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SPEECHES

*Emerging Challenges to Financial Stability**

Shaktikanta Das

It is indeed a matter of great pleasure for me to be here today amidst the business and financial sector leaders. My compliments go to the partners, namely, the Indian Banks' Association, Federation of Indian Chambers of Commerce and Industry (FICCI) and the Boston Consulting Group for spearheading this event. What really gives me the additional motivation to address you is the earnestness with which you have themed this year's conference, showing your appreciation of the need to prepare ourselves for a new paradigm in banking. The happenings of the past, especially the not so remote ones, have generated an attitude towards the financial sector that ranges from an existential angst to a more positive outlook that hinges on the opportunities beckoning at us. I would like to believe that solutions to a better future lie in unlearning from the practices which led to that angst and in relearning to befit ourselves in the changing financial landscape. Prudent governance and emerging trends in the digital space have the potential to reshape the way we perceive finance. Against these broad underpinnings, let me present my thoughts highlighting emerging challenges to financial stability. This would be the theme of my address to this august gathering.

A consensus on the definition of the term financial stability remains elusive even today. Broadly speaking, the core principles governing financial stability can be thought of in terms of a financial system's ability to facilitate efficient allocation of economic resources; its effectiveness in assessing, pricing, and managing financial risks; and in maintaining its capability to perform these key functions even when affected by external shocks. In other words, as one IMF research paper of 2004 puts it, *a financial system is in a range of stability whenever it is capable of facilitating the performance of an economy, and of dissipating financial imbalances that arise endogenously or as a result of significant adverse and unanticipated events*[1].

The Global Context

The global approach to financial stability changed significantly after the financial crisis of 2008 which made it abundantly clear that financial strength of every financial institution does not add up to systemic stability. The policy makers realised that micro-prudential regulations have to be complemented with systemic risk measures; otherwise systemic stability could be at risk.

Ten years after the crisis, the major financial sector reforms, called for by the G20 and co-ordinated by the Bank for International Settlements (BIS) and Financial Stability Board (FSB), are now mostly in place. Large banks are better capitalised, less leveraged and more liquid. The banking system is, therefore, more resilient to economic shocks. Implementation of Too-Big-To-Fail (TBTF) reforms is advancing, including *via* the establishment of effective resolution regimes for banks. Over-the-counter (OTC) derivatives markets have been made simpler and more transparent. The use of central clearing has increased, and collateralisation is more widespread. Those aspects of non-bank financial intermediation that contributed to the financial crisis have declined. However, the implementation of reforms is not yet complete and remains uneven, especially in the non-banking space. It goes without saying that while dealing with all these issues, country specific situations have to be factored in.

Recent developments in the global economy should be seen in this perspective. A weaker than expected growth with signs of slowdown in major economies, as projected by multilateral institutions

* Shaktikanta Das, Governor, Reserve Bank of India, at FIBAC 2019 – the Annual Global Banking Conference organised by Indian Banks' Association (IBA) and Federation of Indian Chambers of Commerce and Industry (FICCI) in Mumbai on August 19, 2019.

[1] Garry, J. S. (2004). 'Defining Financial Stability'. *IMF Working Paper*, 2004: WP/04/187.

like the International Monetary Fund (IMF), is one of the key risks to global financial stability at this juncture. Looming trade-tensions, geo-political risks, and related uncertainties continue to exert pressure on the investment outlook. The latest Global Financial Stability Report (GFSR) by the IMF warns that because of these developments, vulnerabilities in the sovereign, corporate, and non-bank financial sectors are elevated by historical standards in several systemically important countries and regions. Under these circumstances, central banks and other regulators are required to follow the cardinal principle – the regulator never sleeps. Cutting the hyperbole out, what it means is that the regulators and other authorities need to be constantly vigilant and proactively take whatever steps that are necessary.

The current state of the global banking sector also presents a story of uncertainty. While bank capitalisation has increased significantly in the post-crisis period primarily due to Basel III reforms, bank profitability has been lacklustre. Both macroeconomic and bank-specific factors have contributed to this phenomenon. Importantly, banks are also facing increasing competition from non-traditional players, such as FinTech and BigTechs, which are taking advantage of digital innovation. These developments have implications for financial stability in Emerging Market Economies (EMEs) like India. It is indeed imperative that banks capitalise on these technological advances and the associated business models. Regulators on their part also need to provide enabling frameworks for these endeavours by banks as well as the non-traditional players.

The Indian Scenario

The pursuit of financial stability has always been a policy priority in India. The twin concerns of monetary and financial stability constitute the core objectives of the Reserve Bank. Similar to the global case, India also responded to the crisis by introducing changes in the existing institutional architecture to further the cause of financial stability. Recognising the various channels that could lead to systemic instability and the fact that different segments of financial systems are regulated by different regulators, the institutional mechanisms of the Financial Stability Development Council (FSDC), under the Chairmanship of the Finance Minister, and the FSDC sub-committee, under the chairmanship of Governor, Reserve Bank, have been fully functional. The biannual Financial Stability Report (FSR), a report of FSDC sub-committee, analyses the current state of financial system, the extent of interconnectedness among its various segments and possible sources of vulnerabilities that could impact domestic financial stability.

The headwinds to financial stability could emanate from various sectors of the economy, namely, (i) the credit market; (ii) financial markets; (iii) external sector; and (iv) payment system. It may emanate from some other sources as well. But today, I will focus on these four aspects.

Headwinds from Banking Sector

In India, the credit market is dominated by the banking sector which plays a key role in financial intermediation in the economy. Soundness of the banking system may have a bearing on the financial stability through various channels - excessive credit growth; maturity mismatches and liquidity issues; high proportion of non-performing loans; and overleveraging, among others. Even if individual institutions are robust, the overall behaviour of the financial sector can pose a systemic risk. Hence, monitoring the health of the banking sector is crucial for financial stability.

In recent years, as a result of efforts by both the Reserve Bank and the Government, the overhang of stressed assets in the banking system has declined. Going forward, the macro-stress tests for credit risk conducted by the Reserve Bank indicate that under the baseline scenario, the GNPA ratio may decline further by March 2020[2]. Other indicators like the provision coverage ratio (PCR), capital adequacy

[2] Financial Stability Report, June 2019, Reserve Bank of India.

and return on assets have also improved. I have earlier stressed that the real test of performance, efficiency, internal stability and governance improvement in public sector banks (PSBs) would be their ability to access capital markets rather than looking at the Government as a recapitaliser of first and last resort.

Despite certain teething problems, the Insolvency and Bankruptcy Code (IBC) is proving to be a game changer. New norms for resolution of stressed assets framed in June 2019 by the Reserve Bank provide incentives for early resolution, with discretion to lenders on resolution processes. The objective is to ring-fence future build-ups of Non-performing Asset (NPA) stress and protect the banking sector. The recent amendments to the IBC should also be able to facilitate faster resolution of stressed assets.

As we have seen in the recent past, the build-up of risks among regulated entities due to interconnectedness, exposure concentrations, non-transparent market practices, governance deficiencies, and their contagion effects have repercussions for financial stability. In this regard, the Reserve Bank is keeping a close watch on the interconnectedness of banks and non-banks. The Working Group on Core Investment Companies (CICs) has already started its deliberations and based on its recommendations, the Reserve Bank proposes to carry out necessary changes in the regulatory architecture for CICs. We are also in the process of building a specialised regulatory and supervisory cadre for regulation and supervision of banks and non-banks.

Another important issue in this context is the immediate need to strengthen corporate governance structure in banks, which I have elaborated earlier as well. This would include efficient functioning of their boards and board sub-committees, especially audit and risk management committees; robust system for monitoring of performance of MDs/CEOs; and, an effective performance evaluation system to improve the financial and operating parameters of banks. We have already sent our suggestions to the Government for governance reforms in Public Sector Banks (PSBs). Overall, it is important that risk management systems, compliance functions, and internal control mechanisms are strengthened and made more dynamic.

Non-Banking Sector

Coming to the Non Banking Financial Company (NBFC) sector, we all know that this sector complements the banking sector and aspires to act as the bridge to provide last mile connectivity. Further, niche NBFCs fulfil the unmet and exclusive credit needs of infrastructure, factoring, leasing and other such activities. Non-traditional and digital players are now entering this space to deliver financial services by way of innovative methods involving digital platform. There is a web of inter-linkages of the NBFC sector with the banking sector, capital market and other financial sector entities. The Reserve Bank keeps a close watch on these inter-linkages to ensure financial stability. With a view to strengthen the sector, maintain stability and avoid regulatory arbitrage, the Reserve Bank and the Government have been proactively taking necessary regulatory and supervisory steps. It is our endeavour to have an optimal level of regulation and supervision so that the NBFC sector is financially resilient and robust. We will not hesitate to take whatever steps are required to maintain financial stability in the short, medium and the long-term.

Our objective is to harmonise the liquidity norms between banks and NBFCs, taking into account their unique business models. We are also looking at governance and risk management structures in NBFCs. Recently in May 2019, NBFCs with a size of more than ₹5,000 crores have been advised to appoint a functionally independent Chief Risk Officer (CRO) with clearly specified role and responsibilities. This is expected to bring in professional risk management to the working of large NBFCs.

The move to bring Housing Finance Companies (HFCs) under the regulatory ambit of the Reserve

Bank is significant, given their asset-liability profiles. Including HFCs, the size of the NBFC sector constitutes about 25 per cent of combined balance sheet of scheduled commercial banks. The Reserve Bank will take necessary measures to deal with these challenges.

Headwinds from Financial Markets

Apart from banks and non-banks, headwinds to financial stability can also originate from financial markets. The increasing frequency and severity of currency and debt crises globally and their ability to cause output loss calls for careful regulation and surveillance of financial markets. Globalisation of finance, by amplifying the risk of contagion, and thereby constraining the policy space for effective regulation, has added to the difficulty of this task. As a regulator of various market segments such as money markets, government securities, forex and interest rate derivatives, the Reserve Bank has followed calibrated, sequenced and careful approach to develop and integrate these markets. The broad objective has been to keep pace with the requirements of fast-growing Indian economy, while being vigilant of potential risks to financial stability. This is done through freeing up market forces by moving away from prescriptive to principle-based regulation, whose core features are simplification of processes, encouraging product innovation, removing regulatory differentiation across participant categories and ensuring protection for retail market participants.

Let me give one example. Recently, we have permitted the creation of an electronic platform on which one can buy or sell foreign currency at market rates. This platform is accessible over the Internet and the customers can get the best market price without having to approach any individual bank/broker. This is how FinTech can be used to inject greater efficiency to financial markets.

As financial markets are opening up, stability concerns are addressed through capital flow control measures (*e.g.*, the overall cap on foreign investment in the debt market) or macro-prudential measures (*e.g.*, cap on total external borrowing as a percentage of Gross Domestic Product).

Adoption of global best practices to improve market integrity is another important aspect of regulation. In the last couple of years, the Legal Entity Identifier (LEI) system has been implemented in a phased manner in all financial markets, including derivative markets regulated by the Reserve Bank, as well as for bank loans. We believe transparency of financial markets will greatly improve once the LEI system is used widely. The recent regulations to control market abuse, upgrade the benchmark setting process are all consistent with global standards.

A key feature of regulation of derivative markets has been the differential treatment of professional and non-expert clients. Moreover, differential access to derivative markets is being gradually removed. Anyone - resident or non-resident - can now access these markets for hedging on similar terms. In fact, alignment of incentives for non-residents to gradually move to the domestic market is an important regulatory aim. As you would be aware, the Task Force on Offshore Rupee Markets with Mrs. Usha Thorat, former Deputy Governor as chairperson, has made important recommendations that are likely to improve participation of non-residents in the onshore market. Our aim is to make the onshore market more accessible and attract higher transaction volumes.

External Headwinds and Domestic Financial Stability

With increased trade and financial linkages with rest of the world, India has become more susceptible to the vagaries of heightened global economic uncertainties. While trade channels take some time to show a tangible impact of global shocks, it is the financial and confidence channels that quickly transmit the global shocks as was evident in the case of India during the taper tantrum period in mid-2013. In fact with negative and low interest rates in major economies, net private capital flows to EMEs in the form of direct and portfolio investments have nearly doubled in the post-crisis period. However, with high monetary policy uncertainties in advanced economies, these flows have proved to be fluid and therefore posed considerable risk to EMEs. Just a year back, EMEs like India faced financial market turbulence due to a faster-than-expected tightening in monetary policies in advanced economies. Many EMEs including India witnessed portfolio capital outflows, exerting downward pressure on domestic currencies.

In recent years, India's external sector has benefited from a sustainable level of current account deficit, largely financed by robust foreign direct investment inflows and flexible exchange rate policy. Improvement in other vulnerability indicators during 2018-19 such as fall in external debt to GDP ratio (from 20.1 per cent at end-March 2018 to 19.7 per cent at end-March 2019) and debt service ratio (from 7.5 per cent at end-March 2018 to 6.4 per cent at end-March 2019) also augur well for mitigating the spill over of external headwinds on the domestic financial markets. Notwithstanding strong macroeconomic parameters, constantly changing dynamics of external headwinds warrant policy preparedness in order to minimise spill overs of global shocks and preserve financial stability. As a supplementary safeguard, the Reserve Bank has signed a bilateral currency swap agreement with the Bank of Japan for US$ 75 billion with the objective of bringing greater stability in foreign exchange and capital markets in the country.

Payment System and Financial Stability

A number of innovations have taken place in retail payments which have reshaped payment processes and changed the retail payments landscape. India's payment systems are considered to be efficient, safe and secure. While acknowledging this and without trying to be complacent, the Reserve Bank has made an attempt to benchmark domestic payment systems and practices with those prevalent in prominent countries worldwide. The assessment of various indicators including regulation and oversight suggests that India has a strong and robust regulatory structure.

However, new entrants into the financial services space, including FinTech and BigTech firms are altering the universe of financial service providers. A range of new lending platforms, including P2P and marketplace lenders, have appeared in jurisdictions around the world. Highlighting some of the related challenges and opportunities, the recent Annual Economic Report of the Bank for International Settlements (BIS) states that such firms can collect large amount of data at nearly zero costs, which can be used to better assess the riskiness of borrowers and could reduce the need for collateral to assure repayment. These new players have also made inroads in the provision of payment services, remittance services and cross-border payments. Moreover, they have the potential to grow very quickly and become large and systemically important financial institutions, raising concerns over financial stability and consumer protection.

Faced with such profound changes, the policy makers' dilemma is more than walking the middle path between innovation and regulation. The public policy approach here needs to be more comprehensive and holistic, taking into account issues such as financial regulation, competition policy and data privacy regulation. Coordination among various authorities – such as financial regulators, competition authorities and data protection supervisors – becomes critical at this juncture.

The Reserve Bank's Vision-2021 for Payment and Settlement Systems in India visualises empowering every Indian with access to a bouquet of e-payment options that is safe, secure, convenient, quick and affordable. The Committee on Deepening of Digital Payments under the chairmanship of Shri Nandan Nilekani has suggested to increase the volume of digital payments by 10 times in the next three years which can be facilitated by initiatives such as removing transaction charges on digital payments, simplifying Know Your Customer (KYC) processes, and reducing KYC costs for banks. The Reserve Bank is taking necessary action based on the committee's recommendations.

Concluding Observations

At the end, I would like to highlight the significance of consumer protection which is not only important from the point of view of access but also from a broader context of stakeholders' trust. The trust of the consumers that the services are fairly priced, the trust of the investors that the stakeholders are acting in their best collective interest, the trust of the regulators that the audited financial statements do represent a fair and reasonable assessment of the activities of a firm – all have intangible but substantial contribution to national savings and financial stability. Post Lehman developments in the US financial markets are a prime and sobering example of what happens when investor trust evaporates. In fact, consumer protection should be seen as a key pivot around which all regulatory and supervisory initiatives are required to evolve.

Let me conclude by saying that much progress has been made in maintaining a stable financial system. However, as we have seen, the financial landscape is continuously changing, and new challenges are emerging. The Reserve Bank is continuously harnessing the regulatory and supervisory framework to better adapt to the evolving scenario. The IBA, its members and other stakeholders should, therefore, be active partners in ensuring that such a process evolves successfully.

*Trade War: Is it a Prelude to Deglobalisation?**

B.P Kanungo

I am delighted to be here today and am grateful to the Forex Association of India (FAI) and the organisers of this conference for inviting me to speak to this gathering. I am also happy to be in Singapore, a country which truly epitomises all that can be called achievements of globalisation, and a country with which India had and continues to have multifaceted engagement covering cultural, ethnic and economic spheres. FAI, a body of forex market professionals who intermediate between the supply and demand for foreign currency and act as 'price givers' to the rest of the economy has been active in promoting transparency, professionalism and ethical conduct in the forex market since 1979. I commend them for the role they have played and hope that they will continue to do so in future with utmost efficiency and fairness.

The forex market is unique in several ways. A foreign currency is essentially a commodity outside its jurisdiction and therefore has attributes of an asset. But the exchange rate, the price of the foreign currency normalised to the home currency is an important macroeconomic variable that ought to be determined by economic fundamentals and influences behaviour of economic agents. Principally because of this twin nature, the exchange rate exhibits great volatility and decouples from its value indicated by the economic fundamentals that calls for policy response. I must add that the only thing next to extreme volatility that disorients a forex trader is a situation of very low volatility!

It is ironical that amidst several disruptive factors, the volatility in the global foreign exchange markets has been quite low in recent times. In fact, the JPMorgan Global FX volatility Index has been at its lowest since 2014. Market participants have seen this as a lull before the storm and have recounted past episodes when such a trough was followed by a sharp rise in the US Dollar. Despite the 25-basis-point rate cut announced by the US Federal Reserve, the US Dollar rose sharply, probably anticipating more accommodating measures in the future. If anything, this underscores uncertainty.

The global economic scenario is not very encouraging, though there is no room for pessimism yet. The International Monetary Fund (IMF) continues to revise the global growth projections for 2019 downward though the outlook for 2020 is more positive. The growth in the developed countries remains sluggish and the emerging economies including China and India, the dominant contributors to global growth in recent years, appear to be facing a challenge. Another era of accommodative monetary policy regime seems to be round the corner as evident from synchronised rate cut by several Central Banks.

Global trade tensions between the two largest economies are a dominant theme of discourse today. As of now, there does not appear to be any possibility of quick resolution of the tension, nor does it seem to escalate and get out of hand rapidly in near future. Whatever may be the rational and economic logic behind the competitive protectionism through tariff barriers, it is certainly contributing to the global economic slowdown. The exit of Britain from the European Union, the so-called Brexit also is shrouded in uncertainty and it is recognised that a no-deal Brexit will surely be a disruptive factor. There are also risks emanating from geopolitical tensions in the Gulf and elsewhere that can adversely affect the sentiments.

Delicately poised as the global economy is at this juncture, much of which, as IMF Chief Economist Gita Gopinath says, is self-inflicted, it is entirely premature to think of deglobalisation. Globalisation is an irreversible process and has been progressing for millennia. It has progressed rapidly beyond expectation in recent times because of quantum

* B.P Kanungo, Deputy Governor, Reserve Bank of India, Speech Delivered at Forex Association of India Conference, Singapore on August 10, 2019.

advancements in communication and technology. All aspects of human existence including economies, markets, social interactions, education and so on have become intertwined. True, the process of globalisation has brought problems and discontent in its wake, but wisdom lies in addressing them rather than disbanding the process.

Free Trade has been one of the main planks of globalisation. It has been generally held that free trade amongst nations enhances welfare. The underpinning logic is the same as that in case of free market economics: specialisation, comparative advantage and productivity gains. Just as in case of free market economics, there are factors that affect the gains from trade. Besides, there has always been an asymmetric approach to free exports *versus* free imports. While every country favours exports (except when the terms of trades are deteriorating) because it contributes to domestic employment and growth, there is an abhorrence for imports because the country loses employment, growth and foreign exchange. This brings in deterrent measures like tariff and when one hears talk about optimum tariff, it simply means optimum for the welfare of the country concerned not for the global welfare as a whole. And if all the trading countries impose retaliatory tariffs, it becomes a negative-sum game affecting global welfare and welfare of individual nations to a varied extent.

Ordinarily, the exchange rate is supposed to play some kind of an equilibrating role in addressing the current account deficit, subject of course to several preconditions. A country with trade surplus should experience appreciation of its currency making its exports more expensive and imports cheaper and *vice versa* for a country with trade deficit. The success of this mechanism depends on to what extent the exchange rates are allowed to be determined by the market forces without intervention of national authorities. It is not surprising that allegations of currency manipulation were fairly common in the run up to the recent trade tension.

The increasing globalisation of trade, manufacturing, services, supply chain, capital movement, *etc.* has created a web of complex interdependence. Moreover, the externalities of national economic policies have also become substantially magnified. While the national governments and policy makers are supposed to act in interest of their respective constituencies, the collateral effect of their action on the rest of the world can be significant. The need for coordinated action amongst the leaders of the larger nations is urgent. It must be borne in mind that such coordinated action did contribute to contain the global financial crisis.

Speaking recently, Governor Das drew attention to the US Treasury's monitoring of countries as currency manipulators since 2015 in which India figured for some time till 2018. He further pointed out that the charter of the IMF has elaborate provisions to bind its member countries not to manipulate their currencies so as to gain unfair comparative advantage in trade and it is best that the issues relating to any alleged currency manipulation are best dealt with in a multilateral framework than bilateral attempts to correct a wrong. The same logic applies to trade in goods and services and other areas of discord as well. That was the purpose behind the erstwhile General Agreement on Tariffs and Trade (GATT), now WTO. The current trade tensions are best sorted out multilaterally through cooperation lest as Paul Krugman tweeted some time back, 'In the long run the world would be poorer and in the short run there would be immense disruption.'

The Indian forex markets have been fairly stable in recent months. As you know, the Reserve Bank is mandated to maintain orderly conditions in the foreign exchange market. Its intervention in the forex market is solely directed at curbing sudden turbulences not backed by the economic fundamentals. As has been said repeatedly, market operations are not intended to achieve any target exchange rate or band of rates. It must be pointed out that the exchange rate dynamics in India for more than a decade has been driven by capital flows rather than current account balances. As an aside, India has mostly run a current account deficit, notwithstanding a bilateral trade surplus with the US, marginally more than USD 20 billion during 2018. Though long-term flows related to Foreign Direct Investment (FDI) and long-term debt have been fairly stable keeping in tandem with the economic fundamentals, the portfolio flows have their own dynamics depending as much on attractiveness of returns of Indian assets as the global factors determining their risk appetite. Gyrations in the forex market in these circumstances leave no option other than market intervention to restore orderliness in the market. One also need to bear in mind that India's forex reserves are borrowed reserves and not built out of export surplus. Inasmuch as it provides a bulwark against sudden flow reversals, it enhances the country's ability to cope with the fall out and indeed, contributes to global stability as well.

The policy regime is also oriented to providing adequate instruments of hedging to all resident economic agents who have exposure to a foreign currency as well as all non-residents who have a Rupee exposure. The onshore markets are fairly deep and liquid but needs further strengthening. There is a wide menu of hedging instruments available and further expansion would be in keeping with understanding of their risk implication. In recent times, global institutions and investors have shown a healthy appetite for Rupee denominated assets, which while ensuring flow of foreign exchange protects the Indian issuers from exchange risk. This trend needs to be given further policy nudges.

In fine, I would like to say that though there are discouraging portents for the global economy and uncertainties arising from trade tensions and geopolitical developments, I am optimistic that coordinated policy response and dispute resolution within a multilateral framework will see us through the day.

I will also take this opportunity to highlight two other important issues. First, the issue of transparent and fair pricing of foreign exchange transactions which has been brought to our notice by various category of users. The problem of getting fair prices was especially acute for Micro, Small and Medium Enterprises (MSMEs) and small businesses who were not allowed to access the Foreign Exchange (FX) trading platforms of individual banks. In order to address this issue, the Reserve Bank decided to develop, through Clearing Corporation of India Limited (CCIL), a web-based platform wherein such participants could place their purchase/sale orders directly. The platform, is accessible to users from early August 2019 through an Internet-based application, allows bid/offers from retail clients and Authorised Dealer banks to be matched anonymously and automatically, thereby allowing complete transparency to the users about the levels of their trades. Banks will have to declare and recover their processing charges separately leading to competition amongst banks for customer business. I urge banks to make the platform popular among retail and small business houses/MSMEs.

Second, the Global Forex Code developed by the Bank for International Settlement (BIS) as a common set of guidance for the proper functioning of the FX market. It comprises a common set of principles (55 in total with 6 leading principles) aimed at restoring trust and allowing greater confidence in the forex market and its functioning after various scandals (like LIBOR fixing scandal, *etc.*) eroded confidence in the markets. The Code provides the corporate/intermediary with an opportunity to review/improve its internal FX operations and align them to global standards. It provides a positive signal to its clients, investors, counterparties and the wider market of the corporate's commitment to follow good practices while dealing in the FX market.

In India, all banks, barring one, and several non-bank participants have signed the Statement of Commitment (SoC) to the Code. Though the adoption of the code is voluntary, I urge all the non-bank participants present here to study the Code, examine their processes and, thereafter, sign the SoC to the Global Code.

I wish your deliberations all success.

20th FIMMDA - PDAI Annual Conference*

B.P Kanungo

I am happy to be here today amidst you and I must thank Fixed Income Money Market and Derivatives Association of India (FIMMDA) and Primary Dealers Association of India (PDAI) for this privilege. The annual conference of FIMMDA and PDAI has of late been known as much for the content of the deliberations as for the choice of the venues, and the present one, its twentieth edition, is no exception. These occasions bring together the best minds in the financial market, particularly the fixed income segment, under one roof and provide excellent platform for deliberating on contemporary issues facing the markets. It is an important platform for us in the Reserve Bank to share our views on topics of current relevance with the market participants who have a vital role in, and responsibility for, driving growth and development.

FIMMDA is a representative body of participants in the fixed income market in India. I am happy to note that unlike many such organisations around the world, FIMMDA is much less an interest group, and has over the years played a key role in developments of the markets. It has ably contributed to our efforts towards building deep and liquid fixed income markets including derivative markets. But for the role it has played in the spheres of valuation, price dissemination, product evolution, benchmark development, assimilation of best practices and market education, we would be well short of being one of the most evolved of fixed income markets among the emerging economies that we are today. Similarly, PDAI has played a seminal role in development of the primary market in government debt over the last two decades, and the successive successful issuances of government debt owes a great deal to the community of primary dealers.

The importance of the fixed income markets cannot be over emphasised. Apart from the fact that these markets meet the funds requirement of the sovereign and sub-sovereign bodies across the globe, they also substantially meet the external funds requirements of financial as well as non-financial firms. Further, these markets are also intimately linked with the funding requirement of individuals- education finance, home finance, consumption finance and so on- in several ways from providing pricing benchmark to providing funding for the institutions that provide primary funding. Quite obviously, the aggregate value of outstanding fixed income instruments is estimated to be in excess of USD 100 trillion in contrast with the value of the global stock market around USD 70 trillion. The daily trading volume of the fixed income instruments also exceeds that in the stock market by a factor of three. Though US continues to account for a large part of the global fixed income market, the fact that the global market size has trebled during the last fifteen years seems to indicate that the other jurisdictions are catching up.

Of the two non-equity sources of external funding for the corporate sector, *viz.,* bank finance and market-based finance, the literature seems to find the latter the preferred mode from a systemic viewpoint. Without going into this debate, we can perhaps say that the two play a complementary role. The Indian financial sector which mostly has been a bank-based one needs to develop a robust fixed income market to bring in market discipline, to augment bank finance and indeed free up bank finance for uses that cannot access the market directly. Development of the fixed income market has been an important objective of the Reserve Bank, the Government, the Security and Exchange Board of India (SEBI) and other regulators these many years. Significant progress has been made, yet a lot remains to be achieved.

* B.P Kanungo, Deputy Governor, Reserve Bank of India, Speech Delivered in Moscow on August 31, 2019.

What are the attributes of the market we aspire to have? There are many ways to describe an efficient and robust market; but we can underscore four aspects.

Firstly, there must be wide range of products available. It is nowhere more pronounced as in the financial markets because it is well recognised that a wide array of securities enable the economic agents to better deal with the uncertainty of the future.

Secondly, there must be transparency. The financial market is characterised by information asymmetry, both pre- and post transaction. The borrower or investee always knows more about itself than the lender or the investor. The markets use various mechanisms to address this problem. Financial disclosures and ratings are two most common means, the integrity of which is critical to a well-functioning financial market.

Thirdly, there must be liquidity. A market without liquidity serves no purpose. A liquid market spurs production and consumption; in financial markets, liquidity facilitates savings and investment. Liquidity is often seen as synonymous with trading volumes, but as has been pointed out since the times of Keynes, volumes brought on by transient investors driven by speculative short-term gains may not necessarily bring efficiency to the market. Liquidity essentially means easy and frictionless entry into and exit out of investment positions without loss of value. Several prerequisites underpin this: large number of participants, fewer barriers to entry, large volume of transactions, pricing efficiency, absence of risk-free arbitrage and so on.

Lastly, there must be efficient risk management. As the financial crisis has demonstrated, a market without adequate risk management measures is prone to failure with enormous economic and social cost. I had mentioned earlier about the range of financial products, the caveat is that the complexity of these should not run ahead of the understanding of their risk implications. Measures like move to exchange traded products, central counterparty clearing, bilateral margining and reporting positions to trade repositories are aimed at improving the risk management practices.

How do our fixed income markets perform against these standards? Let me list some stylized facts.

Government securities, that constitute the largest segment of the fixed income market, stand at about ₹58 trillion, treasury bills accounting for another about ₹6 trillion. Though the primary issuances have been quite seamless, only the 10 year benchmark security accounts for bulk of the trading volumes. Indeed, liquidity in this benchmark security as represented by the bid-ask spread is impressive, and according to a recent Bank for International Settlement (BIS) study, among the best amongst emerging markets. Liquidity, however, almost completely dries off in other off-benchmark securities, which does not reflect well on the market.

The corporate debt market has registered impressive growth. In the five years between June 2014 and June 2019, the market size has grown from ₹14.43 trillion to ₹30.63 trillion. Out of this, the size of structured notes market has grown from ₹8.78 billion to ₹230 billion[1]. These figures underscore the growing maturity of the market. We must however note that there are in excess of 24000 instruments outstanding, reducing the average outstanding per instrument to a small figure. On the other hand, the issuances in recent times have been predominantly (upto 75 per cent) by the financial firms. Besides, most of the issuances have been through private placement. The secondary market in corporate debt is so illiquid that we can very well say there is no such market. The rating transition of some corporate debt, particularly those issued by financial firms, has been phenomenal – from sound credit to junk.

[1] SEBI Data.

The evolution of the money market continues to be stunted. Most of the activity is concentrated in the overnight segment and a robust term money market continues to elude us. There is some trading in the treasury bills, but activity in the Commercial Papers (CPs) and Certificate of Deposits (CDs) is confined to primary issuances.

The interest rate derivatives market also continues to be lacklustre. There is reasonable liquidity in overnight interest swaps, but there is no appetite, and hence not much trading in other derivatives including interest rate futures. The Credit Default Swap (CDS) market, introduced in 2012 is moribund. It is ironical that while some participants used to write little understood products like quanto swaps a decade and a half back, there is little effort to provide simple products like caps or collars on bonds today.

Despite allowing full access to non-resident investors to the domestic interest rate derivatives market, anecdotal evidence seems to suggest that an offshore market in this segment might be developing, much like the Non-deliverable Forward (NDF) market.

I now come to the important question of what needs to be done? We must understand that development of markets is a complex process. An economy aspiring for faster development, does have financing needs. There is domestic savings augmented by the foreign savings to fulfill the financing needs. It is for the market to perform an efficient role in allocation. Development of markets is not driven by altruism; it requires alignment of incentives of all stakeholders – the investor, the investee as well as the regulator. The incentives of the first two are well appreciated, but the regulator is often seen as a spoilsport in the process of development of markets. It must be appreciated that the regulator's objective is financial stability, avoidance of market failures and consumer protection, and the financial crisis has underscored the importance of these objectives. Even as the regulatory framework keeps evolving, are there other aspects to look at?

One of the most important prerequisites of a liquid and robust market is wide participation by agents with large volumes of merchandise. In this respect, banks constitute the single largest set of entities followed by insurance companies, pension funds, and now alternative investment funds. It has been generally observed that such of these entities as have large balance sheet, large holding of government securities are not very active either in markets or in innovation. There is perhaps a need to go beyond the comfort of 6-9-3 banking in search of unexploited market and unharvested returns. We would also work towards enhancing the overall liquidity in Government securities market in terms of availability of two-way quotes in less liquid maturities through targeted market making schemes. Further, measures towards activation of a securities lending and borrowing programme, inter-operability of depositories for smooth transfer of ownership in securities will receive our attention. We are also engaging Government for active consolidation of Government debt through frequent buyback/switch operation.

It is recognised that non-resident investors bring volume and liquidity to the financial markets for the simple reason that there is a large corpus of savings available overseas, forever in search of yields. There has been a gradual effort to remove the barriers to entry for non-resident investors in the debt segment. The gradual process is motivated by the possibility of sudden reversals causing turbulence in the interest rates. Even though there has been a great deal of interest from foreign investors in Rupee debt securities in recent times which protects the Indian borrower from foreign exchange risk in contrast with foreign currency debts, the threat to stability in the interest rate market and some residual threat to stability in the forex market remains. Be that as it may, greater access to foreign investors to the rupee debt market – cash as well as derivative will gradually be considered.

It is estimated that five years down the line, the demand for bonds will significantly outstrip the supply. It is a paradoxical situation. Is the market barring borrowers from the market? The issues relating to CDS comes to mind. The basic purpose of CDS was to enable lower rated borrowers to access the market while the investor is protected against default by buying a CDS. But in a market, where only highly rated entities issue bonds, there will be no need for a CDS or rather, a CDS will leave nothing on the table for the investors, in comparison with a government security. Bringing liquidity into this and other derivative product needs introspection.

The risk management at market level is pretty robust, with central counterparty settlement, exchange traded products, trade repositories, legal entity identifier, *etc.* But there is scope of improvement at entity level as far as financial institutions are concerned, which will be tested with introduction of new accounting standards. Some other aspects of regulation – *e.g.*, treatment of cash margins as deposits, payment of interest on such margins, posting of collateral abroad – are all under examination to enable participants to move to global margining standards.

Insurance Regulatatory and Development Authority (IRDA), SEBI and Pension Fund Regulatory and Development Authority (PFRDA) too could help development of interest rate markets. For instance, short selling activity could benefit if a wider pool of securities lenders can be developed. Insurance companies, pension funds and mutual funds have significant holdings of Government securities that could be used to lend to short sellers. This would avoid short-squeeze incident we saw a couple of years back, apart from generating income for these entities. We are working with regulators to develop a securities lending product that could enable these entities to participate in securities lending.

On a more general note, one of FIMMDA's important function has been to organize market feedback on policy initiatives. This is a great help for regulators to assess the impact of regulations, especially at the proposal stage. While this should continue, I would be really happy if FIMMDA and its members make efforts to identify market development initiatives and bring it to the notice of the regulators. On a lighter vein, market is known to run ahead of regulators while the latter try to catch up. While this is not what I can encourage you to do, I do appreciate that market alone can foster innovative ideas and shall expect you to engage with regulators in regard to the steps that we can jointly take.

Ordinarily, in so far as the trades are between informed participants who are capable of comprehending and defending their interests, the regulator should not be concerned about the fairness of pricing. Nevertheless, fair pricing is a sound principle in any market, often threatened by the fact that there are few sellers. I expect FIMMDA, with its expertise in valuation and role as a market developer will keep a close eye on this.

There have been discussions about market timings of various segments of financial markets. Taking into account the representations received from the market, we are examining current market timings with respect to trading, clearing and settlement cycles of financial markets regulated by the Reserve Bank to improve market efficiency.

Financial Market Infrastructures play a critical role in the financial system and the broader economy. These infrastructures facilitate the clearing and settlement of monetary and other financial transactions, such as payments, securities, and derivative contracts (including derivatives contracts for commodities). The central bank of any country is usually the driving force in the development of national payment systems. The Reserve Bank has been playing this developmental role and has taken several initiatives for Safe, Secure, Sound, Efficient, Accessible and Authorised payment systems in the country. In this context, I would briefly outline the developments taking place in this space.

At the heart of Payment Market Infrastructures (PMIs) is the one owned by central banks which the world over is a Real-time Gross Settlement (RTGS) system. As the world moves closer to real time, in everything, including payments and the inflection on innovation, better governance and wider access, the role of the RTGS system is evolving. This places new demands on the business and technology architectures of PMIs and RTGS systems in particular. To move closer to providing access to the RTGS for longer durations, the customer timings have been recently extended. There has been a growing demand for providing wider access to the RTGS system and allow participation of non-banks. The High-Level Committee on Deepening of Digital Payments (CDDP) recommended that non-banking entities should be included as associate members of payment systems and become an active player in enhancing acceptance infrastructure in the country. The recommendations are under examination.

Another development in the markets is related to implementation of Legal Entity Identifier (LEI). In view of the financial crises across the world, LEI has provided a way to identify financial connections so that regulators and firms can better understand the true nature of risk exposures across the financial system. In India, LEI has been mandated across various sectors in the financial markets including derivatives and non-derivatives market and also for large corporate borrowers. This is being implemented in a phased manner. Since it has been made mandatory for large corporate borrowers to obtain LEI, banks should, apart from advising such borrowers to obtain LEI, encourage such borrowers to obtain LEI for their parent entity as well as all subsidiaries and associates. Implementation of LEI for large borrowers may help banks in better monitoring of transactions and hence, exposure of such borrowers across nations.

Let me now conclude. The role of financial sector in a growing economy cannot be overemphasised. As the most important segment, the fixed income market in India has to grow to cater to the investment needs of an economy that aspires to become a USD 5 trillion economy in near future. While the Reserve Bank and other sister regulators will continue to draw the contours of growth with financial stability in mind, the market needs more activity, innovation and enterprise from the community of participants in this market.

I hope that you will keep this refrain in mind when you discuss the markets in this conference. I wish your deliberations all success.

ARTICLES

*Union Budget 2019-20: An Assessment**

The Union Budget for 2019-20 aimed at striking an optimal balance between fiscal discipline and economic growth in a challenging environment amidst notable deceleration in GDP growth since the second half of 2018-19. Given the expenditure priorities for boosting physical and social infrastructure and stimulating investment activity in the economy, the Budget aims at mobilising higher resources through non-tax revenues and disinvestment, with direct taxes expected to remain more buoyant, as in 2018-19. Fiscal transparency was enhanced significantly with the release of information on extra budgetary resources. Greater buoyancy in GST collections would be critical to achieve fiscal consolidation while meeting expenditure priorities for growth.

Introduction

This article analyses the key features of the Union Budget 2019-20 presented on July 05, 2019. Set against an adverse global environment characterised by weak growth momentum and lacklustre trade activity coupled with deceleration in domestic GDP growth in the second half of 2018-19, the Union Budget 2019-20 rightly prioritises growth and sets the goal of raising India's GDP to US$3 trillion by end-March 2020 and further to US$5 trillion by end-March 2025. Accordingly, the Budget has laid emphasis on boosting investments, mainly in infrastructure, while simultaneously also focussing on the rural economy, micro, small and medium enterprises (MSMEs) along with start-ups (Annex 1). It aims at balancing fiscal prudence with expenditure commitments. Going forward, higher revenue buoyancy in Goods and Services Tax (GST) collections would be critical to more meaningful fiscal consolidation. Against this background, the rest of the article is divided into seven sections. Section II discusses the gross fiscal deficit trajectory against the Fiscal Responsibility and Budget Management (FRBM) glide path, while section III examines the receipt side of central government finances. Section IV deals with government spending and Section V highlights financing pattern of gross fiscal deficit. Section VI reflects upon outstanding liabilities of the government and Section VII presents an analysis of resource transfers from the centre to states. Section VIII sets out concluding observations.

II. Budgeted Fiscal Deficit shows Commitment to Fiscal Consolidation

The revised Fiscal Responsibility and Budget Management (FRBM) architecture is structured around two types of fiscal rules based on sequenced calibration *viz.*, the fiscal anchor and the operational rule. The fiscal anchor ascertains fiscal sustainability. In general, the debt-to-GDP ratio acts as the fiscal anchor. The operational rule is calibrated from the final objective with a foreseeable link with the fiscal anchor (Eyraud and Wu, 2015; IMF, 2018).

