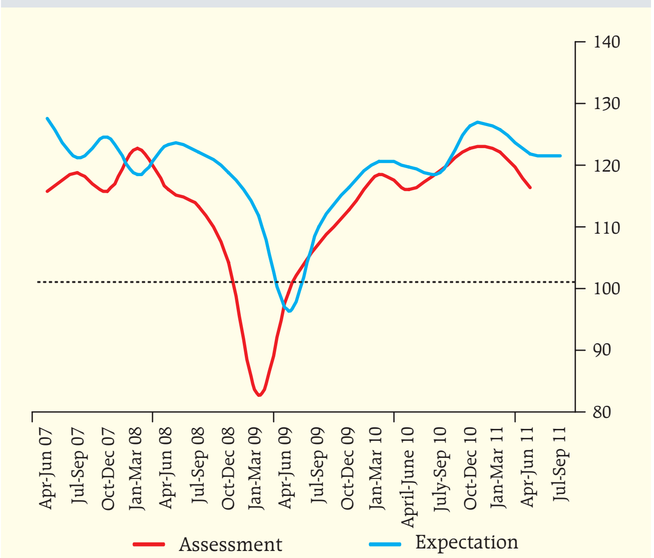


Table 18: Constraints for Attaining the Normal Production Level Industry-wise

	Production Constraint			
	NO		YES	
	Count	%	Count	%
	1	2	3	4
Food products	59	44.4	74	55.6
Textiles	72	35.5	131	64.5
Basic Metals and Metal products	99	47.8	108	52.2
Electrical machinery	60	56.1	47	43.9
Other Machinery and Apparatus	105	56.5	81	43.5
Transport Equipment	48	52.2	44	47.8
Fertilisers	13	37.1	22	62.9
Pharmaceutical and Medicines	55	64.7	30	35.3
Basic Chemicals	65	54.6	54	45.4
Rubber and Plastic products	49	47.6	54	52.4
Paper and Paper products	20	45.5	24	54.5
Cement	15	65.2	8	34.8
Wood and wood products	11	55.0	9	45.0
Diversified	17	77.3	5	22.7
Other industries	68	54.4	57	45.6
All companies	**756**	**50.3**	**748**	**49.7**

III.3.5 Constraints for Attaining the Normal Production Level

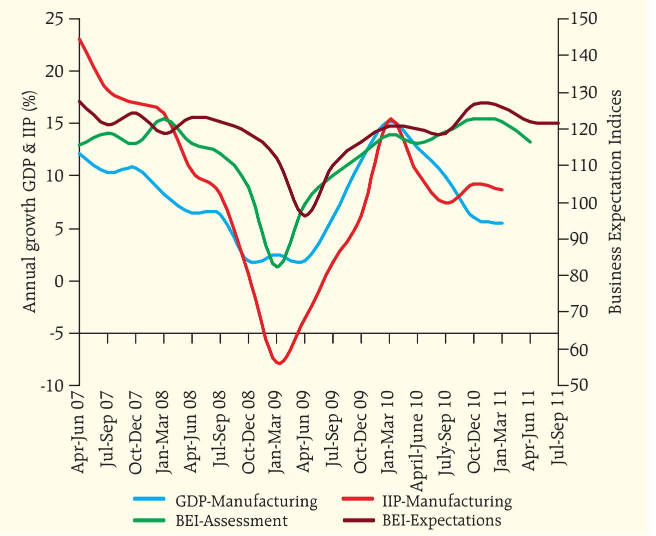
About 50 per cent of companies responded Production Constraints for attaining the normal production level during the quarter April-June 2011. Major constraints reported are *Shortage of power, shortage of raw material and lack of domestic demand.* Industry-wise break-up reveals that companies in the industry groups, *viz.,* Textiles, Fertilisers and Food Products reported more production constraints (Table 18).

III.3.6 Perceptions on Investment Intentions During the Years 2010-2011 and 2011-2012

An additional data block (Block 6) on investment intentions is annually canvassed in the April-June quarter for the purpose of getting an assessment of the investment intentions of the manufacturing companies. Salient features about the perceptions regarding the investment climate of the manufacturing sector (their investment intention in fixed capital, *i.e.*, buildings, plants & machinery, *etc.*) based on the qualitative responses are briefly presented below.

Among the responding companies, 71 per cent companies reported having made investment during the year 2010-11 of which 89 per cent companies have planned for investment in the year 2011-12. Basic Metals & Metal products, Other Machinery & Apparatus, Textiles and Basic Chemicals industries expressed high investment intention for the year 2011-12, Wood & Wood products, Cement and Fertiliser industries have lesser investment plans. It is also observed that more medium-sized companies have plan to make fixed capital investment than their counterparts. Regarding the factors likely to influence the investment climate for the years 2010-11 and 2011-12, corporates indicate the 'Existing Demand' to be the most encouraging factor. Other influential factors are 'Net Return on Investment', 'Availability of Internal Finance' and 'Technical Factors'.

Chart 13: Business Expectation Index along with IIP & GDP



III.3.7 Survey Results and Official Statistics

The Business Expectations Indices (BEI) based on the information gathered on important parameters in the Industrial Outlook Survey provides the private manufacturing sector's aggregate assessment of the current quarter and outlook for the ensuing quarter. Chart 13 shows the movements of annual growth rates of quarterly GDP-Manufacturing, IIP-Manufacturing (Base 2004-05) and the BEI based on assessment and expectations. It is observed that BEI has captured most of the turning points of the official statistics. However, some diverging trend is observed in the recent past.

Statement 1: Assessment and Expectation of the Industrial Performance for April-June 2011 and July-September 2011

(Percentage of responding companies)#

Parameter	Assessment				Expectations			
	Scenario				Scenario			
	Optimistic (Positive)	Pessimistic (Negative)	No Change	Net response (Col. 1 - 2)	Optimistic (Positive)	Pessimistic (Negative)	No Change	Net Response (Col. 5 - 6)
	1	2	3	4	5	6	7	8
1 Overall Business Situation	42.8	10.1	47.1	32.6	46.6	6.8	46.6	39.8
2 Overall Financial Situation	34.5	10.4	55.0	24.1	37.4	6.8	55.7	30.6
3 Working Capital Finance Requirement	41.1	5.4	53.5	35.7	38.7	5.1	56.3	33.6
4 Availability of Finance	30.2	8.7	61.1	21.5	30.0	5.8	64.2	24.2
5 Cost of External Finance*	3.5	52.5	44.1	-49.0	4.0	43.7	52.4	-39.7
6 Production	47.8	15.7	36.5	32.1	49.6	9.0	41.5	40.6
7 Order Books	42.5	14.4	43.0	28.1	45.4	9.4	45.2	35.9
8 Pending Orders, if applicable	13.3	6.7	80.0	6.5	11.8	7.2	81.0	4.5
9 Cost of Raw Materials	4.5	70.0	25.6	-65.5	4.8	56.6	38.6	-51.7
10 Inventory of Raw Materials	6.6	12.3	81.1	-5.7	5.7	8.5	85.8	-2.9
11 Inventory of Finished Goods	6.7	13.8	79.5	-7.0	6.2	9.3	84.5	-3.1
12 Capacity Utilisation	30.5	13.3	56.2	17.2	33.9	8.9	57.2	25.0
13 Level of Capacity Utilisation	13.8	14.5	71.7	-0.7	14.3	10.0	75.7	4.3
14 Assessment of the Production Capacity	11.8	7.4	80.8	4.3	11.2	5.9	82.8	5.3
15 Employment in the Company	24.3	6.1	69.6	18.2	24.0	4.6	71.5	19.4
16 Exports, if Applicable	31.8	13.6	54.6	18.2	35.1	9.2	55.7	25.8
17 Imports, if Any	25.0	7.4	67.6	17.6	25.1	6.1	68.9	19.0
18 Selling Prices	35.0	13.4	51.6	21.5	29.1	10.7	60.2	18.3
19 If Increase Expected in Selling prices, Rate of Such Increase	25.9	11.0	63.1	14.8	24.0	11.0	65.0	13.1
20 Profit Margin	18.2	28.1	53.6	-9.9	22.0	19.5	58.5	2.5

\# Due to rounding off, percentages may not add up to 100.

* Cost of external finance is included from the round Oct-Dec 2009.

Statement 2: Net Responses on Assessments of Industrial Performance over the last 9 Quarterly Rounds of the Industrial Outlook Survey

(Per cent)

Parameter	Optimistic Response	Apr-Jun 2009	July-Sep 2009	Oct-Dec 2009	Jan-Mar 2010	Apr-Jun 2010	Jul-Sep 2010	Oct-Dec 2010	Jan-Mar 2011	Apr-Jun 2011
		(1,242)	*(1,180)*	*(1,256)*	*(1,079)*	*(1,092)*	*(1,403)*	*(1,561)*	*(1,524)*	*(1,504)*
	1	2	3	4	5	6	7	8	9	10
1 Overall Business Situation	Better	9.3	26.3	36.0	43.1	40.7	38.7	45.9	38.6	32.6
2 Overall Financial Situation	Better	7.0	21.8	29.5	35.8	32.2	30.6	37.1	27.1	24.1
3 Working Capital Finance Requirement	Increase	24.6	23.8	28.8	30.5	29.9	29.3	37.1	36.9	35.7
4 Availability of Finance	Improve	11.2	19.2	23.0	25.7	26.4	26.6	30.3	23.8	21.5
5 Cost of External Finance *	Decrease			-14.7	-15.9	-21.9	-28.3	-33.9	-42.5	-49.0
6 Production	Increase	6.9	22.6	28.9	36.5	35.4	40.0	43.9	41.4	32.1
7 Order Books	Increase	-0.9	20.5	25.9	31.9	31.3	36.1	37.9	34.7	28.1
8 Pending Orders, if applicable	Below normal	24.6	17.4	11.6	8.8	6.9	5.1	3.9	5.5	6.5
9 Cost of Raw Materials	Decrease	-26.3	-41.7	-47.1	-60.2	-62.7	-58.3	-63.9	-71.9	-65.5
10 Inventory of Raw Materials	Below average	-2.4	-2.1	-4.2	-5.8	-5.0	-5.3	-6.2	-7.8	-5.7
11 Inventory of Finished Goods	Below average	-4.2	-4.3	-4.3	-4.3	-4.1	-4.3	-3.9	-6.5	-7.0
12 Capacity Utilisation	Increase	-3.7	10.1	16.5	21.7	21.1	23.3	27.9	27.4	17.2
13 Level of Capacity Utilisation	Above normal	-19.2	-11.2	-3.9	3.0	2.5	3.1	5.6	4.9	-0.7
14 Assessment of the Production Capacity	More than adequate	4.6	5.8	5.3	6.4	3.1	3.3	2.9	4.4	4.3
15 Employment in the Company	Increase	-3.3	4.1	10.3	13.7	14.7	18.7	19.4	18.7	18.2
16 Exports, if applicable	Increase	-13.5	-2.9	9.2	12.7	15.3	20.0	23.1	18.9	18.2
17 Imports, if any	Increase	-1.3	7.8	13.0	17.1	20.9	22.0	20.9	19.9	17.6
18 Selling Prices	Increase	-7.4	0.2	2.6	12.4	17.3	13.8	20.2	26.5	21.5
19 If increase expected in selling prices, rate of such increase	Increase at lower rate	11.0	23.2	19.3	21.6	17.4	15.2	15.2	12.1	14.8
20 Profit Margin	Increase	-25.1	-15.1	-9.9	-2.9	-4.8	-2.5	-0.4	-4.3	-9.9

* Cost of external finance is included from the round Oct-Dec 2009.

Note: Italicised figures in bracket represent number of companies covered in the survey.

Statement 3: Net responses on Expectations of Industrial Performance over the last 9 Quarterly Rounds of the Industrial Outlook Survey

(Per cent)

Parameter	Optimistic Response	July-Sep 2009	Oct-Dec 2009	Jan-Mar 2010	Apr-June 2010	July-Sep 2010	Oct-Dec 2010	Jan-Mar 2011	Apr-June 2011	July-sep 2011
		(1,242)	*(1,180)*	*(1,256)*	*(1,079)*	*(1,092)*	*(1,403)*	*(1,561)*	*(1,524)*	*(1,504)*
	1	2	3	4	5	6	7	8	9	10
1 Overall Business Situation	Better	24.2	39.8	44.9	41.2	41.5	47.5	50.1	41.4	39.8
2 Overall Financial Situation	Better	20.0	33.5	39.3	36.3	34.1	39.6	41.1	33.4	30.6
3 Working Capital Finance Requirement	Increase	26.3	30.4	32.7	27.7	31.1	34.8	37.8	32.9	33.6
4 Availability of Finance	Improve	16.6	26.1	29.2	26.8	28.5	31.3	32.3	27.3	24.2
5 Cost of External Finance *	Decrease			-18.3	-20.6	-23.3	-28.3	-31.3	-35.0	-39.7
5 Production	Increase	22.4	35.0	40.0	35.9	40.2	49.1	48.6	40.0	40.6
6 Order Books	Increase	16.8	32.3	35.8	33.4	36.3	44.8	44.0	38.4	35.9
7 Pending Orders, if applicable	Below Normal	19.1	11.0	5.7	6.4	4.2	1.5	1.7	3.9	4.5
8 Cost of Raw Materials	Decrease	-27.1	-38.4	-44.3	-48.6	-49.3	-49.3	-53.6	-57.0	-51.7
9 Inventory of Raw Materials	Below Average	-0.5	-1.2	-3.6	-2.6	-5.1	-6.6	-5.6	-3.3	-2.9
10 Inventory of Finished Goods	Below Average	-1.8	-3.7	-1.9	-2.6	-5.0	-2.8	-3.0	-2.9	-3.1
11 Capacity Utilisation	Increase	10.7	22.0	25.4	19.7	26.5	32.3	33.1	24.0	25.0
12 Level of Capacity Utilisation	Above Normal	-12.1	-3.8	1.3	1.6	5.8	7.2	9.5	4.4	4.3
13 Assessment of the Production Capacity	More than Adequate	5.5	6.5	5.0	7.1	4.1	5.6	3.4	5.0	5.3
14 Employment in the Company	Increase	1.5	8.8	12.1	13.6	16.8	21.0	20.6	17.4	19.4
15 Exports, if applicable	Increase	0.1	12.5	20.2	18.5	20.7	26.1	26.3	24.0	25.8
16 Imports, if any	Increase	4.6	11.5	16.9	17.1	21.7	22.2	21.3	18.9	19.0
17 Selling Prices	Increase	0.0	6.0	9.8	13.3	15.2	17.0	18.6	23.7	18.3
18 If increase expected in selling prices, rate of such increase	Increase at lower rate	-100.0	19.4	16.8	19.7	14.3	13.0	13.1	9.6	13.1
19 Profit Margin	Increase	-13.4	-2.8	1.1	3.2	3.1	9.2	8.3	3.8	2.5

* Cost of external finance is included from the round Oct-Dec 2009

Note: Italicised figures in bracket represent number of companies covered in the survey.

Statement 4: Comparative Scenarios Pertaining to Assessment for the Current Quarter and Expectations for the Expectation Quarter based on the Net Responses for all Parameters from a Year Ago, Previous and Current Quarter Surveys (*i.e.,* Round 50, 53 and 54)

Parameter	Optimistic Criteria	ASSESSMENT					EXPECTATION				
		Net Response (%)			Differences in net Response of Current Quarter of Current Survey over Current Quarter of		Net Response (%)			Differences in net Response of Expectation Quarter of Current Survey over Expectation Quarter of	
		Current Quarter of a year ago Survey	Current Quarter of Previous Survey	Current Quarter of Current Survey	A year ago Survey	Previous Quarter Survey	Expectation Quarter of a Year ago Survey	Expectation Quarter of Pervious Survey	Expectation Quarter of Current Survey	A year ago Survey	Previous Quarter Survey
		Apr-Jun 2010	Jan-Mar 2011	Apr-Jun 2011	(5) – (3)	(5) – (4)	Jul-Sep 2010	Apr-Jun 2011	Jul-Sep 2011	(10) – (8)	(10) – (9)
	1	2	3	4	5	6	7	8	9	10	11
1 Overall Business Situation	Better	40.7	38.6	32.6	-8.1	-6.0	41.5	41.4	39.8	-1.6	-1.6
2 Overall Financial Situation	Better	32.2	27.1	24.1	-8.1	-3.0	34.1	33.4	30.6	-3.5	-2.8
3 Working Capital Finance Requirement	Increase	29.9	36.9	35.7	5.9	-1.2	31.1	32.9	33.6	2.5	0.7
4 Availability of Finance	Improve	26.4	23.8	21.5	-4.9	-2.4	28.5	27.3	24.2	-4.3	-3.1
5 Cost of External Finance *	Decrease	-21.9	-42.5	-49.0	-27.1	-6.5	-23.3	-35.0	-39.7	-16.5	-4.7
6 Production	Increase	35.4	41.4	32.1	-3.2	-9.2	40.2	40.0	40.6	0.4	0.7
7 Order Books	Increase	31.3	34.7	28.1	-3.2	-6.6	36.3	38.4	35.9	-0.4	-2.5
8 Pending Orders, if applicable	Below normal	6.9	5.5	6.5	-0.4	1.0	4.2	3.9	4.5	0.4	0.7
9 Cost of Raw Materials	Decrease	-62.7	-71.9	-65.5	-2.8	6.4	-49.3	-57.0	-51.7	-2.5	5.2
10 Inventory of Raw Materials	Below average	-5.0	-7.8	-5.7	-0.7	2.1	-5.1	-3.3	-2.9	2.2	0.4
11 Inventory of Finished Goods	Below average	-4.1	-6.5	-7.0	-2.9	-0.5	-5.0	-2.9	-3.1	1.9	-0.2
12 Capacity Utilisation	Increase	21.1	27.4	17.2	-4.0	-10.2	26.5	24.0	25.0	-1.6	1.0
13 Level of Capacity Utilisation	Above normal	2.5	4.9	-0.7	-3.3	-5.6	5.8	4.4	4.3	-1.5	-0.1
14 Assessment of the Production Capacity	More than adequate	3.1	4.4	4.3	1.2	-0.1	4.1	5.0	5.3	1.2	0.3
15 Employment in the Company	Increase	14.7	18.7	18.2	3.5	-0.5	16.8	17.4	19.4	2.6	2.0
16 Exports, if applicable	Increase	15.3	18.9	18.2	2.9	-0.7	20.7	24.0	25.8	5.1	1.9
17 Imports, if any	Increase	20.9	19.9	17.6	-3.3	-2.3	21.7	18.9	19.0	-2.7	0.1
18 Selling Prices	Increase	17.3	26.5	21.5	4.2	-5.0	15.2	23.7	18.3	3.2	-5.3
19 If increase expected in selling prices, rate of such increase	Increase at lower rate	17.4	12.1	14.8	-2.6	2.8	14.3	9.6	13.1	-1.3	3.5
20 Profit Margin	Increase	-4.8	-4.3	-9.9	-5.1	-5.6	3.1	3.8	2.5	-0.5	-1.3

* : Cost of external Finance was included from survey round 48.

Statement 5: Business Expectations Index based on Assessment and Expectations

Quarter	ASSESSMENT			EXPECTATIONS		
	Index	Change over Previous Quarter	Change over Previous Year	Index	Change over Previous Quarter	Change over Previous Year
	1	2	3	4	5	6
Jan-Mar 2000	122.8	–	–	–	–	–
Apr-Jun 2000	115.2	-7.6	–	125.5	–	–
Jul-Sep 2000	116.1	0.9	–	126.1	0.6	–
Oct-Dec 2000	113.9	-2.2	–	124.4	-1.7	–
Jan-Mar 2001	115.2	1.3	-7.6	122.5	-1.8	–
Apr-Jun 2001	109.9	-5.3	-5.3	120.7	-1.8	-4.8
Jul-Sep 2001	108.7	-1.3	-7.4	118.9	-1.8	-7.2
Oct-Dec 2001	100.7	-8.0	-13.2	119.5	0.6	-4.9
Jan-Mar 2002	108.4	7.7	-6.8	105.3	-14.2	-17.3
Apr-Jun 2002	110.8	2.4	0.9	112.3	7.0	-8.5
Jul-Sep 2002	113.2	2.4	4.5	116.7	4.4	-2.2
Oct-Dec 2002	113.8	0.6	13.1	121.2	4.6	1.7
Jan-Mar 2003	118.4	4.6	10.0	119.7	-1.6	14.4
Apr-Jun 2003	109.8	-8.6	-1.0	117.8	-1.8	5.6
Jul-Sep 2003	114.3	4.5	1.1	117.2	-0.7	0.5
Oct-Dec 2003	119.8	5.4	5.9	122.1	4.9	0.8
Jan-Mar 2004	121.4	1.7	3.0	122.2	0.2	2.6
Apr-Jun 2004	118.4	-3.0	8.6	121.5	-0.7	3.7
Jul-Sep 2004	116.9	-1.5	2.6	120.0	-1.5	2.9
Oct-Dec 2004	122.0	5.1	2.2	121.5	1.5	-0.6
Jan-Mar 2005	122.5	0.5	1.1	123.2	1.7	1.0
Apr-Jun 2005	117.5	-5.0	-0.9	120.7	-2.5	-0.8
Jul-Sep 2005	114.9	-2.6	-2.0	119.6	-1.1	-0.4
Oct-Dec 2005	124.3	9.4	2.3	122.7	3.1	1.2
Jan-Mar 2006	120.7	-3.6	-1.8	125.7	3.0	2.5
Apr-Jun 2006	121.8	1.1	4.3	120.5	-5.2	-0.2
Jul-Sep 2006	120.7	-1.1	5.8	126.5	6.0	6.9
Oct-Dec 2006	123.9	3.2	-0.4	125.3	-1.2	2.6
Jan-Mar 2007	127.7	3.8	7.0	126.5	1.2	0.8
Apr-Jun 2007	115.8	-11.9	-6.0	127.5	1.0	7.0
Jul-Sep 2007	118.9	3.1	-1.8	121.1	-6.4	-5.4
Oct-Dec 2007	115.9	-3.0	-8.0	124.4	3.3	-0.9
Jan-Mar 2008	122.8	6.9	-4.9	118.6	-5.8	-7.9
Apr-Jun 2008	116.2	-6.6	0.4	123.2	4.6	-4.3
Jul-Sep 2008	113.4	-2.8	-5.5	122.1	-1.1	1.0
Oct-Dec 2008	104.1	-9.3	-11.8	118.9	-3.2	-5.5
Jan-Mar 2009	82.6	-21.5	-40.2	111.9	-7.0	-6.7
Apr-Jun 2009	99.4	16.8	-16.8	96.4	-15.5	-26.8
Jul-Sep 2009	107.2	7.8	-6.2	109.9	13.5	-12.2
Oct-Dec 2009	112.8	5.6	8.7	116.4	6.5	-2.5
Jan-Mar 2010	118.5	5.7	35.9	120.6	4.2	8.7
Apr-Jun 2010	115.9	-2.6	16.5	119.8	-0.8	23.4
Jul-Sep 2010	119.0	3.1	11.8	118.8	-1.0	8.9
Oct-Dec 2010	122.79	3.8	10.0	126.50	7.7	10.1
Jan-Mar 2011	122.00	-0.8	3.5	125.90	-0.6	5.3
Apr-Jun 2011	116.3	-5.7	0.4	121.9	-0.6	5.3
Jul-Sep 2011	–	–	–	121.5	-0.4	2.7

Statement 6: Net Responses - Industry-wise Analysis - Comparative Scenario for Select Performance Parameters for Current over Previous Round

Industry- Group	Overall Business Situation				Overall Financial Situation				Cost of external Finance			
	Assessment		Expectation		Assessment		Expectation		Assessment		Expectation	
	Jan-Mar	April-Jun	April-Jun	July-Sep	Jan-Mar	April-Jun	April-Jun	July-Sep	Jan-Mar	April-Jun	April-Jun	July-Sep
	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011
	1	2	3	4	5	6	7	8	9	10	11	12
Food Products	31.7	34.1	34.2	32.6	19.2	25.0	24.2	22.7	-42.3	-55.1	-21.9	-44.9
Textiles	30.6	3.9	35.1	27.1	14.4	5.4	22.0	17.9	-49.0	-46.9	-36.2	-35.4
Basic Metals & Metal Products	39.6	38.8	46.8	42.0	28.1	27.8	35.5	33.2	-46.2	-52.2	-39.6	-41.8
Electrical Machinery	42.9	42.1	45.5	46.2	26.3	30.2	38.8	29.0	-42.7	-43.7	-23.4	-39.4
Other Machinery & Apparatus	52.0	43.5	48.8	49.2	41.4	35.1	46.0	40.0	-34.9	-47.5	-31.9	-41.6
Transport Equipment	59.6	40.2	48.4	56.5	44.6	32.6	41.9	43.5	-58.9	-51.1	-48.8	-43.3
Fertilisers	33.3	28.6	45.5	54.3	28.1	22.9	37.5	40.0	-45.2	-59.4	-31.3	-40.6
Pharmaceuticals & Medicines	38.0	45.2	48.4	50.6	22.8	22.9	32.6	35.8	-38.8	-48.8	-35.3	-41.6
Basic Chemicals	41.2	37.3	47.9	47.5	33.1	26.5	39.8	39.8	-23.9	-36.5	-26.1	-29.9
Rubber & Plastic Products	36.0	27.2	37.2	28.2	28.7	17.5	33.7	30.4	-45.7	-57.8	-45.7	-43.0
Paper & Paper Products	14.9	30.2	29.8	27.9	10.6	20.9	25.5	25.6	-31.7	-44.2	-31.7	-44.2
Cement	30.8	8.7	23.1	-13.0	23.1	8.7	23.1	0.0	-57.7	-72.7	-30.8	-50.0
Wood & Wood Products	31.6	35.0	21.1	40.0	21.1	35.0	21.1	40.0	-22.2	-36.8	-26.3	-26.3
Diversified Companies	55.6	40.9	44.4	27.3	33.3	50.0	33.3	22.7	-64.7	-72.2	-58.8	-50.0
Other Industries	27.1	33.9	31.3	40.0	22.4	21.6	26.9	25.6	-42.1	-43.2	-36.3	-34.7
All Companies	38.6	32.6	41.4	39.8	27.1	24.1	33.4	30.6	-42.5	-49.0	-35.0	-39.7

Statement 6: Net Responses - Industry-wise Analysis - Comparative Scenario for Select Performance Parameters for Current over Previous Round *(Contd.)*

Industry- Group	Overall Business Situation				Overall Financial Situation				Cost of external Finance			
	Assessment		Expectation		Assessment		Expectation		Assessment		Expectation	
	Jan-Mar	April-Jun	April-Jun	July-Sep	Jan-Mar	April-Jun	April-Jun	July-Sep	Jan-Mar	April-Jun	April-Jun	July-Sep
	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011
	13	14	15	16	17	18	19	20	21	22	23	24
Food Products	-73.1	-57.3	-47.0	-51.9	37.0	17.1	27.1	26.4	19.2	7.5	8.4	6.9
Textiles	-80.7	-50.8	-63.2	-32.8	31.2	4.5	37.4	28.3	9.6	3.5	15.4	13.9
Basic Metals & Metal Products	-70.0	-65.9	-57.4	-51.7	39.9	43.6	43.6	43.6	14.9	18.6	18.3	22.5
Electrical Machinery	-74.5	-69.2	-51.5	-49.5	47.5	35.5	37.8	49.5	17.2	16.8	16.2	16.8
Other Machinery & Apparatus	-70.2	-67.2	-57.2	-61.7	53.0	42.5	44.7	48.4	27.9	32.4	21.2	28.6
Transport Equipment	-75.5	-72.8	-60.2	-59.8	65.9	43.8	51.7	55.6	39.4	28.3	27.7	29.7
Fertilisers	-48.5	-80.0	-48.5	-60.0	45.5	25.7	45.5	48.6	9.1	20.0	15.2	17.1
Pharmaceuticals & Medicines	-65.9	-72.6	-59.6	-57.8	45.7	51.8	53.8	51.8	24.4	31.3	28.9	30.1
Basic Chemicals	-72.0	-66.4	-56.4	-58.4	44.9	33.3	47.9	50.0	22.2	15.1	23.1	21.8
Rubber & Plastic Products	-68.6	-70.9	-63.5	-48.5	44.6	28.4	38.6	46.5	20.7	27.0	13.8	20.6
Paper & Paper Products	-69.6	-73.8	-47.8	-62.8	31.9	59.1	34.8	38.6	-2.1	9.1	0.0	4.5
Cement	-69.2	-91.3	-57.7	-54.5	32.0	13.6	32.0	-4.3	19.2	9.5	11.5	4.8
Wood & Wood Products	-66.7	-68.4	-47.1	-61.1	22.2	42.1	11.8	36.8	0.0	20.0	0.0	20.0
Diversified Companies	-88.9	-71.4	-61.1	-54.5	61.1	31.8	33.3	40.9	33.3	27.3	38.9	22.7
Other Industries	-70.3	-62.9	-57.3	-47.2	20.3	28.7	26.2	26.1	12.9	14.9	12.2	14.2
All Companies	-71.9	-65.5	-57.0	-51.7	41.4	32.1	40.0	40.6	18.7	18.2	17.4	19.4

Statement 6: Net Responses - Industry-wise Analysis - Comparative Scenario for Select Performance Parameters for Current over Previous Round *(Concld.)*

Industry- Group	Profit margin			
	Assessment		Expectation	
	Jan-Mar 2011	April-Jun 2011	April-Jun 2011	July-Sep 2011
	25	26	27	28
Food Products	-9.2	-15.4	-4.2	-10.7
Textiles	-15.9	-36.6	-3.9	-8.9
Basic Metals & Metal Products	2.7	-2.5	11.0	11.4
Electrical Machinery	-14.7	-16.3	-6.4	9.8
Other Machinery & Apparatus	4.0	-1.6	6.0	7.8
Transport Equipment	10.8	-10.0	5.4	5.6
Fertilisers	6.3	-6.1	9.4	15.6
Pharmaceuticals & Medicines	-1.1	2.4	12.4	4.9
Basic Chemicals	3.4	1.7	15.3	10.4
Rubber & Plastic Products	-15.1	-19.4	2.4	-5.9
Paper & Paper Products	-4.3	0.0	2.2	9.1
Cement	-3.8	-21.7	-4.2	-21.7
Wood & Wood Products	-26.3	5.0	0.0	10.0
Diversified Companies	41.2	23.8	29.4	0.0
Other Industries	-16.7	-0.8	-3.1	0.9
All Companies	-4.3	-9.9	3.8	2.5

Annex

RESERVE BANK OF INDIA
DEPARTMENT OF STATISTICS AND INFORMATION MANAGEMENT
MUMBAI-400051.

