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MONETARY POLICY STATEMENT FOR 2017~18

Fifth Bi-monthly Monetary Policy Statement 2017-18

*Fifth Bi-monthly Monetary Policy Statement, 2017-18
Resolution of the Monetary Policy Committee (MPC)
Reserve Bank of India**

On the basis of an assessment of the current and evolving macroeconomic situation at its meeting today, the Monetary Policy Committee (MPC) decided to:

- keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.0 per cent.

Consequently, the reverse repo rate under the LAF remains at 5.75 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 6.25 per cent.

The decision of the MPC is consistent with a neutral stance of monetary policy in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth. The main considerations underlying the decision are set out in the statement below.

Assessment

2. Since the last meeting of the MPC in October 2017, global economic activity has been gaining momentum through the final quarter of the year, driven mainly by advanced economies (AEs). US growth remained largely resilient to hurricanes and grew at the highest pace in the past three years in Q3 of 2017, with positive contributions from private consumption, investment activity and net exports. The unemployment rate fell to 4.1 per cent in October, the lowest in the last 17 years. In the Euro area, economic activity expanded,

underpinned by accommodative monetary policy and strong job gains. The Japanese economy also continued to grow in Q3, largely supported by external demand, which helped compensate for the slowing of domestic consumption.

3. Among major emerging market economies (EMEs), the services sector remained the main driver of growth in China in Q3. However, weakness in real estate and construction activity remained a drag on growth. In Brazil, incoming data suggest that the recovery gained further momentum in Q3, with unemployment touching an intra-year low in September. Business and consumer confidence rose in October. Economic activity in Russia moderated in Q3 due to weakness in industrial production. The South African economy continued to face headwinds from weak manufacturing activity, elevated levels of unemployment and political instability.

4. The latest assessment by the World Trade Organisation (WTO) for Q4 indicates a loss of momentum in global trade due to declining export orders. Crude oil prices touched a two-and-a-half-year high in early November on account of the Organisation of the Petroleum Exporting Countries' (OPEC) efforts to rebalance the market. Bullion prices have been under some selling pressure on account of the rising US dollar. Weak non-oil commodity prices and subdued wage dynamics have kept inflation contained in many AEs, while the inflation scenario remains diverse in major EMEs.

5. Global financial markets have remained buoyant, reflecting the improving economic outlook and the gradual normalisation of monetary policy by the US Fed. Equity markets have gained on improved corporate earnings and anticipation of large tax cuts in the US. Although equity markets have made gains in EMEs in general, they faced risk aversion in some economies. While bond yields in most AEs have moved sideways in the absence of inflation pressures, they have risen across most EMEs on country-specific factors. In

* Released on December 06, 2017.

currency markets, the US dollar has gained, while the surge in the euro on positive economic data lost some momentum in November due to political uncertainty. Several emerging market currencies weakened due to domestic factors. Capital inflows to EMEs have been differentiating among countries, based on investor perceptions of risk-return trade-offs.

6. On the domestic front, the growth of real gross value added (GVA) accelerated sequentially in Q2 of 2017-18, after five consecutive quarters of deceleration. It was powered by a sharp acceleration in industrial activity. All the three sub-sectors of industry registered higher growth. GVA growth in the manufacturing sector – the key component of industry – accelerated sharply on improved demand and re-stocking post goods and services tax (GST) implementation. The mining sector expanded in Q2 due to higher coal and natural gas production. GVA growth in the electricity, gas, water supply and other utility services sector also strengthened on higher demand. In contrast, growth in agriculture and allied activities slackened, reflecting the lower than expected *kharif* harvest. Activity in the services sector decelerated, mainly on account of slowdown in financial, insurance, real estate and professional services, and in public administration, defence and other services (PADO) following the large front-loading of government expenditure in Q1. Despite some improvement, construction sector growth remained tepid due to transitory effects of the RERA and GST implementation. Growth in the trade, hotels, transport and communication sub-group remained resilient, in spite of some slowdown in growth in Q2 as compared with the previous quarter. On the expenditure side, the growth of gross fixed capital formation improved for the second successive quarter. However, growth in private final consumption expenditure – the mainstay of aggregate demand – slowed to an eight-quarter low in Q2.

7. Looking beyond Q2, *rabi* sowing in Q3 has so far been marginally lagging behind the acreage sown during the comparable period of the previous year.

Precipitation since October has remained at around 13 per cent below the long period average (LPA). Major reservoirs, the main source of irrigation during the *rabi* season, were at 64 per cent of the full reservoir level *vis-a-vis* 67 per cent in the previous year. On the positive side, pulses sowing increased significantly as compared with a year ago, partly reflecting the impact of lifting of the export ban for all varieties of pulses.

8. Available high-frequency indicators suggest a mixed picture of industrial activity for Q3. Core industries' growth was flat in October as all constituents barring steel and fertilisers slowed down sequentially. Coal mining, which revived strongly in Q2, slowed down too, while cement production contracted. In contrast, the Purchasing Managers' Index (PMI) for manufacturing, which fell in October, rebounded in November, driven by output and new orders. Also, according to the Reserve Bank's Industrial Outlook Survey (IOS), production is expected to pick up in Q3 as order books are rising.

9. Services sector activity has remained mixed in October. In the transportation sector, sales of commercial vehicles decelerated; those of passenger vehicles and two-wheeler turned into contraction mode. By contrast, domestic and international air passenger and freight traffic, and railway freight expanded robustly. The Reserve Bank's survey suggests that sentiments on service sector activity for Q3 are upbeat and auto sales have rebounded in November. On the other hand, PMI for services moved into contraction zone in November.

10. Retail inflation measured by year-on-year change in the consumer price index (CPI) recorded a seven-month high in October, driven by a sharp uptick in momentum, tempered partly by some favourable base effects. Food inflation was volatile in the last two months – declining sharply in September and bouncing back in October – due mainly to vegetables and fruits. Milk and eggs inflation has shown an uptick, while pulses inflation remained negative for the eleventh successive month in October. Cereal

inflation remained stable. Fuel group inflation, which has been on an upward trajectory since July, accelerated further due to a sharp pick-up in inflation in liquefied petroleum gas (LPG), kerosene, coke and electricity.

11. CPI inflation excluding food and fuel, which increased from July to September, remained steady in October. This reflected the softening of petroleum product prices on account of the reversal of taxes on petroleum products by the central and state governments. However, there was a hardening of housing inflation following the implementation of higher house rent allowances for central government employees under the 7th central pay commission award.

12. The Reserve Bank's survey of households showed inflation expectations firming up in the latest round for both three months ahead and one year ahead horizons. Farm and industrial raw material costs rose in October. Firms responding to the Reserve Bank's Industrial Outlook Survey expect to pass on the increase in input prices to their output prices. Turning to other costs, wage growth in the organised sector edged up, while rural wage growth weakened, particularly in agriculture.

13. Surplus liquidity in the system has continued to decline during October and November. Currency in circulation increased by ₹ 736 billion in Q3 (up to December 1, 2017) over end-September on festival demand. The Reserve Bank managed surplus liquidity through the conduct of regular variable rate reverse repo auctions of various tenors, ranging from overnight to 28 days. Net average daily absorption of liquidity under the LAF declined from ₹ 2,229 billion in September to ₹ 1,400 billion in October 2017 and further to ₹ 718 billion in November. The Reserve Bank conducted open market sales of ₹ 300 billion in October-November, taking the total absorption of durable liquidity during the financial year so far to ₹ 1.9 trillion, comprising ₹ 900 billion in the form of open market sales and ₹ 1 trillion of long-term treasury bills

under the market stabilisation scheme. The weighted average call rate (WACR) traded 12 bps and 15 bps below the repo rate during October and November, respectively, as against 13 bps in September.

14. Merchandise exports declined by 1.1 per cent in October 2017 after showing positive growth for 14 consecutive months. A sustained increase in exports of engineering goods, petroleum products and chemicals during the month was outweighed by a sharp fall in shipments of gems and jewellery, ready-made garments, and drugs and pharmaceuticals. Imports continued to expand, though at a modest pace. Although gold imports rose sequentially in October, they moderated from their level a year ago. Consequently, the trade deficit widened again in October. Despite moderation in September, net foreign direct investment in H1 of 2017-18 was at the same level as a year ago. With the announcement of the recapitalisation plan for public sector banks, foreign portfolio inflows into equities resumed sharply in October, after recording outflows in the preceding month. India's foreign exchange reserves were at US\$ 401.94 billion on November 30, 2017.

Outlook

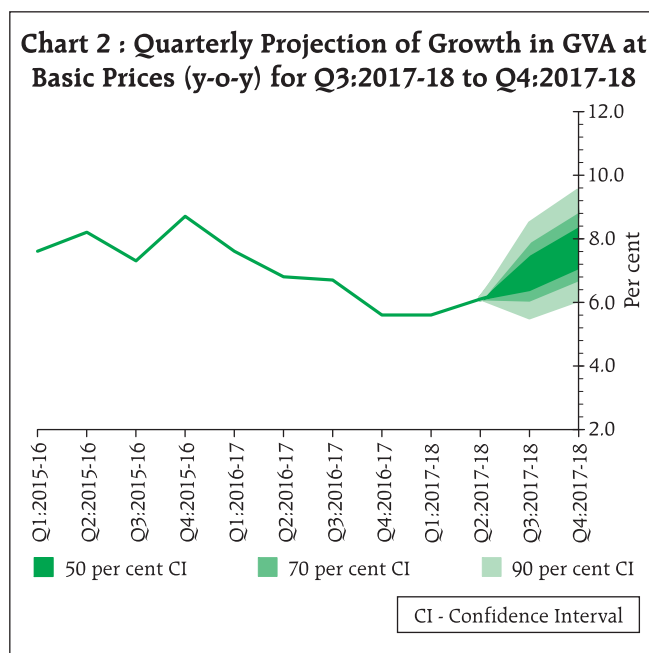
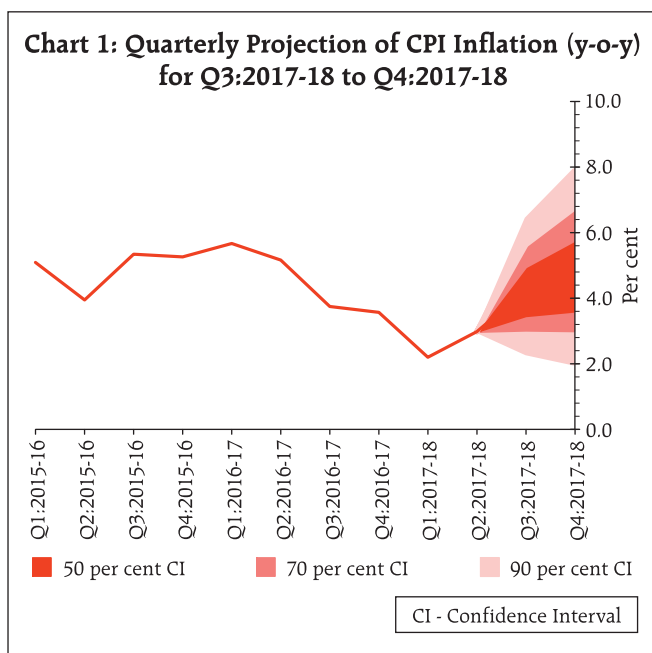
15. The October bi-monthly statement projected inflation to rise and range between 4.2-4.6 per cent in the second half of this year, including the impact of increase in house rent allowance (HRA) by the Centre. The headline inflation outcomes have evolved broadly in line with projections. Going forward, the inflation path will be influenced by several factors. First, moderation in inflation excluding food and fuel observed in Q1 of 2017-18 has, by and large, reversed. There is a risk that this upward trajectory may continue in the near-term. Second, the impact of HRA by the Central Government is expected to peak in December. The staggered impact of HRA increases by various state governments may push up housing inflation further in 2018, with attendant second order effects. Third, the recent rise in international crude oil prices may sustain, especially on account

of the OPEC's decision to maintain production cuts through next year. In such a scenario, any adverse supply shock due to geo-political developments could push up prices even further. Despite recent increase in prices of vegetables, some seasonal moderation is expected in near months as winter arrivals kick in. Prices of pulses have continued to show a downward bias. The GST Council in its last meeting has brought several retail goods and services to lower tax brackets, which should translate into lower retail prices, going forward. On the whole, inflation is estimated in the range 4.3-4.7 per cent in Q3 and Q4 of this year, including the HRA effect of up to 35 basis points, with risks evenly balanced (Chart 1).

16. Turning to GVA projections, Q2 growth was lower than that projected in the October resolution. The recent increase in oil prices may have a negative impact on margins of firms and GVA growth. Shortfalls in *kharif* production and *rabi* sowing pose downside risks to the outlook for agriculture. On the positive side, there has been some pick up in credit growth in recent months. Recapitalisation of public sector banks may help improve credit flows further. While there has been weakness in some components of the services

sector such as real estate, the Reserve Bank's survey indicates that the services and infrastructure sectors are expecting an improvement in demand, financial conditions and the overall business situation in Q4. Taking into account the above factors, the projection of real GVA growth for 18-2017 of the October resolution at 6.7 per cent has been retained, with risks evenly balanced (Chart 2).

17. The MPC notes that the evolving trajectory needs to be carefully monitored. First, two of the key factors determining the cost of living conditions and inflation expectations, *i.e.*, food and fuel inflation, edged up in November. Inflation expectations of households surveyed by the Reserve Bank have already firmed up and any increase in food and fuel prices may further harden these expectations. Second, rising input cost conditions as reflected in various surveys point towards higher risk of pass-through to retail prices in the near term. Third, implementation of farm loan waivers by select states, partial roll back of excise duty and VAT in the case of petroleum products, and decrease in revenue on account of reduction in GST rates for several goods and services may result in fiscal slippage with attendant implications



for inflation. Fourth, global financial instability on account of the pace of/uncertainty over monetary policy normalisation in AEs and fiscal expansion in the US carry risks for inflation. The expected seasonal moderation in prices of vegetables, and fruits and the recent lowering of tax rates by the GST Council could mitigate upside pressures. Accordingly, the MPC decided to keep the policy repo rate on hold. However, keeping in mind the output gap dynamics, the MPC decided to continue with the neutral stance and watch the incoming data carefully. The MPC remains committed to keeping headline inflation close to 4 per cent on a durable basis.

18. In the MPC's assessment, there have been several significant developments in the recent period which augur well for growth prospects, going forward. First, capital raised from the primary capital market has increased significantly after several years of sluggish activity. As the capital raised is deployed to set up new projects, it will add to demand in the short run

and boost the growth potential of the economy over the medium-term. Second, the improvement in the ease of doing business ranking should help sustain foreign direct investment in the economy. Third, large distressed borrowers are being referenced to the insolvency and bankruptcy code (IBC) and public sector banks are being recapitalised, which should enhance allocative efficiency. However, the MPC notes that the impact of these factors can be buttressed by reducing the cost of domestic borrowings through improved transmission by banks of past monetary policy changes on outstanding loans.

19. Dr. Chetan Ghate, Dr. Pami Dua, Dr. Michael Debabrata Patra, Dr. Viral V. Acharya and Dr. Urjit R. Patel were in favour of the monetary policy decision, while Dr. Ravindra H. Dholakia voted for a policy rate reduction of 25 basis points. The minutes of the MPC's meeting will be published by December 20, 2017.

20. The next meeting of the MPC is scheduled on February 6 and 7, 2018.

SPEECHES

Monetary Transmission in India: Why is it important and why hasn't it worked well?

Viral V. Acharya

One Year in the Life of India's Monetary Policy Committee

Michael D. Patra

*Monetary Transmission in India: Why is it important and why hasn't it worked well?**

Viral V Acharya

When I travel from my residence in Vile Parle (West) to the Reserve Bank of India Central Office in Fort, I pass each way *Kenilworth* – the birth place of late Homi Jehangir Bhabha. It is a good way to start and end the day, being reminded not just of his immense intellect but also of his deep sense of service to India. I am thus grateful to Professor Dipan Ghosh, who was the Dean of students during my time at IIT Bombay, for inviting me to speak today in the Homi Bhabha Auditorium, and to Dr. Subhendu Guha, for having endowed this lecture series at the Tata Institute of Fundamental Research (TIFR) in memory of his dear son, Aveek Guha. "Aveek," a beautiful Bengali name meaning "fearless", is exactly how all research needs to be, taking on seemingly insurmountable challenges, fighting it out with grit, and along the way, dissecting, reflecting, and distilling truth to its essence until it is unearthed in some recognisable form from beneath its scratchy exterior. The TIFR is a daunting proposition for any researcher to speak at. I hope that I can progress some way towards meeting its highest standards in the form of this talk, by raising an issue that is germane to all of us in today's forum and that is worthy of being tackled in due course – that of, Monetary Transmission in India: Why is it important and why hasn't it worked well?

Let me start with some technical jargon and then explain from first principles the part of it I wish to focus on. With the amendment of the Reserve Bank of India Act in 2016, the 'primary objective of the monetary policy is to maintain price stability

while keeping in mind the objective of growth'. The Monetary Policy Committee (MPC) constituted under the amended RBI Act is mandated to determine the policy repo rate to achieve the specified medium-term inflation target of 4 per cent, within a band of +/- 2 per cent. For the Reserve Bank to achieve its mandate effectively, it is extremely important that an economic process referred to as 'monetary transmission' works seamlessly. Any impediment to this process of monetary transmission hampers the achievement of our mandate. We, therefore, monitor and analyse monetary transmission on a regular basis, and undertake corrective steps to enhance its efficacy, if it seems broken or critically imperfect.

What is monetary transmission? It is essentially the process through which the policy action of the central bank is transmitted to the ultimate objective of stable inflation and growth. The policy action consists typically of changing the interest rate at which it borrows or lends 'reserves' (in our case, Rupees) on an overnight basis with commercial banks. In other words, monetary transmission is the entire process starting from the change in the policy rate by the central bank to various money market rates such as inter-bank lending rates, to bank deposit rates, to bank lending rates to households and firms, to government and corporate bond yields, and to asset prices such as stock prices and house prices, culminating in its impact on inflation and growth. The transmission mechanism hinges crucially on how monetary policy changes influence households' and firms' behaviour. This change can take place through several channels. Studying these channels is a vast subject in finance and economics literature. Therefore, given the time constraint, I will only cover a few key aspects. I will then explain how and why monetary transmission has, and more importantly, has not, worked in India, and touch also briefly upon how we could improve it.

Channels of Monetary Transmission:

Changes in the central bank's policy rate impact the economy with lags through a variety of channels,

* Dr. Viral V Acharya, Deputy Governor - November 16, 2017 - Inaugural Aveek Guha Memorial Lecture, Homi Bhabha Auditorium, Tata Institute of Fundamental Research (TIFR), Mumbai.

the primary ones being (i) interest rate channel, (ii) credit channel, (iii) exchange rate channel, and (iv) asset price channel.

Let us start with how the interest rate channel works. The immediate impact of a change in the monetary policy rate is on the short-term money market rates (such as call money rate, certificates of deposit, commercial papers, treasury bills), key financial markets (exchange rate, equity prices), and also on medium and long-term instruments (yields on dated government securities and corporate bonds). The impact is typically quick and broadly one-to-one from the policy rate to short-term money market rates such as the call money rate which is the unsecured or uncollateralised inter-bank lending rate: A bank will be willing to part with its reserves overnight to another bank only if it earns at least the rate that it could earn by parking these funds with the central bank; and, if banks compete adequately for such lending, then the rate will in fact track closely the central bank's policy rate. The impact of the policy rate on other market rates varies across tenors and instruments depending upon the liquidity conditions and other factors such as how interest rates vary at different maturities.

In turn, the central bank's changes in its policy rate are expected to impact the banks' cost of funds, both the rates they would pay to depositors and the rates they would demand for making loans. For example, when a central bank reduces the policy repo rate with the intention to support aggregate demand in the economy, the expectation is that there would be a reduction in the banks' cost of funds and lending rates, and in the spectrum of market interest rates (and *vice versa* when the policy rate is increased). Lower lending interest rates of banks provide a boost to demand for bank credit from various segments of the society, for instance, from individuals and households for loans for consumer durables (such as automobiles) and for housing; and from entrepreneurs for new or increased investment in plant and machinery. An increased demand for automobiles, housing, and machinery

generates increased demand for the inputs including labour in these industries, and hence, an increase in overall demand, incomes, and output in the economy. As this process continues, it eventually puts upward pressure on wages of labor and prices of inputs, and this way, raises inflation. A central bank mandated to maintain stable prices while taking account of growth thus faces a trade-off while lowering or raising its policy rate.

The implicit assumption here is that bank balance sheets are strong and in a position to step-up quickly the supply of credit in response to lower funding cost and higher demand for credit – the bank lending or the credit channel of transmission. Cross-country evidence indicates that monetary transmission is greatly hindered if bank balance sheets are weak in that they do not have much loss-absorption capacity to deal squarely with their problem loans – indeed, the evidence suggests that there might be ever-greening of bad loans, and increased 'zombie' lending, lending to distressed firms at subsidised rates to kick the can of loan defaults down the road, resulting in misallocation of resources, productivity losses and weak growth. This way, attempts to stimulate growth with aggressive policy rate cuts when there are bank balance-sheet problems get wasted and can even backfire in the form of mal-investments, creating false hopes of a growth boost and relaxing the pedal on deeper balance-sheet and structural reforms of the banking sector¹. The effectiveness of this bank credit channel is a critical issue in the current juncture in India to which I will come back later.

Lower interest rates also boost asset prices such as housing and equity prices as these can now be purchased at cheaper borrowing costs. The resulting boost to household / corporate wealth and improved cash flows on the back of lower interest rates also add to the demand impulses. This is the asset price

¹ Acharya, V.V., T. Eisert, C. Eufinger, and C.W. Hirsch (2016), 'Whatever it Takes: The Real Effects of Unconventional Monetary Policy', Working Paper, New York University Stern School of Business.

channel of monetary transmission. Higher asset prices can enhance the value of the collateral or net worth of the borrowers, interacting with the bank lending or credit channel, enhancing the capacity to borrow more and at competitive rates, reinforcing the impulses to aggregate demand.

Finally, lower domestic interest rates could lead to a depreciation of the domestic currency, on the one hand making exports more competitive in the global market and adding to domestic demand and economic activity, but on the other hand, could also have a direct upward impact on the domestic currency prices of imported inputs, making imports (for example, crude oil) costlier. This is the exchange rate channel of transmission.

All the channels that I have described above – the interest rate channel, the bank lending or credit channel, the asset price channel, and the exchange rate channel – are not standalone channels; rather, these work at the same time, and may reinforce or interact with each other, so that their individual impact is difficult to disentangle. It also needs to be recognised that the transmission mechanism is complex. The speed and strength at which the central bank's policy rate changes travel to the rest of the economy could vary widely from country to country depending on the structure of the economy and the state of its financial system.

Monetary Policy Lags

The available empirical evidence for India suggests that monetary policy actions are felt with a lag of 2-3 quarters on output and with a lag of 3-4 quarters on inflation, and the impact persists for 8-12 quarters. Among the channels of transmission, the interest rate channel has been found to be the strongest². Given

² Report of the Expert Committee to Revise and Strengthen the Monetary Policy Framework (Chairman: Urjit R. Patel), 2014, Reserve Bank of India. The lags of 2-4 quarters that I just noted are the average lags over the sample periods of various studies, and the actual lags at any given point of time could be vastly different from these average lags, depending upon factors such as the stage of the domestic and the global business cycle, the domestic liquidity and financial conditions, the fiscal stance, the health of the domestic banking sector and the non-banking sector.

that monetary policy impacts output and inflation with long (and often variable) lags, it is critical for monetary policy actions to be forward-looking, *i.e.*, monetary policy needs to respond to expected output and inflation developments. Of course, the expected evolution of output and inflation is uncertain, thereby rendering the transmission analysis even more challenging, adding to the complexity of the central bank's decision-making (and creating exciting opportunities for its critiques!). The key point is that if parts of the transmission machinery are broken, then monetary policy would be less effective.

Transmission from Policy Rate to Bank Lending Rates in India: Performance

The Indian financial system remains bank-dominated, though the share of non-bank finance companies (NBFCs) and markets (corporate bonds, commercial paper, equity, *etc.*) in overall financing of the economy is steadily rising. Hence, the overall efficacy of monetary transmission in India hinges critically on the extent and the pace with which banks, taking a cue from – and induced by – the changes in the policy repo rate, adjust their deposit and lending rates and meet adequately the economy's demand for credit. Overall, data suggests that the pass-through from policy rate changes to bank lending rates has been slow and muted. This lack of adequate monetary transmission remains a key policy concern for the Reserve Bank as it blunts the impact of its policy changes on economic activity and inflation.

Since the deregulation of interest rates in the early 1990s, the Reserve Bank has made several attempts to improve the speed and extent of the monetary pass-through by refining the process of setting lending interest rates by banks, while at the same time imparting transparency to borrowers and flexibility to banks in the process of interest rate setting. We have transited from the prime lending rate (PLR) system (1994) to the benchmark prime lending rate (BPLR) system (2003), the base rate system (2010), and the present marginal cost of funds based lending

rate (MCLR) system (2016). Let me explain these interest rate setting regimes briefly, before I turn to an assessment of the performance of the (legacy) Base Rate and (prevalent) MCLR systems.

In India, as in a number of other countries, a large proportion of loans is at floating rates, *i.e.*, the interest rate charged to the borrower keeps changing depending on the reset periodicity. The floating rate is linked to some 'benchmark rate' (which ideally varies over time in consonance with the changing macroeconomic and financial conditions and, in particular, the central bank's policy rate). Banks also charge a spread over the benchmark to factor in term premia and credit risk, among other factors. The actual lending rate is the benchmark plus the spread. The benchmark could be internal or external; an internal benchmark will be based on elements which are in part under the control of the bank such as cost of funds, while an external benchmark is outside the control of the bank (for example, it could be market determined rate such as Certificate of Deposit rate or Treasury Bill rate or Inter-Bank Offer Rate, or it could simply be the central bank's policy rate). The virtue of an external benchmark is that it is transparent, common across banks, and borrowers can compare various loan offers by simply comparing spreads over the benchmark (all else, such as maturity of the loan, being equal). As market rates normally move in line with the central bank's policy rate, an external benchmark is globally considered and adopted as more appropriate than an internal benchmark for transmitting monetary policy signals. In India, the Reserve Bank has provided the banks flexibility to use both the internal and external benchmarks, but the banks seem to have preferred internal benchmarks over external benchmarks on two key grounds: first, the internal benchmark reflects their cost of funds, and second, it has been perceived that there have not been until recently any robust and vibrant external benchmarks.

In October 1994, when the Reserve Bank deregulated lending rates for credit limits over ₹2 lakh,

banks were required to declare their prime lending rates (PLR) – the interest rate charged for the most creditworthy borrowers – taking into account factors such as cost of funds and transaction costs. The PLR was, thus, expected to act as a floor for lending above ₹2 lakh. However, the experience with its working was not satisfactory mainly for two reasons: (i) both the PLR and the spread charged over the PLR varied widely, and inexplicably so, across banks; and perhaps more importantly, (ii) the PLRs of banks were rigid and inflexible in relation to the overall direction of interest rates in the economy.

In view of these concerns, the Reserve Bank advised banks in April 2003 to announce Benchmark PLRs (BPLRs), taking into account the cost of funds, operational costs, minimum margin to cover regulatory requirements (provisioning and capital charge), and profit margin. The BPLR system also fell short of its desired objective of enhancing transparency and serving as the reference rate for pricing of loan products, with a large part of the lending taking place at interest rates below the announced BPLRs. The share of sub-BPLR lending was as high as 77 per cent in September 2008, rendering it difficult to assess the transmission of policy rate changes of the Reserve Bank to lending rates of banks. The residential housing loans and the consumer durable loans were outside the purview of the BPLR. As such, sub-BPLR lending became a major distortion in terms of cross-subsidisation across borrower categories.

Next, the drawbacks of the BPLR system led to the introduction of the base rate system in July 2010. The base rate was also based, *inter alia*, on the costs of borrowed funds; an indicative formula for arriving at the base rate was also provided. The base rate was to be the minimum rate for all loans (except for some specified categories) with the actual lending rate charged to the borrowers being the base rate plus borrower-specific charge or spread. In practice, the flexibility accorded to banks in the determination of cost of funds – average, marginal or blended cost – caused opacity in the determination of lending rates

by banks and clouded an accurate assessment of the speed and strength of the transmission. Moreover, banks often adjusted the spread over the base rate to benefit the new borrowers while leaving the transmission through the base rate weak for existing borrowers.

The weaknesses and rigidities observed with the transmission under the base rate system led to the present system, *i.e.*, the MCLR system effective April 1, 2016. With banks required to determine their benchmark lending rates taking into account the marginal cost of funds [unlike the base rate system where banks had the discretion to choose between the average cost or the marginal cost (or blended cost) of funds], lending rates were expected to be more sensitive to the changes in the policy rate under the MCLR system *vis-à-vis* its predecessor (the base rate). The actual lending rate is based on MCLR plus a spread (business strategy and credit risk premium). The base rate system was allowed to be in operation concomitantly for the loans already contracted, pending their maturity or a shift to the MCLR system at mutually agreeable terms between

the bank and the borrower.

The expected benefits of the MCLR system – better transparency, more flexibility and faster transmission – have, however, continued to elude as documented in the Reserve Bank's recent study – 'Report of the Internal Study Group to Review the Working of the Marginal Cost of Funds Based Lending Rate System' (Chairman: Dr. Janak Raj), the analysis wherein indicates that the transmission:

- has been slow and incomplete under both the base rate and the MCLR systems, although it has improved since November 2016 under the pressure of large surplus liquidity in the system post demonetisation (Table 1).
- was significant on fresh loans, but muted for outstanding loans (base rate and MCLR).
- was uneven across borrowing categories.
- was asymmetric over monetary policy cycles – higher during the tightening phase and lower during the easing phase – irrespective of the interest rate system.³

Table 1: Transmission from the Policy Repo Rate to Banks' Deposit and Lending Rates

(Variation in percentage points)

Period	Repo Rate	Term Deposit Rates		Lending Rates			
		Median Term Deposit Rate	WADTDR	Median Base Rate	Median MCLR (1-year)	WALR – Outstanding Rupee Loans	WALR – Fresh Rupee Loans
October 2017 over end-December 2014	-2.00	-1.66	-1.99	-0.75	*	-1.39	-1.92
October 2017 over April 1, 2016	-0.75	-0.94	-1.08	-0.15	-1.15	-0.75	-0.94
Memo:							
Pre-Demonetisation							
January 2015 to October 2016	-1.75	-0.99	-1.26	-0.61	*	-0.75	-0.97
April 1, 2016 to October 2016	-0.50	-0.27	-0.35	-0.01	-0.15	-0.11	0.01
Post Demonetisation							
November 2016 to October 2017	-0.25	-0.67	-0.73	-0.14	-1.00	-0.64	-0.95

WADTDR: Weighted Average Domestic Term Deposit Rate.
MCLR: Marginal Cost of Funds based Lending Rate.
Latest data for WALRs and WADTDR pertain to September 2017.