The government has demonstrated commitment to fiscal rectitude as per the glide path set under the transformed FRBM - aiming at a gross fiscal deficit to gross domestic product (GFD-GDP) ratio of 3.0 per cent by 2020-21 (as the operational target) and debt-GDP ceilings of 60 per cent and 40 per cent for the general government and the central government, respectively, by 2024-25 (as the fiscal anchor). Towards achieving these targets, the Union Budget 2019-20 places the fiscal deficit for 2019-20 at 3.3 per cent of GDP as against 3.4 per cent achieved in 2018-19 (Provisional Accounts). It, therefore, marks a modest consolidation over 2018-19 (Table 1). Compared with

* Prepared by Kaushiki Singh, Saksham Sood, Kirti Gupta and Neeraj Kumar under the guidance of Samir Ranjan Behera of the Department of Economic and Policy Research, Reserve Bank of India. The views expressed are of the authors and do not pertain to the institution they belong to. Usual disclaimers apply. The previous article on Union Budget 2018-19 was published in the Reserve Bank of India Bulletin, April 2018.

Table 1: Key Indicators (as per cent to GDP)

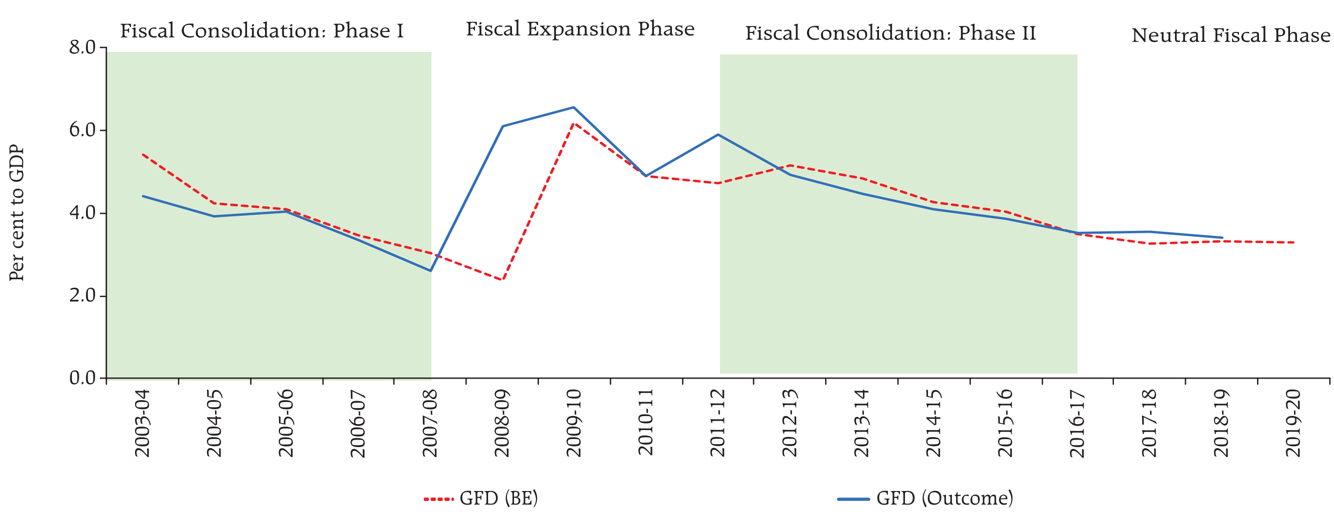
	2017-18	2018-19			2019-20		2020-21	2021-22
	Actuals	BE	RE	PA	BE (Interim)	BE (Final)	MTFP Target	
	Jul 5, 2019	Feb 1, 2018	Jul 5, 2019	May 31, 2019	Feb 1, 2019	Jul 5, 2019	Jul 5, 2019	Jul 5, 2019
1	2	3	4	5	6	7	8	9
1. Fiscal Deficit	3.5	3.3	3.3	3.4	3.3	3.3	3.0	3.0
2. Revenue Deficit	2.6	2.2	2.2	2.3	2.2	2.3	1.9	1.7
3. Primary Deficit	0.4	0.3	0.2	0.3	0.2	0.2	0.0	0.0
4. Gross Tax Revenue	11.2	11.9	11.8	10.9	12.1	11.7	11.6	11.6
5. Non-Tax Revenue	1.1	1.3	1.3	1.3	1.3	1.5	1.4	1.4
5. Revenue Expenditure	11.0	11.3	11.3	10.6	11.6	11.6	-	-
6. Capital Expenditure	1.5	1.6	1.7	1.6	1.6	1.6	-	-

BE: Budget Estimates; RE: Revised Estimates; PA: Provisional Accounts; MTFP: Medium Term Fiscal Policy.
Note: Going by the principle of using latest GDP data for any year, nominal GDP used for 2018-19 is as per Provisional Estimate for 2018-19 *viz.*, ₹190 lakh crore, released by CSO on May 31, 2019. For 2019-20, nominal GDP used is ₹211 lakh crore, released in the Union Budget 2019-20 on July 5, 2019. In view of this, the fiscal indicators as per cent to GDP given in this Table may at times marginally vary from those reported in the Union Budget documents.
Source: Union Budget Documents.

the progress on fiscal consolidation achieved during 2012-13 to 2016-17, however, gross fiscal deficit (GFD) as percentage to GDP has remained almost at similar levels since 2017-18 (Chart 1). Actual outcomes, however, have clearly tracked budgeted deficit numbers since 2012-13.

A major driver of budgeted fiscal consolidation in 2019-20 is higher non-tax revenues, which are budgeted to increase from 1.3 per cent in 2018-19 (PA) to 1.5 per cent of GDP in 2019-20 (BE) and are further slated to rise post higher surplus transfer by the Reserve Bank of India[1].

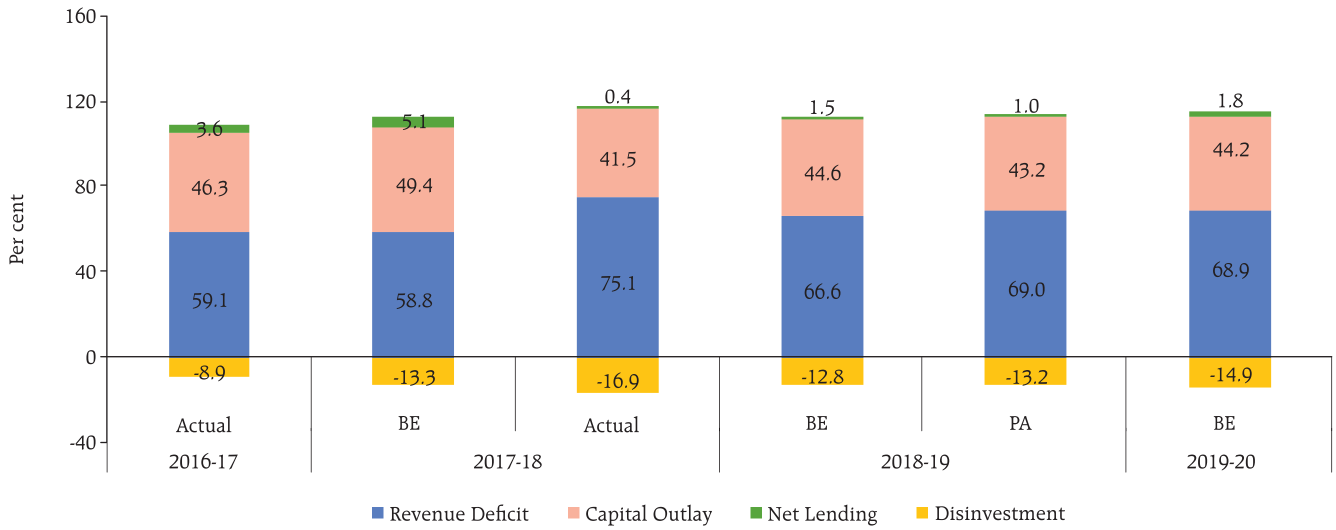
Chart 1: Progress on Fiscal Consolidation



Note: BE stands for Budget Estimates.
Source: Union Budget Documents.

[1] Recommendations of the "Report of the Expert Committee to Review the Extant Economic Capital Framework of the Reserve Bank of India" (Chairman: Dr. Bimal Jalan).

Chart 2: Decomposition of Gross Fiscal Deficit (GFD)



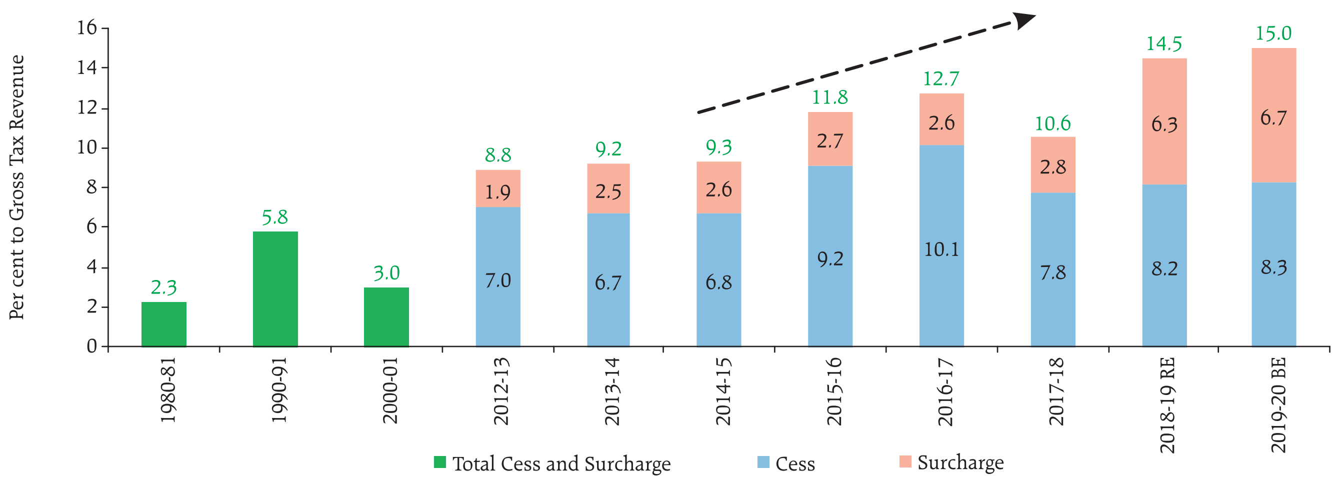
Source: Union Budget Documents.

The decomposition of GFD shows that the revenue deficit is budgeted to rise in 2019-20 and would pre-empt 69 per cent of the borrowed resources as against 59 per cent in 2016-17 (Chart 2).

III. Receipts

Given the need to boost infrastructure and other investments, the Union Budget 2019-20 aims at mobilising higher resources through non-tax revenues and disinvestment, with direct taxes continuing to be a major contributor, as in 2018-19. This is expected to be aided by higher collections from customs duties and union excise duties. Additionally, proceeds from cesses and surcharges, which are not part of the divisible pool of shared taxes, have been budgeted to increase from 3.0 per cent of gross tax revenues of the centre realised in 2000-01 to 15 per cent in 2019-20 (Chart 3).

Chart 3: Trend in Special Levies by the Central Government



Notes: 1. Figures may not add up due to rounding off.
2. Cess for 2017-18, 2018-19 and 2019-20 excludes GST compensation cess.

Source: Report of the Twelfth Finance Commission and Union Budget Documents.

Tax Revenues and Tax Buoyancy

Tax buoyancy, which reflects the effects of both automatic stabilisers and discretionary policy changes, is a key determinant of fiscal space as well as fiscal consolidation. In 2018-19, the tax buoyancy was budgeted at 1.64. The revised estimates, however, indicated that it was lower at 1.53, while the Provisional Accounts (PA) indicated a much lower realised buoyancy of 0.75, which can be almost entirely explained by shortfall in GST collections[2]. The budgeted tax buoyancy at 1.67 for 2019-20 is not only higher than the long-term average (1.02) but also more than double the size of realised buoyancy in 2018-19 (PA) (Chart 4).

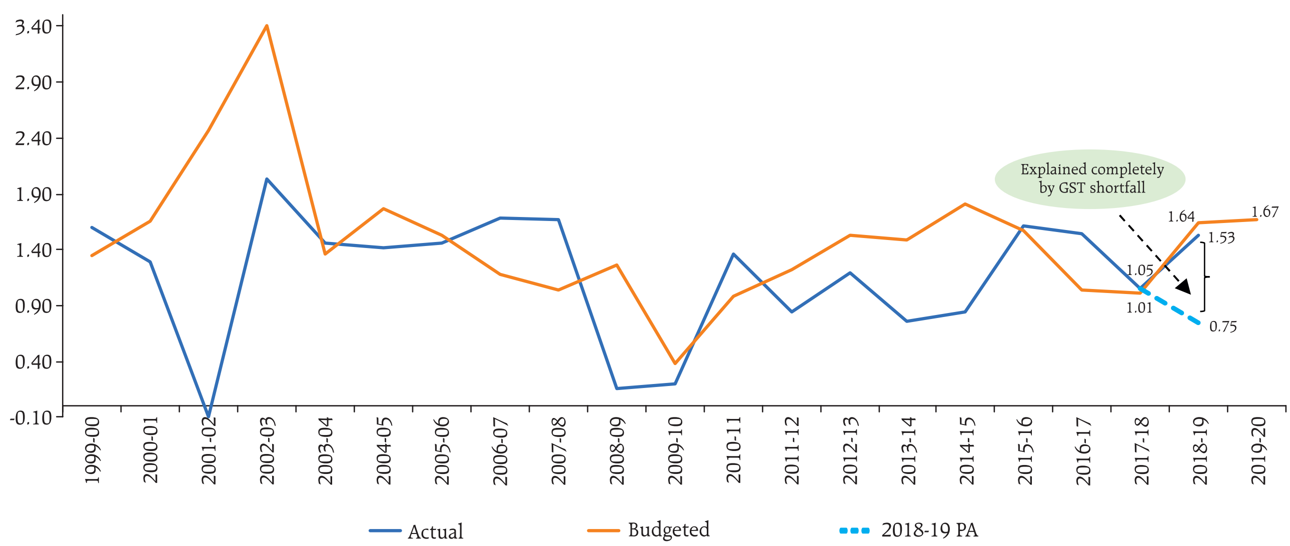
On the direct taxes front, buoyancy of personal income tax has been budgeted higher at 1.86 in 2019-20 than the realised buoyancy of 1.17 in 2018-19 (PA). For 2019-20, corporation tax buoyancy is budgeted at 1.40, which is lower than that realised in 2018-19 (PA), *albeit* higher than the long-term average. Among indirect taxes, buoyancy of customs duties and excises duties are budgeted at 2.9 and 2.7, respectively, much above their long-term averages. With the downward revision in GST collections relative to the Interim Budget, budgeted buoyancy of GST now looks more realistic.

Direct Taxes

Budgeted at 6.3 per cent of GDP during 2019-20, direct tax collections are expected to be higher than the realised figure for 2018-19 (PA) at 6.0 per cent of GDP, despite the proposed extension of the lower corporate tax rate benefit to more firms[3]. A cross country analysis shows that the effective corporate tax in India was relatively lower than that in other countries earlier but has increased during this decade (Chart 5).

Direct tax collections have been faring well, particularly during the current decade, and as a result their share in GDP has increased from 3.2 per cent in 2000-01 to 6.0 per cent in 2018-19 (PA). They are budgeted to grow at 17.4 per cent in 2019-20 as against 13.5 per cent in 2018-19 (PA) (Table 2).

Chart 4: Trend in Tax Buoyancy

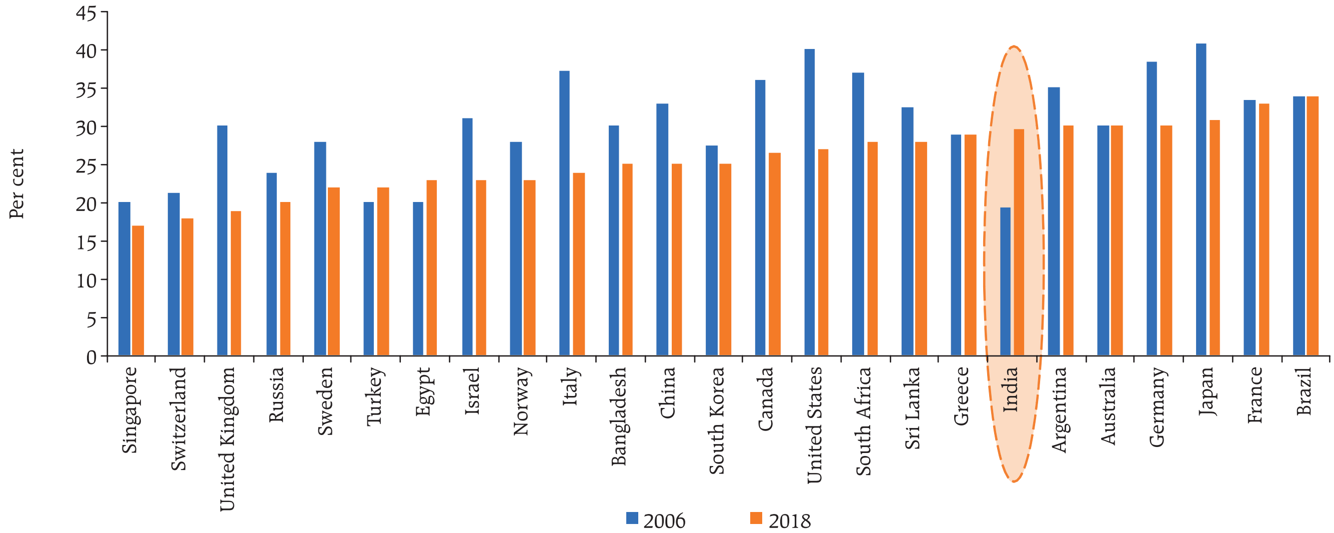


Source: Union Budget Documents.

[2] If the shortfall in GST collections relative to the budgeted numbers are added back to the Provisional Accounts data, the buoyancy figure exactly matches the revised estimates for 2018-19.

[3] The Budget has extended the benefit of lower corporation tax rate (*viz.*, 25 per cent) to firms with annual business turnover upto ₹400 crore which was earlier applicable to businesses with annual turnover upto ₹250 crore.

Chart 5: Cross-country Corporate Tax Rates



Note: Data for India is for effective corporate tax rates.
Source: KPMG database and Union Budget Documents.

Higher budgeted direct taxes primarily reflect higher budgeted income tax collections, particularly resulting from measures taken towards simplification of filing of returns, interchangeability of Permanent Account Number (PAN) and AADHAAR, pre-filled income tax returns and faceless e-assessment, besides the impact of proposed increase in surcharges, notwithstanding recent reversal of one of the surcharge proposals. The Union Budget also provides a slew of tax relief measures for sectors like affordable housing, start-ups, Non-Banking Financial Companies (NBFCs) and International Financial Services Centres (IFSCs).

Table 2: Tax Revenue of Central Government

	₹ Thousand Crore				Growth Rate (per cent)			
	2017-18	2018-19 (RE)	2018-19 (PA)	2019-20 (BE)	2018-19 (RE)	2018-19 (PA)	2019-20 (BE)	
	Jul 5, 2019	Jul 5, 2019	May 31, 2019	Jul 5, 2019	Col. 3 over Col 2	Col. 4 over Col. 2	Col. 5 over Col. 3	Col. 5 over Col. 4
1	2	3	4	5	6	7	8	9
1. Direct tax	**1,002**	**1,200**	**1,137**	**1,335**	19.8	13.5	11.3	17.4
of which:								
i. Income tax	408	518	462	556	26.9	13.1	7.4	20.5
ii. Corporation tax	571	671	664	766	17.5	16.2	14.2	15.4
2. Indirect tax	**917**	**1,048**	**943**	**1,126**	14.3	2.9	7.4	19.4
of which:								
i. GST	443	644	582	663	45.5	31.4	3.0	14.1
CGST	203	504	458	526	147.9	125.1	4.4	15.0
IGST	177	50	29	28	-71.7	-83.6	-44.0	-3.3
Compensation cess	63	90	95	109	43.7	51.9	21.5	15.0
ii. Customs	129	130	118	156	0.8	-8.6	19.9	32.2
iii. Excise	259	260	231	300	0.1	-11.0	15.6	29.9
3. Gross Tax Revenue (1+2)	**1,919**	**2,248**	**2,080**	**2,461**	17.2	8.4	9.5	18.3

Note: Some growth rate calculations may not be immediately apparent from figures in concerned tables because calculation are based on exact figure taken from the Union Budget documents.
Source: Union Budget Documents.

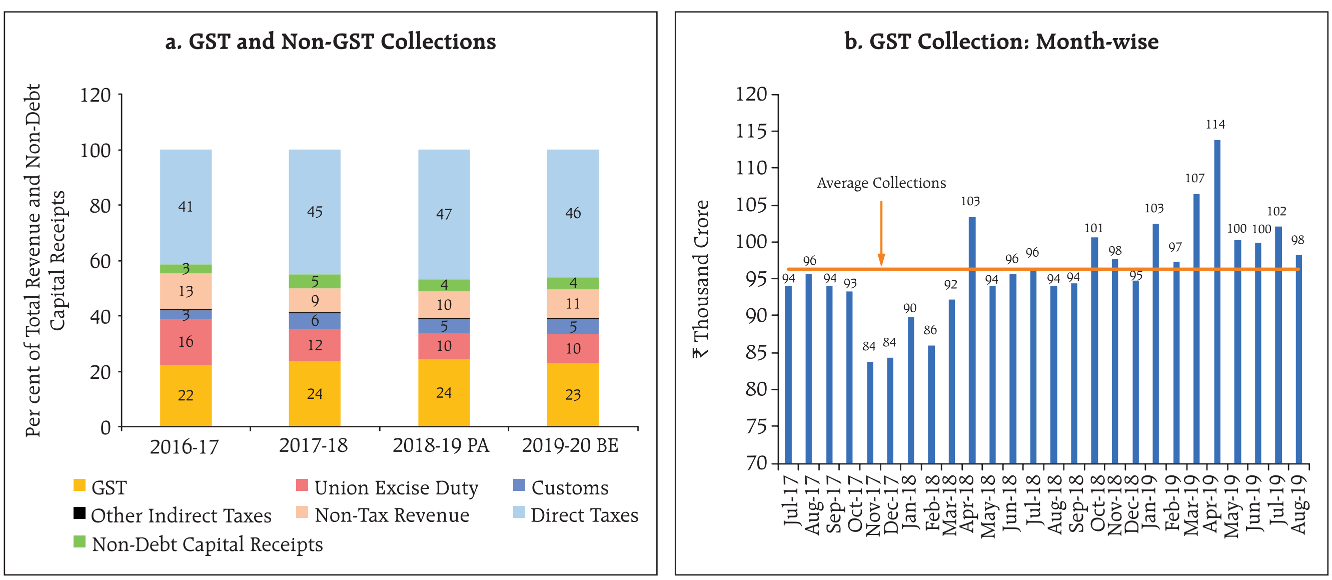
Indirect Taxes

For the year 2019-20, indirect tax collections are budgeted to grow by 19.4 per cent as against 2.9 per cent in 2018-19 (PA). Higher collections under union excise and customs duties are budgeted on account of measures like increase in special additional excise duty and road and infrastructure cess, each by one rupee a litre on petrol and diesel, coupled with an increase in customs duty on gold and other precious metals from 10 per cent to 12.5 per cent. Although lower than budgeted, Goods and Services Tax (GST) collections increased in 2018-19 over 2017-18 despite teething problems and rationalisation of GST rates across sectors and items during the year, resulting in lower effective GST rate. Against this backdrop, the GST collections have been budgeted at ₹663 thousand crore, lower than ₹761 thousand crore announced in the Interim Budget on February 01, 2019. Comparing GST collections in 2017-18 and 2018-19 against similar bucket of taxes in 2016-17 shows that the share of GST collections as per cent of total revenue and non-debt capital receipts has improved marginally, while the share of direct taxes have exhibited maximum improvement (Chart 6a). Nonetheless, month-wise GST collections in recent months reflect the impact of deceleration in nominal GDP growth (Chart 6b). The GST architecture, however, requires significant administrative reforms, and ways to deal with IT related glitches *viz.*, putting in place an invoice matching system along with mitigation of system design deficiencies and proposed simplification of GST processes, among others, so as to reap the complete benefit of this game-changing tax reform (CAG, 2019).

Non-Tax Revenues

In a break from the past, non-tax revenues have helped in meeting revenue requirements, especially during the previous two years. Following this trend, receipts from non-tax revenues are budgeted to increase in 2019-20 by 27.2 per cent as against 27.7 per cent growth in the previous year. Surplus transfers from the RBI/banks/Financial Institutions (FIs) are budgeted to increase by ₹32 thousand crore in 2019-20 (Table 3). This is slated to increase further post higher surplus transfer from RBI[4].

Chart 6: Trend in GST Collections



Source: RBI.

[4] Recommendations of the "Report of the Expert Committee to Review the Extant Economic Capital Framework of the Reserve Bank of India" (Chairman: Dr. Bimal Jalan).

Table 3: Dividends and Profits

	₹ Thousand Crore			Growth Rate (per cent)		
	2017-18	2018-19 (RE)	2019-20 (BE)	2017-18	2018-19 (RE)	2019-20 (BE)
1	2	3	4	5	6	7
Dividend and Profits	**91**	**119**	**164**	**-25.7**	**30.5**	**37.1**
From PSEs	46	45	57	-10.3	-3.0	27.4
From RBI/ Banks/FIs	45	74	106	-37.0	65.3	43.0

PSEs: Public Sector Enterprises; FIs: Financial Institutions.
Source: Union Budget Documents.

Non-debt Capital Receipts

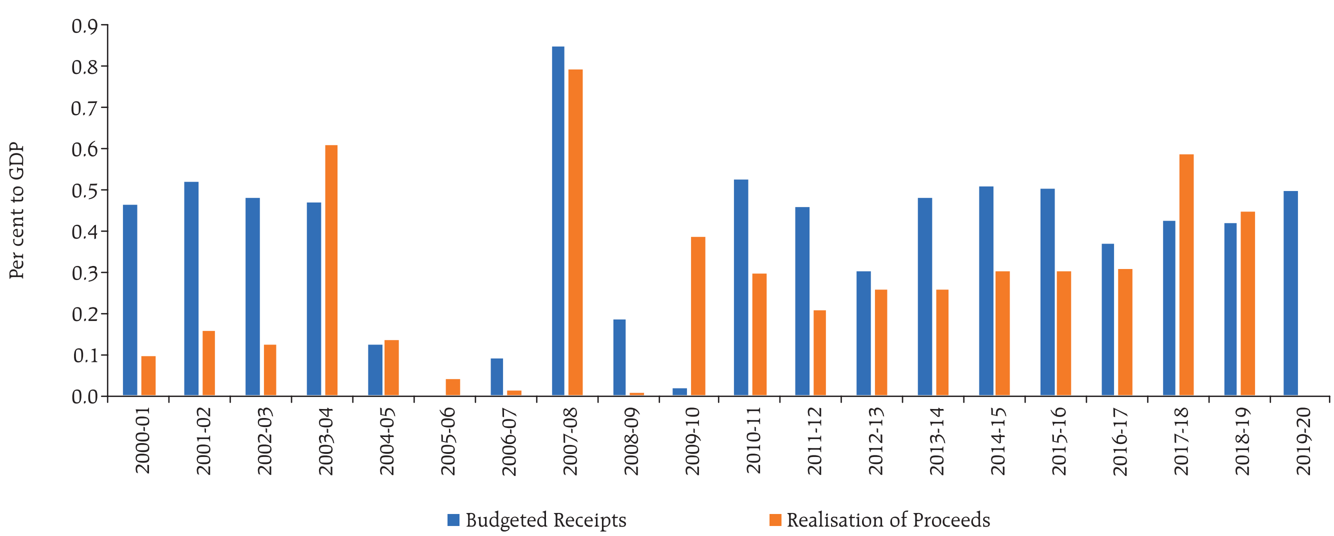
Non-debt capital receipts have also been a significant source of revenue in recent years. The target for disinvestment, which was pegged at ₹80 thousand crore in 2018-19 (BE), has been exceeded by ₹5,045 crore in 2018-19 (PA) (Chart 7). Continuing with the disinvestment drive, the Union Budget aims at mobilising substantial amount of resources from disinvestment with a special emphasis on strategic sales. Consequently, the target for disinvestment is set at ₹105 thousand crore for 2019-20 (BE).

IV. Expenditure Pattern and Priorities

In the decade gone by, centre's expenditure as a per cent to GDP was declining even as the general government expenditure continued to increase due to pressure on states' spending, particularly since 2015-16, mostly led by Ujwal DISCOM Assurance Yojana (UDAY). For 2019-20, if the budgeted expenditure is realised, centre's total expenditure as per cent to GDP at 13.2 per cent will register an increase for the first time in last ten years. Revenue expenditure is budgeted to grow at a higher rate than capital expenditure, reflective of higher allocations for the agricultural sector in line with government's pro-rural focus and many central sector/centrally sponsored schemes (Table 4).

A cross country analysis of general government expenditure relative to per capita income suggests that high-income countries tend to have larger government expenditure as a share of their GDP, and it is more focussed on social protection (Ortiz-Ospina and Roser, 2019)[5]. Compared with its emerging market peers, India has a relatively higher spending in comparison to

Chart 7: Disinvestment Receipts: Budgeted *vis-a-vis* Realised



Source: Union Budget Documents.

[5] This correlation may be due to the fact that high-income countries have relatively more efficient tax collection system, which enhances their tax collection capacity (Ortiz-Ospina and Roser, 2019).

Table 4: Expenditure of Central Government

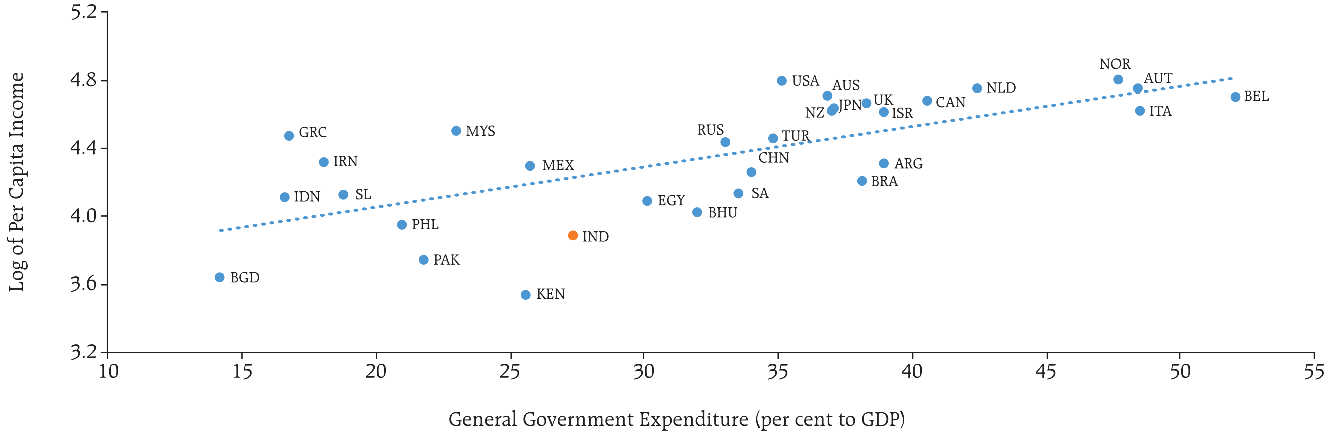
Item	₹ Thousand Crore				Growth Rate (per cent)			
	2017-18	2018-19 (RE)	2018-19 (PA)	2019-20 (BE)	2018-19 (RE)	2018-19 (PA)	2019-20 (BE)	
	Jul 5, 2019	Jul 5, 2019	May 31, 2019	Jul 05, 2019	Col. 3 over Col. 2	Col. 4 over Col. 2	Col. 5 over Col. 3	Col. 5 over Col. 4
1	2	3	4	5	6	7	8	9
1. Total Expenditure	2,142	2,457	2,311	2,786	14.7	7.9	13.4	20.5
2. Revenue Expenditure *(of which)*	1,879	2,141	2,009	2,448	13.9	6.9	14.3	21.9
(i) Interest Payments	529	588	583	661	11.1	10.2	12.4	13.4
(ii) Major Subsidies	191	266	197	302	39.2	3.1	13.3	53.1
Food	100	171	102	184	70.8	1.6	7.5	80.8
Fertilizer	67	70	71	80	5.4	6.2	14.1	13.3
Petroleum	25	25	25	38	1.5	0.4	50.9	52.6
(iii) MGNREGA	55	61	-	60	10.7	-	-1.8	-
(iv) PM-KISAN	-	20	-	75	-	-	275.0	-
(v) Defence (Revenue)	186	191	196	202	2.8	5.3	5.5	3.0
3. Capital Expenditure	263	317	303	339	20.3	15.1	6.9	11.8

Source: Union Budget Documents.

its per capita income, though lower than other BRICS nations (Chart 8). Some emerging market economies also have an expenditure linked fiscal rule in place with the ceilings on expenditure-to-GDP ratio being in the range of 30 to 40 per cent of GDP (IMF, 2018)[6].

Total expenditure of the centre has been budgeted to grow by 20.5 per cent (to ₹27.9 lakh crore) in 2019-20 as against 7.9 per cent growth recorded in 2018-19 (PA). Revenue expenditure is budgeted to grow at a higher rate than capital expenditure, mainly due to higher allocations for the agriculture

Chart 8: General Government Expenditure – Cross-country Comparison



Notes: ARG-Argentina; AUS-Australia; AUT-Austria; BGD-Bangladesh; BEL-Belgium; BHU-Bhutan; BRA-Brazil; CAN-Canada; CHN-China; EGY-Egypt; GRC-Greece; IND-India; IDN-Indonesia; IRN-Iran ; ISR-Israel; ITA-Italy; JPN-Japan; KEN-Kenya; MEX-Mexico; MYS-Malaysia; NLD-Netherlands; NZ-New Zealand; NOR-Norway; PAK-Pakistan; PHL-Philippines; RUS-Russia; SA-South Africa; SL-Sri Lanka; TUR-Turkey; UK-United Kingdom; USA-United States.

Source: IMF World Economic Outlook; World Bank and RBI.

[6] Total government spending for India has remained stable over time – it stood at 28.2 per cent of GDP in 2018-19, about the average level over the period 1980-2018 (27.5 per cent).

sector by 26.8 per cent over the previous year. This has been done with a dual objective of alleviating rural distress on the one hand, and, providing a boost to rural consumption demand on the other. Related measures include Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) under which income support at the rate of ₹6,000 per year to farmer families has been extended to all farmers. Higher allocations have also been made for Pradhan Mantri Gram Sadak Yojana (PMGSY), Ayushman Bharat and National Education Mission (NEM) with a view to promote physical and social infrastructure in the country (Table 5).

It is noteworthy that for the union government, spending pattern is inclined more towards revenue expenditure, which exhibits downward rigidity. In thirteen out of last fifteen years, the share of revenue expenditure has been over 85 per cent of the total expenditure. In 2019-20, the share of revenue expenditure is budgeted at 87.8 per cent of the total. This leaves limited legroom to enhance capital spending which is estimated to have higher multiplier effects than revenue expenditure in boosting growth, by crowding-in private investment (RBI, 2019). Due to higher capital expenditure growth and pruning of revenue expenditure in 2018-19 (PA), there was some improvement in revenue to capital expenditure ratio (Chart 9).

Subsidies and Interest Payments

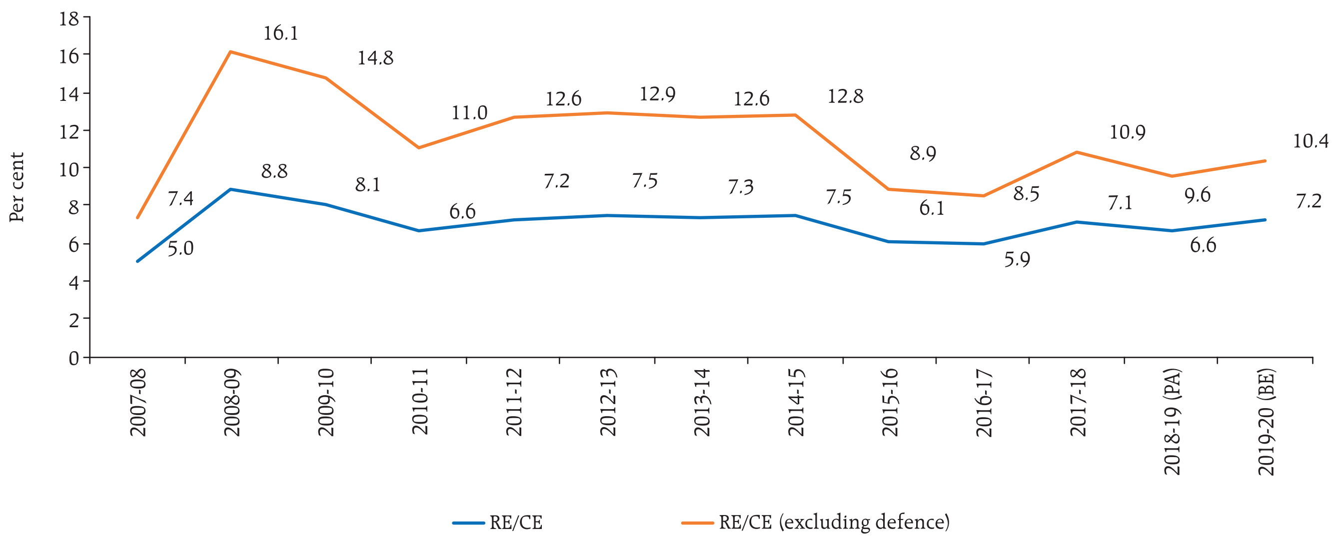
Subsidies and interest payments constitute over 40 per cent of government's revenue expenditure. In 2017-18 and 2018-19 (PA), although the actual expenditure incurred on major subsidies was lower than the budget estimates, the same has been budgeted higher in 2019-20 in line with previous years (Table 4). The government aims to cut down its expenditure on subsides in the medium term by leveraging the direct benefit transfer (DBT) system to plug leakages through better targeting.

Table 5: Expenditure on Major Government Schemes

Item	₹ Thousand Crore			Per cent to Total Expenditure		Growth Rate (per cent)	
	2017-18	2018-19 (RE)	2019-20 (BE)	2018-19 (RE)	2019-20 (BE)	2018-19 (RE)	2019-20 (BE)
1	2	3	4	5	6	7	8
A. Central Sector Schemes							
1. PM-KISAN	–	20	75	0.81	2.69	–	275.0
2. Pradhan Mantri Shram Yogi Maandhan	–	0	0.5	0.00	0.02	–	–
3. Deen Dayal Upadhyaya Gram Jyoti Yojana	5	3.8	4.1	0.15	0.15	-24.8	7.0
4. Ujjwala Yojana	2.3	3.2	2.7	0.13	0.10	42.1	-14.9
5. Road Works	36.8	40.9	45.9	1.66	1.65	11.0	12.2
6. Sagarmala	0.5	0.4	0.6	0.02	0.02	-20.5	44.3
7. National River Conservation Programme	0.7	1.6	1.2	0.07	0.04	124.0	-24.7
B. Centrally Sponsored Schemes							
1. MGNREGA	55.2	61.1	60.0	2.49	2.15	10.7	-1.8
2. Ayushman Bharat	–	2.4	6.4	0.10	0.23	–	166.7
3. PM Krishi Sinchayi Yojana	6.6	8.3	9.7	0.34	0.35	24.8	17.3
4. PM Gram Sadak Yojana	16.9	15.5	19.0	0.63	0.68	-8.1	22.6
5. PM Awas Yojana	31.2	26.4	25.9	1.07	0.93	-15.3	-2.1
6. Swachh Bharat Mission	19.4	17.0	12.6	0.69	0.45	-12.6	-25.5
7. National Health Mission	32.0	31.2	33.7	1.27	1.21	-2.5	7.9
8. National Education Mission	29.5	32.3	38.5	1.32	1.38	9.8	19.2

– : Not applicable.
Source: Union Budget Documents.