INDUSTRIAL OUTLOOK SURVEY, APRIL-JUNE 2011
(ROUND 54)

Sample company code: (To be filled by the agency/RBI)					

Block 1. General Information

101 Name of the company: ______

102 Address of the Company (for correspondence) ______

______

City/District ______ State ______ PIN

103 Name of the Company Official: Shri/Smt./Kum. ______

104 Designation: ______

105 Telephone No.: ______ 106 Fax No.: ______

107 Company e-mail: ______

108 Personal e-mail: ______ 109 Company web-site address: ______

110 Type of company: Public Sector A ; Private Sector B

111 Whether company?: Industry- Micro A ; Small B ; Medium C L ; Large D

112 Company web-site address: ______

113 Date: ______ 2011 **Seal of the Company after filling-in the Schedule**

Micro Industry: Investment in plant and machinery = ₹25 lakh; Small: Investment in plant and machinery > ₹25 lakh but = ₹ 5crore; Medium: Investment in plant and machinery >₹5 crore but = ₹10 crore.

Block 2: Product Details

(Please write the main and two major products (in the order of sales) manufactured by the company)

Code	Products	Name	Code (To be filled-in by Agency/RBI)		
201	Main Product				
202	Other Major Product 1				
203	Other Major Product 2				
204	**Broad Industry Group**				

Block 3: Paid-up capital, Annual Production and Current level of Capacity Utilisation

Please tick (√) the appropriate size-class in which your company currently falls:

301	Paid-up Capital	Up to ₹1 Crore	₹1 Crore to ₹10 Crore	₹10 Crore to ₹25 Crore	₹25 Crore to ₹50 Crore	₹50 Crore to ₹100 Crore	Above ₹100 Crore
302	Annual Production (All products)	Up to ₹100 Crore	₹100 Crore to ₹250 Crore	₹250 Crore to ₹500 Crore	₹500 Crore to ₹750 Crore	₹750 Crore to ₹1000 Crore	Above ₹1000 Crore
303	Current level of Capacity Utilisation *	Up to 50%	50% - 60%	60% - 70%	70% - 80%	80% - 90%	Above 90%

* Compared to installed capacity

Annex (Contd.)

Block 4: Is your company's normal production level expected to face any constraints during the Current Quarter (April-June 2011) (Please tick (√) the relevant column)

400	**Yes**		**No**	

If 'Yes' to item 400 indicate the possible reasons thereof (please tick (√) the relevant column for each reason)

Code	Reasons	**Current Quarter (April-June 2011)**			
		Most Important	Moderately Important	Less Important	Not Important
		(1)	(2)	(3)	(4)
401	Technology constraints				
402	Shortage of Raw Materials				
403	Shortage of Power				
404	Equipment/Machinery not working				
405	Industrial Relations/Labour Problems				
406	Inadequate transport facilities				
407	Shortage of Working Capital Finance				
408	Lack of Domestic Demand				
409	Lack of Export Demand				
410	Competitive Imports				
411	Uncertainty of economic environment				
412	Any others (Please specify):				

Micro Industry: Investment in plant and machinery = ₹25 lakh; Small: Investment in plant and machinery > ₹25 lakh but = ₹ 5crore; Medium: Investment in plant and machinery >₹5 crore but = ₹10 crore.

Block 5. Assessment for the current quarter (April-June 2011) and Expectations for the next quarter (July-September 2011)

Code	**Parameter**	**Current Quarter (April-June 2011)**			**Next Quarter (July-September 2011)**		
		Please tick (√) changes over January-March 2011 quarter			*Please tick (√) changes over April-June 2010 quarter*		
		(1)	(2)	(3)	(4)	(5)	(6)
501	Overall business situation	Better	No change	Worsen	Better	No change	Worsen
502	Financial situation (overall)	Better	No change	Worsen	Better	No change	Worsen
503	Working Capital Finance Requirement (excluding internal sources of funds)	Increase	No change	Decrease	Increase	No change	Decrease
504	Availability of Finance (both internal and external sources)	Improve	No change	Worsen	Improve	No change	Worsen
505	Cost of External Finance	Increase	No change	Decrease	Increase	No change	Decrease
506	Production (in quantity terms) (All products)	Increase	No change	Decrease	Increase	No change	Decrease
507	Order Books (in quantity terms), if applicable	Increase	No change	Decrease	Increase	No change	Decrease
508	Pending Orders, if applicable	Above normal	Normal	Below Normal	Above Normal	Normal	Below Normal
509	Cost of raw materials	Increase	No change	Decrease	Increase	No change	Decrease
510	Inventory of raw materials (in quantity terms) @	Above average	Average	Below Average	Above average	Average	Below Average
511	Inventory of Finished Goods (in quantity terms) @	Above average	Average	Below Average	Above Average	Average	Below Average

Annex *(Concld.)*

Code	Parameter	Current Quarter (April-June 2011)			Next Quarter (July-September 2011)		
		Please tick (√) changes over January-March 2011 quarter			*Please tick (√) changes over April-June 2011quarter*		
512	Capacity utilisation (main product)	Increase	No change	Decrease	Increase	No change	Decrease
513	Level of capacity utilisation (compared to the average in preceding four quarters)	Above Normal	Normal	Below Normal	Above Normal	Normal	Below Normal
514	Assessment of the Production capacity with regard to expected demand in next six months	More than Adequate	Adequate	Less than Adequate	More than Adequate	Adequate	Less than Adequate
515	Employment in the company (All cadres including part-time/ full-time/casual labour)	Increase	No change	Decrease	Increase	No change	Decrease
516	Exports, if applicable	Increase	No change	Decrease	Increase	No change	Decrease
517	Imports, if any	Increase	No change	Decrease	Increase	No change	Decrease
518	Selling prices (*ex*-factory unit prices) are expected to @@	Increase	No change	Decrease	Increase	No change	Decrease
519	If increase expected in selling prices, rate of such increase	Increase at higher rate	Increase at about same rate	Increase at lower rate	Increase at higher rate	Increase at about same rate	Increase at lower rate
520	Profit Margin (Gross profits as percentage of net sales) @@@	Increase	No change	Decrease	Increase	No change	Decrease

Notes to Block 5

@ : Average level may be obtained as the average of level at the end of four quarters during the corresponding preceding year. @@ : In the case of multi-product companies, the average of the price changes may be taken into account. @@@ : Gross profits are defined as total income minus manufacturing expenses, salaries and wages, other expenses and depreciation and other provisions (except tax provision). In other words, profits are gross of interest and tax provision (PBIT). 'Net Sales' are sales net of 'rebates and discounts' and 'excise duty and cess'.

Block 6. Investment Intentions

Perceptions on state of Investment in Fixed Capital i.e., buildings, plant & machinery, etc., in your company for the financial (April-March) years 2010-11 and 2011-12 (please tick ( ) in relevant box):

610	Did you made any investment in fixed capital during 2010-11	Yes		No
620	Do you plan any investment in fixed capital during 2011-12	Yes		No
630	If the investment is planned for 2011-12, will it be, compared to the previous year,	Higher	Lower	About same

640	Factors which influenced/are likely to influence investment climate for the years 2010-11 and 2011-12 (please tick in relevant box):						
Year		2010-11			2011-12		
		Encouraging	Discouraging	No Influence	Encouraging	Discouraging	No Influence
641	Existing demand						
642	Cost of capital						
643	Availability of internal finance						
644	Ability to raise external finance						
645	Net return on investment						
646	Technical factors						
647	Availability of manpower						
648	Others(Please specify):						

To be filled in by the Agency			
Investigated by		**Scrutinised by**	
Signature:		Signature:	
Name:		Name:	
Date:		Date:	
Investigator's Remarks:		**Scrutiny Remarks:**	

Other Items

Press Releases

Regulatory and Other Measures

Foreign Exchange Developments

Press Releases*

July 2011

Shri Harun Rashid Khan Assumes Charge as RBI Deputy Governor

July 4, 2011

Shri Harun Rashid Khan took over today as Deputy Governor of the Reserve Bank of India. As Deputy Governor he has been appointed for a period of three years. He will look after Central Security Cell, Department of External Investments and Operations, Department of Government and Bank Accounts, Department of Payment and Settlement Systems, Foreign Exchange Department, Internal Debt Management Department and Inspection Department.

Prior to being appointed as Deputy Governor Shri Khan was Executive Director of Reserve Bank of India since October 2007 and looked after the Department of External Investments and Operations, Foreign Exchange Department, Internal Debt Management Department and Department of Government and Bank Accounts. He was earlier Regional Director of the Bank's New Delhi Office and prior to that he was Principal of the College of Agricultural Banking in Pune. Shri Khan's central banking career spanned over 32 years during which he has discharged diverse responsibilities in RBI in areas of rural credit, currency management, banking supervision & regulation, debt management, reserve management, exchange control, personnel administration and internal accounts of the Bank. Shri Khan has been associated with number of internal and external committees, such as, Committee on Technology Exports, Committee on Ways and Means Advances to the State Governments (as Member Secretary), Working Group on Instruments of Sterilisation (as Convener), International Task Force on Central Counterparties (CCPs), Working Group on Model Fiscal Responsibility and Budget Management Bill for States (as Convener).

He was closely involved with the Internal Group of RBI on Rural Credit and Microfinance (popularly known as the Khan Committee) as the chairman. Based on the recommendations of the Khan Committee, the Reserve Bank issued guidelines to expand the banking outreach through Business Facilitators and Business Correspondents with ICT support for spearheading financial inclusion in the country.

As Executive Director, Shri Khan represented the Reserve Bank on the Working Group on the G-20 on 'Reinforcing International Cooperation & Market Integrity' and the Committee on Global Financial Systems (CGFS) of the Bank for International Settlement (BIS).

Shri Khan was also the Nominee Director of the Reserve Bank on the boards of Dena Bank, Bank of Maharashtra, Punjab and Sind Bank, Bank of Rajasthan and the Orissa State Finance Corporation (OSFC).

Shri Khan joined Reserve Bank in 1978 after his Masters in Political Science from Utkal University, Bhubaneswar and Masters in Philosophy from the School of International Studies, Jawaharlal Nehru University, New Delhi. Shri Khan is a Certified Associate of the Indian Institute of Banking and Finance (CAIIB) and holds Diploma in Business Management (DBM). He is married to Rosy and has a daughter, Sara.

Citibank N.A. – Penalised

July 4, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹25.00 lakh (Rupees twenty five lakh only) on Citibank N.A., in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) of the Banking Regulation Act, 1949 for contravention of various guidelines and instructions relating to Know Your Bank (KYC)/Anti-Money Laundering (AML) issued by the Reserve Bank of India. The failure in following the KYC/AML guidelines while opening accounts led to the perpetration of a fraud at its Gurgaon branch.

The Reserve Bank of India had issued a show cause notice to the bank on April 21, 2011, in response

* Important Press Releases during July 2011.

to which the bank submitted a written reply dated May 6, 2011. After considering the facts of the case and the bank's reply and also oral submissions made during the personal hearings held on June 7, 2011, the Reserve Bank of India came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

Shri G. Padmanabhan Takes Charge as New ED at RBI

July 4, 2011

Shri G. Padmanabhan assumed charge as Executive Director of the Reserve Bank of India today. As Executive Director, Shri Padmanabhan will look after Department of Information and Technology, Department of Payment and Settlement Systems and Foreign Exchange Department.

Prior to his appointment as Executive Director,Shri Padmanabhan was heading the Department of Payment & Settlement Systems in the Bank since March 2005.

He is a post graduate in Economics (First Class-First) from the University of Kerala and an MBA (International Banking and Finance) from the Birmingham University, UK.

RBI Releases Compendium CD of Articles on State Finances (1950-51 to 2010-11)

July 7, 2011

The Reserve Bank of India today released Compendium CD of Articles on State Finances from 1950-51 to 2010-11. The Reserve Bank of India has been bringing out the publication 'State Finances: A Study of Budgets' every year since 1950-51 that presents a comprehensive and analytical picture of budgetary operations of State governments. It provides a summarised position of State finances in terms of fiscal indicators such as revenue and fiscal deficits and debt position at the consolidated level as well as at the individual State level. Apart from providing information on issues of topical importance, the publication sets out details of important policy measures undertaken by the State governments, the Centre and the Reserve Bank from time to time. While the articles on State finances published since 2001-02 are already available on the Rserve Bank's website, this Compendium CD provides access to all the articles published since 1950-51 to 2010-11 at one place.

The Reserve Bank's publication on State finances has been extensively used by research institutions, policy makers, academicians and students from India and abroad. Availability of the entire series of articles in the compendium CD would provide data on State finances from 1950-51 onwards and facilitate research in this area.

Orders for the purchase of Compendium CD can be placed with the Director, Division of Reports and Knowledge Dissemination, Department of Economic and Policy Research, Reserve Bank of India, Amar Building, Sixth Floor, P. M. Road, Mumbai - 400 001 on payment through demand draft or cheque drawn in favour of the Reserve Bank of India, payable at Mumbai only as per the rates indicated below:

Price for Compendium CD

In India	₹ 280 (Normal) ₹ 305 (Inclusive of postage) ₹ 210 (Concessional) ₹ 235 (Concessional including postal charges)
Abroad	USD 8 (Inclusive of air-mail book post charges)

Feedback/comments on the Compendium CD may please be sent to Director, Fiscal Analysis Division, Department of Economic and Policy Research, Reserve Bank of India, Shahid Bhagat Singh Road, Mumbai 400 001 or email.

RBI Board Meets at Chennai

July 7, 2011

The Central Board of the Reserve Bank of India met in Chennai. The meeting reviewed key economic, monetary and financial developments.

Dr. D. Subbarao, Governor, Reserve Bank of India chaired the meeting. Shri Y. H. Malegam, Prof. U. R. Rao, Shri Lakshmi Chand, Shri H. P. Ranina, Smt. Shashi Rajagopalan, Shri Suresh Neotia, Dr. A. Vaidyanathan, Prof M. M. Sharma and Shri Sanjay Labroo were present at the meeting of the Central Board. Deputy Governors of the Reserve Bank, Dr. K.C. Chakrabarty, Dr. Subir Gokarn, Shri Anand Sinha and Shri H. R. Khan were also present.

The Central Board of Directors of the Reserve Bank meets at least once every quarter. The Board has scheduled meetings in Mumbai, Chennai and Kolkata each year. The post-budget meeting of the Board, traditionally held in New Delhi, is addressed by the Union Finance Minister. The other meetings of the Board are held in the remaining state capitals by rotation. The main function of the Central Board of the Reserve Bank is to provide overall direction to its affairs.

The Governor and the Top Management of the Reserve Bank met with State Government officials and bankers. The Governor appreciated the fact that Tamil Nadu has the highest Credit Deposit ratio in the country at 114 per cent. The other issues which were discussed include routing of National Rural Employment Guarantee Scheme (NREGS) and Old Age Pension payments through bank accounts. The reasons for the low coverage of the crop insurance and measures of increasing lending to Micro Small and Medium Enterprises (MSME) were also deliberated in detail.

The Governor called on Dr. (Kum.) J Jayalalithaa, the Chief Minister of Tamil Nadu, and apprised her of the current macroeconomic situation and the growth-inflation dynamics of the country and of the efforts being made by the Reserve Bank of India to combat inflation. To a query by the Chief Minister about what the State Government can do to ease the supply response, the Governor suggested that the Government could focus on rural infrastructure and providing market access to farmers. The Chief Minister solicited Reserve Bank's support for the State Government's initiative indelivering pensions through bank accounts. The Governor assured the Chief Minister that he will do so and in particular for launching the scheme in Trichy and Kanyakumari Districts on a pilot basis. The Chief Minister and the RBI Governor also discussed the problems confronting the textile units and the Common Effluent Treatment Plants (CETPs) in Tirupur. The Chief Minister saidthat the State Government is deeply engaged in finding a sustainable solution to the problem in conformity with the High Court order. The Governor invited the Chief Minister to attend and chair the State Level Bankers Committee Meeting (SLBC) and the Chief Minister responded enthusiastically to the invitation.

Kolhapur District Central Co-operative Bank Ltd. – Penalised

July 8, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹5.00 lakh (Rupees five lakh only) on Kolhapur District Central Co-operative Bank Ltd., Kolhapur, Maharashtra in exercise of powers vested in it under the provisions of Section 46 read with Section 47A of the Banking Regulation Act, 1949 (AACS) for violating guidelines issued by the Reserve Bank on Know Your Customers (KYC) norms/Anti-Money Laundering (AML) standards.

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.

The Dahod Urban Co-operative Bank Limited, Dahod – Penalised

July 11, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹1 lakh (Rupees one lakh only) on The Dahod Urban Co-operative Bank Limited, Dahod, 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 directives/guidelines relating to share linking norms, single and group borrower exposure limits, grant of donation beyond the permissible limit, formulation of Know Your Customer (KYC) policy and adherence to KYC and Anti Money Laundering 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 as 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.

Pragati Sahakari Bank Limited, Vadodara – Penalised

July 11, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹1 lakh (Rupees one lakh only) on Pragati Sahakari Bank Limited, Vadodara, 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 Reserve Bank of India directives/instructions/guidelines relating to share linking norms, single borrower exposure ceiling and Anti-Money Laundering (AML) guidelines for reporting the cash transactions above ₹10.00 lakh to Financial Intelligence Unit-India (FIU-IND), New Delhi.

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 violation was substantiated and warranted imposition of the penalty.

The Mehsana Urban Co-operative Bank Ltd. – Penalised

July 13, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on The Mehsana Urban Co-operative Bank Ltd., Mehsana, 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 directives/guidelines relating to admission of co-operative societies as nominal members in violation of provisions of Section 5(ccv) of B.R.Act, 1949 (AACS), bank's exposure to real estate beyond the permissible limit, violation of Know Your Customer (KYC) norms and violation of Section 20 A of the B.R. Act 1949 (AACS) in respect of waiving of interest on a director related advance.

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 as 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.

Kodagu District Co-operative Central Bank Ltd. – Penalised

July 13, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹5.00 lakh (Rupees five lakh only) on Kodagu District Co-operative Central Bank Ltd., Madikeri, N. Kodagu (Karnataka) in exercise of powers vested in it under the provisions of Section 46 read with Section 47A of the Banking Regulation Act, 1949 (AACS) for violating regulatory guidelines issued by the Reserve Bank on Non-SLR investments.

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.

Regularisation of Liaison Offices/Branch Offices of Foreign Entities Established in India during the pre-FEMA Regime

July 8, 2011

The Reserve Bank of India has issued an A.P. (DIR Series) Circular on the captioned subject on its web-site www.rbi.org.in.

It is observed that certain Liaison Offices (LO)/ Branch Offices (BO) established by foreign Non Government Organisations (NGOs), Non Profit

Organisations (NPOs), news agencies and other foreign entities are continuing to function in India, without the approval of the Reserve Bank, even after the Foreign Exchange Management Act (FEMA), 1999 came into force from June 1, 2000.

Under the provisions of FEMA Act 1999, liaison offices/branch offices can only be established with the prior permission from the Reserve Bank of India. Reserve Bank of India considers the requests of such entities to open an office in India, in consultation with Government of India, wherever required.

Accordingly, the foreign entities which have established LO or BO in India without obtaining permission from the Reserve Bank of India should approach the Reserve Bank within a period of 90 days from the date of the A.P. (DIR Series) Circular No.02 dated July 15, 2011 for regularization of establishment of such offices in India, in terms of the extant FEMA provisions. Further, the foreign entities who have established LO or BO with the permission from the Government of India may also approach the Reserve Bank along with a copy of the said approval for allotment of a Unique Identification Number (UIN) by the Reserve Bank of India.

The foreign entities are also requested to be guided by the latest guidelines and procedures for establishment of LO or BO by foreign entities issued vide A.P. (DIR Series) Circular Nos. 23 and 24 dated December 30, 2009, as amended from time to time, as available on our web site www.rbi.org.in ® Notifications ®FEMA.

The Pioneer Urban Co-operative Bank Ltd., Belgaum, Karnataka – Penalised

July 15, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹5 lakh (Rupees five lakh only) on The Pioneer Urban Co-operative Bank Ltd., Belgaum, Karnataka, 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 the Reserve Bank's instructions for sanctioning loan to a company in which a director of the Bank is interested and suppressing such information by not reporting it in the relevant quarterly statement proforma I & II submitted to the Reserve Bank of India.

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.

The Jagruti Co-operative Bank Ltd., Belgaum, Karnataka – Penalised

July 15, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹5 lakh (Rupees five lakh only) on The Jagruti Co-operative Bank Ltd., Belgaum, Karnataka, 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 the Reserve Bank of India's instructions by sanctioning loans to present directors, their relatives and firms/concerns in which they are interested and suppressing such information by not reporting it in the relevant quarterly statement proforma I & II submitted to the Reserve Bank of India.

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.

The Citizen Co-operative Bank Limited, Bangalore – Penalised

July 15, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹5 lakh (Rupees five lakh only) on The Citizen Co-operative Bank Limited, Bangalore, 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 the Reserve Bank of India's instructions by sanctioning/ renewing loans to the relatives of the director of the bank and suppressing such information by not reporting it in the relevant quarterly statement proforma I & II submitted to the Reserve Bank of India.

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.

Monitoring Group on Cash and Debt Management of GOI Met

July 21, 2011

The Monitoring Group on Cash and Debt Management met in New Delhi. The cash position and market borrowing of the Government was reviewed. It has been decided that there will be no change in the amount of market borrowing through dated securities with reference to the first half (April-September 2011) borrowing calendar published earlier. However, the Reserve Bank of India, in consultation with the Government of India, has decided to shift the auction of dated securities scheduled in the week ending September 23, 2011 to week ending August 19, 2011 to modulate the cash flows. It was also decided that temporary mismatches in cash flows, if any, would be managed by issuance of Cash Management Bills (CMBs).

State Bank of India Commercial and International Bank Limited Branches Start Operating as SBI Branches

July 29, 2011

All branches of State Bank of India Commercial and International Bank Limited started functioning as branches of State Bank of India from July 29, 2011. Customers, including depositors, of State Bank of India Commercial and International Bank Limited are able to operate their accounts as customers of State Bank of India.

The change came in the wake of the Government of India issuing the Acquisition of State Bank of India Commercial and International Bank Limited Order, 2011. The notification, published in the Gazette of India under Extraordinary Part II-Section 3 (i), sanctions the acquisition of State Bank of India Commercial and International Bank Limited by State Bank of India in terms of section 35(2) of the State Bank of India Act, 1955. The Order of Acquisition is effective on July 29, 2011.

The Kalupur Commercial Bank Ltd., Ahmedabad – Penalised

July 29, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹5 lakh (Rupees five lakh only) on The Kalupur Commercial Co-operative Bank Ltd., Ahmedabad, District Ahmedabad 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 (As Applicable to Co-operative Societies), for violation of provisions of Banking Regulation Act/ Reserve Bank of India directives/instructions relating to Know Your Customers (KYC) norms, membership to co-operative credit societies, displaying short name of the bank, using the word 'bank' in its related entities and extension of credit facilities to units outside the area of operations.

The Reserve Bank of India had issued a show cause notice to the bank in response to which the bank submitted a written reply and made further submissions during the personal hearing by Regional Director. After considering the facts of the case and the bank's reply in the matter, the Reserve Bank of India came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

Regulatory and Other Measures

July 2011

RBI/2011-12/106 DBOD.No.BP.BC. 23/21.04.141/2011-12 dated July 5, 2011

Investment By Banks in Liquid/Short Term Debt Schemes of Mutual Funds

The Chairmen & Managing Directors/
Chief Executive Officers of
All Scheduled Commercial Banks
(excluding Regional Rural Banks)

Please refer to paragraph 112 of the Monetary Policy Statement 2011-12 (extract enclosed) wherein it has been indicated that banks' investments in liquid schemes of mutual funds have grown manifold. The liquid schemes continue to rely heavily on institutional investors such as commercial banks whose redemption requirements are likely to be large and simultaneous; on the other hand, they are large lenders in the over-night markets such as collateralised borrowing and lending obligation (CBLO) and market repo, where banks are large borrowers. The various schemes of mutual funds also invest heavily in certificates of deposit (CDs) of banks. Such circular flow of funds between banks and mutual funds could lead to systemic risk in times of stress/liquidity crunch. Thus, banks could potentially face a large liquidity risk. It is, therefore, felt prudent to place certain limits on banks' investments in liquid/short term debt schemes of mutual funds.

2. Accordingly, it has been decided that the total investment by banks in liquid/short-term debt schemes (by whatever name called) of mutual funds with weighted average maturity of portfolio of not more than 1 year, will be subject to a prudential cap of 10 per cent of their net worth as on March 31 of the previous year. The weighted average maturity would be calculated as average of the remaining period of maturity of securities weighted by the sums invested.

3. With a view to ensuring a smooth transition, banks which are already having investments in these schemes of mutual funds in excess of the 10 per cent limit, are allowed to comply with this requirement at the earliest but not later than six months from the date of this circular.

RBI/2011-12/113 DBOD.No.BL.BC. 24/22.01.001/2011-12 dated July 15, 2011

Branch Authorisation Policy – Opening of branches in unbanked rural centres

All Scheduled Commercial Banks (excluding RRBs)

Please refer to paragraphs 97& 98 of the Monetary Policy Statement 2011-12 on the above subject (extract enclosed). As stated therein, there is a need to step up the opening of branches in rural areas so as to meet the objectives of increasing banking penetration and financial inclusion rapidly and meet the targets set out for providing banking services in villages with population over 2,000. Keeping in view the goal of bringing banking services to identified 72,800 villages with population above 2,000 by March 2012, and thereafter progressively to all villages over a period of time, there is a need for opening more number of brick and mortar branches in rural centres, besides the use of Business Correspondents.

2. Banks are, therefore, advised that while preparing their Annual Branch Expansion Plan (ABEP), they should allocate at least 25 percent of the total number of branches proposed to be opened during a year in unbanked rural (Tier 5 and Tier 6) centres. An unbanked rural centre would mean a rural (Tier 5 and Tier 6) centre that does not have a brick and mortar structure of any scheduled commercial bank for customer based banking transactions.

3. Presently, as advised in circular DBOD.No.BL. BC. 65/22.01.001/2009-10 dated December 1, 2009, domestic scheduled commercial banks (excluding RRBs) are permitted to open branches in Tier 3 to Tier 6 centres (population up to 49, 999 as per Census 2001) without prior permission from the Reserve

Bank in each case, subject to reporting. However, opening of branches in Tier 1 and Tier 2 centres (population of 50,000 and above) would require prior permission of the Reserve Bank, except in case of North Eastern States and Sikkim where the general permission would also cover semi-urban and urban centres. Authorisation is given by the Reserve Bank for opening branches in Tier 1 and Tier 2 centres which would generally not exceed the total number of branches proposed to be opened in Tier 3 to Tier 6 centres as well as in North Eastern States and Sikkim. While issuing such authorisation, Reserve Bank would factor in whether at least one third of the total number of branches proposed to be opened in Tier 3 to Tier 6 centres are in underbanked districts of underbanked States as also upon regulatory and supervisory comfort and critical assessment of bank's performance in financial inclusion, priority sector lending and customer service, *etc.*

4. In view of the requirement for opening at least 25 per cent of the branches under ABEP in unbanked rural centres, it would now not be mandatory to open at least one third of the total number of branches proposed to be opened in Tier 3 to Tier 6 centres in underbanked districts of underbanked States. Accordingly, authorisation for branches in Tier 1 and Tier 2 centres will now factor in whether at least 25 percent of the total number of branches to be opened during a year are proposed to be opened in unbanked rural centres in place of the requirement that at least a third of branches to be opened in Tier 3 to Tier 6 centres are in underbanked districts of underbanked States.

5. Since there is a continuing need for opening more branches in underbanked districts of underbanked States for ensuring more uniform spatial distribution, banks would be provided incentive for opening such branches. Accordingly, for each branch proposed to be opened in Tier 3 to Tier 6 centres of underbanked districts of underbanked States, excluding such of the rural branches proposed to be opened in unbanked centres that may be located in the underbanked districts of underbanked States in compliance with the requirement as indicated in paragraph 2 above, authorisation will be given for opening of a branch in a Tier 1 centre. This will be in addition to the authorisation given for branches in Tier 1 and Tier 2 centres based on the considerations stated in paragraph 3 above.

RBI/2011-2012/126 FMD.MOAG. No.61/01.01.01/2011-12 dated July 26, 2011

Liquidity Adjustment Facility – Repo and Reverse Repo and Marginal Standing Facility Rates

All Scheduled Commercial Banks (excluding RRBs) and Primary Dealers

As announced in the First Quarter Review of Monetary Policy 2011-12, it has been decided to increase the repo rate under the Liquidity Adjustment Facility (LAF) by 50 basis points from 7.50 per cent to 8.00 per cent with immediate effect.