WALR: Weighted Average Lending Rate.
*: MCLR system was put in place in April 2016.

Source: Reserve Bank of India.

³ For instance, the pass-through to outstanding loans from the repo rate was around 60 per cent during the tightening phase (July 2010 to March 2012), while it was less than 40 per cent during the subsequent easing phase (April 2012 to June 2013).

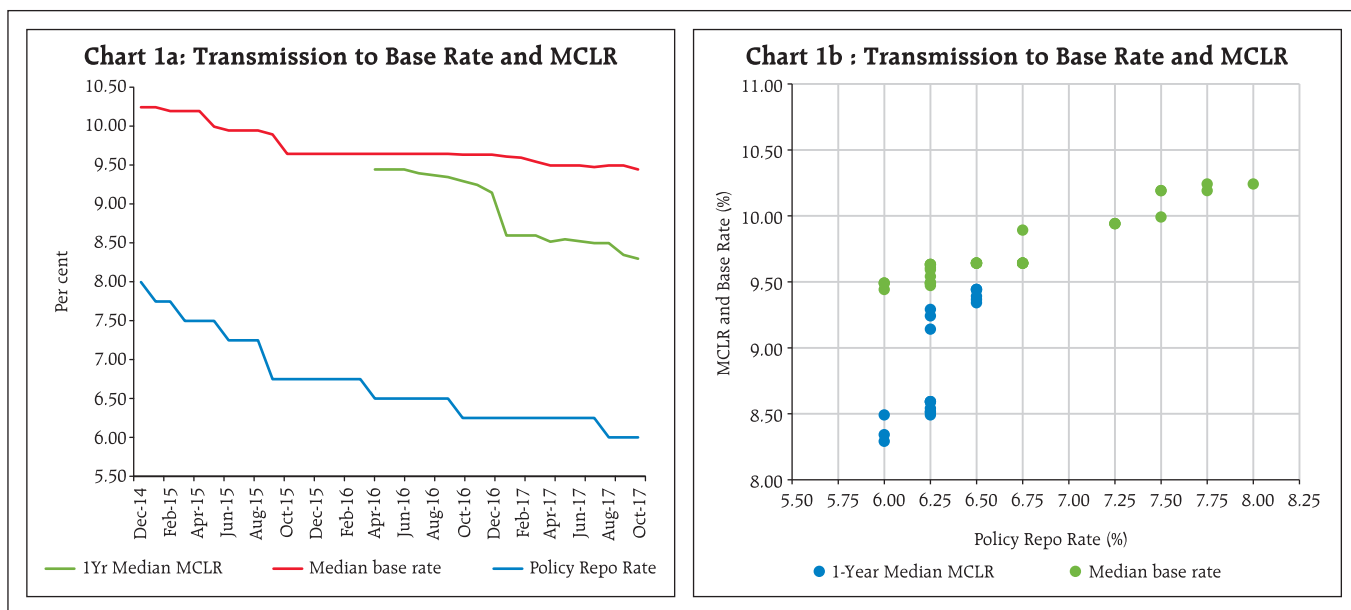
Transmission from Policy Rate to Bank Lending Rates: Some Issues

What explains the slow and incomplete pass-through from the policy rate changes to the lending rates? Two broad factors have dampened transmission to the lending rates.

First, a sizeable legacy loan portfolio of banks is still linked to the base rate (about 30 per cent of the outstanding bank loans). Lending rates under the base rate system are relatively stickier than the loans linked to MCLR. During the current easing cycle of monetary policy, as against 200 bps cumulative cut in the repo rate, the base rate has declined by about 80 bps. Since the introduction of the MCLR in April 2016, as against the cumulative cut in repo rate by 50 bps, the base rate has declined by just about 20 bps (Charts 1a and 1b). The Study Group's analysis suggested

that banks deviated in an *ad hoc* manner from the specified methodologies for calculating the base rate and the MCLR to either inflate the base rate and MCLR or prevent the base rate and MCLR from falling in line with the cost of funds.⁴

Second, spreads charged by banks over MCLR were adjusted to offset the changes in MCLR, thereby impacting the overall reduction in lending rates. The spread over the MCLR could vary from bank to bank due to idiosyncratic factors. However, as the Study Group observed, banks adjusted the spread over the MCLR arbitrarily in several ways and the variations in the spreads across banks appeared too large to be explained based on bank-level business strategy and borrower-level credit risk.⁵ The Study Group also observed that while the spread over the MCLR was expected to play only a small role in determining the



⁴ The *ad hoc* adjustments included, *inter alia*, (i) inappropriate calculation of the cost of funds; (ii) no change in the base rate even as the cost of deposits declined significantly; (iii) sharp increase in the return on net worth out of tune with past track record or future prospects to offset the impact of reduction in the cost of deposits on the lending rate; and (iv) inclusion of new components in the base rate formula to adjust the rate to a desired level. The slow transmission to the base rate loan portfolio was further accentuated by the long (annual) reset periods.

⁵ For example, the Study Group found that: (i) large reduction in MCLR was partly offset by some banks by a simultaneous increase in the spread in the form of business strategy premium ostensibly to reduce the pass-through to lending rates; (ii) there was no documentation of the rationale for fixing business strategy premium for various sectors; (iii) many banks did not have a board approved policy for working out the components of spread charged to a customer; (iv) some banks did not have any methodology for computing the spread, which was merely treated as a residual arrived at by deducting the MCLR from the actual prevailing lending rate; and (v) the credit risk element was not applied based on the credit rating of the borrower concerned, but on the historically observed probability of default (PD) and loss given default (LGD) of the credit portfolio/sector concerned.

Table-2: Maturity Profile of term Deposits of Scheduled Commercial Banks

(% share in total Term Deposits)

End-March	Up to 90 days	91-days to 6 month	6-month to 1 year	1 year to 2 years	2 years to 3 years	3 years to 5 years	5 years and above
2005	13.9	10.5	15.0	23.4	10.7	18.1	8.4
2010	6.9	8.4	13.7	37.9	12.3	12.4	8.3
2015	7.5	4.1	12.6	40.4	10.1	11.4	13.9
2016	7.2	4.0	9.2	43.3	10.6	11.8	14.0

Source: Handbook of Statistics on the Indian Economy, RBI.

lending rates by banks, it has turned out to be the key element in deciding the overall lending rates.

What explains the muted pass-through from policy rate to bank lending rates, either by banks not changing the benchmark rate or by adjusting the spread?

One plausible underlying reason is the rate rigidity on the liability side of banks caused by several factors. In India, about 90 per cent of total liabilities of banks are in the form of deposits. Bank deposits are predominantly at fixed interest rates, thereby imparting rigidity to the transmission process. Further, over 36 per cent of term deposits of banks have maturity of three years and above (Table-2), implying their rates get reset infrequently and with significant lags to policy rate changes. While the banks' marginal cost of funds may drop quickly with a cut in fresh deposit rates, the average cost of deposits comes down rather slowly, which weakens the transmission, especially in the case of the base rate system.

What is often not recognised is the large access our banks have to low cost Current and Savings Account (CASA) funds. CASA funds constitute about 40 per cent of aggregate bank deposits with the share of saving deposits at around 31 per cent. Importantly, banks are free to decide saving deposit interest rates since October 2011, but until recently, most of the banks chose to leave the saving deposit rate unchanged, ignoring completely monetary policy signals. For instance, the major banks kept their saving deposit rate unchanged at 4 per cent between October

2011 and July 2017, even as the Reserve Bank's policy rate moved significantly over this period from 8.5 per cent in October 2011 to 7.25 per cent in August 2013. It increased again to 8.0 per cent by January 2014, before declining to 6.0 per cent by August 2017.

Furthermore, the deterioration in banking sector health due to worsening of asset quality over the past 2-3 years and the expected loan losses in credit portfolios also seem to have induced large variability in spreads in the pricing of assets. With under-capitalised banks aiming to protect their net interest margins⁶ (NIMs) – indeed, weak banks' NIMs have remained broadly unchanged in the face of large stressed assets – so as to maintain profitability in the short-term even at the expense of long-term profits as well as deposits and lending shares, the transmission to lending rates has been severely impacted. In effect, there has been a cross-subsidisation of corporate loan losses by lending rates in healthier sectors such as in retail.

Finally, the competition that banks face from alternative instruments of financial savings – such as mutual funds and small saving schemes – also seems to have made banks hesitant in varying the interest rates on term deposits in consonance with policy rate signals. Although bank deposits have some distinct advantages in the form of stable returns (*vis-à-vis* mutual fund schemes) and liquidity (*vis-*

⁶ Net interest margin is defined as the difference between a bank's interest income (on its loans and assets) less its interest expenditure (on its deposits and other borrowings).

à-vis small saving schemes), bank deposits are in a disadvantageous position in terms of tax-adjusted returns in comparison with these schemes.

All of these factors have imparted rigidity to the liability side of banks' balance sheet with respect to policy rate changes, in turn inducing behaviour to make the rates on asset side of banks' balance sheet rigid too.

Improving Transmission: The Way Forward

Drawing from its comprehensive analysis, the RBI's Study Group has suggested a number of steps to enhance transparency and transmission from monetary policy signals to the actual lending rates. Their recommendations pertain to improving transmission based on the existing lending rate system as well as a fundamental reform of the interest rate setting process. Let me touch upon the four major recommendation by the Study Group.

In view of the less than desired transmission and transparency under the internal benchmark based lending rate systems – PLR, BPLR, base rate and MCLR – so far, the Study Group has recommended that there is need to shift to an external benchmark based lending rate system. The internal benchmark-based pricing regimes are not in sync with global practices on pricing of bank loans. Given the scope of arbitrariness under the MCLR system, the Study Group has recommended that the switchover to an external benchmark needs to be pursued in a time-bound manner. While recognising that no external instrument in India meets all the requirements of an ideal benchmark, and after analysing the pros and cons of 13 possible candidates, the Study Group has recommended that the Treasury Bill rate, the Certificate of Deposit (CD) rate, and the Reserve Bank of India's policy repo rate are better suited than other interest rates to serve the role of an external benchmark. The Study Group has recommended that all floating rate loans extended beginning April 1, 2018 could be referenced to one of

the three external benchmarks selected by the Reserve Bank after receiving and evaluating the feedback from stakeholders.

Second, the Study Group has recommended that the decision on the spread over the external benchmark could be left to the commercial judgment of banks, with the spread remaining fixed all through the term of the loan, unless there is a credit event (as per standardised or *ex ante* mutually agreed definition of "credit event").

Third, the periodicity of resetting the interest rates by banks on all floating rate loans, retail as well as corporate, be reduced from once in a year to once in a quarter to expedite the pass-through from the monetary policy signal to the actual lending rates.

Fourth, to reduce rigidity on liabilities side, banks be encouraged to accept deposits, especially bulk deposits, at floating rates linked directly to the selected external benchmark.

The common theme underlying these recommendations is to improve monetary transmission by ensuring that changes in the policy rate transmit quickly and adequately to banks' lending rates in a transparent manner without any cross-subsidisation and discrimination between existing and new borrowers. The idea is also to make banks' liability side more flexible so that the objectives of improving monetary transmission by the Reserve Bank and maintaining healthy net interest rate margins by banks are aligned.

The report of the Study Group, which was put in the public domain on October 4, 2017 has generated much interest and extensive feedback to the Reserve Bank from all stakeholders, not only banks, but also general public and media. We have received a number of useful suggestions and comments on the recommendations of the Study Group. These are being examined carefully and would help us to take a considered view, factoring in transition

costs and providing a calibrated path to the desired benchmarking system.

Improving Monetary Transmission: Shoring up Bank Balance Sheets

As explained earlier, even as the Reserve Bank has reduced its policy repo rate by 50 bps since October 2016 and by a cumulative 200 bps since December 2014, the banking sector's credit growth has remained much muted. While weak demand for bank credit could be one of the factors leading to the observed slowdown in credit growth, a primary cause of the slowdown had also been the weak balance sheets of public sector banks in view of large non-performing assets which seem to have made banks risk averse and induced them to reduce the supply of credit: under-capitalised banks have capital only to survive, not to grow⁷. The dominance of the supply side factor has also been borne out by the fact that the credit growth of private sector banks (better asset quality and well-capitalised on average) remains robust, whereas there has been a sharp deceleration in the credit growth of public sector banks (especially the ones with high stressed assets).

Against this backdrop, the enactment of the Insolvency and Bankruptcy Code (IBC) in December 2016, the promulgation of the Banking Regulation (Amendment) Ordinance 2017 (since notified as an Act), and the subsequent actions taken thereunder in the form of the Reserve Bank requiring banks refer the largest, material and aged non-performing assets (NPAs) to the IBC, have made the IBC a lynchpin of the new time-bound resolution framework for bank NPAs.

These initiatives will now be supported by the Government's decision to recapitalise public sector banks in a front-loaded manner, with a total allocation of ₹2.1 trillion, comprising budgetary provisions

(₹181 billion), recapitalisation bonds (₹1.35 trillion), and raising of capital by banks from the market while diluting government equity share (around ₹580 billion).

The two steps together – asset resolution and bank recapitalisation – are expected to strengthen bank balance sheets significantly and improve banks' ability and willingness to lend at rates in consonance with policy rates and result in an improved monetary transmission.

Concluding Observations

In summary, efficient monetary transmission is a *sine qua non* for the successful pursuit of its objectives by any central bank. Over the past two decades, it has been the endeavour of the Reserve Bank to strengthen the monetary transmission process, but these efforts have yet not yielded the desired results. The transmission from the policy repo rate to bank lending rates, which is the dominant transmission channel in India, has remained a matter of concern. With the recent explicit objective of price stability mandated by the legislature, the issue of smooth monetary transmission has assumed an added significance. Against this backdrop, we have recently put out a report by the Internal Study Group to address the weaknesses of the existing monetary transmission system. A key suggestion before us is to whether to shift the loan pricing system from an internal benchmark to an external benchmark. The Reserve Bank will take a considered view in the matter at an appropriate time.

In my view, there is a deeper economic issue at hand in the recommendation to move towards an external benchmark. The issue is: who should bear the interest rate risk in the economy – the borrower, or the depositor, or the bank? Who is likely to be better at managing the interest rate risk? Retail depositors and borrowers are unlikely to have efficient tools to manage the interest rate risk. Banks, however,

⁷ Acharya, Viral V (2017), "The Unfinished Agenda: Restoring Public Sector Bank Health in India", 8th R K Talwar Memorial Lecture.

should have the wherewithal to manage interest rate risk. Similarly, bulk depositors and large corporate borrowers can also be expected to be in a position to manage the interest rate risk. Non-bank financial institutions with less exposure to interest rate risk, such as insurance and pension funds, could also be good repositories of this risk. Foreign banks may be able to offset interest rate risk globally. A combination of interest-rate risk transfer mechanisms through

market products such as interest-rate derivatives (swaps, in particular) and securitised products such as collateralised loan obligations (CLOs) will spring about, provided banks indeed have to manage the interest rate risk rather than have it as a matter of convenience to pass it onto borrowers.

Hopefully, I will focus sometime soon on these issues in a companion piece – Monetary Transmission in India: How can it be improved?

*One Year in the Life of India's Monetary Policy Committee**

Michael Debabrata Patra

At 2.30 pm on October 4, 2017 the resolution of the Monetary Policy Committee (MPC) was released on the website of the Reserve Bank of India (RBI) and history was made in a small way. Exactly a year ago, a page was turned on a tradition that went back to the origins of the RBI in pre-independent India. The monetary policy decision, hitherto made solely by the Governor of the RBI, was ceded to a six-member committee comprising the Governor as the Chairperson, the Deputy Governor in charge of monetary policy, one officer of the RBI appointed by its Central Board, and three external members appointed by the central government. The room filled with debate and argumentation, challenge and counter-challenge, articulations of well-defended individualistic assessments, and voting – India's monetary policy was undergoing a regime change. Quietly ushered in, without any grandeur about it or anything like that, it was a big step towards the modernisation of the conduct of monetary policy in India.

Invested by legislative mandate – through an amendment to the RBI Act – with the goal of 'maintaining price stability keeping in mind the objective of growth', India joined a select but growing band of countries that, beginning in 1990, adopted flexible inflation targeting (FIT) as their framework for

* Michael Debabrata Patra, Executive Director, Reserve Bank of India, October 27, 2017, at the Jaipur regional office of the Reserve Bank of India.

The theme of this lecture was inspired by an interview given by Governor Dr. Urjit R. Patel in the Mint, October 9, 2017 available at <http://www.livemint.com/Industry/Gr9H0MnqAL5Ko4PdGa7fdL/RBI-governor-Urjit-Patel-Weve-started-seeing-the-upturn-in.html>.

I am grateful to Dr. Viral V. Acharya for valuable comments. Inputs from Shri Sitikantha Pattanaik, Dr. Praggya Das, Dr. Rajiv Ranjan, Dr. Rajeev Jain and Dr. Jai Chander are also acknowledged with appreciation. The usual disclaimers apply.

monetary policy. Under FIT, price stability is accorded primacy as an objective of monetary policy, while being mindful of the state of the economy. Accordingly, the target for inflation is to be achieved over a medium term horizon rather than at a point in time to mitigate any output effects that disinflation could entail. Furthermore, the target itself is set within a band or range in acknowledgement of potential supply shocks that well up outside monetary policy's realm. Accountability for failure to ensure the inflation band is generally defined, but after taking into account the various lags characterising the operation of monetary policy.

In India, the amended RBI Act defines the metric for the inflation target as the year-on-year change in the monthly consumer price index (CPI). The numerical inflation target has been set by the government at four per cent, with an upper tolerance level of 6 per cent and a lower tolerance level of 2 per cent, internalising flexibility. The amended RBI Act has also specified accountability norms for dealing with failure to achieve the inflation target while building in recognition of the lags inherent in the conduct of monetary policy. It defines failure as average inflation breaching the tolerance band for three consecutive quarters, not instantly. Although concerns about inflation had dominated monetary policy over the past decades in deference to a societal intolerance threshold, such an explicit commitment to a numerical inflation target as the centre-piece of policy had never been made.

It was veritably a baptism by fire for the MPC, the new kid on the block in a cross-country sense of the term. The amendment to the RBI Act, the inflation target and tolerance band around it, and accountability with respect to failure to achieve the target were notified in the Gazette of India during May-August 2016. They were widely telegraphed and occupied many media bytes. What was little noticed, however, was that it was only on September 29, 2016 that a press release of the Government of India (GoI) informed the world about the appointment of the MPC. Just one working

day later, the MPC plunged into its work and on October 4, it issued its first resolution, unanimously backed. Many 'firsts' surround that *debut*. As the statutory semi-annual Monetary Policy Report (MPR) of October 2016 noted: "For the first time in its history, the RBI has been provided the explicit legislative mandate to operate the monetary policy framework of the country. The primary objective of monetary policy has also been defined for the first time. The amendments also provide for the constitution of a monetary policy committee that shall determine the policy rate required to achieve the inflation target, another landmark in India's monetary history." Each of these milestones warrants a more detailed exposition to catch the inflexions around the turning points. Indeed, each shall receive its due and enter the pantheon of legends in my memoirs. In the interest of brevity and time, however, I shall devote the rest of my lecture to (I) the initial conditions that brought to critical mass the urgency of the regime shift; (II) the RBI's efforts to build the institutional architecture ahead of and to prepare the ground for FIT; (III) the high wire that electrified the six decisions the MPC took in its formative year; and (IV) the conflicting pulls and trade-offs that shaped the decision of October 4, 2017 – arguably, one of the most testing.

II. The Initial Conditions

Today, the Indian economy basks in macroeconomic stability with a configuration that could be the envy of peers: a fiscal deficit steadfastly consolidating towards a Maastricht-like rendezvous with a strong consensus that its quality matters; inflation below target, shepherded by an MPC committed to the centre of the band notified by government; a current account deficit below 1 per cent of GDP and sustainable in terms of a dashboard of external sector indicators – overall, a sweet spot by any consideration! Yet, just four years ago, an ocean of vulnerability engulfed the economy. The situation around the 'taper tantrum' seemed so dire that even a growth rate of 6.6 per cent and foreign exchange reserves of close to US \$ 300 billion seemed

like matchsticks before a tide that swept India into the infamous 'fragile five' in that fateful summer of 2013. In a fundamental way, it was those troubled conditions that provided the impetus for monetary policy regime change.

India was among the first nations to rebound from the global financial crisis, with tailwinds from a fiscal stimulus, the RBI's policy rate cut cumulatively by 425 basis points and access to potential liquidity from the Reserve Bank expanded to as high as 10 per cent of GDP with a view to keeping financial institutions functional as financial markets seized up. In 2009, growth seemed set to accelerate to the aspirational double digits that Indians dream about. Long embarrassed by the parlous state of the physical infrastructure, we set out to build world class roads, airports, power supply and ports. The financial sector was expected to take a lead role in creating conducive conditions for this big push even, as we have learned painfully, at the risk of much loss of governance and risk control.

There was, however, a serpent in the garden! Starting out innocuously in the guise of food prices rising on the back of a monsoon failure, inflation reared its ugly head, hidden behind the heady upswing of growth that deceptively appeared too good to interrupt. The wholesale price index (WPI), the official metric for measuring inflation then, failed to detect it initially – although the WPI food index rose by close to 15 per cent in 2009, headline inflation measured as the year-on-year change in the WPI remained below 4 per cent. It was beguilingly pulled down by the core measure of those days – WPI non-food manufactured products inflation was close to zero! By contrast, inflation in terms of the consumer price index for industrial workers (CPI-IW) was raging at above 12 per cent. Spreading incipiently, food inflation became generalised by 2010-11. The WPI picked it up by then, and spillovers to prices of non-food manufactured products started getting manifested. By the time there was a policy reaction in March 2010, it was too late. Over the period 2009-12, inflation averaged 10.4 per

cent measured by the CPI-IW and 7.4 per cent by the WPI. Thirteen policy rate increases failed to excoriate it. Entrenched now in the system, it began to mutate like a multi-headed Hydra.

Inflation is not just the rate of increase of the price level. It is also considered an index of the quality of governance and macroeconomic management by the state which seeks to assure the well-being of its people who have relinquished to it some control over their lives for the greater common good. Indian society is well-known for zero tolerance for double digit inflation. Often in the not too distant past, it has been a pivotal election issue and governments have been voted out of office over the price of the lowly onion. In the year 2009 itself, inflation expectations of households a year ahead rose by 400 basis points. By the end of the year, they crossed 12 per cent and kept climbing, entrenched in those high reaches. People were completely discounting the possibility of putting the genie back into the bottle. This time around, however, they did not take recourse to the ballot. They did something more sinister – they bought gold!

As inflation outcomes and expectations climbed, the real rate of return on bank deposits started to get eroded and even turned negative. Saving in financial assets became a losing proposition. So people pulled out their money from bank deposits and other financial assets and put it into gold. For India, buying gold is just another conduit of capital flight; only 2 per cent of India's gold demand is mined domestically. Since 2012, India was already the largest consumer of gold. In the troubled years (2009-12), an annual average of 700-800 tonnes of gold imports surged to cross 1000 tonnes. With gold constituting 11 per cent of total imports, the current account deficit began to expand and by the third quarter of 2012-13, it reached 6.8 per cent of GDP – a time bomb ticking away, waiting to explode. Indeed, the RBI warned of the danger posed by the burgeoning current account deficit in its monetary policy statements of 2011-12 and 2012-13, but with the intoxicating surges of capital inflows of that time, these warnings went unheeded.

In hindsight, it was a crisis waiting for ignition. That was provided in May 2013 when the Federal Reserve (Fed) hinted at the possibility of normalising monetary policy later in the year. Financial markets were rudely jolted out of the complacency that the Fed's quantitative easing (QE) had spread since 2009. Foreign capital started frantically herding at exits out of emerging market economies (EMEs) to scramble for safe haven. Currencies, yields and equities were roiled as investors fled out of EMEs – perceived as risky asset classes – and contagion claimed one economy after another. In particular, they lost faith in five emerging economies – Brazil, Indonesia, Turkey, South Africa, and India. The epithet – the 'fragile five' – entered the lexicon of financial markets.

Inflation had perniciously attacked the Indian economy in more ways than one. What started out as a dose of food inflation had eventually morphed into a balance of payments crisis. Monetary policy was subjected to its most severe challenge – the evaporation of credibility. The time for reform had arrived unannounced and was demanding immediate attention.

III. Building the Institutional Framework

The immediate response of the government and the RBI was to arrest the deterioration in the external accounts. Buffering up the reserves, restricting gold imports, tightening domestic liquidity to push up market interest rates – much has been written about the 2013 defence of the economy, and visceral memories of that turmoil remain. But, it was a time for soul searching – something rather basic was broke and needed to be fixed. The pledge of good governance and macroeconomic management to the people had taken a body blow and had to be re-built. Early on, it was clear that a fundamental change was due, something that would shake up the system and unsettle the ruling orthodoxy, something that would require an amendment to the RBI Act. Accordingly, starting in 2014, the RBI embarked upon building stone by stone – though not necessarily in chronological order – the institutional plinth for a new monetary policy framework.

In September 2013, an Expert Committee to Revise and Strengthen the Monetary Policy Framework was set up. The Expert Committee's recommendations provided the intellectual edifice on which the new framework would rest. It was an internally consistent model, complete in itself, ranging from the goal(s) of monetary policy; the instrument rule that would guide the policy maker's pursuit of the goal; the operating procedure; the transmission; and the international dimensions of monetary policy. It drew heavily on work accumulated before it and broke new ground as well.

The consumer price index, the official metric for gauging inflation, struck a chord with households and consumers by capturing price changes at the retail level, unlike the WPI which is closer to a producer price index or at least, it reflects wholesale price changes and tells households about inflation measured before it reaches them. Moreover, the WPI was until January 2012 a weekly index comprising 676 items. Price relatives were not always available or collected and often they were just repeated¹. All this was easier said than done. The public had for long been used to the RBI articulating inflation concerns in terms of the WPI under a multiple indicator based monetary policy framework. In January 2015, a new all India consumer price index had been constructed with 2012 as its base. The problem for the RBI was, however, that it had never reacted to CPI inflation before. Consequently, the responsiveness of CPI inflation to policy impulses was unknown. There was no way to calibrate policy actions. The anointment of headline CPI inflation as the official measure of inflation was a brave move in another significant aspect – almost half of the CPI basket was food! The Indian economy has had a long history of being buffeted by food shocks which exhibit persistence and spillovers. Supply shocks cannot be

within the remit of monetary policy. The RBI took the view that although the first incidence of a food shock is outside the purview of monetary policy, second round effects such as on inflation expectations and especially, spillovers impacting the rest of inflation are! It also judged that headline CPI inflation is more easily communicated than an exclusion measure stripped of its most salient components.

The RBI set out a glide path for bringing down inflation from its peak of 11.5 per cent in November 2013 towards more conscionable levels, abjuring a big bang in order to minimise output losses of disinflation. Within this path, it set up self-imposed targets – 8 per cent by the end of 2014; 6 per cent by end-2015 and 5 per cent by end-2016. These targets were achieved with a large measure of good luck (the collapse of international commodity prices in 2014; geometric averaging in the new CPI) but perhaps fortune favours the brave! This was the backdrop against which the MPC set about its work. It was destined to confront a growth-inflation balance on the razor's edge over the year ahead amidst heightened uncertainty.

IV. The Year Gone By

The first year of the MPC's functioning would be a tumultuous one in more ways than one. After several false starts, global demand and trade secured a tenuous foothold in the second half of 2016 and gained traction through the first half of 2017. Financial markets were churned by political events, though. In November 2016, the US presidential elections stampeded capital flows out of EMEs and a surge of the US dollar triggered sizeable depreciations in currencies around the world. Again in January 2017, the 'Brexit' roadmap and expectations of fiscal expansionism by the new US administration propelled the US dollar to a multi-year high. As 2017 progressed, reflation trade lifted equity markets, hardened bond yields and returned capital flows to emerging markets. The US dollar's bull run lost steam by mid-March; in fact, it weakened right through early September, while EME currencies traded with an appreciating bias. By late September,

¹ The WPI has a low weight for food items, which is not in sync with consumption patterns of households. It does not include services. Price relatives are drawn from a mix of markets, but primarily from bulk sale markets where ordinary consumers do not shop.

however, there was a complete reversal. The US dollar clawed back lost ground with the announcement of Fed balance sheet normalisation and tensions around North Korea. Capital outflows from EME equity markets gathered pace. For India, an improvement in external sector viability occurred despite these global developments. Generally buoyant capital inflows buffered up the foreign exchange reserves.

What would challenge the MPC throughout the year was the domestic dilemma – the trade-off between inflation and growth was set to become sharp and the tension between the two so acute that it would eventually impact the voting pattern of the MPC. Shortly, I am going to focus exclusively on the trials and tribulations facing the MPC in this crucial balancing act; for a moment, however, let me introspect on the RBI.

At the time of the MPC's first meeting a year ago, the RBI itself was caught up in the throes of leadership change – the twenty-fourth Governor had just assumed office; the Deputy Governor responsible for monetary policy had not yet been appointed, and the senior-most Deputy Governor had to step in to complete the six-member MPC. Also, the RBI had been working with the convivial guidance of a technical advisory committee since 2005. The more formal processes associated with an MPC had to be literally tailored from the cross-country experience to adapt to the country-specifics. What emerged was quite a unique sequence of institutional procedures informed heavily by internal management information systems.

As the MPC set about its first meeting, the accommodative cycle of monetary policy in India that commenced in January 2015 was maturing, with the policy rate having been reduced by a cumulative 150 basis points already. Yet, the ground underneath was moving. Macroeconomic and liquidity conditions were about to undergo tectonic shifts. The combination of a stronger than usual seasonal spike in vegetable prices, highly elevated pulses prices and international crude prices firming up from a recent trough, veered

inflation up from its projected path during April-July 2016, even as growth slowed. In the August CPI reading – which was the first print that became available to the MPC – a glimpse of the forming vortex was revealed. With a suddenness that overturned the April-July surge, inflation fell off a cliff as the prices of vegetables and pulses sank into deflation!

In these challenging circumstances, the MPC prognosticated inflation developments as '...a downward shift in the momentum of food inflation – which holds the key to future inflation outcomes....' This assessment would turn out to be prophetic! On the hope that the satisfactory monsoon and cautious business optimism would quicken growth in the window of opportunity that the lull in inflation opened up, the MPC voted unanimously for a reduction of 25 basis points in the policy rate. This took the cumulative rate reduction to 175 basis points in this phase of easing. In this meeting, the MPC maintained an accommodative policy stance.

Just a month later, demonetisation – which involved withdrawal of about 87 per cent of the outstanding stock of currency from circulation, setting off a sudden liquidity explosion in the system – altered monetary conditions drastically. Over the next few months, the pangs of currency exchange preoccupied the nation, but when the definitive history of that time is documented, the RBI's valiant defence of financial stability, right from the morning after, will hopefully receive its due. As the withdrawn currency notes were returned by the public, deposits flooded into banks and swamped them with idle reserves. A wall of liquidity started moving through financial markets, threatening to take down everything in its path – interest rates; yields; exchange rates; asset prices. Standing alone between the ocean of liquidity and financial chaos, the RBI mounted an extraordinary liquidity absorption strategy. It combined unconventional instruments with regular operations when the liquidity tsunami was so overwhelming that it could have completely depleted the RBI's stock of government securities

that are used as collateral in reverse repo auctions. In order to tide over the delay in obtaining market stabilisation scheme securities from the government, the incremental cash reserve ratio (ICRR) was deployed and for the first time in the RBI's history, an ICRR of the size of 100 per cent of the relevant demand and time liabilities of banks was applied.