Chart 9: Ratio of Revenue Expenditure (RE) to Capital Expenditure (CE)



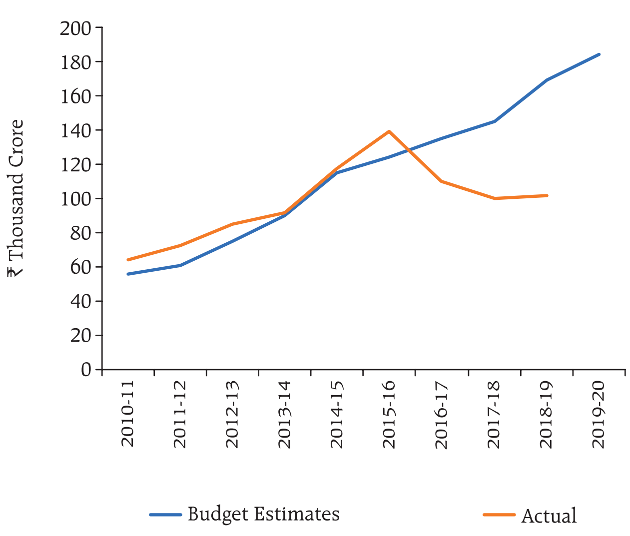
Source: Union Budget Documents.

An analysis of expenditure incurred on food subsidy reveals that prior to 2016-17, actual expenditure on food subsidy was consistently higher than the budgeted amount. However, since 2016-17 the pattern has reversed (Chart 10). This lower expenditure on food subsidy *vis-à-vis* the budgeted amount in the last three years reflects the Food Corporation of India (FCI) resorting to borrowings from the National Small Savings Fund (NSSF) (Chart 11).

Capital Expenditure

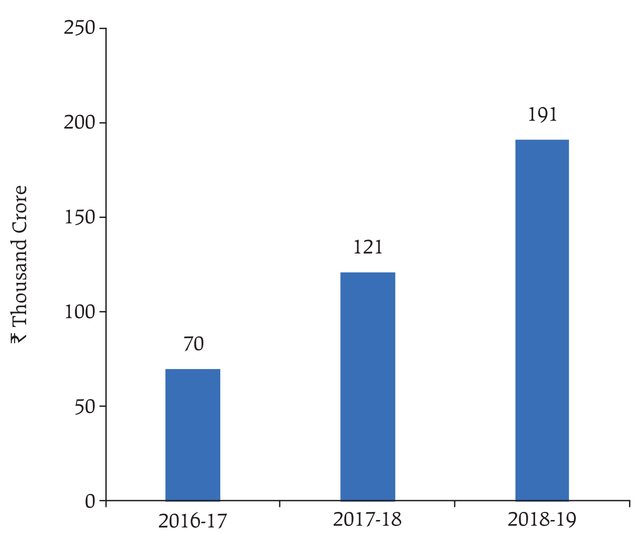
On top of an increase of 15.1 per cent during 2018-19 (PA), capital expenditure is budgeted to increase further by 11.8 per cent in 2019-20. However, as a per cent to GDP, it remains pegged at 1.6 per cent of GDP. Capital expenditure for defence is budgeted to increase by 10 per cent to ₹103 thousand crore in 2019-20(BE). For major infrastructure, capital expenditure is estimated to grow moderately by

Chart 10: Food Subsidy: Budgeted *vis-à-vis* Actual



Source: Union Budget Documents.

Chart 11: FCI Outstanding to NSSF



Source: Food Corporation of India.

Table 6: Capital Expenditure

	₹ Thousand Crore				Growth Rate (per cent)		
	2016-17	2017-18	2018-19 (RE)	2019-20 (BE)	2017-18	2018-19 (RE)	2019-20 (BE)
1	2	3	4	5	6	7	8
1. Total Capital Expenditure	**285**	**263**	**317**	**339**	**-7.5**	**20.3**	**6.9**
2. Defence	86	90	94	103	4.7	3.9	10.0
3. Capital Expenditure (excluding defence)	198	173	223	235	-12.9	28.9	5.6
(i) Major Infrastructure	102	108	134	146	5.8	23.9	8.8
Irrigation	0.1	0.3	0.3	0.3	236.7	3.9	9.4
Energy	7	5	9	7	-32.5	94.3	-25.4
Indian Railways	45	43	53	66	-4.0	22.2	24.1
Roads & Bridges	44	54	64	68	22.3	20.0	6.0
Civil Aviation	3	2	4	0.03	-32.2	117.8	-99.4
Ports and Light Houses	0.3	0.2	0.2	0.3	-45.8	4.1	42.6
Communications	3	5	4	5	29.6	-19.8	37.3
(ii) Industry & Minerals	6	5	5	6	-16.7	-4.9	28.1
(iii) Science, Technology and Environment	5	5	7	9	2.6	34.2	20.5
(iv) Others	84	54	76	74	-36.2	41.7	-2.9

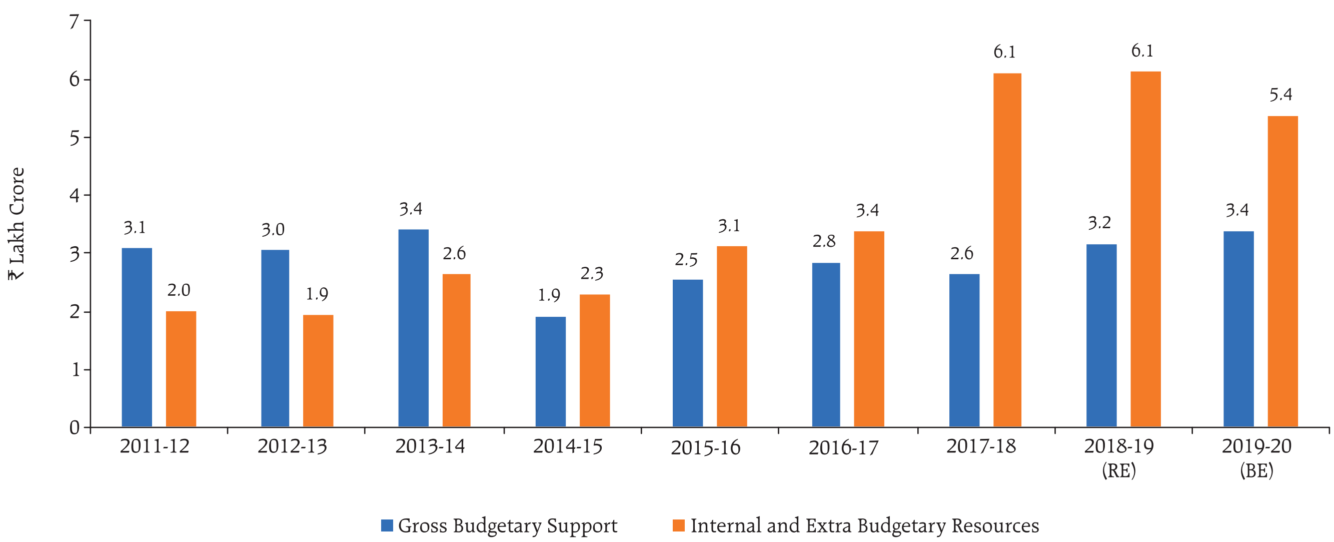
Source: Union Budget Documents.

8.8 per cent in 2019-20 (BE) - as against a significant increase of about 23.9 per cent in 2018-19 (RE) - led by railways, which is also encouraged to tap market borrowings and pursue asset monetisation. Other sectors, which witnessed an increase are roads and bridges, communication and irrigation (Table 6).

Extra Budgetary Resources (EBRs)

In addition to the capital spending made from the Union Budget (Gross Budgetary Support), Central Public Sector Undertakings (CPSUs) and commercial departmental undertakings incur a significant amount of capital expenditure from their own sources, known as internal and extra budgetary resources (IEBR). While earlier the amount of capital spending through IEBR used to be lesser than the gross budgetary support, since 2014-15, this trend has reversed, with capital spending by CPSUs exceeding the amounts budgeted for capital expenditure (Chart 12).

Chart 12: Capital Spending - GBS *vis-a-vis* IEBR



Source: Union Budget Documents.

A holistic perspective of aggregate capital expenditure by the public sector, thus, must include capital spending by CPSUs, particularly through EBR (Box 1).

V. GFD Financing- Major Sources

Gross market borrowing, which is the major source of financing, is budgeted at ₹710 thousand crore for 2019-20, which is 24.3 per cent higher than the preceding year's level. Net market borrowings at ₹473 thousand crore, however, is estimated to increase by 11.9 per cent during the same period. Net borrowings through dated securities will cover 67.2 per cent of GFD in 2019-20 (BE) compared with 66.6 per cent of GFD in 2018-19 (RE) (Table 7).

Box 1: Extra Budgetary Resources (EBR) raised through Government of India-Fully Serviced Bonds (GoI-FSB)

In last three years, some CPSUs have raised resources from the market by issuing Government of India-Fully Serviced Bonds (GoI-FSB) for which the repayment of both principal and interest is to be done from the Budget (Chart 1.1). As announced in the Interim Budget 2019-20, a mechanism for budgeting for EBRs has been operationalised from Union Budget 2019-20 presented on July 5, 2019. As at end-March 2019, total outstanding liabilities on account of EBRs were 0.5 per cent of GDP and by end-March 2020 they have been budgeted at 0.7 per cent of GDP. The government aims to reduce accretions to the EBR stock to zero in five years' time.

Some of the government schemes for which proceeds from EBRs have been utilised so far are Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Deen Dayal Upadhayay Gram Jyoti Yojana (DDUGJY), Swachh Bharat Mission (SBM), Pradhan Mantri Awas Yojana (PMAY), among others. The sectoral share of utilisation of funds raised through EBRs during 2016-19 shows that maximum amount has been raised for power sector projects (32 per cent), followed by rural development projects (30 per cent), housing (23 per cent), water resources (12 per cent), renewable energy (2 per cent) and shipping (1 per cent) (Chart 1.2). Institution-wise break up of borrowings made through EBR route reveals that the top three borrowers are National Bank for Agriculture and Rural Development (NABARD), which has borrowed for both rural development and irrigation projects, followed by Housing and Urban Development Corporation (HUDCO) for housing projects and Rural Electrification Corporation (REC) for electrification projects. The release of information on EBRs in the public domain through the Union Budget 2019-20, has significantly enhanced fiscal transparency in India.

Chart 1.1: Amount Raised Through GoI-FSB

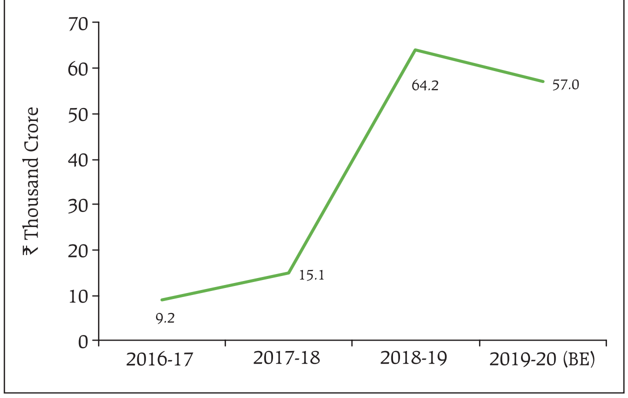
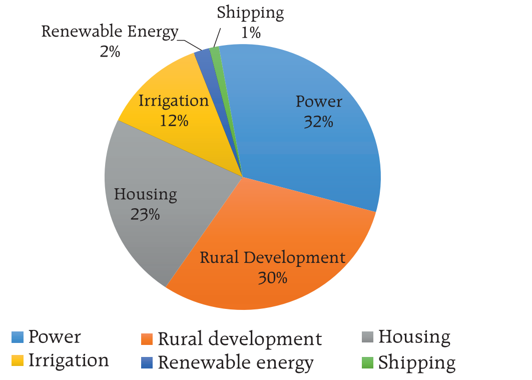


Chart 1.2: Sectoral Share of Utilisation of GoI-FSB



Source : Union Budget Document and Bloomberg.

Table 7: GFD Financing

(Amount in ₹ Thousand Crore)

Item	2017-18 (Actual)	2018-19 (RE)	2019-20 (BE)
1	2	3	4
Gross Fiscal Deficit	591	634	704
	(100.0)	(100.0)	(100.0)
Financed by			
Net Market Borrowings	451	423	473
	(76.3)	(66.6)	(67.2)
Net treasury bills	45	25	25
	(7.6)	(3.9)	(3.6)
NSSF	103	125	130
	(17.4)	(19.7)	(18.5)
External Assistance	8	-5	-3
	(1.3)	-(0.8)	-(0.4)
State Provident Fund	16	17	18
	(2.7)	(2.7)	(2.6)
Reserve Fund	18	-15	-0.9
	(3.1)	-(2.3)	-(0.1)
Deposits and Advances	25	16	14
	(4.3)	(2.5)	(1.9)
Draw Down of Cash Balances	4	41	51
	(0.7)	(6.5)	(7.3)
Others	-79	7	-3
	-(13.3)	(1.1)	-(0.5)

Notes: 1. Net market borrowings include borrowings through dated securities only.
2. Net treasury bills include borrowings through 91-day, 182-day, 364-day and all other treasury bills.
3. Others include buyback of securities, switching off of securities, saving bonds, relief bonds *etc.*
4. Figures in parenthesis are per cent to GFD.

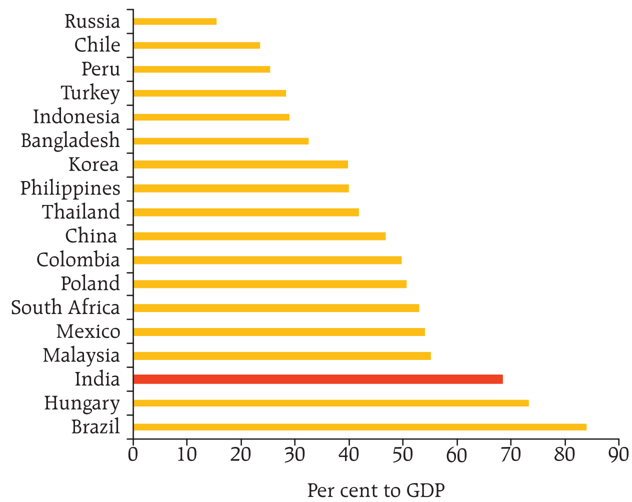
Source: Union Budget Documents.

The Union Budget, has also provided for switches (gross) and buyback of securities for ₹50 thousand crore, each. Gross issuance of cash management bills (CMBs) of ₹1 lakh crore for cash management operations has also been provided for. However, there are no net issuances of CMB and no allocation under the Market Stabilisation Scheme (MSS) for 2019-20 (BE).

VI. Outstanding Liabilities

An important component of the fiscal rule - the general government outstanding liabilities as per cent to GDP- shows that at 68.4[7] per cent, India's debt to GDP ratio was higher than many emerging market peers in 2017-18 (Chart 13). India's public debt,

Chart 13: Outstanding Liabilities Position of India *vis-a-vis* EMEs (2017)

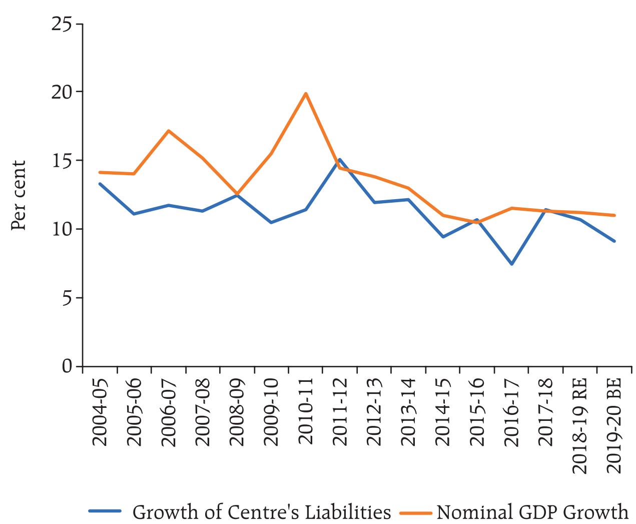


Source: IMF Fiscal Monitor (April 2019) and RBI.

however, is largely denominated in rupees and is also of a relatively longer maturity. The rate of growth of nominal GDP has also exceeded annual growth in liabilities of the central government, contributing to the declining trend of centre's outstanding liabilities as per cent to GDP (Chart 14).

Total liabilities-GDP ratio of the central government is budgeted to decline to 48.6 per cent in 2019-20 from 49.4 per cent in 2018-19 (RE) and

Chart 14: Growth in Outstanding Liabilities and GDP



Source: RBI.

[7] Data pertains to 27 state budgets.

Table 8: Outstanding Liabilities

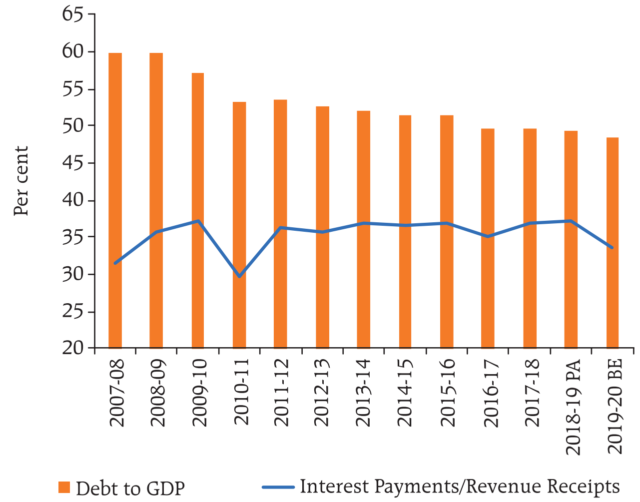
(Per cent to GDP)

	Central Government Debt	*of which* EBR*
2017-18	49.7	0.1
2018-19 (RE)	49.4	0.5
2019-20 (BE)	48.6	0.7
2020-21 P	46.2	0.8
2021-22 P	44.4	0.9

*:The target is to reduce the accretions to the EBR stock to zero in five years' time.
Note: P stands for projected; EBR stands for Extra-Budgetary Resources.
Source: Union Budget Doucments; RBI.

further to 44.4 per cent in 2021-22 (Table 8). It may be noted that unlike fiscal deficit numbers, the debt projections are higher than that given in the Interim Budget for 2019-20 and the targets set by Medium Term Fiscal Policy Statement (MTFP) in 2018-19 budget. The Union Budget has taken a major step towards enhancing fiscal transparency by explicitly showing the extra budgetary liabilities in the MTFP, which are projected to rise from 0.7 per cent in 2019-20 (BE) to 0.9 per cent of GDP by 2021-22. Interest payments as a proportion of revenue receipts (which is an indicator of debt servicing capacity), which witnessed an increase in 2018-19 (PA) has been budgeted to improve marginally in 2019-20 (Chart 15).

Chart 15: Debt and Interest Burden of Central Government

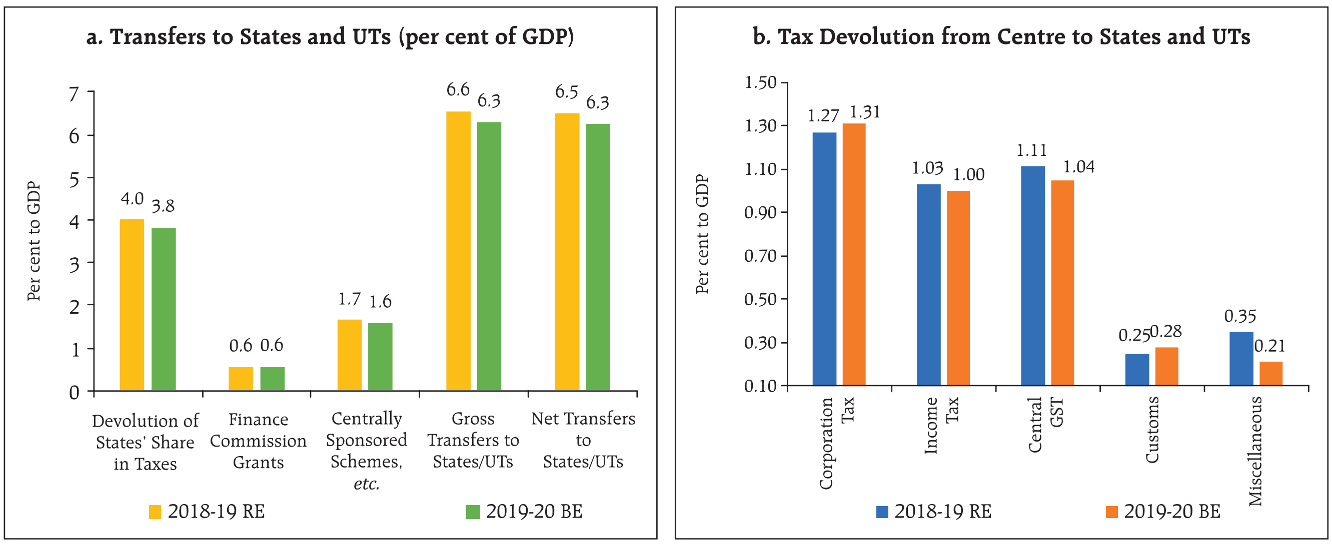


Source: Union Budget Documents.

VII. Resource Transfers from the Centre to States in 2019-20

Gross transfers to states from the centre as per cent to GDP is expected to decelerate by about 30 basis points in 2019-20 *vis-à-vis* 2018-19 (RE), largely attributed to slower growth projected for the divisible pool of taxes (Chart 16a and b).[8] Specific

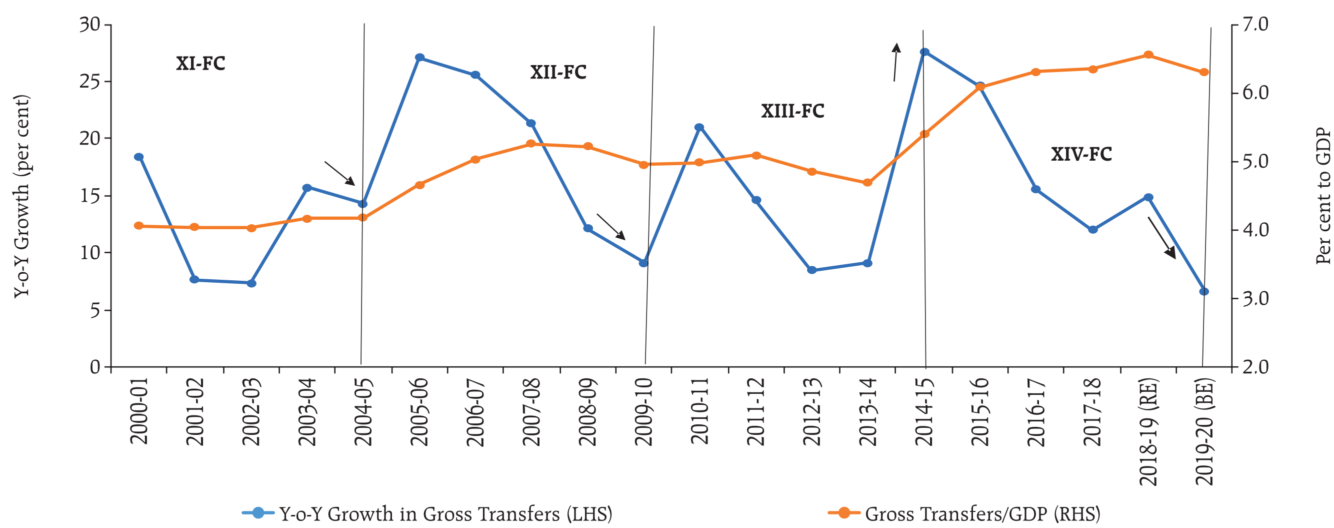
Chart 16: Resource Transfer to States



Note: Miscellaneous taxes include Union excise duties, service tax and some adjustments.
Source: Union Budget Documents.

[8] It may be noted that there is a mismatch in gross transfers (from centre to states) budgeted in the Union Budget and those estimated from State Budgets of all states taken together. This mismatch seems to have risen in the last three years which may be attributed to the uncertainty in reporting of GST compensation cess and other GST related teething issues.

Chart 17: Trends in Gross Transfers to States and UTs



Source: State Budget Documents and Union Budget Documents.

purpose transfers by central ministries under various centrally sponsored schemes and central sector schemes, which account for one-fourth of the gross transfer, is slated to decelerate to 6.4 per cent in 2019-20 against the growth of 13 per cent recorded in the previous year (Annex 2).

Slower growth in gross transfers in 2019-20 could be due to 2019-20 being the last year of the effective time horizon of the XIV Finance Commission (XIV FC). Year-on year growth in gross transfers over the last four Finance Commissions (except the XIII FC) shows that by the end of fifth year some deceleration sets in (Chart 17).

VIII. Concluding Observations

The Union Budget for 2019-20 has focussed on building physical infrastructure, improving social services, digitising the economy, promoting MSMEs and start-ups, encouraging research and development and making India healthy, green and clean. The financial sector reforms announced in Union Budget along with recapitalisation of public sector banks (PSBs) will facilitate overall credit growth in the economy. The investment and infrastructure push given in the budget is a welcome move to boost growth and employment. A slew of measures announced recently in August 2019 with a special focus on financial sector reforms, auto and infrastructure along with measures related to taxation should also facilitate in strengthening the growth momentum of the economy (Annex 3). The government has demonstrated commitment to fiscal consolidation in 2019-20 as per the FRBM glide path, notwithstanding a challenging domestic and global environment impacting the outlook for growth.

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Annex 1

Union Budget 2019-20: Major Measures

Measures related to Reserve Bank of India

1. Strengthened regulatory powers of the Reserve Bank over Non-Banking Financial Companies.
2. The regulation of the housing finance sector has been moved from National Housing Bank to the Reserve bank.
3. Abolition of Merchant Discount Rate (MDR); RBI and banks to absorb charges on digital transaction from the savings that will accrue to them because of handling less cash as people move to these digital modes of payment.
4. To merge the NRI-Portfolio investment scheme route with the Foreign Portfolio investment route with a view to providing Non Resident Indians (NRIs) with seamless access to Indian equities.
5. To get retail investors to invest in treasury bills and securities issued by the government, inter-operability of RBI depositories and Securities and Exchange Board of India (SEBI) depositories would be necessary. The government will take up necessary measures in this regard in consultation with RBI and SEBI to bring about seamless transfer of treasury bills and government securities between RBI and Depository ledgers.
6. Provision of ₹70,000 crore for capital infusion through issuance of recapitalisation bonds in public sector banks (PSBs) in 2019-20.
7. With the view to further deepen corporate tri-party repo market in Corporate Debt securities, the government will work with regulators RBI/SEBI to enable stock exchanges to allow AA rated bonds as collaterals.
8. Several measures are proposed to enhance the sources of capital for infrastructure financing. Among other measures, a Credit Guarantee Enhancement Corporation (CGEC) for which regulations have been notified by the Reserve Bank, will be set up in 2019-20.

Rural Economy

1. The newly created Jal Shakti Mantralaya will work with the states to ensure piped water supply to all rural households by 2024.
2. For increasing farmers' income, the Budget has recognised the need for forming new Farmer Producer Organisations (FPO), expansion of benefits of e-NAM (e-National Agriculture Market – online agricultural trading platform) to larger number of farmers and introduction of Zero Budget Farming.
3. Launch a focused scheme – the Pradhan Mantri Matsya Sampada Yojana (PMMSY) – to establish a robust fisheries management framework.

Industry

1. The recommendations of the High Level Empowered Committee (HLEC) on retirement of old & inefficient plants and addressing low utilisation of Gas plant capacity due to paucity of Natural Gas, will be taken up for implementation.
2. Public-Private Partnership for developing railway infrastructure like development and completion of tracks, rolling stock manufacturing and delivery of passenger freight services.
3. Interest subvention scheme for GST registered MSMEs: ₹350 crore allocated for 2019-20.
4. To address delay in government payments to supplier and contractor MSMEs a payment platform for bill filing for MSMEs to be created.

External Sector

1. Measures liberalising FDI: increase in Foreign Direct Investment (FDI) limit to 100 per cent in insurance intermediaries; further opening of FDI

in aviation, media, animation and insurance in consultation with all stakeholders; and, easing of local sourcing norms for FDI for single-brand retail sector.

2. Introducing "Study in India" Scheme.
3. Reduction in Net Owned Fund requirement for opening of branches by foreign reinsurers.
4. The government would start raising a part of its gross borrowing programme in external markets in external currencies.

Financial Markets

1. To raise the minimum public shareholding to 35 per cent from current threshold of 25 per cent.
2. To ease the liquidity crunch in NBFC space by proposing to provide short-term partial credit guarantee for the purchase of high-rated pooled assets of NBFCs for a total amount of ₹1 lakh crore.
3. To allow Foreign Portfolio Investors (FPIs) and NRIs to subscribe to listed debt papers of real estate investment trusts (REITs) and infrastructure investment trusts (InvITs).
4. To restrict imposition of Securities Transaction Tax (STT) to the difference between settlement and strike price in case of exercise of options.
5. Creating an electronic fund-raising platform for listing social enterprises and voluntary organizations – a social stock exchange - under the regulatory ambit of SEBI.

Taxation measures

1. For individuals:

a. Tax rebate for income up to ₹5 lakhs with additional income tax deduction of ₹1.5 lakh on interest paid on loan taken for purchase of electric vehicle and on loan taken for purchase house (valued up to ₹45 lakhs).

b. Enhance surcharge on individuals having taxable income from ₹2 crore to ₹5 crore and ₹5 crore and above so that effective tax rates for these two categories will increase by around 3 per cent and 7 per cent, respectively.

c. Tax deduction at source at the rate of 2 per cent on cash withdrawal by a person in excess of ₹1 crore in a year from his bank account.

d. Allow those who do not have PAN to file income tax returns by simply quoting their Aadhaar number.

2. For corporates: Provide lower tax rate of 25 per cent to companies having annual turnover up to ₹400 crore, which will cover 99.3 per cent of the companies.

Annex II

Resource Transfers from the Centre to States in 2019-20

	2017-18	2018-19 (RE)	2019-20 (BE)	2017-18	2018-19 (RE)	2019-20 (BE)	2017-18	2018-19 (RE)	2019-20 (BE)
	₹ Thousand Crore			Share in Gross Transfers			Growth Rate		
I. Devolution of States' share in Taxes	**673**	**761**	**809**	**62.0**	**61.1**	**60.9**	**10.7**	**13.1**	**6.3**
II. Some Important Items of Transfer	**37**	**56**	**55**	**3.4**	**4.5**	**4.1**	**-22.5**	**49.2**	**-1.8**
a. Externally Aided Projects - Loan	18	24	20	1.6	1.9	1.5	-1.5	36.0	-17.1
b. Special Assistance	7	14	15	0.6	1.1	1.1	-36.2	94.2	11.1
III. Finance Commission Grants	**92**	**106**	**120**	**8.5**	**8.5**	**9.1**	**-3.5**	**15.1**	**13.5**
a. Grant for Rural Local Bodies	34	43	53	3.2	3.4	4.0	9.8	24.3	22.8
b. Grants for Urban Local Bodies	13	19	23	1.2	1.5	1.8	-13.1	49.9	23.7
c. Post Devolution Revenue Deficit Grants	36	35	34	3.3	2.8	2.6	-13.3	-3.5	-1.1
IV. Total Transfer to States [Other than (I)+(II)+(III)]	**279**	**315**	**335**	**25.7**	**25.3**	**25.2**	**21.8**	**13.0**	**6.4**
a. Under Centrally Sponsored Schemes (Revenue)	262	277	292	24.1	22.3	22.0	16.0	5.9	5.3
b. Under Central Sector Schemes	16	37	42	1.5	2.9	3.2	562.4	129.5	14.8
V. Total Transfer to Delhi and Puducherry	**4**	**8**	**10**	**0.4**	**0.7**	**0.8**	**-25.0**	**116.9**	**20.7**
VI. Gross Transfers to States/UTs	**1085**	**1247**	**1329**	**100.0**	**100.0**	**100.0**	**10.1**	**14.9**	**6.6**
VII. Less Recovery of Loans and Advances	**13**	**9**	**10**	-	-	-	**4.3**	**-28.8**	**4.2**
VIII. Net Transfers (VI-VII)	**1072**	**1237**	**1320**	-	-	-	**10.2**	**15.4**	**6.7**
IX. Gross Transfers / GDP (per cent)	**6.3**	**6.6**	**6.3**	-	-	-	-	-	-
X. Net Transfers / GDP (per cent)	**6.3**	**6.5**	**6.3**	-	-	-	-	-	-

Source: Union Budget Documents.

Annex III

Post Budget Measures Announced to Boost the Economy

Taxation Measures

- Enhanced surcharge levied on long/short term capital gains arising from transfer of equity shares in 2019-20 Budget has been rolled back.
- Pre-filled IT returns and faceless scrutiny to be kick-started from Vijay Dashmi, 2019. All notices, summons, orders etc. by the income tax authorities shall be issued through a centralised computer system and all such notices will be disposed off within the first three months from the date of reply.
- All pending GST refunds due to MSMEs to be paid within 30 days. Further, in future, all GST refunds shall be paid within 60 days from the date of application.
- Angel tax provisions will no longer be applicable on start-ups registered with the Department for Promotion of Industry and Internal Trade (DPIIT). A dedicated cell under a Central Board of Direct Taxes (CBDT) Member will also be set up to address taxation problems of start-ups.

Measures to Boost Infrastructure

- An inter-ministerial task force has been formed to finalise and actively monitor major infrastructure projects worth ₹100 lakh crore over 5 years.
- In cases where Arbitration Tribunals have passed orders in favour of contractors/concessionaires, government agencies have been mandated to pay-out 75 per cent of the total pay-out before challenging the decision in courts of law.

Financial Sector Reforms

- Government is working with the Reserve Bank to introduce measures to bring offshore rupee market to domestic stock exchanges and permit trading of USD-INR derivatives in Gujarat International Finance Tec-City (GIFT) IFSC.
- Government will work with the Reserve Bank to make it more conducive for investors and bond issuers, as well to facilitate increased trading for price discovery.
- In consultation with RBI and SEBI, government will soon take further action on development of credit default swap markets.
- Depository Receipt Scheme, 2014 will be operationalised soon by SEBI which will give Indian companies increased access to foreign funds through American Depository Receipt (ADR)/Global Depository Receipt (GDR).
- Upfront capital infusion of ₹70,000 crore in public sector banks in the current financial year. This will release liquidity to the tune of ₹5 lakh crore in the banking system for lending.
- To protect honest decision making and prevent harassment for genuine commercial decisions by bankers, Central Vigilance Commission (CVC) has issued directions that Internal Advisory Committee (IAC) will classify cases as vigilance and non-vigilance.
- Requirement of creation of Debenture Redemption Reserve (DRR) of outstanding debentures in respect of listed companies, NBFCs and HFCs has been done away with.
- Additional liquidity support of ₹20,000 crore to Housing Finance Companies (HFC) by National Housing Bank (NHB).
- In order to leverage last mile customer connect of NBFCs, public sector banks (PSBs) will fast track collaboration for loans to self-help groups and small traders in co-origination mode with NBFCs.

- Reduced equated monthly instalment (EMI) on housing loans, vehicle and other retail loans by directly linking interest rates to repo rate.
- Simplified Know Your Customer (KYC) procedure to improve market access for foreign investors including FPIs
- One day to incorporate a company; faster and easier approvals for mergers and acquisitions; withdrawals of over 14,000 prosecutions under Companies Act; Corporate Social Responsibility (CSR) violations will be treated as a civil liability and not as a criminal offence.

Measures to Boost Auto Sector

- Ban on government departments to purchase new vehicles to replace old ones has been lifted.
- Additional 15 per cent depreciation on vehicles acquired from now till March 2020.
- Government is also considering a scrappage policy for old vehicles, which will boost demand for new vehicles.
- BS IV vehicles purchased till March 31, 2020 will remain operational for the entire period of registration.

*Foreign Trade Agreements: An Analysis**

The current environment of stalled multilateral negotiations has led to a spurt in regional trade agreements and India too has moulded its foreign trade policy to remain in sync with the changing realities. This article evaluates the impact of trade agreements (TAs) on India's trade to gain insights on how it has evolved with its trade agreement partner countries relative to non-partner countries. The study utilises difference in difference approach to estimate the increment of trade flows of India with partner countries. After the conclusion of the trade agreement, growth in trade flows was witnessed between India and the partner countries. One positive impact of TAs has been in the form of increased shipments of capital goods and industrial supplies from trade partner economies. This indirectly would have contributed in enhancing the productive capacity in the country.

Introduction

After the end of World War II, there was a move towards a multilateral system to facilitate global commerce and countries took initiatives to eliminate trade barriers. With the early efforts in the General Agreement on Tariffs and Trade (GATT) and subsequently under its successor, the World Trade Organisation (WTO), the average value of tariffs in force around the world declined by 85 per cent compared to 1947[1].

Notwithstanding the benefits arising from multilateral system, the current environment of stalled multilateral negotiations has led to a spurt in regional trade agreements wherein countries have moved towards bilateralism in place of multilateralism. India too has moulded its foreign trade policy to remain in sync with the changing realities. Accordingly, India has signed preferential access, economic cooperation and TAs with about 54 individual countries.

Against this backdrop this article evaluates the impact of trade agreements on India's trade. By dissecting the impact separately for exports, imports and overall trade, the article attempts to gain insights on how India's trade has evolved with its trade agreement partner countries relative to non-partner countries. Historical backdrop along with stylised facts pertaining to trade agreements are set out in Section II. Section III provides a brief review of the relevant literature. Current status regarding India's TAs along with empirical analysis are presented in Section IV. Section V sets out the concluding observations.

II. Historical Backdrop and Stylised Facts

Trade agreements are arrangements by which countries provide preferential treatment to each other and aid greater ease-of-trade by elimination of tariffs and other trade barriers. TAs can be between two or more countries that primarily agree to reduce or eliminate tariff and non-tariff barriers on substantial trade between them. Formal TAs may cover a spectrum of arrangements, from small margins of tariff preference to full scale economic integration. TAs can take several configurations which can be Partial Scope Agreement (PSA), Free Trade Agreement (FTA), Custom Union (CU), Common Market or Economic Union. Typically, trade agreements aim to reduce trade barriers between the member countries which entails discrimination against trade with non-member countries. By design, TAs have positive as well as negative externalities.

TAs originated primarily among European countries. At the start, TAs had restricted presence and were mainly confined to the geographic influence of the colonial empires and generally took

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[1] Mukhisa Kituyi, (2018), 'The Costs of Trade War', UNCTAD.

the form of bilateral commercial treaties. The surge in cross-border movement of goods in the nineteenth century led to greater openness and liberalisation and simultaneously altered the nature and scope of bilateral trade treaties. The Cobden-Chevalier Treaty between Britain and France in 1860 may be considered as the pioneer in this regard as for the first time it contained most favoured nation[2] (MFN) clause and led to significant reciprocal tariff reductions between two countries. The Cobden-Chevalier Treaty triggered a spate of bilateral negotiations among other European economic powers. This proved to be a precursor to the competitive trade liberalisation among countries which followed later. Since this new network of treaties was both reciprocal and inclusive (*via* the MFN clause), it was also essentially interlocking - creating an early form of plurilateral preferential trade agreement (*i.e.*, unconditional MFN treatment among all treaty-signers) and foreshadowing the basic structure of the multilateral system that took shape a century later (Brown, 2003). These bilateral agreements laid the foundations for much of the GATT system after the Second World War.

With the formation of the GATT in 1947, the idea of a wider multilateral agreement moved to the forefront of international trade relations. Nonetheless, the initial signatories to GATT system were just 23 countries. This later evolved to the near universal membership of the WTO. However, the emergence of a multilateral system in the form of GATT did not diminish the significance of bilateral or regional agreements to further international trade relations. Notwithstanding the presence of a multilateral system, the impetus for bilateral/plurilateral agreements outside its purview, especially in Europe, resurfaced within a short span of time. The upshot of this development was concurrent advancement witnessed in both regionalism and multilateralism. In fact, Article XXIV of GATT 1994 encompasses the statutory backing for trade agreements. This Article exempts member states from the Most-Favoured Nation (MFN) principle and permits mutual imports among countries preferentially through the ratification of a trade agreement. The WTO permits three types of trade agreements. These are:

- Custom unions and free trade agreements sanctioned under Article XXIV;
- Agreements between developing countries formed under the Enabling Clause that allows partial preferential treatment; and
- Agreements under the Generalised System of Preferences (GSP) that allow developed countries to grant preferential treatment to developing countries.