2. Consequent to the above increase in the repo rate, the reverse repo rate under the LAF will stand automatically adjusted to 7.00 per cent and the Marginal Standing Facility (MSF) rate to 9.00 per cent with immediate effect.

3. All other terms and conditions of the current LAF and MSF Schemes will remain unchanged.

RBI/2011-12/129 DCM(FNVD) No. 502/16.01.05/2011-12 dated July 27, 2011

Detection of Counterfeit Banknotes – Revised Procedure

The Chairman/Managing Director,
Commercial Banks,Cooperative Banks, RRBs/
Private Banks,Foreign Banks and
Director of Treasuries of all States

Please refer to the Master Circular DCM (FNVD) No. G-5/16.01.05/2011-12 dated July 1, 2011 on the above subject. In terms of Para 4 of the circular, among other things, FIRs are required to be filed in respect of all cases of counterfeit banknotes.

2. The matter has been reviewed in consultation with the Government of India, and in order to ensure

that all cases of detection of counterfeit notes at the bank branches/treasuries are promptly reported to the police authorities, it has been decided to revise the procedure to be followed on detection of counterfeit banknotes at bank branches, treasuries and sub treasuries. Accordingly, the following procedure should be adopted with immediate effect:

i. For cases of detection of counterfeit notes upto 4 pieces, in a single transaction, a consolidated report as per the format prescribed in the annex should be sent to the police authorities at the end of the month.

ii. For cases of detection of counterfeit notes of 5 or more pieces, in a single transaction, FIRs should be lodged with the Nodal Police Station/Police Authorities as per jurisdiction, in terms of our Master Circular ibid.

3. Other instructions in the above Master Circular will remain unchanged.

4. Problems, if any, in implementation, may be resolved in consultation with the Regional Director, Reserve Bank of India, of the State concerned.

5. Progress in the area of reporting should be discussed in the meetings of State Level Bankers' Committee, Standing Committee on Currency Management and State Level Security Committee held in various States.

6. Banks may please bring the contents of the circular to the notice of their branches and ensure that the above instructions are being followed both in letter and spirit.

RBI/2011-12/132 DBOD.No.BP.BC. 25/21.04.012/2011-12 dated July 28, 2011

Relaxation to Trade and Industry in the State of Jammu & Kashmir

The Chairmen & Managing Directors/
Chief Executive Officers of
All Scheduled Commercial Banks
(excluding Regional Rural Banks)

Please refer to our circular DBOD.No.BP.BC.100/21.04.012/2009-10 dated April 29, 2010 extending the period of concessions/credit relaxations to borrowers/customers in Jammu & Kashmir up to 31 March 2011. It has been decided that the concessions/credit relaxations to borrowers/customers in the State of Jammu & Kashmir, as laid down in our Circular No. DBOD.No.BP.BC.77/21.04.012/2003-2004 dated April 21, 2004, will continue to be operative for a further period of one year, *i.e.*, up to March 31, 2012.

2. Suitable instructions may please be issued to your controlling/branch offices in this regard.

Foreign Exchange Developments

July 2011

1. Redemption of Foreign Currency Convertible Bonds (FCCBs)

Keeping in view the need to provide a window to facilitate refinancing of FCCBs by the Indian companies who may be facing difficulty in meeting the redemption obligations, it has been decided to consider applications for refinancing of FCCBs by Indian companies under the automatic route. Accordingly, designated AD Category – I banks may allow Indian companies to refinance the outstanding FCCBs subject to compliance with the terms and conditions set out hereunder: -

i. Fresh ECBs/FCCBs shall be raised with the stipulated average maturity period and applicable all-in-cost being as per the extant ECB guidelines;

ii. The amount of fresh ECB/FCCB shall not exceed the outstanding redemption value at maturity of the outstanding FCCBs;

iii. The fresh ECB/FCCB shall not be raised six months prior to the maturity date of the outstanding FCCBs ;

iv. The purpose of ECB/FCCB shall be clearly mentioned as 'Redemption of outstanding FCCBs' in Form 83 at the time of obtaining Loan Registration Number from the Reserve Bank;

v. The designated AD – Category I bank should monitor the end-use of funds;

vi. All other aspects of ECB policy under the automatic route, such as, eligible borrower, recognised lender, end-use, prepayment, refinancing of existing ECB and reporting arrangements shall remain unchanged;

vii. ECB/FCCB beyond USD 500 million for the purpose of redemption of the existing FCCB will be considered under the approval route; and

viii. ECB/FCCB availed of for the purpose of refinancing the existing outstanding FCCB will be reckoned as part of the limit of USD 500 million available under the automatic route as per the extant norms.

Restructuring of FCCBs involving change in the existing conversion price is not permissible. Proposals for restructuring of FCCBs not involving change in conversion price will, however, be considered under the approval route depending on the merits of the proposal.

[A.P. (DIR Series) Circular No. 01 dated July 4, 2011]

2. Regularisation of Liaison/Branch Offices of Foreign Entities Established during the pre-FEMA Period

It has come to the notice of the Reserve Bank that certain BOs/LOs established by the foreign NGOs, NPOs, news agencies and other foreign entities are continuing to function in India, without the approval of the Reserve Bank, after the Foreign Exchange Management Act (FEMA), 1999 came into force from June 1, 2000. Under the provisions of FEMA, 1999, ibid, the request of such entities to open an office in India is considered by the Reserve Bank in consultation with the Government of India, wherever required.

Accordingly, the foreign entities who have established LO or BO in India and continuing to function without obtaining permission from the Reserve Bank of India should approach the Reserve Bank within a period of 90 days from the date of issue of this circular for regularization of establishment of such offices in India, in terms of the extant FEMA provisions.

The foreign entities who may have established LO or BO with the permission from the Government of India may also approach the Reserve Bank along with a copy of the said approval for allotment of a Unique Identification Number (UIN) by the Reserve Bank of India.

All such applications/requests should be submitted to the Chief General Manager-in-Charge, Reserve Bank of India, Foreign Exchange Department, Foreign Investment Division, Central Office, Fort, Mumbai – 400 001 in form FNC and should be routed through the AD Category – I bank where the account of such LO/BO is maintained.

All AD Category – I banks may ensure that their constituents operating LO/BO in India have valid approval from the Reserve Bank for the same and that a copy of such approval is kept on record.

[A.P. (DIR Series) Circular No. 02 dated July 15, 2011]

3. Facilitating Rupee Trade – Hedging Facilities for Non-Resident Entities

In order to facilitate greater use of Indian Rupee in trade transactions, as announced in the Monetary Policy Statement for the year 2011-12 (para 85), it has been decided to allow non-resident importers and exporters to hedge their currency risk in respect of exports from and imports to India, invoiced in Indian Rupees, with AD Category I banks in India, as per details given in the Annex.

Necessary amendments to Notification No. FEMA.25/RB-2000 dated May 3, 2000 [Foreign Exchange Management (Foreign Exchange Derivatives Contracts) Regulations, 2000] are being notified separately.

Related Press Release July 21, 2011

Facilitating Rupee Trade – Hedging Facilities for Non-resident Entities

[A.P. (DIR Series) Circular No. 03 dated July 21, 2011]

4. Exim Bank's Line of Credit of USD 20 million to the Government of the Republic of Mozambique

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated March 28, 2011 with the Government of the Republic of Mozambique, making available to the latter, a Line of Credit (LOC) of USD 20 million (USD twenty million) for financing eligible goods, services, machinery and equipment including consultancy services to be exported from India for the purpose of enhancing productivity of rice-wheat-maize cultivation in Mozambique. The goods, services, machinery and equipment 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 may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 per cent goods and services (other than consultancy services) may be procured by the seller for the purpose of Eligible Contract from outside India.

The Credit Agreement under the LOC is effective from June 2, 2011 and the date of execution of Agreement is March 28, 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 (March 27, 2017) from the execution date of the Credit Agreement in the case of supply contracts.

Shipments under the LOC will have to be declared on GR/SDF Forms as per instructions issued by the Reserve Bank from time to time.

No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category-I (AD Category-I) banks may allow such remittance after realisation of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

[A.P. (DIR Series) Circular No. 04 dated July 25, 2011]

5. Exim Bank's Line of Credit of USD 20 million to the Government of the Kingdom of Swaziland

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated March 30, 2011 with the Government of the Kingdom of Swaziland making available to the latter, two Lines of Credit (LOCs), each for an amount of USD 10 million aggregating to USD 20 million (USD twenty million) for financing eligible goods and services including consultancy services, from India for the purpose of financing the setting up of an Information Technology Park in Swaziland. 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 may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 per cent goods and services (other than consultancy services) may be procured by the seller for the purpose of Eligible Contract from outside India.

The Credit Agreement under the LOCs is effective from July 6, 2011 and the date of execution of Agreement is March 30, 2011. Under the LOCs, 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 (March 29, 2017) from the execution date of the Credit Agreement in the case of supply contracts.

Shipments under the LOCs will have to be declared on GR/SDF Forms as per instructions issued by the Reserve Bank from time to time.

No agency commission is payable under the above LOCs. However, if required, the exporter may use his own resources or utilise balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category-I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

[A.P. (DIR Series) Circular No. 05
dated July 26, 2011]

6. Exim Bank's Line of Credit of USD 5 million to the Indo-Zambia Bank Limited

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated September 29, 2010 with the Indo-Zambia Bank Limited making available to the latter, a Line of Credit (LOC) of USD 5 million (USD five million) for financing eligible goods and services. The goods and 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 may be agreed to be financed by the Exim Bank under this Agreement.

The Credit Agreement under the LOC is effective from June 29, 2011 and the date of execution of the Agreement is September 29, 2010. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 36 months (June 28, 2014) and 42 months (December 28, 2014) from the execution date of the Credit Agreement respectively.

Shipments under the credit will have to be declared on GR/SDF Forms as per instructions issued by the Reserve Bank from time to time.

While no agency commission shall be payable in respect of exports financed under the above line of credit, the Reserve Bank may consider, on merits, requests for payment of commission up to a maximum of 5 per cent of the FOB (free on board)/CFR (cost and freight)/CIF (cost, insurance and freight) value in respect of goods exported and which require after sales service. In such cases, commission will have to be paid by deduction from the invoice of relevant shipment to agents and the reimbursable amount by the Exim Bank to the negotiating bank will be 90 per cent of the FOB/CFR/CIF value. Approval for the payment of commission should be obtained from the office of the Reserve Bank of India (Foreign Exchange Department) within whose jurisdiction the Head Office of the exporter is situated, before the relevant shipment is effected. In other cases (*i.e.* exports not involving after sales service), if required, the exporter may use his own resources or utilize the balances of his EEFC a/c for payment of agency commission in free foreign exchange. Authorised Dealer Category–I (AD Category–I) banks may allow such remittance after realisation of full payment of contract value subject to compliance of prevailing instructions on payment of agency commission.

[A.P. (DIR Series) Circular No. 06
dated July 26, 2011]

Annex

Rupee Trade – Hedging Facilities for Non-Resident Entities

Purpose

To hedge the currency risk arising out of genuine trade transactions involving exports from and imports to India, **invoiced in Indian Rupees**, with AD Category I banks in India.

Products

Forward foreign exchange contracts with rupee as one of the currencies and foreign currency-INR options.

Operational Guidelines, Terms and Conditions

The AD Category I banks can opt for either Model I or Model II as given below:

Model I

Non-resident exporter/importer dealing through their overseas bank (including overseas branches of AD banks in India)

- Non-resident exporter/importer approaches his banker overseas with appropriate documents with a request for hedging their Rupee exposure arising out of a confirmed import or export order invoiced in Rupees.
- The overseas bank in turn approaches its correspondent in India (*i.e.,* the AD bank in India) for a price to hedge the exposure of its customer along with documentation furnished by the customer that will enable the AD bank in India to satisfy itself that there is an underlying trade transaction (scanned copies would be acceptable). The following undertakings also need to be taken from the customer:
  - That the same underlying exposure has not been hedged with any other AD Category I bank/s in India.
  - If the underlying exposure is cancelled, the customer will cancel the hedge contract immediately.
- A certification on the end client KYC may also be taken as a one time document from the overseas bank by the AD bank in India.
- The AD bank in India based on documents **received** from the overseas correspondent should satisfy itself about the existence of the underlying trade transaction and offer a forward price (no two-way quotes should be given) to the overseas bank who, in turn, will offer the same to its customer. The AD bank, therefore, will 'not be' dealing directly with the overseas importer/exporter.
- The amount and tenor of the hedge should not exceed that of the underlying transaction and should be in consonance with the extant regulations regarding tenor of payment/ realization of the proceeds.
- On due date, settlement is to be done through the correspondent bank's Vostro or the AD bank's Nostro accounts.
- The contracts, once cancelled, cannot be rebooked.
- The contracts may, however, be rolled over on or before maturity subject to maturity of the underlying exposure.
- On cancellation of the contracts, gains may be passed on to the customer subject to the customer providing a declaration that he is not going to rebook the contract or that the contract has been cancelled on account of cancellation of the underlying exposure.
- In case the underlying trade transaction is extended, rollover can be permitted once based on the extension of the underlying trade transaction for which suitable documentation is to be provided by the overseas bank and the same procedure followed as in case of the original contract.

Model II

Non-resident exporter/importer dealing directly with the AD bank in India

- The overseas exporter/importer approaches the AD bank in India with a request for forward cover in respect of underlying transaction for which he furnishes appropriate documentation (scanned copies would be acceptable), on a pre-deal basis to enable the AD bank in India to satisfy itself that there is an underlying trade transaction, and details of his overseas banker, address *etc.* The following undertakings also need to be taken from the customer

Annex *(Concld.)*

- o That the same underlying exposure has not been hedged with any other AD Category I bank/s in India.
- o If the underlying exposure is cancelled, the customer will cancel the hedge contract immediately.

- The AD bank may obtain certification of KYC/AML in the format appended to this Annex (Appendix A). The format can be obtained through the overseas correspondent/bank through SWIFT authenticated message. In case the AD bank has a presence outside India, the AD may take care of the KYC/AML through its bank's offshore branch.
- AD banks should evolve appropriate arrangements to mitigate credit risk. Credit limits can be granted based on the credit analysis done by self/the overseas branch.
- The amount and tenor of the hedge should not exceed that of the underlying transaction and should be in consonance with the extant regulations regarding tenor of payment/realization of the proceeds.
- On due date, settlement is to be done through the correspondent bank's Vostro or the AD bank's Nostro accounts. AD banks in India may release funds to the beneficiaries only after sighting funds in Nostro/Vostro accounts.
- The contracts, once cancelled, cannot be rebooked.
- The contracts may, however, be rolled over on or before maturity subject to maturity of the underlying exposure.
- On cancellation of the contracts, gains may be passed on to the customer subject to the customer providing a declaration that he is not going to rebook the contract or that the contract has been cancelled on account of cancellation of the underlying exposure.
- In case the underlying trade transaction is extended, rollover can be permitted once based on the extension of the underlying trade transaction for which suitable documentation is to be provided by the overseas bank and the same procedure followed as in case of the original contract.

Reporting

i) Authorised Dealers should consolidate the data on the transactions undertaken by non-residents under the scheme and submit quarterly reports as per the format indicated in the Appendix 'B'.

ii) Authorised Dealers should report on a quarterly basis, doubtful transactions involving frequent cancellation of hedge transactions and/or the underlying trade transactions by non-residents under the scheme as per the format indicated in the Appendix 'C'.

The reports are to be sent to the Chief General Manager, Reserve Bank of India, Foreign Exchange Department, Central Office, Forex Markets Division, Amar Building, Mumbai - 400 001.

Appendix

Appendix A

Know Your Customer (KYC) Form in respect of the non-resident exporter/importer

Registered Name of the non-resident exporter/importer (Name, if the non-resident exporter/importer is an Individual)
Registration Number (Unique Identification Number* in case non-resident exporter/importer is an Individual)
Registered Address (Permanent Address if non-resident exporter/importer is an Individual)
Name of the non-resident exporter's/importer's Bank
Non-resident exporter's/importer's Bank Account No.
Period of banking relationship with the non-resident exporter/importer

* Passport No., Social Security No, or any Unique No. certifying the bonafides of the non-resident exporter/importer as prevalent in the Non-resident exporter's/importer's country

We confirm that all the information furnished above is true and accurate as provided by the overseas remitting bank of the non-resident exporter/importer.

(Signature of the Authorised
Official of the AD bank)

Date : Place:
Stamp :

Appendix B

Reporting of Derivative transactions undertaken by non-resident importer/exporter – for the quarter ended

Name of the AD Category I Bank –

No. of non-resident importers/ exporters availing the facility.		Total amount of derivative transactions Undertaken (INR crores)	
Importers	Exporters	Forwards	FCY-INR options

Appendix C

Reporting of suspicious transactions undertaken by non-resident importer/exporter – for the quarter ended .

Name of the AD Category I Bank –

Sl No	Name of the non-resident exporter/importer	Name of the overseas bank (in case of Model I)	No. of derivative transactions cancelled along with cancellation of the underlying trade transaction and amount involved	Action taken by the AD Cat I bank

Related Press Release July 21, 2011

Facilitating Rupee Trade - Hedging Facilities for Non-resident Entities

Current Statistics

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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		
						Apr.	May	Jun.
	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 +	162.3	160.0	178.8			
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)	166.9	165.3 (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	9,68,947	9,81,417	9,79,523
5. Rupee Securities (3)	"	86,035	1,21,962	1,76,755	3,21,758	3,40,607	3,77,451	3,87,997
6. Loans and Discount	"	19,900	21,562	3,822	6,294	39,498	14,101	3,685
(a) Scheduled Commercial Banks (4)	"	8,169	11,728	42	5,031	2,115	4,016	2,757
(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	53,50,651	53,26,835	53,66,611 (P)
8. Bank Credit (5)	"	1,16,301	27,75,549	32,44,788	39,42,083	39,23,063	39,57,365	40,12,107 (P)
9. Investment in Govt. Securities (5)	"	49,998	11,55,786	13,78,395	14,97,148	15,60,355	15,87,200	15,90,595 (P)
10. Cheque Clearances (6)	₹ thousand crore	1,703	6,020	4,528	4,235 (P)	365 (P)	369 (P)	287 (P)
11. Money Stock Measures (7)								
(a) M_1	₹ crore	92,892	12,59,707	14,89,301	16,35,569	16,11,904	16,01,232	15,90,686
(b) M_3	"	2,65,828	47,94,812	56,02,731	64,99,548	66,48,098	66,58,565	66,86,002
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	5.00-7.00	6.00-7.40	3.50-9.10
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	4.00-8.00
(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	8.25-9.00	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		
						Apr.	May	Jun.
	1	2	3	4	5	6	7	8
16. Base Rate (10)	"		11.50-12.50	11.00-12.00	8.25-9.50	8.50-9.50	9.25-10.00	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	73,767	95,013	1,18,610
Price Indices								
19. Wholesale Prices (11)	2004-05=100							
(a) All Commodities	"	182.7 +	125.9	130.4	143.3	152.1	151.7 (P)	153.0 (P)
(b) Primary Articles	"	184.9 +	137.5	154.9	182.4	196.8	192.1 (P)	197.5 (P)
(c) Fuel and Power	"	175.8 +	135.0	132.1	148.3	159.5	160.4 (P)	161.6 (P)
(d) Manufactured Products	"	182.8 +	120.2	122.4	130.1	136.6	137.2 (P)	137.3 (P)
(e) Foodgrains (Cereals + Pulses)	"	179.2 +	145.3	166.4	174.4	175.5	175.8 (P)	176.2 (P)
(f) Edible Oils	"	223.3 +	121.6	114.4	120.6	129.7	132.1 (P)	132.8 (P)
(g) Sugar, Khandsari & Gur	"	152.3 +	106.8	161.9	160.5	164.6	163.9 (P)	162.4 (P)
(h) Raw Cotton	"	145.5 +	141.2	138.6	199.3	305.5	255.9 (P)	235.6 (P)
20. Consumer Prices (All-India) (1)								
(a) Industrial Workers ^	2001=100	193	145	163	180	186	187	189
(b) Urban Non-Manual Employees ^ ^	1984-85=100	161	561	634	..	"	"	"
(c) Agricultural Labourers	July 1986-June 1987=100	"	462	530	577	587	592	598
Foreign Trade								
21. Value of Imports	U.S. $ Million	24,073	298,834	288,373	352,575	32,834 (P)	40,907 (P)	36,872 (P)
22. Value of Exports	"	18,145	182,799	178,751	254,402	23,849 (P)	25,941 (P)	29,213 (P)
23. Balance of Trade	"	–5,927	–116,034	–109,621	–98,173	–8,985 (P)	–14,966 (P)	–7,659 (P)
24. Foreign Exchange Reserves (12)								
(a) Foreign Currency Assets	U.S. $ Million	2,236	241,426	254,685	274,330	282,037	279,537	283,458
(b) Gold	"	3,496	9,577	17,986	22,972	23,790	24,391	24,668
(c) SDRs	"	102	1	5,006	4,569	4,671	4,613	4,614
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									
				Jul.	Feb.	Mar.	Apr.	May	Jun.	Jul. 1	Jul. 8	Jul. 15	Jul. 22	Jul. 29
	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	8,36,216	9,28,784	9,42,107	9,68,947	9,81,417	9,79,523	9,69,261	9,77,258	9,78,870	9,72,018	9,63,156
Notes held in Banking Department	23	16	17	20	17	17	16	19	19	15	16	15	8	12
Total Liabilities (Total Notes Issued) or Assets	**53,807**	**7,90,239**	**9,42,124**	**8,36,237**	**9,28,801**	**9,42,124**	**9,68,963**	**9,81,435**	**9,79,542**	**9,69,276**	**9,77,274**	**9,78,885**	**9,72,026**	**9,63,168**
Assets														
Gold Coin and Bullion	6,654	43,411	52,422	46,932	52,787	52,422	55,325	55,325	57,552	57,807	57,807	57,807	57,807	58,657
Foreign Securities	200	7,45,491	8,88,420	7,88,059	8,74,792	8,88,420	9,12,465	9,24,864	9,20,663	9,10,166	9,18,187	9,19,820	9,12,985	9,03,301
Rupee Coin (1)	29	291	236	199	175	236	127	200	280	258	235	212	188	164
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**	**3,31,810**	**3,74,424**	**3,56,534**	**3,85,090**	**3,83,856**	**3,87,568**	**4,13,640**	**3,50,126**	**3,79,650**	**3,76,490**	**3,90,764**
Central Government	61	3,933	6,293	100	27,498	6,293	100	101	100	101	100	101	100	101
Market Stabilisation Scheme	–	2,737	–	–	–	–	–	–	–	–	–	–	–	–
State Governments	33	41	41	41	41	41	42	42	42	42	42	42	42	42
Scheduled Commercial Banks	33,484	2,81,390	3,19,163	3,00,305	3,15,978	3,19,163	3,52,788	3,51,445	3,55,990	3,81,206	3,19,681	3,49,038	3,45,572	3,59,821
Scheduled State Co-operative Banks	244	3,917	3,494	3,969	3,569	3,494	3,949	3,956	3,717	3,680	3,585	3,738	3,612	3,684
Non-Scheduled State Co-operative Banks	13	77	86	89	59	86	66	63	66	67	60	62	60	71
Other Banks	88	13,120	15,198	14,010	14,963	15,198	16,229	16,104	16,182	16,113	15,993	15,973	16,377	16,103
Others	4,619	13,719	12,260	13,295	12,316	12,260	11,915	12,144	11,470	12,431	10,664	10,695	10,726	10,941
Other Liabilities (2)	28,342	3,16,642	3,61,350	3,62,614	3,68,895	3,61,350	3,93,535	4,03,315	3,91,041	4,21,749	3,99,478	4,04,420	4,09,744	4,11,961
Total Liabilities or Assets	**66,884**	**6,35,577**	**7,17,885**	**6,94,424**	**7,43,319**	**7,17,885**	**7,78,625**	**7,87,171**	**7,78,609**	**8,35,390**	**7,49,604**	**7,84,070**	**7,86,235**	**8,02,725**

See 'Notes on Tables.'

No. 2: Reserve Bank of India *(Concld.)*

(₹ crore)

Last Friday / Friday	1990-91	2009-10	2010-11	2010	2011									
				Jul.	Feb.	Mar.	Apr.	May	Jun.	Jul. 1	Jul. 8	Jul. 15	Jul. 22	Jul. 29
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Assets														
Notes and Coins	23	17	17	21	17	17	16	19	19	15	16	15	8	12
Balances held Abroad (3)	4,008	4,01,429	3,34,547	4,14,119	3,57,543	3,34,547	3,40,111	3,36,836	3,25,505	3,58,365	3,34,653	3,38,162	3,50,637	3,61,276
Loans and Advances														
Central Government	–	–	–	–	–	–	35,399	9,544	–	770	33,672	39,232	23,329	25,983
State Governments (4)	916	558	729	-	1,199	729	1,615	216	62	77	247	629	48	17
Scheduled Commercial Banks	8,169	42	5,031	2,041	3,352	5,031	2,115	4,016	2,757	1,747	2,762	3,957	3,089	2,396
Scheduled State Co-op.Banks	38	–	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	25	314	504	339	295	836	795	202	137	529	499
Bills Purchased and Discounted														
Internal	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Government Treasury Bills	1,384	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	40,286	1,78,663	3,22,242	2,24,490	3,26,862	3,22,242	3,41,094	3,77,939	3,88,483	4,03,772	3,09,876	3,35,978	3,43,540	3,46,596
Other Assets (5)	2,666	51,646	54,784	53,728	54,002	54,784	57,904	58,276	60,919	69,849	68,176	65,960	65,054	65,945
	(–)	(39,434)	(47,619)	(42,632)	(47,951)	(47,619)	(50,257)	(50,257)	(52,280)	(52,511)	(52,511)	(52,511)	(52,511)	(53,283)

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					
				Jun.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.(P)
	1	2	3	4	5	6	7	8	9	10	11
Number of Reporting Banks	299	232	232	234	232	232	232	232	232	234	234
Liabilities to the Banking System (1)	**6,673**	**1,05,729**	**1,13,430**	**99,784**	**1,09,232**	**1,01,776**	**1,07,185**	**1,13,430**	**1,11,942**	**1,02,542**	**1,13,849**
Demand and Time Deposits from Banks (2)	5,598	67,371	76,531	65,517	72,193	69,757	73,572	76,531	73,601	70,804	74,598
Borrowings from Banks (3)	998	32,376	29,770	27,126	27,962	25,056	26,506	29,770	28,252	21,499	29,203
Other Demand and Time Liabilities (4)	77	5,983	7,129	7,141	9,076	6,963	7,107	7,129	10,090	10,238	10,048
Liabilities to Others (1)	**2,13,125**	**50,76,365**	**58,36,361**	**51,61,355**	**55,85,424**	**55,90,284**	**56,94,429**	**58,36,361**	**60,36,029**	**60,13,289**	**60,71,036**
Aggregate Deposits (5)	**1,99,643**	**46,35,225**	**53,55,160**	**47,05,121**	**51,31,115**	**51,32,602**	**52,33,080**	**53,55,160**	**55,01,199**	**54,76,468**	**55,17,204**
Demand	34,823	6,60,446	6,56,551	6,04,585	6,60,487	6,05,493	6,18,437	6,56,551	6,18,917	5,75,928	5,74,483
Time (5)	1,64,820	39,74,778	46,98,609	41,00,536	44,70,629	45,27,110	46,14,643	46,98,609	48,82,282	49,00,541	49,42,722
Borrowings (6)	645	1,06,191	1,33,288	1,23,114	1,19,511	1,25,774	1,25,647	1,33,288	1,52,263	1,52,264	1,75,121
Other Demand and Time Liabilities (4)	12,838	3,34,950	3,47,914	3,33,120	3,34,798	3,31,907	3,35,702	3,47,914	3,82,568	3,84,557	3,78,711
Borrowings from Reserve Bank (7)	**3,483**	**42**	**5,105**	**2,373**	**5,078**	**4,468**	**3,426**	**5,105**	**2,189**	**4,046**	**2,825**
Against Usance Bills / Promissory Notes	–	–	–	–	–	–	–	–	–	–	–
Others (8)	3,483	42	5,105	2,373	5,078	4,468	3,426	5,105	2,189	4,046	2,825
Cash in Hand and Balances with Reserve Bank	**25,995**	**3,16,120**	**3,58,954**	**3,46,058**	**3,55,942**	**3,32,135**	**3,56,633**	**3,58,954**	**3,96,066**	**3,95,864**	**4,00,907**
Cash in Hand	1,847	26,296	31,110	29,039	34,298	32,905	31,984	31,110	33,573	34,711	35,305
Balances with Reserve Bank (9)	24,147	2,89,824	3,27,844	3,17,019	3,21,644	2,99,231	3,24,649	3,27,844	3,62,493	3,61,153	3,65,601