These austere conditions weighed ponderously upon the MPC's meetings in December 2016, February and April 2017. *Ab initio*, the MPC recognised that its assessment of underlying conditions will likely be clouded by demonetisation effects that were unfolding in the form of transient disruption of cash-intensive segments of the economy, an abrupt compression of demand, restrained discretionary spending and fire sales of perishables that would reduce inflation temporarily. Accordingly, it decided – unanimously again – to look through these 'transitory but unclear effects' that were influencing the outlook disproportionately. It kept the policy rate unchanged through these meetings, but noting that inflation excluding food and fuel was setting a floor to headline inflation by exhibiting downward inflexibility. The MPC also worried that global financial market spillovers could impact macroeconomic conditions in emerging markets. Accordingly, it changed the policy stance from accommodative to neutral in its February meeting. Importantly, the MPC renewed its commitment to the inflation target of 4 per cent. In keeping with this stance, the RBI refined its liquidity management framework in its April meeting, *inter alia* narrowing the liquidity adjustment facility (LAF) corridor to +/-25 basis points (from +/-50 basis points earlier) to ensure a finer alignment of the weighted average call money rate, the operating target of monetary policy, with the policy rate.

Three features distinguish these meetings of the MPC. First, it was assailed by the criticism of large one-sided inflation forecast errors right up to the June inflation print, which turned out to be a historic low. Demonetisation was readily available to denounce.

Yet, the collapse in inflation occurred from August 2016, well before demonetisation, which could have accentuated it transitorily during November 2016-January 2017. The cumulative deviation of 80 basis points between actual inflation and forecasts between August 2016 and June 2017 was entirely due to the twin deflation of vegetable and pulses prices that produced a trend shift, holding a mirror to serious errors in food management which would later ignite wide-spread farmers' unrest. In this context, the MPR of October 2017 stated: 'These developments may warrant a reappraisal of the scope and quality of food management strategies that seem prone to failure in the face of shocks in either direction. In the past too, supply shocks, of which large one-sided deviations of inflation from projections are merely a symptom, drove disinflation episodes.' In the rush to pillory the scapegoat, attention was diverted from the real issues and consequently, from the right fixes. Second, there was an overwhelming preference to wait out the transitory effects of demonetisation. Although today, it appears the logical decision to take, markets were taken by surprise by the neutral stance and sentiment turned bearish. At the cost of a hawkish tone, the MPC was striving to anchor expectations in a situation when even the near-term was a step in the dark. Third, the decisions of the MPC in these meetings were taken by unanimity, although driven by individualistic approaches. The MPR of April 2017 surveyed the recent country experience and found many decisions taken by unanimity. Where differences were revealed, they were typically confined to the size of the change in the policy rate rather than contesting the overarching policy stance.

The June and August meetings of the MPC were different from the three that preceded them, being literally on the horns of the growth-inflation dilemma. Although inflation had firmed up a bit in February and March, its abrupt and significant retreat in April caused the MPC to lower the forecast path of inflation for 2017-18 from 4.5 per cent in H1 and 5 per cent

in H2 to 2-3.5 per cent in H1 and 3.5-4.5 per cent in H2 in its June meeting. It unambiguously pointed out that 'prices of pulses are clearly reeling under the impact of a supply glut caused by record output and imports. Policy interventions, including access to open trade, may be envisaged to arrest the slump in prices.' Abundant supply, coupled with the renege on procurement by designated agencies, resulted in the market price of pulses falling sharply below minimum support prices fixed by the government. Nonetheless, the MPC did express misgivings about the durability of the unusually low momentum of inflation, the likelihood of petrol and diesel prices rising, and the possibility that the stickiness of inflation excluding food and fuel would re-assert itself soon. It also indicated that the transitory effects of demonetisation have 'lingered on in price formations' and warned that 'premature action at this stage risks disruptive policy reversals later and the loss of credibility.' Importantly, the MPC prognosis of economic activity also reflected its concern about a deeper than initially anticipated loss of momentum. It underscored the urgency around reviving private investment, restoring banking sector health and removing infrastructural bottlenecks all of which were outside the purview of monetary policy but would greatly enhance its effectiveness. For the first time, the MPC voted to keep the policy rate unchanged not by unanimity but by a five-member majority, as the scars left by falling growth and inflation set up conflicting pulls.

In the August meeting, the MPC saw for the first time the impact of the implementation of the house rent allowance (HRA) for central government employees for which it had been preparing the public for some time, especially the need to distinguish between 'statistical' and second round effects. The former would merely push up the index without actual inflation, while the latter would warrant careful monitoring for evidence of generalisation. The MPC observed that some upside risks to inflation had reduced – inflation excluding the HRA impact would likely be only a little above 4 per cent by Q4; inflation

excluding food and fuel had fallen significantly over the past three months – but underlying growth impulses in industry and services were weakening, given corporate deleveraging and the retrenchment of investment demand. In fact, growth projections for 2016-17 and 2017-18 had been revised down by a cumulative 70 basis points and 10 basis points, respectively (in its October 2017 meeting, the MPC would revise it down even further, as I will shortly bring out, and the cumulative downward adjustment would be 70 basis points for each year). Seizing the space that had opened up for some accommodation, the MPC decided to reduce the policy repo rate by 25 basis points but with a neutral stance. In order to derive the maximum effects of the rate cut, it reiterated the urgent need to revive private investment, remove infrastructure bottlenecks, resolve stress in corporate balance sheets and recapitalise public sector banks to help restart credit flows. This time around, the vote was carried by a four-member majority, and the divergence in voting preference was two-sided – one member voted for *status quo* while another voted for a rate cut by 50 bps.

V. The Fourth Bi-Monthly Monetary Policy, 2017-18

The monetary policy statement of October 2017 was framed in quite a dramatic setting. Even as growth broadened globally, it slowed below 6 per cent for the second quarter in a row in India in April-June. At this rate, India was still among the fastest growing large economies of the world, but the blow from the growth print was significant enough to set off a chorus of alarm.

The slowdown was essentially located in manufacturing activity which slumped to a 20-quarter low. Over the recent few years, industrial output has shown synchronicity across geographies, with trade being identified as the channel of co-movement. In the early part of 2017-18, however, Indian industry has been an outlier, decelerating just when industrial production the world over is on the mend. Transient disruptions associated with the GST rollout are likely operating as a drag. Nonetheless, it is fair to say that

the nation is impatient to see a revival in industry, especially as capital formation staged a modest recovery.

Sharpening the dilemma for the MPC, retail inflation rose nearly 200 basis points since its last meeting. The upturn was broad-based, provoking households to expect that the general level of prices would increase by more than the current rate in the months ahead. Input costs facing both farms and firms rose, but weak pricing power in conditions of subdued demand prevented a fuller-blown pass-through into retail inflation.

In the MPC's assessment, inflation will likely rise from current levels in the rest of the year, with farm loan waivers and the implementations of pay and allowance revisions by states *a la* the centre posing upside risks. The MPC also pensively expressed concern about the spectres of geopolitical tensions and imminent normalisation of systemic central bank balance sheets that loomed over the outlook. On food inflation, the MPC's prognosis was more sanguine though, with adequate foodstocks and supply management efforts seen as mitigating factors.

On growth, the MPC regarded the first estimates of *kharif* production – which were lower than last year's level and the target for this year – and the GST rollout as early but transitory setbacks. It believed that agricultural activity will improve from here on. Furthermore, it found business optimism expressed by firms about prospects for the October-December quarter reassuring. Relative to its August assessment, the MPC lowered its growth forecast by 60 basis points which, in a rough and ready sense, measures the net lagged impact of shocks such as demonetisation and the GST.

The MPC expressed the view that recent structural reforms would support growth over the medium-term. Accordingly, it expected upsides to the growth forecast from the resolution of GST-related impediments and from the pay and allowance revision for state government employees, while the hardening

of input costs and the loss of consumer confidence would balance the risks.

The MPC was particularly candid in drawing out the bottom line: '...it is imperative to reinvigorate investment activity.' For this, creation of a conducive environment for investment is critical, involving adequate recapitalisation of stressed banks, closing the infrastructure gap, simplifying the GST, hastening clearances and rationalising procedures by states relating to investment proposals.

Against this backdrop of its appraisal of the evolution of macroeconomic and financial conditions, the MPC decided to hold the policy rate unchanged and to maintain a neutral policy stance. In the reactions that followed, there seemed a central tendency that the MPC may have called right.

V. Concluding Remarks

I hope my thoughts on the recent monetary policy engagement have provided some clarity on the challenges confronting the MPC and the rationale underlying its decisions. Monetary policy is ultimately the art or science of the feasible. Ben Bernanke, when he was chairman of the Federal Reserve Board, was once asked by Liaquat Ahmed, the author of the celebrated book *Lords of Finance*, as to how confident he was that the theory of quantitative easing or QE would work. His reply – 'The problem with QE is it works in practice but it doesn't work in theory' – provoked laughter, but it is so true of monetary policy more generally. Monetary policy decision making is always complex and severely testing. It is typically undertaken in an explosion of diverse views, each differing from the other in expressing intensity and fervour. The endeavour of our MPC has been to try to share with the public through its resolutions and through individual minutes a set of balanced assessments so that monetary policy in India becomes transparent and predictable. Looking ahead, the task of the MPC is cut out and I can do no better than quote Governor Dr. Patel from his recent interview: 'we should aim at achieving the inflation target without losing sight of supporting economic growth.'

ARTICLES

Anatomy of India's External Debt: Assessment of Key Trends

Survey on International Trade in Banking Services: 2016-17

*Anatomy of India's External Debt: Assessment of Key Trends**

This article provides a snapshot of the developments relating to India's external debt in 2016-17 and assesses its changing profile since the early 1990s. Alongside a gradual compositional shift in external indebtedness from government to the non-government sector, there has been a rapid rise in short-term debt (by original maturity) since mid-2000s, with trade credit related debt being the fastest growing component.

Introduction

External debt forms an important part of external finance for emerging market economies (EMEs), bridging shortage of domestic capital and the funding requirement of the current account deficit (CAD) while playing a consumption smoothing role as well. The availability of world-wide pool of resources allows external borrowing at lower costs for capital deficient economies (Manzocchi, 1997). While external debt aids domestic growth by supplementing domestic investment, high dependence on foreign borrowings can also saddle an economy with the oppressive burden of external debt, with implications for overall macroeconomic management.

On the eve of Independence, India had little external debt. As the post-Independence development strategy under various five year plans unfolded, India's external debt (medium and long-term) rose from 1.8 per cent of GDP at end-March 1955 to about 17 per cent by end-March 1970. The focus was to raise the economy's investment rate by supplementing national savings with foreign borrowing and external transfers in the form of grants. The widening of the CAD during 1980s was largely financed through

commercial borrowings and recourse to IMF loans. As a result, total external debt steadily increased to 28.7 per cent of GDP by end-March 1991.

With economic reform commencing in 1991, India's external debt has witnessed significant changes in its size as well as composition, reflecting policy changes guiding the overall external debt strategy. The key elements of the economic reforms process included the liberalisation of current account transactions leading to current account convertibility while containing the CAD within sustainable limits; gradual opening up of the capital account; compositional shifts in capital flows away from debt to non-debt creating flows and a calibrated approach to external commercial borrowings (ECBs), especially short-term debt that kept in view external vulnerabilities and discouraged volatile elements of flows.

Against this background, this article summarizes the developments relating to India's external debt in 2016-17 and its changing profile since the 1990s. The remainder of the article is organized into five sections. Section II summarizes developments in India's external debt during 2016-17. Section III analyses key trends that shaped the evolution of external debt over the years. Section IV assesses external vulnerability using various external debt based indicators and empirically examines the relationship between external debt and debt service payments. Section V situates India's external debt position in a cross-country perspective, i.e., *vis-à-vis* other EMEs. Section VI sets out concluding remarks.

II. Major Developments in India's External Debt in 2016-17: A Snapshot

India's external debt stock was placed at US\$ 471.9 billion at end-March 2017, recording an annual decline for the first time after 2001-02. As the US dollar depreciated *vis-à-vis* the Indian rupee (INR), there was a valuation loss of US\$ 1.5 billion which restricted the decline in external debt to US\$ 13.1 billion, abstracting from this valuation change the decline

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Table 1: External Debt – Outstanding and Variation
(US\$ billion)

Component	Outstanding at end-March			Percentage variation	
	2015	2016	2017 PR	Mar-16 over Mar-15	Mar-17 over Mar-16
1. Multilateral	52.4	54.0	54.5	3.0	1.1
2. Bilateral	21.7	22.5	23.2	3.4	3.4
3. IMF	5.5	5.6	5.4	2.1	-3.5
4. Trade Credit	12.6	10.6	9.8	-15.6	-8.3
5. Commercial Borrowings	180.3	180.7	172.8	0.2	-4.4
6. NRI Deposits	115.2	126.9	116.9	10.2	-7.9
7. Rupee Debt	1.5	1.3	1.2	-15.1	-3.9
8. Short-term Debt	85.5	83.4	88.0	-2.5	5.5
<i>Of which</i>					
Short-term trade credit	81.6	80.0	86.5	-2.0	8.1
Total External Debt	474.7	485.0	471.9	2.2	-2.7
<i>Memo Items</i>					
A. Long-Term Debt	389.2	401.6	383.9	3.2	-4.4
B. Short-Term Debt	85.5	83.4	88.0	-2.5	5.5
C. External Debt-GDP Ratio (Per cent)	23.9	23.5	20.2		

PR: Partially Revised.

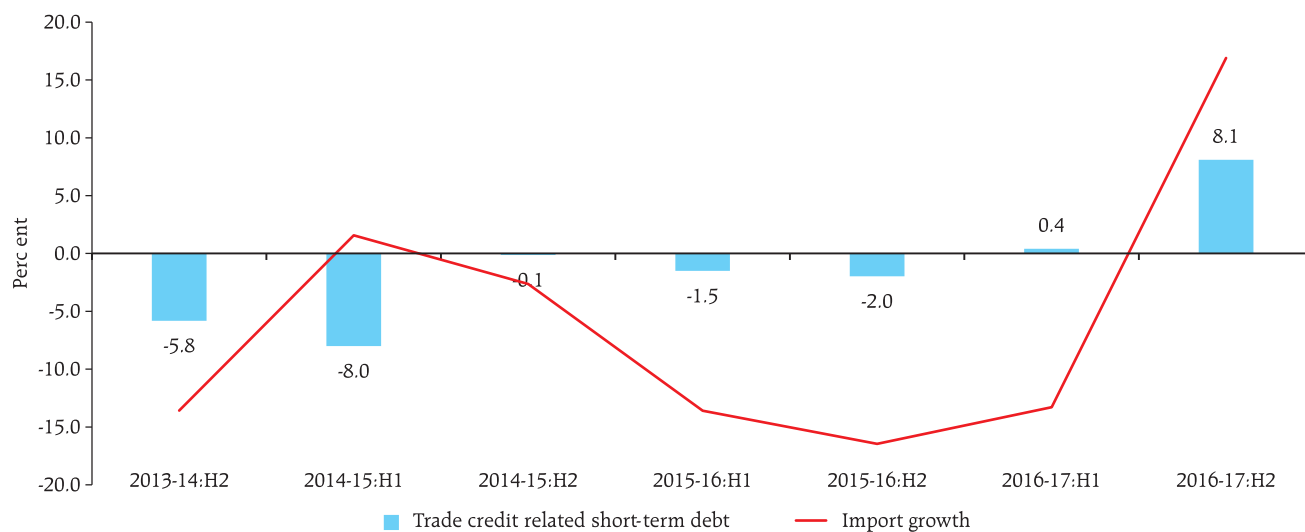
Source: Government of India and RBI.

in external debt in 2016-17 would have been of the order of US\$ 14.6 billion. The principal driver was the contraction in the stock of non-resident deposits due

to lumpy redemption of FCNR(B) deposits raised by banks under a special swap scheme during September to November 2013. Furthermore, the stock of commercial borrowings also declined as repayments remained higher than fresh disbursements during the year. At 20.2 per cent of GDP at end-March 2017, the external debt was lower by 3.3 percentage points than its level at end-March 2016 (Table 1).

Component-wise, commercial borrowings continued to be the largest component, with a share of 36.7 per cent, followed by NRI deposits (24.8 per cent) and short-term trade credit (18.3 per cent). While long-term debt obligations dominated the maturity profile, the share of short-term debt (original maturity) increased as short-term trade credit recorded net inflows after a span of three years in tandem with the pick-up in merchandise trade in H2 of 2016-17 (Chart 1). On a residual maturity basis, however, short-term debt constituted 41.5 per cent of total external debt at end-March 2017 (42.7 per cent at end-March 2016) and stood at 52.9 per cent of total foreign exchange reserves (57.4 per cent at end-March 2016) (Table 2). Thus, short-term debt by residual maturity fell from US\$ 206.9 billion to US\$ 195.9 billion due to large scale repayment of FCNR(B) deposits.

Chart 1: Growth in Trade Credit related Short-Term Debt and Imports



Source: Government of India and RBI.

Table 2: Residual Maturity of External Debt Outstanding as at End-March 2017

(US\$ billion)

Component	Short-term up to one year	Long-term	Total
1. Sovereign Debt (long-term) \$	4.6	91.1	95.7
2. Commercial Borrowings #	24.0	147.3	171.3
3. NRI deposits	79.3	37.6	116.9
(i) FCNR(B)	11.4	9.6	21.0
(ii) NR(E)RA	57.4	25.8	83.2
(iii) NRO	10.5	2.2	12.7
4. Short-term Debt* (original maturity)	88.0	-	88.0
Total (by residual maturity)	195.9	276.0	471.9

Memo item:

Short-term debt by residual maturity as percentage of:

Total External Debt	41.5		
Total Reserves	52.9		

\$: Inclusive of Foreign Portfolio Investors (FPI) Investments in Government Securities.

#: Commercial Borrowings are inclusive of trade credit, FPI investments in corporate debt instruments and a portion of non-government multilateral and bilateral borrowings and therefore may not tally with the figures provided in other Tables under original maturity.

*: Also includes FPI investments in security receipts issued by Asset Reconstruction Companies (ARCs) under the extant corporate debt limits.

Source: RBI

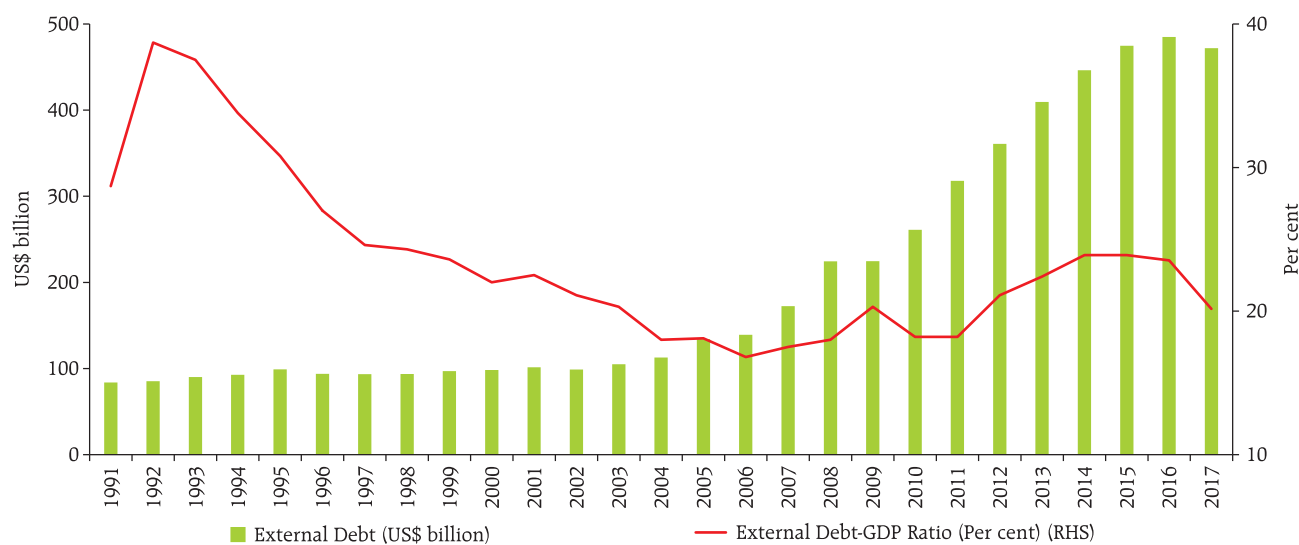
The currency-wise pattern shows that the US dollar constituted 52.1 per cent of total external debt, followed by the Indian rupee (33.6 per cent), SDRs

(5.8 per cent), the Japanese yen (4.6 per cent) and the euro (2.9 per cent). The borrower classification shows that the outstanding debt of the government was a tad higher due to external assistance availed during the year; however, non-government debt declined by end-March 2017.

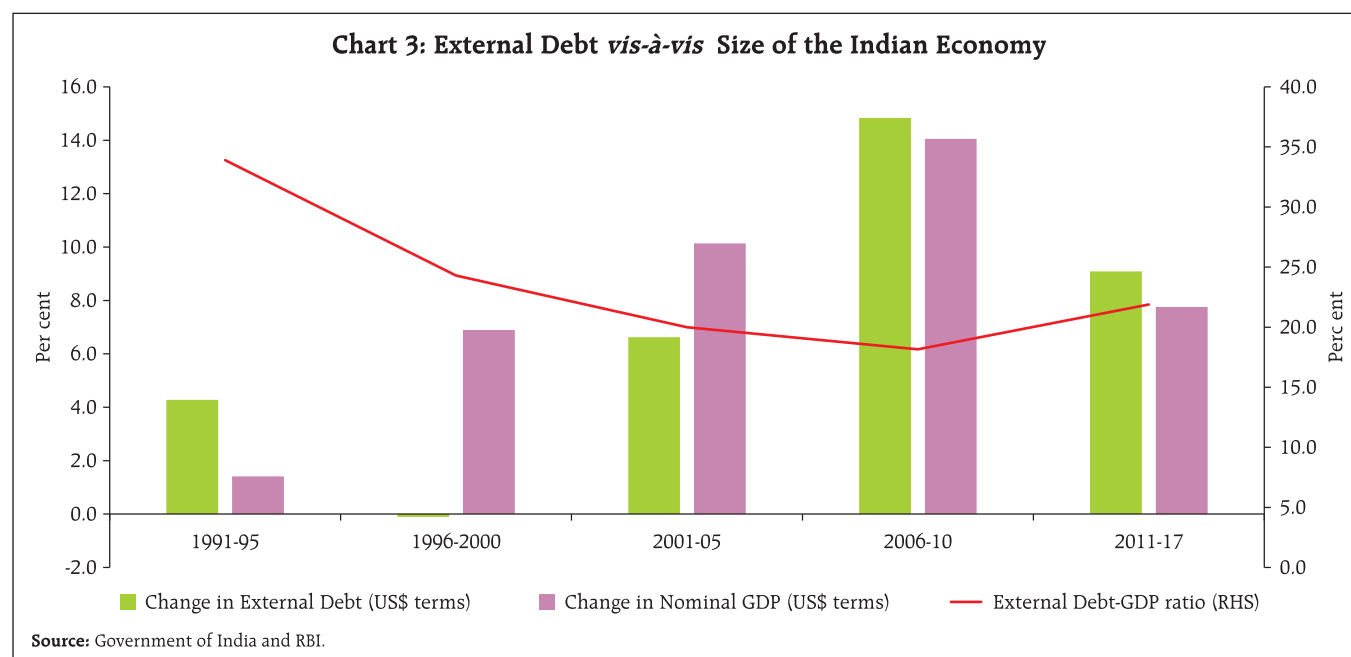
III. Key Long-term Trends Shaping India's External Debt

India's external debt has undergone significant level and compositional changes since the early 1990s. Drawing on the lessons from the external payment crisis of 1991 and the recommendations of the High level Committee on Balance of Payments, 1993 (Chairman: Dr. C. Rangarajan), the policy approach has been guided by (i) restrictions on size, maturity and end-use of ECBs; (ii) LIBOR-based interest ceiling on non-resident deposits to discourage the volatile component of such deposits; (iii) pre-payment and refinancing of high cost external debt; and (iv) measures to encourage non-debt creating financial flows such as foreign direct investment (FDI) and foreign portfolio investment (FPI).

With the gradual opening up of the capital account, the size of India's external debt expanded

Chart 2: India's External Debt – Stock and Debt-GDP Ratio (End-March)

Source: Government of India and RBI.



from US\$ 83.8 billion at end-March 1991 to US\$ 471.9 billion at end-March 2017. However, the external debt to GDP ratio – a summary measure of a country's potential to service external debt by switching production to exports – declined sharply from 37.3 per cent at end-March 1992 to 16.8 per cent by end-March 2006 (Chart 2). Even though the increase in external debt – on average – exceeded the pace of expansion of the domestic economy in nominal terms since the second half of the 2000s, the ratio remained modest relative to its level during the 1990s and stood at 20.2 per cent of GDP at end-March 2017 (Chart 3).

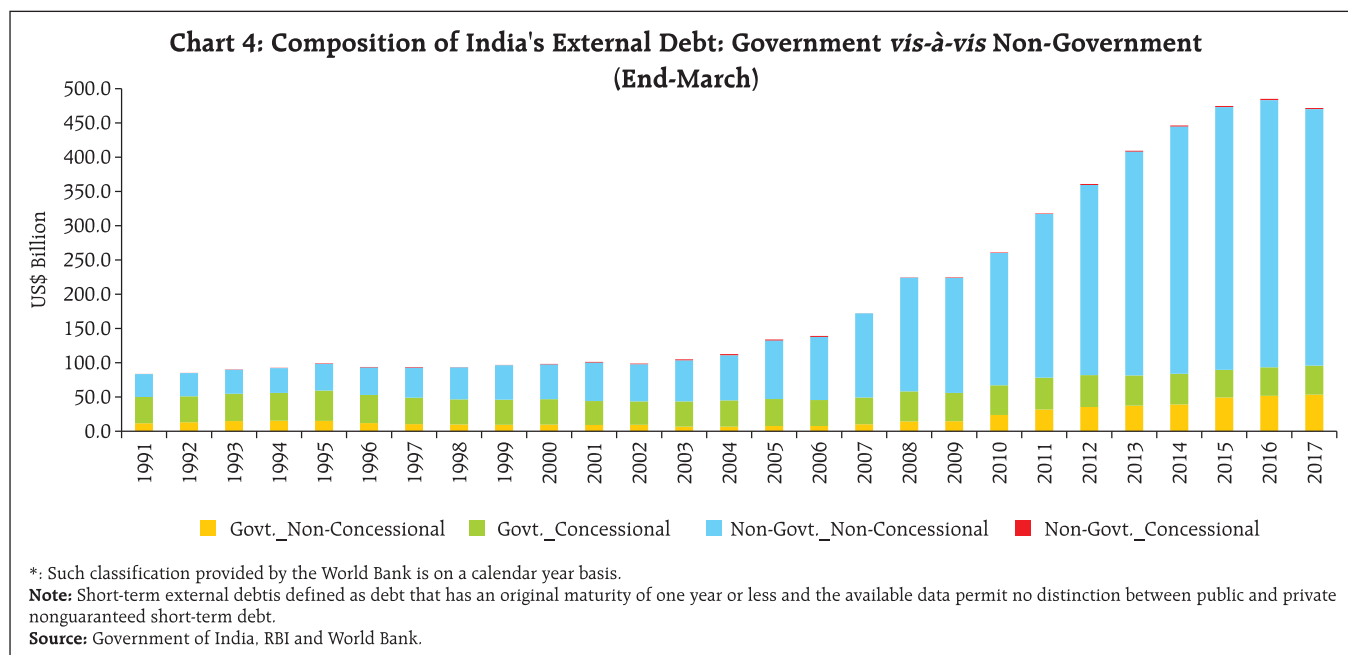
III.1 Compositional Shifts in External Indebtedness

In the first half of the 2000s, the Government prepaid high cost multilateral and bilateral loans in order to reduce its interest burden. Consequently, the share of government debt – including debt raised on concessional terms from official creditors – shrank from 48 per cent by end-March 2000 to 20 per cent at end-March 2017. The share of concessional debt fell from 15 per cent at end-March 2011 to 9 per cent end-March 2017 (Chart 4).

Consequent upon liberalisation during the 1990s, space opened up for the private corporate sector with

a view to modernising the manufacturing sector and allowing greater access to foreign technology and foreign capital. This led to a significant rise in the share of non-government debt in total external debt since 2000.

Prior to 1991, the bulk of short-term debt was borrowed by public sector canalising agencies for financing the import of petroleum, petroleum products and fertilisers. Such short-term debt constituted around 10 per cent of total external debt during the 1980s. The experience with the balance of payments crisis of 1991 led to the adoption of policies for prudent external debt management with less dependence on short-term foreign capital. This resulted in a declining share of short-term debt in total debt during the 1990s; however, the share of short-term debt based on original maturity – incurred by both private and public sectors – rose again from the early-2000s, underpinned by strong growth in imports which averaged 26 per cent during 2002-03 to 2011-12 as compared with 8 per cent during 1990-91 to 2001-02. Estimates based on a vector error correction model (VECM) using data from 2000:Q2 to 2017:Q4 suggest that the elasticity of trade credit with respect to merchandise imports



and the exchange rate of the rupee¹ is positive and statistically significant (Table 3).²

Another noteworthy development was the phasing out of non-resident deposits of up to one-year maturity – following the raising of the minimum maturity period of fresh NR(E)RA deposits to one year in line with the maturity structure of FCNR(B) deposits with effect from April 2003 – which reduced

the share of non-resident deposits in total short-term debt to almost nil by end-March 2005 (Chart 5).