The specific conditions under Article XXIV of the GATT permitting TAs are:

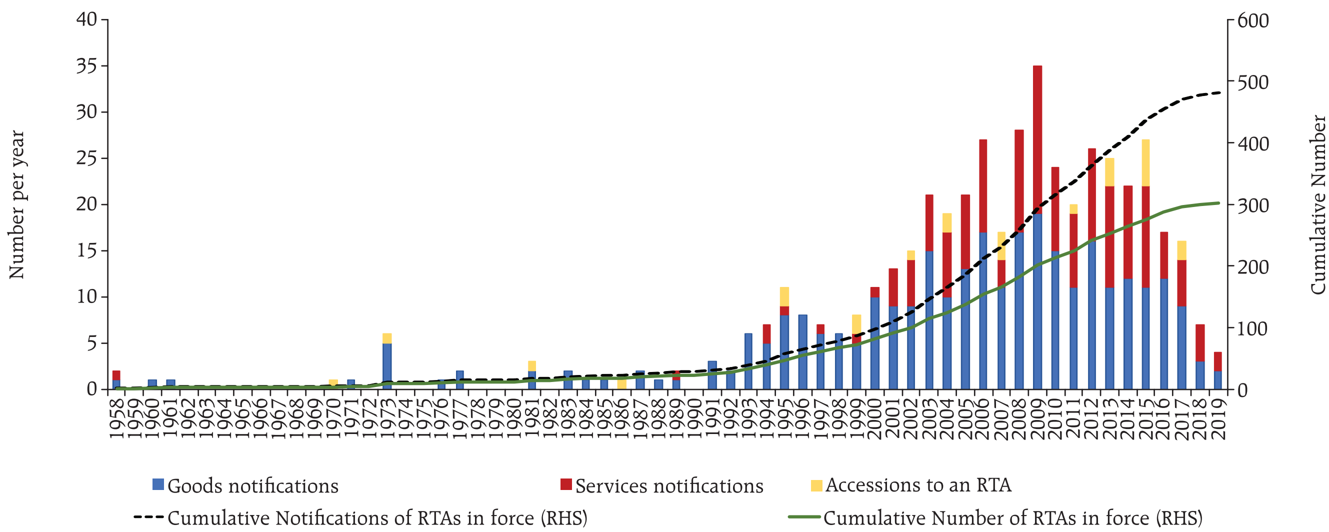
- FTA members shall not erect higher or more restrictive tariff or non-tariff barriers on trade with non-members than existed prior to the formation of the FTA.
- Elimination of tariffs and other trade restrictions be applied to substantially all the trade between the constituent territories in products originating in such territories.
- Elimination of duties and other trade restrictions on trade within the TA to be accomplished within a reasonable length of time, meaning a period of no longer than ten years.
- In addition, an Enabling Clause, allows developing countries to form preferential trading arrangements without adhering to the conditions under Article XXIV.

There are currently 164 WTO members, the latest being Liberia joining in July 2018[3] and majority of the members are participants in at least one TA. TAs cover more than half of international trade and operate alongside global multilateral agreements under the

[2] It is enshrined in GATT and is the principle of not discriminating between one's trading partners.

[3] As on September 6, 2019.

Chart 1: Trade Agreements: Global Perspective



Source: World Trade Organisation accessed on September 3, 2019.

WTO. From 1950s onwards, the number of active TAs increased more or less continuously to almost 70 in 1990. Thereafter, TA activity accelerated noticeably, with the number of TAs more than doubling over the next five years and more than quadrupling until 2010 (WTO, 2011). As of September 3, 2019, 695 TAs have been notified to the WTO, out of which 481 are in force (Chart 1). The rise in the absolute number of TAs and its acceleration from the early 1990s onwards, is due to the fact that an increasing number of countries have turned towards outward-oriented policies. This has spurred the demand for trade agreements compared with previous time periods that were dominated by inward-looking development strategies.

III. Literature Review

Trade agreements have drawn the attention of researchers since the early 1950s. The traditional economic theory has sought to examine the welfare impact of a TA on each member country, the bloc as a whole and the rest of the world. The outcomes of TAs on the global economy are not unequivocally positive. TAs may contribute to expansion of trade and global welfare, or may lead to diminished welfare. The overall welfare depends on whether these agreements lead to creation of new trade patterns based on comparative advantage or to diversion of trade from a more competitive non-member to a member of the trade bloc. Impact analysis of TAs has been done either *ex-post* with historical data or has been based on *ex-ante* predictions. Generally *ex-post* studies have employed gravity equation to analyse the impact of TAs in boosting trade (Tinbergen (1962) and Bergstrand (1985)). It was first investigated by Jacob Viner (1950), who introduced the concepts of trade creation and trade diversion. Viner defined trade creation as the situation where a member of a preferential trading bloc has a comparative advantage in producing a product and is now able to sell it to its free trade area partners because trade barriers have been removed. Trade diversion is the welfare reduction in trade after the formation of free trade agreement that replaces lower cost imports from a country outside the trading bloc (Annex I). Viner in his seminal paper showed that the net effect of trade liberalisation on a regional basis was not unambiguously welfare enhancing. Meade (1955) presented the first welfare theoretic analysis of trade blocs in a general equilibrium model. Meade's model has since been extended to decipher the welfare impact of TAs with significant contributions from Lipsey (1958), Mundell (1964), Vanek (1965), Corden (1972) and McMillan and McCann (1981).

Tinbergen (1962) used the gravity model to analyse the impact of British Commonwealth on trade for member countries. The study concluded that the 'average treatment effects' of TAs on trade flows are economically insignificant. The paper found that TAs lead to only 5 per cent higher trade flows for member countries. Various authors after Tinbergen such as Aitken (1973), Abrams (1980), and Brada and Mendez (1983) found that TAs have a significant impact on trade flows among members, whereas studies by Bergstrand (1985) and Frankel, Stein and Wei (1995) concluded that the effect is insignificant.

As per the theoretical literature on TAs, a particular agreement may be classified as beneficial or harmful depending upon the countries involved and the extent of trade created relative to the trade which is diverted (Panagariya, 2000). The empirical framework estimating these effects is particularly important. Burfisher *et. al.*, (2001) noted that the impact of TAs is essentially an empirical issue that must be settled by data analysis. Krugman (1991) analysed the relative merits of regional TAs. The article analysed the variation in the global welfare with the changes in the number of TAs. The article notes that when the number of TAs is large, and they decline to a much smaller number then under such a scenario, welfare will reduce. However, the largest increase in welfare is when the world has only one TA which includes all the countries and the world moves towards free trade. Krugman concluded that because most TAs are among natural trading partners, the likelihood of trade diversion is small and the move towards regional free trade would do more good than bad between the members of free trade area.

In case of India, studies have analysed the impact of TAs using different empirical specifications ranging from simple pre-post evaluation to analysis within the GTAP (Global Trade Analysis Project)[4] and SMART[5] frameworks. Studies based on *ex-ante* analysis of the impact of India-ASEAN (Association of Southeast Asian Nations) FTA with a full trade liberalisation scenario had concluded that India's allocative efficiency will increase, but the terms of trade effect will worsen continuously and remain negative (Ahmed, 2010 and Sikdar and Nag 2011). Studies based on *ex-post* analysis concluded that post India-ASEAN FTA, India's exports to ASEAN increased substantially, with the largest accesses gained in Thailand, Cambodia, Vietnam, Malaysia, the Philippines and the Lao People's Democratic Republic. However, there was no significant impact of India-ASEAN TA with respect to intra-ASEAN trade (Venkatesh and Bhattacharyya (2014)). A study by Seshadri (2015) on India-Korea TA concluded that progressive tariff reductions resulted in steady improvement in TA utilisation. However, India's overall exports to Korea did not gain and the growth was confined to certain sectors. Studies on India Sri-Lanka FTA found modest increase in trade flows between the two countries with diversification in the export baskets of both the partners (Mukherji *et al.* (2002), Weerakoon *et al.* (2006), Joshi (2012)). However, a recent study by Saraswat *et al.* (2018) argued that India's exports have been more responsive to income changes in comparison with price changes such as a tariff cut or elimination. There is also high underutilisation of the TAs by Indian traders (approximated to be less than 25 per cent) which is due to a myriad of reasons such as lack of information on the TAs, low margins of preference

[4] The standard GTAP Model is a multiregion, multisector, computable general equilibrium model, with perfect competition and constant returns to scale. This has been developed by Centre for Global Trade Analysis, Purdue University, USA.

[5] SMART is a built-in analytical tool available within the World Integrated Trade Solution (WITS) of the World Bank. The Global Simulation model in the SMART framework is developed by Professors Joseph Francoise and Keith Hall. The model is a partial equilibrium analysis of global trade policy changes at the industry (product) level. The framework employs national product differentiation, and allows for the simultaneous assessment of trade policy changes, at the industry level, on a global, regional or national level. It helps in the assessment of the impact of tariff cuts.

and administrative costs associated with the rules of origin. Thus, the impact of TAs particularly in terms of increase in trade is ambiguous.

In sum, the existing literature has shown a mixed impact of TAs on external trade and welfare. A TA will lead to reallocation of resources and hence, there will be some amount of trade creation and trade diversion. However, each of these studies brings out the time-specific and region-specific factors in determining this impact.

IV. India and Trade Agreements

India has entered into bilateral and regional trading agreements over the years. These agreements, besides offering preferential tariff rates on the trade of goods among member countries, also provide wider economic cooperation in the fields of trade in services, investment, and intellectual property. Few of these TAs have gone beyond tariff cuts in trade in goods and encompass other components like liberalisation in services and investment. The first TA of which India became a member was the Bangkok Agreement in 1975. In 2005, this regional initiative between developing economies was re-incarnated as Asia Pacific Trade Agreement (APTA). India's first bilateral TA, the India-Sri Lanka FTA (ISFTA) was signed in December 1998 and came into force in the year 2001. Subsequently India implemented South Asian Free Trade Agreement (SAFTA) in 2004, Comprehensive Economic Cooperation Agreement (CECA) with Singapore in 2005, Indo-ASEAN FTA in 2010, Indo-Korea Comprehensive Economic Partnership Agreement (CEPA) in 2010, Indo-Malaysia CECA and Indo-Japan CEPA in 2011. SAARC Preferential Trading Agreement (SAPTA) is a preferential agreement between India and other South Asian Association for Regional Cooperation (SAARC) countries.

In the past decade India's trade policy has seen a marked shift towards regionalism. India has preferential access, economic cooperation and FTAs with about 54 individual countries[6]. India has signed bilateral trade deals in the form of CEPA/ CECA/ FTA/ Preferential Trade Agreements (PTAs) with around 18 groups/countries[7]. The preferential arrangement/ plans under which India was receiving tariff preferences are the Generalised System of Preferences (GSP) and the Global System of Trade Preferences (GSTP)[8]. Presently, there are 43-member countries of the GSTP and India has exchanged tariff concessions with 12 countries on a limited number of products (Chart 2).

India and several Asian countries have signed a CECA, which is an integrated package of agreements encompassing trade in goods, services, investments and economic co-operations in education, science and technology, air services and intellectual property. These agreements prescribe rules of origin that must be fulfilled for exports to be eligible for tariff preference. Table 1 provides a broad overview of India's major trade agreements.

India's TAs have become increasingly prevalent since the early 1990s. The crucial hypothesis is to examine whether these regional trading agreements translated into desired outcomes in terms of growing

[6] Source : Ministry of Commerce, Government of India.

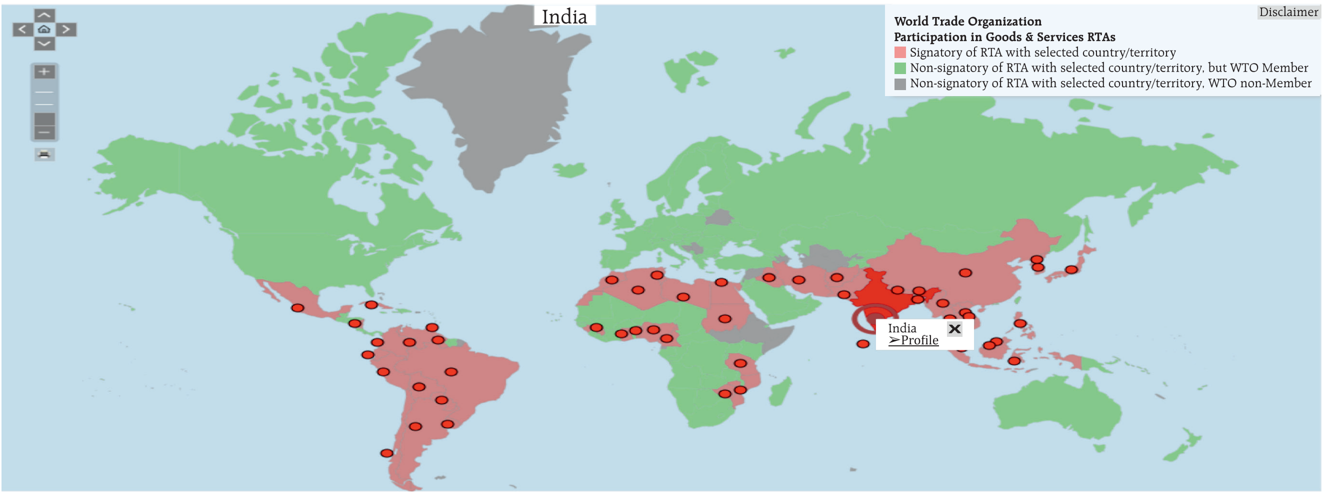
[7] In a Preferential Trade Agreement (PTA) two or more partners agree to reduce tariffs on agreed number of tariff lines. The list of products on which the partners agree to reduce duty is called positive list. India MERCOSUR PTA is such an example. However, in general PTAs do not substantially cover all trade.

In a Free Trade Agreement (FTA), tariffs on items covering substantial bilateral trade are eliminated between the partner countries; however each maintains individual tariff structure for non-members. India Sri Lanka FTA is an example. The key difference between an FTA and a PTA is that while in a PTA there is a positive list of products on which duty is to be reduced; in an FTA there is a negative list on which duty is not reduced or eliminated. Thus, compared to a PTA, FTAs are generally more ambitious in coverage of tariff lines (products) on which duty is to be reduced.

Comprehensive Economic Cooperation Agreement (CECA) and Comprehensive Economic Partnership Agreement (CEPA): describe agreements which consist of an integrated package on goods, services and investment along with other areas including IPR and competition. The India Korea CEPA is one such example and it covers a broad range of other areas like trade facilitation and customs cooperation, investment, competition and IPR.

[8] However effective from June 5, 2019 the United States withdrew GSP benefits that it offers to India (USTR).

Chart 2: India's Trade Agreements with Partners in Goods and Services



Note: WTO statistics on RTAs are based on notification requirements rather than on physical numbers of RTAs. Thus, for an RTA that includes both goods and services, we count two notifications (one for goods and the other services), even though it is physically one RTA.

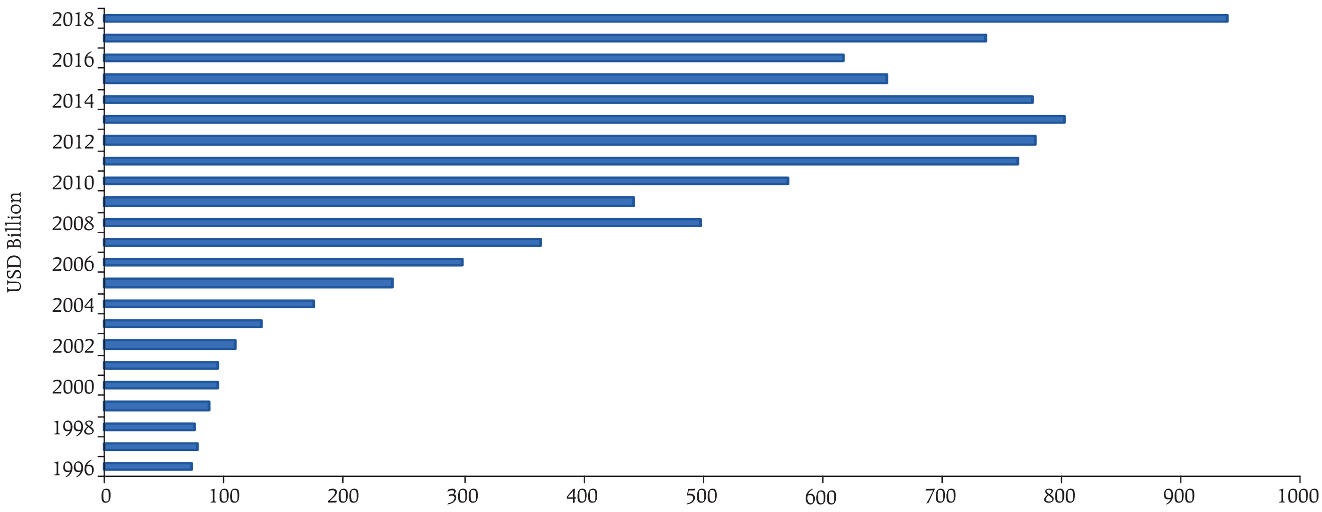
Source: World Trade Organisation (WTO). Red circle implies India has a Regional Trade Agreement with the partner country. Accessed on September 3,2019.

Table 1: Major Bilateral and Regional Trade Agreements of India

S. No.	Acronym	Groupings	Member Countries		FTAs/PTAs
			No.	Names	
1	APTA	Asia Pacific Trade Agreement	6	Bangladesh, China, India, Laos, Republic of Korea, Sri Lanka	Partial Scope Agreement (PSA) and Economic Integration Agreement (EIA)
2	India ASEAN TIG	India ASEAN Trade in Goods Agreement	11	Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam	FTA and EIA
3	BIMSTEC	Bangladesh, India, Myanmar, Sri Lanka, Thailand Economic Cooperation	7	Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand	Under Negotiation
4	GSTP	Global System of Trade Preferences	43	Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Columbia, Cuba, Democratic People's Republic of Korea, Ecuador, Egypt, Ghana, Guinea, Guyana, India, Indonesia, Iran Iraq, Libya, Malaysia, Mexico. Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Republic of Korea, Romania, Singapore, Sri Lanka, Sudan, Thailand, Trinidad and Tobago, Tunisia, Tanzania, Venezuela, Vietnam, Zimbabwe.	PSA
5	MERCOSUR India	Southern Common Market India	5	Argentina, Brazil, Paraguay, Uruguay and India	PSA
6	SAFTA	South Asia Free Trade Agreement	8	Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka	FTA
7	ISLFTA	Indo Sri Lanka FTA	2	India and Sri Lanka,	FTA
8	IMCECA	Indo Malaysia CECA	2	India and Malaysia	FTA and EIA
9	ISCECA	India Singapore CECA	2	India and Singapore	FTA and EIA
10	JICEPA	Japan India CEPA	2	India and Japan	FTA and EIA
11	IKCEPA	India Korea CEPA	2	India and South Korea	FTA

Source: Ministry of Commerce, Government of India.
World Trade Organisation.

Chart 3: India's Total Trade



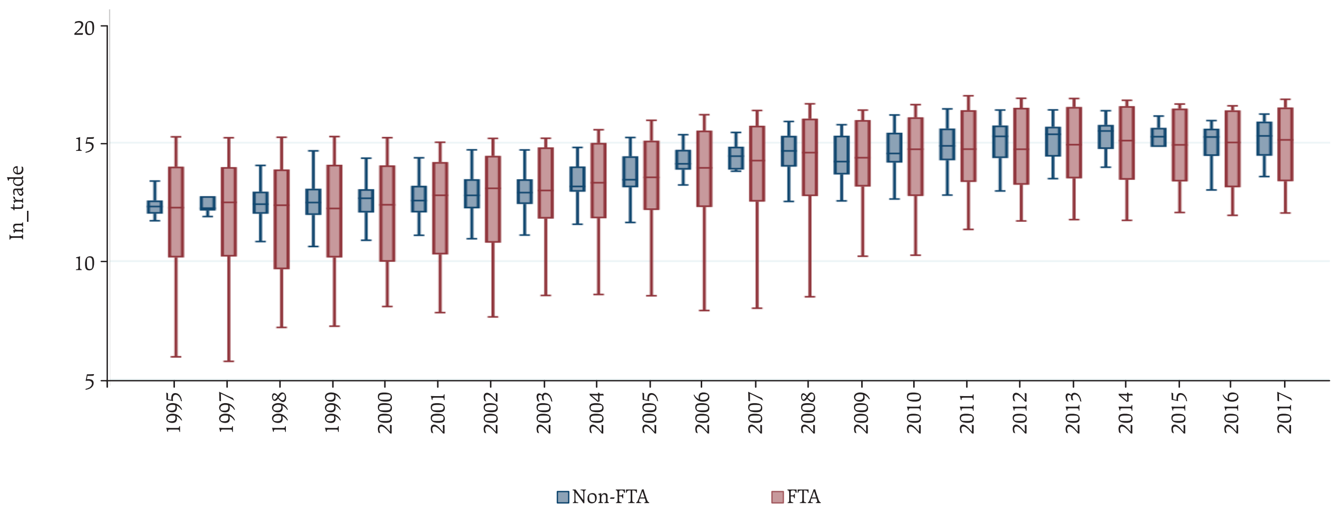
Source: World Integrated Trade Solution (WITS). Total trade is sum of exports and imports to the World.

trade[9] between India and its agreement partners during the subsequent period. In value terms, India's total trade in the last two decades with the world has increased substantially (Chart 3).

A disaggregation of India's trade with its agreement partner and non-partner countries shows that inter-linkages between India and its TA partners have strengthened with a substantial and persistent upward trend in the last two decades (Chart 4).

To gain further insights into the impact of TAs on India's trade with its agreement partner countries, an analysis of pre/post effect of TAs is attempted.

Chart 4: India's Trade



Note: Non-FTA: Non-Foreign Trade Agreement Country
FTA: Foreign Trade Agreement Country
Source: Authors' calculations based on WITS database.

[9] India's trade in this Article reflects total exports plus imports (Merchandise).

The study utilises *'difference in difference'*[10] method to analyse the impact using panel data. The hypotheses tested for this study relate to whether these agreements led to higher trade generally and particularly how exports and imports have progressed. This empirical specification tries to differentiate the trade linkages between member countries and non-member countries. The study covers a total of 31 countries, out of which 18 countries are part of the treatment group and 13 countries are part of the control group. The treatment group consists of those countries with which India has a TA. The control group consists of countries with which India does not have a TA. In order to choose variables that determine the trade trend we adopt the inference from gravity model (Tinbergen's paper (1962)). The traditional gravity model is based on the theory that bilateral trade between two countries is directly related to the size of these countries (measured by GDP) and inversely related to distance between the two countries. Based on these micro foundations there have been many specifications of the gravity models that researchers have used.

For this study we assume that GDP of the partner country and GDP of India helps in determining the size of the countries' economy and hence the demand for commodities. We also control for the price sensitivity by taking the bilateral exchange rate of the countries. The study undertakes analysis for agreements signed since 2000 so the period studied in the analysis is from 1996 till the latest available data for all countries, *i.e.*, 2017. Data on GDP and exchange rates are taken from the World Bank and IMF database, respectively. Data on trade flows of countries are taken from World Bank's World Integrated Trade Solution (WITS) database.

[10] The difference-in-difference (DID) technique has been used extensively in the field of econometrics, but the underlying logic behind the method was founded by John Snow in the 1950s and was called the 'controlled before-and-after study' in some social sciences (Lechner, 2011). This estimation tries to provide difference in average outcome in the treatment group before and after treatment minus the difference in average outcome in the control group before and after treatment (Albony, 2004).

The empirical specification is as follows:

LTr=a1+a2*LGDP_P+a3*LGDP_I+a4*(country dummy* year dummy)+countryFE+ yearFE+e 1

Lexp=b1+b2*LGDP_P+b3*LER+b4*(country dummy*year dummy)+countryFE yearFE+e 2

Limp=c1+c2*LGDP_I+c3*LER+c4*(country dummy *year dummy)+countryFE+ yearFE+e 3

where,

Tr: represents total trade with partner country in US Dollar;

Exp: India's exports to partner country in US Dollar;

Imp: India's imports from partner country in US Dollar;

GDP_p: Partner country's per capita gross domestic product in US Dollar;

GDP_I: India's per capita gross domestic product in US Dollar;

ER: India's bilateral exchange rate with partner country;

Country dummy: Dummy variable with value 1 for countries with which India has a TA and 0 otherwise;

Year dummy: Dummy variable takes value 1 from the year the agreement came into force and 0 otherwise.

All the variables in the above equation are taken in log terms.

In equation 1, the coefficients of GDP for partner country and for India are positive which indicates that trade increases with the size of the economy (Table 2). The results also indicate that supply side effect for the exporting countries dominates demand side effect. This is so because countries with higher GDP are able to export may be due to higher supply (relative to their domestic demand). The opposite holds true for the country which imports implying

Table 2: Estimation Results

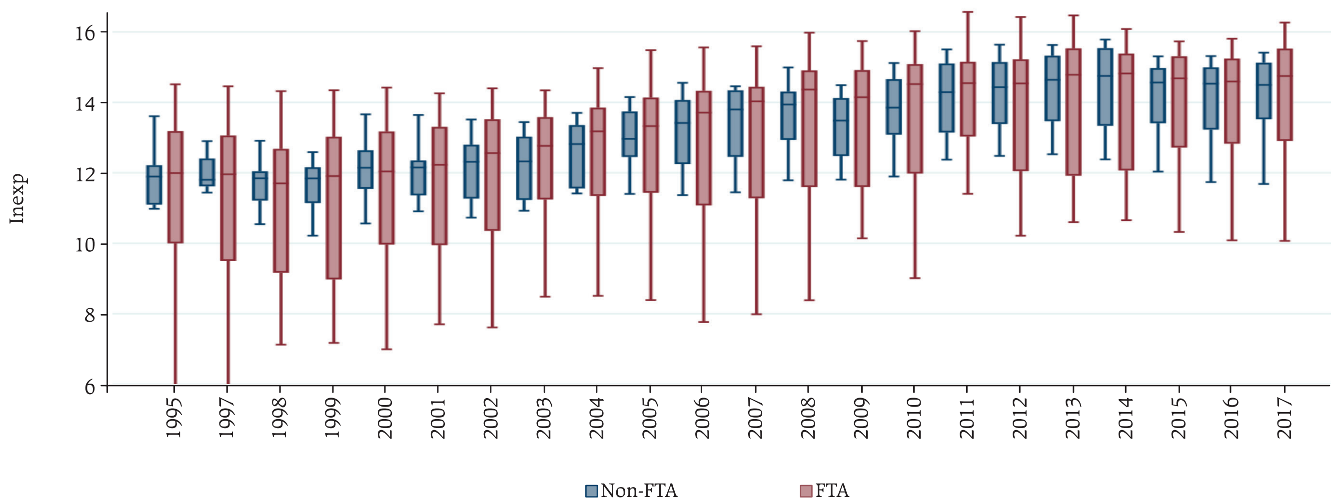
	(1)	(2)	(3)
	lntr	lnexp	Lnimp
lnGDP_p	0.354***	0.332***	
	(0.0919)	(0.0828)	
lnGDP_I	1.583***		2.138***
	(0.115)		(0.174)
Interaction	0.162*	0.155*	0.478**
	(0.0796)	(0.0710)	(0.145)
lnER		0.0555	-0.277***
		(0.0391)	(0.0787)
N	594	594	594
R-sq	0.835	0.847	0.664
Year FE	Yes	Yes	Yes
Country FE	Yes	Yes	Yes
Standard errors in parentheses.			
="* p<0.05	** p<0.01	*** p<0.001"	

Source: Calculations based on WITS database.

that higher domestic demand leads to larger imports thus resulting in higher trade for countries with higher GDP. The interaction term of dummies is positive and statistically significant which reflects that overall effect of India's TA on trade is positive. We decompose the difference-in-difference equation and try to analyse the impact on exports and imports separately. Equation 2 provides estimation on the dynamics of India's exports which shows that a 1 per cent increase in the GDP of trade partners results in a 0.33 per cent increase in India's exports. This result is not conditional on the presence of a TA. The coefficient of exchange rate term reflects that when the exchange rate increases by 1 per cent (*i.e.*, Indian currency depreciates), India's exports increase by 0.055 per cent but elasticity is insignificant. In equation 2, the coefficient of interest, *i.e.*, interaction term is positive and significant. The interaction term shows that India's exports to partner countries increase by 15 per cent after agreement is signed compared to non-partner countries on an average. Chart 5 provides evidence that although India's overall exports to partner countries have increased but the median log value of exports in recent years appears to be similar for partner and non-partner countries.

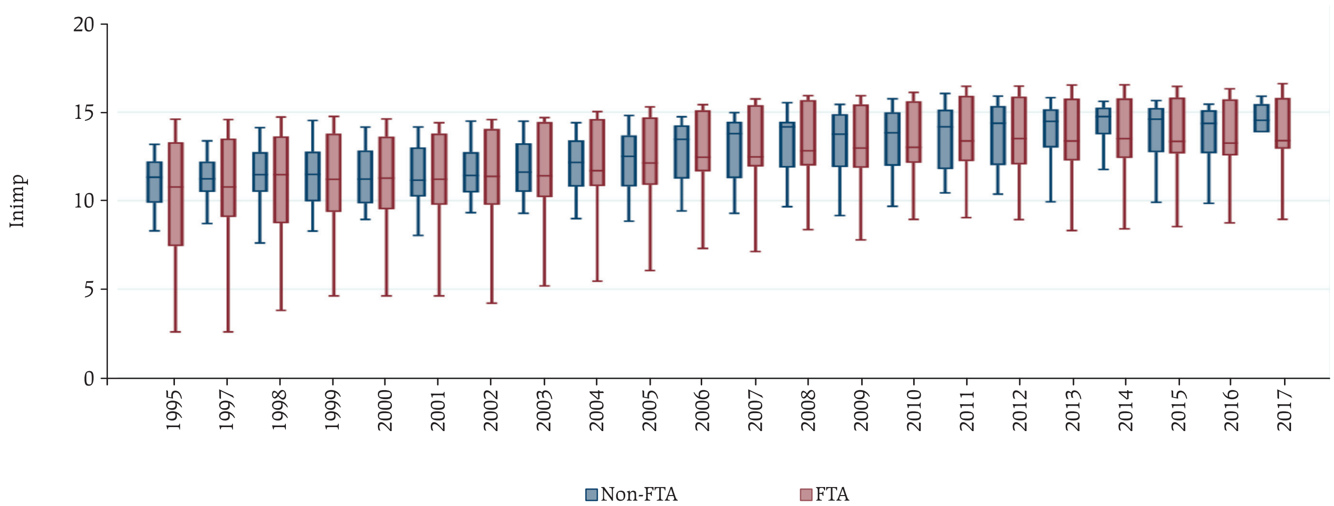
Finally, the last equation on imports reflects that as the GDP of India increases by 1 per cent, imports go up by 2.14 per cent irrespective of the status of the trading partner. The interaction term is positive and significant in the case of imports. The interaction term shows that imports have increased by 48 per cent from TA partners compared to Non-TA partners after the implementation of the agreement. The box chart also shows that over the years, median log values of India's imports from TA partners have increased substantially compared to non-TA partners (Chart 6).

Chart 5: India's Exports



Where **Non-FTA:** Non-Foreign Trade Agreement Country
FTA: Foreign Trade Agreement Country
Source: Authors' calculations based on WITS database.

Chart 6: India's Imports

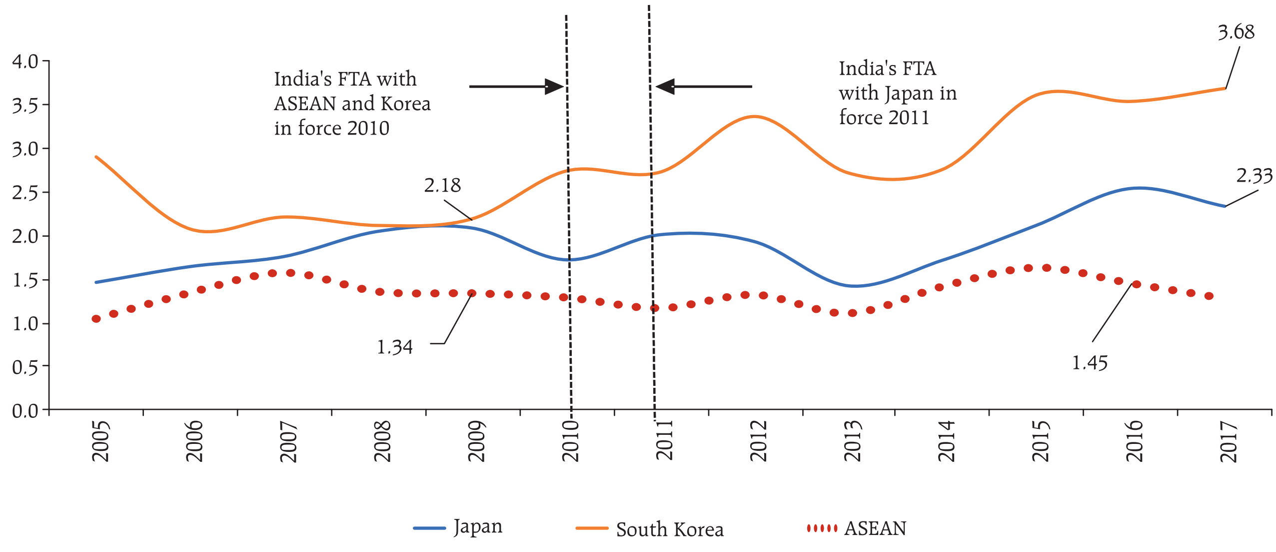


Where **Non-FTA:** Non-Foreign Trade Agreement Country
FTA: Foreign Trade Agreement Country
Source: Authors' calculations based on WITS database.

The above empirical analysis points towards improvement in trade with India's partner countries particularly imports from these countries post signing of the agreement. Imports have increased at a faster pace as compared to India's exports to these countries. This holds true for countries/regional blocs with whom India has recently entered into trading agreements, *viz.*, Japan, South Korea and ASEAN where the ratio of India's imports to its exports has gone up (Chart 7).

However, a bigger related question is which commodities are being imported from these partners. As literature mentions that with reduction in the cost of imports, industries get greater access to capital goods and intermediate inputs which might improve competitiveness and efficiency in domestic market (Goldar and Kumari, 2003, Nagraj 2017). Moreover, country can reap benefits from imports of enhanced technology from partner countries. Thus, a closer

Chart 7: India's Import-Export Ratio with Partner Countries



Source: Authors' calculations based on WITS database.

Table 3: India's Imports from Japan

(Share in per cent)

Sectoral Classification	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Capital Goods (Except Transport Equ)	48.4	47.9	46.9	46.7	50.5	50.0	46.1	47.5	45.7	45.5	42.2	42.8	38.8	45.6	40.9
Consumer Goods	4.7	4.4	4.8	3.7	3.1	2.3	3.2	2.9	2.9	2.9	2.4	2.3	2.1	2.3	2.3
Food and Beverages	-	-	-	-	-	-	-	-	0.2	0.2	0.1	-	-	0.1	-
Fuels and Lubricants	2.6	3.4	0.8	1.6	3.1	5.9	3.0	1.8	3.6	3.3	2.2	2.1	2.2	1.5	2.3
Industrial Supplies	37.1	33.4	35.0	30.7	32.3	30.9	33.4	37.6	37.6	37.9	42.7	42.1	47.2	39.9	43.7
Transport Equipment	7.2	10.9	12.5	17.3	11.0	10.9	14.3	10.2	10.0	10.2	10.4	10.7	9.7	10.6	10.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

- : Nil or Negligible

Source: Authors' calculations based on WITS database.

examination of the composition of import and export basket from each individual partner country can provide further insights on which commodities have experienced growth after implementation of TAs. In the case of Japan, after the implementation of the agreement, India mostly imported industrial supplies, capital goods and transport equipment which may be a positive indicator as these goods are used as inputs in producing the final goods and thus may have aided in an improvement in the productive capacity of the economy (Table 3).

In the case of Korea, imports of capital goods and industrial supplies have not seen any major change, but imports of consumer goods have gone up sharply (Table 4).

In the case of ASEAN countries, decomposition of import basket does not reveal any specific bias in favour of consumer goods or capital goods. Imports of food and beverages, industrial supplies and consumer goods have gone up whereas inward shipments of fuels and lubricants, capital goods and transport equipment have witnessed a decline (Table 5).

Table 4: India's Imports from Korea

(Share in per cent)

Sectoral Classification	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Capital Goods (Except Transport Equ.)	57.7	49.2	52.2	44.2	35.1	31.4	27.0	33.3	30.5	31.6	28.4	29.8	34.5	31.4	31.5
Consumer Goods	3.3	2.5	2.7	2.9	2.1	1.8	2.8	2.5	2.5	2.1	2.4	2.1	2.6	3.4	10.7
Food and Beverages	0.1	-	-	-	-	-	-	0.1	0.2	0.1	-	-	-	-	-
Fuels and Lubricants	0.1	0.1	0.1	8.3	8.2	9.6	12.5	7.1	7.4	6.7	5.5	7.1	5.1	5.2	4.9
Industrial Supplies	26.8	27.0	30.1	33.5	42.4	43.5	39.2	45.1	47.4	48.0	53.3	51.9	48.9	49.8	45.6
Transport Equipment	12.0	21.2	14.9	11.1	12.2	13.7	18.5	11.9	12.0	11.5	10.4	9.1	8.9	10.2	7.3
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

- : Nil or Negligible

Source: Authors' calculations based on WITS database.

Table 5: India's Imports from ASEAN Countries

(Share in per cent)

Sectoral Classification	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Food and Beverages	10.9	15.6	8.5	4.6	3.5	5.0	8.3	6.6	5.4	6.5	7.5	5.9	6.9	9.1	7.5
Industrial Supplies	51.7	42.9	44.4	37.8	37.4	34.0	39.5	42.5	44.2	43.8	42.5	44.4	43.8	42.5	46.0
Fuels and Lubricants	3.1	5.3	9.8	26.5	29.6	37.7	24.7	24.6	26.7	24.0	24.3	26.4	20.9	19.9	19.8
Capital Goods (Except Transport Equ)	26.7	27.5	28.4	22.8	22.3	15.7	19.6	18.3	16.7	17.6	18.1	15.9	19.5	19.2	17.6
Transport Equipment	3.7	4.4	4.2	4.2	3.5	4.8	4.0	4.2	3.5	4.0	3.7	3.4	4.0	4.7	3.3
Consumer Goods	3.9	4.3	4.7	4.1	3.7	2.8	3.9	3.8	3.5	4.1	3.9	4.0	4.9	4.6	5.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Authors' calculations based on WITS database.

V. Conclusion

The present study attempts a quantitative assessment of the impact of the recently signed TAs on India. The study utilises difference in difference approach to estimate the increment of trade flows of India with partner countries and how trade has grown compared to the Non-TA partner countries. After the conclusion of the TA, growth in trade flows was witnessed between India and the partner countries. However, the increase in exports could not keep pace with the spurt in imports. One possible reason for this could be that India's tariffs were much higher than the trade partner and hence the effective reduction on tariff for the partner countries was greater thus resulting in higher inbound shipments[11]. One positive impact of TA has been in the form of increased shipments of capital goods and industrial supplies from trade partner economies. This indirectly would have contributed in enhancing the productive capacity in the country. Moving ahead there is a need to focus on TAs which would enable increased integration in global value chains. The TAs should also enable access to newer markets for the products where the country enjoys competitive edge over its peers. However, to provide definitive conclusion on the impact of TAs, future research needs to extend the analysis to the services sector liberalisation by individual partner countries. Another critical aspect that needs analysis is India's relative position in the TAs which includes changing trade patterns, competitiveness, compliance cost and ease of doing business.

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Annex I

Concept of Trade Creation and Trade Diversion

Viner defines trade creation as a scenario where an additional flow of commodity takes place between partners of a trading arrangement because of reduction in tariffs. This replaces domestic production in the importing country.