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					
				Jun.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.(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**	**1,51,837**	**1,53,303**	**1,39,208**	**1,53,023**	**1,75,885**	**1,64,922**	**1,61,204**	**1,75,309**
Balances with Other Banks	3,347	70,372	62,864	61,282	61,349	54,887	57,976	62,864	60,233	60,007	61,255
In Current Account	1,926	14,853	11,522	11,695	12,433	10,580	10,485	11,522	11,474	10,955	12,128
In Other Accounts	1,421	55,520	51,342	49,587	48,916	44,306	47,490	51,342	48,759	49,052	49,127
Money at Call and Short Notice	2,201	33,135	26,938	25,460	27,046	24,643	27,243	26,938	30,772	24,052	31,289
Advances to Banks (10)	902	10,149	12,915	9,790	7,915	6,367	6,865	12,915	11,024	10,952	10,286
Other Assets	398	53,289	73,167	55,305	56,993	53,312	60,940	73,167	62,893	66,192	72,480
Investment	**76,831**	**14,37,770**	**15,50,910**	**14,59,145**	**14,98,396**	**15,32,831**	**15,36,357**	**15,50,910**	**16,14,882**	**16,42,622**	**16,46,111**
Government Securities (11)	51,086	14,28,470	15,45,216	14,51,316	14,92,497	15,27,274	15,30,770	15,45,216	16,09,424	16,36,742	16,40,054
Other Approved Securities	25,746	9,300	5,694	7,829	5,898	5,557	5,586	5,694	5,458	5,880	6,057
Bank Credit	**1,25,575**	**33,37,548**	**40,60,842**	**34,49,702**	**38,75,670**	**38,50,203**	**39,28,155**	**40,60,842**	**40,43,316**	**40,79,285**	**41,34,069**
Loans, Cash-credits and Overdrafts	1,14,982	32,12,787	39,10,770	33,27,756	37,36,221	37,12,403	37,84,891	39,10,770	38,94,129	39,29,996	39,84,587
Inland Bills-Purchased	3,532	12,686	13,966	10,649	14,326	13,489	13,598	13,966	13,720	12,364	12,272
Inland Bills-Discounted	2,409	63,322	81,015	62,752	71,007	69,884	73,758	81,015	82,597	82,688	83,714
Foreign Bills-Purchased	2,788	16,205	18,627	16,627	19,035	18,426	18,689	18,627	17,165	18,014	17,963
Foreign Bills-Discounted	1,864	32,548	36,465	31,918	35,081	36,001	37,220	36,465	35,706	36,223	35,534
Cash-Deposit Ratio	13.0	6.8	6.7	7.4	6.9	6.5	6.8	6.7	7.2	7.2	7.3
Investment-Deposit Ratio	38.5	31.0	29.0	31.0	29.2	29.9	29.4	29.0	29.4	30.0	29.8
Credit-Deposit Ratio	62.9	72.0	75.8	73.3	75.5	75.0	75.1	75.8	73.5	74.5	74.9

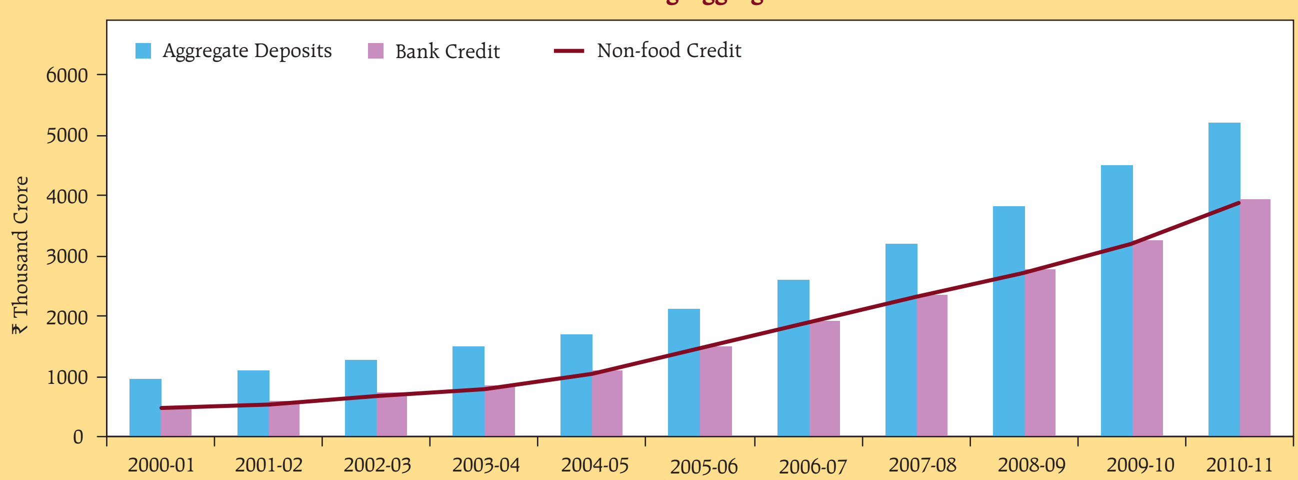
No. 4: All Scheduled Commercial Banks – Business in India

(₹ crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2009-10	2010-11	2010		2011					
				Jun.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.(P)
	1	2	3	4	5	6	7	8	9	10	11
Number of Reporting Banks	271	163	163	165	163	163	163	163	163	165	165
Liabilities to the Banking System (1)	**6,486**	**1,03,267**	**1,10,590**	**97,037**	**1,06,292**	**98,923**	**1,04,266**	**1,10,590**	**1,09,031**	**99,652**	**1,10,872**
Demand and Time Deposits from Banks (2), (12)	5,443	64,931	73,741	62,787	69,484	67,048	70,844	73,741	70,783	68,066	71,837
Borrowings from Banks (3)	967	32,358	29,724	27,113	27,737	24,917	26,319	29,724	28,162	21,351	28,991
Other Demand and Time Liabilities (4)	76	5,978	7,124	7,137	9,071	6,958	7,103	7,124	10,085	10,234	10,044
Liabilities to Others (1)	**2,05,600**	**49,26,524**	**56,81,115**	**50,09,706**	**54,31,877**	**54,36,989**	**55,41,395**	**56,81,115**	**58,77,647**	**58,56,000**	**59,12,393**
Aggregate Deposits (5)	**1,92,541**	**44,92,826**	**52,07,969**	**45,61,200**	**49,85,789**	**49,87,416**	**50,87,994**	**52,07,969**	**53,50,651**	**53,26,835**	**53,66,611**
Demand	33,192	6,45,610	6,41,705	5,89,704	6,44,435	5,90,823	6,04,050	6,41,705	6,04,690	5,61,526	5,59,943
Time (5)	1,59,349	38,47,216	45,66,264	39,71,496	43,41,354	43,96,593	44,83,944	45,66,264	47,45,961	47,65,309	48,06,668
Borrowings (6)	470	1,04,278	1,31,341	1,20,809	1,16,893	1,23,496	1,23,562	1,31,341	1,50,594	1,50,264	1,72,787
Other Demand and Time Liabilities (4), (13)	12,589	3,29,420	3,41,805	3,27,697	3,29,194	3,26,076	3,29,839	3,41,805	3,76,402	3,78,902	3,72,995
Borrowings from Reserve Bank (7)	**3,468**	**42**	**5,031**	**2,332**	**4,976**	**4,374**	**3,352**	**5,031**	**2,115**	**4,016**	**2,757**
Against Usance Bills/ Promissory Notes	–	–	–	–	–	–	–	–	–	–	–
Others	3,468	42	5,031	2,332	4,976	4,374	3,352	5,031	2,115	4,016	2,757

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					
				Jun.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.(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**	**3,35,822**	**3,46,398**	**3,22,690**	**3,47,184**	**3,49,509**	**3,85,506**	**3,85,325**	**3,90,391**
Cash in Hand	1,804	25,578	30,346	28,252	33,529	32,060	31,206	30,346	32,718	33,879	34,401
Balances with Reserve Bank (9)	23,861	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	3,55,990
Assets with the Banking System	**5,582**	**1,34,444**	**1,54,386**	**1,24,389**	**1,29,780**	**1,16,206**	**1,31,053**	**1,54,386**	**1,42,511**	**1,39,658**	**1,52,541**
Balances with Other Banks	2,846	62,421	56,137	53,452	53,210	47,375	50,851	56,137	52,681	52,719	53,641
In Current Account	1,793	13,210	10,096	10,181	10,554	8,912	9,027	10,096	9,985	9,414	10,561
In Other Accounts	1,053	49,211	46,042	43,271	42,656	38,463	41,824	46,042	42,696	43,305	43,080
Money at Call and Short Notice	1,445	17,668	16,606	12,939	17,162	14,044	17,139	16,606	18,967	12,400	19,009
Advances to Banks (10)	902	9,892	12,569	9,526	7,581	6,044	6,559	12,569	10,692	10,618	9,955
Other Assets	388	44,463	69,073	48,472	51,827	48,743	56,504	69,073	60,171	63,921	69,935
Investment	**75,065**	**13,84,752**	**15,01,619**	**14,08,048**	**14,48,479**	**14,82,914**	**14,86,674**	**15,01,619**	**15,64,603**	**15,91,867**	**15,95,444**
Government Securities (11)	49,998	13,78,395	14,97,148	14,01,814	14,43,817	14,78,583	14,82,319	14,97,148	15,60,355	15,87,200	15,90,595
Other Approved Securities	25,067	6,358	4,471	6,234	4,662	4,330	4,355	4,471	4,248	4,667	4,849
Bank credit (14)	**1,16,301**	**32,44,788**	**39,42,083**	**33,54,193**	**37,65,372**	**37,37,677**	**38,13,016**	**39,42,083**	**39,23,063**	**39,57,365**	**40,12,107**
	(4,506)	**(48,489)**	**(64,283)**	**(53,710)**	**(65,948)**	**(61,182)**	**(65,292)**	**(64,283)**	**(52,248)**	**(70,609)**	**(77,954)**
Loans,Cash-Credits and Overdrafts	1,05,982	31,22,158	37,94,006	32,34,157	36,28,045	36,01,874	36,71,752	37,94,006	37,76,216	38,10,066	38,64,688
Inland Bills-Purchased	3,375	12,014	13,444	9,866	13,684	12,560	13,062	13,444	12,840	11,874	11,744
Inland Bills-Discounted	2,336	62,218	79,866	61,967	69,848	69,107	72,653	79,866	81,462	81,759	82,493
Foreign Bills-Purchased	2,758	16,132	18,583	16,544	18,963	18,389	18,609	18,583	17,108	17,979	17,927
Foreign Bills-Discounted	1,851	32,266	36,183	31,659	34,832	35,747	36,939	36,183	35,437	35,687	35,255
Cash-Deposit Ratio	13.3	6.8	6.7	7.4	6.9	6.5	6.8	6.7	7.2	7.2	7.3
Investment- Deposit Ratio	39.0	30.8	28.8	30.9	29.1	29.7	29.2	28.8	29.2	29.9	29.7
Credit-Deposit Ratio	60.4	72.2	75.7	73.5	75.5	74.9	74.9	75.7	73.3	74.3	74.8

No. 5: Scheduled Commercial Banks' Investments

(₹ crore)

Outstanding as on	SLR Securities	Commercial Paper	Shares issued by: PSUs	Shares issued by: Private Corporate Sector	Shares issued by: Others	Bonds / Debentures issued by: PSUs	Bonds / Debentures issued by: Private Corporate Sector	Bonds / Debentures issued by: Others	Instruments issued by: Mutual funds	Instruments issued by: 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
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	15,69,803	10,322	8,100	30,029	479	23,782	64,516	39,476	1,20,898	27,974
May 20, 2011	15,83,147	10,924	8,128	30,180	481	24,203	64,192	39,634	1,06,233	28,695
June 3, 2011	16,12,441	12,379	8,230	29,976	481	26,838	65,910	43,665	93,334	29,071
June 17, 2011	16,05,387	12,946	8,408	30,006	481	25,020	65,529	44,528	84,034	31,034

Note : Data on Investments are based on Statutory Section 42(2) Returns.
Final upto : May 6, 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	2009-10	2010-11	2010					2011			
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.11	Mar.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**	**26,896**	**28,559**	**26,896**	**28,085**	**28,295**	**28,235**	**28,044**	**28,202**	**27,938**	**28,005**	**28,559**
Demand Liabilities	**1,831**	**9,746**	**11,672**	**9,746**	**9,710**	**9,926**	**9,764**	**10,692**	**10,708**	**11,041**	**11,659**	**11,672**
Deposits												
Inter-Bank	718	2,021	1,656	2,021	1,370	1,385	1,253	1,557	1,404	1,364	1,486	1,656
Others	794	4,887	6,234	4,887	5,892	5,780	5,847	5,862	5,907	5,871	6,044	6,234
Borrowings from Banks	181	905	1,088	905	647	687	786	1,244	1,012	1,065	1,175	1,088
Others	139	1,933	2,694	1,933	1,801	2,074	1,878	2,030	2,385	2,741	2,954	2,694
Time Liabilities	**3,963**	**71,485**	**65,905**	**71,485**	**68,478**	**66,994**	**66,505**	**65,593**	**65,570**	**65,210**	**65,024**	**65,905**
Deposits												
Inter-Bank	2,545	48,489	42,724	48,489	45,755	43,933	43,551	42,802	42,554	42,470	42,438	42,724
Others	1,359	22,010	22,325	22,010	22,193	22,515	22,388	22,183	22,294	22,067	21,960	22,325
Borrowings from Banks	–	205	315	205	5	5	9	41	178	72	92	315
Others	59	780	541	780	525	540	556	568	544	602	534	541
Borrowing from Reserve Bank	**15**	–	–	–	–	–	–	–	–	–	–	–
Borrowings from the State Bank and / or a Notified bank (2) and State Government	**1,861**	**13,505**	**17,293**	**13,505**	**13,365**	**14,286**	**14,190**	**14,960**	**16,039**	**16,581**	**16,774**	**17,293**
Demand	116	3,687	8,113	3,687	4,263	4,499	4,260	4,762	7,861	8,356	8,434	8,113
Time	1,745	9,817	9,180	9,817	9,101	9,786	9,929	10,198	8,178	8,224	8,340	9,180
Assets												
Cash in Hand and Balances with Reserve Bank	**334**	**4,140**	**3,750**	**4,140**	**3,961**	**4,087**	**4,108**	**3,920**	**3,677**	**3,786**	**3,863**	**3,750**
Cash in Hand	24	151	172	151	178	162	182	172	163	161	168	172
Balance with Reserve Bank	310	3,988	3,578	3,988	3,784	3,924	3,926	3,748	3,514	3,625	3,695	3,578
Balances with Other Banks in Current Account	93	683	612	683	465	453	540	583	731	553	488	612
Investments in Government Securities (3)	1,058	24,896	24,508	24,896	26,049	25,953	25,784	24,884	24,864	24,826	24,719	24,508
Money at Call and Short Notice	498	19,010	13,105	19,010	14,662	14,499	14,806	14,300	14,140	13,375	13,109	13,105
Bank Credit (4)	**2,553**	**19,449**	**24,331**	**19,449**	**21,947**	**21,447**	**21,234**	**21,478**	**22,074**	**23,443**	**23,996**	**24,331**
Advances												
Loans, Cash-Credits and Overdrafts	2,528	19,436	24,318	19,436	21,935	21,433	21,218	21,463	22,058	23,426	23,981	24,318
Due from Banks (5)	5,560	28,288	40,179	28,288	32,808	34,542	34,730	36,662	38,196	38,733	39,518	40,179
Bills Purchased and Discounted	25	13	13	13	11	14	16	16	16	17	15	13
Cash - Deposit Ratio	15.5	15.4	13.1	15.4	14.1	14.4	14.5	14.0	13.0	13.6	13.8	13.1
Investment - Deposit Ratio	49.2	92.6	85.8	92.6	92.7	91.7	91.3	88.7	88.2	88.9	88.3	85.8
Credit - Deposit Ratio	118.6	72.3	85.2	72.3	78.1	75.8	75.2	76.6	78.3	83.9	85.7	85.2

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	
	Normal *		Back Stop **		Total ***		Normal *		Back Stop **		Total		Standing Facility	
	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
May 2011	–	–	–	–	10,027.00	2,635.00	–	–	–	–	–	–	10,027.00	2,635.00

@ 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	51164.9	6.5	6865.4
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	668.2	5,27,932.1	47.8	32,852.6	56.4	39,061.6	5.3	4,832.2
June	1,062.2	7,19,408.2	859.9	6,05,791.2	202.2	1,13,617.0	601.3	4,45,785.7	48.0	32,459.7	55.4	39,792.0	4.9	4,862.4
Total (upto June 2011)	**3,261.5**	**24,06,084.6**	**2,720.0**	**20,15,253.2**	**541.5**	**3,90,831.3**	**1,912.2**	**15,10,172.3**	**144.8**	**99,390.3**	**166.2**	**1,18,837.3**	**15.5**	**14,965.6**

* 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**	**19200.2**	**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
June	4.7	4,669.5	11.7	11,427.8	32.7	22,449.2	4.9	4,290.4	33.4	28,689.7	2.3	1,444.7	16.1	12,271.9
Total (upto June 2011)	**14.0**	**13,751.0**	**34.6**	**39,008.0**	**157.2**	**1,16,322.9**	**14.2**	**12,947.0**	**98.1**	**89,045.1**	**7.1**	**4,739.9**	**49.1**	**35,670.3**

$$ 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**	**1,604.4**	**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
June	6.3	4,568.3	38.1	29,708.1	195.0	1,28,198.8	11.4	7,336.7	127.0	1,06,488.3	5.1	4,326.0	4.3	2,802.4
Total (upto June 2011)	**19.4**	**14,181.3**	**142.5**	**1,16,584.9**	**585.4**	**4,11,981.0**	**34.1**	**22,804.5**	**402.6**	**3,76,216.1**	**14.7**	**14,839.7**	**12.4**	**8,887.3**

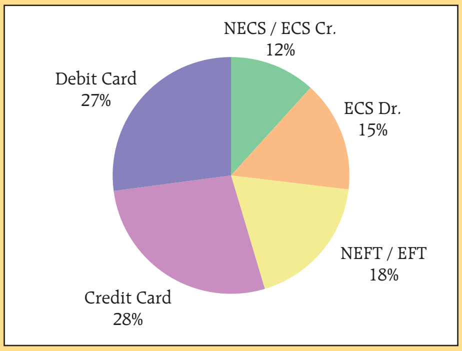
$ Cheque Truncation System (CTS) implemented at NCR since February 2008 and complete cheque clearing volume has been migrated to CTS from july 2009.

No. 8: Cheque Clearing Data *(Contd.)*

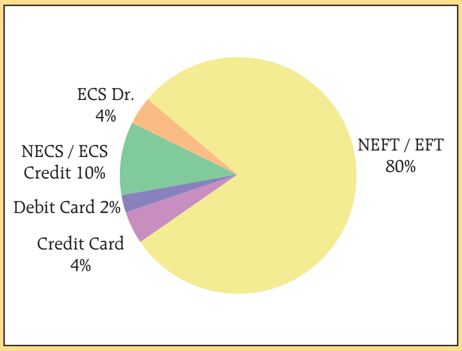
(Number in Lakh and Amount in ₹ crore)

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
June	258.6	1,60,005.5
Total (upto June 2011)	**807.8**	**5,05,081.0**

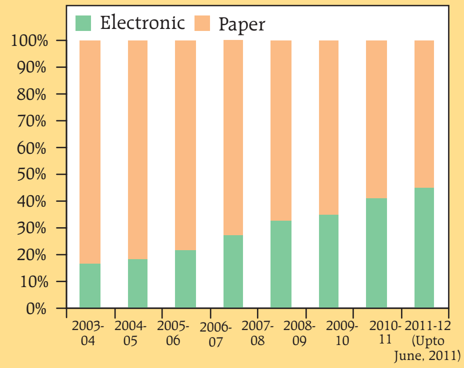
Retail Electronic Transactions-Volume in June, 2011



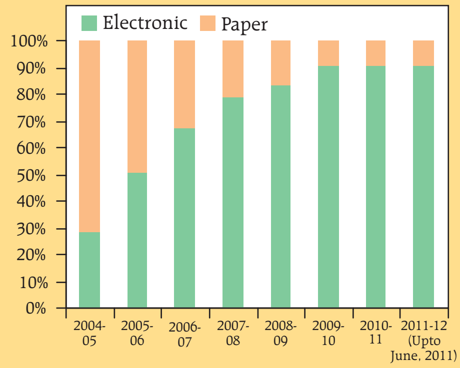
Retail Electronic Transactions-Value in June, 2011



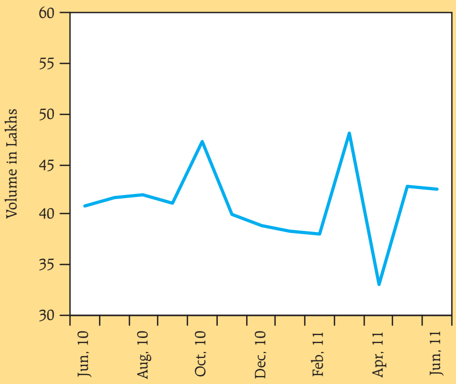
Representation of Electronic Transactions Volume in Total



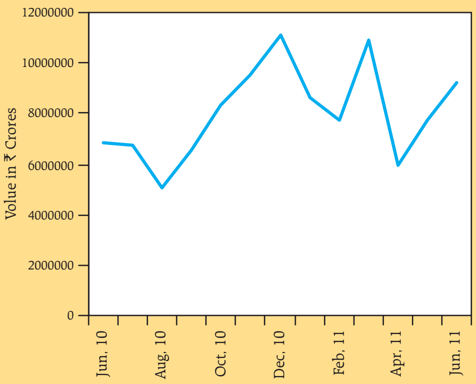
Representation of Electronic Transaction Value in Total



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 (P:)	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
June	876.83	1,66,187.85	103.96	16,570.37	132.68	6,647.68	159.45	1,31,994.81	176.59	241.83	7,191.11	2,395.20	238.91	3,783.88
Total (upto June 2011)	**2,549.41**	**4,76,144.25**	**248.20**	**46,051.76**	**400.51**	**19,452.58**	**465.78**	**3,76,821.63**	**176.59**	**727.52**	**22,127.50**	**2,395.20**	**707.40**	**11,690.79**

\# 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
June	42.52	92,65,362.99	39.18	34,54,780.81	3.34	13,14,224.28	0.008	44,96,357.89	3.35	58,10,582.17
Total (upto June 2011)	**118.25**	**2,29,00,915.71**	**109.04**	**94,00,359.51**	**9.19**	**33,77,202.16**	**0.023**	**1,01,23,354.04**	**9.21**	**1,35,00,556.20**

* 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
June	0.37	3,01,242.00	0.03	4,32,893.00	1.04	18,53,099.60	0.13	10,74,134.00
Total (upto June 2011)	**0.72**	**6,00,844.00**	**0.08**	**11,19,280.00**	**2.86**	**50,80,941.94**	**0.37**	**32,20,454.00**

No. 10: Money Stock Measures

(₹ crore)

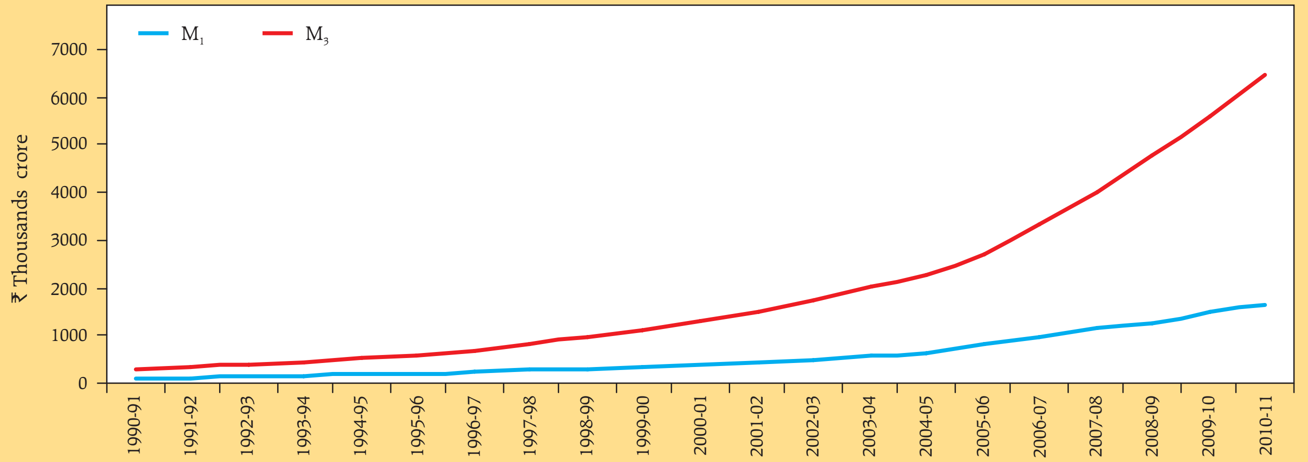
March 31/ reporting Fridays of the month/last reporting Friday of the month	Currency with the public					Deposit Money of the Public			M_1 (5+8)	Post Office Saving Bank Deposits	M_2 (9+10)	Time Deposits with Banks	M_3 (9+12)	Total Post Office Deposits	M_4 (13+14)
	Notes in Circulation(1)	Circulation 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**
June 4, 2010	8,46,373	9,940	1,568	31,721	8,26,160	6,54,386	3,637	6,58,023	**14,84,183**	5,041	**14,89,224**	42,37,588	**57,21,771**	25,969	**57,47,740**
June 18, 2010	8,52,826	10,057	1,568	32,502	8,31,948	6,51,623	3,104	6,54,728	**14,86,676**	5,041	**14,91,717**	42,23,930	**57,10,606**	25,969	**57,36,575**
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 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**
June 3, 2011	9,83,049	11,392	1,568	37,907	9,58,102	6,33,363	3,881	6,37,244	**15,95,346**	5,041	**16,00,387**	51,19,620	**67,14,966**	25,969	**67,40,935**
June 17, 2011	9,88,635	11,392	1,568	39,208	9,62,387	6,25,503	2,796	6,28,299	**15,90,686**	5,041	**15,95,727**	50,95,316	**66,86,002**	25,969	**67,11,971**

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	June 4, 2010	June 18, 2010
	1	2	3	4	5
1. Net Bank Credit to Government (A+B)	**12,77,333**	**16,69,186**	**19,82,771**	**17,28,897**	**17,20,210**
A. RBI's net credit to Government (i-ii)	61,580	2,11,586	3,96,555	2,13,813	2,27,382
(i) Claims on Government (a+b)	1,59,166	2,22,719	3,97,054	2,14,272	2,33,427
(a) Central Government	1,57,488	2,22,673	3,94,135	2,14,272	2,33,392
(b) State Governments	1,678	46	2,919	–	35
(ii) Government deposits with RBI (a+b)	97,586	11,134	499	459	6,045
(a) Central Government	95,727	11,092	100	417	6,004
(b) State Governments	1,859	41	399	41	41
B. Other Banks' Credit to Government	12,15,753	14,57,600	15,86,216	15,15,083	14,92,828
2. Bank Credit to Commercial Sector(A+B)	**30,14,893**	**34,91,409**	**42,35,406**	**35,46,589**	**35,73,276**
A. RBI's credit to commercial sector	13,820	1,328	2,164	1,328	1,478
B. Other banks' credit to commercial sector (i+ii+iii)	30,01,073	34,90,081	42,33,242	35,45,261	35,71,798
(i) Bank credit by commercial banks	27,75,549	32,44,788	39,42,083	32,92,340	33,15,291
(ii) Bank credit by co-operative banks	2,10,893	2,34,630	2,83,716	2,42,561	2,46,125
(iii) Investments by commercial and co-operative banks in other securities	14,631	10,663	7,443	10,360	10,382
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**13,52,184**	**12,81,469**	**13,93,327**	**12,86,882**	**12,88,435**
A. RBI's net foreign exchange assets (i-ii)	12,80,116	12,31,949	13,28,553	12,37,362	12,46,562
(i) Gross foreign assets	12,80,133	12,31,966	13,28,571	12,37,379	12,46,580
(ii) Foreign liabilities	17	17	17	17	17
B. Other banks' net foreign exchange assets	72,068	49,520	64,774	49,520	41,873
4. Government's Currency Liabilities to the Public	**10,054**	**11,270**	**12,724**	**11,508**	**11,625**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**8,59,652**	**8,50,602**	**11,24,680**	**8,52,104**	**8,82,940**
A. Net non-monetary liabilities of RBI	3,87,930	3,01,615	3,68,274	3,07,893	3,18,105
B. Net non-monetary liabilities of other banks(residual)	4,71,723	5,48,987	7,56,406	5,44,211	5,64,835
M_3 (1+2+3+4-5)	**47,94,812**	**56,02,731**	**64,99,548**	**57,21,771**	**57,10,606**

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					
	February 2011	March 2011	April 2011	May 2011	June 3, 2011	June 17, 2011
	6	7	8	9	10	11
1. Net Bank Credit to Government (A+B)	**18,72,957**	**19,82,771**	**19,99,910**	**20,42,578**	**20,64,039**	**20,60,989**
A. RBI's net credit to Government (i-ii)	3,00,211	3,96,555	3,65,280	3,80,487	3,72,396	3,76,109
(i) Claims on Government (a+b)	3,27,750	3,97,054	3,66,200	3,80,631	3,72,540	3,76,252
(a) Central Government	3,26,551	3,94,135	3,64,806	3,79,798	3,71,346	3,75,715
(b) State Governments	1,199	2,919	1,394	833	1,194	537
(ii) Government deposits with RBI (a+b)	27,539	499	919	143	143	143
(a) Central Government	27,498	100	100	101	101	100
(b) State Governments	41	399	819	42	42	42
B. Other Banks' Credit to Government	15,72,746	15,86,216	16,34,630	16,62,091	16,91,642	16,84,879
2. Bank Credit to Commercial Sector(A+B)	**41,03,831**	**42,35,406**	**42,14,396**	**42,43,779**	**42,72,221**	**42,93,620**
A. RBI's credit to commercial sector	1,570	2,164	1,325	1,595	1,690	2,098
B. Other banks' credit to commercial sector (i+ii+iii)	41,02,260	42,33,242	42,13,070	42,42,183	42,70,531	42,91,522
(i) Bank credit by commercial banks	38,13,016	39,42,083	39,25,447	39,52,114	39,80,377	40,01,521
(ii) Bank credit by co-operative banks	2,81,408	2,83,716	2,80,409	2,81,855	2,82,273	2,82,231
(iii) Investments by commercial and co-operative banks in other securities	7,836	7,443	7,215	8,214	7,881	7,770
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**13,80,477**	**13,93,327**	**14,04,934**	**14,16,929**	**14,35,582**	**14,27,506**
A. RBI's net foreign exchange assets (i-ii)	13,33,268	13,28,553	13,40,160	13,52,155	13,70,808	13,62,732
(i) Gross foreign assets	13,33,286	13,28,571	13,40,178	13,52,173	13,70,826	13,62,750
(ii) Foreign liabilities	17	17	17	17	17	17
B. Other banks' net foreign exchange assets	47,209	64,774	64,774	64,774	64,774	64,774
4. Government's Currency Liabilities to the Public	**12,586**	**12,724**	**12,834**	**12,959**	**12,959**	**12,959**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**10,03,104**	**11,24,680**	**9,83,976**	**10,57,680**	**10,69,835**	**11,09,071**
A. Net non-monetary liabilities of RBI	3,71,509	3,68,274	3,74,471	3,87,769	4,02,589	3,97,205
B. Net non-monetary liabilities of other banks(residual)	6,31,595	7,56,406	6,09,505	6,69,911	6,67,246	7,11,866
M_3 (1+2+3+4-5)	**63,66,746**	**64,99,548**	**66,48,098**	**66,58,565**	**67,14,966**	**66,86,002**