Short-term debt measured on a residual maturity basis provides an assessment of the total forex outgo on account of debt service payments in the next one year and accordingly becomes useful from operational considerations. Besides short-term debt with original maturity, it comprises the repayments due under medium and long-term debt by original maturity during the next one year. By this metric, the share of short-term debt (residual maturity) in total external debt increased from 37.6 per cent at end-March 2008 to 42.1 per cent by end-March 2013.³ The prohibition of investment by FPIs in fresh issuances of T-bills since April 2014 reduced the share of short-term debt by residual maturity during 2013-14 and 2014-15.⁴ With FCNR(B) deposits mobilised under the special swap window falling due for redemption during September to November 2016, the share of short-term debt by residual maturity rose to 42.7 per cent

Table 3: VECM Model: Trade Credit related External Debt (2000:Q2 to 2017:Q1)

	ECT	C	LIMP	LER	Adj. R ²
Coefficient	-0.15	-2.70	1.40	0.55	0.80
T-Statistics	-3.94*		3.87*	2.28**	

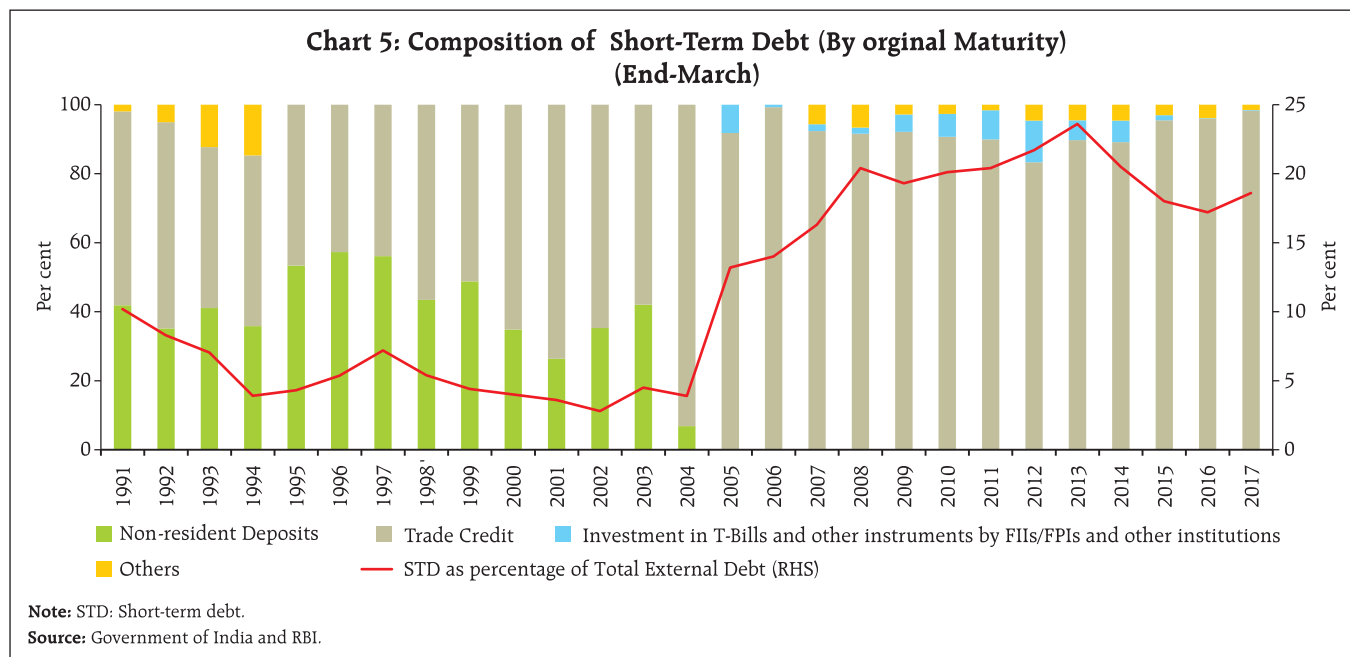
Note: LIMP and LER representing merchandise imports and INR exchange rate respectively are defined in log form. ECT is error correction term.
 * and ** imply statistical significance at 1 per cent and 5 per cent respectively.

¹ The responsiveness of external debt to the exchange rate of the rupee point to (a) the confidence channel - appreciation is viewed as improving credit worthiness and, therefore, the supply of debt; and (b) the cost channel whereunder appreciation reduces hedging costs.

² All the three variables are I(1) (see Annex II) and series are found to be co-integrated using the Johansen cointegration test. Thus, vector error correction model (VECM) is specified which restricts the long-run behavior of the endogenous variables to converge to their cointegrating relationships while allowing for short-run adjustment dynamics.

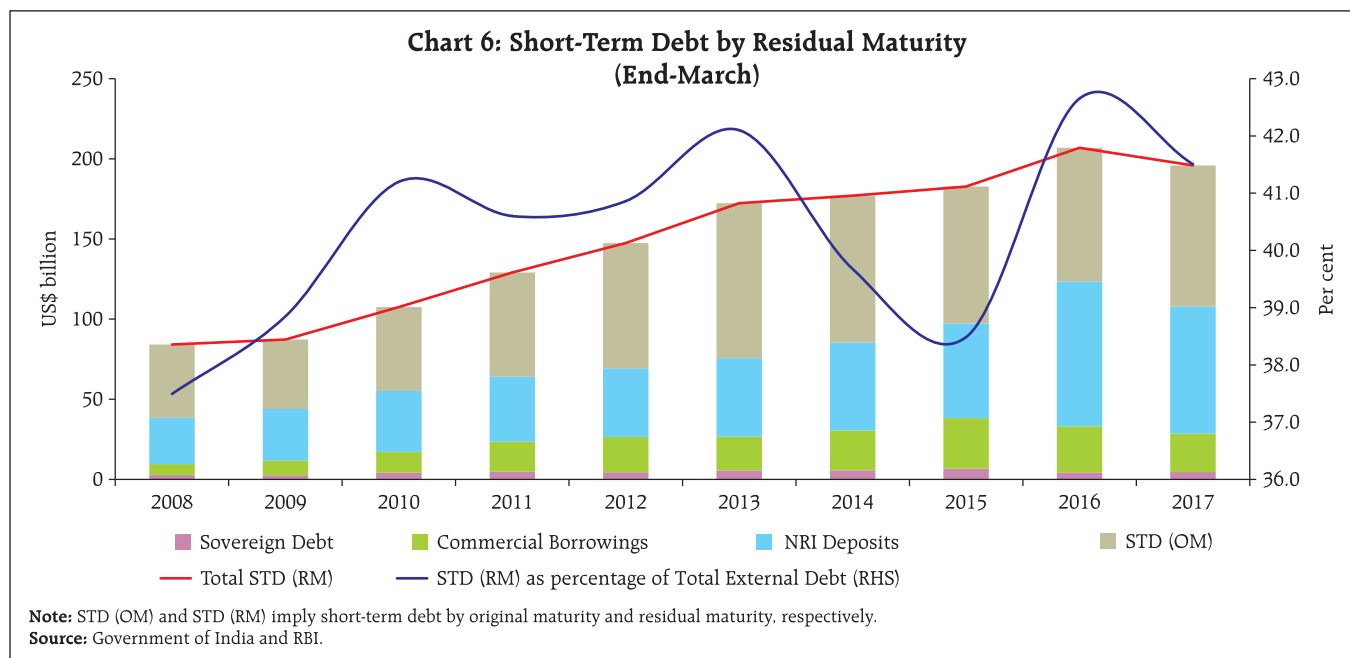
³ Consistent time series data on short-term external debt by residual maturity are available only since end-March 2008.

⁴ All outstanding FPI holdings in T-Bills as on April 07, 2014 were permitted to taper off on maturity/sale.



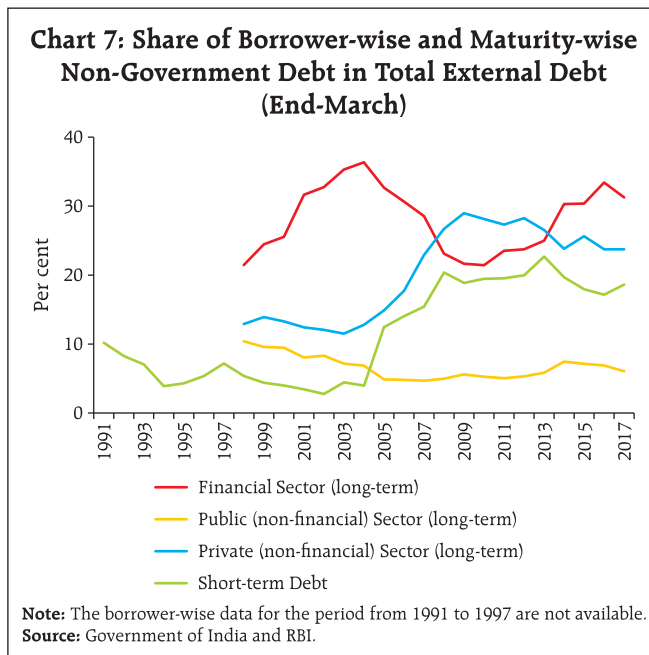
by end-March 2016. After the bulk of these deposits were redeemed by banks, the share of short-term debt by residual maturity in total external debt declined to

41.5 by end-March 2017, inspite of fresh accretions to other constituents, viz., NRE/NRO deposits and trade credit (Chart 6).



The sizeable expansion in external debt raised by the private sector from the first half of the 2000s reflected liberalisation effected in the policies relating to ECBs.⁵ The Reserve Bank also granted general permission for conversion of ECBs into equity, subject to certain conditions with effect from October 2004. Similarly, various steps were undertaken to enlarge the limits of authorised dealers (ADs) in respect of trade credit with a view to further easing access to finance for imports.

The financial sector, which constituted 22 per cent of total external debt at end-March 1998 increased its share to 32 per cent by end-March 2017. In consonance, the share of the private (non-financial) sector in total external debt increased from 13 per cent at end-March 1998 to 23 per cent by end-March 2017. As investments by the domestic non-financial corporate sector in the past decade were almost entirely leveraged (Linder and Jung, 2014), there was a sharp acceleration in external debt accumulation during the post-global financial crisis period. On the



other hand, the share of non-financial public sector in total external debt has witnessed a decline from its level of 10 per cent at end-March 1998 to 6 per cent by end-March 2017 (Chart 7 and Table 4).

III.2 Rupee denominated Debt

External debt predominantly in domestic currency – in contrast to foreign currency denominated debt – shrinks in real terms when the local currency depreciates. External debt in foreign currency is often associated with higher vulnerability to external crises as a sudden depreciation in the local currency adversely impacts balance sheets in the debtor economy and currency risks can morph into credit risk, as visitation of financial crises in EMEs have shown. In the case of

Table 4: Borrower-wise External Debt: Compound Annual Growth Rate

Components	(Per cent)	
	1998-2008	2009-17
Non-Govt. Financial Sector (long-term)	9.8	14.9
Non-Govt. Non-Financial Private Sector (long-term)	1.2	10.8
Non-Govt. Non-Financial Public Sector (long-term)	17.2	7.0
Non-Govt. (short-term)	24.5	9.5
Govt. Debt (long + short-term)	2.2	7.0
Total External Debt	9.0	9.7

Source: Government of India and RBI.

⁵ In September 2000, with a view to liberalising further ECB approvals, the Government vide Press Release F.No.4 (32)-2000 ECB dated September 1, 2000, decided to operationalise the automatic route for fresh ECB approvals upto USD 50 million and all refinancing of existing ECBs [A.P. (DIR Series) Circular No.10 (September 5, 2000)].

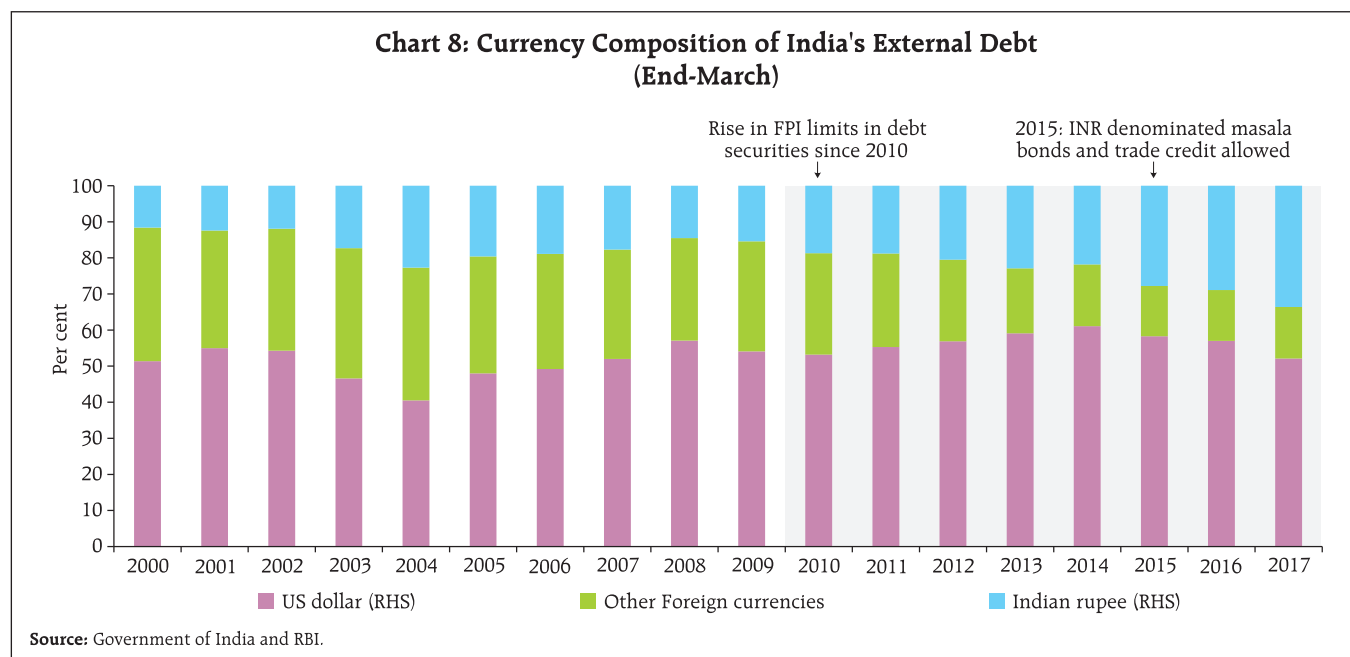
In September 2002, flexibility was provided in terms of prepayments in order to permit the corporates to take advantage of low international interest rates [A. P. (DIR Series) Circular No. 22 (September 17, 2002)].

In January 2003, corporates raising ECBs were allowed to retain the funds abroad in a bank account for their future forex requirements subject to certain conditions [A.P.(DIR Series) Circular No.70 (January 13, 2003)].

In February 2004, with a view to enable Indian corporates to become global players by facilitating their overseas direct investment, permitted end-use for ECBs was enlarged to include overseas direct investment in Joint Ventures (JV)/Wholly Owned Subsidiaries (WOS) [A.P (DIR Series) Circular No.75].

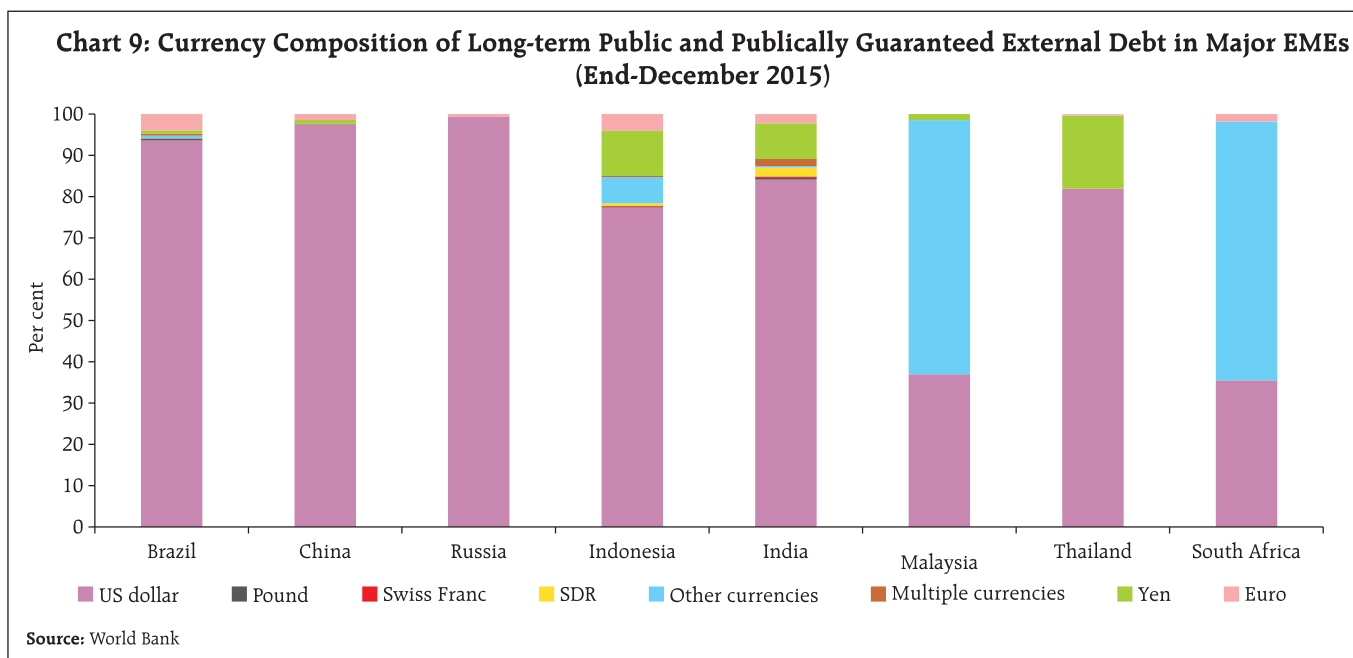
With effect from August 1, 2005, ECBs with minimum average maturity of 5 years by non-banking financial companies from multilateral financial institutions, reputable regional financial institutions, etc to finance import of infrastructure equipment for leasing to infrastructure projects would be considered by the Reserve Bank under the Approval Route [RBI/2005-06/87A.P. (DIR Series) Circular No. 5].

In November 2005, with a view to facilitating capacity expansion and technological upgradation in the Indian textile industry after the phasing out of Multi-Fibre Agreement, banks were allowed to issue guarantees, stand-by letters of credit, letters of undertaking or letters of comfort in respect of ECBs by textile companies for modernization or expansion of their textile units [RBI/2005-06/197A.P. (DIR Series) Circular No. 15].



India, external debt remains largely foreign currency denominated, though the share of rupee denominated debt has gradually increased in recent years (Chart 8). As regards to India's long-term public and publically guaranteed external debt, it is mainly held in US dollars (Chart 9).

Much of the increase in INR denominated debt is evident during the post-GFC crisis period as investment limits for FPI in the debt segment – in both G-sec and corporate bond market – have been gradually increased (Annex I).⁶ Moreover, relatively low inflation, stable value of the INR and positive



⁶ Other recent policy measures *inter alia* include permission of investments by FPIs in unlisted corporate debt securities and securitized debt instruments in February 2017.

yield differentials also made Indian rupee debt particularly attractive for foreign investors. The spike in the corporate bond market could also be attributed to increased transparency and price discovery in recent years (SEBI, 2017). In September 2015, resident importers were allowed to raise trade credit in INR within the prescribed framework after entering into

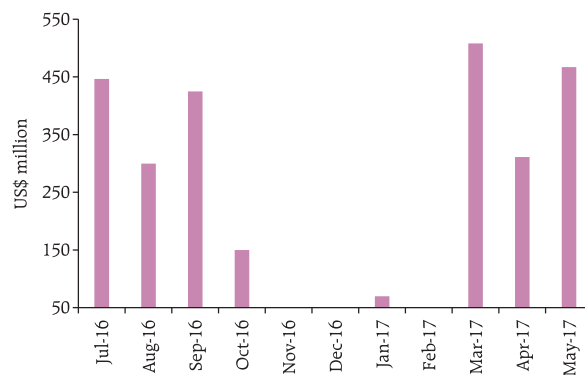
a loan agreement with the overseas lenders. Similarly, domestic eligible entities have been permitted to raise INR denominated ECBs/bonds where the currency risk is borne by the lenders (Box I). Reflecting the impact of these measures, the share of the rupee denominated debt rose to 33.6 per cent at end-March 2017 from 11.6 per cent at end-March 2000.

Box I: Masala Bonds

In recent years, *Masala* bonds have become one of the popular debt instruments for overseas borrowings by Indian resident entities. Prior to the revision in the ECB policy by the Reserve Bank in September 2015, the International Financial Corporation and the Asian Development Bank were permitted to issue rupee denominated bonds in the overseas market to support infrastructure development in the country. The revised policy allowed Indian corporates, Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) to issue *Masala* bonds overseas. In November 2016, the Reserve Bank allowed Indian banks to raise capital/long term funds through *Masala* bonds. In February 2017, multilateral and regional financial institutions were permitted to invest in rupee denominated bonds (RDBs) which would have also increased the appetite for rupee debt among overseas investors. From the macro perspective, issuance of RDBs have thus far been reckoned within the aggregate limit of INR 2443.23 billion for foreign investment in corporate debt. However, the issuances of RDBs have been excluded from the limit for investments by FPIs in corporate bonds with effect from October 3, 2017.

Since *Masala* bonds are INR-denominated, the currency risk obviated for issuers. The London Stock Exchange (LSE) has become the most popular market for Indian masala bonds issuers, followed by Singapore Stock Exchange (SGX) and Stock Exchange of Mauritius (SEM). The first Indian resident issuer of *Masala* Bond was the Housing Development Finance Corporation (HDFC) Ltd. on the London Stock Exchange in July 2016. Since then, Indian resident entities have issued/listed around US\$ 2.7 billion worth of *Masala* bonds in overseas capital markets during July 2016 to July 2017 with the coupon rate in the range of

Chart A: Masala Bonds issued/listed by Indian resident entities in overseas capital markets
(Amount in US\$ million)



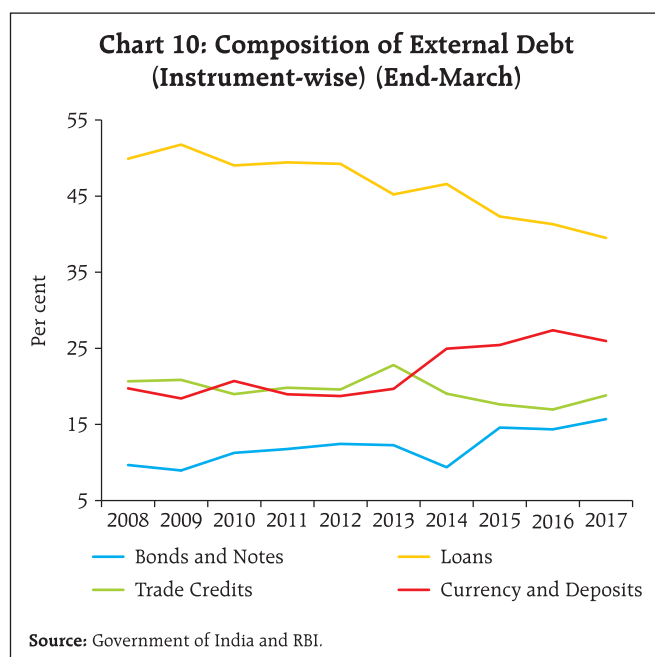
Note: The issuance of *Masala* bonds by Indian resident entities in overseas capital markets was 'Nil' in November and December of 2016, and in February, June and July of 2017.
Source: LSE, SGX, and SEM.

6.88 per cent to 9.05 per cent (Chart A). In 2016-17, RDBs – including both privately placed and listed on overseas stock exchanges – amounted to US\$ 3.5 billion.

On a review of the framework for issuance of INR denominated bonds overseas (*Masala* bonds) and with a view to harmonising the various elements of the ECB framework, in June 2017, the Reserve Bank decided that: (i) Minimum original maturity period for *Masala* bonds raised upto USD 50 million equivalent in INR per financial year will be 3 years and for bonds raised above USD 50 million equivalent in INR per financial year will be 5 years; (ii) The all-in-cost ceiling for such bonds will be 300 basis points over the prevailing yield of the Government of India securities of corresponding maturity; and (iii) Entities permitted as investors should not be related party within the meaning as given in India-AS 24.

III.3 Instrument-wise classification of India's external debt

Instrument-wise pattern of external debt has also undergone change in recent years. While foreign capital raised through market-based instruments such as bonds and notes has steadily increased in post-crisis period, the share of 'loans' moderated from 50 per cent at end-March 2008 to 40 per cent at end-March 2017. Nevertheless, majority of external debt continues to be raised in form of loans. The second largest instrument in India's external debt is 'currency and deposits', which recorded a significant increase during September-November 2013 following the introduction of Swap Window for FCNR(B) dollar funds by the Reserve Bank in September 2013, resulting in the increase of its share from 20 per cent at end-March 2013 to 25 per cent at end-March 2014. Notwithstanding the lumpy redemption of FCNR(B) deposits in 2016-17, it continues to account for more than a quarter of external debt. The declining share of trade credit since end-March 2013 reflects slowdown in import activity (Chart 10).



IV. External Debt Sustainability and Vulnerability Indicators

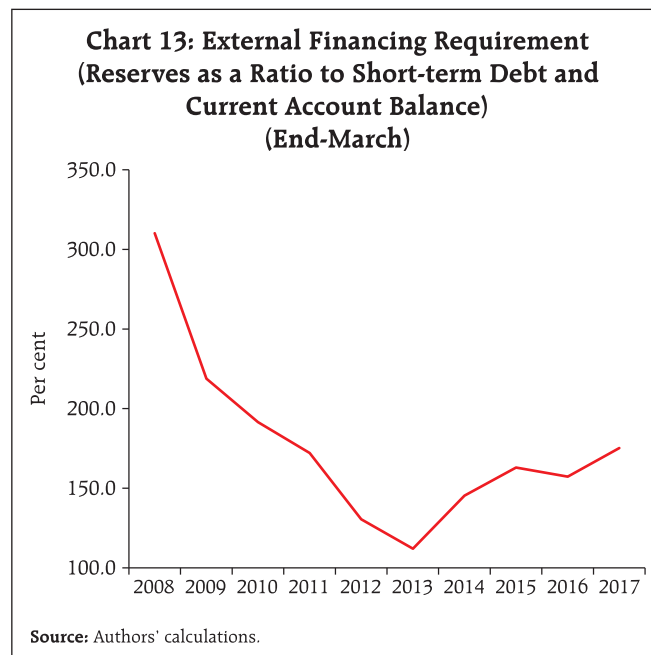
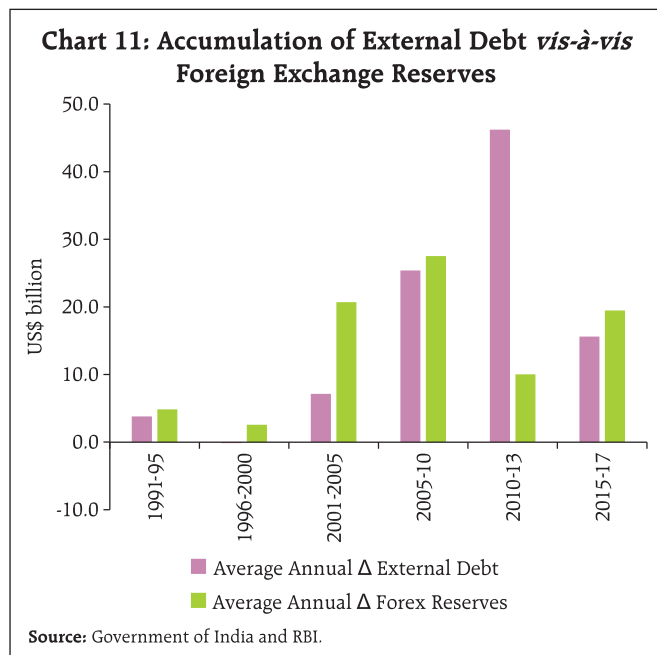
External debt based indicators are important in determining external vulnerability of an economy. Conventionally, external debt is assessed in terms of its maturity structure, reserve adequacy and debt servicing for this purpose.

IV.1 Maturity Structure of External Debt

During the period of turbulence in global financial markets, countries with high exposure to short-term external debt run roll-over risk, especially if domestic fundamentals are weak. The conventional indicators used to gauge such risks are (i) share of short-term debt in total external debt; and (ii) reserves to short-term external debt. As the rate of accumulation of external debt decelerated during the 1990s, the share of short-term external debt by original maturity too declined to nearly 4 per cent by 2003-04, less than half of its level at end-March 1991. It increased in subsequent years mainly due to the elevated level of trade credit underlying a sharp rise in imports. Short-term debt based on residual maturity is a more operational indicator as it is based on actual debt service payments and as such, it helps to monitor the potential outflow of foreign exchange in the next twelve months.

IV.2 Reserve Cover

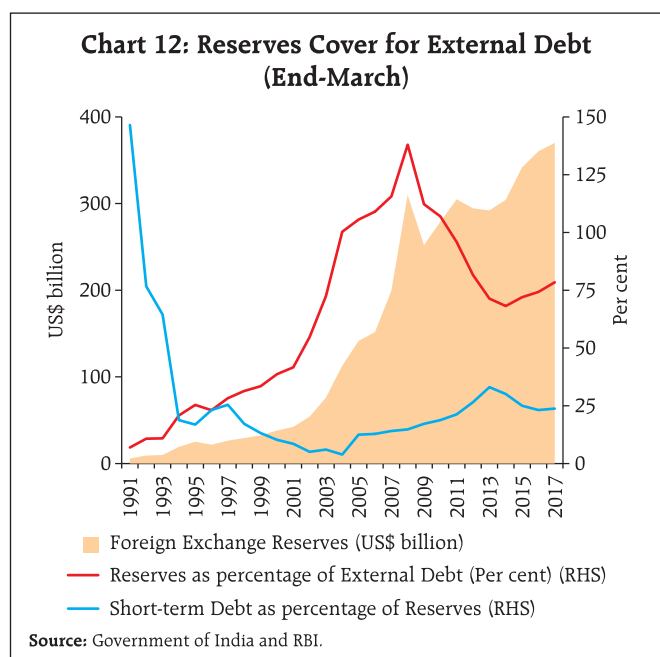
The reserve cover for external debt increased from 7 per cent at end-March 1991 to 138 per cent at end-March 2008 (Chart 11). With the sharp increase in external debt in the post-GFC period, the reserves cover fell to 68 per cent by end-March 2014. In the next three years, however, a net accumulation in foreign exchange reserves improved the cover to 78.4 per cent by end-March 2017, auguring well for debt servicing capacity. Another indicator – widely recognised as an important variable in the empirical literature (e.g., IMF, 2000; and Aizenman and Hutchison, 2010)



referred as an early warning signal of exchange market pressure in emerging markets – is the ratio of short-term debt to reserves (Chart 12). In fact, forex reserves as at end-March 2017 were almost double the level of short-term debt obligations estimated on residual maturity basis. It implies that reserves far exceed the ratio of unity as conventionally recommended by the IMF (2000) as a starting point for analysis of reserve

adequacy for countries with significant but uncertain access to capital markets.