The concept of trade creation is explained in chart A1. The chart provides information on the supply and demand curves for country A. Consider that P^B and P^C are supply prices that country B and C, respectively charge for a good when no tariffs are charged. Country C is assumed capable of supplying the commodity at a lower price than country B. Suppose country A imposes a specific tariff $t^b = t^C = t^*$ on imports of commodity from both countries B and C. This, in turn, increases the import price of a good in country A from country B and C. Under autarky, with given tariffs, the price in country A (P^A) is less than the tariff-ridden prices P^B_T and P^C_T, the product will not be imported. Instead country A will supply to meet its domestic demand at $S^1 = D^1$. Now consider a situation where country A and B have signed a free trade agreement and A provides complete elimination of tariff on B's import. The prices that consumers in country A face for goods imported from countries B and C are now P^B and P^C_T, respectively. Since $P^B < P^A$, country A would now import the product from country B after the free trade agreement which is represented by blue line distance, or $D^2 – S^2$. The imports of these goods from country B to country A occurs with the implementation of FTA, which was not feasible earlier, hence trade is categorised as created in these commodities.

The opposite takes place in case of trade diversion, when the trade flow is diverted from a cost-efficient partner to a less efficient one. The less efficient country becomes a member of free trade agreement and makes its goods cheaper to partner country, but higher compared to non-partner (if tariffs were reduced for them). This concept can be understood in chart A2 where after imposition of tariff, the product is cheaper

Chart A1: Trade Creation
Country A

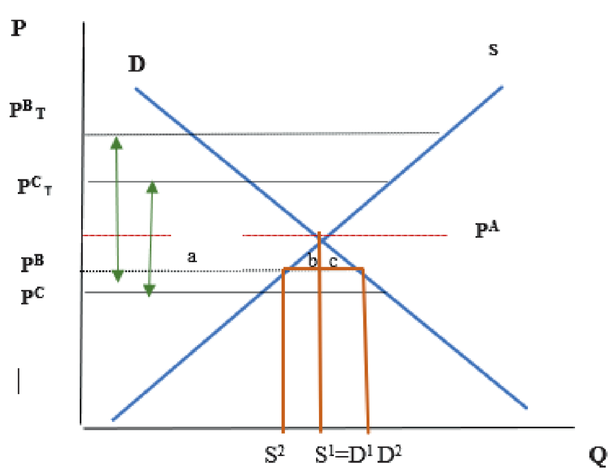
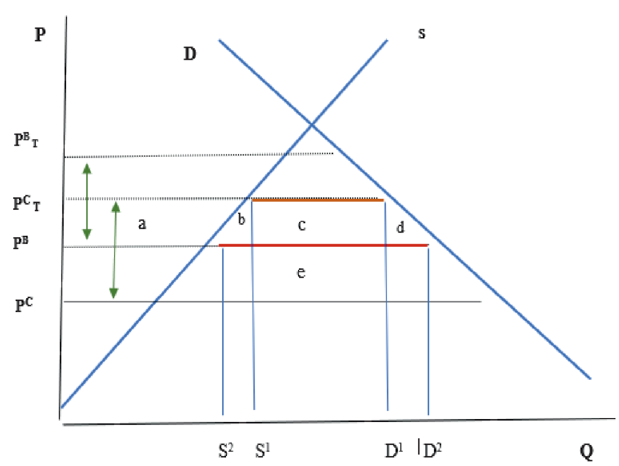


Chart A2: Trade Diversion
Country A



(Contd...)

to import from country C. In a situation where there is no free trade agreement, country A will import the product from country C and will not trade initially with country B. Total goods imported by country A are given by the red line, or by the distance D1 - S1. The tariff revenue collected by country A is given the tariff rate times the quantity imported. Now consider that country A and B sign a free trade agreement and country A eliminates the tariff on Country B's imports. Now $t^B = 0$ but t^C remains at t*. Consumers in country A pay P^B and P^C_T for goods imported from countries B and C. Since $P^B < P^C_T$ country A would import products from country B after the FTA and would import nothing from country C. At the lower domestic price, P^B, imports would rise to $D^2 - S^2$, denoted by the blue line distance. Since the non-distorted (*i.e.,* free trade) price in country C is less than the price in country B, trade is said to be diverted from a more efficient supplier to a less efficient supplier.

CURRENT STATISTICS

Contents

Notes: .. = Not available.

– = Nil/Negligible.

P = Preliminary/Provisional. PR = Partially Revised.

No. 1: Select Economic Indicators

Item	2018-19	2017-18		2018-19	
		Q3	Q4	Q3	Q4
	1	2	3	4	5
1 Real Sector (% Change)					
1.1 GVA at Basic Prices	6.6	7.3	7.9	6.3	5.7
1.1.1 Agriculture	2.9	4.6	6.5	2.8	-0.1
1.1.2 Industry	6.2	8.0	8.6	6.0	3.4
1.1.3 Services	7.7	8.0	8.0	7.6	8.2
1.1a Final Consumption Expenditure	8.3	5.8	10.4	7.9	8.1
1.1b Gross Fixed Capital Formation	10.0	12.2	11.8	11.7	3.6

	2018-19	2018		2019	
		Jun.	Jul.	Jun.	Jul.
	1	2	3	4	5
1.2 Index of Industrial Production	3.80	7.0	6.5	2.0	-
2 Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	10.0	6.8	8.7	10.4	9.6
2.1.2 Credit	13.3	10.9	12.3	11.9	12.1
2.1.2.1 Non-food Credit	13.4	10.9	12.5	11.9	12.1
2.1.3 Investment in Govt. Securities	1.9	6.0	6.8	1.8	1.2
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	14.5	21.1	20.6	13.5	12.9
2.2.2 Broad Money (M3)	10.5	9.8	9.9	10.1	10.6
3 Ratios (%)					
3.1 Cash Reserve Ratio	4.00	4.00	4.00	4.00	4.00
3.2 Statutory Liquidity Ratio	19.25	19.50	19.50	19.00	18.75
3.3 Cash-Deposit Ratio	5.1	4.9	4.7	5.1	4.8
3.4 Credit-Deposit Ratio	77.7	75.4	74.7	76.4	76.5
3.5 Incremental Credit-Deposit Ratio	99.9	65.7	-8.9	-60.4	-186.2
3.6 Investment-Deposit Ratio	26.9	29.9	30.0	27.6	27.7
3.7 Incremental Investment-Deposit Ratio	5.4	169.3	136.9	105.7	207.1
4 Interest Rates (%)					
4.1 Policy Repo Rate	6.25	6.25	6.25	5.75	5.75
4.2 Reverse Repo Rate	6.00	6.00	6.00	5.50	5.50
4.3 Marginal Standing Facility (MSF) Rate	6.50	6.50	6.50	6.00	6.00
4.4 Bank Rate	6.50	6.50	6.50	6.00	6.00
4.5 Base Rate	8.95/9.40	8.70/9.45	8.75/9.45	8.95/9.40	8.95/9.40
4.6 MCLR (Overnight)	8.05/8.55	7.80/8.05	7.90/8.05	8.05/8.50	8.00/8.40
4.7 Term Deposit Rate >1 Year	6.25/7.50	6.25/7.00	6.25/7.00	6.25/7.30	6.25/7.30
4.8 Savings Deposit Rate	3.50/4.00	3.50/4.00	3.50/4.00	3.50	3.25/3.50
4.9 Call Money Rate (Weighted Average)	6.35	6.17	6.21	5.78	5.59
4.10 91-Day Treasury Bill (Primary) Yield	6.31	6.52	6.69	6.03	5.65
4.11 182-Day Treasury Bill (Primary) Yield	6.35	6.89	6.97	6.16	5.88
4.12 364-Day Treasury Bill (Primary) Yield	6.39	7.13	7.27	6.16	5.94
4.13 10-Year G-Sec Par Yield (FBIL)	7.34	7.98	7.76	6.93	6.47
5 Reference Rate and Forward Premia					
5.1 INR-US$ Spot Rate (Rs. Per Foreign Currency)	69.17	68.58	68.70	68.92	69.06
5.2 INR-Euro Spot Rate (Rs. Per Foreign Currency)	77.70	79.85	79.78	78.36	76.94
5.3 Forward Premia of US$ 1-month (%)	6.07	4.46	4.37	4.61	4.00
3-month (%)	4.80	4.37	4.37	4.64	4.09
6-month (%)	4.16	4.39	4.40	4.70	4.31
6 Inflation (%)					
6.1 All India Consumer Price Index	3.4	4.9	4.2	3.2	3.1
6.2 Consumer Price Index for Industrial Workers	5.4	3.9	5.6	8.6	6.0
6.3 Wholesale Price Index	4.3	5.7	5.3	2.0	1.1
6.3.1 Primary Articles	2.7	4.7	2.0	6.7	5.0
6.3.2 Fuel and Power	11.5	16.5	18.1	-2.2	-3.6
6.3.3 Manufactured Products	3.7	4.2	4.5	0.9	0.3
7 Foreign Trade (% Change)					
7.1 Imports	10.4	20.9	29.7	-10.0	-10.4
7.2 Exports	8.7	17.9	15.5	-7.9	2.2

Note : Financial Benchmark India Pvt. Ltd. (FBIL) has commenced publication of the G-Sec benchmarks with effect from March 31, 2018 as per RBI circular FMRD.DIRD.7/14.03.025/2017-18 dated March 31, 2018. FBIL has started dissemination of reference rates w.e.f. July 10, 2018.

Reserve Bank of India

No. 2: RBI - Liabilities and Assets *

(₹ Crore)

Item	As on the Last Friday/ Friday						
	2018-19	2018	2019				
		Aug.	Aug. 2	Aug. 9	Aug. 16	Aug. 23	Aug. 30
	1	2	3	4	5	6	7
1 Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	2113764	1901937	2144943	2168301	2172899	2162500	2150382
1.1.2 Notes held in Banking Department	11	13	10	11	11	11	11
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	**2113775**	**1901950**	**2144952**	**2168312**	**2172910**	**2162511**	**2150393**
1.2 Assets							
1.2.1 Gold Coin and Bullion	79481	72080	82694	89489	91115	91148	93095
1.2.2 Foreign Securities	2033559	1828947	2061451	2078025	2081001	2070570	2056512
1.2.3 Rupee Coin	735	923	807	798	794	793	785
1.2.4 Government of India Rupee Securities	–	–	–	–	–	–	–
2 Banking Department							
2.1 Liabilities							
2.1.1 Deposits	806012	631562	843826	770565	771430	735075	838350
2.1.1.1 Central Government	101	100	101	100	100	101	101
2.1.1.2 Market Stabilisation Scheme	–	–	–	–	–	–	–
2.1.1.3 State Governments	43	42	42	42	42	42	42
2.1.1.4 Scheduled Commercial Banks	565707	475461	518267	510229	531335	519663	538143
2.1.1.5 Scheduled State Co-operative Banks	4197	3637	4237	4171	4274	4075	4190
2.1.1.6 Non-Scheduled State Co-operative Banks	3494	1911	2690	2695	2587	2631	2651
2.1.1.7 Other Banks	32036	27649	30433	30477	30718	30491	30810
2.1.1.8 Others	199734	122055	287356	220621	202373	176620	262413
2.1.1.9 Financial Institution Outside India	700	707	700	2229	–	1452	–
2.1.2 Other Liabilities	1087686	1062214	1170846	1242246	1263345	1284557	1104241
2.1/2.2 Total Liabilities or Assets	**1893698**	**1693776**	**2014672**	**2012811**	**2034775**	**2019632**	**1942591**
2.2 Assets							
2.2.1 Notes and Coins	11	13	10	11	11	11	11
2.2.2 Balances held Abroad	646640	861982	733243	766594	774305	803005	797721
2.2.3 Loans and Advances	–	–	–	–	–	–	–
2.2.3.1 Central Government	–	43992	116069	85687	88332	45010	–
2.2.3.2 State Governments	10	445	2830	3952	1599	303	606
2.2.3.3 Scheduled Commercial Banks	180688	61661	31305	19060	31752	31195	31140
2.2.3.4 Scheduled State Co-op.Banks	–	35	–	–	–	–	–
2.2.3.5 Industrial Dev. Bank of India	–	–	–	–	–	–	–
2.2.3.6 NABARD	–	–	–	–	–	–	–
2.2.3.7 EXIM Bank	–	–	–	–	–	–	–
2.2.3.8 Others	13463	6187	5845	5841	5841	5892	5633
2.2.3.9 Financial Institution Outside India	700	707	2107	715	–	724	–
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	–	–	–	–	–	–	–
2.2.4.2 Government Treasury Bills	–	–	–	–	–	–	–
2.2.5 Investments	923080	641608	1000783	1000815	1000846	1000878	1000909
2.2.6 Other Assets	129106	77146	122480	130136	132089	132613	106571
2.2.6.1 Gold	87169	70922	92189	99764	101576	101614	103784

* Data are provisional

No. 3: Liquidity Operations by RBI

(₹ Crore)

Date	Liquidity Adjustment Facility				MSF	Standing Liquidity Facilities	Market Stabilisation Scheme	OMO (Outright)		Net Injection (+)/ Absorption (-) (1+3+5+6+9-2-4-7-8)
	Repo	Reverse Repo	Variable Rate Repo	Variable Rate Reverse Repo				Sale	Purchase	
	1	2	3	4	5	6	7	8	9	10
Jul. 1, 2019	4857	28449	-	133076	100	–	-	-	-	-156568
Jul. 2, 2019	3814	25942	3290	141490	-	-394	-	-	-	-160722
Jul. 3, 2019	3467	18053	-	133809	340	396	-	-	-	-147659
Jul. 4, 2019	3497	26287	-	127285	1447	–	-	-	-	-148628
Jul. 5, 2019	5417	28746	5840	104965	1150	-191	-	-	-	-121495
Jul. 6, 2019	13196	3578	-	-	10150	–	-	-	-	19768
Jul. 8, 2019	9992	14018	-	84534	526	–	-	-	-	-88034
Jul. 9, 2019	3267	12040	10690	80655	2550	191	-	-	-	-75997
Jul. 10, 2019	4132	5990	-	78523	50	–	-	-	-	-80331
Jul. 11, 2019	3632	17501	-	80652	1100	–	-	-	-	-93421
Jul. 12, 2019	3632	32308	8345	111410	1200	–	-	-	-	-130541
Jul. 15, 2019	3629	21002	-	108250	1150	–	-	-	-	-124473
Jul. 16, 2019	3632	16794	2520	121685	315	–	-	-	-	-132012
Jul. 17, 2019	3563	14478	-	108816	125	–	-	-	-	-119606
Jul. 18, 2019	3593	17898	-	121735	100	–	-	-	-	-135940
Jul. 19, 2019	12339	23896	3850	100088	1151	-99	-	-	-	-106743
Jul. 20, 2019	4716	3202	-	-	2060	-	-	-	-	3574
Jul. 22, 2019	3632	15261	-	63071	1800	–	-	-	-	-72900
Jul. 23, 2019	3604	22977	14185	66853	50	–	-	-	-	-71991
Jul. 24, 2019	3564	17265	-	65185	1	–	-	-	-	-78885
Jul. 25, 2019	8289	21155	-	87682	-	-75	-	-	-	-100623
Jul. 26, 2019	3529	35136	8695	75404	300	56	-	-	-	-97960
Jul. 29, 2019	3709	15710	-	102571	119	-	-	-	-	-114453
Jul. 30, 2019	4033	20552	3370	101467	-	-	-	-	-	-114616
Jul. 31, 2019	4645	18528	-	101093	920	-	-	-	-	-114056

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

I) Operations in onshore/offshore OTC segment

Item	2018-19	2018	2019	
		Jul.	Jun.	Jul.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	–15,377.00	–1,874.00	2,463.00	–93.00
1.1 Purchase (+)	40,804.00	4,129.00	4,434.00	1,592.00
1.2 Sale (–)	56,181.00	6,003.00	1,971.00	1,685.00
2 ₹ equivalent at contract rate (₹ Crores)	-111946	-13600	16395	-1379
3 Cumulative (over end-March) (US $ Million)	–15,377.00	–16,308.00	9,902.00	9,809.00
(₹ Crores)	-111945	-111219	66285	64906
4 Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ Million)	–13,774.00	10,689.00	–13,406.00	–8,609.00

ii) Operations in currency futures segment

Item	2018-19	2018	2019	
		Jul.	Jun.	Jul.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	0.00	0.00	0.00	0.00
1.1 Purchase (+)	13,935.0	692.00	0.00	327.00
1.2 Sale (–)	13,935.0	692.00	0.00	327.00
2 Outstanding Net Currency Futures Sales (–)/ Purchase (+) at the end of month (US $ Million)	0.00	0.00	0.00	249.00

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

(US $ Million)

Item	As on July 31, 2019		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	215	1,176	-961
2. More than 1 month and upto 3 months	525	660	-135
3. More than 3 months and upto 1 year	5,415	3,905	1,510
4. More than 1 year	1,722	10,745	-9,023
Total (1+2+3+4)	**7,877**	**16,486**	**-8,609**

No. 5: RBI's Standing Facilities

(₹ Crore)

Item	As on the Last Reporting Friday							
	2018-19	2018	2019					
		Aug. 31	Mar. 29	Apr. 26	May 24	Jun. 21	Jul. 19	Aug. 30
	1	2	3	4	5	6	7	8
1 MSF	12882	125	12882	998	1615	1400	1151	55
2 Export Credit Refinance for Scheduled Banks								
2.1 Limit	–	–	–	-	-	-	-	-
2.2 Outstanding	–	–	–	-	-	-	-	-
3 Liquidity Facility for PDs								
3.1 Limit	2800	2800	2800	2800	2800	2800	2800	2800
3.2 Outstanding	2678	2388	2678	2348	2762	2453	2356	1879
4 Others								
4.1 Limit	–	–	–	-	-	-	-	-
4.2 Outstanding	–	–	–	-	-	-	-	-
5 Total Outstanding (1+2.2+3.2+4.2)	15560	2513	15560	3346	4377	3853	3507	1934

Money and Banking

No. 6: Money Stock Measures

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2018-19	2018	2019		
		Jul. 20	Jun. 21	Jul. 5	Jul. 19
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	2052233	1858933	2116678	2109932	2098713
1.1 Notes in Circulation	2110883	1910933	2179972	2171625	2161526
1.2 Circulation of Rupee Coin	25144	24958	25211	25241	25241
1.3 Circulation of Small Coins	743	743	743	743	743
1.4 Cash on Hand with Banks	84536	77700	89247	87676	88796
2 Deposit Money of the Public	1658050	1298907	1432967	1465378	1475859
2.1 Demand Deposits with Banks	1626309	1275905	1403284	1428745	1439850
2.2 ‘Other’ Deposits with Reserve Bank	31741	23001	29683	36633	36008
3 M_1 (1 + 2)	**3710284**	**3157840**	**3549646**	**3575310**	**3574572**
4 Post Office Saving Bank Deposits	140599	118637	140599	140599	140599
5 M_2 (3 + 4)	**3850883**	**3276477**	**3690245**	**3715909**	**3715171**
6 Time Deposits with Banks	11720588	10915024	11866468	12027631	11993211
7 M_3 (3 + 6)	**15430873**	**14072865**	**15416114**	**15602942**	**15567784**
8 Total Post Office Deposits	367287	321698	367287	367287	367287
9 M_4 (7 + 8)	**15798160**	**14394563**	**15783401**	**15970229**	**15935071**

No. 7: Sources of Money Stock (M_3)

(₹ Crore)

Sources	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2018-19	2018	2019		
		Jul. 20	Jun. 21	Jul. 5	Jul. 19
	1	2	3	4	5
1 Net Bank Credit to Government	**4387788**	**4331366**	**4589112**	**4809706**	**4746770**
1.1 RBI's net credit to Government (1.1.1–1.1.2)	801951	662484	919696	1062946	1054649
1.1.1 Claims on Government	929686	662627	984770	1063089	1054791
1.1.1.1 Central Government	928166	662627	984607	1057523	1051651
1.1.1.2 State Governments	1520	0	163	5566	3140
1.1.2 Government deposits with RBI	127735	143	65074	143	142
1.1.2.1 Central Government	127693	101	65032	100	100
1.1.2.2 State Governments	42	42	42	43	42
1.2 Other Banks' Credit to Government	3585837	3668882	3669416	3746760	3692121
2 Bank Credit to Commercial Sector	**10380180**	**9200628**	**10258354**	**10307325**	**10270651**
2.1 RBI's credit to commercial sector	15363	9556	8443	7495	7951
2.2 Other banks' credit to commercial sector	10364817	9191072	10249911	10299830	10262700
2.2.1 Bank credit by commercial banks	9769185	8609733	9648731	9697428	9658374
2.2.2 Bank credit by co-operative banks	585931	569021	591200	591055	590851
2.2.3 Investments by commercial and co-operative banks in other securities	9700	12317	9980	11346	13475
3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	**3070840**	**2908884**	**3182059**	**3156760**	**3172048**
3.1 RBI's net foreign exchange assets (3.1.1–3.1.2)	2848586	2785182	2959806	2934507	2949794
3.1.1 Gross foreign assets	2848800	2785396	2960021	2934722	2950003
3.1.2 Foreign liabilities	213	213	214	214	208
3.2 Other banks' net foreign exchange assets	222253	123702	222253	222253	222253
4 Government's Currency Liabilities to the Public	**25887**	**25701**	**25954**	**25984**	**25984**
5 Banking Sector's Net Non-monetary Liabilities	**2433822**	**2393715**	**2639366**	**2696833**	**2647670**
5.1 Net non-monetary liabilities of RBI	1058795	1032188	1115978	1091765	1108128
5.2 Net non-monetary liabilities of other banks (residual)	1375027	1361527	1523388	1605068	1539542
M_3 (1+2+3+4–5)	**15430873**	**14072865**	**15416114**	**15602942**	**15567784**

No. 8: Monetary Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2018-19	2018	2019		
		Jul. 20	Jun. 21	Jul. 5	Jul. 19
	1	2	3	4	5
Monetary Aggregates					
NM_1 (1.1 + 1.2.1+1.3)	3710284	3157840	3549646	3575310	3574572
NM_2 (NM_1+ 1.2.2.1)	8910876	7997479	8812283	8910210	8894299
NM_3 (NM_2 + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	15645209	14265212	15601556	15782023	15748004
1 Components					
1.1 Currency with the Public	2052233	1858933	2116678	2109932	2098713
1.2 Aggregate Deposits of Residents	13183179	12030657	13098034	13284077	13261467
1.2.1 Demand Deposits	1626309	1275905	1403284	1428745	1439850
1.2.2 Time Deposits of Residents	11556870	10754751	11694750	11855332	11821616
1.2.2.1 Short-term Time Deposits	5200591	4839638	5262637	5334899	5319727
1.2.2.1.1 Certificates of Deposit (CDs)	284992	170989	210078	225425	217696
1.2.2.2 Long-term Time Deposits	6356278	5915113	6432112	6520432	6501889
1.3 ‘Other’ Deposits with RBI	31741	23001	29683	36633	36008
1.4 Call/Term Funding from Financial Institutions	378054	352620	357160	351380	351815
2 Sources					
2.1 Domestic Credit	15656095	14368647	15739073	16002268	15914426
2.1.1 Net Bank Credit to the Government	4387788	4331366	4589112	4809706	4746770
2.1.1.1 Net RBI credit to the Government	801951	662484	919696	1062946	1054649
2.1.1.2 Credit to the Government by the Banking System	3585837	3668882	3669416	3746760	3692121
2.1.2 Bank Credit to the Commercial Sector	11268307	10037281	11149960	11192561	11167655
2.1.2.1 RBI Credit to the Commercial Sector	15363	9556	8443	7495	7951
2.1.2.2 Credit to the Commercial Sector by the Banking System	11252944	10027725	11141517	11185066	11159704
2.1.2.2.1 Other Investments (Non-SLR Securities)	879848	825651	883613	877633	889164
2.2 Government’s Currency Liabilities to the Public	25887	25701	25954	25984	25984
2.3 Net Foreign Exchange Assets of the Banking Sector	2801725	2628575	2891469	2852836	2899819
2.3.1 Net Foreign Exchange Assets of the RBI	2848586	2785182	2959806	2934507	2949794
2.3.2 Net Foreign Currency Assets of the Banking System	-46861	-156607	-68336	-81670	-49975
2.4 Capital Account	2346742	2229533	2432604	2371679	2386574
2.5 Other items (net)	491756	528177	622336	727386	705651

No. 9: Liquidity Aggregates

(₹ Crore)

Aggregates	2018-19	2018	2019		
		Jul.	May	Jun.	Jul.
	1	2	3	4	5
1 NM_3	**15645209**	**14265212**	**15607779**	**15601556**	**15748004**
2 Postal Deposits	367287	321698	367287	367287	367287
3 L_1 (1 + 2)	**16012496**	**14586910**	**15975066**	**15968843**	**16115291**
4 Liabilities of Financial Institutions	2932	2932	2932	2932	2932
4.1 Term Money Borrowings	2656	2656	2656	2656	2656
4.2 Certificates of Deposit	31	31	31	31	31
4.3 Term Deposits	245	245	245	245	245
5 L_2 (3 + 4)	**16015428**	**14589842**	**15977998**	**15971775**	**16118223**
6 Public Deposits with Non-Banking Financial Companies	31905	..	..	31905	..
7 L_3 (5 + 6)	**16047333**	..	..	**16003680**	..

No. 10: Reserve Bank of India Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2018-19	2018	2019		
		Jul. 20	Jun. 21	Jul. 5	Jul. 19
	1	2	3	4	5
1 Components					
1.1 Currency in Circulation	2136770	1936634	2205926	2197609	2187510
1.2 Bankers' Deposits with the RBI	601969	516931	539382	546649	570316
1.2.1 Scheduled Commercial Banks	558496	483231	503248	509969	533013
1.3 'Other' Deposits with the RBI	31742	23001	29683	36633	36009
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	2770481	2476567	2774992	2780891	2793835
2 Sources					
2.1 RBI's Domestic Credit	954802	697871	905209	912165	926184
2.1.1 Net RBI credit to the Government	801951	662484	919696	1062946	1054649
2.1.1.1 Net RBI credit to the Central Government (2.1.1.1.1 + 2.1.1.1.2 + 2.1.1.1.3 + 2.1.1.1.4 – 2.1.1.1.5)	800473	662526	919575	1057423	1051551
2.1.1.1.1 Loans and Advances to the Central Government	–	21769	–	66793	65729
2.1.1.1.2 Investments in Treasury Bills	–	–	–	–	–
2.1.1.1.3 Investments in dated Government Securities	927427	639931	983768	989899	985102
2.1.1.1.3.1 Central Government Securities	927427	639931	983768	989899	985102
2.1.1.1.4 Rupee Coins	739	927	839	831	820
2.1.1.1.5 Deposits of the Central Government	127693	101	65032	100	100
2.1.1.2 Net RBI credit to State Governments	1478	-42	121	5523	3098
2.1.2 RBI's Claims on Banks	137488	25831	-22930	-158276	-136416
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	137488	25831	-22930	-158276	-136416
2.1.3 RBI's Credit to Commercial Sector	15363	9556	8443	7495	7951
2.1.3.1 Loans and Advances to Primary Dealers	2678	2433	2453	2264	2356
2.1.3.2 Loans and Advances to NABARD	–	–	–	–	–
2.2 Government's Currency Liabilities to the Public	25887	25701	25954	25984	25984
2.3 Net Foreign Exchange Assets of the RBI	2848587	2785182	2959806	2934507	2949795
2.3.1 Gold	159585	144970	160265	167502	167502
2.3.2 Foreign Currency Assets	2689019	2640230	2799559	2767023	2782310
2.4 Capital Account	970265	965680	983493	942803	956127
2.5 Other Items (net)	88530	66508	132485	148962	152001

No. 11: Reserve Money - Components and Sources

(₹ Crore)

Item		Outstanding as on March 31/ last Fridays of the month/ Fridays					
	2018-19	2018	2019				
		Jul. 20	Jun. 28	Jul. 5	Jul. 12	Jul. 19	Jul. 26
	1	2	3	4	5	6	7
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 + 2.4 + 2.5 – 2.6)	2770481	2476567	2828612	2780891	2787483	2793835	2768488
1 Components							
1.1 Currency in Circulation	2136770	1936634	2189484	2197609	2205020	2187510	2175537
1.2 Bankers' Deposits with RBI	601969	516931	609537	546649	546675	570316	562936
1.3 'Other' Deposits with RBI	31742	23001	29590	36633	35788	36009	30015
2 Sources							
2.1 Net Reserve Bank Credit to Government	801951	662484	992751	1062946	1071685	1054649	1023783
2.2 Reserve Bank Credit to Banks	137488	25831	-47104	-158276	-159638	-136416	-131846
2.3 Reserve Bank Credit to Commercial Sector	15363	9556	8755	7495	8051	7951	7799
2.4 Net Foreign Exchange Assets of RBI	2848587	2785182	2939668	2934507	2935313	2949795	2951066
2.5 Government's Currency Liabilities to the Public	25887	25701	25954	25984	25984	25984	25984
2.6 Net Non- Monetary Liabilities of RBI	1058795	1032188	1091413	1091765	1093912	1108128	1108298

No. 12: Commercial Bank Survey

(₹ Crore)

Item	Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month				
	2018-19	2018	2019		
		Jul. 20	Jun. 21	Jul. 5	Jul. 19
	1	2	3	4	5
1 Components					
1.1 Aggregate Deposits of Residents	12408835	11276865	12320756	12502977	12478989
1.1.1 Demand Deposits	1511084	1162194	1288837	1313338	1324903
1.1.2 Time Deposits of Residents	10897751	10114671	11031919	11189639	11154086
1.1.2.1 Short-term Time Deposits	4903988	4551602	4964363	5035337	5019339
1.1.2.1.1 Certificates of Deposits (CDs)	284992	170989	210078	225425	217696
1.1.2.2 Long-term Time Deposits	5993763	5563069	6067555	6154301	6134747
1.2 Call/Term Funding from Financial Institutions	378054	352620	357160	351380	351815
2 Sources					
2.1 Domestic Credit	14028965	12905032	13998280	14119600	14039414
2.1.1 Credit to the Government	3378300	3462291	3464634	3542327	3487418
2.1.2 Credit to the Commercial Sector	10650665	9442740	10533646	10577273	10551996
2.1.2.1 Bank Credit	9769185	8609733	9648731	9697428	9658374
2.1.2.1.1 Non-food Credit	9727575	8559091	9577312	9626659	9592372
2.1.2.2 Net Credit to Primary Dealers	8541	11263	8255	7865	8103
2.1.2.3 Investments in Other Approved Securities	2053	5053	2008	3308	5317
2.1.2.4 Other Investments (in non-SLR Securities)	870886	816689	874651	868671	880201
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1–2.2.2–2.2.3)	-46861	-156607	-68336	-81670	-49975
2.2.1 Foreign Currency Assets	262383	136364	245785	231434	262389
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	163718	160273	171718	172299	171595
2.2.3 Overseas Foreign Currency Borrowings	145525	132697	142403	140805	140769
2.3 Net Bank Reserves (2.3.1+2.3.2–2.3.3)	538079	524955	605627	746180	748448
2.3.1 Balances with the RBI	565707	483231	503248	509969	533013
2.3.2 Cash in Hand	74852	67555	79449	77935	79019
2.3.3 Loans and Advances from the RBI	102480	25831	-22930	-158276	-136416
2.4 Capital Account	1352307	1239683	1424940	1404705	1406276
2.5 Other items (net) (2.1+2.2+2.3–2.4–1.1–1.2)	380987	404211	432713	525046	500804
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	397976	333684	347876	359767	358680
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	-48452	-41326	-50188	-55657	-52865

No. 13: Scheduled Commercial Banks' Investments

(₹ Crore)

Item	As on March 29, 2019	2018	2019		
		Jul. 20	Jun. 21	Jul. 5	Jul. 19
	1	2	3	4	5
1 SLR Securities	3,381,056.1	3,467,345.5	3,466,645.9	3,545,636.0	3,492,737.0
2 Commercial Paper	90,362.0	118,758.8	97,239.6	92,114.1	94,921.7
3 Shares issued by					
3.1 PSUs	11,535.2	11,778.6	11,579.2	12,108.9	12,039.3
3.2 Private Corporate Sector	69,591.7	74,460.0	69,241.7	69,052.2	67,612.7
3.3 Others	6,378.6	4,248.4	5,623.7	5,612.5	5,606.2
4 Bonds/Debentures issued by					
4.1 PSUs	134,819.0	123,023.3	126,330.9	130,116.3	130,257.5
4.2 Private Corporate Sector	268,782.8	225,306.5	257,390.6	254,316.9	255,658.6
4.3 Others	170,046.8	112,641.6	160,465.8	161,112.1	163,140.8
5 Instruments issued by					
5.1 Mutual funds	20,988.1	69,577.2	55,543.2	52,596.3	59,998.1
5.2 Financial institutions	98,381.6	76,946.7	91,147.0	91,642.2	90,967.0

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

(₹ Crore)

Item	As on the Last Reporting Friday (in case of March)/ Last Friday							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2018-19	2018	2019		2018-19	2018	2019	
		Jul.	Jun.	Jul.		Jul.	Jun.	Jul.
	1	2	3	4	5	6	7	8
Number of Reporting Banks	222	223	215	215	147	149	139	139
1 Liabilities to the Banking System	**276,350.2**	**233,823.6**	**261,115.5**	**263,873.0**	**271,426.2**	**229,174.8**	**256,028.1**	**258,257.0**
1.1 Demand and Time Deposits from Banks	181,651.4	165,988.6	184,952.6	185,397.0	176,827.7	161,554.9	180,168.7	180,395.0
1.2 Borrowings from Banks	79,486.7	60,980.7	64,878.0	67,474.0	79,459.1	60,944.9	64,720.2	67,025.0
1.3 Other Demand and Time Liabilities	15,212.1	6,854.4	11,284.9	11,002.0	15,139.3	6,675.1	11,139.2	10,837.0
2 Liabilities to Others	**13,835,975.5**	**12,739,687.3**	**13,916,921.1**	**13,842,223.0**	**13,495,671.5**	**12,424,089.3**	**13,567,386.2**	**13,489,708.0**
2.1 Aggregate Deposits	12,901,578.8	11,831,585.7	13,026,758.2	12,973,980.0	12,573,771.8	11,529,873.0	12,691,204.2	12,633,509.0
2.1.1 Demand	1,542,553.5	1,259,712.3	1,434,822.7	1,330,045.0	1,511,287.3	1,231,127.0	1,403,344.7	1,300,077.0
2.1.2 Time	11,359,025.3	10,571,873.4	11,591,935.5	11,643,936.0	11,062,484.4	10,298,746.0	11,287,859.5	11,333,433.0
2.2 Borrowings	381,863.9	416,636.2	360,893.5	356,130.0	378,253.6	411,737.1	357,468.8	352,572.0
2.3 Other Demand and Time Liabilities	552,532.8	491,465.4	529,269.4	512,113.0	543,646.2	482,479.3	518,713.2	503,627.0
3 Borrowings from Reserve Bank	**180,688.0**	**76,295.0**	**54,185.0**	**29,570.0**	**180,688.0**	**76,295.0**	**54,185.0**	**29,570.0**
3.1 Against Usance Bills /Promissory Notes	–	–	–	–	–	–	–	–
3.2 Others	180,688.0	76,295.0	54,185.0	29,570.0	180,688.0	76,295.0	54,185.0	29,570.0
4 Cash in Hand and Balances with Reserve Bank	657,555.4	559,423.4	666,699.7	621,400.0	640,583.7	545,313.9	651,388.2	606,409.0
4.1 Cash in Hand	76,554.4	73,516.4	81,165.7	82,232.0	74876.68	71,456.9	79,375.2	80,501.0
4.2 Balances with Reserve Bank	581,001.0	485,907.0	585,534.0	539,168.0	565,707.0	473,857.0	572,013.0	525,908.0
5 Assets with the Banking System	**372,669.5**	**318,388.8**	**368,717.5**	**367,140.0**	**327,814.1**	**280,953.1**	**319,278.2**	**315,395.0**
5.1 Balances with Other Banks	245,879.7	218,680.6	263,546.8	259,910.0	223,048.0	202,220.3	239,888.8	236,267.0
5.1.1 In Current Account	17,216.3	15,914.8	19,631.1	20,621.0	13,329.2	13,884.7	16,024.4	18,273.0
5.1.2 In Other Accounts	228,663.4	202,765.8	243,915.7	239,289.0	209,718.8	188,335.6	223,864.4	217,994.0
5.2 Money at Call and Short Notice	47,046.6	31,581.7	32,524.5	28,441.0	32,252.1	15,220.9	16,512.4	11,892.0
5.3 Advances to Banks	32,950.3	37,519.1	29,711.4	31,009.0	29,635.1	37,262.5	26,552.3	26,891.0
5.4 Other Assets	46,792.9	30,607.4	42,934.7	47,780.0	42,878.9	26,249.5	36,324.7	40,345.0
6 Investment	**3,475,606.7**	**3,555,571.0**	**3,606,079.0**	**3,598,982.0**	**3,381,056.1**	**3,461,396.0**	**3,503,313.6**	**3,505,533.0**
6.1 Government Securities	3,467,844.6	3,548,210.2	3,599,693.1	3,589,898.0	3,379,001.5	3,459,497.3	3,502,669.8	3,502,721.0
6.2 Other Approved Securities	7,762.1	7,360.8	6,385.9	9,084.0	2,054.7	1,898.7	643.8	2,812.0
7 Bank Credit	**10,047,124.8**	**8,870,224.9**	**9,985,467.7**	**9,944,818.0**	**9,771,722.4**	**8,616,227.0**	**9,700,764.7**	**9,660,502.0**
7a Food Credit	64,636.0	73,903.0	90,712.0	88,137.0	41,610.0	50,876.0	63,678.0	61,104.0
7.1 Loans, Cash-credits and Overdrafts	9,792,287.2	8,650,228.4	9,757,671.7	9,723,777.0	9,521,993.7	8,401,066.8	9,477,239.4	9,443,626.0
7.2 Inland Bills-Purchased	27,641.3	21,516.1	27,438.6	25,693.0	26,223.3	19,784.4	26,331.4	24,683.0
7.3 Inland Bills-Discounted	160,983.7	137,984.3	140,811.5	136,520.0	158,296.0	135,572.2	138,557.0	134,253.0
7.4 Foreign Bills-Purchased	24,913.6	23,972.4	24,037.0	23,894.0	24,587.5	23,792.0	23,707.3	23,582.0
7.5 Foreign Bills-Discounted	41,299.1	36,523.8	35,509.0	34,934.0	40,621.9	36,011.7	34,929.7	34,358.0

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

(₹ Crore)