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	Jun. 4, 2010	Jun. 18, 2010	Mar. 25, 2011	Jun. 3, 2011	Jun. 17, 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	44,82,981	44,54,704	51,37,893	53,05,743	52,72,027
C.I.1	Demand Deposits	5,23,085	6,45,610	5,83,235	5,70,800	6,41,705	5,57,296	5,49,398
C.I.2	Time Deposits of Residents (C.I.2.1+C.I.2.2)	32,43,757	37,82,214	38,99,746	38,83,905	44,96,187	47,48,448	47,22,629
C.I.2.1	Short-term Time Deposits	14,59,691	17,01,996	17,54,886	17,47,757	20,23,284	21,36,801	21,25,183
C.I.2.1.1	Certificates of Deposits (CDs)	1,98,931	3,43,103	3,43,295	3,26,965	4,32,038	4,43,863	4,29,090
C.I.2.2	Long-term Time Deposits	17,84,067	20,80,218	21,44,860	21,36,148	24,72,903	26,11,646	25,97,446
C.II	**Call/Term Funding from Financial Institutions**	**1,13,936**	**1,04,278**	**1,15,121**	**1,20,512**	**1,31,341**	**1,41,409**	**1,42,793**
Sources								
S.I	**Domestic Credit (S.I.1+S.I.2)**	**41,51,147**	**48,66,593**	**49,75,379**	**49,63,202**	**57,17,087**	**59,01,274**	**59,08,059**
S.I.1	Credit to the Government	11,55,786	13,78,395	14,33,482	14,09,616	14,97,148	16,07,467	16,00,525
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	35,41,898	35,53,585	42,19,939	42,93,807	43,07,534
S.I.2.1	Bank Credit	27,75,549	32,44,788	32,92,340	33,15,291	39,42,083	39,80,377	40,01,521
S.I.2.1.1	Non-food Credit	27,29,338	31,96,299	32,40,191	32,62,322	38,77,800	39,06,439	39,24,192
S.I.2.2	Net Credit to Primary Dealers	1,671	2,509	3,535	3,743	819	3,749	4,342
S.I.2.3	Investments in Other Approved Securities	10,624	6,358	6,240	6,234	4,471	4,974	4,863
S.I.2.4	Other Investments (in non-SLR Securities)	2,07,517	2,34,543	2,39,782	2,28,317	2,72,565	3,04,707	2,96,809
S.II	**Net Foreign Currency Assets of Commercial Banks (S.II.1-S.II.2-S.II.3)**	**-53,359**	**-56,073**	**-70,591**	**-75,129**	**-61,124**	**-1,00,441**	**-1,05,086**
S.II.1	Foreign Currency Assets	55,312	44,165	36,213	32,806	62,392	32,627	33,318
S.II.2	Non-resident Foreign Currency Repatriable Fixed Deposits	67,268	65,002	66,579	66,648	70,077	71,854	72,674
S.II.3	Overseas Foreign Currency Borrowings	41,404	35,237	40,225	41,287	53,439	61,214	65,730
S.III	Net Bank Reserves (S.III.1+S.III.2-S.III.3)	2,46,748	3,06,926	3,03,255	3,10,816	3,44,477	3,68,395	3,66,605
S.III.1	Balances with the RBI	2,38,195	2,81,390	2,76,337	2,84,958	3,19,163	3,37,733	3,34,795
S.III.2	Cash in Hand	20,281	25,578	27,054	27,687	30,346	32,577	33,874
S.III.3	Loans and Advances from the RBI	11,728	42	135	1,829	5,031	1,915	2,064
S.IV	**Capital Account**	**3,32,444**	**3,90,373**	**4,32,586**	**4,33,942**	**4,81,329**	**5,06,504**	**5,09,653**
S.V.	**Other items (net) (S.I+S.II+S.III-S.IV-C.I-C.II)**	**1,31,313**	**1,94,971**	**1,77,355**	**1,89,730**	**2,49,878**	**2,15,572**	**2,45,105**
S.V.1	Other Demand & Time Liabilities (net of S.II.3)	2,66,116	2,94,184	2,78,903	2,80,235	2,88,366	2,88,493	2,93,395
S.V.2	Net Inter-Bank Liabilities (other than to PDs)	-20,785	-28,668	-23,196	-18,586	-42,976	-37,171	-32,837

Note: Data are provisional.

No. 11B: Monetary Survey

(₹ crore)

Item		Outstanding as on						
		Mar. 31, 2009	Mar. 31, 2010	Jun 4, 2010	Jun 18, 2010	Mar. 31, 2011	Jun 3, 2011	Jun 17, 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	14,76,578	14,78,731	16,26,503	15,86,392	15,81,706
NM_2 (M1+C.II.2.1)		28,00,491	32,74,046	33,23,463	33,18,726	37,45,732	38,18,794	38,02,472
NM_3 (NM2+C.II.2.2+C.IV = S.I+S.II+S.III-S.IV-S.V)		**48,00,185**	**55,69,871**	**56,95,888**	**56,88,120**	**64,67,243**	**66,88,694**	**66,59,534**
Components								
C.I	**Currency with the Public**	**6,65,553**	**7,67,897**	**8,26,699**	**8,32,438**	**9,14,760**	**9,58,887**	**9,63,177**
C.II	**Aggregate Deposits of Residents (C.II.1+C.II.2)**	**40,15,126**	**46,93,857**	**47,50,431**	**47,32,067**	**54,17,429**	**55,84,516**	**55,50,769**
C.II.1	Demand Deposits	5,86,475	7,09,226	6,46,241	6,43,189	7,08,030	6,23,623	6,15,733
C.II.2	Time Deposits of Residents (C.II.2.1+C.II.2.2)	34,28,650	39,84,631	41,04,190	40,88,878	47,09,399	49,60,893	49,35,035
C.II.2.1	Short-term Time Deposits	15,42,893	17,93,084	18,46,885	18,39,995	21,19,230	22,32,402	22,20,766
C.II.2.1.1	Certificates of Deposits (CDs)	1,98,931	3,43,103	3,43,295	3,26,965	4,32,038	4,43,863	4,29,090
C.II.2.2	Long-term Time Deposits	18,85,758	21,91,547	22,57,304	22,48,883	25,90,170	27,28,491	27,14,270
C.III	'Other' Deposits with RBI	5,570	3,839	3,637	3,104	3,713	3,881	2,796
C.IV	**Call/Term Funding from Financial Institutions**	**1,13,936**	**1,04,278**	**1,15,121**	**1,20,512**	**1,31,341**	**1,41,409**	**1,42,793**
Sources								
S.I	**Domestic Credit (S.I.1+S.I.2)**	**44,71,009**	**53,41,966**	**54,61,368**	**54,65,117**	**64,05,560**	**65,66,352**	**65,76,864**
S.I.1	Net Bank Credit to the Government (S.I.1.1+S.I.1.2)	12,68,549	16,49,165	17,07,935	16,97,260	19,53,471	20,40,288	20,36,978
S.I.1.1	Net RBI credit to the Government	61,580	2,11,586	2,13,813	2,27,382	3,96,555	3,72,396	3,76,109
S.I.1.2	Credit to the Government by the Banking System	12,06,969	14,37,579	14,94,122	14,69,878	15,56,917	16,67,892	16,60,869
S.I.2	Bank Credit to the Commercial Sector (S.I.2.1+S.I.2.2)	32,02,460	36,92,801	37,53,433	37,67,857	44,52,088	45,26,064	45,39,886
S.I.2.1	RBI Credit to the Commercial Sector	13,820	1,328	1,328	1,478	2,164	1,690	2,098
S.I.2.2	Credit to the Commercial Sector by the Banking System	31,88,640	36,91,473	37,52,105	37,66,379	44,49,924	45,24,374	45,37,788
S.I.2.2.1	Other Investments (Non-SLR Securities)	2,16,479	2,43,506	2,48,744	2,37,279	2,81,528	3,13,669	3,05,771
S.II	**Government's Currency Liabilities to the Public**	**10,054**	**11,270**	**11,508**	**11,625**	**12,724**	**12,959**	**12,959**
S.III	**Net Foreign Exchange Assets of the Banking Sector (S.III.1+S.III.2)**	**12,26,757**	**11,75,875**	**11,66,770**	**11,71,433**	**12,67,430**	**12,70,367**	**12,57,646**
S.III.1	Net Foreign Exchange Assets of the RBI	12,80,116	12,31,949	12,37,362	12,46,562	13,28,553	13,70,808	13,62,732
S.III.2	Net Foreign Currency Assets of the Banking System	-53,359	-56,073	-70,591	-75,129	-61,124	-1,00,441	-1,05,086
S.IV	**Capital Account**	**7,16,693**	**7,02,199**	**7,34,468**	**7,42,814**	**8,44,997**	**9,03,528**	**8,97,117**
S.V	**Other items (net)**	**1,90,943**	**2,57,041**	**2,09,290**	**2,17,240**	**3,73,473**	**2,57,457**	**2,90,817**

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	Jun 4, 2010	Jun 18, 2010	Mar. 31, 2011	Jun 3, 2011	Jun 17, 2011
		1	2	3	4	5	6	7
Components								
C.I	Currency in Circulation	6,91,153	7,99,549	8,57,881	8,64,450	9,49,659	9,96,008	10,01,595
C.II	Bankers' Deposits with the RBI	2,91,275	3,52,299	2,94,734	3,03,257	4,23,509	3,57,321	3,54,396
C.II.1	Scheduled Commercial Banks	2,77,462	3,33,936	2,76,337	2,84,958	4,02,656	3,37,733	3,34,795
C.III	'Other' Deposits with the RBI	5,570	3,839	3,637	3,104	3,713	3,881	2,796
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**	**11,56,253**	**11,70,811**	**13,76,881**	**13,57,210**	**13,58,787**
Sources								
S.I	**RBI's Domestic Credit (S.I.1+S.I.2+S.I.3)**	**85,757**	**2,14,083**	**2,15,276**	**2,30,730**	**4,03,878**	**3,76,032**	**3,80,301**
S.I.1	Net RBI credit to the Government (S.I.1.1+S.I.1.2)	61,580	2,11,586	2,13,813	2,27,382	3,96,555	3,72,396	3,76,109
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	2,13,855	2,27,388	3,94,035	3,71,245	3,75,615
S.I.1.1.1	Loans and Advances to the Central Government	–	–	–	–	–	35,089	–
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	2,14,047	2,33,227	3,93,901	3,36,088	3,75,605
S.I.1.1.3.1	Central Government Securities	1,56,343	2,21,357	2,13,001	2,32,180	3,92,855	3,35,041	3,74,558
S.I.1.1.4	Rupee Coins	99	270	225	166	234	170	110
S.I.1.1.5	Deposits of the Central Government	95,727	11,092	417	6,004	100	101	100
S.I.1.2	Net RBI credit to State Governments	-181	5	-41	-6	2,520	1,151	494
S.I.2	RBI's Claims on Banks	10,357	1,169	135	1,870	5,159	1,945	2,094
S.I.2.1	Loans and Advances to Scheduled Commercial Banks	10,164	1,169	135	1,829	5,115	1,915	2,064
S.I.3	RBI's Credit to Commercial Sector	13,820	1,328	1,328	1,478	2,164	1,690	2,098
S.I.3.1	Loans and Advances to Primary Dealers	750	–	–	150	839	365	773
S.I.3.2	Loans and Advances to NABARD	–	–	–	–	–	–	–
S.II	**Government's Currency Liabilities to the Public**	**10,054**	**11,270**	**11,508**	**11,625**	**12,724**	**12,959**	**12,959**
S.III	**Net Foreign Exchange Assets of the RBI**	**12,80,116**	**12,31,949**	**12,37,362**	**12,46,562**	**13,28,553**	**13,70,808**	**13,62,732**
S.III.1	Gold	48,793	81,188	90,220	90,220	1,02,572	1,09,832	1,09,832
S.III.2	Foreign Currency Assets	12,31,340	11,50,778	11,47,159	11,56,360	12,25,999	12,60,994	12,52,918
S.IV	**Capital Account**	**3,60,078**	**2,87,656**	**2,77,711**	**2,84,701**	**3,39,498**	**3,72,853**	**3,63,294**
S.V	**Other Items (net)**	**27,852**	**13,959**	**30,182**	**33,404**	**28,776**	**29,736**	**33,912**

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: Term Money Borrowings	CDs	Term Deposits	Total	L_2	Public Deposits with NBFCs	L_3
	1	2	3=(1+2)	4	5	6	7=(4+5+6)	8=(3+7)	9	10=(8+9)
2008-09										
April	40,60,194	1,14,497	**41,74,691**	2,656	31	245	2,932	**41,77,623**		
May	41,10,950	1,15,131	**42,26,081**	2,656	31	245	2,932	**42,29,013**		
June	41,28,575	1,15,471	**42,44,046**	2,656	31	245	2,932	**42,46,978**	24,647	**42,71,625**
July	41,65,104	1,15,714	**42,80,818**	2,656	31	245	2,932	**42,83,750**		
August	42,47,373	1,15,507	**43,62,880**	2,656	31	245	2,932	**43,65,812**		
September	43,02,978	1,15,451	**44,18,429**	2,656	31	245	2,932	**44,21,361**	24,647	**44,46,008**
October	43,78,543	1,15,441	**44,93,984**	2,656	31	245	2,932	**44,96,916**		
November	44,14,019	1,15,157	**45,29,176**	2,656	31	245	2,932	**45,32,108**		
December	44,63,076	1,14,988	**45,78,064**	2,656	31	245	2,932	**45,80,996**	24,647	**46,05,643**
January	45,87,579	1,13,965	**47,01,544**	2,656	31	245	2,932	**47,04,476**		
February	46,70,399	1,13,471	**47,83,870**	2,656	31	245	2,932	**47,86,802**		
March	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										
April	48,92,417	1,13,894	**50,06,311**	2,656	31	245	2,932	**50,09,243**		
May	49,44,748	1,14,140	**50,58,888**	2,656	31	245	2,932	**50,61,820**		
June	49,37,552	1,14,429	**50,51,981**	2,656	31	245	2,932	**50,54,913**	24,647	**50,79,560**
July	50,28,951	1,14,309	**51,43,260**	2,656	31	245	2,932	**51,46,192**		
August	50,59,462	1,14,199	**51,73,661**	2,656	31	245	2,932	**51,76,593**		
September	50,88,962	1,14,543	**52,03,505**	2,656	31	245	2,932	**52,06,437**	24,647	**52,31,084**
October	51,54,644	1,14,434	**52,69,078**	2,656	31	245	2,932	**52,72,010**		
November	51,98,226	1,14,556	**53,12,782**	2,656	31	245	2,932	**53,15,714**		
December	52,26,631	1,15,434	**53,42,065**	2,656	31	245	2,932	**53,44,997**	24,647	**53,69,644**
January	53,37,566	1,14,972	**54,52,538**	2,656	31	245	2,932	**54,55,470**		
February	54,24,176	1,15,077	**55,39,253**	2,656	31	245	2,932	**55,42,185**		
March	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										
April	56,30,921	1,17,511	**57,48,432**	2,656	31	245	2,932	**57,51,364**		
May	56,77,067	1,18,114	**57,95,181**	2,656	31	245	2,932	**57,98,113**		
June	56,88,120	1,18,813	**58,06,933**	2,656	31	245	2,932	**58,09,865**	24,647	**58,34,512**
July	58,22,761	1,19,482	**59,42,243**	2,656	31	245	2,932	**59,45,175**		
August	58,30,148	1,20,177	**59,50,325**	2,656	31	245	2,932	**59,53,257**		
September	58,63,640	1,20,407	**59,84,047**	2,656	31	245	2,932	**59,86,979**	24,647	**60,11,626**
October	60,40,347	1,20,579	**61,60,926**	2,656	31	245	2,932	**61,63,858**		
November	60,44,564	1,20,921	**61,65,485**	2,656	31	245	2,932	**61,68,417**		
December	61,81,235	1,21,006	**63,02,241**	2,656	31	245	2,932	**63,05,173**	24,647	**63,29,820**
January	62,16,889	1,19,905	**63,36,794**	2,656	31	245	2,932	**63,39,726**		
February	63,27,235	1,18,876	**64,46,111**	2,656	31	245	2,932	**64,49,043**		
March	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										
April	66,14,975	1,19,668	**67,34,643**	2,656	31	245	2,932	**67,37,575**		
May	66,28,596	1,19,668	**67,48,264**	2,656	31	245	2,932	**67,51,196**		
June	66,59,534	1,19,668	**67,79,202**	2,656	31	245	2,932	**67,82,134**	24,647	**68,06,781**

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
June	4,	2010	8,57,881	31,721	3,637	2,94,734	11,56,253
June	11,	2010	8,64,269	–	3,719	3,20,874	11,88,863
June	18,	2010	8,64,450	32,502	3,104	3,03,257	11,70,811
June	25,	2010	8,58,454	–	2,979	3,26,444	11,87,878
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		2011	10,00,504	38,951	3,055	3,58,534	13,62,093
June	3,	2011	9,96,008	37,907	3,881	3,57,321	13,57,210
June	10,	2011	10,03,618	–	3,202	3,69,755	13,76,575
June	17,	2011	10,01,595	39,208	2,796	3,54,396	13,58,787
June	24,	2011	9,92,482	–	2,827	3,75,955	13,71,265

See 'Notes on Table'.

Note: Data are provisional.

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
June 4, 2010	2,13,813	135	–	1,328	12,37,362	11,508	3,07,893	11,56,253
June 11, 2010	2,44,694	2,642	–	1,414	12,48,955	11,508	3,20,349	11,88,863
June 18, 2010	2,27,382	1,870	–	1,478	12,46,562	11,625	3,18,105	11,70,811
June 25, 2010	2,44,790	2,373	–	1,478	12,61,303	11,625	3,33,691	11,87,878
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 2011	3,80,487	2,665	–	1,595	13,52,155	12,959	3,87,769	13,62,093
June 3, 2011	3,72,396	1,945	–	1,690	13,70,808	12,959	4,02,589	13,57,210
June 10, 2011	3,93,328	1,955	–	1,946	13,56,433	12,959	3,90,047	13,76,575
June 17, 2011	3,76,109	2,094	–	2,098	13,62,732	12,959	3,97,205	13,58,787
June 24, 2011	3,88,196	2,825	–	2,098	13,56,194	12,959	3,91,008	13,71,265

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
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
June	16,	2011	2.75 – 7.55	2.75 – 7.55	7.43	7.43
June	17,	2011	6.00 – 7.75	6.00 – 7.75	7.59	7.59
June	18,	2011	6.10 – 7.75	6.10 – 7.75	7.69	7.69
June	20,	2011	2.75 – 7.80	2.75 – 7.80	7.71	7.71
June	21,	2011	6.00 – 7.85	6.00 – 7.85	7.67	7.67
June	22,	2011	4.50 – 7.80	4.50 – 7.80	7.68	7.68
June	23,	2011	5.90 – 7.80	5.90 – 7.80	7.67	7.67
June	24,	2011	5.80 – 7.75	5.80 – 7.75	7.65	7.65
June	25,	2011	6.00 – 7.70	6.00 – 7.70	7.36	7.36
June	27,	2011	5.00 – 9.30	5.00 – 9.30	7.65	7.65
June	28,	2011	6.00 – 7.95	6.00 – 7.95	7.58	7.58
June	29,	2011	5.50 – 7.75	5.50 – 7.75	7.59	7.59
June	30,	2011	3.50 – 9.10	3.50 – 9.10	7.39	7.39
July	2,	2011	0.70 – 7.50	0.70 – 7.50	6.46	6.46
July	4,	2011	6.00 – 7.60	6.00 – 7.60	7.53	7.53
July	5,	2011	6.00 – 7.60	6.00 – 7.60	7.53	7.53
July	6,	2011	6.00 – 8.25	6.00 – 8.25	7.55	7.55
July	7,	2011	5.50 – 7.60	5.50 – 7.60	7.50	7.50
July	8,	2011	5.50 – 7.70	5.50 – 7.70	7.46	7.46
July	9,	2011	6.10 – 7.60	6.10 – 7.60	7.24	7.24
July	11,	2011	5.50 – 7.70	5.50 – 7.70	7.53	7.53
July	12,	2011	5.50 – 7.65	5.50 – 7.65	7.55	7.55
July	13,	2011	5.50 – 7.55	5.50 – 7.55	7.50	7.50
July	14,	2011	5.75 – 7.60	5.75 – 7.60	7.49	7.49
July	15,	2011	5.50 – 10.00	5.50 – 10.00	7.75	7.75

No. 15: Average Daily Turnover in Call Money Market

(₹ crore)

Fortnight ended			Average Daily Call Money Turnover				
			Banks		Primary Dealers		**Total**
			Borrowings	Lendings	Borrowings	Lendings	
			1	2	3	4	**5**
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**
July	1,	2011	11,636	12,239	603	–	**24,479**
July	15,	2011	11,466	12,588	1,128	5	**25,187**

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	June	3	4,32,144	8.65 - 10.25
	19	2,21,491	3.60–8.00		18	3,21,589	5.75–7.50		17	4,23,767	9.02 - 10.50
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	June	15	1,23,400.00	8.25-13.00
	30	68,720.55	3.20–12.00		30	99,792.00	6.00–8.50		30	1,04,689.00	8.35-13.50
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-June			
	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**	**1,99,810**	**90,920**	**29.3**	**11.5**
2. Tax Revenue (Net)	6,64,457	83,994	78,699	15.7	11.8
3. Non-Tax Revenue	1,25,435	1,15,816	12,221	78.2	9.7
4. Capital Receipts	**4,67,837**	**42,398**	**1,70,297**	**9.9**	**36.4**
5. Recovery of Loans	15,020	1,124	6,499	21.9	43.3
6. Other Receipts	40,000	1,078	1,145	2.7	2.9
7. Borrowings and Other Liabilities	4,12,817	40,196	1,62,653	10.5	39.4
8. Total Receipts (1+4)	**12,57,729**	**2,42,208**	**2,61,217**	**21.8**	**20.8**
9. Non-Plan Expenditure	**8,16,182**	**154,148**	**1,77,093**	**21.0**	**21.7**
10. On Revenue Account	7,33,558	1,33,770	1,52,152	20.8	20.7
of which :					
(i) Interest Payments	2,67,986	40,223	50,187	16.2	18.7
11. On Capital Account	82,624	20,378	24,941	22.1	30.2
12. Plan Expenditure	**4,41,547**	**88,060**	**84,124**	**23.6**	**19.1**
13. On Revenue Account	3,63,604	76,617	73,389	24.3	20.2
14. On Capital Account	77,943	11,443	10,735	19.7	13.8
15. Total Expenditure (9+12)	**12,57,729**	**2,42,208**	**2,61,217**	**21.8**	**20.8**
16. Revenue Expenditure (10+13)	10,97,162	2,10,387	2,25,541	21.9	20.6
17. Capital Expenditure (11+14)	1,60,567	31,821	35,676	21.2	22.2
18. Revenue Deficit (16-1)	**3,07,270**	**10,577**	**1,34,621**	**3.8**	**43.8**
19. Fiscal Deficit {15-(1+5+6)}	**4,12,817**	**40,196**	**1,62,653**	**10.5**	**39.4**
20. Gross Primary Deficit [19-10(i)]	**1,44,831**	**-27**	**1,12,466**	**–**	**77.7**

Notes: 1. Financial year runs from "April to March".

2. Actuals are unaudited figures.

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

Government Securities Market

No. 19: Government of India : 91 Day Treasury Bills (Outstanding at Face Value)

(₹ 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	–	–
May 2011	–	–	–	–	31,618	–	18,010	–	45,385	–	–
Week Ended											
Jun. 3, 2011	–	–	–	–	32,905	–	18,510	–	47,098	–	–
Jun. 10, 2011	–	–	–	–	35,545	–	20,010	–	47,458	–	–
Jun. 17, 2011	–	–	–	–	35,409	–	22,710	–	50,593	–	–
Jun. 24, 2011	–	–	–	–	38,549	–	24,610	–	50,454	–	–

* 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			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													
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
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

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			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													
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
Jun. 1	Jun. 3	8,000	97	17,750.20	1,500.00	50	8,000.00	1,500.00	–	9,500.00	98.00	8.1857	98,513.00
Jun. 8	Jun. 10	8,000	84	16,568.60	2,000.00	62	8,000.00	2,000.00	–	10,000.00	97.99	8.2275	1,03,013.00
Jun. 15	Jun. 17	8,000	108	23,394.91	3,200.00	70	8,000.00	3,200.00	–	11,200.00	97.98	8.2692	1,08,712.00
Jun. 22	Jun. 24	8,000	105	22,585.57	1,900.00	41	8,000.00	1,900.00	–	9,900.00	98.00	8.1857	1,13,612.00
Jun. 29	Jun. 30	6,000	90	25,335.00	4,750.00	43	6,000.00	4,750.00	–	10,750.00	98.00	8.1857	1,18,610.00

* 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 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	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
Jun.	28	Jun.	29	Aug.	3	6,000	65	17,606.30	–	34	6,000.00	–	6,000.00	99.23	8.0923	18,000.00

No. 21: Auctions of 182-day Government of India Treasury Bills

(Amount in ₹ crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received: Number	Bids Received: Total Face Value: Competitive	Bids Received: Total Face Value: Non-Competitive	Bids Accepted: Number	Bids Accepted: Total Face Value: Competitive	Bids Accepted: Total Face Value: Non-Competitive	Devolvement on PDs	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)
	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
Jun. 8	Jun. 10	3,000	66	11,355.00	–	8	3,000.00	–	–	3,000.00	96.06	8.2257	30,750.55
Jun. 22	Jun. 24	3,000	67	10,516.50	–	3	3,000.00	–	–	3,000.00	96.09	8.1606	32,750.55

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													
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
Jun. 1	Jun. 3	3,000	101	9,115.00	–	43	3,000.00	–	–	3,000.00	92.34	8.3182	47,456.40
Jun. 15	Jun. 17	3,000	91	7,579.00	202.80	56	3,000.00	202.80	–	3,202.80	92.32	8.3417	49,502.20
Jun. 29	Jun. 30	3,000	83	7,945.75	–	45	3,000.00	–	–	3,000.00	92.36	8.2947	51,308.20

* 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
May	2,56,024.69	5,006.86	14,408.76	25,712.64	4,569.00	9,253.88	516.67
WEEK ENDED							
June 3, 2011	1,14,156.36	1,408.44	2,011.12	8,680.47	2,083.44	1,646.82	97.48
June 10, 2011	1,27,318.69	1,744.80	1,581.28	8,150.82	2,464.12	1,617.08	100.73
June 17, 2011	1,39,192.83	1,020.06	548.00	8,533.76	1,545.46	892.90	490.14
June 24, 2011	1,28,097.07	2,052.06	1,401.00	12,383.30	40.00	4,206.68	–

@ 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) Bids Received Number	REPO (INJECTION) Bids Received Amount	REPO (INJECTION) Bids Accepted Number	REPO (INJECTION) Bids Accepted Amount	REPO (INJECTION) Cut-off Rate(%)	REVERSE REPO (ABSORPTION) Bids Received Number	REVERSE REPO (ABSORPTION) Bids Received Amount	REVERSE REPO (ABSORPTION) Bids Accepted Number	REVERSE REPO (ABSORPTION) Bids Accepted Amount	REVERSE REPO (ABSORPTION) Cut-off Rate(%)	Net Injection (+)/ Absorption(-) of liquidity [(5) – (10)]	MSF	Outstanding Amount @
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Jun. 1, 2011	1	21	39,140	21	39,140	7.25	2	410	2	410	6.25	38,730	–	-38,730
Jun. 2, 2011	1	15	35,125	15	35,125	7.25	2	160	2	160	6.25	34,965	–	-34,965
Jun. 3, 2011	3	22	40,770	22	40,770	7.25	6	1,670	6	1,670	6.25	39,100	–	-39,100
Jun. 6, 2011	1	39	75,080	39	75,080	7.25	–	–	–	–	–	75,080	–	-75,080
Jun. 7, 2011	1	40	78,030	40	78,030	7.25	–	–	–	–	–	78,030	–	-78,030
Jun. 8, 2011	1	38	73,770	38	73,770	7.25	1	125	1	125	6.25	73,645	–	-73,645
Jun. 9, 2011	1	39	70,425	39	70,425	7.25	–	–	–	–	–	70,425	–	-70,425
Jun. 10, 2011	3	39	75,960	39	75,960	7.25	–	–	–	–	–	75,960	100	-76,060
Jun. 13, 2011	1	29	54,455	29	54,455	7.25	1	15	1	15	6.25	54,440	–	-54,440
Jun. 14, 2011	1	13	33,300	13	33,300	7.25	1	250	1	250	6.25	33,050	–	-33,050
Jun. 15, 2011	1	28	60,250	28	60,250	7.25	–	–	–	–	–	60,250	–	-60,250
Jun. 16, 2011	1	38	84,775	38	84,775	7.25	–	–	–	–	–	84,775	–	-84,775
Jun. 17, 2011	3	38	86,395	38	86,395	7.50	3	925	3	925	6.50	85,470	–	-85,470
Jun. 20, 2011	1	49	1,09,840	49	1,09,840	7.50	1	200	1	200	6.50	1,09,640	–	-1,09,640
Jun. 21, 2011	1	39	93,270	39	93,270	7.50	–	–	–	–	–	93,270	–	-93,270
Jun. 22, 2011	1	47	97,970	47	97,970	7.50	–	–	–	–	–	97,970	–	-97,970
Jun. 23, 2011	1	49	1,05,315	49	1,05,315	7.50	1	175	1	175	6.50	1,05,140	–	-1,05,140
Jun. 24, 2011	3	46	96,210	46	96,210	7.50	1	5	1	5	6.50	96,205	–	-96,205
Jun. 27, 2011	1	30	78,045	30	78,045	7.50	2	260	2	260	6.50	77,785	–	-77,785
Jun. 28, 2011	1	22	49,025	22	49,025	7.50	4	795	4	795	6.50	48,230	–	-48,230
Jun. 29, 2011	1	42	96,330	42	96,330	7.50	1	600	1	600	6.50	95,730	–	-95,730
Jun. 30, 2011	4	47	1,04,690	47	1,04,690	7.50	4	2,600	4	2,600	6.50	1,02,090	–	-1,02,090

MSF: Marginal Standing Facility.