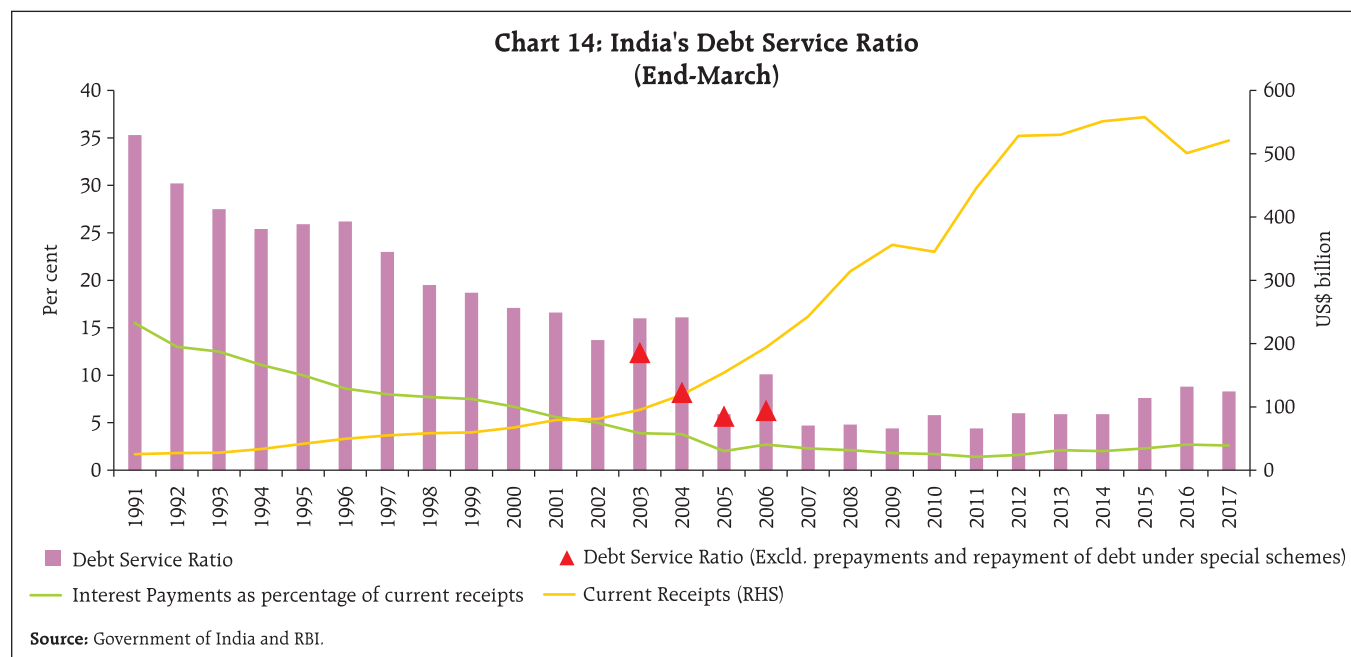
Further, debt distress phases are typically preceded by an increase in short-term external debt (residual maturity) and current account deficits which, in turn, increases pressure on existing foreign exchange reserves. By this measure as well, there has been a modest improvement in recent years. India's foreign exchange reserves were of the order of about 175 per cent of its external financing requirement as at end-March 2017, much higher than in the taper talk period (Chart 13).



IV.3 Debt service ratio remains far modest relative to the 1990s

Another indicator that reflects debt related risks and is commonly used is the debt service ratio which is defined as gross debt service payments as ratio of current receipts.⁷ In general, India's debt service ratio has been on a downward trajectory since 1990-91 except during the years when lumpy servicing occurred

⁷ The IMF defines debt service ratio as the ratio of external debt service payments of principal and interest on long-term and short-term debt to exports of goods and services for any one year (External Debt Statistics: Guide for Compilers and Users, 2003).



due to pre-payments of external debt or redemption of special schemes such as Resurgent India Bonds and India Millennium Deposits. Furthermore, current receipts – reflecting the debt service capacity of the economy – also grew exponentially during 1999-2000 to 2011-12 and helped contain the debt service ratio during the period. A modest rise in debt service ratio in 2014-15 and 2015-16 was on account of decline in current receipts and/or higher payments due on account of redemption of ECBs. In 2016-17, however, debt service ratio improved mainly with the rise in current receipts (Chart 14).

From the debt sustainability perspective, various measures of indebtedness are used to identify solvency and liquidity risks. In the case of India, empirical analysis suggests that there is a unidirectional relationship from external debt stock to annual debt service payments. However, there is no such evidence when external debt is normalised by size of the economy (external debt-GDP ratio) and debt service payments are measured in terms of repayment capacity (Box II). In other words, analysis suggests that there is no evidence of 'ponzi financing' where foreign borrowings are raised to repay earlier

Box II: Relationship between India's External Debt and Debt Service Payments

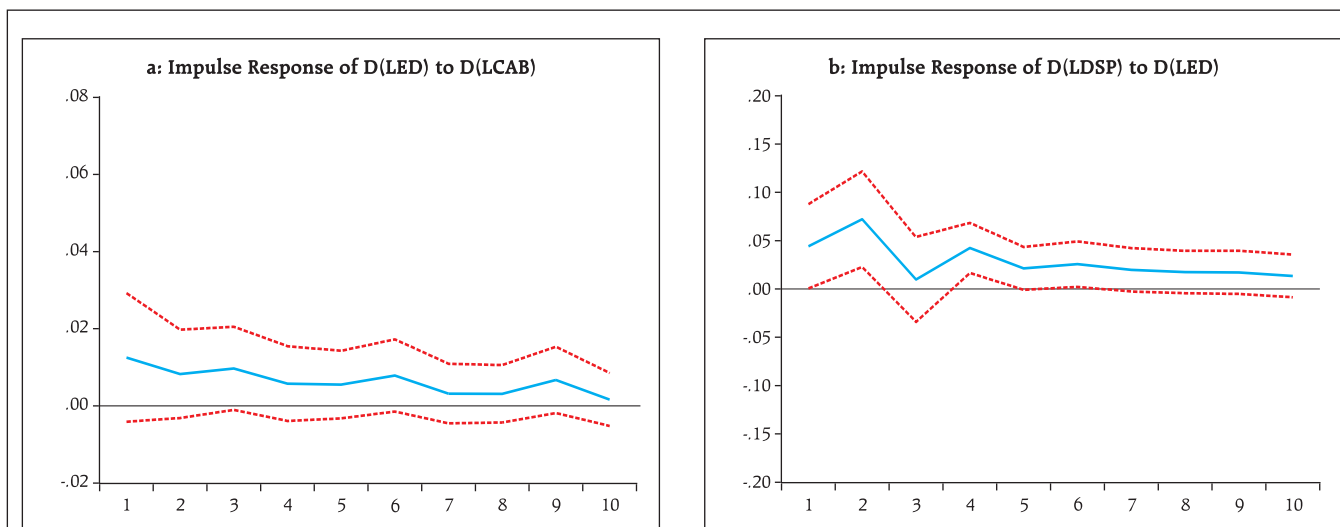
Risks relating to the external debt burden of an economy are generally assessed against the debt service capacity of the economy. The "debt overhang" literature underscores the likelihood of larger debt affecting domestic growth as expected debt service costs may adversely affect domestic and foreign investment (Krugman, 1988 and Sachs, 1989). Debt service ratios provide a metric of the potential claim on resources and the associated risk of payment difficulties and distress. According to the IMF, a low and

stable debt service ratio implies that the existing level of external debt is potentially sustainable. Following the empirical approach of other studies (e.g. Fatai *et al* 2016), the direction of causality is verified (from external debt to debt service payments or vice versa) using annual data for the period 1970 to 2016.

In view of the presence of unit root in both series (Annex II & III)⁸, all variables are taken as first differences of their

(Contd....)

⁸ However, for reference, results of only Augmented Dickey-Fuller test for checking unit root are provided in Annex II and III.



logarithmic values. First, a vector auto regression (VAR) is estimated and the impulse responses suggest that even though external debt (ED) positively responds to shocks in current account balance (CAB), the impact is not statistically significant. However, debt service payments (DSP) increases with a positive shock in external debt and the impact is statistically significant upto two years (Chart a and b). All other impulse responses are not found to be statistically significant and are therefore not reported.

In order to confirm the correlation between the current value of D(LED) with past values of D(LDSP) and vice versa, Granger Causality is also checked (Table II.1).

The results suggest that there is a unidirectional causality relationship between India's external debt and debt

service, *i.e.*, external debt Granger causes debt service payments, and there is 'no reverse causation' from debt service payments to external debt, implying that debt service burden increases with higher external debt. However, when the external debt is normalised by size of the economy (*i.e.*, external debt-GDP ratio) and debt service payments are measured in terms of repayment capacity (current receipts), there is no Granger causation in either direction (Table II.2). It implies that external debt is manageable as long as repayment capacity grows concomitantly. There is no evidence of debt spiral wherein the increasing levels of debt and debt service payments become unsustainable, eventually leading to debt default.

Table II.1: Granger Causality between External Debt and Debt Service Payments

Direction of causality H_0	No. of lags	F-statistics	Probability	Result
D(LED) does not Granger Cause D(LDSP)	2	3.80	0.03	Rejected
D(LDSP) does not Granger Cause D(LED)	2	0.94	0.40	Not rejected

Note: D(LED) is the first difference of external debt in log form and D(DSP) is the first difference of debt service payments in log form.

Table II.2: Granger Causality between External Debt-GDP Ratio and Debt Service Ratio (1975-2016)

Direction of causality H_0	No. of lags	F-statistics	Probability	Result
D(EDR) does not Granger Cause D(DSPR)	2	0.86	0.48	Not Rejected
D(DSPR) does not Granger Cause D(EDR)	2	0.64	0.60	Not Rejected

Note: D(EDR) is the first difference of external debt-GDP Ratio and D(DSPR) is the first difference of debt service payments as a ratio to current receipts.

borrowings as was the case with some Latin American countries in the late 1990s.

V. A Cross-country Perspective

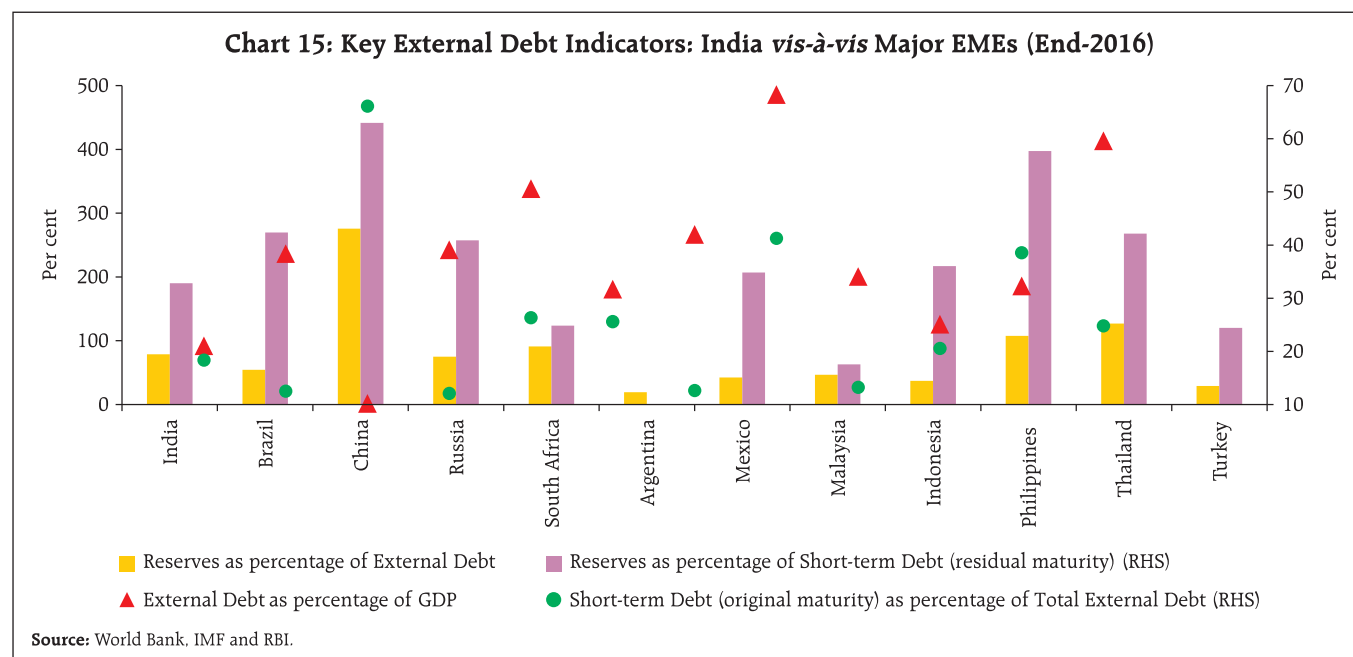
In terms of stock at the end of 2016, India is one of the most externally indebted EMEs – it is the fourth most external indebted country after China, Brazil and Russia. In terms of the external debt to GDP ratio, however, India's position is relatively better. In terms of reserve cover for total external debt, India ranks better than Brazil and Russia. Similarly, the share of short-term debt (original maturity) in India's total external debt was modest relative than China, Malaysia, Thailand, South Africa, Argentina, Turkey, and Philippines. However, the reserve cover for short-term debt (residual maturity) was thinner than other EMEs, except South Africa, Turkey, and Malaysia (Chart 15).

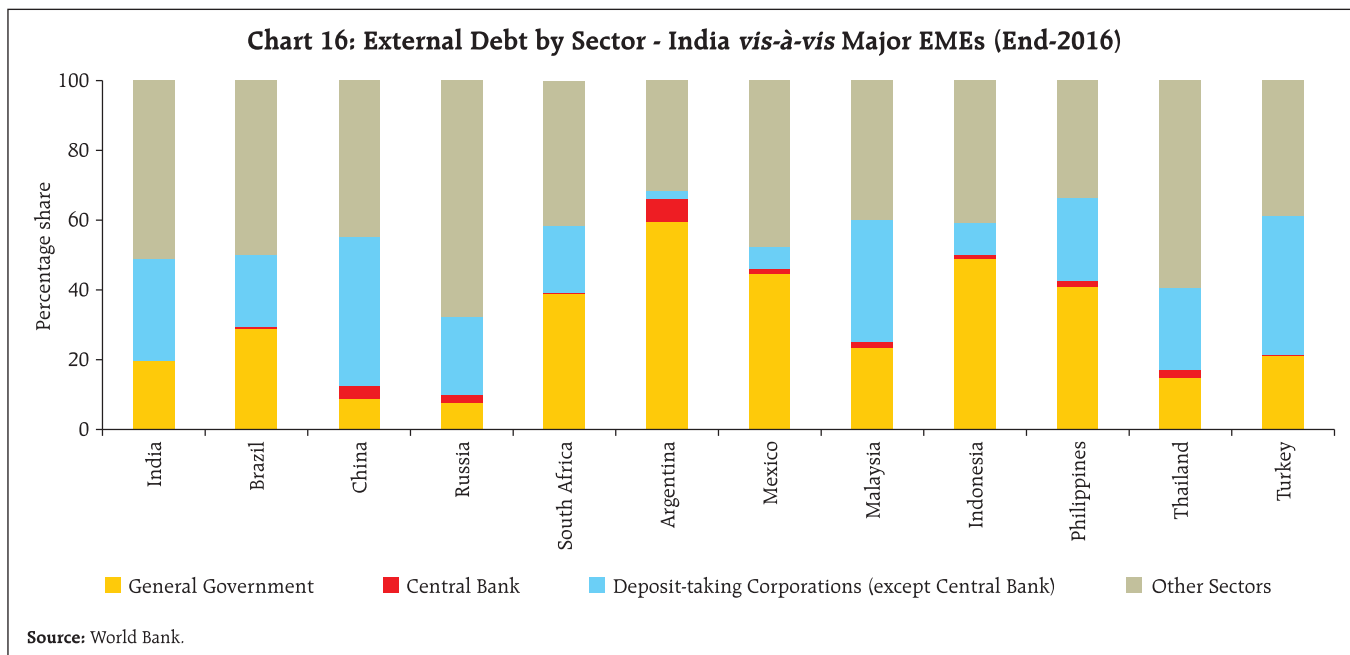
Government (sovereign) debt constitutes nearly 20 per cent of total external debt, which is lower than other major EMEs such as Argentina (59 per cent), Indonesia (49 per cent), Mexico (45 per cent), Philippines (41 per cent), and South Africa (39 per cent). Deposit-taking corporations (except the central

bank) in India account for around 29 per cent of external debt; the ratio is higher in case of China (43 per cent), Turkey (40 per cent), and Malaysia (35 per cent). In case of India, the share of non-financial sector (other sector) in total external debt is lower than Russia and Thailand (Chart 16).

In terms of instruments, India's external debt has been largely through 'loans', accounting for over 40 per cent of total outstanding debt at end-2016. Major EMEs where 'loans' constitute a higher share in debt than India include the Philippines, Turkey, Indonesia, and Thailand. India's share of 'currency and deposits' in total external debt was the highest among major EMEs, whereas the share of 'trade credit and advances' in total external debt is the second highest after China. India's external debt raised through debt securities is lower than most other EMEs including China, Brazil, and South Africa. The Philippines, Turkey, Argentina, Russia, Mexico, and Brazil have a higher share of their external debt in foreign currencies than India (Chart 17).

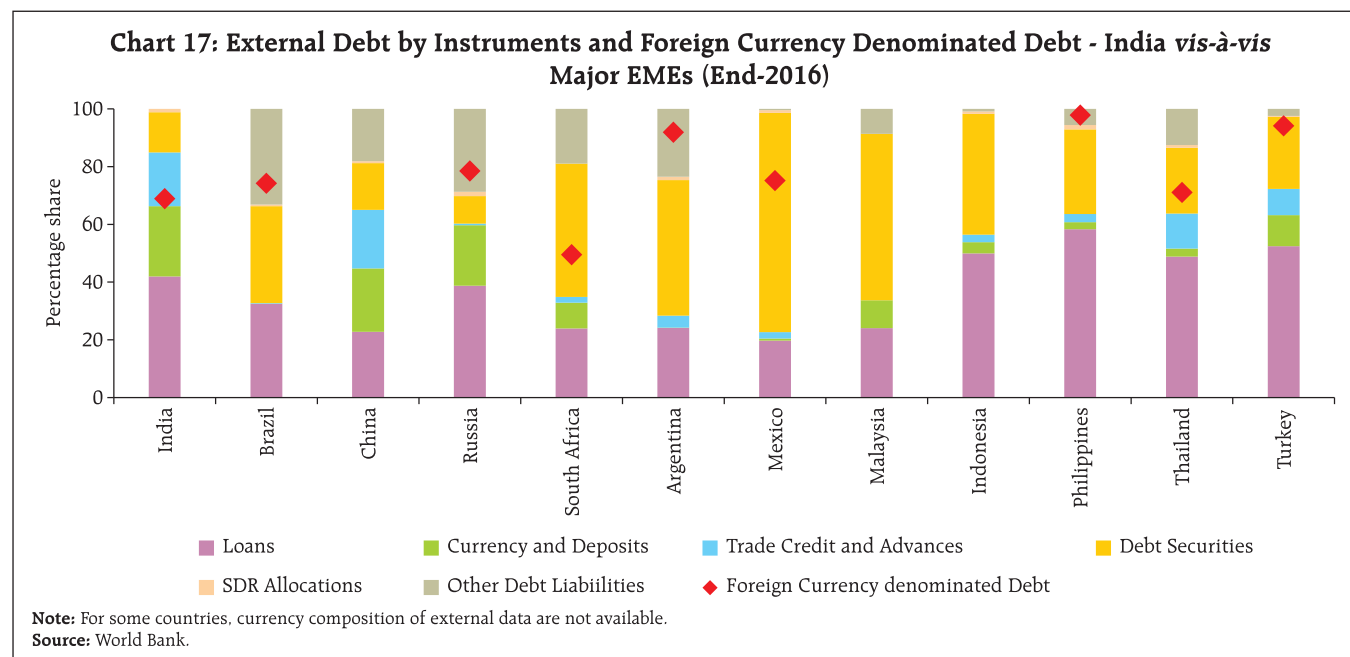
A cross-country comparison shows that a number of EMEs increased their dependence on non-debt



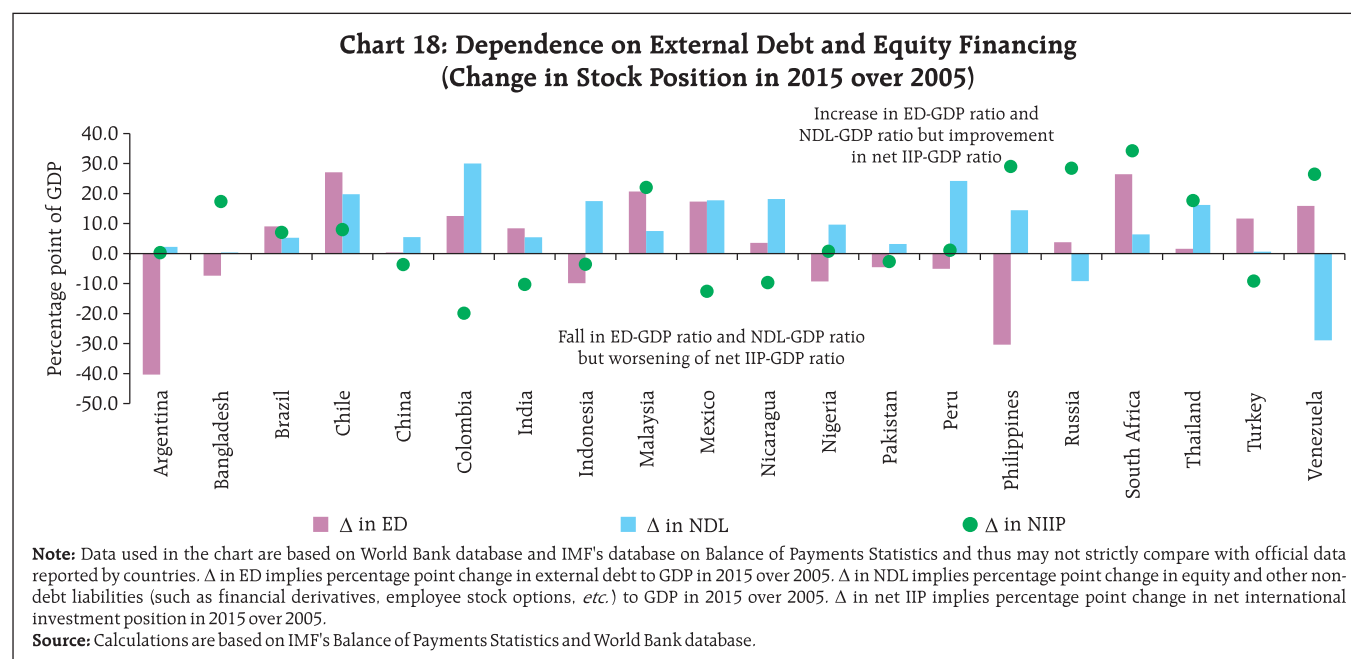


creating flows relative to external debt in recent years. However, unlike China, Argentina, Peru, Pakistan, Indonesia, and the Philippines, India's recourse to external debt (measured in terms of GDP) has increased relative to non-debt creating foreign capital during 2005 to 2015.⁹ Further, India's accumulation

of external assets has been slower, resulting in deterioration in the net international investment position as net claims of non-residents rose during the period. There are a few economies, viz., Brazil, Chile, Malaysia, the Philippines, South Africa, and Thailand which could improve their net international



⁹ The stock of equity and other non-debt liabilities of a country (NDL) has been derived by subtracting its external debt stock from total external liabilities outstanding at the end of the year. The Reserve Bank of India started releasing India's international investment position since September 2005.



investment positions despite increased recourse to debt and/or equity liabilities (Chart 18).

VI. Conclusion

To conclude, India's external debt has exhibited a marked transformation since the early 1990s. While India has been prudent in moving gradually and incrementally in liberalising the capital account, its external debt has expanded in size and its composition has changed over the years in line with evolving needs and policy choices. The growing share of non-government debt and non-concessional debt signifies the expanded role of the Indian private corporate sector in domestic economic activity, but also vulnerability to credit and market risks. Even though India's short-term debt has increased since mid-2000s, the concomitant rise in foreign exchange reserves (aided by robust current receipts) has insulated the domestic economy from an external debt trap as suggested by empirical analysis.

Another key change in the profile of external debt is the increasing share of INR denominated debt in recent years which can be attributed to major policy initiatives taken by the Government and the Reserve

Bank and the increasing appetite of foreign investors for INR denominated debt. On various parameters of external debt indicators, India fares better than the peer economies except China. Nevertheless, the growing reliance on debt financing – especially portfolio debt inflows – could create external vulnerabilities in the face of intensified global financial volatility and thus warrants regular monitoring.

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Annex I: Major Policy Changes for FPI's Participation in Indian Debt Market

Year	Government bonds	Year	Corporate bonds
Apr. 2004	FII permitted in T-bills	Mar. 1998	FII also permitted in unlisted debt securities within the overall approved ceiling*
Nov.-2004	FII limit raised to US\$ 1.75 billion	Dec. 2004	Separate FII limit of 0.5 billion over and above the limit for government bonds
Apr. 2006	FII limit raised to US\$ 2.0 billion	Apr. 2006	Limit raised to US\$ 1.5 billion and restricted to listed corporate bonds only
Jan. 2007	FII limit raised to US\$ 2.6 billion	Sep. 2006	Separate limit of US\$ 0.5 billion in Tier II bonds
Jan. 2008	FII limit raised to US\$ 3.2 billion	Jun. 2008	Limit raised to US\$ 3.0 billion
Jun. 2008	FII limit raised to US\$ 5.0 billion	Oct. 2008	Limit raised to US\$ 6.0 billion
Nov. 2010	Limit raised to US\$ 10 billion (incremental amount of US\$ 5 billion to be invested in long-term G-sec with maturity of over 5 years.	Feb. 2009	Limit raised to US\$ 15 billion
Nov. 2011	Limit increased to US\$15 billion	Nov. 2010	Limit raised to US\$ 20 billion#
Jun. 2012	Sub-limit for G-sec (long-term) increased to US\$ 10 billion	Mar. 2011	Limit raised in long-term bonds to US\$ 25 billion
Jan. 2013	<ul style="list-style-type: none"> Total limit raised to US\$ 25 billion Sublimit for long-term category raised to US\$ 15 billion No investment in T-bills 	Nov. 2011	Limit increased by US\$ 5 billion
Jun. 2013	Total limit enhanced to US\$ 30 billion	Sep. 2012	QFIs allowed up to US\$ 1 billion
Apr. 2014	FII permitted in G-Sec with residual maturity of one year and above	Apr. 2013	Limit set at US\$ 51 billion (by merging sub-limits)
Jul. 2014	Increase in sub-limit to US\$ 25 billion within the existing limit for investment in G-sec (US\$ 30 billion)with minimum residual maturity of 3 years (corresponding reduction of US\$ 5 billion in limit for SWFs, Insurance and pension funds, etc.)	Apr. 2016	Limit of US\$ 51 billion fixed in Rupee terms at Rs. 2443.23 billion (including masala bonds)
Oct. 2015	Quarterly increases in FPI limits for Central G-Sec and SDLs since October 2015	Sep. 22, 2017	<ul style="list-style-type: none"> Rs. 2273.22 billion (excluding masala bonds) w.e.f. Oct.3, 2017 Additional limit of Rs. 170.01 billion for Q4 FY18 FPI limit of Rs. 2443.23 billion for corporate bonds (excluding masala bonds) from Jan. 01, 2017
As at end Mar. 2017	Rs. 2,410 billion (~US\$35 billion) ^		
As at end Sep. 2017	Rs. 2,751 billion (~US\$43 billion)		
From Oct. 3, 2017	Rs. 2,893 billion (~US\$44 billion)		

*Within the overall approved debt ceiling, separate sub-limits of US\$ 0.1 billion for 70:30 route and US\$ 0.9 billion for 100 per cent debt limit route which were also subsequently modified till the demarcation of these routes were eliminated in January 2008.

Incremental amount for long-term bonds (> 5 years) of infrastructure companies.

^ Since October 2015, the limits for investment by FPIs in Central Government Securities and State Development Loans are announced/ fixed in Rupee terms. Figures in brackets are estimated using reference rate for INR against USD at the beginning of the quarter.

Annex II: Augmented Dickey-Fuller Test for Unit Root in External Debt related to Trade Credit, Imports and Rupee-Dollar Exchange Rate

Null Hypothesis: LTCOS, LIM and LER have a unit root							
Lag Length: (Automatic - based on SIC)							
Sample period: 2000:Q2 to 2017:Q4							
Augmented Dickey-Fuller test statistic		LTCOS		LIM		LER	
		t-Statistic	Prob*	t-Statistic	Prob*	t-Statistic	Prob*
		-1.14	0.69	-1.28	0.63	0.07	0.96
Test critical values:	1% level	-3.53		-3.53		-3.53	
	5% level	-2.91		-2.90		-2.91	
	10% level	-2.59		-2.59		-2.59	

*MacKinnon (1996) one-sided p-values.

Annex III: Augmented Dickey-Fuller Test for Unit Root in External Debt and Debt Service Payments

Null Hypothesis: LED and LDSP have a unit root					
Exogenous: Constant					
Lag Length: (Automatic - based on SIC)					
Period: 1970-2016					
Augmented Dickey-Fuller test statistic		LED		LDSP	
		t-Statistic	Prob.*	t-Statistic	Prob.*
		-0.72	0.83	0.90	0.78
Test critical values:	1% level	-3.58		-3.59	
	5% level	-2.93		-2.93	
	10% level	-2.60		-2.60	

*MacKinnon (1996) one-sided p-values.

Null Hypothesis: EDR and DSPR has a unit root					
Exogenous: Constant					
Lag Length: (Automatic - based on SIC)					
Augmented Dickey-Fuller test statistic		EDR		DSPR	
		t-Statistic	Prob.*	t-Statistic	Prob.*
		-2.52	0.12	-1.53	0.51
Test critical values:	1% level	-3.60		-3.59	
	5% level	-2.94		-2.93	
	10% level	-2.61		-2.60	

*MacKinnon (1996) one-sided p-values.

*Survey on International Trade in Banking Services: 2016-17**

The annual survey of international trade in banking services (ITBS) covers the functioning of overseas branches/subsidiaries of Indian banks and branches of foreign banks operating in India. The survey collects the profile of their fund/non-fund based business as well as their income, expenditure and profitability. During 2016-17, bank credit, interest income and profitability declined for all categories of banks with cross-border presence and their consolidated balance sheet also contracted, reflecting global moderation of trade in banking services¹.

Introduction

International trade in banking services (ITBS) covers banking services provided to residents of an economy through local presence of (a) foreign banks and (b) foreign affiliates. It includes fund-based services (such as, deposit-taking, lending to firms, consumer finance) and a host of non-asset-based services (e.g., securities underwriting, local currency bond trading, foreign exchange trading, custody services, financial consultancy services, funds transfer and management services).² Over the decades, the number of Indian banking outlets operating abroad and the number of branches of foreign banks operating in India have increased to meet the demand for cross-border banking services and it is useful to assess their efficiency and other parameters regularly.

The framework of the General Agreement on Trade in Services (GATS) under the World Trade Organisation (WTO) envisages that delivery of

* This article is prepared by Seema Jaiswal, Prithwis Jana and Pallavi in the External Liabilities and Assets Statistics Division, Department of Statistics and Information Management, Reserve Bank of India. The views expressed in the article are those of the authors and are not necessarily shared by the Reserve Bank.

¹ Detailed data related to ITBS 2016-17 survey have been released on RBI website (www.rbi.org.in) on November 1, 2017 where further details of the banking services covered under the survey are also given.