Item	Outstanding as on				Growth (%)	
	Mar. 29, 2019	2018	2019		Financial year so far	Y-o-Y
		Jul. 20	Jun. 21	Jul. 19	2019-20	2019
	1	2	3	4	5	6
1 Gross Bank Credit	**8,674,892**	**7,678,072**	**8,547,555**	**8,561,546**	**-1.3**	**11.5**
1.1 Food Credit	**41,474**	**50,480**	**71,178**	**65,787**	**58.6**	**30.3**
1.2 Non-food Credit	**8,633,418**	**7,627,592**	**8,476,377**	**8,495,759**	**–1.6**	**11.4**
1.2.1 Agriculture & Allied Activities	**1,111,300**	**1,038,519**	**1,125,788**	**1,108,988**	**–0.2**	**6.8**
1.2.2 Industry	**2,885,778**	**2,637,052**	**2,812,032**	**2,798,360**	**–3.0**	**6.1**
1.2.2.1 Micro & Small	375,505	359,421	366,185	361,608	–3.7	0.6
1.2.2.2 Medium	106,395	103,487	105,170	105,214	–1.1	1.7
1.2.2.3 Large	2,403,878	2,174,144	2,340,677	2,331,538	–3.0	7.2
1.2.3 Services	**2,415,609**	**2,007,545**	**2,284,715**	**2,312,871**	**–4.3**	**15.2**
1.2.3.1 Transport Operators	138,524	124,286	141,710	140,947	1.7	13.4
1.2.3.2 Computer Software	18,535	18,123	18,312	18,212	–1.7	0.5
1.2.3.3 Tourism, Hotels & Restaurants	39,005	36,221	39,603	39,899	2.3	10.2
1.2.3.4 Shipping	7,748	6,645	6,080	5,879	–24.1	-11.5
1.2.3.5 Professional Services	171,517	154,875	168,679	166,562	–2.9	7.5
1.2.3.6 Trade	528,158	462,536	511,576	513,452	–2.8	11.0
1.2.3.6.1 Wholesale Trade	250,528	202,851	230,096	229,764	–8.3	13.3
1.2.3.6.2 Retail Trade	277,630	259,685	281,479	283,688	2.2	9.2
1.2.3.7 Commercial Real Estate	202,291	181,762	205,495	208,627	3.1	14.8
1.2.3.8 Non-Banking Financial Companies (NBFCs)	641,208	473,497	635,098	636,733	–0.7	34.5
1.2.3.9 Other Services	668,623	549,601	558,161	582,558	–12.9	6.0
1.2.4 Personal Loans	**2,220,732**	**1,944,478**	**2,253,843**	**2,275,540**	**2.5**	**17.0**
1.2.4.1 Consumer Durables	6,299	20,470	5,770	5,623	–10.7	-72.5
1.2.4.2 Housing	1,160,111	1,006,311	1,187,027	1,199,806	3.4	19.2
1.2.4.3 Advances against Fixed Deposits	82,873	64,353	67,105	64,901	–21.7	0.9
1.2.4.4 Advances to Individuals against share & bond	6,265	5,950	5,368	5,396	–13.9	-9.3
1.2.4.5 Credit Card Outstanding	88,262	74,279	94,890	93,974	6.5	26.5
1.2.4.6 Education	67,988	68,908	67,641	67,665	–0.5	-1.8
1.2.4.7 Vehicle Loans	202,154	191,823	200,419	201,318	–0.4	4.9
1.2.4.8 Other Personal Loans	606,780	512,383	625,622	636,857	5.0	24.3
1.2A Priority Sector	**2,739,021**	**2,532,437**	**2,751,954**	**2,716,953**	**–0.8**	**7.3**
1.2A.1 Agriculture & Allied Activities	1,104,988	1,032,197	1,118,660	1,102,240	–0.2	6.8
1.2A.2 Micro & Small Enterprises	1,067,175	971,650	1,062,806	1,047,483	–1.8	7.8
1.2A.2.1 Manufacturing	375,505	359,421	366,185	361,608	–3.7	0.6
1.2A.2.2 Services	691,670	612,229	696,621	685,875	–0.8	12.0
1.2A.3 Housing	432,703	389,288	440,022	441,976	2.1	13.5
1.2A.4 Micro-Credit	24,101	20,754	28,690	31,593	31.1	52.2
1.2A.5 Education Loans	53,950	57,414	54,237	53,659	–0.5	-6.5
1.2A.6 State-Sponsored Orgs. for SC/ST	397	350	383	385	–3.0	10.0
1.2A.7 Weaker Sections	662,628	582,490	701,478	678,242	2.4	16.4
1.2A.8 Export Credit	15,566	21,889	14,279	14,155	–9.1	-35.3

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

(₹ Crore)

Industry	Outstanding as on				Growth (%)	
	Mar. 29, 2019	2018	2019		Financial year so far	Y-o-Y
		Jul. 20	Jun. 21	Jul. 19	2019-20	2019
	1	2	3	4	5	6
1 Industry	**2,885,778**	**2,637,052**	**2,812,034**	**2,798,360**	**–3.0**	**6.1**
1.1 Mining & Quarrying (incl. Coal)	**41,752**	**41,507**	**41,129**	**40,563**	**–2.8**	**–2.3**
1.2 Food Processing	**157,058**	**146,626**	**151,625**	**150,077**	**–4.4**	**2.4**
1.2.1 Sugar	29,705	27,238	29,572	28,582	–3.8	4.9
1.2.2 Edible Oils & Vanaspati	21,343	21,524	20,100	19,475	–8.8	–9.5
1.2.3 Tea	4,966	5,143	5,110	5,200	4.7	1.1
1.2.4 Others	101,044	92,722	96,844	96,820	–4.2	4.4
1.3 Beverage & Tobacco	**14,662**	**13,561**	**14,376**	**14,440**	**–1.5**	**6.5**
1.4 Textiles	**203,549**	**201,518**	**193,595**	**191,284**	**–6.0**	**–5.1**
1.4.1 Cotton Textiles	97,726	100,991	91,947	90,087	–7.8	–10.8
1.4.2 Jute Textiles	2,119	2,051	2,122	2,110	–0.4	2.9
1.4.3 Man-Made Textiles	26,748	24,135	25,984	25,452	–4.8	5.5
1.4.4 Other Textiles	76,956	74,341	73,542	73,635	–4.3	–0.9
1.5 Leather & Leather Products	**11,071**	**11,141**	**11,151**	**11,211**	**1.3**	**0.6**
1.6 Wood & Wood Products	**11,968**	**11,139**	**11,691**	**11,701**	**–2.2**	**5.0**
1.7 Paper & Paper Products	**30,319**	**30,164**	**30,143**	**29,760**	**–1.8**	**–1.3**
1.8 Petroleum, Coal Products & Nuclear Fuels	**63,136**	**57,979**	**55,775**	**53,085**	**–15.9**	**–8.4**
1.9 Chemicals & Chemical Products	**191,484**	**162,654**	**174,540**	**173,212**	**–9.5**	**6.5**
1.9.1 Fertiliser	40,043	27,425	33,118	34,419	–14.0	25.5
1.9.2 Drugs & Pharmaceuticals	50,500	49,564	49,021	48,195	–4.6	–2.8
1.9.3 Petro Chemicals	46,717	36,501	39,493	37,900	–18.9	3.8
1.9.4 Others	54,224	49,164	52,908	52,698	–2.8	7.2
1.10 Rubber, Plastic & their Products	**45,803**	**41,583**	**45,828**	**45,843**	**0.1**	**10.2**
1.11 Glass & Glassware	**9,887**	**9,773**	**9,832**	**9,652**	**–2.4**	**–1.2**
1.12 Cement & Cement Products	**55,683**	**51,957**	**56,126**	**57,539**	**3.3**	**10.7**
1.13 Basic Metal & Metal Product	**371,564**	**380,837**	**352,015**	**347,995**	**–6.3**	**–8.6**
1.13.1 Iron & Steel	282,878	290,464	266,162	265,912	–6.0	–8.5
1.13.2 Other Metal & Metal Product	88,685	90,372	85,853	82,083	–7.4	–9.2
1.14 All Engineering	**168,621**	**153,717**	**164,574**	**165,038**	**–2.1**	**7.4**
1.14.1 Electronics	37,856	33,899	37,942	37,367	–1.3	10.2
1.14.2 Others	130,765	119,819	126,631	127,671	–2.4	6.6
1.15 Vehicles, Vehicle Parts & Transport Equipment	**79,859**	**75,054**	**81,419**	**82,728**	**3.6**	**10.2**
1.16 Gems & Jewellery	**72,014**	**68,054**	**66,218**	**66,066**	**–8.3**	**–2.9**
1.17 Construction	**99,473**	**90,172**	**97,160**	**95,384**	**–4.1**	**5.8**
1.18 Infrastructure	**1,055,921**	**907,704**	**1,026,481**	**1,034,716**	**–2.0**	**14.0**
1.18.1 Power	568,966	526,848	563,743	568,247	–0.1	7.9
1.18.2 Telecommunications	115,585	90,863	106,831	112,215	–2.9	23.5
1.18.3 Roads	186,852	161,767	186,128	188,386	0.8	16.5
1.18.4 Other Infrastructure	184,518	128,226	169,778	165,868	–10.1	29.4
1.19 Other Industries	**201,954**	**181,914**	**228,356**	**218,066**	**8.0**	**19.9**

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

(₹ Crore)

Item	Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday								
	2018-19	2018	2019						
		Jun, 29	Apr, 26	May, 10	May, 24	May, 31	Jun, 07	Jun, 21	Jun, 28
	1	2	3	4	5	6	7	8	9
Number of Reporting Banks	32	31	31	31	30	31	31	31	31
1 Aggregate Deposits (2.1.1.2+2.2.1.2)	**62003.4**	**53586.3**	**61812.4**	**63029.9**	**61695.6**	**62344.8**	**61829.6**	**61051.4**	**63649.9**
2 Demand and Time Liabilities									
2.1 Demand Liabilities	**18241.3**	**16902.4**	**17974.9**	**17453.7**	**17368.4**	**17715.9**	**18400.1**	**18111.8**	**20235.9**
2.1.1 Deposits									
2.1.1.1 Inter-Bank	5842.3	4900.3	5256.5	4737.2	4770.0	4866.0	5838.0	5924.6	5967.4
2.1.1.2 Others	9,808.6	8482.4	9664.8	9768.1	9585.9	9906.2	9627.3	8976.4	10064.2
2.1.2 Borrowings from Banks	0.0	870.0	0.0	0.0	70.0	70.0	0.0	0.0	1255.3
2.1.3 Other Demand Liabilities	2590.5	2649.8	3053.6	2948.5	2942.5	2873.8	2934.8	3210.8	2949.1
2.2 Time Liabilities	**98531.4**	**87326.6**	**98378.8**	**99975.8**	**98685.9**	**99343.7**	**99374.6**	**100475.8**	**104584.1**
2.2.1 Deposits									
2.2.1.1 Inter-Bank	45655.9	41501.9	45572.1	46039.9	45942.2	46246.8	46503.5	47744.6	47559.4
2.2.1.2 Others	52194.8	45103.9	52147.6	53261.8	52109.7	52438.6	52202.4	52074.9	53585.7
2.2.2 Borrowings from Banks	0.0	0.6	2.0	0.0	0.0	0.0	0.0	0.0	1265.3
2.2.3 Other Time Liabilities	680.7	720.2	657.0	674.1	634.0	658.3	668.7	656.3	2173.6
3 Borrowing from Reserve Bank	0.0	0.0	0.0	0.0	0.0	35.0	35.0	0.0	0.0
4 Borrowings from a notified bank / Government	50375.4	43217.2	46954.3	45891.6	44317.2	47096.2	46448.0	45612.6	45914.7
4.1 Demand	16826.7	15255.3	15187.2	15264.0	14434.8	14109.5	13706.0	13356.7	13687.7
4.2 Time	33548.7	27961.9	31767.1	30627.6	29882.4	32986.7	32741.9	32255.9	32227.0
5 Cash in Hand and Balances with Reserve Bank	**5721.0**	**4751.2**	**5443.8**	**5097.0**	**5098.6**	**4846.3**	**5096.3**	**5080.5**	**5290.0**
5.1 Cash in Hand	319.1	312.4	290.9	292.8	296.5	339.2	289.9	310.9	334.7
5.2 Balance with Reserve Bank	5401.9	4438.7	5152.9	4804.3	4802.1	4507.1	4806.5	4769.6	4955.4
6 Balances with Other Banks in Current Account	**1543.2**	**1067.6**	**885.9**	**1086.9**	**814.0**	**960.1**	**853.5**	**796.5**	**2213.6**
7 Investments in Government Securities	**30885.3**	**31178.2**	**31347.6**	**31180.9**	**31133.7**	**31103.6**	**30826.2**	**30656.7**	**30634.4**
8 Money at Call and Short Notice	**16190.2**	**18707.6**	**14397.3**	**15632.9**	**16084.6**	**15001.4**	**15802.0**	**16143.7**	**17580.3**
9 Bank Credit (10.1+11)	**60089.8**	**54946.8**	**62755.7**	**70426.9**	**62109.9**	**62530.9**	**63753.8**	**63824.0**	**63419.8**
10 Advances									
10.1 Loans, Cash-Credits and Overdrafts	**60086.2**	**54944.5**	**62755.2**	**70426.3**	**62109.4**	**62530.3**	**63753.2**	**63823.4**	**63419.3**
10.2 Due from Banks	82610.9	69328.9	80436.5	79014.2	78638.0	78346.8	77644.7	77866.6	77817.4
11 Bills Purchased and Discounted	3.7	2.4	0.6	0.6	0.6	0.7	0.7	0.6	0.6

Prices and Production

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

Group/Sub group	2018-19			Rural			Urban			Combined		
	Rural	Urban	Combined	Jul. 18	Jun. 19	Jul. 19	Jul. 18	Jun. 19	Jul. 19	Jul. 18	Jun. 19	Jul. 19
	1	2	3	4	5	6	7	8	9	10	11	12
1 Food and beverages	**139.5**	**138.4**	**139.1**	**142.0**	**141.0**	**143.0**	**140.3**	**145.6**	**147.7**	**141.4**	**142.7**	**144.7**
1.1 Cereals and products	137.7	137.2	137.5	138.4	137.8	138.4	135.6	140.7	141.4	137.5	138.7	139.3
1.2 Meat and fish	149.5	147.5	148.8	149.3	163.5	163.9	148.6	159.6	160.2	149.1	162.1	162.6
1.3 Egg	137.3	137.3	137.3	139.3	136.2	138.4	139.1	140.4	142.5	139.2	137.8	140.0
1.4 Milk and products	142.7	141.3	142.2	143.4	143.2	143.9	141.0	143.4	144.0	142.5	143.3	143.9
1.5 Oils and fats	124.0	117.6	121.6	124.1	124.3	124.4	116.7	118.6	119.3	121.4	122.2	122.5
1.6 Fruits	146.8	143.4	145.2	153.3	143.3	146.4	149.7	150.9	154.7	151.6	146.8	150.3
1.7 Vegetables	141.4	142.1	141.6	154.2	140.6	150.2	159.2	169.8	180.1	155.9	150.5	160.3
1.8 Pulses and products	124.1	115.3	121.1	126.4	128.7	130.6	112.6	127.4	128.9	121.7	128.3	130.0
1.9 Sugar and confectionery	111.9	110.8	111.5	114.3	110.6	110.8	111.8	111.8	111.7	113.5	111.0	111.1
1.10 Spices	138.8	140.7	139.4	138.2	140.4	141.7	140.3	141.0	141.6	138.9	140.6	141.7
1.11 Non-alcoholic beverages	134.9	127.5	131.8	132.8	138.0	138.5	126.8	129.0	129.5	130.3	134.2	134.7
1.12 Prepared meals, snacks, sweets	155.3	151.3	153.4	154.8	156.6	156.7	149.4	155.1	155.6	152.3	155.9	156.2
2 Pan, tobacco and intoxicants	**159.4**	**162.9**	**160.4**	**156.1**	**164.2**	**164.5**	**161.4**	**166.7**	**167.2**	**157.5**	**164.9**	**165.2**
3 Clothing and footwear	**150.3**	**139.3**	**145.9**	**150.6**	**150.7**	**151.0**	**137.9**	**142.4**	**143.5**	**145.6**	**147.4**	**148.0**
3.1 Clothing	151.2	141.0	147.2	151.5	151.4	151.7	139.6	144.3	145.6	146.8	148.6	149.3
3.2 Footwear	145.2	129.5	138.7	145.1	146.5	146.6	128.9	131.7	131.9	138.4	140.4	140.5
4 Housing	**--**	**145.6**	**145.6**	**--**	**--**	**--**	**143.6**	**149.4**	**150.6**	**143.6**	**149.4**	**150.6**
5 Fuel and light	**147.0**	**129.3**	**140.3**	**146.8**	**147.8**	**146.6**	**128.1**	**130.5**	**127.0**	**139.7**	**141.2**	**139.2**
6 Miscellaneous	**138.6**	**131.1**	**134.9**	**136.0**	**143.3**	**144.1**	**130.2**	**133.6**	**134.5**	**133.2**	**138.6**	**139.4**
6.1 Household goods and services	145.9	134.8	140.6	143.1	149.6	150.0	133.6	137.4	137.7	138.6	143.8	144.2
6.2 Health	143.5	135.5	140.5	139.0	151.7	152.1	133.6	140.3	140.8	137.0	147.4	147.8
6.3 Transport and communication	128.5	120.3	124.2	127.5	130.2	131.2	120.1	119.6	120.6	123.6	124.6	125.6
6.4 Recreation and amusement	140.4	130.3	134.7	138.4	146.4	147.5	129.0	134.3	134.9	133.1	139.6	140.4
6.5 Education	149.4	144.5	146.5	145.8	157.7	159.0	144.0	148.9	150.3	144.7	152.5	153.9
6.6 Personal care and effects	132.6	129.9	131.5	131.4	134.8	136.1	128.2	133.7	135.1	130.1	134.3	135.7
General Index (All Groups)	**141.3**	**137.7**	**139.6**	**141.8**	**143.6**	**144.9**	**137.5**	**142.1**	**143.3**	**139.8**	**142.9**	**144.2**

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

No. 19: Other Consumer Price Indices

Item	Base Year	Linking Factor	2018-19	2018	2019	
				Jul.	Jun.	Jul.
	1	2	3	4	5	6
1 Consumer Price Index for Industrial Workers	2001	4.63	300	301	316	319
2 Consumer Price Index for Agricultural Labourers	1986-87	5.89	907	902	950	958
3 Consumer Price Index for Rural Labourers	1986-87	–	915	910	957	965

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

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

Item	2018-19	2018	2019	
		Jul.	Jun.	Jul.
	1	2	3	4
1 Standard Gold (₹ per 10 grams)	31,193	30,097	33,121	34,522
2 Silver (₹ per kilogram)	38,404	38,592	37,187	39,099

Source: India Bullion & Jewellers Association Ltd., Mumbai for Gold and Silver prices in Mumbai.

No. 21: Wholesale Price Index

(Base: 2011-12 = 100)

Commodities	Weight	2018-19	2018	2019		
			Jul.	May	Jun. (P)	Jul. (P)
	1	2	3	4	5	6
1 ALL COMMODITIES	**100.000**	**119.8**	**119.9**	**121.6**	**121.5**	**121.2**
1.1 PRIMARY ARTICLES	**22.618**	**134.2**	**135.3**	**140.3**	**141.4**	**142.1**
1.1.1 FOOD ARTICLES	**15.256**	**143.7**	**144.8**	**150.6**	**151.7**	**153.7**
1.1.1.1 Food Grains (Cereals+Pulses)	3.462	146.7	142.6	154.3	155.4	157.4
1.1.1.2 Fruits & Vegetables	3.475	147.3	156.1	163.7	166.8	175.6
1.1.1.3 Milk	4.440	143.1	143.2	143.4	143.8	143.6
1.1.1.4 Eggs,Meat & Fish	2.402	138.0	139.3	144.3	146.0	143.7
1.1.1.5 Condiments & Spices	0.529	129.6	130.5	132.3	133.9	136.0
1.1.1.6 Other Food Articles	0.948	144.4	140.9	148.5	144.2	142.6
1.1.2 NON-FOOD ARTICLES	**4.119**	**123.1**	**123.5**	**127.5**	**128.7**	**128.8**
1.1.2.1 Fibres	0.839	127.0	129.9	134.2	133.9	132.2
1.1.2.2 Oil Seeds	1.115	140.5	138.1	147.8	150.0	150.1
1.1.2.3 Other non-food Articles	1.960	107.3	109.6	103.0	106.1	106.6
1.1.2.4 Floriculture	0.204	164.1	151.4	225.1	208.3	211.8
1.1.3 MINERALS	**0.833**	**136.5**	**135.2**	**153.4**	**158.0**	**153.4**
1.1.3.1 Metallic Minerals	0.648	123.0	120.7	147.5	153.7	147.5
1.1.3.2 Other Minerals	0.185	183.5	186.0	174.0	173.0	174.0
1.1.4 CRUDE PETROLEUM & NATURAL GAS	**2.410**	**92.4**	**94.9**	**92.4**	**92.5**	**86.9**
1.2 FUEL & POWER	**13.152**	**104.1**	**104.4**	**104.4**	**102.1**	**100.6**
1.2.1 COAL	**2.138**	**123.3**	**123.0**	**123.6**	**124.0**	**124.0**
1.2.1.1 Coking Coal	0.647	132.9	132.0	133.9	133.9	133.9
1.2.1.2 Non-Coking Coal	1.401	119.0	119.0	119.0	119.0	119.0
1.2.1.3 Lignite	0.090	120.3	120.0	121.2	129.9	129.9
1.2.2 MINERAL OILS	**7.950**	**96.7**	**97.5**	**96.8**	**94.3**	**91.4**
1.2.3 ELECTRICITY	**3.064**	**109.6**	**109.6**	**110.7**	**107.3**	**108.3**
1.3 MANUFACTURED PRODUCTS	**64.231**	**117.9**	**117.7**	**118.6**	**118.4**	**118.1**
1.3.1 MANUFACTURE OF FOOD PRODUCTS	**9.122**	**128.6**	**129.0**	**129.9**	**130.4**	**130.9**
1.3.1.1 Processing and Preserving of meat	0.134	136.7	137.6	138.2	140.5	140.2
1.3.1.2 Processing and Preserving of fish, Crustaceans, Molluscs and products thereof	0.204	132.1	123.6	135.0	132.9	132.6
1.3.1.3 Processing and Preserving of fruit and Vegetables	0.138	114.3	114.0	113.9	115.6	113.9
1.3.1.4 Vegetable and Animal oils and Fats	2.643	117.6	120.2	112.9	112.5	112.3
1.3.1.5 Dairy products	1.165	136.2	137.5	137.0	139.9	140.7
1.3.1.6 Grain mill products	2.010	141.6	138.6	143.8	145.0	145.2
1.3.1.7 Starches and Starch products	0.110	116.6	110.4	137.2	135.8	136.8
1.3.1.8 Bakery products	0.215	129.3	129.0	131.1	130.9	132.4
1.3.1.9 Sugar, Molasses & honey	1.163	111.2	114.3	116.8	114.5	116.8
1.3.1.10 Cocoa, Chocolate and Sugar confectionery	0.175	126.7	124.9	127.7	128.2	128.3
1.3.1.11 Macaroni, Noodles, Couscous and Similar farinaceous products	0.026	134.5	133.3	137.8	133.7	132.8
1.3.1.12 Tea & Coffee products	0.371	137.7	143.3	139.6	145.5	145.9
1.3.1.13 Processed condiments & salt	0.163	122.2	120.7	126.7	124.7	125.9
1.3.1.14 Processed ready to eat food	0.024	127.0	125.4	125.8	126.6	131.5
1.3.1.15 Health supplements	0.225	143.6	140.2	156.9	154.5	155.7
1.3.1.16 Prepared animal feeds	0.356	157.5	154.8	169.0	172.3	174.6
1.3.2 MANUFACTURE OF BEVERAGES	**0.909**	**120.7**	**119.7**	**122.7**	**123.3**	**123.2**
1.3.2.1 Wines & spirits	0.408	113.8	112.7	115.8	116.5	116.5
1.3.2.2 Malt liquors and Malt	0.225	120.5	120.1	123.6	124.2	126.9
1.3.2.3 Soft drinks; Production of mineral waters and Other bottled waters	0.275	131.2	129.7	132.0	132.5	129.9
1.3.3 MANUFACTURE OF TOBACCO PRODUCTS	**0.514**	**150.4**	**149.4**	**153.2**	**155.1**	**153.6**
1.3.3.1 Tobacco products	0.514	150.4	149.4	153.2	155.1	153.6
1.3.4 MANUFACTURE OF TEXTILES	**4.881**	**117.9**	**117.7**	**119.6**	**119.3**	**119.3**
1.3.4.1 Preparation and Spinning of textile fibres	2.582	110.6	110.3	111.0	110.7	110.5
1.3.4.2 Weaving & Finishing of textiles	1.509	127.3	127.0	131.0	130.6	130.7
1.3.4.3 Knitted and Crocheted fabrics	0.193	112.9	114.4	114.3	115.2	116.4
1.3.4.4 Made-up textile articles, Except apparel	0.299	130.3	129.9	134.9	134.8	134.9
1.3.4.5 Cordage, Rope, Twine and Netting	0.098	138.7	138.5	139.6	139.8	140.3
1.3.4.6 Other textiles	0.201	118.3	116.5	116.6	117.3	117.3
1.3.5 MANUFACTURE OF WEARING APPAREL	**0.814**	**138.8**	**138.6**	**138.3**	**138.7**	**137.1**
1.3.5.1 Manufacture of Wearing Apparel (woven), Except fur Apparel	0.593	139.4	139.6	139.6	139.6	137.7
1.3.5.2 Knitted and Crocheted apparel	0.221	137.0	135.9	134.9	136.3	135.4

No. 21: Wholesale Price Index (Contd.)
(Base: 2011-12 = 100)

Commodities	Weight	2018-19	2018	2019		
			Jul.	May	Jun. (P)	Jul. (P)
	1	2	3	4	5	6
1.3.6 MANUFACTURE OF LEATHER AND RELATED PRODUCTS	**0.535**	**121.8**	**123.7**	**119.2**	**119.2**	**118.3**
1.3.6.1 Tanning and Dressing of leather; Dressing and Dyeing of fur	0.142	111.0	116.9	107.0	106.0	106.1
1.3.6.2 Luggage, HandbAgs, Saddlery and Harness	0.075	134.7	135.7	134.9	136.3	136.2
1.3.6.3 Footwear	0.318	123.5	123.8	120.9	121.1	119.5
1.3.7 MANUFACTURE OF WOOD AND PRODUCTS OF WOOD AND CORK	**0.772**	**133.5**	**132.4**	**134.7**	**134.6**	**134.2**
1.3.7.1 Saw milling and Planing of wood	0.124	124.5	122.8	126.4	126.6	125.2
1.3.7.2 Veneer sheets; Manufacture of plywood, Laminboard, Particle board and Other panels and Boards	0.493	136.3	135.2	135.8	134.9	134.5
1.3.7.3 Builder's carpentry and Joinery	0.036	158.7	156.5	174.6	175.5	175.5
1.3.7.4 Wooden containers	0.119	124.1	123.4	126.9	129.2	129.5
1.3.8 MANUFACTURE OF PAPER AND PAPER PRODUCTS	**1.113**	**123.3**	**122.3**	**123.0**	**122.7**	**122.3**
1.3.8.1 Pulp, Paper and Paperboard	0.493	129.3	127.2	128.2	127.9	126.7
1.3.8.2 Corrugated paper and Paperboard and Containers of paper and Paperboard	0.314	116.5	117.4	115.1	114.7	115.5
1.3.8.3 Other articles of paper and Paperboard	0.306	120.6	119.6	122.9	122.6	122.3
1.3.9 PRINTING AND REPRODUCTION OF RECORDED MEDIA	**0.676**	**146.6**	**147.5**	**148.5**	**148.6**	**150.1**
1.3.9.1 Printing	0.676	146.6	147.5	148.5	148.6	150.1
1.3.10 MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS	**6.465**	**119.1**	**118.3**	**119.8**	**119.3**	**118.8**
1.3.10.1 Basic chemicals	1.433	125.0	123.8	125.4	124.1	122.2
1.3.10.2 Fertilizers and Nitrogen compounds	1.485	121.1	119.3	123.1	123.3	123.1
1.3.10.3 Plastic and Synthetic rubber in primary form	1.001	117.6	118.3	116.0	114.3	113.5
1.3.10.4 Pesticides and Other agrochemical products	0.454	120.2	119.1	124.0	123.9	125.0
1.3.10.5 Paints, Varnishes and Similar coatings, Printing ink and Mastics	0.491	112.7	111.3	115.7	115.6	116.1
1.3.10.6 Soap and Detergents, Cleaning and Polishing preparations, Perfumes and Toilet preparations	0.612	116.8	116.3	118.8	120.2	119.6
1.3.10.7 Other chemical products	0.692	116.6	116.8	115.9	115.2	114.8
1.3.10.8 Man-made fibres	0.296	104.0	103.9	101.3	100.4	100.0
1.3.11 MANUFACTURE OF PHARMACEUTICALS, MEDICINAL CHEMICAL AND BOTANICAL PRODUCTS	**1.993**	**123.5**	**123.1**	**125.6**	**125.5**	**126.2**
1.3.11.1 Pharmaceuticals, Medicinal chemical and Botanical products	1.993	123.5	123.1	125.6	125.5	126.2
1.3.12 MANUFACTURE OF RUBBER AND PLASTICS PRODUCTS	**2.299**	**109.6**	**109.5**	**109.4**	**109.1**	**109.2**
1.3.12.1 Rubber Tyres and Tubes; Retreading and Rebuilding of Rubber Tyres	0.609	98.9	98.8	99.5	99.3	99.3
1.3.12.2 Other Rubber Products	0.272	91.7	91.0	92.7	93.1	93.1
1.3.12.3 Plastics products	1.418	117.6	117.6	116.8	116.3	116.5
1.3.13 MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS	**3.202**	**115.9**	**115.9**	**118.5**	**118.2**	**117.5**
1.3.13.1 Glass and Glass products	0.295	121.4	119.1	125.1	125.5	124.9
1.3.13.2 Refractory products	0.223	111.1	110.8	107.7	109.5	110.4
1.3.13.3 Clay Building Materials	0.121	98.0	96.6	99.2	100.5	102.5
1.3.13.4 Other Porcelain and Ceramic Products	0.222	112.7	112.5	114.5	114.5	114.5
1.3.13.5 Cement, Lime and Plaster	1.645	114.3	114.3	122.6	121.7	120.4
1.3.13.6 Articles of Concrete, Cement and Plaster	0.292	121.5	121.9	120.8	120.6	120.9
1.3.13.7 Cutting, Shaping and Finishing of Stone	0.234	118.8	118.3	119.6	119.6	121.5
1.3.13.8 Other Non-Metallic Mineral Products	0.169	130.4	136.8	95.2	94.6	90.0
1.3.14 MANUFACTURE OF BASIC METALS	**9.646**	**112.2**	**112.1**	**109.6**	**108.7**	**107.3**
1.3.14.1 Inputs into steel making	1.411	113.0	113.4	105.6	105.4	100.9
1.3.14.2 Metallic Iron	0.653	117.8	117.5	114.0	113.7	112.6
1.3.14.3 Mild Steel - Semi Finished Steel	1.274	99.5	99.6	96.7	96.0	95.0
1.3.14.4 Mild Steel -Long Products	1.081	110.2	110.0	109.4	108.7	106.5
1.3.14.5 Mild Steel - Flat products	1.144	119.6	120.7	115.4	113.7	111.6
1.3.14.6 Alloy steel other than Stainless Steel- Shapes	0.067	111.7	110.5	109.6	108.5	105.7
1.3.14.7 Stainless Steel - Semi Finished	0.924	112.7	113.6	109.5	106.6	101.4
1.3.14.8 Pipes & tubes	0.205	126.6	124.8	126.4	128.2	127.3
1.3.14.9 Non-ferrous metals incl. precious metals	1.693	112.2	113.8	109.1	107.9	107.6
1.3.14.10 Castings	0.925	109.8	108.3	110.9	110.9	115.6
1.3.14.11 Forgings of steel	0.271	126.8	112.5	143.5	142.8	145.6
1.3.15 MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT	**3.155**	**115.1**	**114.9**	**117.0**	**116.4**	**114.8**
1.3.15.1 Structural Metal Products	1.031	112.8	111.6	115.4	114.5	114.2
1.3.15.2 Tanks, Reservoirs and Containers of Metal	0.660	127.3	129.2	126.3	126.4	119.2
1.3.15.3 Steam generators, Except Central Heating Hot Water Boilers	0.145	105.9	108.5	102.6	102.6	100.9
1.3.15.4 Forging, Pressing, Stamping and Roll-Forming of Metal; Powder Metallurgy	0.383	96.3	95.1	102.6	101.6	100.3
1.3.15.5 Cutlery, Hand Tools and General Hardware	0.208	99.7	99.2	100.1	100.2	100.2
1.3.15.6 Other Fabricated Metal Products	0.728	123.1	122.8	126.1	125.2	126.3
1.3.16 MANUFACTURE OF COMPUTER, ELECTRONIC AND OPTICAL PRODUCTS	**2.009**	**111.8**	**110.8**	**111.6**	**111.4**	**111.4**
1.3.16.1 Electronic Components	0.402	100.9	101.8	99.1	98.3	97.9
1.3.16.2 Computers and Peripheral Equipment	0.336	132.5	127.3	135.0	135.0	135.0

No. 21: Wholesale Price Index (Concld.)
(Base: 2011-12 = 100)

Commodities	Weight	2018-19	2018	2019		
			Jul.	May	Jun. (P)	Jul. (P)
	1	2	3	4	5	6
1.3.16.3 Communication Equipment	0.310	116.7	116.4	116.8	116.7	116.9
1.3.16.4 Consumer Electronics	0.641	103.8	103.0	102.3	102.2	102.2
1.3.16.5 Measuring, Testing, Navigating and Control equipment	0.181	109.1	109.2	112.1	112.1	112.5
1.3.16.6 Watches and Clocks	0.076	137.9	138.9	136.6	136.6	136.6
1.3.16.7 Irradiation, Electromedical and Electrotherapeutic equipment	0.055	103.2	103.0	103.6	103.6	104.2
1.3.16.8 Optical instruments and Photographic equipment	0.008	108.7	112.1	109.3	109.3	109.5
1.3.17 MANUFACTURE OF ELECTRICAL EQUIPMENT	**2.930**	**111.7**	**111.5**	**112.2**	**111.9**	**111.3**
1.3.17.1 Electric motors, Generators, Transformers and Electricity distribution and Control apparatus	1.298	107.7	106.9	109.7	109.6	108.7
1.3.17.2 Batteries and Accumulators	0.236	117.7	118.4	117.5	117.6	117.5
1.3.17.3 Fibre optic cables for data transmission or live transmission of images	0.133	126.1	123.5	119.4	117.2	118.4
1.3.17.4 Other electronic and Electric wires and Cables	0.428	111.2	111.6	110.3	108.6	108.8
1.3.17.5 Wiring devices, Electric lighting & display equipment	0.263	108.6	108.8	110.2	111.4	107.6
1.3.17.6 Domestic appliances	0.366	121.6	122.7	120.4	120.4	120.5
1.3.17.7 Other electrical equipment	0.206	108.6	107.3	108.6	109.3	109.6
1.3.18 MANUFACTURE OF MACHINERY AND EQUIPMENT	**4.789**	**111.3**	**110.9**	**112.9**	**113.1**	**113.5**
1.3.18.1 Engines and Turbines, Except aircraft, Vehicle and Two wheeler engines	0.638	103.0	103.2	104.6	105.4	105.0
1.3.18.2 Fluid power equipment	0.162	118.2	117.9	119.4	119.4	119.6
1.3.18.3 Other pumps, Compressors, Taps and Valves	0.552	108.9	109.0	110.1	110.4	112.2
1.3.18.4 Bearings, Gears, Gearing and Driving elements	0.340	111.2	112.1	110.2	109.8	110.5
1.3.18.5 Ovens, Furnaces and Furnace burners	0.008	78.2	79.1	79.3	79.3	79.3
1.3.18.6 Lifting and Handling equipment	0.285	110.4	109.2	111.3	111.7	110.6
1.3.18.7 Office machinery and Equipment	0.006	130.2	130.2	130.2	130.2	130.2
1.3.18.8 Other general-purpose machinery	0.437	129.6	130.2	131.6	131.2	132.2
1.3.18.9 Agricultural and Forestry machinery	0.833	116.9	115.5	119.3	119.7	120.0
1.3.18.10 Metal-forming machinery and Machine tools	0.224	101.8	99.4	107.2	107.4	108.2
1.3.18.11 Machinery for mining, Quarrying and Construction	0.371	75.7	75.2	76.7	76.7	76.6
1.3.18.12 Machinery for food, Beverage and Tobacco processing	0.228	124.7	121.6	125.2	125.4	125.3
1.3.18.13 Machinery for textile, Apparel and Leather production	0.192	119.9	122.4	121.8	121.8	121.8
1.3.18.14 Other special-purpose machinery	0.468	123.8	123.7	125.8	126.0	126.9
1.3.18.15 Renewable electricity generating equipment	0.046	67.3	67.0	66.6	66.6	66.6
1.3.19 MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	**4.969**	**112.8**	**112.4**	**113.8**	**114.1**	**114.0**
1.3.19.1 Motor vehicles	2.600	113.3	112.9	114.4	114.6	115.2
1.3.19.2 Parts and Accessories for motor vehicles	2.368	112.2	111.9	113.0	113.6	112.7
1.3.20 MANUFACTURE OF OTHER TRANSPORT EQUIPMENT	**1.648**	**111.7**	**111.2**	**116.9**	**116.9**	**116.4**
1.3.20.1 Building of ships and Floating structures	0.117	158.8	158.8	158.8	158.8	158.8
1.3.20.2 Railway locomotives and Rolling stock	0.110	104.7	105.3	106.2	106.2	106.7
1.3.20.3 Motor cycles	1.302	106.6	106.1	112.9	113.0	112.3
1.3.20.4 Bicycles and Invalid carriages	0.117	127.8	126.3	128.8	128.8	128.4
1.3.20.5 Other transport equipment	0.002	123.5	121.9	125.0	125.1	125.6
1.3.21 MANUFACTURE OF FURNITURE	**0.727**	**127.3**	**125.3**	**128.7**	**128.4**	**128.7**
1.3.21.1 Furniture	0.727	127.3	125.3	128.7	128.4	128.7
1.3.22 OTHER MANUFACTURING	**1.064**	**107.0**	**106.9**	**104.7**	**106.2**	**108.3**
1.3.22.1 Jewellery and Related articles	0.996	103.9	104.1	101.4	103.0	105.2
1.3.22.2 Musical instruments	0.001	174.1	169.9	173.0	177.2	175.9
1.3.22.3 Sports goods	0.012	127.4	126.3	127.8	127.8	128.5
1.3.22.4 Games and Toys	0.005	132.2	129.4	137.8	137.4	136.4
1.3.22.5 Medical and Dental instruments and Supplies	0.049	159.2	154.9	160.9	161.1	161.0
2 FOOD INDEX	**24.378**	**138.1**	**138.9**	**142.8**	**143.7**	**145.2**

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

No. 22: Index of Industrial Production (Base:2011-12=100)

Industry	Weight	2017-18	2018-19	April-June		June	
				2018-19	2019-20	2018	2019
	1	2	3	4	5	6	7
General Index	100.00	125.3	130.1	126.6	131.2	127.7	130.2
1 Sectoral Classification							
1.1 Mining	14.37	104.9	107.9	105.0	108.2	104.9	106.6
1.2 Manufacturing	77.63	126.6	131.5	127.3	131.3	128.6	130.1
1.3 Electricity	7.99	149.2	156.9	159.4	170.9	159.9	173.0
2 Use-Based Classification							
2.1 Primary Goods	34.05	121.8	126.1	125.3	128.5	127.1	127.7
2.2 Capital Goods	8.22	105.6	108.4	104.4	101.9	109.5	102.4
2.3 Intermediate Goods	17.22	125.1	126.2	121.8	133.2	121.8	136.9
2.4 Infrastructure/ Construction Goods	12.34	132.0	141.7	139.7	142.9	142.4	139.8
2.5 Consumer Durables	12.84	123.6	130.4	130.5	129.1	133.6	126.2
2.6 Consumer Non-Durables	15.33	139.9	145.5	133.3	143.0	128.5	138.5

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

Government Accounts and Treasury Bills

No. 23: Union Government Accounts at a Glance

(₹ Crore)

Item	Financial Year	April - Jul			
	2019-20 (Budget Estimates)	2019-20 (Actuals)	2018-19 (Actuals)	Percentage to Budget Estimates	
				2019-20	2018-19
	1	2	3	4	5
1 Revenue Receipts	**1962761**	**382610**	**335736**	**19.5**	**19.5**
1.1 Tax Revenue (Net)	1649582	338705	292611	20.5	19.8
1.2 Non-Tax Revenue	313179	43905	43125	14.0	17.6
2 Non-Debt Capital Receipt	**119828**	**17063**	**13731**	**14.2**	**14.9**
2.1 Recovery of Loans	14828	4705	4512	31.7	37.0
2.2 Other Receipts	105000	12358	9219	11.8	11.5
3 Total Receipts (excluding borrowings) (1+2)	**2082589**	**399673**	**349467**	**19.2**	**19.2**
4 Revenue Expenditure	2447780	839673	778387	34.3	36.3
4.1 Interest Payments	660471	183524	180844	27.8	31.4
5 Capital Expenditure	338569	107605	111337	31.8	37.1
6 Total Expenditure (4+5)	**2786349**	**947278**	**889724**	**34.0**	**36.4**
7 Revenue Deficit (4-1)	**485019**	**457063**	**442651**	**94.2**	**106.4**
8 Fiscal Deficit (6-3)	**703760**	**547605**	**540257**	**77.8**	**86.5**
9 Gross Primary Deficit (8-4.1)	**43289**	**364081**	**359413**	**841.0**	**741.3**

Source: Controller General of Accounts (CGA), Ministry of Finance, Government of India and Union Budget 2018-19.