@ Net of Repo. '–' 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	–	–	–	–	–
June	1,453.29 +	–	–	468.27	958.01	–	–	–	–	–

* 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 June 3, 2011											
a. Amount	895.00	120.06	–	0.50	970.01	1,116.71	7,077.62	85.00	32,276.66	14,536.56	704.22
b. YTM *											
Min.	7.3989	8.0845	–	–	8.3886	8.2559	7.7404	8.5667	8.2482	8.3847	8.6113
Max.	8.5377	8.2385	–	–	8.4960	8.5257	8.5806	8.6059	8.4768	8.7074	8.9106
II June 10, 2011											
a. Amount	532.67	120.00	25.00	100.00	483.80	1,237.67	4,479.75	–	28,041.04	28,639.42	872.40
b. YTM *											
Min.	7.5301	8.1557	8.2072	8.2800	8.3165	8.3131	7.7245	–	8.2333	8.3282	8.3611
Max.	8.3648	8.1577	8.2072	8.2800	8.4064	8.4184	8.5900	–	8.4026	8.6011	8.6392
III June 17, 2011											
a. Amount	395.00	240.00	70.00	–	235.18	1,287.20	6,233.88	15.00	37,833.01	23,287.14	510.03
b. YTM *											
Min.	7.9514	8.0013	8.1470	–	8.2448	8.2779	7.8319	8.3291	8.2113	8.3098	8.5639
Max.	8.4438	8.2022	8.1928	–	8.3992	8.4324	8.6109	8.3307	8.4327	8.6411	8.6250
IV June 24, 2011											
a. Amount	55.00	1,320.00	285.03	0.20	410.12	382.07	3,549.90	190.00	42,061.46	15,794.75	1,026.03
b. YTM *											
Min.	7.7984	7.9348	8.1073	8.3596	7.9378	8.2306	8.2356	8.7922	8.1743	8.2800	8.5039
Max.	8.6046	8.1723	8.2000	8.3596	8.2963	8.3752	8.8942	8.8617	8.3001	8.6184	8.6330

* 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 June 3, 2011				
a. Amount	1,036.76	5,040.11	717.61	416.45
b. YTM *				
Min.	7.3500	7.5000	8.1429	8.2170
Max.	7.6900	8.1857	8.2301	8.3182
II June 10, 2011				
a. Amount	903.92	3,982.13	1,232.06	788.54
b. YTM *				
Min.	7.4000	7.7509	8.1000	8.2000
Max.	7.6995	8.2275	8.2000	8.3183
III June 17, 2011				
a. Amount	938.59	3,822.30	562.73	436.45
b. YTM *				
Min.	7.3531	7.9004	8.1300	8.1400
Max.	8.0011	8.2692	8.2000	8.3420
IV June 24, 2011				
a. Amount	606.50	6,515.65	30.00	1,863.34
b. YTM *				
Min.	7.5000	7.9501	8.1000	8.0480
Max.	8.0005	8.1857	8.2000	8.3183

* 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					
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
	1	2	3	4	5	6	7	8	9	10	11	12
1	6.3008	6.4900	6.6385	6.7671	7.2301	7.3877	7.5435	7.4488	7.4927	6.3112	8.3124	8.1875
2	6.8782	6.8853	7.0402	7.2745	7.4181	7.5645	7.8908	7.6298	7.5488	6.9231	8.3554	8.2298
3	7.0627	7.1341	7.2261	7.3436	7.6060	7.7414	8.0996	7.8139	7.6787	7.5350	8.3985	8.2722
4	7.3425	7.4327	7.4889	7.6892	7.7940	7.8852	8.1104	7.9980	7.8747	8.1469	8.4415	8.3146
5	7.5427	7.7054	7.7148	7.8347	7.9149	7.8519	8.1212	8.0602	7.9287	8.2318	8.4771	8.3496
6	7.7089	7.8787	7.8157	7.8741	7.9574	7.8502	8.1320	8.0694	7.9465	8.2385	8.4780	8.3580
7	7.7858	7.9584	7.7901	7.9908	7.9542	7.8644	8.1679	8.0929	7.9574	8.1690	8.4780	8.3625
8	7.7908	7.9547	7.8083	8.0429	7.9848	7.8852	8.1670	8.1187	7.9681	8.1525	8.4513	8.3532
9	7.7903	7.9509	7.8265	8.0949	8.0256	7.9060	8.1496	8.1095	7.9787	8.1359	8.4246	8.3440
10	7.8286	7.9863	7.8963	8.1179	8.0498	7.9534	8.1505	8.0983	8.0223	8.1267	8.4123	8.3518
11	7.9884	8.1020	7.9875	8.1105	8.0615	8.0147	8.1577	8.1338	8.0692	8.2552	8.4895	8.4205
12	8.0996	8.0404	7.9813	8.1105	8.0845	8.0744	8.1756	8.1897	8.1168	8.3151	8.5213	8.4566
13	8.1532	8.0915	8.1548	8.1731	8.1550	8.1318	8.2127	8.2613	8.1649	8.3510	8.5439	8.4897
14	8.2069	8.1579	8.3208	8.2356	8.2255	8.1892	8.2498	8.3329	8.2130	8.3870	8.5665	8.5227
15	8.2605	8.2244	8.3011	8.2982	8.2960	8.2466	8.2869	8.4045	8.2610	8.4230	8.5890	8.5557
16	8.3142	8.2909	8.2813	8.3607	8.3665	8.3040	8.3240	8.4761	8.3091	8.4590	8.6116	8.5887
17	8.3075	8.3523	8.2665	8.4094	8.4117	8.3424	8.3612	8.5095	8.3266	8.4950	8.6182	8.5943
18	8.3113	8.3557	8.2777	8.4146	8.4052	8.3537	8.3983	8.5134	8.3285	–	8.6215	8.5972
19	8.3155	8.3591	8.2889	8.4198	8.3986	8.3651	8.4354	8.5173	8.3305	–	8.6248	8.6002
20	8.3197	8.3625	8.3002	8.4250	8.3920	8.3764	8.4725	8.5212	8.3324	–	8.6282	8.6031
21	8.3239	8.3659	8.3114	8.4302	8.3855	8.3877	8.5096	8.5251	8.3343	–	8.6315	8.6060
22	8.3398	8.3694	8.3219	8.4349	8.3845	8.3981	8.5164	8.5284	8.3363	–	8.6348	–
23	8.2960	8.3728	8.3284	8.4383	8.3950	8.4066	8.5220	8.5318	8.3382	–	8.6382	–
24	8.2517	8.3760	8.3349	8.4417	8.4054	8.4152	8.5276	8.5351	8.3402	–	8.6415	–
25	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 June 3, 2011						
Amount	71,273	128	14,312	23,571	8,994	9,606
Repo Rate Min.	2.50	6.12	4.75	4.75	5.25	5.75
Repo Rate Max.	8.60	7.24	7.30	7.30	7.35	7.35
Repo Period Min.	1	1	1	1	1	1
Repo Period Max.	14	1	3	3	3	3
II June 10, 2011						
Amount	40,151	923	11,179	16,110	3,991	8,884
Repo Rate Min.	4.00	7.25	6.85	7.15	7.10	7.10
Repo Rate Max.	8.75	7.30	7.30	7.30	7.30	7.40
Repo Period Min.	1	1	1	1	1	1
Repo Period Max.	15	3	3	3	3	1
III June 17, 2011						
Amount	57,763	914	11,923	16,578	3,299	9,888
Repo Rate Min.	3.00	7.00	7.00	5.25	7.20	5.10
Repo Rate Max.	9.00	7.31	7.50	7.50	7.45	7.50
Repo Period Min.	1	1	1	1	1	1
Repo Period Max.	15	3	3	3	1	3
IV June 24, 2011						
Amount	43,784	676	9,568	14,217	1,911	4,811
Repo Rate Min.	7.20	7.48	7.40	6.75	7.50	7.30
Repo Rate Max.	9.25	7.70	7.60	7.60	7.60	7.60
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)	Mar. 31, 2011	Apr. 30, 2011	May 31, 2011	Jun. 30, 2011
			1	2	3	4	5	6	7
6.72 *	Jul.	18,	2012	4.36	7.31	7.31	7.73	8.05	8.02
8.00	Apr.	27,	2011	5.30	7.17	7.17	–	–	–
10.95	May	30,	2011	5.36	7.23	7.23	7.63	–	–
9.39	Jul.	2,	2011	5.18	7.29	7.29	7.70	8.03	8.01
11.50	Aug.	5,	2011	5.27	7.34	7.34	7.76	8.07	8.04
FRB	Aug.	8,	2011	4.22	7.56	7.56	7.63	8.04	8.41
12.00	Oct.	21,	2011	5.47	7.47	7.47	7.91	8.16	8.09
11.50	Nov.	24,	2011	5.68	7.50	7.50	7.95	8.20	8.11
6.85	Apr.	5,	2012	6.19	7.50	7.50	7.95	8.24	8.13
7.40	May	3,	2012	6.17	7.44	7.44	7.95	8.24	8.11
10.25	Jun.	1,	2012	6.34	7.49	7.49	7.97	8.24	8.13
11.03	Jul.	18,	2012	6.30	7.51	7.51	7.99	8.25	8.13
9.40	Sep.	11,	2012	6.49	7.53	7.53	7.99	8.25	8.14
FRB	Nov.	10,	2012	4.79	7.26	7.26	7.65	8.08	8.46
9.00	May	24,	2013	6.51	7.54	7.54	7.95	8.26	8.20
9.81	May	30,	2013	6.71	7.54	7.54	7.95	8.26	8.20
12.40	Aug.	20,	2013	6.79	7.56	7.56	7.95	8.27	8.22
7.27	Sep.	3,	2013	6.74	7.57	7.57	7.95	8.27	8.22
FRB	Sep.	10,	2013	4.54	6.74	6.74	7.68	8.11	8.56
5.32	Feb.	16,	2014	7.04	7.74	7.74	8.02	8.33	8.28
6.72	Feb.	24,	2014	7.23	7.74	7.74	8.02	8.33	8.28
7.37	Apr.	16,	2014	7.14	7.77	7.77	8.05	8.35	8.29
6.07	May	15,	2014	7.22	7.79	7.79	8.06	8.36	8.30
FRB	May	20,	2014	4.01	5.12	5.12	7.67	8.10	8.43
10.00	May	30,	2014	7.33	7.79	7.79	8.07	8.36	8.30
7.32	Oct.	20,	2014	7.25	7.87	7.87	8.15	8.42	8.32
10.50	Oct.	29,	2014	7.39	7.87	7.87	8.15	8.42	8.32
7.56	Nov.	3,	2014	7.17	7.88	7.88	8.15	8.43	8.32
11.83	Nov.	12,	2014	7.50	7.87	7.87	8.15	8.42	8.32
10.47	Feb.	12,	2015	7.82	7.84	7.84	8.19	8.45	8.33
10.79	May	19,	2015	7.67	7.89	7.89	8.22	8.47	8.33
11.50	May	21,	2015	7.67	7.88	7.88	8.22	8.47	8.33
6.49	Jun.	8,	2015	7.51	7.91	7.91	8.24	8.49	8.34
7.17	Jun.	14,	2015	–	7.90	7.90	8.23	8.48	8.34
FRB	Jul.	2,	2015	4.08	5.71	5.71	7.73	8.16	8.48
11.43	Aug.	7,	2015	7.60	7.91	7.91	8.24	8.48	8.34
FRB	Aug.	10,	2015	3.98	6.26	6.26	7.86	8.29	8.51
7.38	Sep.	3,	2015	7.49	7.94	7.94	8.25	8.49	8.34
9.85	Oct.	16,	2015	7.65	7.94	7.94	8.25	8.49	8.34
7.59	Apr.	12,	2016	7.43	7.99	7.99	8.24	8.49	8.35
10.71	Apr.	19,	2016	7.63	7.98	7.98	8.24	8.49	8.35
FRB	May	7,	2016	3.97	5.15	5.15	7.72	8.15	8.48
5.59	Jun.	4,	2016	7.72	8.01	8.01	8.25	8.50	8.37
12.30	Jul.	2,	2016	7.73	7.98	7.98	8.23	8.48	8.36
7.02	Aug.	17,	2016	7.60	8.00	8.00	8.24	8.49	8.37

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)	Mar. 31, 2011	Apr. 30, 2011	May 31, 2011	Jun. 30, 2011
			1	2	3	4	5	6	7
8.07	Jan.	15,	2017	7.57	7.97	7.97	8.21	8.48	8.40
7.49	Apr.	16,	2017	7.43	7.96	7.96	8.20	8.48	8.40
FRB	Jul.	2,	2017	4.65	7.42	7.42	7.81	8.00	8.40
7.99	Jul.	9,	2017	7.72	7.95	7.95	8.20	8.48	8.42
7.46	Aug.	28,	2017	7.49	7.97	7.97	8.20	8.48	8.41
6.25	Jan.	2,	2018	7.82	7.95	7.95	8.19	8.49	8.39
7.83	Apr.	11,	2018	–	–	–	8.19	8.49	8.37
8.24	Apr.	22,	2018	7.60	7.94	7.94	8.18	8.49	8.37
10.45	Apr.	30,	2018	7.75	7.94	7.94	8.18	8.49	8.36
5.69	Sep.	25,	2018	7.83	7.95	7.95	8.17	8.49	8.35
12.60	Nov.	23,	2018	7.78	7.93	7.93	8.16	8.48	8.34
5.64	Jan.	2,	2019	7.88	8.02	8.02	8.16	8.48	8.34
6.05	Feb.	2,	2019	7.29	8.02	8.02	8.15	8.47	8.33
6.05	Jun.	12,	2019	7.90	8.02	8.02	8.13	8.46	8.32
6.90	Jul.	13,	2019	7.82	8.02	8.02	8.13	8.45	8.32
10.03	Aug.	9,	2019	7.90	8.02	8.02	8.13	8.45	8.32
6.35	Jan.	2,	2020	7.85	7.99	7.99	8.12	8.43	8.30
10.70	Apr.	22,	2020	7.92	7.98	7.98	8.15	8.42	8.31
7.80	May	3,	2020	–	7.98	7.98	8.20	8.42	8.30
FRB	Dec.	21,	2020	4.62	8.04	8.04	8.13	8.57	8.86
11.60	Dec.	27,	2020	7.94	8.01	8.01	8.16	8.42	8.32
7.80	Apr.	11,	2021	–	–	–	8.13	8.41	8.33
7.94	May	24,	2021	7.94	8.06	8.06	8.14	8.42	8.33
10.25	May	30,	2021	8.17	8.05	8.05	8.14	8.42	8.33
8.20	Feb.	15,	2022	8.10	8.10	8.10	8.23	8.47	8.38
8.35	May	14,	2022	8.18	8.09	8.09	8.26	8.49	8.40
8.08	Aug.	2,	2022	8.19	8.08	8.08	8.30	8.51	8.42
5.87	Aug.	28,	2022	8.14	8.12	8.12	8.31	8.52	8.43
8.13	Sep.	21,	2022	8.05	8.09	8.09	8.30	8.51	8.42
6.30	Apr.	9,	2023	8.16	8.16	8.16	8.38	8.56	8.48
6.17	Jun.	12,	2023	8.17	8.17	8.17	8.40	8.57	8.49
7.35	Jun.	22,	2024	8.03	8.21	8.21	8.45	8.60	8.54
5.97	Sep.	25,	2025	8.34	8.29	8.29	8.52	8.64	8.59
10.18	Sep.	11,	2026	8.37	8.28	8.28	8.48	8.62	8.57
8.24	Feb.	15,	2027	8.25	8.33	8.33	8.50	8.62	8.60
8.26	Aug.	2,	2027	8.27	8.33	8.33	8.50	8.62	8.60
8.28	Sep.	21,	2027	8.40	8.35	8.35	8.51	8.62	8.60
6.01	Mar.	25,	2028	8.47	8.40	8.40	8.54	8.64	8.63
6.13	Jun.	4,	2028	8.46	8.40	8.40	8.54	8.64	8.63
8.28	Feb.	15,	2032	8.30	8.39	8.39	8.52	8.63	8.63
8.32	Aug.	2,	2032	8.41	8.40	8.40	8.52	8.63	8.63
7.95	Aug.	28,	2032	8.32	8.41	8.41	8.52	8.64	8.63
8.33	Sep.	21,	2032	8.41	8.40	8.40	8.52	8.63	8.63
7.50	Aug.	10,	2034	8.27	8.41	8.41	8.53	8.64	8.63
7.40	Sep.	9,	2035	8.24	8.41	8.41	8.53	8.64	8.63
8.33	Jun.	7,	2036	8.30	8.39	8.39	8.53	8.64	8.62
6.83	Jan.	19,	2039	8.28	8.38	8.38	8.54	8.65	8.62
8.30	Jul.	2,	2040	–	8.36	8.36	8.54	8.64	8.60

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

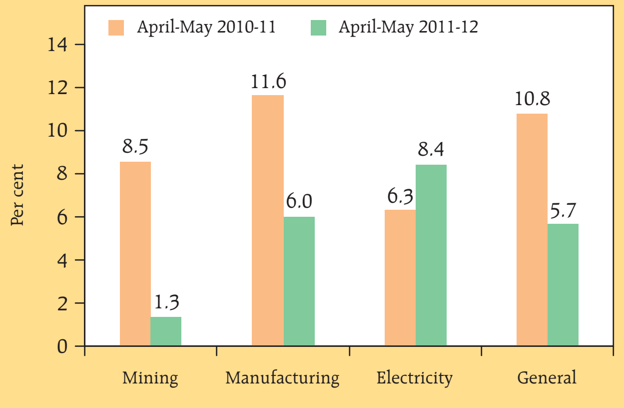
No. 28: Group - Wise Index Number of Industrial Production

(Base : 2004-05=100)

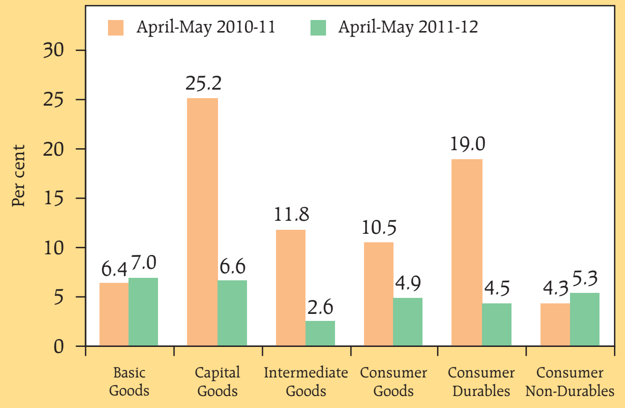
Sr. No.	Industry	Weight	Annual			Cumulative		Monthly	
			2008-09	2009-10	2010-11 P	April-May		May	
						2010-11	2011-12 P	2010	2011 P
		1	2	3	4	5	6	7	8
	General Index	**100.00**	**145.2**	**152.9**	**165.4**	**157.2**	**166.1**	**156.5**	**165.3**
I.	**Sectoral Classification**								
1	Mining and Quarrying	**14.16**	115.4	124.5	131.0	127.5	129.2	128.6	130.4
2	Manufacturing	**75.53**	153.8	161.3	175.6	165.4	175.3	164.2	173.4
3	Electricity	**10.32**	123.3	130.8	138.0	138.0	149.6	139.0	153.3
II.	**Use-Based Classification**								
1	Basic Goods	**45.68**	128.1	134.1	142.1	137.3	146.9	139.0	149.1
2	Capital Goods	**8.82**	240.6	243.0	279.1	241.2	257.2	234.1	248.0
3	Intermediate Goods	**15.69**	127.6	135.3	145.1	141.3	145.0	143.5	144.9
4	Consumer Goods	**29.81**	152.6	164.3	178.1	171.2	179.6	167.3	176.4
4(a)	Consumer Durables	**8.46**	215.4	252.0	287.4	277.5	289.9	268.9	283.0
4(b)	Consumer Non-Durables	**21.35**	127.7	129.5	134.8	129.1	135.9	127.0	134.1

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

Sectoral Growth of Industrial Production



Growth in IIP: Use-based Classification



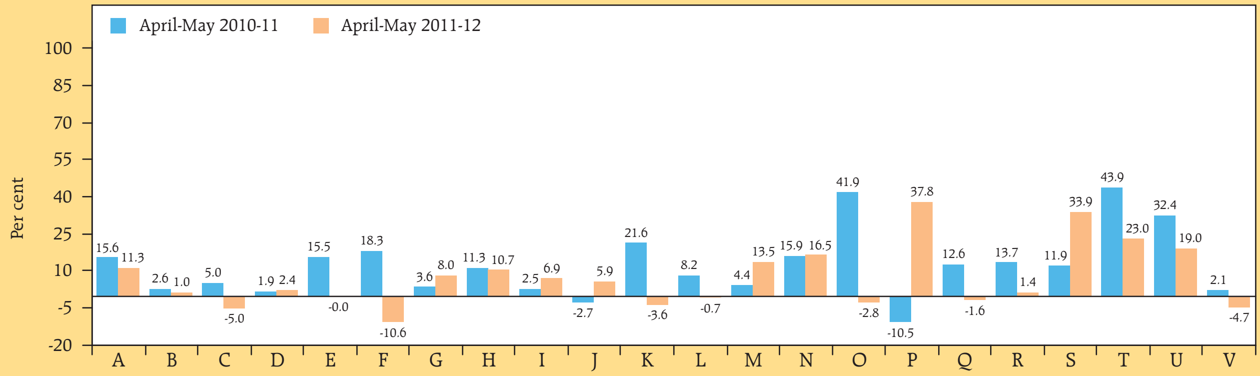
No. 29: IIP - 22 Major Industry Groups of Manufacturing Sector

(Base : 2004-05=100)

Industry Group	Industry	Weight	Annual			Cumulative		Monthly	
			2008-09	2009-10	2010-11P	April-May		May	
						2010-11	2011-12P	2010	2011P
		1	2	3	4	5	6	7	8
	Manufacturing Index	**75.53**	**153.8**	**161.3**	**175.6**	**165.4**	**175.3**	**164.2**	**173.4**
15	Food products and beverages	7.28	135.4	133.5	142.6	130.1	144.8	122.8	138.6
16	Tobacco products	1.57	102.7	102.0	104.0	111.2	112.3	108.1	108.0
17	Textiles	6.16	120.1	127.4	135.8	131.5	124.9	131.9	123.2
18	Wearing apparel; dressing and dyeing of fur	2.78	134.6	137.1	142.5	143.1	146.5	142.8	141.9
19	Luggage, handbags, saddlery, harness & footwear; tanning and dressing of leather products	0.58	104.4	105.8	114.2	116.0	115.9	123.1	116.7
20	Wood and wood products of wood & cork except furniture; articles of straw & plating materials	1.05	155.3	160.1	156.5	168.7	150.8	169.1	157.9
21	Paper and paper products	0.10	118.0	121.1	131.3	124.4	134.4	130.0	135.6
22	Publishing, printing & reproduction of recorded media	1.08	142.4	133.8	148.8	143.4	158.7	146.8	160.7
23	Coke, refined petroleum products & nuclear fuel	6.71	123.4	121.8	121.5	116.7	124.8	117.7	126.1
24	Chemicals and chemical products	10.06	115.0	120.7	122.8	117.5	124.4	120.7	125.5
25	Rubber and plastic products	2.02	142.6	167.4	184.8	188.2	181.4	190.4	183.2
26	Other non-metallic mineral products	4.31	134.9	145.4	151.2	155.0	154.0	154.2	154.2
27	Basic metals	11.33	159.0	162.4	176.6	163.6	185.6	166.5	188.8
28	Fabricated metal products, except machinery and equipment	3.08	144.0	158.6	182.4	144.3	168.1	150.8	171.7
29	Machinery and equipment n.e.c	3.76	171.0	198.0	256.2	254.1	247.0	251.7	238.8
30	Office, accounting & computing machinery	0.30	148.8	154.4	145.6	104.7	144.3	100.8	137.5
31	Electrical machinery & apparatus n.e.c	1.98	530.8	459.2	472.1	448.3	441.1	410.0	384.8
32	Radio, TV and communication equipment & apparatus	0.99	726.7	809.1	912.4	799.4	810.9	807.6	813.4
33	Medical, precision & optical instruments, watches and clocks	0.57	119.8	100.9	107.6	91.4	122.4	94.7	135.3
34	Motor vehicles, trailers & semi-trailers	4.06	138.0	179.1	233.3	203.2	249.9	195.4	240.5
35	Other transport equipment	1.82	134.0	171.1	210.7	183.5	218.3	182.2	218.5
36	Furniture, manufacturing n.e.c	2.99	142.5	152.7	141.3	148.5	141.5	137.4	149.9

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	2009-10 (April-March)		2010-11 (April-March)		2010-11 (April)		2011-12 (April)	
	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount
	1	2	3	4	5	6	7	8
1) Equity Shares (a+b)	67	25,298.7	70	24,830.1	5	2,304.1	6	2,023.5
	(64)	(20,759.4)	(67)	(20,218.7)	(5)	(2,044.5)	(6)	(1,159.6)
a) Prospectus	39	17,160.1	51	19,677.7	5	2,304.1	6	2,023.5
	(38)	(13,203.7)	(50)	(15,438.6)	(5)	(2,044.5)	(6)	(1,159.6)
b) Rights	28	8,138.6	19	5,152.4	–	–	–	–
	(26)	(7,555.7)	(17)	(4,780.1)	–	–	–	–
2) Preference Shares (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
3) Debentures (a+b)	1	180.0	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	1	180.0	–	–	–	–	–	–
of which:								
I) Convertible (a+b)	1	180.0	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	1	180.0	–	–	–	–	–	–
II) Non-Convertible (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
4) Bonds (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
5) TOTAL (1+2+3+4)	68	25,478.7	70	24,830.1	5	2,304.1	6	2,023.5
a) Prospectus	39	17,160.1	51	19,677.7	5	2,304.1	6	2,023.5
b) Rights	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
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
June	2011	18228.94	18845.87	17506.63	9554.25	9803.89	9196.70	5472.64	5647.40	5257.90

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
June		2011	5,297.21
Week ended			
May	6,	2011	775.48
May	13,	2011	366.87
May	20,	2011	347.77
May	27,	2011	796.91
June	3,	2011	1,149.83
June	10,	2011	1,592.76
June	17,	2011	1,059.56
June	24,	2011	922.87

* 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
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
July	2011	22,662	55,305