² The previous article in the series with reference period 2015-16 was published in November 2016 issue of the Reserve Bank of India Bulletin.

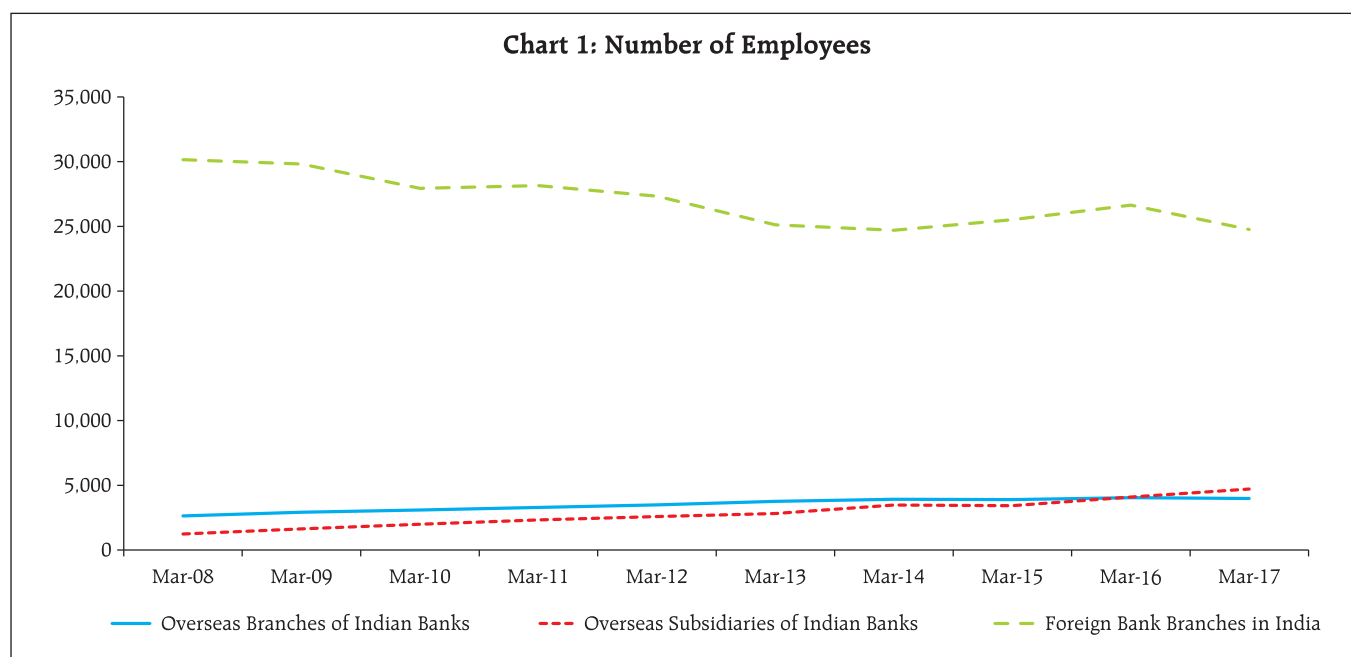
any commercial service can be in one of the four modes, viz., Mode-1 (cross-border exchange), Mode-2 (consumption abroad), Mode-3 (commercial presence) and Mode 4 (movement of natural persons), as per the global manual of statistics of international trade in services (MSITS). Service rendered by a bank with cross-border presence in the territory of the country availing service, comes under Mode-3. Such presence can be through various investment vehicles like representative offices, branches, subsidiaries, associates and correspondents. GATS emphasises *inter alia* the need of consistent and comparable statistics on ITBS for assessing the progress of liberalisation of financial services sector.

The Reserve Bank has been conducting the annual ITBS survey since 2006-07 to compile information on banking services provided under the Mode-3 of supply. The survey covers overseas branches and subsidiaries of Indian banks as well as foreign banks operating in India. As per the IMF's *Balance of Payments and International Investment Position Manual: Sixth edition (BPM6)*, subsidiary is a direct investment enterprise (DIE) over which direct investor is able to exercise control, which is assumed to exist if the investor has majority share in total equity of the investment recipient enterprise.

The 2016-17 survey round covered 192 overseas branches and 325 overseas subsidiaries of Indian banks as well as 286 branches of foreign banks operating in India. As all banks with cross-border presence responded to the survey, the results present census position, though the data for the latest year remain provisional. In this article, the salient features of the international trade in banking services in the last few years are analysed in terms of branch network (section 2), fund based and non-fund based business (section 3 and 4) and profitability (section 5). Some concluding thoughts are given in section 6.

2. Branch Distribution

Cross-border presence of banks has increased over the years in line with the growing demand from



cross-border trade and other activities. The number of Indian banks' overseas branches increased gradually from 121 (with 2,629 employees) in March 2008 to 192 (with 3,984 employees) in March 2017 (Chart 1). The highest number of such branches was in the United Kingdom (33), followed by Hong Kong (17), Singapore (16), United Arab Emirates (15), Sri Lanka (13) and South Africa (12). Public sector banks dominated the overseas presence of Indian banks, where State Bank of India had the largest overseas presence (61 branches in 22 countries) followed by Bank of Baroda (47 branches in 15 countries). The number of foreign bank branches increased from 273 in March 2008 to 317 in March 2016 before declining to 286 in March 2017 and their staff-strength declined from 30,159 in

March 2008 to 24,766 in March 2017. Indian banks' overseas branches employed 63.3 per cent local employees whereas 99.3 per cent of foreign banks employees working in India were local (Table 1).

3. Fund based business

Bucking the past trend, the total assets/liabilities of all groups of banks (*viz.*, overseas branches of Indian banks, their subsidiaries operating abroad and foreign banks' branches operating in India) contracted in 2016-17 (Table 2 and Chart 2). Business of Indian banks' branches abroad and Indian banks' subsidiaries abroad recorded higher contraction (-5.2 per cent and -5.7 per cent, respectively) as compared to foreign banks operating in India (-1.4 per cent).

Table 1: Composition of Employees – 2015-16 and 2016-17

Category	Indian Banks' Branches Operating Abroad		Indian Banks' Subsidiaries Operating Abroad		Foreign Banks' Branches in India	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
Total number of branches	189	192	310	325	317	286
Total number of employees	4,040	3,984	4,091	4,704	26,642	24,766
<i>of which:</i>						
Local	2,549	2,520	3,616	4,194	26,487	24,602
Indians	1,368	1,417	401	458		
Others	123	47	74	52	155	164

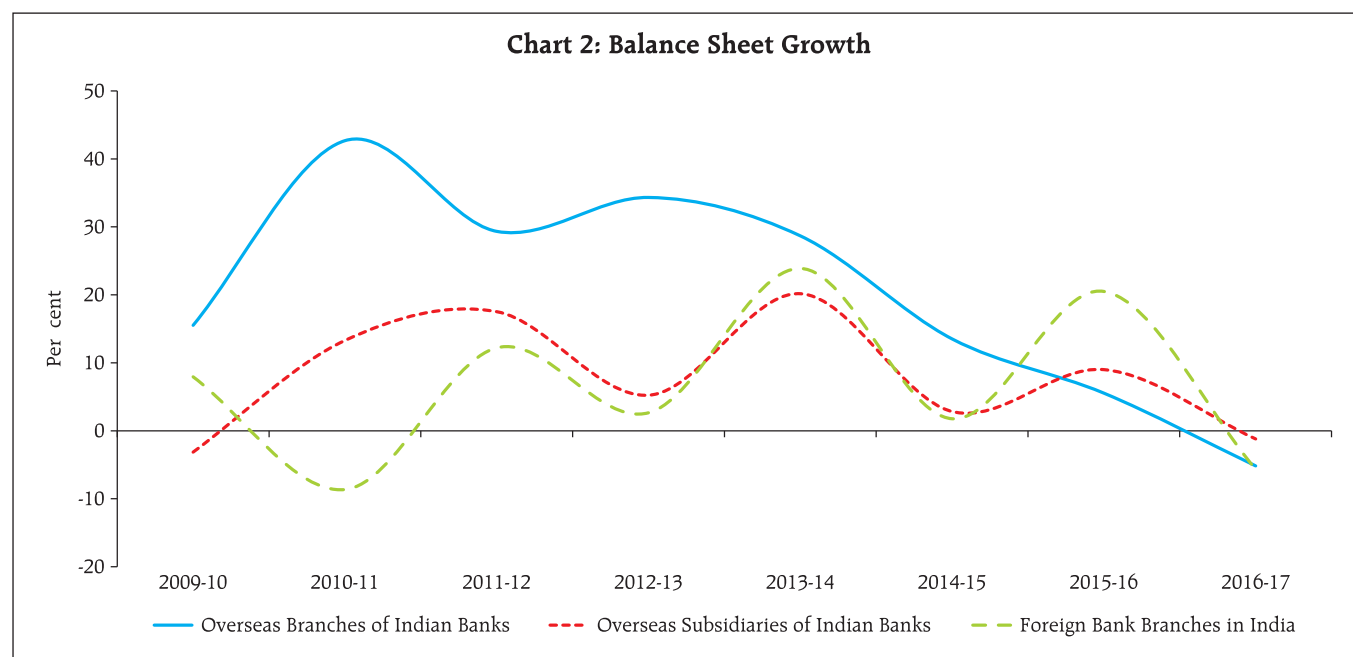
Table 2: Bank Balance Sheet – 2012-13 to 2016-17 (end-March)

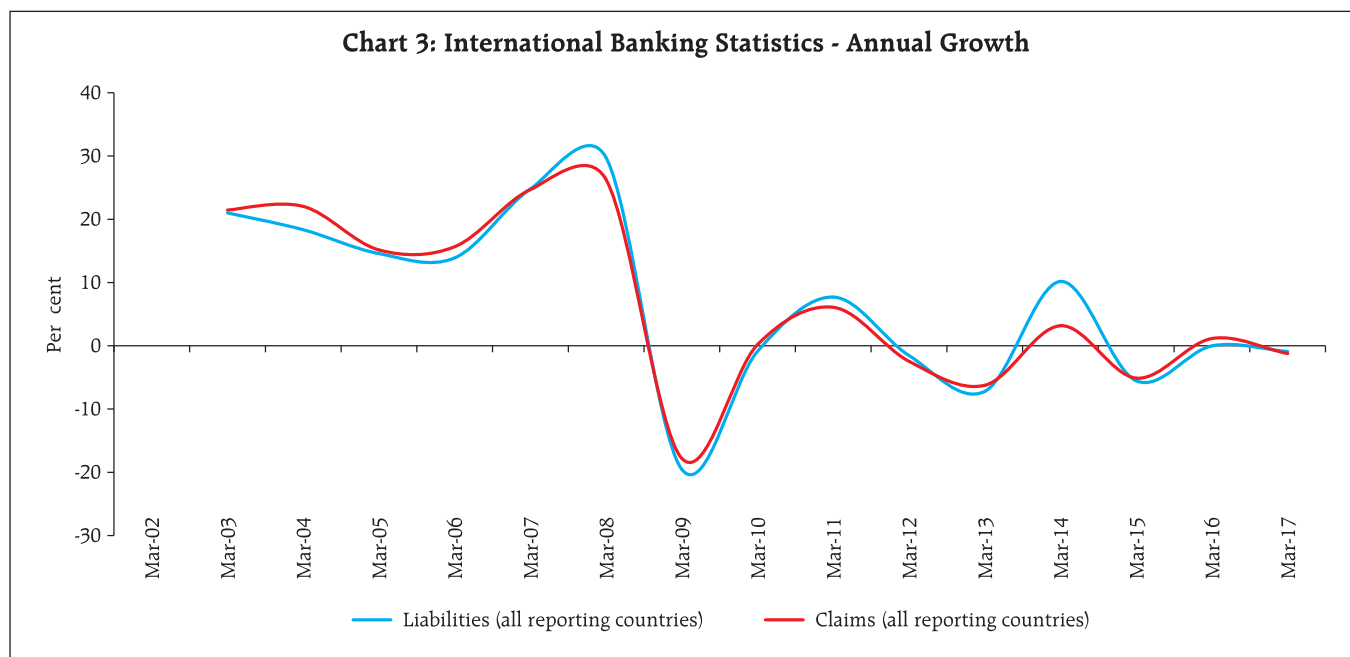
Category	2012-13	2013-14	2014-15	2015-16	2016-17
	Indian Banks' Branches Operating Abroad				
Credit to Total Assets (%)	58.9	58.5	57.4	58.3	59.6
Deposits to Total Liabilities (%)	39.5	39.0	39.0	36.7	36.4
Total Assets/Liabilities (₹ billion)	9,939.8	12,791.2	14,520.0	15,323.6	14,530.7
Total Assets/Liabilities (US\$ billion)*	182.8	212.8	232.0	231.1	224.2
Indian Banks' Subsidiaries Operating Abroad					
Credit to Total Assets (%)	66.5	67.9	70.7	69.1	68.5
Deposits to Total Liabilities (%)	55.2	58.2	58.1	56.7	55.9
Total Assets/Liabilities (₹ billion)	848.3	1,050.9	1,069.5	1,347.5	1,271.3
Total Assets/Liabilities (US\$ billion)*	15.6	17.5	17.1	20.3	19.6
Foreign Banks' Branches in India					
Credit to Total Assets (%)	50.7	40.8	44.8	46.2	42.4
Deposits to Total Liabilities (%)	46.7	47.8	53.7	56.0	57.5
Total Assets/Liabilities (₹ billion)	6,066.5	7,290.3	7,497.6	8,172.7	8,075.2
Total Assets/Liabilities (US\$ billion)*	111.5	121.3	119.8	123.2	124.6

* Using end-March RBI reference rate of Rupee/US Dollar.

It is noteworthy that on average, the balance sheet of all bank-groups has grown at a lower pace during the latest three years (2014-17) than in the past (2009-14). Similar pattern is witnessed at the global level in the international banking statistics (IBS) of the Bank for International Settlements (Chart 3). It is

noted that the combined cross-border liabilities and assets (locational banking statistics – LBS) of all IBS-reporting countries in March 2017 were over 5 per cent lower than their level in March 2014. This can be attributed to lower requirements of bank-financing in light of moderate levels of economic activities,



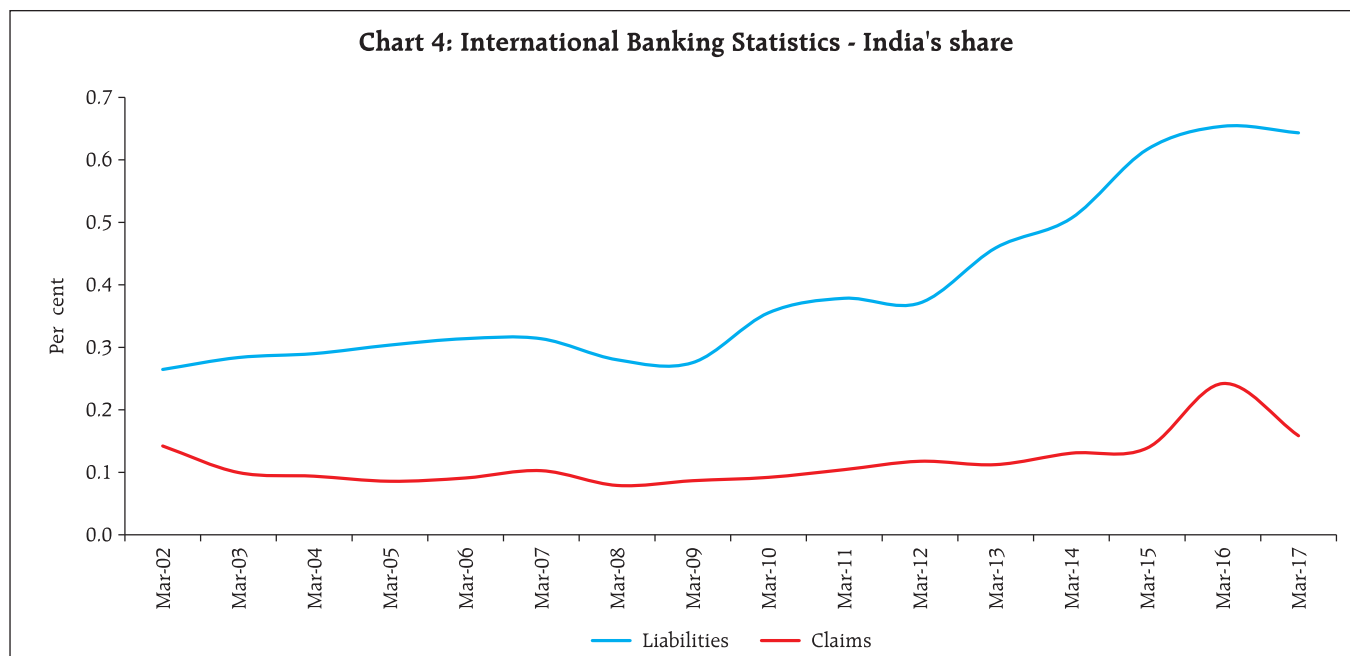


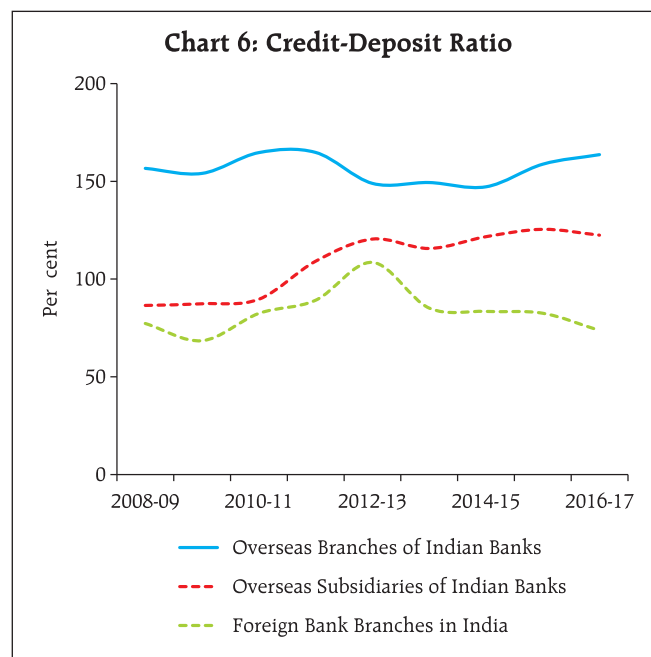
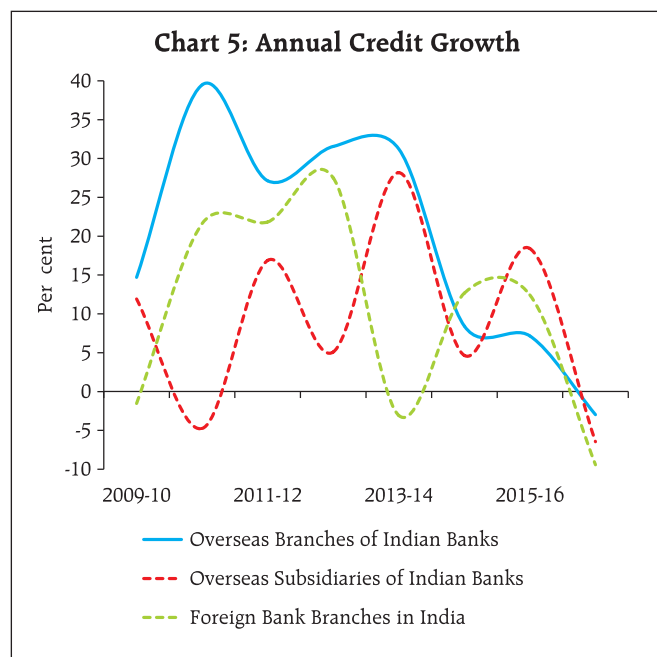
which has been a widespread concern and therefore necessitated measures like sustained low interest rate regime, easy liquidity conditions and several other policy measures, at the global level.

India's share in IBS liabilities/assets is relatively low but it has gradually increased over 2002-2016. At end-March 2016, India's share in the combined liabilities and assets of IBS-reporting countries stood

at 0.65 per cent and 0.24 per cent, respectively. These, however, declined marginally during 2016-17 (Chart 4).

The tempered condition of fund-based banking business (Table 2 and Chart 2) is best reflected in the decline in loans extended by the three bank-groups (Chart 5). It is important to note here that lending accounted for nearly 60 per cent of the US\$ 224 billion





asset-base of overseas branches of Indian banks in March 2017 whereas it constituted 42 per cent of foreign bank's assets in India (US\$ 125 billion).

On the liabilities side, all bank groups barring foreign banks' branches in India witnessed decline in deposits during 2016-17. Foreign banks in India, like other banks in India, witnessed a surge in their deposit base following the demonetisation of specified bank notes (SBNs) during the later part of the year. Deposit mobilisation, however, has not been a constraint for lending by these banks with cross-border presence as they mobilise resources through other avenues, including headquarter funding. As a result, their credit-deposit ratio has been generally around 100 per cent or even well above that, which is also the case of overseas branches of Indian banks consistently (Chart 6).

4. Non-Fund based business

Banks charge explicit and implicit fees or commission to customers for rendering various banking services. Information on such fee and commission provides a valuable sketch of international trade in banking services. The ITBS survey classifies such services into eleven major groups, as per the MSITS. The share of fee income in total income of various groups of banks ranged between 11-22 per cent (Table 3).

Fee income of Indian banks' overseas subsidiaries declined for the third consecutive year in 2016-17 but it increased for Indian banks' branches operating abroad and foreign banks' branches operating in India, after a dip in the previous year (Table 3). It was evenly distributed across the four quarters of 2016-17 (Chart 7). Indian banks' overseas branches maintained

Table 3: Fee Income / Commission for Banking Services

(Amount in ₹ billion)

	2012-13	2013-14	2014-15	2015-16	2016-17
Overseas Branches of Indian Banks	93.5	89.6	94.3	87.3	94.0
Overseas Subsidiaries of Indian Banks	4.8	16.6	13.0	10.4	9.3
Foreign Bank Branches in India	74.5	78.8	72.7	70.6	71.3

Table 4: Activity Share in Trade in Banking Services

(per cent)

Activity	Indian Banks' Branches Operating Abroad					Foreign Banks' Branches Operating in India				
	2012-13	2013-14	2014-15	2015-16	2016-17	2012-13	2013-14	2014-15	2015-16	2016-17
Deposit Account Management Services	8.3	1.3	1.2	1.4	3.4	5.1	4.6	2.8	1.9	1.8
Credit Related Services	43.2	27.8	28.2	30.0	30.1	12.2	11.9	12.0	13.8	9.7
Financial Leasing Services	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Trade Finance Related Services	36.7	16.0	16.0	15.8	21.5	22.1	17.1	16.6	18.7	15.6
Payment and Money Transmission Services	5.7	3.1	3.6	3.8	3.3	15.0	15.7	18.3	23.5	23.8
Fund Management Services	0.0	0.0	0.0	0.0	0.0	6.1	4.4	5.6	7.1	6.0
Financial Consultancy and Advisory Services	0.1	1.2	1.3	0.8	0.4	15.0	16.6	17.2	10.8	10.5
Underwriting Services	0.0	0.0	0.0	0.0	0.1	0.2	2.9	0.6	0.8	1.1
Clearing and Settlement Services	0.3	0.4	0.5	0.6	0.5	1.2	0.9	0.7	1.0	0.7
Derivative, Stock, Securities, Foreign Exchange trading Services	3.5	22.1	20.8	23.7	20.4	17.6	20.9	20.4	9.5	16.4
Other Financial Services	2.3	28.0	28.4	23.9	20.1	5.6	4.8	5.9	13.0	14.3
All activities	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

their focus on rendering 'credit related services', 'trade finance related services' and 'derivative, stock, securities, foreign exchange trading services', which together accounted for over 70 per cent of their fee income during 2016-17. Foreign banks operating in India had more diversified platter and 'payment and money transmission services' was the highest source of fee income (Table 4).

Earnings of Indian banks' branches in the UK from rendering banking services were the highest

followed by those in the UAE, Hong Kong and Singapore (Table 5) and a dominant portion of their fee income is earned from services rendered to residents (Chart 8). Earnings of banks from the USA and Japan in India from such operations remained higher than the amount accrued from similar operations by Indian banks in these countries.

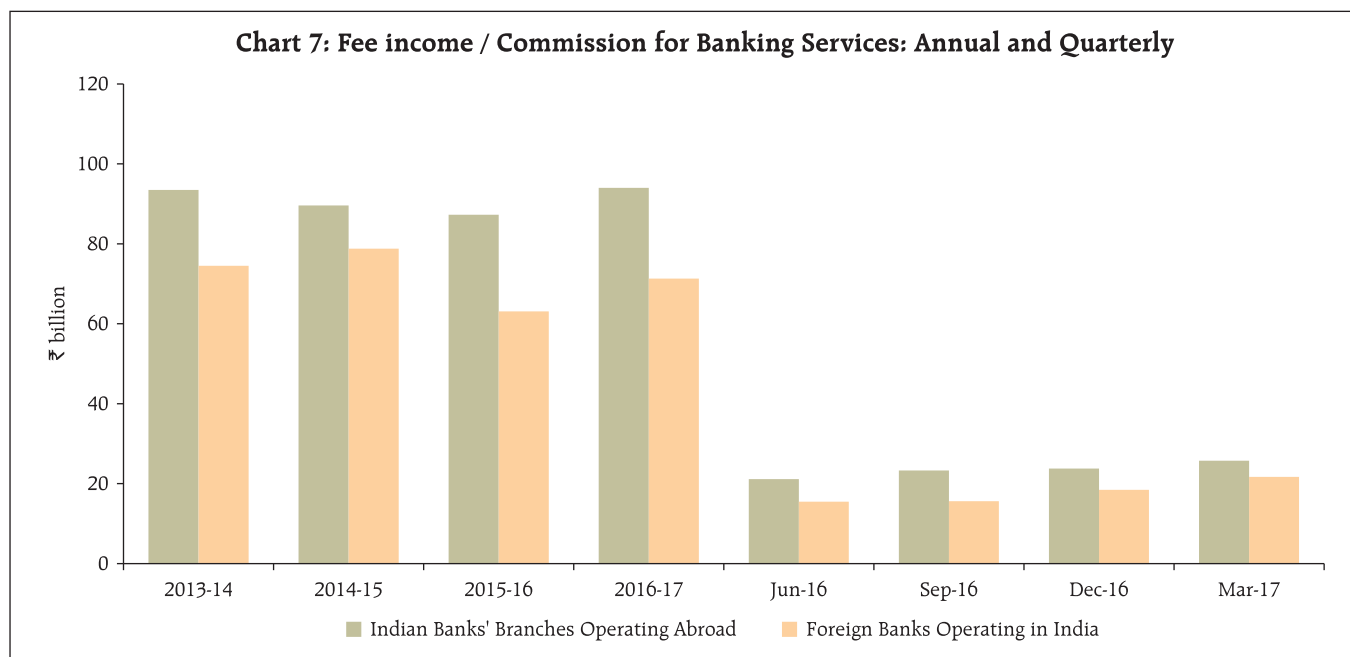
5. Profitability

The waning of advances during 2016-17 led to 2.9 per cent drop in interest income of overseas branches

Table 5: Country-wise classification of Fee Income by Indian banks' branches operating abroad and Foreign Banks Operating in India

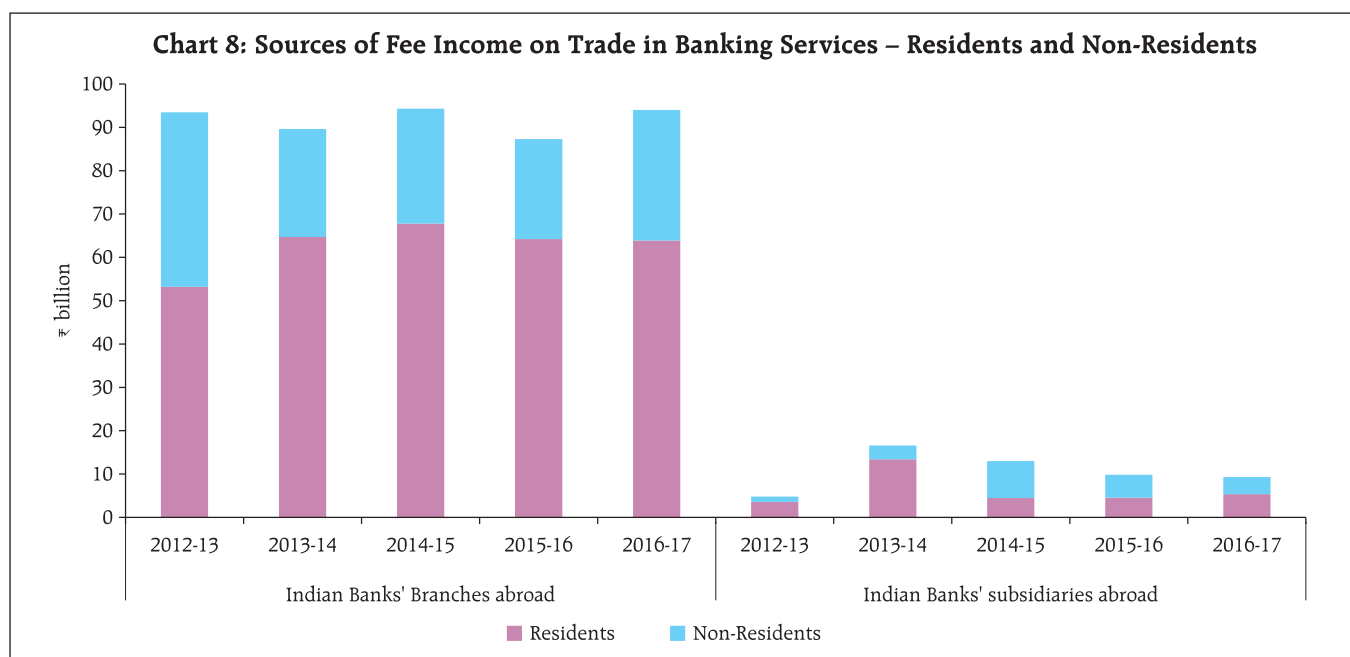
(Amount in ₹ billion)

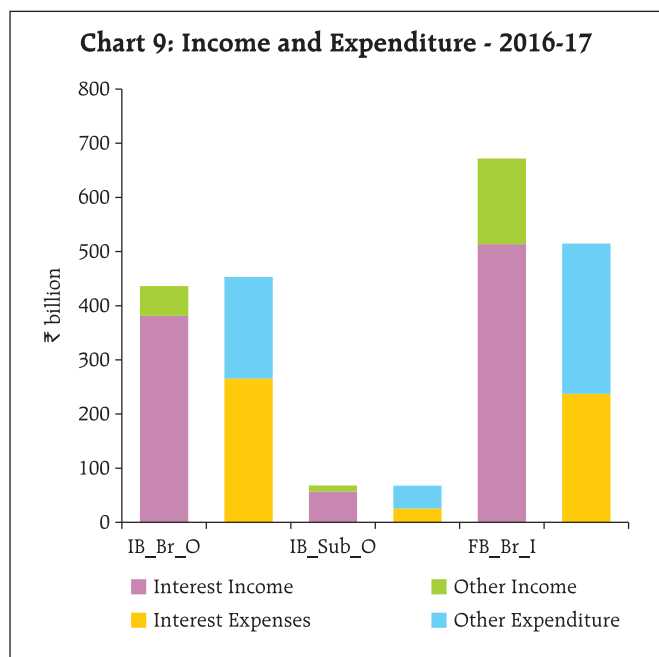
	Indian Banks' Branches Operating Abroad					Foreign Banks' Branches Operating in India				
	2012-13	2013-14	2014-15	2015-16	2016-17	2012-13	2013-14	2014-15	2015-16	2016-17
Bahrain	2.9	3.9	5.2	3.9	3.3	0.1	0.1	0.1	0.1	0.0
Hong Kong	9.4	7.9	8.2	7.2	6.2	15.7	13.4	13.5	4.4	4.2
Japan	1.0	1.2	0.8	1.4	0.9	1.4	1.2	1.4	1.6	1.4
Singapore	8.2	7.5	7.3	6.8	5.7	3.6	2.3	2.2	2.4	2.0
Sri Lanka	15.4	0.3	0.4	0.3	0.7	0.0	0.0	0.1	0.1	0.1
UAE	4.1	8.5	9.9	9.0	8.0	0.2	0.4	0.4	0.5	0.8
UK	38.8	49.8	52.3	48.0	48.2	18.5	23.0	18.5	16.4	16.4
USA	4.3	3.7	4.1	4.1	3.7	20.4	26.6	25.6	28.6	35.2
Other Countries	9.4	6.8	6.1	6.6	17.4	14.6	11.8	10.9	9.1	11.2
Total	93.5	89.6	94.3	87.3	94.0	74.5	78.8	72.7	63.1	71.3



of Indian banks (IB_Br_O) and their total income declined by 4.6 per cent as non-interest income also dropped significantly. This led to the a typical situation of their expenditure exceeding income during the year. Foreign banks in India (FB_Br_I) also had lower interest income though higher non-interest earnings led to 3.8 per cent growth in their total income. The

divergence in business funding models of banks was appropriately reflected in the share of interest expenses in total expenditure which was 58.6 per cent for overseas branches of Indian banks, 37.5 per cent for overseas subsidiaries of Indian banks (IB_Sub_O) and 46.1 per cent for foreign banks operating in India (Chart 9 and Table 6).