No. 24: Treasury Bills – Ownership Pattern

(₹ Crore)

Item	2018-19	2018	2019					
		Jul. 20	Jun. 21	Jun. 28	Jul. 5	Jul. 12	Jul. 19	Jul. 26
	1	2	3	4	5	6	7	8
1 91-day								
1.1 Banks	18521	47088	29460	29701	32371	27672	25743	24102
1.2 Primary Dealers	17878	16213	15245	16704	13739	12861	11644	10211
1.3 State Governments	26999	70860	57132	59642	59997	60419	56899	44396
1.4 Others	27747	50016	79308	82522	81062	84968	86254	87786
2 182-day								
2.1 Banks	31953	32665	46854	46323	46337	49187	52322	55667
2.2 Primary Dealers	38738	40618	56351	59538	58499	57085	54590	53898
2.3 State Governments	28036	33285	8786	6276	6604	6616	6501	4504
2.4 Others	18567	23036	22296	22633	24621	25265	26608	25847
3 364-day								
3.1 Banks	48811	39922	47900	51139	50334	51321	51738	51756
3.2 Primary Dealers	74170	72208	88732	88436	80982	79433	80078	80333
3.3 State Governments	18892	14942	15895	15895	16035	16200	16200	17200
3.4 Others	62393	49326	48713	45808	53941	53908	52896	52741
4 14-day Intermediate								
4.1 Banks								
4.2 Primary Dealers								
4.3 State Governments	165605	142143	132238	121965	80788	61545	65148	115097
4.4 Others	252	739	1045	230	232	193	275	215
Total Treasury Bills (Excluding 14 day Intermediate T Bills) #	412704	490179	516673	524618	524523	524935	521472	508440

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

No. 25: Auctions of Treasury Bills

(₹ Crore)

Date of Auction	Notified Amount	Bids Received			Bids Accepted			Total Issue (6+7)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)
		Number	Total Face Value		Number	Total Face Value				
			Competitive	Non-Competitive		Competitive	Non-Competitive			
	1	2	3	4	5	6	7	8	9	10
91-day Treasury Bills										
2019-20										
Jul. 3	7,000	70	34593	2302	33	6998	2302	9300	98.53	5.9841
Jul. 10	7,000	69	59534	6004	14	6996	6004	13000	98.56	5.8602
Jul. 17	7,000	74	64632	1904	15	6996	1904	8900	98.59	5.7364
Jul. 24	7,000	66	68194	2603	23	6997	2603	9600	98.59	5.7364
Jul. 31	7,000	58	70201	5250	16	7000	5250	12250	98.61	5.6539
182-day Treasury Bills										
2019-20										
Jul. 3	5,000	66	19756	611	31	5000	611	5611	97.04	6.1173
Jul. 10	5,000	72	18770	10	33	4990	10	5000	97.08	6.0322
Jul. 17	5,000	82	25418	0	22	5000	0	5000	97.13	5.9258
Jul. 24	5,000	81	20579	0	53	5000	0	5000	97.12	5.9471
Jul. 31	5,000	76	28869	0	17	5000	0	5000	97.15	5.8833
364-day Treasury Bills										
2019-20										
Jul. 3	4,000	44	11810	6	18	3994	6	4000	94.24	6.1288
Jul. 10	4,000	62	13264	0	28	4000	0	4000	94.30	6.0611
Jul. 17	4,000	96	22111	1	26	3999	1	4000	94.37	5.9823
Jul. 24	4,000	84	16645	1000	37	4000	1000	5000	94.37	5.9823
Jul. 31	4,000	72	15529	0	23	4000	0	4000	94.41	5.9372

Financial Markets

No. 26: Daily Call Money Rates

(Per cent per annum)

As on		Range of Rates	Weighted Average Rates
		Borrowings/ Lendings	Borrowings/ Lendings
		1	2
July	1, 2019	4.40-5.90	5.74
July	2, 2019	4.40-6.05	5.71
July	3, 2019	4.40-5.90	5.65
July	4, 2019	4.40-5.90	5.67
July	5, 2019	4.40-5.80	5.53
July	6, 2019	4.50-5.80	5.52
July	8, 2019	4.40-5.90	5.65
July	9, 2019	4.40-5.85	5.63
July	10, 2019	4.40-5.85	5.62
July	11, 2019	4.40-5.90	5.58
July	12, 2019	4.40-5.85	5.63
July	15, 2019	4.40-5.80	5.59
July	16, 2019	4.40-5.75	5.55
July	17, 2019	4.40-5.75	5.56
July	18, 2019	4.40-5.75	5.57
July	19, 2019	4.40-6.00	5.69
July	20, 2019	4.10-5.95	5.63
July	22, 2019	4.40-5.80	5.64
July	23, 2019	4.40-5.75	5.58
July	24, 2019	4.40-5.75	5.58
July	25, 2019	4.40-5.80	5.61
July	26, 2019	4.40-5.75	5.56
July	29, 2019	4.40-5.75	5.60
July	30, 2019	4.40-5.75	5.54
July	31, 2019	4.40-5.80	5.61
August	1, 2019	4.40-5.75	5.56
August	2, 2019	4.40-5.80	5.59
August	3, 2019	4.00-5.75	5.39
August	5, 2019	4.40-5.80	5.56
August	6, 2019	4.40-5.80	5.63
August	7, 2019	4.40-5.75	5.50
August	8, 2019	4.10-5.65	5.27
August	9, 2019	4.10-5.50	5.32
August	13, 2019	4.10-5.50	5.31
August	14, 2019	4.10-5.50	5.33

Note: Includes Notice Money.

No. 27: Certificates of Deposit

Item	2018	2019			
	Jul. 20	Jun. 7	Jun. 21	Jul. 5	Jul. 19
	1	2	3	4	5
1 Amount Outstanding (₹Crore)	163850.66	218665.83	215944.00	231054.00	224039.00
1.1 Issued during the fortnight (₹ Crore)	9735.75	19162.74	28069.79	26801.37	10406.96
2 Rate of Interest (per cent)	6.65-8.60	6.35-8.00	5.97-6.96	5.95-7.36	5.86-7.36

No. 28: Commercial Paper

Item	2018	2019			
	Jul. 31	Jun. 15	Jun. 30	Jul. 15	Jul. 31
	1	2	3	4	5
1 Amount Outstanding (₹ Crore)	639529.66	556177.60	503943.30	544981.40	509412.80
1.1 Reported during the fortnight (₹ Crore)	167712.25	107868.85	107691.05	81216.10	119806.65
2 Rate of Interest (per cent)	6.19-12.47	5.87-13.97	5.79-11.89	5.81-13.19	5.69-14.47

No. 29: Average Daily Turnover in Select Financial Markets

(₹ Crore)

Item	2018-19	2018	2019					
		Jul. 20	Jun. 21	Jun. 28	Jul. 5	Jul. 12	Jul. 19	Jul. 26
	1	2	3	4	5	6	7	8
1 Call Money	31,280	24,586.0	39,762.1	31,500.5	22,233.2	23,313.9	22,357.7	24,990.9
2 Notice Money	4,930	9,600.4	405.9	5,684.9	5,985.4	288.1	10,947.4	294.5
3 Term Money	740	1,393.0	849.4	1,259.0	944.5	707.0	816.4	569.6
4 CBLO/TRIPARTY REPO	2,130.1	232,246.5	259,489.9	298,523.3	232,743.9	228,941.3	259,825.6	253,638.1
5 Market Repo	200,970.0	203,407.5	206,779.3	255,193.7	201,201.7	209,802.3	213,252.4	165,619.3
6 Repo in Corporate Bond		188.0	4,644.6	3,404.0	1,253.4	2,456.0	4,120.8	120.0
7 Forex (US $ million)	67,793	57,246	64,690	77,216	63,314	58,869	59,236	59,156
8 Govt. of India Dated Securities	65,800	76,687.5	178,072.8	130,125.1	105,357.2	189,627.4	159,471.0	106,224.4
9 State Govt. Securities	4,320	4,563.0	8,041.3	4,573.7	7,390.2	5,840.3	7,222.9	6,809.0
10 Treasury Bills								
10.1 91-Day	3,380	3,599.5	5,173.2	4,985.5	3,485.7	1,445.8	1,946.8	3,733.6
10.2 182-Day	1,450	861.2	2,403.0	2,883.5	2,567.9	4,007.4	3,501.9	2,022.2
10.3 364-Day	1,620	1,128.9	1,705.8	2,831.4	5,974.7	4,588.6	6,588.7	4,225.3
10.4 Cash Management Bills	1,400	1,538.2	–	–	–	–	–	–
11 Total Govt. Securities (8+9+10)	77970.0	88,378.2	195,396.1	145,399.3	124,775.7	205,509.4	178,731.2	123,014.5
11.1 RBI	–	2026	2788	15	34	868	41	5

Note : Collateralised Borrowing and Lending Obligation (CBLO) segment of the money market has been discontinued and replaced with Triparty Repo with effect from November 05, 2018.

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

(₹ Crore)

Security & Type of Issue	2018-19		2018-19 (Apr.-Jul.)		2019-20 (Apr.-Jul.) *		Jul. 2018		Jul. 2019 *	
	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount
	1	2	3	4	5	6	7	8	9	10
1 Equity Shares	**129**	**16754**	**57**	**10314**	**33**	**54992**	**13**	**5057**	**8**	**2188**
1A Premium	124	16083	56	10046	33	33549	13	4949	8	1969
1.1 Public	119	14606	53	9186	25	3908	11	4079	5	500
1.1.1 Premium	115	14123	52	8997	25	3805	11	4046	5	483
1.2 Rights	10	2149	4	1128	8	51083	2	978	3	1689
1.2.1 Premium	9	1962	4	1049	8	29744	2	903	3	1485
2 Preference Shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 Public	–	–	–	–	–	–	–	–	–	–
2.2 Rights	–	–	–	–	–	–	–	–	–	–
3 Debentures	**25**	**36680**	**7**	**21048**	**10**	**4091**	**2**	**5629**	**–**	**–**
3.1 Convertible	–	–	–	–	–	–	–	–	–	–
3.1.1 Public	–	–	–	–	–	–	–	–	–	–
3.1.2 Rights	–	–	–	–	–	–	–	–	–	–
3.2 Non-Convertible	25	36680	7	21048	10	4091	2	5629	–	–
3.2.1 Public	25	36680	7	21048	10	4091	2	5629	–	–
3.2.2 Rights	–	–	–	–	–	–	–	–	–	–
4 Bonds	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
4.1 Public	–	–	–	–	–	–	–	–	–	–
4.2 Rights	–	–	–	–	–	–	–	–	–	–
5 Total (1+2+3+4)	**154**	**53432**	**64**	**31361**	**43**	**59083**	**15**	**10686**	**8**	**2188**
5.1 Public	144	51284	60	30234	35	8000	13	9708	5	500
5.2 Rights	10	2149	4	1128	8	51083	2	978	3	1689

* : Data is Provisional

Note : Since April 2018, monthly data is compiled on the basis of closing date of issues as against the earlier practice of compilation on the basis of opening date.

Source : Securities and Exchange Board of India.

External Sector

No. 31: Foreign Trade

Item	Unit	2018-19	2018	2019				
			Jul.	Mar.	Apr.	May	Jun.	Jul.
		1	2	3	4	5	6	7
1 Exports	₹ Crore	2,307,726.2	176,914.6	227,370.0	181,253.6	209,236.6	173,678.9	181,190.3
	US $ Million	330,078.1	25,754.2	32,725.2	26,106.9	29,988.2	25,011.8	26,332.6
1.1 Oil	₹ Crore	325,929.1	26,395.8	25,130.0	25,441.4	36,071.0	18,973.2	25,115.0
	US $ Million	46,553.6	3,842.6	3,616.9	3,664.5	5,169.8	2,732.4	3,650.0
1.2 Non-oil	₹ Crore	1,981,797.1	150,518.8	202,240.0	155,812.2	173,165.7	154,705.8	156,075.3
	US $ Million	283,524.5	21,911.7	29,108.2	22,442.5	24,818.4	22,279.4	22,682.6
2 Imports	₹ Crore	3,594,674.6	304,916.8	303,555.1	287,539.3	316,474.5	280,075.5	273,579.7
	US $ Million	514,078.4	44,388.1	43,690.4	41,415.8	45,357.7	40,334.1	39,759.7
2.1 Oil	₹ Crore	986,275.1	84,707.6	81,847.5	79,483.2	87,061.7	76,876.2	66,056.8
	US $ Million	140,920.6	12,331.3	11,780.2	11,448.4	12,477.8	11,071.1	9,600.1
2.2 Non-oil	₹ Crore	2,608,399.6	220,209.2	221,707.6	208,056.1	229,412.8	203,199.2	207,522.9
	US $ Million	373,157.8	32,056.8	31,910.2	29,967.4	32,879.8	29,263.0	30,159.6
3 Trade Balance	₹ Crore	–1,286,948.4	–128,002.2	–76,185.1	–106,285.8	–107,237.8	–106,396.5	–92,389.4
	US $ Million	–184,000.3	–18,633.8	–10,965.3	–15,308.9	–15,369.5	–15,322.3	–13,427.1
3.1 Oil	₹ Crore	–660,345.9	–58,311.8	–56,717.5	–54,041.8	–50,990.7	–57,903.0	–40,941.8
	US $ Million	–94,367.1	–8,488.7	–8,163.3	–7,783.9	–7,308.1	–8,338.7	–5,950.1
3.2 Non-oil	₹ Crore	–626,602.5	–69,690.4	–19,467.6	–52,243.9	–56,247.1	–48,493.5	–51,447.6
	US $ Million	–89,633.3	–10,145.1	–2,802.0	–7,525.0	–8,061.4	–6,983.6	–7,477.0

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

No. 32: Foreign Exchange Reserves

Item	Unit	2018	2019					
		Aug. 24	Jul. 19	Jul. 26	Aug. 2	Aug. 9	Aug. 16	Aug. 23
		1	2	3	4	5	6	7
1 Total Reserves	**₹ Crore**	**2,809,760**	**2,963,555**	**2,962,028**	**2,981,119**	**3,045,640**	**3,059,903**	**3,078,248**
	US $ Million	**401,293**	**430,376**	**429,649**	**428,952**	**430,572**	**430,501**	**429,051**
1.1 Foreign Currency Assets	₹ Crore	2,639,680	2,761,770	2,753,153	2,771,077	2,820,547	2,831,145	2,849,226
	US $ Million	376,592	401,091	399,357	398,724	398,739	398,327	397,129
1.2 Gold	₹ Crore	142,460	167,502	174,624	174,884	189,253	192,691	192,762
	US $ Million	20,763	24,304	25,330	25,164	26,755	27,111	26,867
1.3 SDRs	SDRs Million	1,054	1,047	1,047	1,047	1,047	1,046	1,046
	₹ Crore	10,320	9,964	9,957	9,971	10,196	10,221	10,285
	US $ Million	1,472	1,447	1,444	1,435	1,441	1,438	1,434
1.4 Reserve Tranche Position in IMF	₹ Crore	17,300	24,320	24,294	25,188	25,644	25,846	25,975
	US $ Million	2,467	3,534	3,518	3,630	3,636	3,626	3,621

No. 33: NRI Deposits

(US$ Million)

Scheme	Outstanding				Flows	
	2018-19	2018	2019		2018-19	2019-20
		Jul.	Jun.	Jul.	Apr.-Jul.	Apr.-Jul.
	1	2	3	4	5	6
1 NRI Deposits	**130,423**	**124,866**	**133,586**	**133,110**	**4,312**	**3,039**
1.1 FCNR(B)	23,170	22,777	24,364	23,959	751	789
1.2 NR(E)RA	92,017	88,111	93,422	93,211	2,941	1,496
1.3 NRO	15,236	13,977	15,801	15,940	619	754

No. 34: Foreign Investment Inflows

(US$ Million)

Item	2018-19	2018-19	2019-20	2018	2019	
		Apr.-Jul.	Apr.-Jul.	Jul.	Jun.	Jul.
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1–1.1.2)	**30,712**	**11,381**	**18,301**	**1,809**	**7,000**	**3,812**
1.1.1 Direct Investment to India (1.1.1.1–1. 1.1.2)	**43,302**	**15,932**	**21,929**	**2,806**	**7,845**	**4,598**
1.1.1.1 Gross Inflows/Gross Investments	**62,001**	**21,117**	**27,261**	**4,157**	**9,198**	**5,951**
1.1.1.1.1 Equity	45,055	15,740	21,021	2,826	7,336	4,529
1.1.1.1.1.1 Government (SIA/FIPB)	2,429	1,544	2,766	3	2,444	50
1.1.1.1.1.2 RBI	36,315	12,016	15,953	1,978	4,628	3,761
1.1.1.1.1.3 Acquisition of shares	5,622	1,961	2,083	788	210	661
1.1.1.1.1.4 Equity capital of unincorporated bodies	689	219	219	56	54	56
1.1.1.1.2 Reinvested earnings	13,672	4,342	4,342	1,115	1,076	1,115
1.1.1.1.3 Other capital	3,274	1,034	1,898	217	785	308
1.1.1.2 Repatriation/Disinvestment	**18,699**	**5,185**	**5,332**	**1,352**	**1,353**	**1,353**
1.1.1.2.1 Equity	18,452	5,119	5,301	1,298	1,341	1,341
1.1.1.2.2 Other capital	247	66	31	54	12	12
1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3–1.1.2.4)	**12,590**	**4,551**	**3,628**	**997**	**844**	**786**
1.1.2.1 Equity capital	7,201	2,960	1,553	634	372	326
1.1.2.2 Reinvested Earnings	3,032	1,011	1,011	253	253	253
1.1.2.3 Other Capital	5,202	1,106	1,575	360	347	334
1.1.2.4 Repatriation/Disinvestment	2,845	526	511	250	127	127
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3–1.2.4)	**–618**	**–3,314**	**2,625**	**4,831**	**1,053**	**–1,313**
1.2.1 GDRs/ADRs	1,820	–	–	–	–	–
1.2.2 FIIs	–2,225	–4,535	3,220	4,571	1,658	–708
1.2.3 Offshore funds and others	–	–	–	–	–	–
1.2.4 Portfolio investment by India	213	–1,221	595	–261	605	605
1 Foreign Investment Inflows	**30,094**	**8,067**	**20,926**	**6,640**	**8,053**	**2,498**

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

(US$ Million)

Item	2018-19	2018	2019		
		Jul.	May	Jun.	Jul.
	1	2	3	4	5
1 Outward Remittances under the LRS	**13,787.6**	**1,222.9**	**1,486.1**	**1,407.5**	**1,691.6**
1.1 Deposit	455.9	33.3	50.2	37.4	49.6
1.2 Purchase of immovable property	84.5	5.6	9.4	3.9	6.5
1.3 Investment in equity/debt	422.9	27.6	31.6	28.6	30.1
1.4 Gift	1,370.2	113.4	154.2	130.9	151.2
1.5 Donations	8.7	0.4	2.8	0.9	1.1
1.6 Travel	4,803.8	449.8	568.3	595.9	653.5
1.7 Maintenance of close relatives	2,800.9	232.5	300.0	230.2	292.8
1.8 Medical Treatment	28.6	2.5	2.5	2.2	3.1
1.9 Studies Abroad	3,569.9	343.6	334.4	353.9	477.6
1.10 Others	242.2	14.3	32.7	23.5	26.2

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

Item	2017-18	2018-19	2018	2019	
			August	July	August
	1	2	3	4	5
36-Currency Export and Trade Based Weights (Base: 2004-05=100)					
1 Trade-Based Weights					
1.1 NEER	76.94	72.64	73.43	74.68	73.33
1.2 REER	119.71	114.01	115.71	117.45	115.32
2 Export-Based Weights					
2.1 NEER	78.89	74.18	74.88	76.28	74.68
2.2 REER	121.94	116.32	118.02	120.24	117.73
6-Currency Trade Based Weights					
1 Base: 2004-05 (April-March) =100					
1.1 NEER	67.91	63.07	63.84	65.12	63.67
1.2 REER	129.19	121.70	123.63	125.02	122.35
2 Base: 2017-18 (April-March) =100					
2.1 NEER	100.00	92.88	94.01	95.89	93.76
2.2 REER	100.00	94.20	95.70	96.77	94.71

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

(Amount in US$ Million)

Item	2018-19	2018	2019	
		Jul.	Jun.	Jul.
	1	2	3	4
1 Automatic Route				
1.1 Number	999	85	104	90
1.2 Amount	28,387	1,175	3,499	3,418
2 Approval Route				
2.1 Number	21	1	5	3
2.2 Amount	13,537	1,000	1,900	1,563
3 Total (1+2)				
3.1 Number	1,020	86	109	93
3.2 Amount	41,924	2,175	5,399	4,981
4 Weighted Average Maturity (in years)	5.20	5.20	4.80	5.70
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over 6-month LIBOR or reference rate for Floating Rate Loans	1.20	1.33	1.59	1.38
5.2 Interest rate range for Fixed Rate Loans	0.00-15.00	0.00-12.00	0.00-9.53	0.00-11.20

No. 38: India's Overall Balance of Payments

(US $ Million)

Item	Jan-Mar 2018 (PR)			Jan-Mar 2019 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**329,455**	**316,218**	**13,237**	**324,141**	**309,979**	**14,162**
1 CURRENT ACCOUNT (1.1+ 1.2)	**156,683**	**169,750**	**–13,066**	**165,160**	**169,807**	**–4,647**
1.1 MERCHANDISE	**82,218**	**123,841**	**–41,623**	**87,367**	**122,581**	**–35,214**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**74,466**	**45,909**	**28,557**	**77,792**	**47,226**	**30,567**
1.2.1 Services	51,585	31,421	20,164	54,630	33,299	21,331
1.2.1.1 Travel	7,710	4,728	2,983	7,583	5,112	2,470
1.2.1.2 Transportation	4,688	4,941	–253	5,154	5,436	–282
1.2.1.3 Insurance	638	370	268	720	603	117
1.2.1.4 G.n.i.e.	179	305	–126	156	285	–129
1.2.1.5 Miscellaneous	38,370	21,076	17,293	41,018	21,863	19,155
1.2.1.5.1 Software Services	19,906	1,345	18,561	21,439	1,571	19,868
1.2.1.5.2 Business Services	9,936	9,433	503	10,290	11,109	–820
1.2.1.5.3 Financial Services	1,686	1,171	515	1,111	618	494
1.2.1.5.4 Communication Services	600	263	337	760	336	424
1.2.2 Transfers	18,100	1,887	16,213	17,972	1,812	16,160
1.2.2.1 Official	30	219	–190	69	226	–157
1.2.2.2 Private	18,070	1,668	16,402	17,903	1,587	16,317
1.2.3 Income	4,781	12,601	–7,820	5,190	12,115	–6,925
1.2.3.1 Investment Income	3,651	11,984	–8,333	4,033	11,521	–7,488
1.2.3.2 Compensation of Employees	1,129	617	513	1,157	593	564
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**171,492**	**146,468**	**25,024**	**158,982**	**139,740**	**19,241**
2.1 Foreign Investment (2.1.1+2.1.2)	**85,777**	**77,094**	**8,683**	**93,816**	**77,960**	**15,856**
2.1.1 Foreign Direct Investment	13,840	7,432	6,408	16,654	10,235	6,420
2.1.1.1 In India	13,097	4,492	8,605	15,461	5,671	9,790
2.1.1.1.1 Equity	9,096	4,458	4,638	11,058	5,636	5,422
2.1.1.1.2 Reinvested Earnings	3,393	–	3,393	3,650	–	3,650
2.1.1.1.3 Other Capital	608	34	574	753	36	718
2.1.1.2 Abroad	743	2,941	–2,198	1,193	4,563	–3,370
2.1.1.2.1 Equity	743	1,263	–520	1,193	1,683	–489
2.1.1.2.2 Reinvested Earnings	0	713	–713	0	758	–758
2.1.1.2.3 Other Capital	0	964	–964	0	2,123	–2,123
2.1.2 Portfolio Investment	71,937	69,661	2,276	77,162	67,726	9,436
2.1.2.1 In India	71,802	69,427	2,376	76,807	65,338	11,469
2.1.2.1.1 FIIs	71,802	69,427	2,376	76,807	65,338	11,469
2.1.2.1.1.1 Equity	58,274	56,148	2,126	58,600	50,602	7,998
2.1.2.1.1.2 Debt	13,528	13,279	249	18,207	14,736	3,471
2.1.2.1.2 ADR/GDRs	0	0	0	0	–	0
2.1.2.2 Abroad	135	235	–100	355	2,388	–2,033
2.2 Loans (2.2.1+2.2.2+2.2.3)	**40,835**	**33,870**	**6,965**	**31,255**	**20,997**	**10,258**
2.2.1 External Assistance	2,686	1,257	1,430	2,554	1,301	1,253
2.2.1.1 By India	14	31	–17	12	30	–18
2.2.1.2 To India	2,673	1,225	1,447	2,542	1,271	1,271
2.2.2 Commercial Borrowings	13,581	12,589	992	17,993	10,456	7,537
2.2.2.1 By India	6,134	6,098	36	7,291	7,000	292
2.2.2.2 To India	7,447	6,491	956	10,702	3,456	7,246
2.2.3 Short Term to India	24,568	20,025	4,543	10,708	9,241	1,468
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	22,951	20,025	2,926	10,052	9,241	812
2.2.3.2 Suppliers' Credit up to 180 days	1,617	0	1,617	656	0	656
2.3 Banking Capital (2.3.1+2.3.2)	**31,834**	**27,205**	**4,629**	**21,606**	**29,670**	**–8,064**
2.3.1 Commercial Banks	31,751	27,205	4,547	20,599	29,668	–9,069
2.3.1.1 Assets	7,132	10,960	–3,829	443	16,542	–16,099
2.3.1.2 Liabilities	24,620	16,244	8,375	20,156	13,127	7,029
2.3.1.2.1 Non-Resident Deposits	20,068	15,432	4,636	14,974	11,563	3,411
2.3.2 Others	83	0	83	1,007	1	1,006
2.4 Rupee Debt Service	–	50	–50	–	7	–7
2.5 Other Capital	13,045	8,250	4,795	12,304	11,107	1,197
3 Errors & Omissions	**1,279**	**–**	**1,279**	**–**	**431**	**–431**
4 Monetary Movements (4.1+ 4.2)	0	**13,237**	**–13,237**	0	**14,162**	**–14,162**
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	0	13,237	–13,237	0	14,162	–14,162

No. 39: India's Overall Balance of Payments

(₹ Crore)

Item	Jan-Mar 2018			Jan-Mar 2019 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**2,119,845**	**2,034,674**	**85,171**	**2,284,475**	**2,184,661**	**99,814**
1 CURRENT ACCOUNT (1.1+ 1.2)	**1,008,164**	**1,092,238**	**–84,074**	**1,164,009**	**1,196,763**	**–32,754**
1.1 MERCHANDISE	**529,021**	**796,841**	**–267,820**	**615,745**	**863,926**	**–248,181**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**479,143**	**295,397**	**183,745**	**548,264**	**332,837**	**215,427**
1.2.1 Services	331,921	202,176	129,745	385,022	234,684	150,338
1.2.1.1 Travel	49,610	30,419	19,191	53,440	36,030	17,411
1.2.1.2 Transportation	30,167	31,795	–1,628	36,323	38,310	–1,987
1.2.1.3 Insurance	4,106	2,384	1,723	5,072	4,249	823
1.2.1.4 G.n.i.e.	1,152	1,966	–813	1,101	2,009	–908
1.2.1.5 Miscellaneous	246,886	135,613	111,273	289,085	154,086	134,999
1.2.1.5.1 Software Services	128,084	8,654	119,431	151,099	11,073	140,026
1.2.1.5.2 Business Services	63,932	60,693	3,238	72,520	78,297	–5,777
1.2.1.5.3 Financial Services	10,850	7,536	3,313	7,832	4,353	3,479
1.2.1.5.4 Communication Services	3,859	1,691	2,168	5,353	2,365	2,988
1.2.2 Transfers	116,461	12,143	104,318	126,664	12,772	113,892
1.2.2.1 Official	192	1,412	–1,220	486	1,590	–1,104
1.2.2.2 Private	116,269	10,731	105,538	126,178	11,182	114,996
1.2.3 Income	30,760	81,078	–50,318	36,578	85,381	–48,803
1.2.3.1 Investment Income	23,493	77,110	–53,617	28,422	81,198	–52,776
1.2.3.2 Compensation of Employees	7,267	3,967	3,300	8,156	4,183	3,973
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**1,103,448**	**942,436**	**161,013**	**1,120,466**	**984,859**	**135,607**
2.1 Foreign Investment (2.1.1+2.1.2)	551,925	496,052	55,873	661,194	549,446	111,748
2.1.1 Foreign Direct Investment	89,051	47,822	41,229	117,377	72,131	45,246
2.1.1.1 In India	84,270	28,901	55,369	108,965	39,968	68,997
2.1.1.1.1 Equity	58,525	28,684	29,841	77,934	39,718	38,216
2.1.1.1.2 Reinvested Earnings	21,833	0	21,833	25,723	0	25,723
2.1.1.1.3 Other Capital	3,912	218	3,694	5,309	250	5,058
2.1.1.2 Abroad	4,781	18,921	–14,140	8,411	32,162	–23,751
2.1.1.2.1 Equity	4,781	8,129	–3,348	8,411	11,860	–3,449
2.1.1.2.2 Reinvested Earnings	0	4,589	–4,589	0	5,343	–5,343
2.1.1.2.3 Other Capital	0	6,203	–6,203	0	14,960	–14,960
2.1.2 Portfolio Investment	462,874	448,230	14,644	543,817	477,315	66,502
2.1.2.1 In India	462,006	446,719	15,287	541,318	460,488	80,830
2.1.2.1.1 FIIs	462,006	446,719	15,287	541,318	460,488	80,830
2.1.2.1.1.1 Equity	374,960	361,278	13,682	412,998	356,633	56,365
2.1.2.1.1.2 Debt	87,046	85,441	1,605	128,320	103,855	24,464
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.2.2 Abroad	868	1,511	–643	2,499	16,827	–14,328
2.2 Loans (2.2.1+2.2.2+2.2.3)	**262,752**	**217,934**	**44,817**	**220,281**	**147,982**	**72,299**
2.2.1 External Assistance	17,286	8,085	9,200	17,999	9,166	8,833
2.2.1.1 By India	89	200	–112	81	209	–128
2.2.1.2 To India	17,197	7,885	9,312	17,918	8,957	8,961
2.2.2 Commercial Borrowings	87,387	81,002	6,385	126,813	73,691	53,122
2.2.2.1 By India	39,470	39,236	234	51,389	49,334	2,055
2.2.2.2 To India	47,917	41,766	6,151	75,424	24,357	51,067
2.2.3 Short Term to India	158,079	128,847	29,232	75,469	65,125	10,344
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	147,674	128,847	18,827	70,846	65,125	5,721
2.2.3.2 Suppliers' Credit up to 180 days	10,404	0	10,404	4,623	0	4,623
2.3 Banking Capital (2.3.1+2.3.2)	**204,834**	**175,046**	**29,788**	**152,275**	**209,105**	**–56,830**
2.3.1 Commercial Banks	204,301	175,046	29,255	145,176	209,094	–63,919
2.3.1.1 Assets	45,888	70,522	–24,635	3,121	116,581	–113,460
2.3.1.2 Liabilities	158,413	104,523	53,890	142,054	92,513	49,541
2.3.1.2.1 Non-Resident Deposits	129,128	99,296	29,832	105,531	81,492	24,039
2.3.2 Others	533	1	533	7,099	10	7,089
2.4 Rupee Debt Service	0	319	–319	0	50	–50
2.5 Other Capital	83,938	53,084	30,854	86,716	78,277	8,439
3 Errors & Omissions	**8,232**	0	**8,232**	0	**3,039**	**–3,039**
4 Monetary Movements (4.1+ 4.2)	0	**85,171**	**–85,171**	0	**99,814**	**–99,814**
4.1 I.M.F.	–	–	–	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	0	85,171	–85,171	0	99,814	–99,814

Note : P: Preliminary

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

(US $ Million)

Item	Jan-Mar 2018 (PR)			Jan-Mar 2019 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**156,683**	**169,730**	**–13,047**	**165,158**	**169,786**	**–4,628**
1.A Goods and Services (1.A.a+1.A.b)	**133,803**	**155,262**	**–21,459**	**141,998**	**155,880**	**–13,883**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**82,218**	**123,841**	**–41,623**	**87,367**	**122,581**	**–35,214**
1.A.a.1 General merchandise on a BOP basis	82,872	116,776	–33,904	86,579	114,412	–27,832
1.A.a.2 Net exports of goods under merchanting	–655	0	–655	788	0	788
1.A.a.3 Nonmonetary gold	–	7,065	–7,065	–	8,170	–8,170
1.A.b Services (1.A.b.1 to 1.A.b.13)	**51,585**	**31,421**	**20,164**	**54,630**	**33,299**	**21,331**
1.A.b.1 Manufacturing services on physical inputs owned by others	55	13	43	78	11	67
1.A.b.2 Maintenance and repair services n.i.e.	60	155	–95	41	358	–317
1.A.b.3 Transport	4,688	4,941	–253	5,154	5,436	–282
1.A.b.4 Travel	7,710	4,728	2,983	7,583	5,112	2,470
1.A.b.5 Construction	535	585	–50	747	625	122
1.A.b.6 Insurance and pension services	638	370	268	720	603	117
1.A.b.7 Financial services	1,686	1,171	515	1,111	618	494
1.A.b.8 Charges for the use of intellectual property n.i.e.	212	1,704	–1,492	120	1,826	–1,706
1.A.b.9 Telecommunications, computer, and information services	20,574	1,708	18,866	22,262	2,029	20,233
1.A.b.10 Other business services	9,936	9,433	503	10,290	11,109	–820
1.A.b.11 Personal, cultural, and recreational services	480	616	–136	451	649	–198
1.A.b.12 Government goods and services n.i.e.	179	305	–126	156	285	–129
1.A.b.13 Others n.i.e.	4,830	5,691	–861	5,917	4,638	1,279
1.B Primary Income (1.B.1 to 1.B.3)	**4,781**	**12,601**	**–7,820**	**5,190**	**12,115**	**–6,925**
1.B.1 Compensation of employees	1,129	617	513	1,157	593	564
1.B.2 Investment income	2,844	11,841	–8,997	3,390	11,109	–7,719
1.B.2.1 Direct investment	1,337	5,968	–4,631	1,411	4,708	–3,297
1.B.2.2 Portfolio investment	56	2,347	–2,292	71	2,435	–2,364
1.B.2.3 Other investment	268	3,515	–3,247	354	3,951	–3,596
1.B.2.4 Reserve assets	1,183	11	1,173	1,553	15	1,538
1.B.3 Other primary income	807	143	664	643	412	231
1.C Secondary Income (1.C.1+1.C.2)	**18,099**	**1,868**	**16,231**	**17,970**	**1,791**	**16,179**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	18,070	1,668	16,402	17,903	1,587	16,317
1.C.1.1 Personal transfers (Current transfers between resident and/	17,484	1,260	16,224	17,322	1,199	16,123
1.C.1.2 Other current transfers	586	408	178	581	387	194
1.C.2 General government	29	200	–171	67	204	–138
2 Capital Account (2.1+2.2)	**62**	**105**	**–43**	**84**	**167**	**–83**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	6	5	1	14	94	–81
2.2 Capital transfers	56	100	–44	70	72	–3
3 Financial Account (3.1 to 3.5)	**171,430**	**159,620**	**11,811**	**158,900**	**153,757**	**5,143**
3.1 Direct Investment (3.1A+3.1B)	**13,840**	**7,432**	**6,408**	**16,654**	**10,235**	**6,420**
3.1.A Direct Investment in India	13,097	4,492	8,605	15,461	5,671	9,790
3.1.A.1 Equity and investment fund shares	12,489	4,458	8,031	14,708	5,636	9,072
3.1.A.1.1 Equity other than reinvestment of earnings	9,096	4,458	4,638	11,058	5,636	5,422
3.1.A.1.2 Reinvestment of earnings	3,393	–	3,393	3,650	–	3,650
3.1.A.2 Debt instruments	608	34	574	753	36	718
3.1.A.2.1 Direct investor in direct investment enterprises	608	34	574	753	36	718
3.1.B Direct Investment by India	743	2,941	–2,198	1,193	4,563	–3,370
3.1.B.1 Equity and investment fund shares	743	1,976	–1,234	1,193	2,441	–1,247
3.1.B.1.1 Equity other than reinvestment of earnings	743	1,263	–520	1,193	1,683	–489
3.1.B.1.2 Reinvestment of earnings	–	713	–713	–	758	–758
3.1.B.2 Debt instruments	0	964	–964	0	2,123	–2,123
3.1.B.2.1 Direct investor in direct investment enterprises	–	964	–964	–	2,123	–2,123
3.2 Portfolio Investment	**71,937**	**69,661**	**2,276**	**77,162**	**67,726**	**9,436**
3.2.A Portfolio Investment in India	71,802	69,427	2,376	76,807	65,338	11,469
3.2.1 Equity and investment fund shares	58,274	56,148	2,126	58,600	50,602	7,998
3.2.2 Debt securities	13,528	13,279	249	18,207	14,736	3,471
3.2.B Portfolio Investment by India	135	235	–100	355	2,388	–2,033
3.3 Financial derivatives (other than reserves) and employee stock options	**5,010**	**5,114**	**–104**	**6,425**	**5,687**	**739**
3.4 Other investment	**80,643**	**64,175**	**16,468**	**58,659**	**55,948**	**2,711**
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	20,151	15,432	4,719	15,981	11,564	4,417
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	83	0	83	1,007	1	1,006
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	20,068	15,432	4,636	14,974	11,563	3,411
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	27,951	25,618	2,333	26,172	29,862	–3,690
3.4.3.A Loans to India	21,803	19,489	2,313	18,869	22,832	–3,963
3.4.3.B Loans by India	6,148	6,129	19	7,303	7,030	273
3.4.4 Insurance, pension, and standardized guarantee schemes	41	951	–910	21	364	–344
3.4.5 Trade credit and advances	24,568	20,025	4,543	10,708	9,241	1,468
3.4.6 Other accounts receivable/payable - other	7,933	2,149	5,784	5,777	4,917	860
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	0	**13,237**	**–13,237**	0	**14,162**	**–14,162**
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)	0	13,237	–13,237	0	14,162	–14,162
4 Total assets/liabilities	**171,430**	**159,620**	**11,811**	**158,900**	**153,757**	**5,143**
4.1 Equity and investment fund shares	76,692	68,882	7,810	81,302	67,117	14,184
4.2 Debt instruments	86,806	75,352	11,454	71,822	67,561	4,261
4.3 Other financial assets and liabilities	7,933	15,386	–7,453	5,777	19,079	–13,303
5 Net errors and omissions	**1,279**	**–**	**1,279**	**–**	**431**	**–431**

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

(₹ Crore)