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					
					Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
	1	2	3	4	5	6	7	8	9	10	11
All India (2)	**4.63**	**193**	**163**	**180**	**185**	**188**	**185**	**185**	**186**	**187**	**189**
Ahmedabad	4.62	196	157	175	183	183	177	177	180	180	181
Alwaye (Ernakulam)	4.52	176	156	171	175	179	179	179	181	183	184
Asansol	4.37	189	178	199	206	207	203	203	206	206	210
Bangalore	4.51	183	171	185	186	196	187	188	190	192	192
Bhavnagar	4.76	198	154	178	184	187	182	181	182	184	188
Bhopal	4.83	196	168	190	193	204	199	198	198	197	201
Chandigarh	5.26	189	161	180	182	192	190	189	190	190	195
Chennai	4.95	189	153	163	169	172	167	163	164	166	167
Coimbatore	4.49	178	156	168	176	180	173	171	172	172	171
Delhi	5.60	201	152	166	169	173	170	169	172	172	172
Faridabad	4.79	187	167	186	188	193	189	190	191	191	190
Guwahati	4.80	195	147	158	163	163	162	162	164	162	167
Howrah	5.42	212	159	173	178	177	175	176	177	179	182
Hyderabad	4.79	182	156	167	170	172	170	169	169	170	171
Jaipur	4.25	190	165	183	186	190	188	188	187	187	188
Jamshedpur	4.23	187	165	189	194	205	205	203	205	207	208
Kolkata	5.12	203	161	176	180	180	178	178	180	181	183
Ludhiana	4.12	193	165	177	178	182	178	178	180	188	185
Madurai	4.51	192	152	165	170	172	169	168	168	169	171
Monghyr-Jamalpur	4.30	189	169	185	190	190	192	193	196	195	194
Mumbai	5.18	201	163	178	184	187	183	183	184	186	189
Mundakayam	4.37	184	162	179	184	189	186	186	186	191	193
Nagpur	4.68	201	183	207	214	217	212	210	214	215	217
Puducherry	4.88	204	167	174	182	182	179	177	177	177	182
Rourkela	4.03	179	172	192	198	201	199	197	199	199	200
Kanpur	4.50	195	166	187	189	195	194	195	197	196	197
Solapur	4.73	197	166	182	188	189	190	193	193	198	198
Srinagar	5.62	184	149	162	165	166	164	170	169	168	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)	2009-10	2010-11	2010	2011					
					Jun.	Jan.	Feb.	Mar.	Apr.	May	Jun.
	1	2	3	4	5	6	7	8	9	10	11
All India	**830**	**5.89**	**530**	**577**	**547**	**589**	**584**	**585**	**587**	**592**	**598**
Andhra Pradesh	657	4.84	552	603	580	619	608	611	615	625	638
Assam	854	(3)	520	580	540	585	581	584	588	595	600
Bihar	858	6.22	500	532	507	541	540	539	540	538	540
Gujarat	742	5.34	538	583	558	600	586	582	584	587	593
Haryana		(5)	588	642	610	654	648	648	653	650	654
Himachal Pradesh		(5)	455	484	464	492	480	482	479	479	482
Jammu & Kashmir	843	5.98	524	568	539	587	582	580	583	585	581
Karnataka	807	5.81	535	595	547	609	614	616	619	623	629
Kerala	939	6.56	496	562	521	576	577	575	576	580	586
Madhya Pradesh	862	6.04	525	569	541	582	578	576	578	581	583
Maharashtra	801	5.85	562	619	584	633	627	627	637	648	660
Manipur		(5)	455	527	482	534	535	538	543	549	554
Meghalaya		(5)	540	576	550	574	577	579	586	595	599
Orissa	830	6.05	495	538	511	553	541	535	539	541	543
Punjab	930	(4)	586	624	595	634	625	627	630	636	646
Rajasthan	885	6.15	573	608	580	616	614	617	621	628	637
Tamil Nadu	784	5.67	514	565	534	579	578	583	579	583	589
Tripura		(5)	466	514	472	530	525	526	526	526	533
Uttar Pradesh	960	6.60	535	566	542	573	572	576	569	575	577
West Bengal	842	5.73	504	561	530	569	560	559	565	570	569

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)	2009-10	2010-11	2010		2011					
				Jun.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
	1	2	3	4	5	6	7	8	9	10	11
All India	**240**	**529**	**577**	**547**	**580**	**588**	**584**	**584**	**587**	**592**	**597**
Andhra Pradesh	244	550	599	577	600	615	604	606	611	620	633
Assam	243	524	583	543	589	588	584	588	591	597	602
Bihar	223	500	532	508	538	541	540	539	541	538	541
Gujarat	241	538	583	558	595	598	586	581	584	587	593
Haryana	237	583	638	606	637	648	642	643	649	645	648
Himachal Pradesh	221	474	503	485	504	510	496	500	499	500	504
Jammu & Kashmir	225	521	564	536	570	583	577	575	577	580	576
Karnataka	250	534	594	547	594	608	613	614	618	622	628
Kerala	260	502	566	527	566	578	579	577	579	583	588
Madhya Pradesh	239	532	576	549	576	588	585	583	585	588	590
Maharashtra	247	557	613	578	619	628	621	622	631	641	652
Manipur	245	456	529	483	533	537	537	541	545	551	557
Meghalaya	250	535	572	547	575	571	574	576	583	592	595
Orissa	236	496	538	511	556	553	541	535	540	541	543
Punjab	247	585	622	595	621	631	623	624	628	633	642
Rajasthan	239	567	600	574	596	608	606	609	613	620	628
Tamil Nadu	244	509	559	528	559	573	572	577	574	577	583
Tripura	219	462	512	468	522	529	524	524	524	524	529
Uttar Pradesh	231	532	571	539	562	570	569	572	567	573	576
West Bengal	232	506	564	532	570	573	563	563	568	573	573

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

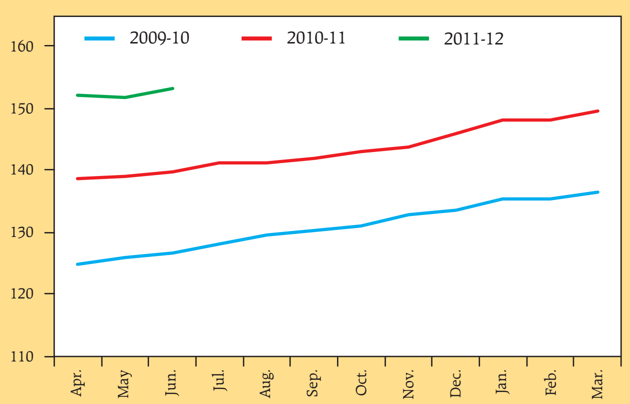
No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups

(Base: 2004-05=100)

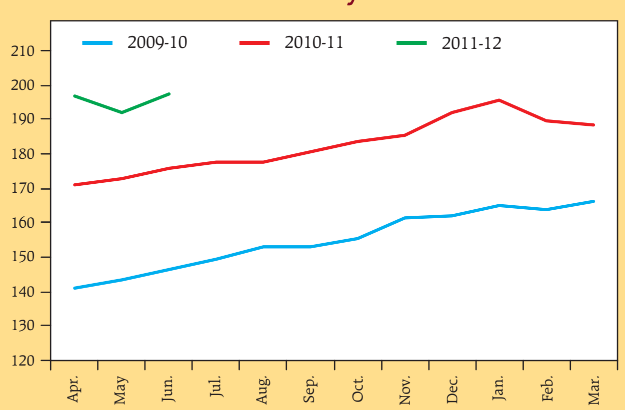
Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2009-10	2010-11	2010	2011					
		April-March			Jun.	Jan.	Feb.	Mar.	Apr.	May (P)	Jun. (P)
	1	2	3	4	5	6	7	8	9	10	11
ALL COMMODITIES	**100.000**	**104.5**	**130.8**	**143.3**	**139.8**	**148.0**	**148.1**	**149.5**	**152.1**	**151.7**	**153.0**
I. PRIMARY ARTICLES	**20.118**	**104.3**	**154.9**	**182.4**	**176.0**	**195.3**	**189.6**	**188.2**	**196.8**	**192.1**	**197.5**
(A) Food articles	**14.337**	**105.4**	**155.4**	**179.6**	**175.4**	**192.4**	**181.3**	**179.0**	**186.8**	**186.5**	**190.1**
a. Food Grains											
(Cereals+Pulses)	4.090	107.3	166.4	174.4	173.4	176.4	178.2	175.6	175.5	175.8	176.2
a1. Cereals	3.373	106.0	161.2	169.7	166.3	173.5	175.0	172.3	172.5	173.4	174.0
a2. Pulses	0.717	113.3	190.8	196.9	206.8	189.9	193.4	191.0	189.6	187.2	186.7
b. Fruits & Vegetables	3.843	108.0	147.8	172.1	168.3	206.6	165.1	165.9	193.9	185.0	185.9
b1. Vegetables	1.736	113.7	161.8	182.8	175.1	261.1	158.3	143.3	146.8	148.5	161.9
b2. Fruits	2.107	103.3	136.2	163.2	162.7	161.8	170.7	184.5	232.7	215.0	205.7
c. Milk	3.238	101.0	146.4	175.9	171.9	179.3	180.4	174.6	175.4	182.9	193.4
d. Eggs, Meat & Fish	2.414	106.3	151.5	190.1	184.3	193.2	192.0	195.4	195.5	197.0	201.9
e. Condiments & Spices	0.569	94.5	182.7	244.0	220.5	284.6	267.8	246.8	243.4	248.5	243.2
f. Other Food Articles	0.183	107.8	196.2	181.9	173.7	186.7	192.6	179.6	201.8	188.5	204.8
(B) Non-Food Articles	**4.258**	**96.7**	**136.2**	**166.6**	**152.9**	**181.8**	**191.6**	**191.4**	**192.2**	**184.5**	**181.3**
a. Fibres	0.877	96.4	140.0	198.4	157.6	234.1	281.0	283.6	285.7	245.3	226.6
b. Oil Seeds	1.781	90.4	135.0	141.3	137.7	144.9	150.2	151.0	152.5	154.5	155.9
c. Other Non-Food Articles	1.386	103.9	128.7	176.7	167.6	185.3	192.9	194.3	195.5	190.9	190.4
d. Flowers	0.213	103.8	179.2	181.9	165.1	252.4	161.4	130.9	118.2	144.6	147.6
(C) Minerals	**1.524**	**115.2**	**202.9**	**253.3**	**246.0**	**260.0**	**263.1**	**266.8**	**303.6**	**266.7**	**312.5**
a. Metallic Minerals	0.489	127.9	258.3	373.8	371.7	376.1	385.9	397.3	403.9	396.7	405.9
b. Other Minerals	0.135	104.8	146.0	153.4	144.0	160.8	160.3	161.3	163.4	161.9	163.6
c. Crude Petroleum	0.900	109.8	181.4	202.8	192.9	211.8	211.8	211.8	270.0	211.8	284.1
II. FUEL & POWER	**14.910**	**113.6**	**132.1**	**148.3**	**143.2**	**151.3**	**153.5**	**157.6**	**159.5**	**160.4**	**161.6**
a. Coal	2.094	117.6	156.5	165.3	163.0	163.1	169.3	184.6	184.6	184.6	184.6
b. Mineral Oils	9.364	116.7	135.8	157.5	149.5	163.0	165.1	168.2	171.1	172.6	174.6
c. Electricity	3.452	102.6	107.4	113.2	114.0	112.5	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

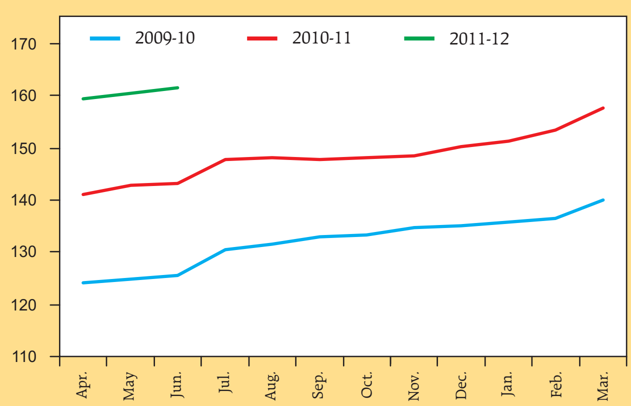


No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups *(Contd.)*

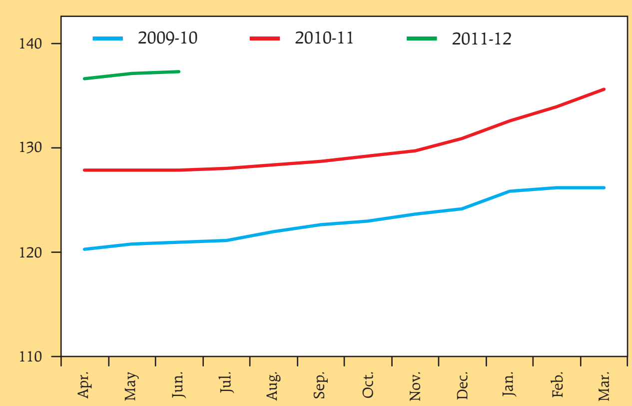
(Base: 2004-05=100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2009-10	2010-11	2010	2011					
		April-March			Jun.	Jan.	Feb.	Mar.	Apr.	May (P)	Jun. (P)
	1	2	3	4	5	6	7	8	9	10	11
III. MANUFACTURED PRODUCTS	**64.972**	**102.4**	**123.1**	**130.1**	**127.8**	**132.6**	**134.0**	**135.6**	**136.6**	**137.2**	**137.3**
(A) Food Products	**9.974**	**101.2**	**136.1**	**141.2**	**136.8**	**145.3**	**145.1**	**145.1**	**146.2**	**147.5**	**148.4**
a. Dairy Products	0.568	99.5	138.8	152.1	152.1	153.2	154.4	156.4	157.2	159.2	160.8
b. Canning, Preserving & Processing of Food	0.358	101.7	121.1	127.2	125.1	128.2	128.1	129.8	131.4	134.3	137.7
c. Grain Mill Products	1.340	104.8	138.0	145.8	142.6	149.1	149.6	149.3	147.5	147.5	146.4
d. Bakery Products	0.444	101.3	116.3	126.3	126.3	126.9	126.8	124.8	125.2	124.8	124.8
e. Sugar, Khandsari & Gur	2.089	108.8	161.9	160.5	152.8	166.6	163.0	163.9	164.6	163.9	162.4
f. Edible Oils	3.043	94.1	114.4	120.6	115.2	127.2	129.4	128.8	129.7	132.1	132.8
g. Oil Cakes	0.494	97.7	167.3	168.6	161.2	171.8	171.1	169.1	169.8	169.0	168.4
h. Tea & Coffee Proccessing	0.711	99.4	144.8	149.8	147.2	147.3	140.8	140.6	148.6	156.8	165.3
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	139.5	145.2	147.4	147.9	149.9	149.8	153.6
(B) Beverages, Tobacco & Tobacco Products	**1.762**	**104.7**	**136.2**	**146.2**	**143.8**	**150.6**	**151.5**	**154.5**	**155.1**	**155.1**	**160.6**
a. Wine Industries	0.385	105.8	116.3	118.3	117.9	117.7	120.6	120.4	120.8	121.2	121.2
b. Malt Liquor	0.153	108.8	150.5	164.3	159.8	167.8	165.0	169.8	169.8	169.8	169.8
c. Soft Drinks & Carbonated Water	0.241	111.5	135.1	144.1	143.3	142.8	144.7	151.8	152.1	151.0	150.7
d. Manufacture of Bidi, Cigarettes, Tobacco & Zarda	0.983	101.9	142.0	154.8	151.7	162.6	163.1	166.1	167.0	167.0	177.0
(C) Textiles	**7.326**	**98.9**	**106.7**	**119.6**	**115.5**	**124.8**	**128.0**	**132.4**	**133.8**	**133.8**	**132.5**
a. Cotton Textiles	2.605	97.1	108.8	129.2	121.4	138.7	145.5	154.7	157.3	157.8	153.8
a1. Cotton Yarn	1.377	95.2	110.6	141.8	129.9	155.5	165.0	178.6	181.2	180.4	171.8
a2. Cotton Fabric	1.228	99.2	106.8	115.1	111.9	119.8	123.7	128.0	130.5	132.5	133.4
b. Man Made Textiles	2.206	98.4	102.9	113.6	109.6	117.4	120.3	122.1	122.9	122.1	120.3
b1. Man Made Fibre	1.672	97.7	101.9	114.4	109.7	118.9	122.4	124.7	125.4	124.2	121.3
b2. Man Made Fabric	0.533	100.5	105.8	111.0	109.6	112.8	113.9	113.9	115.2	115.8	117.1
c. Woollen Textiles	0.294	102.2	109.4	118.3	114.8	123.6	124.9	124.6	126.3	126.1	127.9
d. Jute Hemp & Mesta Textiles	0.261	111.6	145.8	164.9	158.3	180.2	182.3	182.1	183.9	184.1	184.2
e. Other Misc. Textiles	1.960	99.9	102.6	107.8	108.6	107.4	106.3	109.0	109.4	109.4	111.8

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			Jun.	Jan.	Feb.	Mar.	Apr.	May (P)	Jun. (P)
	1	2	3	4	5	6	7	8	9	10	11
(D) Wood & Wood Products	**0.587**	**105.7**	**143.3**	**149.0**	**146.8**	**150.3**	**151.1**	**151.7**	**153.1**	**154.4**	**157.3**
a. Timber/Wooden Planks	0.181	103.0	127.2	132.0	129.9	132.2	132.3	133.2	134.4	134.4	134.4
b. Processed Wood	0.128	105.3	141.0	153.1	146.8	156.4	164.8	165.4	163.9	164.8	166.9
c. Plywood & Fibre Board	0.241	108.4	160.2	164.2	164.3	165.1	163.0	163.1	165.6	168.2	173.9
d. Others	0.038	103.2	120.2	119.1	117.7	121.1	119.3	121.0	126.3	126.6	128.3
(E) Paper & Paper Products	**2.034**	**103.6**	**118.9**	**125.2**	**122.0**	**126.6**	**128.2**	**129.5**	**130.8**	**130.4**	**130.8**
a. Paper & Pulp	1.019	103.2	117.2	125.1	122.8	126.8	129.2	132.0	132.7	132.5	132.9
b. Manufacture of boards	0.550	101.6	117.7	122.7	122.2	123.1	124.4	123.4	126.0	124.3	124.7
c. Printing & Publishing	0.465	107.0	123.8	128.2	120.0	130.3	130.4	131.1	132.1	133.1	133.2
(F) Leather & Leather Products	**0.835**	**104.3**	**128.4**	**127.1**	**127.8**	**123.2**	**123.8**	**125.5**	**126.7**	**126.5**	**127.2**
a. Leathers	0.223	99.8	123.0	120.0	123.0	110.2	111.8	112.3	110.9	112.5	112.5
b. Leather Footwear	0.409	107.8	134.7	135.5	135.1	134.4	133.7	135.8	139.4	138.3	139.7
c. Other Leather Products	0.203	102.1	121.4	118.0	118.4	114.9	117.1	119.3	118.5	118.2	118.1
(G) Rubber & Plastic Products	**2.987**	**101.9**	**118.2**	**126.1**	**123.0**	**130.0**	**131.3**	**133.0**	**133.5**	**133.6**	**132.6**
a. Tyres & Tubes	0.541	103.2	130.1	146.5	141.1	153.7	154.6	156.8	158.1	158.4	160.1
a1. Tyres	0.488	103.1	129.2	146.0	140.2	153.6	154.5	157.0	158.3	158.4	160.2
a2. Tubes	0.053	104.3	138.2	151.6	149.4	154.3	155.5	155.5	156.2	158.5	159.1
b. Plastic Products	1.861	101.1	113.4	119.1	116.6	122.5	123.0	124.1	124.4	124.4	122.1
c. Rubber Products	0.584	103.2	122.4	129.5	127.1	131.8	135.9	139.1	140.1	139.9	140.5
(H) Chemicals & Chemical Products	**12.018**	**103.8**	**117.8**	**124.0**	**122.4**	**125.9**	**127.7**	**129.3**	**131.0**	**131.3**	**131.4**
a. Basic Inorganic Chemicals	1.187	106.4	125.0	126.3	125.8	127.4	128.3	130.2	132.8	133.6	134.4
b. Basic Organic Chemicals	1.952	103.6	115.7	124.4	122.9	126.9	129.3	131.7	133.9	135.0	135.4
c. Fertilizers & Pesticides	3.145	102.2	108.5	116.3	115.0	117.0	119.2	119.7	121.6	122.6	122.7
c1. Fertilizers	2.661	102.2	108.2	116.8	115.3	117.8	120.3	120.7	122.9	124.1	124.6
c2. Pesticides	0.483	102.2	110.6	113.6	113.6	112.9	113.1	113.9	114.1	114.1	112.1
d. Paints, Varnishes & Lacquers	0.529	104.3	117.5	122.6	122.6	121.2	120.9	123.0	123.5	123.0	123.3
e. Dyestuffs & Indigo	0.563	102.3	111.9	116.3	115.1	118.1	117.8	119.0	119.3	120.1	120.2
f. Drugs & Medicines	0.456	101.3	112.7	115.4	114.6	116.7	117.0	116.8	117.9	117.9	117.7
g. Perfumes, Cosmetics, Toiletries etc.	1.130	104.5	134.8	138.5	136.5	140.4	142.6	142.8	142.8	142.7	143.0
h. Turpentine, Plastic Chemicals	0.586	109.6	117.4	123.4	121.3	124.8	126.0	130.0	131.4	132.0	132.5
i. Polymers Including Synthetic Rubber	0.970	103.0	116.3	123.4	121.1	126.5	128.3	130.5	132.2	130.1	129.6
j. Petrochemical Intermediates	0.869	105.1	127.7	137.4	132.8	144.6	149.8	153.6	157.7	155.8	155.4
k. Matches, Explosives & other Chemicals	0.629	102.7	123.8	128.7	127.8	129.2	130.3	130.6	131.8	132.1	131.9

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			Jun.	Jan.	Feb.	Mar.	Apr.	May (P)	Jun. (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**	**143.3**	**144.2**	**146.1**	**148.3**	**148.9**	**149.4**	**149.3**
a. Structural Clay Products	0.658	105.0	136.7	142.2	141.0	143.5	144.2	146.2	146.1	146.0	146.2
b. Glass, Earthenware, Chinaware & their Products	0.256	104.2	118.1	120.8	119.7	121.2	123.1	124.4	125.1	125.3	129.4
c. Cement & Lime	1.386	102.3	149.0	150.8	150.2	148.3	151.2	153.7	154.3	155.2	154.6
d. Cement, Slate & Graphite Products	0.256	104.3	129.9	141.0	135.5	146.4	146.8	148.3	150.2	151.3	149.1
(J) Basic Metals, Alloys & Metal Products	**10.748**	**102.2**	**129.5**	**140.7**	**138.3**	**143.5**	**146.6**	**148.3**	**149.3**	**149.7**	**150.6**
a. Ferrous Metals	8.064	100.1	123.1	133.8	132.6	135.9	139.5	140.9	141.7	141.8	142.8
a1. Iron & Semis	1.563	97.9	119.0	127.9	123.4	133.8	139.1	140.3	141.8	143.4	145.0
a2. Steel: Long	1.630	100.9	128.4	139.5	139.0	141.9	148.0	151.2	153.3	153.3	153.8
a3. Steel: Flat	2.611	99.0	118.3	135.1	134.1	136.8	140.1	141.2	141.2	141.3	141.7
a4. Steel: Pipes & Tubes	0.314	97.8	115.0	118.3	117.9	119.6	121.3	124.4	125.4	126.1	126.4
a5. Stainless Steel & alloys	0.938	106.2	137.9	142.8	143.1	140.4	141.3	140.8	140.0	139.7	142.1
a6. Castings & Forgings	0.871	103.8	121.7	123.4	124.5	124.5	125.5	126.6	127.7	126.7	127.2
a7. Ferro alloys	0.137	79.9	126.8	148.1	147.1	148.6	150.7	147.4	146.9	146.6	146.3
b. Non-Ferrous Metals	1.004	111.9	145.8	153.5	152.3	153.6	155.3	155.2	156.5	156.3	156.4
b1. Aluminium	0.489	108.3	121.4	126.3	125.1	125.0	126.4	126.5	127.3	127.2	127.7
b2. Other Non-Ferrous Metals	0.515	115.2	169.0	179.3	178.2	180.8	182.9	182.4	184.2	183.9	183.8
c. Metal Products	1.680	106.6	150.5	166.5	157.2	173.9	175.5	180.1	181.8	183.3	184.8
(K) Machinery & Machine Tools	**8.931**	**103.6**	**118.0**	**121.3**	**120.4**	**122.3**	**122.5**	**123.3**	**123.9**	**124.0**	**123.9**
a. Agricultural Machinery & Implements	0.139	106.4	123.2	133.7	133.7	133.2	132.6	133.1	132.7	132.0	132.9
b. Industrial Machinery	1.838	108.2	130.9	139.0	138.2	139.9	140.3	140.9	141.4	142.0	142.1
c. Construction Machinery	0.045	106.4	130.5	131.7	132.1	132.6	130.4	131.0	131.0	131.0	131.7
d. Machine Tools	0.367	105.8	120.4	135.9	129.5	140.4	142.6	145.4	146.9	147.4	143.4
e. Air Conditioner & Refrigerators	0.429	96.8	111.2	110.9	111.4	110.6	109.1	109.1	109.1	109.1	109.1
f. Non-Electrical Machinery	1.026	104.6	115.1	118.4	117.8	118.5	119.6	120.2	120.6	120.3	120.4
g. Electrical Machinery, Equipment & Batteries	2.343	103.1	122.1	123.9	123.2	125.1	125.1	126.4	127.2	127.4	127.4
h. Electrical Accessories, Wires, Cables etc.	1.063	108.4	132.6	133.5	131.9	135.0	135.5	136.7	137.1	136.8	136.9
i. Electrical Apparatus & Appliances	0.337	103.0	108.1	111.2	110.3	113.3	114.3	114.3	115.5	115.7	115.8
j. Electronics Items	0.961	94.9	86.2	84.5	84.1	84.5	84.0	84.4	84.3	84.8	84.2
k. IT Hardware	0.267	93.7	86.6	87.0	87.0	87.5	87.2	86.5	87.1	86.5	86.5
l. Communication Equipments	0.118	96.3	95.7	92.0	91.9	91.9	92.0	92.5	92.7	94.2	94.2
(L) Transport, Equipment & Parts	**5.213**	**102.7**	**116.8**	**120.3**	**120.2**	**121.5**	**121.6**	**122.4**	**122.6**	**124.9**	**122.8**
a. Automotives	4.231	102.2	115.9	120.0	120.0	121.1	120.8	121.6	121.8	124.5	121.9
b. Auto Parts	0.804	103.8	118.6	120.1	119.2	121.4	122.8	123.8	123.3	124.4	124.3
c. Other Transport Equipments	0.178	109.1	130.4	129.5	127.9	130.0	134.9	136.6	137.3	137.0	136.7

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	9,52,086	-5,18,202	-2,78,750	-2,39,452
2010-11	11,57,475	1,90,781	9,66,694	16,05,315	4,82,714	11,22,600	-4,47,840	-2,91,933	-1,55,907
2009-10									
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	11,368	61,634	1,21,212	38,174	83,037	-48,209	-26,806	-21,403
March	92,149	16,972	75,177	1,34,792	39,680	95,112	-42,643	-22,708	-19,935
2010-11 R									
April	78,953	12,462	66,490	1,33,486	42,070	91,416	-54,533	-29,608	-24,925
May	75,734	11,835	63,899	1,28,593	39,266	89,328	-52,859	-27,430	-25,429
June	92,893	15,569	77,324	1,20,530	36,464	84,066	-27,637	-20,894	-6,742
July	75,603	13,708	61,895	1,28,461	39,142	89,319	-52,858	-25,433	-27,424
August	78,486	14,116	64,370	1,28,563	33,329	95,234	-50,076	-19,213	-30,863
September	83,928	13,913	70,015	1,24,366	37,014	87,353	-40,438	-23,100	-17,338
October	79,838	15,464	64,374	1,29,425	35,793	93,632	-49,587	-20,329	-29,258
November	96,848	14,534	82,315	1,18,578	33,636	84,942	-21,729	-19,102	-2,627
December	1,19,155	17,876	1,01,279	1,30,940	38,157	92,783	-11,785	-20,281	8,496
January	1,11,875	21,897	89,978	1,49,870	44,119	1,05,751	-37,995	-22,221	-15,773
February	1,25,780	18,203	1,07,577	1,48,207	42,255	1,05,952	-22,427	-24,052	1,625
March	1,38,378	21,201	1,17,177	1,58,789	61,470	97,319	-20,411	-40,268	19,858
2011-12 P									
April	1,05,819	..	..	1,45,686	45,195	1,00,491	-39,867	..	..
May	1,16,488	..	..	1,83,691	45,628	1,38,063	-67,203	..	..
June	1,31,031	..	..	1,65,386	..	..	-34,355	..	..

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)

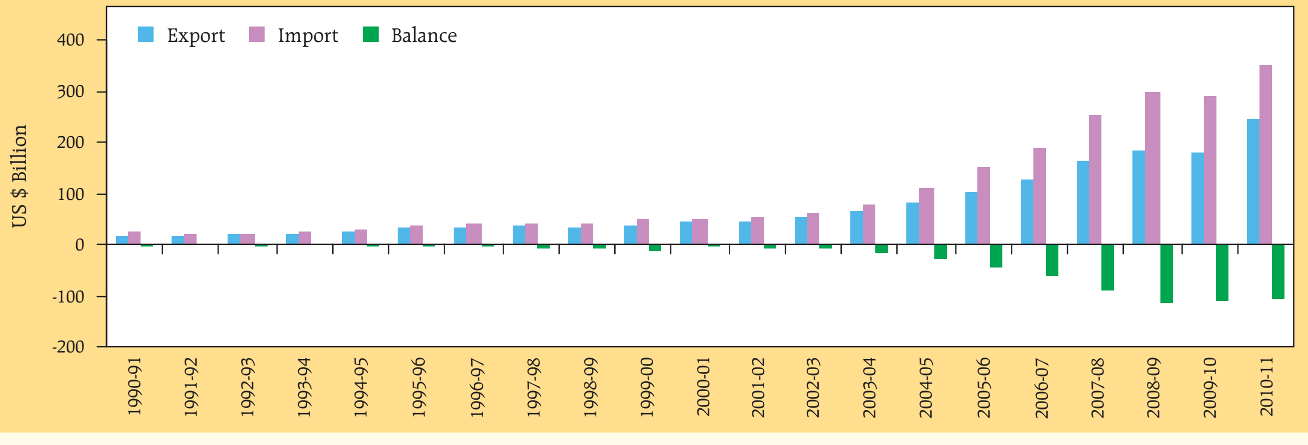
Year / Month	Exports			Imports			Trade Balance		
	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil
	1	2	3	4	5	6	7	8	9
2003-04	63,843	3,568	60,274	78,149	20,569	57,580	-14,307	-17,001	2,694
2004-05	83,536	6,989	76,547	111,517	29,844	81,673	-27,981	-22,855	-5,127
2005-06	103,091	11,640	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	178,751	28,192	150,559	288,373	87,136	201,237	-109,621	-58,944	-50,678
2010-11	254,402	41,918	212,484	352,575	106,068	246,507	-98,173	-64,150	-34,023
2009-10									
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	21,723	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	2,454	13,304	26,164	8,240	17,924	-10,406	-5,786	-4,620
March	20,254	3,730	16,524	29,627	8,722	20,905	-9,373	-4,991	-4,382
2010-11 R									
April	17,742	2,801	14,942	29,997	9,454	20,543	-12,255	-6,654	-5,601
May	16,532	2,583	13,948	28,070	8,571	19,499	-11,538	-5,988	-5,551
June	19,948	3,343	16,605	25,883	7,825	18,058	-5,935	-4,482	-1,453
July	16,142	2,927	13,215	27,427	8,357	19,070	-11,285	-5,430	-5,855
August	16,854	3,031	13,823	27,608	7,157	20,451	-10,753	-4,126	-6,628
September	18,221	3,021	15,200	27,000	8,036	18,964	-8,779	-5,015	-3,764
October	17,977	3,482	14,495	29,143	8,060	21,083	-11,166	-4,578	-6,588
November	21,513	3,228	18,285	26,340	7,472	18,868	-4,827	-4,243	-584
December	26,387	3,959	22,428	28,997	8,450	20,547	-2,610	-4,491	1,881
January	24,646	4,824	19,822	33,016	9,719	23,297	-8,370	-4,895	-3,475
February	27,683	4,006	23,677	32,619	9,300	23,319	-4,936	-5,294	358
March	30,757	4,712	26,044	35,293	13,663	21,631	-4,537	-8,950	4,414
2011-12 P									
April	23,849	..	..	32,834	10,186	22,648	-8,985	..	..
May	25,941	..	..	40,907	10,161	30,746	-14,966	..	..
June	29,213	..	..	36,872	10,180	26,692	-7,659	..	..