Despite lower asset base, foreign banks in India generally recorded higher profitability than the overseas branches and subsidiaries of Indian banks. Focus on non-fund based activities generating higher fee income contributed to this. The decline in credit base and interest income across all groups of banks during 2016-17 coincided with lowering of asset base and increase in non-interest income for foreign banks in India and, as such, the *income to total assets ratio*

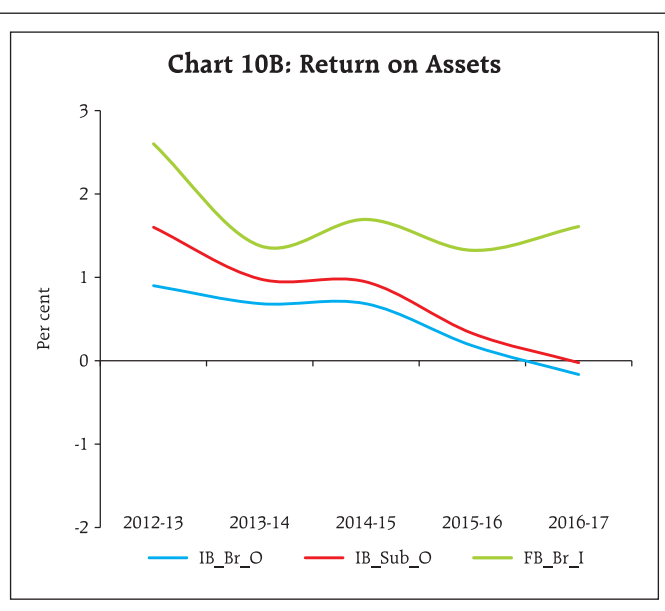
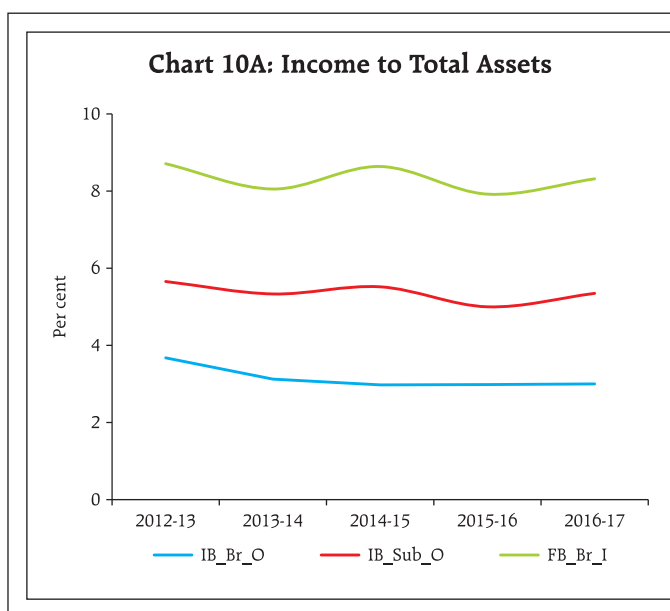
Table 6: Income and Expenditure – 2012-13 to 2016-17

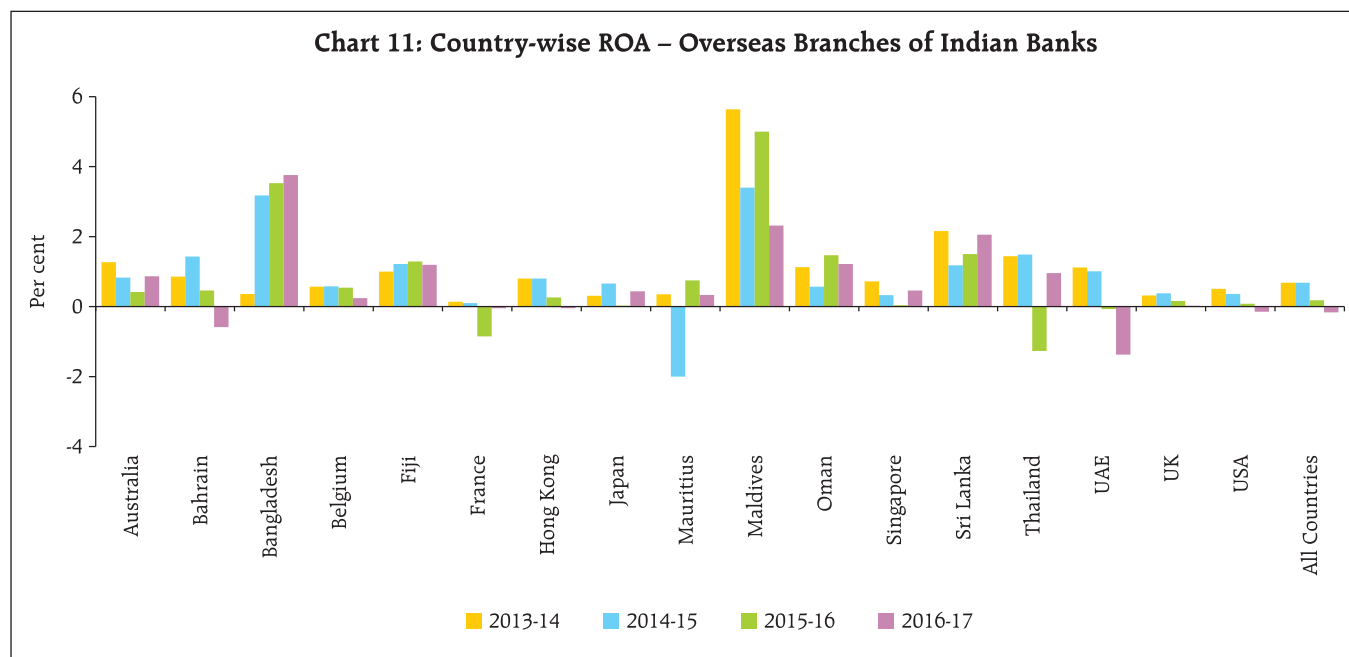
(Amount in ₹ billion)

	2012-13	2013-14	2014-15	2015-16	2016-17
Indian Banks' Branches Operating Abroad					
Income	365.6	399.8	432.3	457.3	436.1
Expenditure	273.7	306.4	318.8	419.4	453.0
Indian Banks' Subsidiaries Operating Abroad					
Income	48.0	56.1	59.0	67.3	68.0
Expenditure	34.3	45.8	48.4	62.8	67.7
Foreign Banks' Branches Operating in India					
Income	528.4	587.2	647.7	647.4	671.7
Expenditure	372.6	446.5	489.5	498.1	514.8

did not undergo any major shift. The profitability ratio (return on assets - ROA), however, plummeted for overseas branches/subsidiaries of Indian banks but it increased for foreign banks in India due to a surge in their non-interest income (Charts 10A and 10B).

Country-wise data indicate that Indian banks' branches operating in Bangladesh continued to have the highest ROA (3.8 per cent) during 2016-17 followed by banks in Maldives (2.3 per cent). In countries with larger number of branches, the ratio was lower at 0.5





per cent for Singapore, 0.02 per cent for the UK, and -0.05 per cent for Hong Kong (Chart 11).

6. Conclusion

During 2016-17, international trade in banking services from/to India moderated due to subdued level of global economic activities. Global growth in trade in banking services has decelerated in the recent period, especially during the last three years, as reflected in international banking statistics (IBS) of the BIS. The expansionary phase of cross-border presence of banks has come to a near-cessation and branches / staff-strength of foreign banks in India reduced during 2016-17. The decline in the balance sheet was more pronounced in case of overseas banks from India than foreign banks in India. Lower demand

for bank funds resulted in decline in lending by all bank groups. Deposit mobilisation by these bank-groups also declined, barring a marginal growth in demonetisation-related deposits of foreign banks in India.

The weakening of fund based activities of cross-border banks was, however, not witnessed in non-fund based activities. Fee and other income remained an important constituent of banks' profitability. Most of the fee income of Indian banks' overseas branches came through rendering services to residents. Non-interest income is a primary component in total income for foreign banks operating in India, due to which their income and profitability generally exceeds that of Indian banks' overseas branches despite a lower asset base.

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CURRENT STATISTICS

Select Economic Indicators

Reserve Bank of India

Money and Banking

Prices and Production

Government Accounts and Treasury Bills

Financial Markets

External Sector

Payment and Settlement Systems

Occasional Series

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

No. 1: Select Economic Indicators

Item	2016-17	2016-17		2017-18	
		Q1	Q2	Q1	Q2
	1	2	3	4	5
1 Real Sector (% Change)					
1.1 GVA at Basic Prices	6.6	7.6	6.8	5.6	6.1
1.1.1 Agriculture	4.9	2.5	4.1	2.3	1.7
1.1.2 Industry	7.0	9.0	6.5	1.5	6.9
1.1.3 Services	6.9	8.2	7.4	7.8	6.6
1.1a Final Consumption Expenditure	10.5	9.8	9.5	8.5	6.0
1.1b Gross Fixed Capital Formation	2.4	7.4	3.0	1.6	4.7
	2016-17	2016		2017	
		Sep.	Oct.	Sep.	Oct.
	1	1	2	3	4
1.2 Index of Industrial Production	4.6	5.0	4.2	3.8	-
2 Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	11.3	10.8	9.2	8.2	9.2
2.1.2 Credit	4.5	10.1	8.7	6.5	7.1
2.1.2.1 Non-food Credit	5.2	10.2	8.8	7.1	7.8
2.1.3 Investment in Govt. Securities	17.4	6.5	8.0	16.4	15.9
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	-12.9	14.7	16.0	-4.0	-5.1
2.2.2 Broad Money (M3)	10.6	13.7	10.4	5.6	6.5
3 Ratios (%)					
3.1 Cash Reserve Ratio	4.00	4.00	4.00	4.00	4.00
3.2 Statutory Liquidity Ratio	20.50	21.00	20.75	20.00	19.50
3.3 Cash-Deposit Ratio	5.3	4.7	4.9	4.9	4.7
3.4 Credit-Deposit Ratio	72.9	74.3	74.4	73.1	72.9
3.5 Incremental Credit-Deposit Ratio	41.4	32.0	22.3	88.8	76.8
3.6 Investment-Deposit Ratio	28.2	28.3	29.0	30.5	30.8
3.7 Incremental Investment-Deposit Ratio	28.4	30.2	42.6	184.4	337.6
4 Interest Rates (%)					
4.1 Policy Repo Rate	6.25	6.50	6.25	6.00	6.00
4.2 Reverse Repo Rate	5.75	6.00	5.75	5.75	5.75
4.3 Marginal Standing Facility (MSF) Rate	6.75	7.00	6.75	6.25	6.25
4.4 Bank Rate	6.75	7.00	6.75	6.25	6.25
4.5 Base Rate	9.25/9.60	9.30/9.65	9.30/9.65	9.00/9.55	8.95/9.45
4.6 MCLR (Overnight)	7.75/8.20	8.85/9.15	8.80/9.10	7.75/8.10	7.70/8.05
4.7 Term Deposit Rate >1 Year	6.50/7.00	7.00/7.30	6.50/7.30	6.25/6.75	6.25/6.75
4.8 Savings Deposit Rate	4.00	4.00	4.00	3.50/4.00	3.50/4.00
4.9 Call Money Rate (Weighted Average)	5.97	6.43	6.18	5.88	5.85
4.10 91-Day Treasury Bill (Primary) Yield	5.82	6.52	6.36	6.11	6.11
4.11 182-Day Treasury Bill (Primary) Yield	6.05	6.63	6.46	6.22	6.18
4.12 364-Day Treasury Bill (Primary) Yield	6.14	6.58	6.46	6.24	6.22
4.13 10-Year G-Sec Par Yield (FIMMDA)	7.00	6.81	6.83	6.83	7.00
5 RBI Reference Rate and Forward Premia					
5.1 INR-US\$ Spot Rate (Rs. Per Foreign Currency)	64.84	66.66	66.86	65.36	65.09
5.2 INR-Euro Spot Rate (Rs. Per Foreign Currency)	69.25	74.75	72.91	77.06	75.68
5.3 Forward Premia of US\$ 1-month (%)	5.09	6.66	5.38	4.96	4.52
3-month (%)	4.97	6.21	5.38	4.28	4.36
6-month (%)	4.90	5.85	5.35	4.19	4.36
6 Inflation (%)					
6.1 All India Consumer Price Index	4.5	4.4	4.2	3.3	3.6
6.2 Consumer Price Index for Industrial Workers	4.1	4.1	3.3	2.9	3.2
6.3 Wholesale Price Index	1.7	1.4	1.3	2.6	3.6
6.3.1 Primary Articles	3.4	3.7	2.1	0.2	3.3
6.3.2 Fuel and Power	-0.3	-2.9	-1.2	9.0	10.5
6.3.3 Manufactured Products	1.3	1.1	1.3	2.7	2.6
7 Foreign Trade (% Change)					
7.1 Imports	0.5	-0.6	10.7	18.1	7.6
7.2 Exports	5.4	4.1	8.9	25.8	-1.1

Reserve Bank of India

No. 2: RBI - Liabilities and Assets *

(₹ Billion)

Item	As on the Last Friday/ Friday						
	2016-17	2016	2017				Nov. 24
			Nov.	Oct. 27	Nov. 3	Nov. 10	
	1	2	3	4	5	6	7
1 Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	13,101.81	11,642.37	16,091.94	16,130.06	16,280.91	16,332.83	16,344.50
1.1.2 Notes held in Banking Department	0.12	0.32	0.16	0.17	0.16	0.18	0.17
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	13,101.93	11,642.69	16,092.10	16,130.22	16,281.07	16,333.02	16,344.68
1.2 Assets							
1.2.1 Gold Coin and Bullion	675.08	716.83	727.46	701.52	701.52	701.52	701.52
1.2.2 Foreign Securities	12,422.35	10,909.76	15,356.67	15,420.79	15,571.70	15,623.72	15,635.48
1.2.3 Rupee Coin	4.50	5.64	7.97	7.91	7.85	7.77	7.67
1.2.4 Government of India Rupee Securities	–	10.46	–	–	–	–	–
2 Banking Department							
2.1 Liabilities							
2.1.1 Deposits	10,389.43	11,389.28	8,149.29	8,093.75	7,823.16	7,864.93	8,033.15
2.1.1.1 Central Government	50.00	153.89	1.01	1.01	1.01	1.00	1.00
2.1.1.2 Market Stabilisation Scheme	–	–	946.73	946.73	946.73	946.73	946.73
2.1.1.3 State Governments	0.42	0.42	0.42	32.70	0.42	0.42	0.42
2.1.1.4 Scheduled Commercial Banks	5,087.73	4,172.89	4,370.59	4,609.06	4,367.41	4,651.39	4,365.90
2.1.1.5 Scheduled State Co-operative Banks	55.13	35.79	34.01	39.31	36.95	35.51	36.55
2.1.1.6 Non-Scheduled State Co-operative Banks	18.92	14.23	17.54	17.85	17.83	17.68	19.33
2.1.1.7 Other Banks	279.49	232.52	255.32	260.32	256.54	254.20	258.77
2.1.1.8 Others	4,897.74	6,779.54	2,523.65	2,186.76	2,196.27	1,957.98	2,404.45
2.1.1.9 Financial Institution Outside India	–	–	–	–	–	–	–
2.1.2 Other Liabilities	8,411.18	9,672.21	8,876.17	8,588.34	8,832.00	8,807.45	8,852.09
2.1/2.2 Total Liabilities or Assets	18,800.61	21,061.49	17,025.46	16,682.08	16,655.16	16,672.38	16,885.24
2.2 Assets							
2.2.1 Notes and Coins	0.12	0.32	0.16	0.17	0.16	0.18	0.17
2.2.2 Balances held Abroad	10,263.49	12,682.83	9,207.53	8,985.04	9,034.87	8,934.26	8,958.04
2.2.3 Loans and Advances							
2.2.3.1 Central Government	–	–	–	–	–	–	–
2.2.3.2 State Governments	12.62	14.21	2.53	41.46	41.91	11.23	29.03
2.2.3.3 Scheduled Commercial Banks	218.10	30.70	327.40	223.75	247.05	390.30	562.72
2.2.3.4 Scheduled State Co-op. Banks	–	–	–	0.35	–	–	–
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	39.91	28.67	48.34	44.64	44.44	48.04	47.09
2.2.3.9 Financial Institution Outside India	–	–	–	–	–	–	–
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	–	–	–	–	–	–	–
2.2.4.2 Government Treasury Bills	–	–	–	–	–	–	–
2.2.5 Investments	7,528.11	7,577.27	6,734.24	6,702.17	6,599.22	6,599.85	6,600.36
2.2.6 Other Assets	738.26	727.49	705.26	684.50	687.51	688.52	687.83
2.2.6.1 Gold	613.19	651.11	660.72	637.16	637.16	637.16	637.16

* Data are provisional

No. 3: Liquidity Operations by RBI

(₹ Billion)

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	
Oct. 3, 2017	21.35	145.09	6.25	590.25	10.35	-0.03	-	-	-	-697.42
Oct. 4, 2017	21.17	280.05	-	310.48	13.50	-	-	-	-	-555.86
Oct. 5, 2017	28.47	149.89	-	639.43	73.40	-	-	-	-	-687.45
Oct. 6, 2017	17.50	80.02	7.40	187.13	-	-	-	-	-	-242.25
Oct. 7, 2017	75.52	44.79	-	-	3.72	-	-	-	-	34.45
Oct. 9, 2017	187.64	56.65	-	-	32.70	-	-	-	-	163.69
Oct. 10, 2017	43.07	169.30	4.75	139.25	-	-	-	-	-	-260.73
Oct. 11, 2017	21.30	108.44	-	295.12	-	-	-	-	-	-382.26
Oct. 12, 2017	22.70	274.79	-	283.65	-	-	-	-	-	-535.74
Oct. 13, 2017	28.40	187.44	13.15	190.98	2.79	-0.90	-	100.00	-	-434.98
Oct. 16, 2017	190.41	59.94	-	-	32.15	-	-	-	-	162.62
Oct. 17, 2017	129.30	83.62	158.25	38.70	9.93	1.25	-	-	-	176.41
Oct. 18, 2017	14.00	40.88	17.40	495.55	22.25	-	-	-	-	-482.78
Oct. 19, 2017	-	5.66	-	-	25.20	-	-	-	-	19.54
Oct. 20, 2017	-	101.90	-	-	12.00	-	-	-	-	-89.90
Oct. 21, 2017	-	63.16	-	-	1.75	-	-	-	-	-61.41
Oct. 23, 2017	26.25	67.23	-	153.52	59.00	-	-	-	-	-135.50
Oct. 24, 2017	25.30	76.31	104.75	129.99	9.00	-1.20	-	-	-	-68.45
Oct. 25, 2017	34.25	167.01	-	68.37	0.75	1.01	-	-	-	-199.37
Oct. 26, 2017	30.40	309.85	-	121.75	-	-	-	-	-	-401.20
Oct. 27, 2017	62.00	319.75	13.85	170.03	-	-	-	100.00	-	-513.93
Oct. 30, 2017	156.95	111.76	-	121.02	0.59	-	-	-	-	-75.24
Oct. 31, 2017	106.50	190.98	57.75	108.57	-	-	-	-	-	-135.30

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

Item	As on October 31, 2017		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	2,455	1,350	1,105
2. More than 1 month and upto 3 months	6,006	621	5,385
3. More than 3 months and upto 1 year	26,090	527	25,563
4. More than 1 year	927	1,606	-679
Total (1+2+3+4)	35,478	4,104	31,374

No. 5: RBI's Standing Facilities

(₹ Billion)

Item	As on the Last Reporting Friday								
	2016-17	2016	2017					Oct. 27	Nov. 24
			Nov. 25	Jun. 23	Jul. 21	Aug. 18	Sep. 29		
	1	2	3	4	5	6	7	8	
1 MSF	19.3	4.8	2.5	6.8	3.5	194.8	-	5.5	
2 Export Credit Refinance for Scheduled Banks									
2.1 Limit	-	-	-	-	-	-	-	-	
2.2 Outstanding	-	-	-	-	-	-	-	-	
3 Liquidity Facility for PDs									
3.1 Limit	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	
3.2 Outstanding	14.8	11.7	16.7	15.4	18.1	19.3	19.4	17.9	
4 Others									
4.1 Limit	-	-	-	-	-	-	-	-	
4.2 Outstanding	-	-	-	-	-	-	-	-	
5 Total Outstanding (1+2.2+3.2+4.2)	34.1	16.4	19.2	22.1	21.5	214.1	19.4	23.3	

Money and Banking

No. 6: Money Stock Measures

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2016-17	2016	2017		
		Oct. 28	Sep. 29	Oct. 13	Oct. 27
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	12,641.2	17,022.1	14,970.3	15,327.6	15,481.8
1.1 Notes in Circulation	13,101.8	17,540.2	15,632.5	15,928.4	16,091.9
1.2 Circulation of Rupee Coin	243.4	227.7	247.4	247.4	247.4
1.3 Circulation of Small Coins	7.4	7.4	7.4	7.4	7.4
1.4 Cash on Hand with Banks	711.4	753.2	917.0	855.7	865.0
2 Deposit Money of the Public	14,178.3	10,565.0	13,760.0	12,806.8	12,860.6
2.1 Demand Deposits with Banks	13,967.4	10,405.4	13,503.1	12,581.9	12,635.7
2.2 'Other' Deposits with Reserve Bank	210.9	159.6	256.9	224.9	224.8
3 M₁ (1 + 2)	26,819.6	27,587.1	28,730.3	28,134.3	28,342.4
4 Post Office Saving Bank Deposits	920.6	720.6	968.8	968.8	968.8
5 M₂ (3 + 4)	27,740.2	28,307.6	29,699.2	29,103.2	29,311.2
6 Time Deposits with Banks	101,099.8	96,062.0	103,113.0	103,651.3	103,328.9
7 M₃ (3 + 6)	127,919.4	123,649.1	131,843.3	131,785.6	131,671.3
8 Total Post Office Deposits	2,562.1	2,277.9	2,717.2	2,717.2	2,717.2
9 M₄ (7 + 8)	130,481.4	125,926.9	134,560.5	134,502.8	134,388.5

No. 7: Sources of Money Stock (M₃)

(₹ Billion)

Sources	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2016-17	2016	2017		
		Oct. 28	Sep. 29	Oct. 13	Oct. 27
	1	2	3	4	5
1 Net Bank Credit to Government	38,566.1	37,263.5	40,773.0	41,136.2	40,415.1
1.1 RBI's net credit to Government (1.1.1-1.1.2)	6,208.1	6,472.7	5,428.9	5,425.6	4,922.8
1.1.1 Claims on Government	7,512.0	7,563.8	6,967.3	6,860.0	6,711.0
1.1.1.1 Central Government	7,499.4	7,545.7	6,950.9	6,814.2	6,708.5
1.1.1.2 State Governments	12.6	18.0	16.4	45.9	2.5
1.1.2 Government deposits with RBI	1,303.9	1,091.1	1,538.4	1,434.5	1,788.2
1.1.2.1 Central Government	1,303.5	1,090.7	1,538.0	1,434.1	1,787.8
1.1.2.2 State Governments	0.4	0.4	0.4	0.4	0.4
1.2 Other Banks' Credit to Government	32,358.0	30,790.9	35,344.1	35,710.6	35,492.3
2 Bank Credit to Commercial Sector	84,114.9	79,457.3	85,519.8	84,596.4	84,832.8
2.1 RBI's credit to commercial sector	72.9	73.7	74.4	72.7	81.8
2.2 Other banks' credit to commercial sector	84,042.0	79,383.6	85,445.5	84,523.7	84,751.0
2.2.1 Bank credit by commercial banks	78,414.7	73,844.1	79,834.4	78,907.4	79,121.7
2.2.2 Bank credit by co-operative banks	5,548.9	5,489.6	5,529.7	5,530.8	5,540.8
2.2.3 Investments by commercial and co-operative banks in other securities	78.4	49.9	81.4	85.6	88.5
3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	25,582.3	26,364.4	27,212.8	27,122.1	27,084.9
3.1 RBI's net foreign exchange assets (3.1.1-3.1.2)	23,972.1	24,487.1	26,078.3	25,987.6	25,950.4
3.1.1 Gross foreign assets	23,974.1	24,489.2	26,080.3	25,989.6	25,952.4
3.1.2 Foreign liabilities	2.0	2.0	1.9	1.9	2.0
3.2 Other banks' net foreign exchange assets	1,610.2	1,877.3	1,134.5	1,134.5	1,134.5
4 Government's Currency Liabilities to the Public	250.9	235.1	254.8	254.8	254.8
5 Banking Sector's Net Non-monetary Liabilities	20,594.8	19,671.3	21,917.2	21,323.9	20,916.3
5.1 Net non-monetary liabilities of RBI	8,333.5	9,086.2	9,055.4	8,938.5	8,883.3
5.2 Net non-monetary liabilities of other banks (residual)	12,261.3	10,585.0	12,861.8	12,385.4	12,033.1
M₃ (1+2+3+4-5)	127,919.4	123,649.1	131,843.3	131,785.6	131,671.3

No. 8: Monetary Survey

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2016-17	2016	2017		
		Oct. 28	Sep. 29	Oct. 13	Oct. 27
	1	2	3	4	5
Monetary Aggregates					
NM ₁ (1.1 + 1.2.1+1.3)	26,819.6	27,587.1	28,730.3	28,134.3	28,342.4
NM ₂ (NM ₁ + 1.2.2.1)	71,695.2	69,656.4	74,524.3	74,160.1	74,223.4
NM ₃ (NM ₂ + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	129,706.3	124,085.8	133,583.8	133,532.4	133,531.5
1 Components					
1.1 Currency with the Public	12,641.2	17,022.1	14,970.3	15,327.6	15,481.8
1.2 Aggregate Deposits of Residents	113,690.9	103,892.8	115,267.4	114,861.4	114,593.6
1.2.1 Demand Deposits	13,967.4	10,405.4	13,503.1	12,581.9	12,635.7
1.2.2 Time Deposits of Residents	99,723.5	93,487.4	101,764.3	102,279.5	101,957.9
1.2.2.1 Short-term Time Deposits	44,875.6	42,069.3	45,793.9	46,025.8	45,881.1
1.2.2.1.1 Certificates of Deposit (CDs)	1,570.6	1,821.5	1,157.0	1,182.0	1,300.8
1.2.2.2 Long-term Time Deposits	54,847.9	51,418.1	55,970.4	56,253.8	56,076.8
1.3 'Other' Deposits with RBI	210.9	159.6	256.9	224.9	224.8
1.4 Call/Term Funding from Financial Institutions	3,163.2	3,011.3	3,089.2	3,118.5	3,231.2
2 Sources					
2.1 Domestic Credit	129,185.0	123,371.4	132,764.0	132,873.7	132,413.3
2.1.1 Net Bank Credit to the Government	38,566.1	37,263.5	40,773.0	41,136.2	40,415.1
2.1.1.1 Net RBI credit to the Government	6,208.1	6,472.7	5,428.9	5,425.6	4,922.8
2.1.1.2 Credit to the Government by the Banking System	32,358.0	30,790.9	35,344.1	35,710.6	35,492.3
2.1.2 Bank Credit to the Commercial Sector	90,618.9	86,107.9	91,991.0	91,737.5	91,998.3
2.1.2.1 RBI Credit to the Commercial Sector	72.9	73.7	74.4	72.7	81.8
2.1.2.2 Credit to the Commercial Sector by the Banking System	90,546.0	86,034.2	91,916.6	91,664.8	91,916.4
2.1.2.2.1 Other Investments (Non-SLR Securities)	6,462.5	6,552.9	6,423.6	7,065.7	7,094.4
2.2 Government's Currency Liabilities to the Public	250.9	235.1	254.8	254.8	254.8
2.3 Net Foreign Exchange Assets of the Banking Sector	23,819.8	23,245.7	25,594.4	25,603.7	25,819.1
2.3.1 Net Foreign Exchange Assets of the RBI	23,972.1	24,487.1	26,078.3	25,987.6	25,950.4
2.3.2 Net Foreign Currency Assets of the Banking System	-152.3	-1,241.5	-483.9	-383.9	-131.3
2.4 Capital Account	18,195.5	18,732.9	19,907.6	19,796.9	19,784.0
2.5 Other items (net)	5,353.9	4,033.5	5,121.8	5,402.9	5,171.8

No. 9: Liquidity Aggregates

(₹ Billion)

Aggregates	2016-17	2016	2017		
		Oct.	Aug.	Sep.	Oct.
	1	2	3	4	5
1 NM₃	129,706.3	124,085.8	130,471.8	133,583.8	133,531.5
2 Postal Deposits	2,562.1	2,277.9	2,717.2	2,717.2	2,717.2
3 L₁ (1 + 2)	132,268.3	126,363.6	133,189.1	136,301.0	136,248.7
4 Liabilities of Financial Institutions	29.3	29.3	29.3	29.3	29.3
4.1 Term Money Borrowings	26.6	26.6	26.6	26.6	26.6
4.2 Certificates of Deposit	0.3	0.3	0.3	0.3	0.3
4.3 Term Deposits	2.5	2.5	2.5	2.5	2.5
5 L₂ (3 + 4)	132,297.7	126,393.0	133,218.4	136,330.4	136,278.0
6 Public Deposits with Non-Banking Financial Companies	317.9	313.6	..
7 L₃ (5 + 6)	132,615.6	136,644.0	..