Item	Jan-Mar 2018			Jan-Mar 2019 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**1,008,160**	**1,092,113**	**–83,952**	**1,163,995**	**1,196,614**	**–32,620**
1.A Goods and Services (1.A.a+1.A.b)	**860,943**	**999,017**	**–138,075**	**1,000,767**	**1,098,610**	**–97,843**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**529,021**	**796,841**	**–267,820**	**615,745**	**863,926**	**–248,181**
1.A.a.1 General merchandise on a BOP basis	533,233	751,383	–218,150	610,190	806,347	–196,157
1.A.a.2 Net exports of goods under merchanting	–4,211	0	–4,211	5,555	0	5,555
1.A.a.3 Nonmonetary gold	0	45,458	–45,458	0	57,579	–57,579
1.A.b Services (1.A.b.1 to 1.A.b.13)	**331,921**	**202,176**	**129,745**	**385,022**	**234,684**	**150,338**
1.A.b.1 Manufacturing services on physical inputs owned by others	356	82	274	552	79	473
1.A.b.2 Maintenance and repair services n.i.e.	387	1,000	–613	291	2,524	–2,233
1.A.b.3 Transport	30,167	31,795	–1,628	36,323	38,310	–1,987
1.A.b.4 Travel	49,610	30,419	19,191	53,440	36,030	17,411
1.A.b.5 Construction	3,445	3,767	–323	5,263	4,402	861
1.A.b.6 Insurance and pension services	4,106	2,384	1,723	5,072	4,249	823
1.A.b.7 Financial services	10,850	7,536	3,313	7,832	4,353	3,479
1.A.b.8 Charges for the use of intellectual property n.i.e.	1,367	10,964	–9,598	844	12,867	–12,023
1.A.b.9 Telecommunications, computer, and information services	132,382	10,991	121,391	156,901	14,303	142,598
1.A.b.10 Other business services	63,932	60,693	3,238	72,520	78,297	–5,777
1.A.b.11 Personal, cultural, and recreational services	3,088	3,961	–873	3,178	4,571	–1,394
1.A.b.12 Government goods and services n.i.e.	1,152	1,966	–813	1,101	2,009	–908
1.A.b.13 Others n.i.e.	31,080	36,617	–5,537	41,704	32,690	9,015
1.B Primary Income (1.B.1 to 1.B.3)	**30,760**	**81,078**	**–50,318**	**36,578**	**85,381**	**–48,803**
1.B.1 Compensation of employees	7,267	3,967	3,300	8,156	4,183	3,973
1.B.2 Investment income	18,301	76,192	–57,890	23,889	78,292	–54,403
1.B.2.1 Direct investment	8,603	38,401	–29,798	9,947	33,182	–23,235
1.B.2.2 Portfolio investment	358	15,104	–14,745	498	17,161	–16,663
1.B.2.3 Other investment	1,725	22,618	–20,893	2,498	27,843	–25,345
1.B.2.4 Reserve assets	7,615	69	7,546	10,946	107	10,840
1.B.3 Other primary income	5,192	919	4,273	4,533	2,907	1,626
1.C Secondary Income (1.C.1+1.C.2)	**116,458**	**12,018**	**104,440**	**126,649**	**12,623**	**114,026**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	116,269	10,731	105,538	126,178	11,182	114,996
1.C.1.1 Personal transfers (Current transfers between resident and/	112,500	8,106	104,394	122,084	8,454	113,630
1.C.1.2 Other current transfers	3,769	2,625	1,144	4,094	2,728	1,365
1.C.2 General government	188	1,287	–1,098	472	1,441	–969
2 Capital Account (2.1+2.2)	**399**	**675**	**–276**	**589**	**1,176**	**–587**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	36	31	5	97	666	–569
2.2 Capital transfers	363	644	–281	492	510	–18
3 Financial Account (3.1 to 3.5)	**1,103,053**	**1,027,057**	**75,996**	**1,119,892**	**1,083,646**	**36,245**
3.1 Direct Investment (3.1A+3.1B)	**89,051**	**47,822**	**41,229**	**117,377**	**72,131**	**45,246**
3.1.A Direct Investment in India	84,270	28,901	55,369	108,965	39,968	68,997
3.1.A.1 Equity and investment fund shares	80,358	28,684	51,674	103,657	39,718	63,939
3.1.A.1.1 Equity other than reinvestment of earnings	58,525	28,684	29,841	77,934	39,718	38,216
3.1.A.1.2 Reinvestment of earnings	21,833	0	21,833	25,723	0	25,723
3.1.A.2 Debt instruments	3,912	218	3,694	5,309	250	5,058
3.1.A.2.1 Direct investor in direct investment enterprises	3,912	218	3,694	5,309	250	5,058
3.1.B Direct Investment by India	4,781	18,921	–14,140	8,411	32,162	–23,751
3.1.B.1 Equity and investment fund shares	4,781	12,718	–7,937	8,411	17,203	–8,792
3.1.B.1.1 Equity other than reinvestment of earnings	4,781	8,129	–3,348	8,411	11,860	–3,449
3.1.B.1.2 Reinvestment of earnings	0	4,589	–4,589	0	5,343	–5,343
3.1.B.2 Debt instruments	0	6,203	–6,203	0	14,960	–14,960
3.1.B.2.1 Direct investor in direct investment enterprises	0	6,203	–6,203	0	14,960	–14,960
3.2 Portfolio Investment	**462,874**	**448,230**	**14,644**	**543,817**	**477,315**	**66,502**
3.2.A Portfolio Investment in India	462,006	446,719	15,287	541,318	460,488	80,830
3.2.1 Equity and investment fund shares	374,960	361,278	13,682	412,998	356,633	56,365
3.2.2 Debt securities	87,046	85,441	1,605	128,320	103,855	24,464
3.2.B Portfolio Investment by India	868	1,511	–643	2,499	16,827	–14,328
3.3 Financial derivatives (other than reserves) and employee stock options	**32,237**	**32,907**	**–669**	**45,285**	**40,078**	**5,206**
3.4 Other investment	**518,890**	**412,927**	**105,963**	**413,413**	**394,308**	**19,105**
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	129,662	99,297	30,365	112,631	81,503	31,128
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	533	1	533	7,099	10	7,089
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	129,128	99,296	29,832	105,531	81,492	24,039
3.4.2.3 General government	–	–	–	0	0	0
3.4.2.4 Other sectors	–	–	–	0	0	0
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	179,845	164,837	15,008	184,456	210,459	–26,003
3.4.3.A Loans to India	140,286	125,400	14,886	132,986	160,916	–27,930
3.4.3.B Loans by India	39,559	39,437	122	51,470	49,543	1,927
3.4.4 Insurance, pension, and standardized guarantee schemes	264	6,120	–5,856	145	2,568	–2,424
3.4.5 Trade credit and advances	158,079	128,847	29,232	75,469	65,125	10,344
3.4.6 Other accounts receivable/payable - other	51,041	13,827	37,214	40,713	34,653	6,059
3.4.7 Special drawing rights	–	–	–	0	0	0
3.5 Reserve assets	**0**	**85,171**	**–85,171**	**0**	**99,814**	**–99,814**
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)	0	85,171	–85,171	0	99,814	–99,814
4 Total assets/liabilities	**1,103,053**	**1,027,057**	**75,996**	**1,119,892**	**1,083,646**	**36,245**
4.1 Equity and investment fund shares	493,468	443,217	50,251	572,995	473,028	99,967
4.2 Debt instruments	558,544	484,842	73,701	506,184	476,152	30,032
4.3 Other financial assets and liabilities	51,041	98,997	–47,956	40,713	134,467	–93,755
5 Net errors and omissions	**8,232**	**–**	**8,232**	**0**	**3,039**	**–3,039**

Note : P: Preliminary

No. 42: International Investment Position

(US$ Million)

Item	As on Financial Year /Quarter End							
	2018-19		2018				2019	
			Mar.		Dec.		Mar.	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	1	2	3	4	5	6	7	8
1 Direct Investment Abroad/in India	169,964	399,199	157,373	378,957	166,594	386,203	169,964	399,199
1.1 Equity Capital and Reinvested Earnings	111,122	382,105	103,734	363,190	109,875	369,544	111,122	382,105
1.2 Other Capital	58,841	17,094	53,640	15,767	56,719	16,659	58,841	17,094
2 Portfolio Investment	4,699	260,009	3,577	272,151	2,666	245,849	4,699	260,009
2.1 Equity	637	147,479	2,054	155,106	1,386	138,091	637	147,479
2.2 Debt	4,062	112,530	1,524	117,045	1,280	107,759	4,062	112,530
3 Other Investment	54,538	419,309	48,246	401,166	41,550	401,290	54,538	419,309
3.1 Trade Credit	924	105,191	1,696	103,155	252	103,648	924	105,191
3.2 Loan	9,884	168,143	8,235	159,820	6,553	160,454	9,884	168,143
3.3 Currency and Deposits	25,158	130,644	20,790	126,456	17,211	125,997	25,158	130,644
3.4 Other Assets/Liabilities	18,574	15,332	17,524	11,736	17,534	11,190	18,574	15,332
4 Reserves	412,871	–	424,545	–	395,591	–	412,871	–
5 Total Assets/ Liabilities	642,072	1,078,518	633,741	1,052,275	606,401	1,033,342	642,072	1,078,518
6 IIP (Assets - Liabilities)		–436,446		–418,533		–426,942		–436,446

Payment and Settlement Systems

No. 43: Payment System Indicators

System	Volume (Lakh)				Value (₹ Crore)			
	2018-19	2019			2018-19	2019		
		May	Jun.	Jul.		May	Jun.	Jul.
	1	2	3	4	5	6	7	8
1 RTGS	**1366.30**	**124.91**	**118.26**	**127.45**	**171552061**	**15837963**	**15299131**	**16004194**
1.1 Customer Transactions	1332.96	122.24	115.99	125.07	118436812	10488616	10177608	10886126
1.2 Interbank Transactions	33.07	2.64	2.24	2.35	17251375	1908766	1824135	1690930
1.3 Interbank Clearing	0.267	0.027	0.024	0.027	35863874	3440581	3297389	3427138
2 CCIL Operated Systems	**36.17**	**3.15**	**3.10**	**3.62**	**116551038**	**10898782**	**10918363**	**11683806**
2.1 CBLO	1.30	–	–	–	18140463	–	–	–
2.2 Govt. Securities Clearing	11.11	1.27	1.48	1.78	50931587	6443830	6828452	7518962
2.2.1 Outright	8.06	0.86	1.11	1.36	9355007	1032918	1507446	1766292
2.2.2 Repo	2.162	0.225	0.205	0.229	27124989	2416631	2441204	2562517
2.2.3 Tri-party Repo	0.89	0.19	0.17	0.19	14451590	2994282	2879802	3190152
2.3 Forex Clearing	23.76	1.88	1.62	1.84	47478988	4454952	4089910	4164844
3 Paper Clearing	**11237.61**	**921.11**	**839.64**	**937.63**	**8246065**	**717078**	**635798**	**687403**
3.1 Cheque Truncation System (CTS)	11116.69	917.67	836.46	934.80	8153592	713688	633018	685224
3.2 MICR Clearing	–	–	–	–	–	–	–	–
3.2.1 RBI Centres	–	–	–	–	–	–	–	–
3.2.2 Other Centres	–	–	–	–	–	–	–	–
3.3 Non-MICR Clearing	120.92	3.44	3.18	2.83	92473	3391	2781	2179
4 Retail Electronic Clearing	**71132.50**	**6838.14**	**6436.48**	**6887.21**	**25874543**	**2483416**	**2058081**	**2114124**
4.1 ECS DR	9.25	0.33	0.27	0.22	1258	9	9	4
4.2 ECS CR (includes NECS)	53.57	2.94	3.30	2.82	13235	777	924	968
4.3 EFT/NEFT	23188.87	2176.80	1991.40	2194.19	22793608	2127774	1749645	1784264
4.4 Immediate Payment Service (IMPS)	17529.09	1833.25	1713.25	1892.76	1590257	180456	173019	182021
4.5 National Automated Clearing House (NACH)	30351.71	2824.82	2728.27	2797.21	1476184	174400	134484	146867
5 Cards	**160462.56**	**13973.43**	**13719.06**	**14160.95**	**4512210**	**414019**	**397762**	**400256**
5.1 Credit Cards	17723.61	1740.43	1640.46	1792.73	607946	61700	57317	60020
5.1.1 Usage at ATMs	97.71	8.90	8.12	8.66	4533	417	388	409
5.1.2 Usage at POS	17625.90	1731.53	1632.33	1784.07	603413	61282	56928	59611
5.2 Debit Cards	142738.96	12233.00	12078.60	12368.21	3904264	352319	340445	340236
5.2.1 Usage at ATMs	98596.15	8157.10	8004.84	8160.01	3310789	294667	283403	282135
5.2.2 Usage at POS	44142.81	4075.90	4073.76	4208.20	593475	57652	57042	58101
6 Prepaid Payment Instruments (PPIs)	**46043.38**	**4189.98**	**3898.19**	**4075.89**	**212876**	**18297**	**17764**	**18437**
6.1 m-Wallet	41392.81	3674.55	3347.01	3471.32	183655	15727	15471	15949
6.2 PPI Cards	4650.03	515.43	551.17	604.57	29134	2570	2293	2488
6.3 Paper Vouchers	0.54	0.00	0.00	0.00	87	–	–	–
7 Mobile Banking	**62003.19**	**8417.38**	**8486.06**	**9111.82**	**2958407**	**485008**	**497543**	**563140**
8 Cards Outstanding	**9717.19**	**8738.54**	**8865.40**	**8908.65**	–	–	–	–
8.1 Credit Card	470.89	489.21	496.48	502.49	–	–	–	–
8.2 Debit Card	9246.30	8249.34	8368.92	8406.16	–	–	–	–
9 Number of ATMs (in actuals)	**221703**	**227227**	**226839**	**227629**	–	–	–	–
10 Number of POS (in actuals)	**3722229**	**3840490**	**4068954**	**4252804**	–	–	–	–
11 Grand Total (1.1+1.2+2+3+4+5+6)	**290278.25**	**26050.69**	**25470.10**	**26192.72**	**291084919**	**26928975**	**26029510**	**27481083**

Note : Data for latest 12 month period is provisional.
Mobile Banking - The data from July 2017 includes only individual payments and corporate payments initiated, processed, and authorised using mobile device. Other corporate payments which are not initiated, processed, and authorised using mobile device are excluded.
2.1: With effect from November 05, 2018, CCIL has discontinued CBLO.
2.2.3: Tri-party Repo under the Securities segment has been operationalised from November 05, 2018.

Occasional Series

No. 44: Small Savings

(₹ Crore)

Scheme		2017-18	2018		2019	
			Feb.	Dec.	Jan.	Feb.
		1	2	3	4	5
1 Small Savings	**Receipts**	**72,898.00**	**5,921.00**	**10,415.00**	**8,567.00**	**9,839.00**
	Outstanding	**803,971.00**	**791,997.00**	**880,698.00**	**889,396.00**	**899,191.00**
1.1 Total Deposits	**Receipts**	**58,332.00**	**4,620.00**	**8,579.00**	**6,358.00**	**7,130.00**
	Outstanding	**527,310.00**	**519,772.00**	**593,432.00**	**599,790.00**	**606,920.00**
1.1.1 Post Office Saving Bank Deposits	Receipts	17,145.00	1,511.00	2,915.00	2,318.00	2,360.00
	Outstanding	109,210.00	106,694.00	130,185.00	132,503.00	134,863.00
1.1.2 MGNREG	Receipts	0.00	0.00	0.00	0.00	0.00
	Outstanding	0.00	0.00	0.00	0.00	0.00
1.1.3 National Saving Scheme, 1987	Receipts	–162.00	–19.00	–30.00	–21.00	–19.00
	Outstanding	3,138.00	3,032.00	2,917.00	2,896.00	2,877.00
1.1.4 National Saving Scheme, 1992	Receipts	5.00	–68.00	–1.00	4.00	0.00
	Outstanding	–43.00	–46.00	–12.00	–8.00	–8.00
1.1.5 Monthly Income Scheme	Receipts	1,625.00	527.00	1,036.00	966.00	928.00
	Outstanding	181,691.00	180,801.00	189,759.00	190,725.00	191,653.00
1.1.6 Senior Citizen Scheme 2004	Receipts	12,264.00	1,039.00	1,232.00	1,190.00	1,184.00
	Outstanding	41,718.00	40,590.00	52,072.00	53,262.00	54,446.00
1.1.7 Post Office Time Deposits	Receipts	19,633.00	1,500.00	2,317.00	2,508.00	2,451.00
	Outstanding	99,292.00	97,390.00	116,728.00	119,236.00	121,687.00
1.1.7.1 1 year Time Deposits	Outstanding	59,818.00	59,068.00	67,662.00	68,920.00	70,179.00
1.1.7.2 2 year Time Deposits	Outstanding	4,597.00	4,559.00	5,617.00	5,734.00	5,824.00
1.1.7.3 3 year Time Deposits	Outstanding	6,140.00	6,036.00	6,860.00	6,888.00	6,910.00
1.1.7.4 5 year Time Deposits	Outstanding	28,737.00	27,727.00	36,589.00	37,694.00	38,774.00
1.1.8 Post Office Recurring Deposits	Receipts	7,868.00	130.00	1,110.00	–607.00	215.00
	Outstanding	92,320.00	91,357.00	101,799.00	101,192.00	101,407.00
1.1.9 Post Office Cumulative Time Deposits	Receipts	–45.00	0.00	0.00	0.00	11.00
	Outstanding	–37.00	–68.00	–37.00	–37.00	–26.00
1.1.10 Other Deposits	Receipts	–1.00	0.00	0.00	0.00	0.00
	Outstanding	21.00	22.00	21.00	21.00	21.00
1.2 Saving Certificates	**Receipts**	**7,943.00**	**790.00**	**1,500.00**	**1,623.00**	**1,732.00**
	Outstanding	**206,676.00**	**205,953.00**	**215,815.00**	**217,569.00**	**219,257.00**
1.2.1 National Savings Certificate VIII issue	Receipts	–65.00	583.00	1,124.00	1,159.00	1,262.00
	Outstanding	87,174.00	86,205.00	92,374.00	93,533.00	94,795.00
1.2.2 Indira Vikas Patras	Receipts	–956.00	–1.00	5.00	9.00	3.00
	Outstanding	–71.00	1,104.00	288.00	297.00	300.00
1.2.3 Kisan Vikas Patras	Receipts	–15,592.00	–1,280.00	–1,895.00	–1,655.00	–1,609.00
	Outstanding	37,981.00	38,877.00	24,496.00	22,841.00	21,232.00
1.2.4 Kisan Vikas Patras - 2014	Receipts	24,588	1,489	2,259	2,095	2,065
	Outstanding	70,612	68,783.00	87,154.00	89,249.00	91,314.00
1.2.5 National Saving Certificate VI issue	Receipts	–29.00	0.00	7.00	15.00	12.00
	Outstanding	–140.00	–145.00	–74.00	–59.00	–47.00
1.2.6 National Saving Certificate VII issue	Receipts	–3.00	–1.00	0.00	0.00	–1.00
	Outstanding	–64.00	–64.00	–81.00	–81.00	–82.00
1.2.7 Other Certificates	Outstanding	11,184.00	11,193.00	11,658.00	11,789.00	11,745.00
1.3 Public Provident Fund	**Receipts**	**6,623.00**	**511.00**	**336.00**	**586.00**	**977.00**
	Outstanding	**69,985.00**	**66,272.00**	**71,451.00**	**72,037.00**	**73,014.00**

Note: The data on receipts from April 2017 are net receipts, i.e., gross receipts minus gross payments.
Source: Accountant General, Post and Telegraphs.

No. 45: Ownership Pattern of Central and State Governments Securities

(Per cent)

Central Government Dated Securities					
Category	2018				2019
	Mar.	Jun.	Sep.	Dec.	Mar.
	1	2	3	4	5
(A) Total (in ₹. Billion)	**53967.78**	**54556.81**	**56028.30**	**57581.03**	**59210.26**
1 Commercial Banks	42.68	41.84	41.41	40.51	40.28
2 Non-Bank PDs	0.29	0.33	0.37	0.33	0.31
3 Insurance Companies	23.49	24.24	24.61	24.57	24.34
4 Mutual Funds	1.00	1.13	1.41	0.64	0.35
5 Co-operative Banks	2.57	2.59	2.51	2.38	2.29
6 Financial Institutions	0.90	0.93	0.97	1.01	1.05
7 Corporates	0.91	1.09	1.01	1.05	0.97
8 Foreign Portfolio Investors	4.35	3.84	3.65	3.60	3.22
9 Provident Funds	5.88	5.79	5.71	5.54	5.47
10 RBI	11.62	11.63	11.76	13.81	15.27
11. Others	6.30	6.58	6.58	6.55	6.46
11.1 State Governments	1.91	1.97	1.99	1.97	2.00

State Governments Securities					
Category	2018				2019
	Mar.	Jun.	Sep.	Dec.	Mar.
	1	2	3	4	5
(B) Total (in ₹. Billion)	**24288.29**	**24954.61**	**25668.33**	**26693.93**	**27772.29**
1 Commercial Banks	35.79	35.02	34.66	34.00	33.87
2 Non-Bank PDs	0.51	0.75	0.58	0.60	0.58
3 Insurance Companies	34.13	34.24	33.74	33.90	33.04
4 Mutual Funds	1.64	1.20	1.05	1.23	1.20
5 Co-operative Banks	4.78	4.79	4.75	4.67	4.55
6 Financial Institutions	0.35	0.35	0.43	0.37	0.42
7 Corporates	0.15	0.16	0.17	0.22	0.29
8 Foreign Portfolio Investors	0.23	0.15	0.10	0.09	0.09
9 Provident Funds	19.67	20.34	21.04	21.29	22.15
10 RBI	0.00	0.00	0.00	0.00	0.00
11. Others	2.76	2.99	3.48	3.64	3.81
11.1 State Governments	0.05	0.06	0.07	0.07	0.11

Treasury Bills					
Category	2018				2019
	Mar.	Jun.	Sep.	Dec.	Mar.
	1	2	3	4	5
(C) Total (in ₹. Billion)	**3798.76**	**5280.07**	**5657.50**	**5298.26**	**4127.04**
1 Commercial Banks	60.74	55.30	47.84	53.76	57.56
2 Non-Bank PDs	2.17	1.41	1.86	2.06	2.68
3 Insurance Companies	4.17	3.66	4.55	4.74	6.61
4 Mutual Funds	2.27	7.03	10.69	5.65	2.78
5 Co-operative Banks	2.42	1.29	1.20	1.21	2.48
6 Financial Institutions	3.55	2.36	1.67	1.88	2.49
7 Corporates	2.45	1.88	6.67	1.86	2.23
8 Foreign Portfolio Investors	0.00	0.00	0.00	0.09	0.00
9 Provident Funds	0.11	0.21	0.01	0.02	0.08
10 RBI	0.00	0.00	0.00	0.00	0.00
11. Others	22.12	26.87	25.50	28.72	23.10
11.1 State Governments	16.35	23.11	21.36	24.04	17.91

No. 46: Combined Receipts and Disbursements of the Central and State Governments

(₹ Crore)

Item	2014-15	2015-16	2016-17	2017-18	2018-19 RE	2019-20 BE
	1	2	3	4	5	6
1 Total Disbursements	**3285210**	**3760611**	**4265969**	**4303731**	**5222868**	**5785680**
1.1 Developmental	1872062	2201287	2537905	2482952	3123932	3449651
1.1.1 Revenue	1483018	1668250	1878417	1921163	2388281	2681076
1.1.2 Capital	332262	412069	501213	483148	640539	681445
1.1.3 Loans	56782	120968	158275	78641	95112	87130
1.2 Non-Developmental	1366769	1510810	1672646	1753528	2018868	2244695
1.2.1 Revenue	1269520	1379727	1555239	1684601	1936943	2137418
1.2.1.1 Interest Payments	584542	648091	724448	795701	880847	984151
1.2.2 Capital	94687	127306	115775	67685	80726	105649
1.2.3 Loans	2563	3777	1632	1242	1199	1628
1.3 Others	46379	48514	55417	67250	80069	91335
2 Total Receipts	**3189737**	**3778049**	**4288432**	**4311973**	**5076537**	**5722670**
2.1 Revenue Receipts	2387693	2748374	3132201	3194410	3968584	4412194
2.1.1 Tax Receipts	2020728	2297101	2622145	2845556	3364928	3750806
2.1.1.1 Taxes on commodities and services	1212348	1440952	1652377	1746857	2068850	2271964
2.1.1.2 Taxes on Income and Property	805176	852271	965622	1095613	1293267	1474663
2.1.1.3 Taxes of Union Territories (Without Legislature)	3204	3878	4146	3086	2812	4179
2.1.2 Non-Tax Receipts	366965	451272	510056	348854	603655	661388
2.1.2.1 Interest Receipts	39622	35779	33220	33594	36193	32994
2.2 Non-debt Capital Receipts	60955	59827	69063	141599	126620	167105
2.2.1 Recovery of Loans & Advances	22072	16561	20942	41379	46382	60179
2.2.2 Disinvestment proceeds	38883	43266	48122	100219	80238	106926
3 Gross Fiscal Deficit [1 - (2.1 + 2.2)]	**836563**	**952410**	**1064704**	**967722**	**1127665**	**1206381**
3A Sources of Financing: Institution-wise						
3A.1 Domestic Financing	823630	939662	1046708	959791	1132558	1209333
3A.1.1 Net Bank Credit to Government	-37476	231090	617123	144792	386389	-----
3A.1.1.1 Net RBI Credit to Government	-334185	60472	195816	-144847	325987	-----
3A.1.2 Non-Bank Credit to Government	861106	708572	429585	814999	746169	-----
3A.2 External Financing	12933	12748	17997	7931	-4893	-2952
3B Sources of Financing: Instrument-wise						
3B.1 Domestic Financing	823630	939662	1046708	959791	1132558	1209333
3B.1.1 Market Borrowings (net)	664058	673298	689821	794856	831554	959294
3B.1.2 Small Savings (net)	-56580	-78515	-105038	-163222	-217165	-208528
3B.1.3 State Provident Funds (net)	34339	35261	45688	42351	42703	42482
3B.1.4 Reserve Funds	5109	-3322	-6436	18423	-14577	-871
3B.1.5 Deposits and Advances	27545	13470	17792	25138	16011	13706
3B.1.6 Cash Balances	95474	-17438	-22463	-8243	146331	63010
3B.1.7 Others	53684	316908	427343	250487	327701	340240
3B.2 External Financing	12933	12748	17997	7931	-4893	-2952
4 Total Disbursements as per cent of GDP	*26.3*	*27.3*	*27.8*	*25.2*	*27.5*	*27.4*
5 Total Receipts as per cent of GDP	*25.6*	*27.4*	*27.9*	*25.2*	*26.7*	*27.1*
6 Revenue Receipts as per cent of GDP	*19.2*	*20.0*	*20.4*	*18.7*	*20.9*	*20.9*
7 Tax Receipts as per cent of GDP	*16.2*	*16.7*	*17.1*	*16.6*	*17.7*	*17.8*
8 Gross Fiscal Deficit as per cent of GDP	*6.7*	*6.9*	*6.9*	*5.7*	*5.9*	*5.7*

…: Not available. RE: Revised Estimates; BE: Budget Estimates

Source : Budget Documents of Central and State Governments.

No. 47: Financial Accommodation Availed by State Governments under various Facilities

(₹ Crore)

Sr. No	State/Union Territory	During July-2019					
		Special Drawing Facility (SDF)		Ways and Means Advances (WMA)		Overdraft (OD)	
		Average amount availed	Number of days availed	Average amount availed	Number of days availed	Average amount availed	Number of days availed
	1	2	3	4	5	6	7
1	Andhra Pradesh	338	2	-	-	-	-
2	Arunachal Pradesh	-	-	-	-	-	-
3	Assam	-	-	-	-	-	-
4	Bihar	-	-	-	-	-	-
5	Chhattisgarh	2832	17	-	-	-	-
6	Goa	96	20	0	1	-	-
7	Gujarat	-	-	-	-	-	-
8	Haryana	-	-	321	4	-	-
9	Himachal Pradesh	-	-	71	4	-	-
10	Jammu & Kashmir	-	-	503	26	546	5
11	Jharkhand	-	-	99	2	-	-
12	Karnataka	-	-	-	-	-	-
13	Kerala	249	23	367	12	-	-
14	Madhya Pradesh	-	-	-	-	-	-
15	Maharashtra	221	2	-	-	-	-
16	Manipur	77	16	61	8	-	-
17	Meghalaya	-	-	-	-	-	-
18	Mizoram	-	-	-	-	-	-
19	Nagaland	108	15	-	-	-	-
20	Odisha	-	-	-	-	-	-
21	Puducherry	-	-	-	-	-	-
22	Punjab	73	24	638	18	133	3
23	Rajasthan	-	-	-	-	-	-
24	Tamil Nadu	-	-	-	-	-	-
25	Telangana	1011	25	-	-	-	-
26	Tripura	-	-	-	-	-	-
27	Uttar Pradesh	-	-	-	-	-	-
28	Uttarakhand	322	19	60	1	-	-
29	West Bengal	381	7	-	-	-	-

Notes: 1. SDF is availed by State Governments against the collateral of Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF) & Auction Treasury Bills (ATBs) balances and other investments in government securities.
2. WMA is advance by Reserve Bank of India to State Governments for meeting temporary cash mismatches.
3. OD is advanced to State Governments beyond their WMA limits.
4. Average Availed is the total accommodation (SDF/WMA/OD) availed divided by number of days for which accommodation was extended during the month.
5. - : Nil.

Source: Reserve Bank of India.

No. 48: Investments by State Governments

(₹ Crore)

Sr. No	State/Union Territory	As on end of July 2019			
		Consolidated Sinking Fund (CSF)	Guarantee Redemption Fund (GRF)	Government Securities	Auction Treasury Bills (ATBs)
	1	2	3	4	5
1	Andhra Pradesh	7628	753	2	0
2	Arunachal Pradesh	1054	1	--	0
3	Assam	3895	48	--	4000
4	Bihar	6521	--	--	12600
5	Chhattisgarh	3944	--	1	0
6	Goa	550	276	--	0
7	Gujarat	12589	442	--	0
8	Haryana	1918	1102	--	0
9	Himachal Pradesh	--	--	--	0
10	Jammu & Kashmir	--	--	--	0
11	Jharkhand	--	--	--	0
12	Karnataka	3575	--	--	3000
13	Kerala	1974	--	--	0
14	Madhya Pradesh	--	850	--	0
15	Maharashtra	36088	270	--	14000
16	Manipur	348	92	--	0
17	Meghalaya	564	28	9	0
18	Mizoram	509	30	--	0
19	Nagaland	1372	30	--	0
20	Odisha	12346	1339	78	18895
21	Puducherry	294	--	--	772
22	Punjab	76	--	8	0
23	Rajasthan	--	--	129	1000
24	Tamil Nadu	6110	--	45	11833
25	Telangana	5130	1041	1	0
26	Tripura	303	5	--	0
27	Uttar Pradesh	--	--	180	0
28	Uttarakhand	2768	73	--	0
29	West Bengal	10166	488	214	0
	Total	**119722**	**6867**	**666**	**66100**

No. 49: Market Borrowings of State Governments

(₹ Crore)

Sr. No.	State	2017-18		2018-19		2019-20						Total amount raised, so far in 2019-20	
						May		June		July			
		Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross	Net
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Andhra Pradesh	22800	18922	30200	23824	2000	1417	3104	2521	2974	1808	13078	9229
2	Arunachal Pradesh	888	703	719	693	-	-	261	261	-	-	472	472
3	Assam	7760	6797	10595	8089	-	-	-	-	500	500	500	500
4	Bihar	10000	8908	14300	10903	-	-	-	-1000	3600	3600	3600	2600
5	Chhattisgarh	8100	8100	12900	12900	-	-	-	-	-	-	-	-
6	Goa	1800	1400	2350	1850	100	100	200	100	200	200	600	500
7	Gujarat	24000	15785	36971	27457	2000	2000	2000	1000	3700	2200	11000	8500
8	Haryana	16640	15840	21265	17970	1000	1000	-	-700	3501	3501	5501	4801
9	Himachal Pradesh	4600	2551	4210	2108	200	200	-	-	500	500	1100	1100
10	Jammu & Kashmir	6200	3974	6684	4927	300	300	249	249	1000	1000	2349	1810
11	Jharkhand	6000	4807	5509	4023	-	-	1500	1500	-	-	1500	983
12	Karnataka	22098	17348	39600	31383	-	-	-	-	2000	1000	2000	1000
13	Kerala	20500	16203	19500	14784	2500	2500	729	129	3000	3000	9229	8629
14	Madhya Pradesh	15000	13125	20496	14971	1500	1500	2000	2000	1000	1000	5000	5000
15	Maharashtra	45000	36480	20869	3117	3500	3500	2000	2000	4500	1500	12500	9500
16	Manipur	525	278	970	667	-	-	400	400	-	-	603	603
17	Meghalaya	1116	920	1122	863	-	-	-	-50	200	200	200	150
18	Mizoram	424	277	0	-123	-	-	-	-	-	-	158	158
19	Nagaland	1135	766	822	355	-	-	-	-	-	-	100	-160
20	Odisha	8438	8438	5500	4500	-	-	-	-	1000	1000	2000	2000
21	Puducherry	825	488	825	475	-	-	-	-	-	-	-	-
22	Punjab	17470	13349	22115	17053	1000	1000	1900	1400	3420	2120	8620	5720
23	Rajasthan	24914	16777	33178	20186	1500	1000	5995	3183	2387	1887	13882	10070
24	Sikkim	995	745	1088	795	-	-	213	213	-	-	213	213
25	Tamil Nadu	40965	36023	43125	32278	4000	4000	4000	4000	4615	4615	15615	15615
26	Telangana	24600	21828	26740	22183	2500	2083	3300	2883	3000	2166	10300	7549
27	Tripura	1137	1137	1543	1387	-	-	-	-	-	-	-	-
28	Uttar Pradesh	41600	37178	46000	33307	-	-1500	-	-500	4000	2500	4000	500
29	Uttarakhand	6660	5830	6300	5289	-	-	-	-	500	200	1000	400
30	West Bengal	36911	25304	42828	30431	-	-4000	2000	2000	5010	3010	7010	-990
	Grand Total	**419100**	**340281**	**478323**	**348643**	**22100**	**15100**	**29851**	**21589**	**50606**	**37506**	**132129**	**96451**

- : Nil.

Source : Reserve Bank of India.

Explanatory Notes to the Current Statistics

Table No. 1

1.2& 6: Annual data are average of months.

3.5 & 3.7: Relate to ratios of increments over financial year so far.

4.1 to 4.4, 4.8,4.9 &5: Relate to the last friday of the month/financial year.

4.5, 4.6 & 4.7: Relate to five major banks on the last Friday of the month/financial year.

4.10 to 4.12: Relate to the last auction day of the month/financial year.

4.13: Relate to last day of the month/ financial year

7.1&7.2: Relate to Foreign trade in US Dollar.

Table No. 2

2.1.2: Include paid-up capital, reserve fund and Long-Term Operations Funds.

2.2.2: Include cash, fixed deposits and short-term securities/bonds, *e.g.*, issued by IIFC (UK).

Table No. 4

Maturity-wise position of outstanding forward contracts is available at http://nsdp.rbi.org.in under ''Reserves Template''.

Table No. 5

Special refinance facility to Others, i.e. to the EXIM Bank, is closed since March 31, 2013.

Table No. 6

For scheduled banks, March-end data pertain to the last reporting Friday.

2.2: Exclude balances held in IMF Account No.1, RBI employees' provident fund, pension fund, gratuity and superannuation fund.

Table Nos. 7 & 11

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

Table No. 8

NM_2 and NM_3 do not include FCNR (B) deposits.

2.4: Consist of paid-up capital and reserves.

2.5: includes other demand and time liabilities of the banking system.

Table No. 9

Financial institutions comprise EXIM Bank, SIDBI, NABARD and NHB.

L_1 and L_2 are compiled monthly and L_3 quarterly.

Wherever data are not available, the last available data have been repeated.

Table No. 13

Data in column Nos. (4) & (5) are Provisional.

Table No. 14

Data in column Nos. (4) & (8) are Provisional.

Table No. 15 & 16

Data are provisional and relate to select 41 scheduled commercial banks, accounting for about 90 per cent of total non-food credit extended by all scheduled commercial banks (excludes ING Vysya which has been merged with Kotak Mahindra since April 2015).

Export credit under priority sector relates to foreign banks only.

Micro & small under item 2.1 includes credit to micro & small industries in manufacturing sector.

Micro & small enterprises under item 5.2 includes credit to micro & small enterprises in manufacturing as well as services sector.

Priority Sector is as per old definition and does not conform to FIDD Circular FIDD.CO.Plan.BC.54/04.09.01/2014-15 dated April 23, 2015.

Table No. 17

2.1.1: Exclude reserve fund maintained by co-operative societies with State Co-operative Banks
2.1.2: Exclude borrowings from RBI, SBI, IDBI, NABARD, notified banks and State Governments.
4: Include borrowings from IDBI and NABARD.

Table No. 24

Primary Dealers (PDs) include banks undertaking PD business.

Table No. 30

Exclude private placement and offer for sale.
1: Exclude bonus shares.
2: Include cumulative convertible preference shares and equi-preference shares.

Table No. 32

Exclude investment in foreign currency denominated bonds issued by IIFC (UK), SDRs transferred by Government of India to RBI and foreign currency received under SAARC SWAP arrangement. Foreign currency assets in US dollar take into account appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen and Australian Dollar) held in reserves. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI holding rates.

Table No. 34

1.1.1.1.2 & 1.1.1.1.1.4: Estimates.
1.1.1.2: Estimates for latest months.
'Other capital' pertains to debt transactions between parent and subsidiaries/branches of FDI enterprises.
Data may not tally with the BoP data due to lag in reporting.

Table No. 35

1.10: Include items such as subscription to journals, maintenance of investment abroad, student loan repayments and credit card payments.

Table No. 36

Increase in indices indicates appreciation of rupee and vice versa. For 6-Currency index, base year 2016-17 is a moving one, which gets updated every year. REER figures are based on Consumer Price Index (combined). Methodological details are available in December 2005 and April 2014 issues of the Bulletin.

Table No. 37

Based on applications for ECB/Foreign Currency Convertible Bonds (FCCBs) which have been allotted loan registration number during the period.

Table Nos. 38, 39, 40 & 41

Explanatory notes on these tables are available in December issue of RBI Bulletin, 2012.

Table No. 43

1.3: Pertain to multilateral net settlement batches.

3.1: Pertain to three centres – Mumbai, New Delhi and Chennai.

3.3: Pertain to clearing houses managed by 21 banks.

6: Available from December 2010.

7: Include IMPS transactions.

9: Includes ATMs deployed by Scheduled Commercial banks and White Label ATMs (WLA). WLA are included from April 2014 onwards.

Mobile Banking - The data from July 2017 includes only individual payments and corporate payments initiated, processed, and authorised using mobile device. Other corporate payments which are not initiated, processed, and authorised using mobile device are excluded.

Table No. 45

(-): represents nil or negligible

The revised table format since June 2016, incorporates the ownership pattern of State Governments Securities and Treasury Bills along with the Central Government Securities.

State Government Securities include special bonds issued under Ujwal DISCOM Assurance Yojana (UDAY) scheme.

Bank PDs are clubbed under Commercial Banks. However, they form very small fraction of total outstanding securities.

The category 'Others' comprises State Governments, Pension Funds, PSUs, Trusts, HUF/Individuals etc.

Table No. 46

GDP data from 2011-12 onwards are based on 2011-12 base. Data from year 2015-16 pertains to 29 states.

The GDP data from 2015-16 pertains to the Second Advance Estimates of National Income released by Central Statistics Office on 28th February 2018.

GDP for 2016-17 (RE) and 2017-18 are from Union Budget 2017-18.

Total receipts and total expenditure exclude National Calamity Contingency Fund expenditure.

1 & 2: Data are net of repayments of the Central Government (including repayments to the NSSF) and State Governments.

1.3: Represents compensation and assignments by States to local bodies and Panchayati Raj institutions.

2: Data are net of variation in cash balances of the Central and State Governments and includes borrowing receipts of the Central and State Governments.

3A.1.1: Data as per RBI records.

3B.1.1: Includes borrowings through dated securities and 364-day Treasury Bills.

3B.1.2: Represent net investment in Central and State Governments' special securities by the National Small Savings Fund (NSSF).

3B.1.6: Include Ways and Means Advances by the Centre to the State Governments.

3B.1.7: Include Treasury Bills (excluding 364-day Treasury Bills), loans from financial institutions, insurance and pension funds, remittances, cash balance investment account.

Table No. 47

SDF is availed by State Governments against the collateral of Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF) & Auction Treasury Bills (ATBs) balances and other investments in government securities.

WMA is advance by Reserve Bank of India to State Governments for meeting temporary cash mismatches.

OD is advanced to State Governments beyond their WMA limits.

Average amount Availed is the total accommodation (SDF/WMA/OD) availed divided by number of days for which accommodation was extended during the month.

- : Nil.

Table No. 48

CSF and GRF are reserve funds maintained by some State Governments with the Reserve Bank of India.

ATBs include Treasury bills of 91 days, 182 days and 364 days invested by State Governments in the primary market.

--: Not Applicable (not a member of the scheme).

The concepts and methodologies for Current Statistics are available in Comprehensive Guide for Current Statistics of the RBI Monthly Bulletin **(https://rbi.org.in/Scripts/PublicationsView.aspx?id=17618)**

Time series data of 'Current Statistics' is available at https://dbie.rbi.org.in.

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

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12. Perspectives on Central Banking Governors Speak (1935-2010) Platinum Jubilee	₹1400 per copy (over the counter)	US$ 50 per copy (inclusive of air mail courier charges)

Notes

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

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