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 Credit	Apr-June 2008 Debit	Apr-June 2008 Net	July-Sept 2008 Credit	July-Sept 2008 Debit	July-Sept 2008 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	**151,197**	**169,079**	**-17,881**	**135,321**	**135,021**	**300**
(Total Current Account, Capital Account and Errors & Omissions (A+B+C))						
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	–	–	–	–	5,160	-5,160

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
June	12,67,626	283,458	1,10,317	24,668	2,883	20,632	4,614	13,303	2,975	14,11,878	315,715
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
June 17, 2011	12,51,794	278,610	1,09,832	24,391	2,883	20,655	4,597	13,318	2,964	13,95,599	310,562
June 24, 2011	12,45,256	277,093	1,09,832	24,391	2,883	20,591	4,582	13,276	2,954	13,88,955	309,020
July 1, 2011	12,67,626	283,458	1,10,317	24,668	2,883	20,632	4,614	13,303	2,975	14,11,878	315,715
July 8, 2011	12,51,942	282,414	1,10,317	24,668	2,883	20,314	4,582	13,098	2,955	13,95,671	314,619

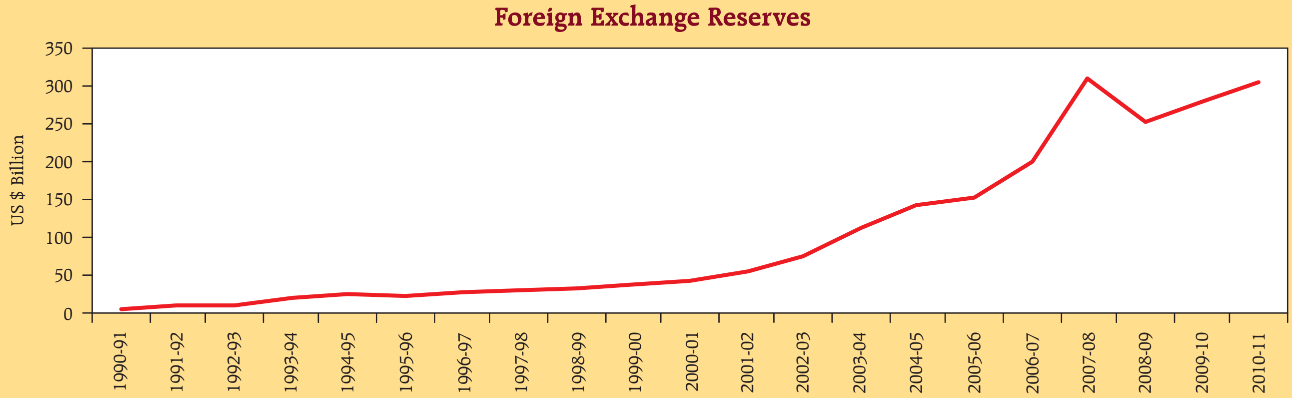
– Negligible   See 'Notes on Tables'

* 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	June
	1	2	3
1.FCNR(B) **	15,931	15,843	16,140
2. NR(E)RA	26,267	25,927	26,636
3.NRO	10,118	10,133	10,512
Total	**52,316**	**51,903**	**53,288**

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	June	Apr.-June
	1	2	3	4
1. FCNR(B)	334	-89	298	543
	(207)	-(307)	(210)	(110)
2. NR(E)RA	-277	144	344	211
	-(85)	(558)	(39)	(512)
3. NRO	350	202	236	788
	(197)	(272)	(29)	(498)
Total	**407**	**257**	**878**	**1,542**
	(319)	(523)	(278)	(1,120)

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	Jun.	Apr.-Jun.
	1	2	3	4
A. Direct Investment (I+II+III)	**3,121**	**4,664**	**5,656**	**13,441**
I. Equity (a+b+c+d)	3,121	4,664	5,656	13,441
a. Government (SIA/FIPB)	655	103	993	1,751
b. RBI	2,263	4,359	2,443	9,065
c. Acquisition of shares *	203	202	2,220	2,625
d. Equity capital of unincorporated bodies #	..	..	..	..
II. Reinvested earnings +	..	..	..	..
III. Other capital ++	..	..	..	..
B. Portfolio Investment (a+b+c)	**3,545**	**-1,584**	**789**	**2,750**
a. GDRs/ADRs ##	105	125	48	278
b. FIIs **	3,440	-1,709	741	2,472
c Offshore funds and others	–	–	–	–
Total (A+B)	**6,666**	**3,080**	**6,445**	**16,191**

* 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**	**1,163.5**

(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.	May
	1	2
1. Deposit	3.6	2.6
2. Purchase of immovable property	7.5	6.0
3. Investment in equity/debt	22.2	21.4
4. Gift	24.5	23.4
5. Donations	0.5	0.2
6. Travel	1.6	2.0
7. Maintenance of close relatives	61.1	11.2
8. Medical Treatment	0.8	0.4
9. Studies Abroad	7.7	7.9
10. Others **	11.7	8.5
Total (1 to 10)	**141.2**	**83.7**

– 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
June 1, 2011	44.8900	64.7600	44.8800	44.8900	73.8225	73.8625	64.6275	64.6600	55.1475	55.1875
June 2, 2011	44.9400	64.5800	44.9400	44.9500	73.4550	73.4850	64.5825	64.6075	55.4475	55.4950
June 3, 2011	44.8500	64.8900	44.8500	44.8600	73.2975	73.3275	64.9150	64.9350	55.5900	55.6375
June 6, 2011	44.7200	65.4700	44.7100	44.7200	73.4500	73.4875	65.4600	65.4875	55.6575	55.6775
June 7, 2011	44.7400	65.4800	44.7350	44.7450	73.2525	73.2825	65.4825	65.5150	55.6950	55.7300
June 8, 2011	44.6100	65.4700	44.6050	44.6150	73.2625	73.2925	65.4525	65.4850	55.7700	55.8025
June 9, 2011	44.7200	65.3800	44.7250	44.7350	73.4750	73.5050	65.3975	65.4200	55.8225	55.8550
June 10, 2011	44.7200	64.7200	44.7150	44.7250	72.9125	72.9425	64.7125	64.7300	55.8175	55.8375
June 13, 2011	44.8700	64.3700	44.8650	44.8750	72.8125	72.8400	64.3400	64.3650	55.7750	55.8075
June 14, 2011	44.7700	64.5500	44.7650	44.7750	73.4375	73.4675	64.5325	64.5525	55.7475	55.7800
June 15, 2011	44.6800	64.2900	44.6800	44.6900	73.0300	73.0600	64.3025	64.3225	55.5100	55.5425
June 16, 2011	44.9000	63.3900	44.8950	44.9050	72.5200	72.5575	63.3775	63.4050	55.5225	55.5675
June 17, 2011	44.9300	63.6200	44.9200	44.9300	72.3925	72.4225	63.5925	63.6175	55.7175	55.7525
June 20, 2011	44.9900	64.0100	44.9900	45.0000	72.5875	72.6125	63.9975	64.0175	55.1175	55.1375
June 21, 2011	44.9100	64.4800	44.9050	44.9150	72.8850	72.9200	64.4600	64.4925	55.9925	56.0175
June 22, 2011	44.8200	64.5800	44.8200	44.8300	72.8100	72.8450	64.5775	64.6100	55.8375	55.8700
June 23, 2011	44.9300	64.2100	44.9250	44.9350	72.0825	72.1125	64.2200	64.2475	55.8425	55.8675
June 24, 2011	44.9400	64.0900	44.9450	44.9550	71.8950	71.9325	64.0700	64.0975	55.8400	55.8800
June 27, 2011	45.1000	63.7500	45.0950	45.1050	71.8775	71.8975	63.7375	63.7700	55.8450	55.8775
June 28, 2011	45.0500	64.3400	45.0450	45.0550	71.9000	71.9300	64.3325	64.3575	55.7500	55.7900
June 29, 2011	44.9400	64.6000	44.9400	44.9500	71.8950	71.9325	64.5975	64.6200	55.4750	55.5075
June 30, 2011	44.7200	64.7900	44.7200	44.7300	71.9400	71.9700	64.7900	64.8175	55.5800	55.6125

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
June	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												
June 1, 2011	3,863	1,786	605	379	324	283	8,170	10,799	1,235	3,139	1,995	145
June 2, 2011	2,746	773	471	199	440	288	6,447	10,936	1,474	4,458	2,743	241
June 3, 2011	2,693	1,487	572	179	160	267	7,595	7,019	1,620	3,906	1,634	303
June 6, 2011	2,920	1,570	777	129	358	309	7,562	8,854	1,277	3,041	1,782	223
June 7, 2011	1,859	1,273	531	170	463	428	6,750	7,688	1,126	3,077	1,647	189
June 8, 2011	1,920	2,245	592	97	375	389	6,907	9,519	1,293	2,229	1,458	185
June 9, 2011	2,496	1,641	688	188	394	406	6,135	12,046	1,299	2,675	1,622	344
June 10, 2011	2,206	1,051	491	129	468	476	6,606	9,075	1,663	3,214	2,154	388
June 13, 2011	2,276	1,403	708	407	300	336	7,296	7,550	1,523	2,675	1,673	144
June 14, 2011	2,686	1,227	597	143	430	369	6,383	8,329	1,272	3,010	1,766	270
June 15, 2011	2,286	1,125	853	186	681	660	6,477	7,408	1,348	4,065	2,114	266
June 16, 2011	2,153	1,946	882	218	1,158	985	7,924	11,568	1,589	5,853	2,021	310
June 17, 2011	2,169	1,685	708	249	474	570	9,294	10,812	1,151	3,510	2,682	264
June 20, 2011	2,494	1,605	768	544	554	546	8,630	9,379	1,614	3,323	2,199	269
June 21, 2011	1,966	1,116	515	158	450	423	5,857	7,447	1,187	2,849	2,677	192
June 22, 2011	2,125	1,864	436	193	309	469	5,895	7,127	1,678	3,184	4,282	172
June 23, 2011	2,064	1,120	784	192	498	544	6,561	7,433	1,579	3,709	1,943	354
June 24, 2011	2,763	2,349	716	182	500	500	7,515	8,070	1,277	3,553	2,459	212
June 27, 2011	2,547	2,625	1,453	728	547	654	6,853	7,328	1,808	4,209	4,514	301
June 28, 2011	3,548	2,669	2,709	235	680	582	9,361	9,681	1,555	4,941	2,970	403
June 29, 2011	2,858	1,758	974	588	593	459	5,442	7,759	2,328	3,982	3,231	474
June 30, 2011	3,482	2,994	1,965	216	623	698	10,724	9,750	2,371	4,594	3,366	612
Sales												
June 1, 2011	3,016	2,405	1,012	380	312	294	8,667	10,429	1,806	3,148	2,159	123
June 2, 2011	2,040	1,325	614	182	421	306	6,536	10,700	1,479	4,435	2,882	174
June 3, 2011	3,159	1,192	582	177	220	226	7,377	6,749	1,649	3,831	1,948	296
June 6, 2011	3,103	1,362	614	143	379	242	7,542	8,469	1,295	3,002	1,944	192
June 7, 2011	1,984	1,606	773	164	448	413	6,967	7,501	1,086	3,062	1,763	140
June 8, 2011	2,251	1,651	1,145	90	373	395	6,878	9,018	1,427	2,195	1,480	164
June 9, 2011	1,966	1,973	903	172	397	472	6,781	11,634	1,450	2,669	1,777	357
June 10, 2011	2,116	1,301	500	126	480	489	6,930	8,302	1,654	3,178	2,293	368
June 13, 2011	3,015	1,360	354	396	329	320	7,250	7,283	1,818	2,638	1,808	135
June 14, 2011	2,256	1,307	573	153	437	366	6,848	8,089	1,842	2,953	1,901	237
June 15, 2011	2,124	1,464	856	201	727	646	6,662	7,358	1,410	4,004	2,259	275
June 16, 2011	2,262	2,005	737	171	1,186	1,017	7,881	11,853	1,669	5,895	2,431	321
June 17, 2011	3,175	1,276	846	189	505	611	8,943	10,013	1,077	3,526	2,559	265
June 20, 2011	2,615	1,481	709	330	544	528	8,429	9,033	1,743	3,369	2,345	147
June 21, 2011	2,013	1,040	622	140	434	349	5,774	6,774	1,452	2,802	2,826	167
June 22, 2011	2,191	1,567	1,069	197	286	513	5,960	7,732	1,830	3,075	4,278	183
June 23, 2011	2,110	1,672	591	194	470	600	6,767	7,661	2,010	3,683	2,078	375
June 24, 2011	2,972	1,670	1,007	182	507	543	7,483	8,421	1,580	3,507	2,470	213
June 27, 2011	2,704	2,524	1,528	729	573	732	6,738	6,516	2,079	4,266	4,547	273
June 28, 2011	2,988	2,537	2,240	234	680	602	9,289	10,333	1,346	4,801	2,840	537
June 29, 2011	2,307	1,787	1,079	650	544	460	6,059	7,772	2,536	3,805	3,562	432
June 30, 2011	3,352	3,186	2,254	210	577	677	10,035	9,924	2,893	4,619	3,399	558

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	92.56	104.28	94.06
2011-12 (P)	April	104.37	93.02	105.79	94.35
	May	101.20	91.79	102.53	93.15
	June	101.51	92.07	102.92	93.50

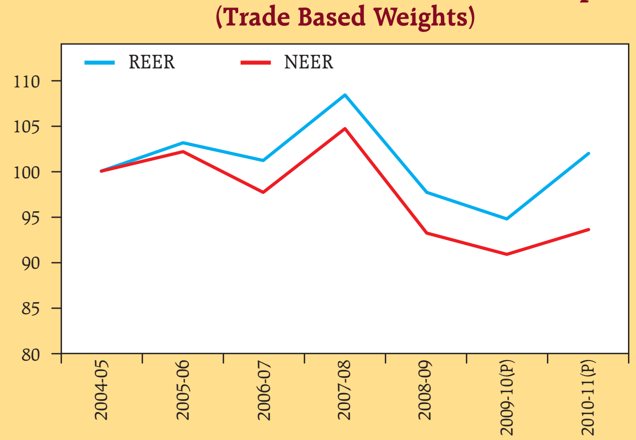
P : Provisional

Note: 1) For 'Note on Methodology' please see December 2005 issue of this Bulletin.

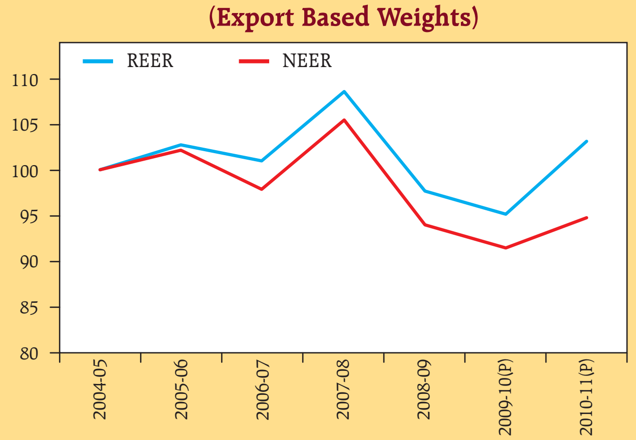
2) The Base year is changed from 1993-94 to 2004-05.

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/Day			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	(P)	91.45	117.46	105.02	115.19
	February	(P)	90.37	115.72	103.79	113.48
	March	(P)	90.44	116.46	103.86	114.20
2011-12	April	(P)	90.60	118.78	104.06	116.48
	May	(P)	89.48	117.19	102.77	114.92
	June	(P)	89.48	117.35	102.76	115.08
	As on					
	June	24(P)	89.64	117.56	102.95	115.29
	June	30(P)	89.49	117.37	102.78	115.09
	July	8(P)	90.76	119.03	104.23	116.72
	July	15(P)	90.48	118.67	103.91	116.37
	July	22(P)	90.17	118.26	103.56	115.97

P: 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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2) The Reserve Bank of India History 1935-1981 (3 Volumes) is available at leading book stores in India.

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	x) 1998-99		1999	220 *	50	
	xi) 1999-00		2000	350 *£	70	
	xii) 2000-01		2001	350 *£	70	
	xiii) 2001-02		2002	400 542 *	80	
	xiv) 2002-03		2003	250 £ 400 *	30 □ 20 *	
	xv) 2003-04		2004	275 £ 300 * 250 **	30 □ 20 *	
	xvi) 2004-05		2005	325 350 * 275 ** 250 ***	30 □ 20 *	
	xvii) 2005-06		2006	400 £ 450 * 350 ** 300 ***	40 □ 25 *	
	xviii) 2006-07		2007	500 £ 550 * 375 *** 425 **	45 □ 38 *	
	xix) 2007-08		2008	425 475 * 320 *** 370 **	38 □ 37 *	
	xx) 2008-09		2009	350 £ 425 * 260 *** 335 **	36 □	
2.	Report on Currency and Finance #	DEPR				
	i) 1988-89 - Vol.I		1989	100 *£ 80 **	35	
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	- Vol.II		1991	60 * £ 45 **	25	

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iv) 1991-92	- Vol.I	DEPR	1992	100 *	40	
				80 **		
	- Vol.II		1992	60 *£		
				45 **		
v) 1992-93	- Vol.I		1993	100 * £	40	
				80 **		
	- Vol.II		1993	60 * £		
				45 **	25	
vi) 1993-94	- Vol.I		1994	110 * £	40	
				85 **		
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vii) 1994-95	- Vol.I		1996	110 *	40	
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	- Vol.II		1996	105 *	40	
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viii) 1995-96	- Vol.I		1996	110 *	40	
				85 **		
	- Vo.II		1996	105 *	40	
				85 **		
ix) 1996-97	- Vol.I		1997	125 *	40	
				100 **		
	- Vo.II		1997	125 *	40	
				100 **		
x) 1997-98	- Vol.I		1998	175 * £	50	
				125 **		
	- Vol.II		1998	175 *	50	
				125 **		
	Hindi Edition		1999	175 *	50	
xi) 1998-99			1999	200 * £	60	
				150 **		
xii) 1999-00			2001	200 *	60	
				150 **		
xiii) 2000-01			2001	200 *£	60	
				150 **		
xiv) 2001-02			2003	200 £	60	
				150 **		
xv) 2002-03			2004	300 £	25 □	
				325 *	20 *	
				150 **		
xvi) 2003-04			2005	200 £	25 *	
				225 *		
				150 **		
xvii) 2004-05			2006	200 £	25 *	
				225 *		
				150 **		
xviii) 2005-06			2007	280	35 □	
				300 *		
				210 ***		
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	ii) 1999	(a) Print version		1999	200 * £ 150 **	60	
		(b) CD-ROM		1999	200 *		
	iii) 2000	(a) Print version		2000	250 * 200 **	70	
		(b) CD-ROM		2000	200 *		
	iv) 2001	(a) Print version		2001	250 * 200 **	70	
		(b) CD-ROM		2001	300 * 200 **	60	
	v) 2002-03	(a) Print version		2003	300 * £ 250 **	80	
		(b) CD-ROM		2003	300 * 200 **	60	
		(c) Print version along with CD-ROM		2003	500 * £ 400 **	130	
	vi) 2003-04	(a) Print version		2004	180 200 * 150 **	25 □	
		(b) CD-ROM		2004	200 220 * 150 **	15 □	
		(c) Print version along with CD-ROM		2004	380 400 * 300 **	30 □	
	vii) 2004-05	(a) Print Version		2005	200 225 * 170 **	25 *	
		(b) CD-ROM			120 140 ** 100 **	 15 *	
		(c) Print Version alongwith CD-ROM			300 350 * 270 **	 30 *	
	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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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 □	
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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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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
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	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 *		
	xvii) 2003 (4 Issues)		2003	100 *		
	xviii) 2004 (4 Issues)		2004	140 *		
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	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				
i) 1988-89		1993	106 £ 123 *	12	
ii) 1990-91		1999	130 180 *	 50	
iii) 1992-93		1998	135 £ 200 *	50	
iv) 1994-95		1997	125 185 *	45	
v) 1995-96		1998	125 185 *	45	
vi) 1996-97		1999	130 180 *	50	
vii) 1997-98		1999	130 180 *	50	
viii) 1998-99		1999	130 180 *	50	
ix) 1999-00		2000	175 225 *	50	
x) 2000-01 (a) Print version		2001	150 200 *	50	
(b) CD-ROM		2001	150 225 *	50	
xi) 2001-02 (a) Print version		2002	150 200 *	50	
(b) CD-ROM		2002	100 150 *	 50	
xii) 2002-03 (a) Print version		2003	200 250 *	50 *	
(b) CD-ROM		2003	200 250 *	50 *	
xiii) 2003-04 (a) Print version		2004	230 280 *	25 □ 15 *	
(b) CD-ROM		2004	175 225 *	25 □ 15 *	
xiv) 2004-05 (a) Print version		2005	190 240 *	55 □ 20*	
(b) CD-ROM			200 250 *	55 □ 20*	
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*	
(b) CD-ROM			225 250 *	45 □ 15*	

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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			1700
	1982-83 To 1990-1991 Vol.II		2001	700 *	140	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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	(a) CD-ROM			500 *	100 *		
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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
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	(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		
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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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34. Report of the Committee on Banking Sector Reforms (Narasimham Committee Report)	DBOD	1998	32 £		244	20
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36. Report of the Committee on Hedging through International Commodity Exchange (Gupta Committee Report)	FED	1998	100 *	50		
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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		
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48. Report of the Advisory group on Bankruptcy Laws (Volume-I & II)	do	2001	90 * 75 **	45		
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	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 £			
F.	**Compendium of Circulars**						
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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(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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12.	i) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (July 1996-December 1997)	UBD	2000	85 £		742	25
	ii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 1998-December 1999)		2003	100 £		1032	68
	iii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 2000-December 2001)		2003	120 £		1300	68
G.	**Memorandum**						
1.	Memorandum of Exchange Control Manual, 1993 containing detailed procedural instructions	FED					
	a) Relating to general insurance in India (GIM)		1994	20		70	19
	b) Relating to channeling transactions through Asian Clearing Union (ACM)		1996	20		70	19
	c) Relating to co-operative/commercial banks (other than authorised dealers) authorised to maintain non-resident rupee accounts (ABM)		1994	20 £			
	d) Memorandum of Instructions to full-fledged money changers (FLM)		1999	30 £		110	19
	e) Memorandum of Instructions to restricted money changers (RLM)		1999	30 £		90	18
	f) Memorandum of Instruction on project & service exports (PEM)		1997	40 £		280	20
2.	Memorandum of Exchange Control Regulations Relating to general insurance in India (GIM)	do	2002	30			26
3.	Memorandum of instructions to Authorised Money Changers (AMC)	do	2002	30			
4.	Memorandum of Procedure for channelling transaction through Asian Clearing Union (ACU) Memorandum ACM	do	2003	30			21
5.	Memorandum of Instructions on Project and Service Exports (PEM)	do	2003	40			
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	viii) 2000 (Yearly 2 issues) Summer - Vol. 21 No. 1			80 * @	45 @		
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	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 * @		
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	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 *			
8.	Indian Financial Network (INFINET) Banking Applications Messages Formats Vol. II	do	2002	100 *			
9.	Balance of Payments compilation	DEPR	1987	45 *	30		

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10.	New Series on Wholesale Price Index Numbers	DEPR	1990	11 * £			
11.	India's Balance of Payments monograph – 1948-49 to 1988-89	do	1993	90 £	40		
12.	Centenary Commemorative Volume (C.D. Deshmukh Memorial Lecture series)	do	1996	100	25	400	21
13.	50 years of Central Banking : Governors Speak	do	1997	400		800	25
14.	Indian Economy – Basic Statistics – 1997	do	1997	4 £			
15.	External Debt-Management : Issues, Lessons and Preventive Measures	do	1999	250 *	20		
16.	Foreign Collaboration in Indian Industry - Sixth Survey Report	do	1999	60 *	20		
17.	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
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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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(2) Please indicate the items in the Bulletin that you find useful:

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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.

(4) What in your opinion, should be done to improve the get up or coverage of the "Current Statistics" portion ?

(5) Do you think it would be advisable to separate 'Current Statistics' portion from the rest of the Bulletin and have 'Monthly Statistics' separately brought out ?

Yes ☐ No ☐

(6) If the answer to Q.(5) is Yes, do you think it would be sufficient to have a Quarterly Bulletin of articles, speeches, and policy measures ?

Yes ☐ No ☐

(7) Are you a user of our web site (http://www.rbi.org.in) ? Yes ☐ No ☐

Thank you very much for your cooperation.

Editor

Reserve Bank of India Websites

To facilitate quicker access to RBI documents available on the RBI Website (URL : www.rbi.org.in), frequently accessed documents have been given a special URL. By keying-in the URL which can also be saved in 'Favourites', the visitor can directly reach the desired document on the RBI site.

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- Committee Reports: www.reports.rbi.org.in
- FII List: www.fiilist.rbi.org.in
- Facilities for Non-Resident Indians: www.nri.rbi.org.in
- SDDS-National Summary Data Page-India: www.nsdp.rbi.org.in
- Foreign Exchange Management Act, 1999: www.fema.rbi.org.in
- NBFC Notifications: www.nbfc.rbi.org.in
- Master Circulars: www.mastercirculars.rbi.org.in
- List of suit filed accounts: www.defaulters.rbi.org.in
- Currency Museum: www.museum.rbi.org.in
- Electronics Clearing Service: www.ecs.rbi.org.in
- Exchange Control Manual: www.ecm.rbi.org.in
- Y2K: www.y2k.rbi.org.in
- Data base on Indian Economy: http://dbie.rbi.org.in

– Editor

RBI provides Web based Access to its Database on Indian Economy

The Reserve Bank of India has released a number of long time series data on several aspects of Indian economy covering key macro economic aggregates to the public in user-friendly manner through dynamic web based application.

Objective : The Database on Indian Economy is built for the convenience of researchers, analysts and other users. It is created to provide the public with an access to the published data series, with additional details on some series as available in the Reserve Bank of India's enterprise wide data warehouse.

Coverage : Data available on published time series, can be accessed through a completely browser based software include data on:

- financial sector,
- real sector,
- financial market,
- external sector,
- public finance and
- corporate finance

Features :

- All the data series are accompanied with data definitions, i.e. metadata, which allow the user to view the definitions/concepts of the underlying variables;
- The data definitions provides search feature;
- Extract data through standard reports which allows the users to select and view the preformatted reports or
- Dynamic 'data query', which enables user to define list of data series and allows the user to choose the time period for data extraction.
- Data files can be downloaded in the form of CSV / pdf format.

Access : The data can be accessed from the home page of the RBI website (www.rbi.org.in) through the static headline 'Database on Indian Economy' List of data series available on the site is available on the homepage of the site, i.e. Database on Indian Economy.

This list will be proggressively enlarged on the basis of feedback received and availability of relevant data series in the RBI data warehouse. Feedback may please be sent to dbiehelpdesk@rbi.org.in or through the feedback option on the home page of the website.

– Editor

India's Financial Sector – An Assessment

A comprehensive assessment of India's financial sector by the **Committee on Financial Sector Assessment (CFSA)**, constituted by the Government of India and the Reserve Bank of India, evaluating financial sector stability and development, identifying gaps in compliance with various international financial standards and codes, and suggesting corrective policy measures. The Report contains six volumes. Volume III – VI contain independent reports by the four Advisory Panels assisting the CFSA as follows:

- **Financial Stability Assessment and Stress Testing**, covering macro-prudential analysis, stability assessment and stress-testing of the financial sector **(Volume III).**
- **Financial Regulation and Supervision**, covering assessment of standards pertaining to banking regulation and supervision, securities market regulation and insurance regulation **(Volume IV).**
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The Overview Report **(Volume II)** of the CFSA draws on the assessments and recommendations of the Advisory Panel reports. **Volume I** is an Executive Summary of the assessments and recommendations.

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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.