No. 10: Reserve Bank of India Survey

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2016-17	2016	2017		
		Oct. 28	Sep. 29	Oct. 13	Oct. 27
	1	2	3	4	5
1 Components					
1.1 Currency in Circulation	13,352.7	17,775.3	15,887.3	16,183.3	16,346.8
1.2 Bankers' Deposits with the RBI	5,441.3	4,463.2	4,844.8	4,656.8	4,677.5
1.2.1 Scheduled Commercial Banks	5,087.7	4,184.1	4,534.1	4,348.1	4,370.6
1.3 'Other' Deposits with the RBI	210.9	159.6	256.9	224.9	224.8
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 - 2.4 - 2.5)	19,004.8	22,398.2	20,988.9	21,064.9	21,249.0
2 Sources					
2.1 RBI's Domestic Credit	3,115.3	6,762.2	3,711.2	3,761.0	3,927.1
2.1.1 Net RBI credit to the Government	6,208.1	6,472.7	5,428.9	5,425.6	4,922.8
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)	6,195.9	6,455.0	5,413.0	5,380.1	4,920.7
2.1.1.1.1 Loans and Advances to the Central Government	-	-	-	-	-
2.1.1.1.2 Investments in Treasury Bills	-	-	-	-	-
2.1.1.1.3 Investments in dated Government Securities	7,494.9	7,544.6	6,942.4	6,806.0	6,700.5
2.1.1.1.3.1 Central Government Securities	7,494.9	7,534.2	6,942.4	6,806.0	6,700.5
2.1.1.1.4 Rupee Coins	4.5	1.1	8.5	8.2	8.0
2.1.1.1.5 Deposits of the Central Government	1,303.5	1,090.7	1,538.0	1,434.1	1,787.8
2.1.1.2 Net RBI credit to State Governments	12.2	17.6	15.9	45.4	2.1
2.1.2 RBI's Claims on Banks	-3,165.7	215.9	-1,792.1	-1,737.2	-1,077.6
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	-3,165.7	215.9	-1,792.1	-1,737.2	-1,077.6
2.1.3 RBI's Credit to Commercial Sector	72.9	73.7	74.4	72.7	81.8
2.1.3.1 Loans and Advances to Primary Dealers	14.8	14.8	19.3	18.4	19.4
2.1.3.2 Loans and Advances to NABARD	-	-	-	-	-
2.2 Government's Currency Liabilities to the Public	250.9	235.1	254.8	254.8	254.8
2.3 Net Foreign Exchange Assets of the RBI	23,972.1	24,487.1	26,078.3	25,987.6	25,950.4
2.3.1 Gold	1,288.3	1,426.9	1,324.6	1,388.2	1,388.2
2.3.2 Foreign Currency Assets	22,684.0	23,060.4	24,753.9	24,599.6	24,562.4
2.4 Capital Account	7,512.8	8,358.5	8,413.6	8,310.9	8,218.6
2.5 Other Items (net)	820.6	727.8	641.8	627.6	664.6

No. 11: Reserve Money - Components and Sources

(₹ Billion)

Item	Outstanding as on March 31/ last Fridays of the month/ Fridays						
	2016-17	2016	2017				
		Oct. 28	Sep. 29	Oct. 6	Oct. 13	Oct. 20	Oct. 27
	1	2	3	4	5	6	7
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 + 2.4 + 2.5 - 2.6)	19,004.8	22,398.2	20,988.9	21,084.4	21,064.9	21,685.5	21,249.0
1 Components							
1.1 Currency in Circulation	13,352.7	17,775.3	15,887.3	16,003.6	16,183.3	16,464.9	16,346.8
1.2 Bankers' Deposits with RBI	5,441.3	4,463.2	4,844.8	4,825.4	4,656.8	4,990.7	4,677.5
1.3 'Other' Deposits with RBI	210.9	159.6	256.9	255.4	224.9	229.9	224.8
2 Sources							
2.1 Net Reserve Bank Credit to Government	6,208.1	6,472.7	5,428.9	5,846.2	5,425.6	5,150.3	4,922.8
2.2 Reserve Bank Credit to Banks	-3,165.7	215.9	-1,792.1	-2,144.3	-1,737.2	-865.8	-1,077.6
2.3 Reserve Bank Credit to Commercial Sector	72.9	73.7	74.4	70.3	72.7	67.0	81.8
2.4 Net Foreign Exchange Assets of RBI	23,972.1	24,487.1	26,078.3	26,002.6	25,987.6	26,014.4	25,950.4
2.5 Government's Currency Liabilities to the Public	250.9	235.1	254.8	254.8	254.8	254.8	254.8
2.6 Net Non- Monetary Liabilities of RBI	8,333.5	9,086.2	9,055.4	8,945.3	8,938.5	8,935.3	8,883.3

No. 12: Commercial Bank Survey

(₹ Billion)

Item	Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month				
	2016-17	2016	2017		
		Oct. 28	Sep. 29	Oct. 13	Oct. 27
	1	2	3	4	5
1 Components					
1.1 Aggregate Deposits of Residents	106,200.3	96,743.3	107,826.7	107,398.7	107,126.4
1.1.1 Demand Deposits	12,814.4	9,342.7	12,368.8	11,445.7	11,504.0
1.1.2 Time Deposits of Residents	93,385.9	87,400.6	95,457.9	95,953.0	95,622.4
1.1.2.1 Short-term Time Deposits	42,023.6	39,330.3	42,956.1	43,178.9	43,030.1
1.1.2.1.1 Certificates of Deposits (CDs)	1,570.6	1,821.5	1,157.0	1,182.0	1,300.8
1.1.2.2 Long-term Time Deposits	51,362.2	48,070.3	52,501.9	52,774.2	52,592.3
1.2 Call/Term Funding from Financial Institutions	3,163.2	3,011.3	3,089.2	3,118.5	3,231.2
2 Sources					
2.1 Domestic Credit	115,141.3	109,239.5	119,476.5	119,603.5	119,625.6
2.1.1 Credit to the Government	30,297.5	28,813.9	33,245.1	33,626.2	33,406.8
2.1.2 Credit to the Commercial Sector	84,843.8	80,425.6	86,231.5	85,977.3	86,218.9
2.1.2.1 Bank Credit	78,414.7	73,844.1	79,834.4	78,907.4	79,121.7
2.1.2.1.1 Non-food Credit	77,875.4	72,821.8	79,370.7	78,421.6	78,499.5
2.1.2.2 Net Credit to Primary Dealers	44.2	100.3	50.2	77.9	73.6
2.1.2.3 Investments in Other Approved Securities	12.2	17.9	12.9	15.9	18.7
2.1.2.4 Other Investments (in non-SLR Securities)	6,372.9	6,463.3	6,334.0	6,976.1	7,004.8
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1–2.2.2–2.2.3)	-152.3	-1,241.5	-483.9	-383.9	-131.3
2.2.1 Foreign Currency Assets	1,983.5	2,243.4	1,726.6	1,833.4	2,075.0
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	1,376.3	2,574.6	1,348.7	1,371.8	1,371.0
2.2.3 Overseas Foreign Currency Borrowings	759.5	910.3	861.9	845.5	835.3
2.3 Net Bank Reserves (2.3.1+2.3.2–2.3.3)	8,867.0	4,623.3	7,144.4	6,839.4	6,211.8
2.3.1 Balances with the RBI	5,087.7	4,184.1	4,534.1	4,348.1	4,370.6
2.3.2 Cash in Hand	613.6	655.1	818.3	754.1	763.6
2.3.3 Loans and Advances from the RBI	-3,165.7	215.9	-1,792.1	-1,737.2	-1,077.6
2.4 Capital Account	10,441.0	10,132.7	11,252.3	11,244.3	11,323.7
2.5 Other items (net) (2.1+2.2+2.3–2.4–1.1–1.2)	4,051.6	2,734.1	3,968.7	4,297.5	4,024.8
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	3,877.6	3,910.1	4,008.2	3,682.6	3,850.8
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	-62.4	-267.7	-291.2	-432.4	-491.7

No. 13: Scheduled Commercial Banks' Investments

(₹ Billion)

Item	As on March 31, 2017	2016	2017		
		Oct. 28	Sep. 29	Oct. 13	Oct. 27
	1	2	3	4	5
1 SLR Securities	30,309.6	28,831.8	33,258.0	33,642.1	33,425.5
2 Commercial Paper	1,159.6	1,079.0	1,040.4	1,093.4	1,085.0
3 Shares issued by					
3.1 PSUs	91.9	77.1	110.8	108.0	112.8
3.2 Private Corporate Sector	567.3	478.2	677.9	691.4	696.7
3.3 Others	51.8	43.6	42.8	42.6	43.0
4 Bonds/Debentures issued by					
4.1 PSUs	1,118.5	1,189.9	1,121.4	1,065.2	1,065.2
4.2 Private Corporate Sector	1,680.0	1,529.5	1,822.7	1,804.9	1,823.7
4.3 Others	810.9	726.0	635.4	654.6	659.0
5 Instruments issued by					
5.1 Mutual funds	134.0	801.7	203.9	783.0	790.9
5.2 Financial institutions	844.3	635.4	787.4	732.9	728.6

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

(₹ Billion)

Item	As on the Last Reporting Friday (in case of March)/ Last Friday							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2016-17	2016	2017		2016-17	2016	2017	
		Oct.	Sep.	Oct.		Oct.	Sep.	Oct.
	1	2	3	4	5	6	7	8
Number of Reporting Banks	221	219	221	221	150	148	147	147
1 Liabilities to the Banking System	2,397.7	2,315.3	2,214.8	2,186.1	2,330.7	2,247.5	2,161.1	2,133.8
1.1 Demand and Time Deposits from Banks	1,765.5	1,646.7	1,577.1	1,483.3	1,698.6	1,579.6	1,525.4	1,432.6
1.2 Borrowings from Banks	573.6	591.4	545.0	580.6	573.5	590.7	544.5	580.3
1.3 Other Demand and Time Liabilities	58.6	77.2	92.6	122.2	58.6	77.2	91.2	121.0
2 Liabilities to Others	118,405.4	109,941.0	120,187.2	119,470.5	115,376.9	107,149.6	117,134.6	116,414.6
2.1 Aggregate Deposits	110,485.7	102,001.9	112,088.1	111,426.4	107,576.6	99,317.9	109,175.4	108,497.4
2.1.1 Demand	13,104.8	9,561.2	12,645.3	11,778.3	12,814.4	9,342.7	12,368.8	11,504.0
2.1.2 Time	97,381.0	92,440.7	99,442.7	99,648.1	94,762.2	89,975.2	96,806.6	96,993.4
2.2 Borrowings	3,192.8	3,034.4	3,125.1	3,266.0	3,163.2	3,011.3	3,089.2	3,231.2
2.3 Other Demand and Time Liabilities	4,726.9	4,904.7	4,974.0	4,778.1	4,637.1	4,820.4	4,870.0	4,686.0
3 Borrowings from Reserve Bank	218.1	525.1	405.3	327.4	218.1	525.1	405.3	327.4
3.1 Against Usance Bills /Promissory Notes	—	—	—	—	—	—	—	—
3.2 Others	218.1	525.1	405.3	327.4	218.1	525.1	405.3	327.4
4 Cash in Hand and Balances with Reserve Bank	5,869.3	4,973.6	5,489.9	5,273.1	5,701.3	4,839.2	5,352.3	5,134.2
4.1 Cash in Hand	630.5	673.4	836.4	784.9	613.60	655.1	818.3	763.6
4.2 Balances with Reserve Bank	5,238.8	4,300.2	4,653.6	4,488.2	5,087.7	4,184.1	4,534.1	4,370.6
5 Assets with the Banking System	2,934.5	3,039.1	2,927.9	3,141.7	2,437.3	2,615.5	2,502.6	2,699.1
5.1 Balances with Other Banks	1,898.0	1,889.4	2,018.7	2,118.7	1,700.1	1,711.4	1,823.4	1,926.1
5.1.1 In Current Account	197.3	159.3	188.5	179.7	160.6	139.7	157.1	159.5
5.1.2 In Other Accounts	1,700.7	1,730.2	1,830.2	1,939.0	1,539.5	1,571.6	1,666.2	1,766.5
5.2 Money at Call and Short Notice	296.9	465.7	386.0	463.8	77.0	286.4	230.1	287.9
5.3 Advances to Banks	380.4	298.5	259.8	255.2	379.5	295.1	258.7	247.2
5.4 Other Assets	359.1	385.4	263.5	303.9	280.7	322.7	190.4	237.9
6 Investment	31,161.1	29,631.3	34,220.4	34,374.4	30,309.6	28,831.8	33,258.0	33,425.5
6.1 Government Securities	31,144.8	29,606.7	34,158.4	34,305.3	30,297.5	28,813.9	33,245.1	33,406.8
6.2 Other Approved Securities	16.4	24.5	62.0	69.1	12.2	17.9	12.9	18.7
7 Bank Credit	80,817.8	76,099.2	82,287.6	81,584.2	78,414.7	73,844.1	79,834.4	79,121.7
7a Food Credit	652.4	1,185.0	655.2	813.7	539.3	1,022.3	463.7	622.3
7.1 Loans, Cash-credits and Overdrafts	78,490.1	74,023.0	80,047.2	79,465.3	76,148.5	71,822.6	77,651.4	77,059.7
7.2 Inland Bills-Purchased	263.5	227.6	212.0	240.9	246.0	210.3	200.2	227.7
7.3 Inland Bills-Discounted	1,402.8	1,243.6	1,364.6	1,271.7	1,365.9	1,212.2	1,325.0	1,234.2
7.4 Foreign Bills-Purchased	248.6	220.3	255.4	225.7	246.4	219.3	254.1	224.4
7.5 Foreign Bills-Discounted	412.7	384.6	408.4	380.5	407.9	379.7	403.7	375.8

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

(₹ Billion)

Item	Outstanding as on				Growth (%)	
	Mar. 31, 2017	2016	2017		Financial year so far	Y-o-Y
		Oct. 28	Sep. 29	Oct. 27	2017-18	2017
	1	2	3	4	5	6
1 Gross Bank Credit	71,347	67,055	72,068	70,996	-0.5	5.9
1.1 Food Credit	400	815	398	412	2.9	-49.5
1.2 Non-food Credit	70,947	66,239	71,671	70,584	-0.5	6.6
1.2.1 Agriculture & Allied Activities	9,924	9,302	9,971	9,810	-1.1	5.5
1.2.2 Industry	26,800	26,047	26,404	25,991	-3.0	-0.2
1.2.2.1 Micro & Small	3,697	3,543	3,690	3,585	-3.0	1.2
1.2.2.2 Medium	1,048	1,087	1,019	940	-10.3	-13.5
1.2.2.3 Large	22,055	21,417	21,696	21,466	-2.7	0.2
1.2.3 Services	18,022	15,849	17,749	17,336	-3.8	9.4
1.2.3.1 Transport Operators	1,104	1,020	1,126	1,123	1.7	10.2
1.2.3.2 Computer Software	179	181	181	173	-3.2	-4.4
1.2.3.3 Tourism, Hotels & Restaurants	375	383	370	364	-2.9	-5.0
1.2.3.4 Shipping	84	105	75	70	-16.9	-33.5
1.2.3.5 Professional Services	1,377	1,218	1,305	1,366	-0.8	12.1
1.2.3.6 Trade	4,279	3,925	4,346	4,265	-0.3	8.6
1.2.3.6.1 Wholesale Trade	1,932	1,741	1,875	1,855	-4.0	6.5
1.2.3.6.2 Retail Trade	2,347	2,184	2,471	2,410	2.7	10.3
1.2.3.7 Commercial Real Estate	1,856	1,787	1,863	1,829	-1.4	2.4
1.2.3.8 Non-Banking Financial Companies (NBFCs)	3,910	3,345	3,862	3,615	-7.6	8.1
1.2.3.9 Other Services	4,859	3,885	4,619	4,531	-6.8	16.6
1.2.4 Personal Loans	16,200	15,041	17,547	17,447	7.7	16.0
1.2.4.1 Consumer Durables	208	196	178	178	-14.6	-9.4
1.2.4.2 Housing	8,601	8,113	9,086	9,035	5.0	11.4
1.2.4.3 Advances against Fixed Deposits	661	613	653	532	-19.6	-13.3
1.2.4.4 Advances to Individuals against share & bond	48	46	57	54	14.6	17.8
1.2.4.5 Credit Card Outstanding	521	463	599	637	22.2	37.7
1.2.4.6 Education	701	710	720	718	2.4	1.0
1.2.4.7 Vehicle Loans	1,705	1,680	1,786	1,804	5.8	7.4
1.2.4.8 Other Personal Loans	3,755	3,220	4,468	4,489	19.5	39.4
1.2A Priority Sector	24,357	22,985	24,266	23,792	-2.3	3.5
1.2A.1 Agriculture & Allied Activities	9,909	9,286	9,950	9,771	-1.4	5.2
1.2A.2 Micro & Small Enterprises	9,020	8,468	9,079	8,867	-1.7	4.7
1.2A.2.1 Manufacturing	3,697	3,543	3,690	3,585	-3.0	1.2
1.2A.2.2 Services	5,322	4,925	5,389	5,282	-0.8	7.3
1.2A.3 Housing	3,683	3,566	3,688	3,662	-0.6	2.7
1.2A.4 Micro-Credit	189	183	164	167	-11.6	-8.8
1.2A.5 Education Loans	604	610	600	589	-2.5	-3.3
1.2A.6 State-Sponsored Orgs. for SC/ST	6	6	3	3	-55.8	-55.8
1.2A.7 Weaker Sections	5,546	5,121	5,422	5,430	-2.1	6.0
1.2A.8 Export Credit	425	456	458	434	2.1	-4.9

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

(₹ Billion)

Industry	Outstanding as on				Growth (%)	
	Mar. 31, 2017	2016	2017		Financial year so far 2017-18	Y-o-Y 2017
		Oct. 28	Sep. 29	Oct. 27		
	1	2	3	4	5	6
1 Industry	26,800	26,047	26,404	25,991	-3.0	-0.2
1.1 Mining & Quarrying (incl. Coal)	345	344	329	324	-5.9	-5.7
1.2 Food Processing	1,455	1,293	1,385	1,339	-8.0	3.6
1.2.1 Sugar	327	292	280	264	-19.2	-9.5
1.2.2 Edible Oils & Vanaspati	184	162	179	178	-3.0	10.2
1.2.3 Tea	35	39	42	43	21.6	10.2
1.2.4 Others	909	800	883	854	-6.1	6.6
1.3 Beverage & Tobacco	173	168	163	155	-10.0	-7.7
1.4 Textiles	1,963	1,906	1,954	1,935	-1.4	1.5
1.4.1 Cotton Textiles	964	908	971	958	-0.5	5.5
1.4.2 Jute Textiles	23	21	27	25	8.3	17.3
1.4.3 Man-Made Textiles	204	196	225	227	11.3	15.7
1.4.4 Other Textiles	773	780	730	724	-6.2	-7.2
1.5 Leather & Leather Products	107	104	111	108	0.7	3.6
1.6 Wood & Wood Products	105	104	106	105	-0.5	1.0
1.7 Paper & Paper Products	326	345	312	308	-5.7	-10.9
1.8 Petroleum, Coal Products & Nuclear Fuels	596	482	472	461	-22.7	-4.5
1.9 Chemicals & Chemical Products	1,724	1,516	1,575	1,529	-11.3	0.8
1.9.1 Fertiliser	335	255	246	243	-27.4	-4.8
1.9.2 Drugs & Pharmaceuticals	464	471	477	459	-1.0	-2.5
1.9.3 Petro Chemicals	507	372	432	418	-17.6	12.2
1.9.4 Others	419	418	419	409	-2.2	-2.0
1.10 Rubber, Plastic & their Products	392	366	406	401	2.3	9.4
1.11 Glass & Glassware	79	84	78	78	-1.1	-6.6
1.12 Cement & Cement Products	542	538	578	535	-1.3	-0.5
1.13 Basic Metal & Metal Product	4,211	4,116	4,169	4,144	-1.6	0.7
1.13.1 Iron & Steel	3,192	3,095	3,225	3,223	0.9	4.1
1.13.2 Other Metal & Metal Product	1,018	1,020	944	922	-9.5	-9.7
1.14 All Engineering	1,496	1,499	1,508	1,507	0.7	0.6
1.14.1 Electronics	336	344	349	363	8.0	5.6
1.14.2 Others	1,160	1,155	1,159	1,144	-1.4	-0.9
1.15 Vehicles, Vehicle Parts & Transport Equipment	736	719	712	702	-4.6	-2.4
1.16 Gems & Jewellery	690	685	724	696	0.8	1.5
1.17 Construction	822	787	834	839	2.1	6.7
1.18 Infrastructure	9,064	8,971	8,949	8,839	-2.5	-1.5
1.18.1 Power	5,254	5,208	5,262	5,161	-1.8	-0.9
1.18.2 Telecommunications	851	838	871	846	-0.5	0.9
1.18.3 Roads	1,800	1,810	1,717	1,727	-4.1	-4.6
1.18.4 Other Infrastructure	1,160	1,114	1,099	1,105	-4.7	-0.8
1.19 Other Industries	1,973	2,020	2,040	1,986	0.6	-1.7

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

(₹ Billion)

Item	Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday					
	2016-17	2016	2017			
		Jul, 29	Jun, 30	Jul, 07	Jul, 21	Jul, 28
	1	2	3	4	5	6
Number of Reporting Banks	32	32	29	29	30	29
1 Aggregate Deposits (2.1.1.2+2.2.1.2)	527.8	438.5	506.3	518.5	538.0	519.2
2 Demand and Time Liabilities						
2.1 Demand Liabilities	183.2	162.1	155.0	158.0	164.9	163.1
2.1.1 Deposits						
2.1.1.1 Inter-Bank	45.0	41.7	30.9	36.8	39.0	39.2
2.1.1.2 Others	106.3	83.6	94.4	95.4	100.6	98.8
2.1.2 Borrowings from Banks	2.0	8.6	0.0	0.0	0.0	0.0
2.1.3 Other Demand Liabilities	30.0	28.2	29.7	25.9	25.2	25.1
2.2 Time Liabilities	947.6	839.5	872.1	881.1	889.2	867.8
2.2.1 Deposits						
2.2.1.1 Inter-Bank	512.6	478.2	453.6	451.5	445.4	439.4
2.2.1.2 Others	421.5	354.8	412.0	423.1	437.4	420.4
2.2.2 Borrowings from Banks	4.4	0.0	0.0	0.0	0.0	0.0
2.2.3 Other Time Liabilities	9.2	6.4	6.5	6.5	6.4	8.1
3 Borrowing from Reserve Bank	0.0	0.0	0.0	0.0	0.0	0.0
4 Borrowings from a notified bank / Government	517.2	390.2	462.5	467.4	443.5	434.9
4.1 Demand	180.4	105.4	178.8	178.0	170.3	168.8
4.2 Time	336.8	284.8	283.7	289.4	273.2	266.2
5 Cash in Hand and Balances with Reserve Bank	66.6	43.4	46.4	46.7	45.4	45.6
5.1 Cash in Hand	3.7	2.7	3.0	2.7	2.9	3.2
5.2 Balance with Reserve Bank	62.9	40.8	43.4	44.0	42.5	42.4
6 Balances with Other Banks in Current Account	17.5	6.3	7.1	7.2	7.5	7.2
7 Investments in Government Securities	329.8	281.3	312.6	312.3	312.8	309.8
8 Money at Call and Short Notice	254.4	204.9	223.8	228.9	213.5	211.7
9 Bank Credit (10.1+11)	458.7	449.2	482.5	477.5	483.6	475.6
10 Advances						
10.1 Loans, Cash-Credits and Overdrafts	458.6	449.1	482.5	477.5	483.6	475.6
10.2 Due from Banks	777.0	691.3	732.2	730.8	713.1	716.0
11 Bills Purchased and Discounted	0.1	0.0	0.0	0.0	0.0	0.0

Prices and Production

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

Group/Sub group	2016-17			Rural			Urban			Combined		
	Rural	Urban	Combined	Oct. 16	Sep. 17	Oct. 17	Oct. 16	Sep. 17	Oct. 17	Oct. 16	Sep. 17	Oct. 17
	1	2	3	4	5	6	7	8	9	10	11	12
1 Food and beverages	135.3	134.9	135.2	137.4	139.6	140.4	136.3	138.0	139.7	137.0	139.0	140.1
1.1 Cereals and products	130.8	128.9	130.2	131.3	135.2	135.9	128.7	133.6	133.9	130.5	134.7	135.3
1.2 Meat and fish	137.9	140.1	138.7	137.6	142.0	141.9	138.4	143.0	142.8	137.9	142.4	142.2
1.3 Egg	128.9	130.7	129.6	130.1	130.5	130.9	130.3	129.7	131.4	130.2	130.2	131.1
1.4 Milk and products	135.2	132.4	134.1	136.0	140.2	141.5	132.7	138.7	139.1	134.8	139.6	140.6
1.5 Oils and fats	120.3	112.0	117.3	120.8	120.7	121.4	112.5	114.5	114.9	117.8	118.4	119.0
1.6 Fruits	138.1	132.8	135.6	138.4	147.8	146.6	130.4	137.5	135.6	134.7	143.0	141.5
1.7 Vegetables	139.2	144.8	141.1	149.2	154.5	157.0	155.1	160.7	173.2	151.2	156.6	162.5
1.8 Pulses and products	165.6	170.3	167.2	170.2	137.1	136.4	175.7	124.5	124.1	172.1	132.9	132.3
1.9 Sugar and confectionery	112.1	114.9	113.0	113.4	121.0	121.4	115.4	122.4	122.6	114.1	121.5	121.8
1.10 Spices	135.1	143.8	138.0	136.3	134.7	135.5	145.3	137.3	137.8	139.3	135.6	136.3
1.11 Non-alcoholic beverages	128.1	122.4	125.7	128.7	131.7	131.3	122.5	124.8	125.1	126.1	128.8	128.7
1.12 Prepared meals, snacks, sweets	141.7	139.2	140.5	142.4	149.3	150.3	139.6	145.0	145.5	141.1	147.3	148.1
2 Pan, tobacco and intoxicants	140.1	144.2	141.2	140.9	149.8	150.5	144.3	153.6	154.6	141.8	150.8	151.6
3 Clothing and footwear	137.9	127.8	133.9	138.8	145.2	146.3	128.0	132.0	132.6	134.5	140.0	140.9
3.1 Clothing	138.6	128.9	134.8	139.6	146.1	147.2	129.1	133.3	134.0	135.5	141.1	142.0
3.2 Footwear	133.7	121.7	128.7	134.3	139.7	140.6	121.9	124.6	124.9	129.1	133.4	134.1
4 Housing	--	128.0	128.0	--	--	--	128.7	135.7	137.3	128.7	135.7	137.3
5 Fuel and light	130.1	116.4	124.9	129.8	137.4	138.1	115.2	120.6	122.6	124.3	131.0	132.2
6 Miscellaneous	125.0	120.6	122.9	125.7	130.3	130.7	120.9	124.5	124.5	123.4	127.5	127.7
6.1 Household goods and services	131.3	124.3	128.0	131.8	137.9	138.4	124.5	128.1	128.3	128.4	133.3	133.6
6.2 Health	128.1	121.6	125.6	128.7	133.4	134.1	121.8	126.1	126.6	126.1	130.6	131.3
6.3 Transport and communication	117.4	112.8	114.9	117.8	121.2	120.9	112.8	115.7	115.0	115.2	118.3	117.8
6.4 Recreation and amusement	125.9	121.0	123.2	126.5	132.3	132.9	121.2	124.5	124.8	123.5	127.9	128.3
6.5 Education	132.3	131.1	131.6	133.0	139.6	140.1	131.9	135.9	136.3	132.4	137.4	137.9
6.6 Personal care and effects	121.7	120.3	121.1	123.0	126.7	127.4	120.8	124.4	124.6	122.1	125.7	126.2
General Index (All Groups)	132.4	127.9	130.3	133.8	137.6	138.3	128.6	132.4	133.5	131.4	135.2	136.1

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

No. 19: Other Consumer Price Indices

Item	Base Year	Linking Factor	2016-17	2016		2017	
				Oct.	Sep.	Sep.	Oct.
	1	2	3	4	5	6	6
1 Consumer Price Index for Industrial Workers	2001	4.63	276	278	285	287	287
2 Consumer Price Index for Agricultural Labourers	1986-87	5.89	870	876	893	901	901
3 Consumer Price Index for Rural Labourers	1986-87	-	875	881	899	907	907

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

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

Item	2016-17	2016		2017	
		Oct.	Sep.	Sep.	Oct.
	1	2	3	4	
1 Standard Gold (₹ per 10 grams)	29,665	30,071	29,899	29,505	
2 Silver (₹ per kilogram)	42,748	43,230	40,120	39,385	

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	2016-17	2017			
			Oct.	Aug.	Sep. (P)	Oct. (P)
		1	2	3	4	5
1 ALL COMMODITIES	100.000	111.6	111.5	114.8	114.3	115.5
1.1 PRIMARY ARTICLES	22.618	128.9	129.1	135.3	130.8	133.4
1.1.1 FOOD ARTICLES	15.256	140.3	141.9	150.9	144.8	148.0
1.1.1.1 Food Grains (Cereals+Pulses)	3.462	152.0	155.2	143.0	144.0	143.1
1.1.1.2 Fruits & Vegetables	3.475	138.7	145.5	191.4	162.9	177.1
1.1.1.3 Milk	4.440	134.3	134.8	139.7	140.1	140.0
1.1.1.4 Eggs, Meat & Fish	2.402	133.0	128.5	134.9	134.9	135.9
1.1.1.5 Condiments & Spices	0.529	140.5	142.0	122.9	124.0	125.1
1.1.1.6 Other Food Articles	0.948	150.5	147.9	140.3	139.5	139.3
1.1.2 NON-FOOD ARTICLES	4.119	122.2	120.0	120.8	120.3	119.2
1.1.2.1 Fibres	0.839	117.1	115.0	119.0	117.5	113.2
1.1.2.2 Oil Seeds	1.115	136.0	131.4	127.1	128.0	128.1
1.1.2.3 Other non-food Articles	1.960	114.9	113.8	114.3	115.0	113.4
1.1.2.4 Floriculture	0.204	137.4	137.6	155.2	140.4	151.8
1.1.3 MINERALS	0.833	113.1	105.2	120.8	119.5	120.8
1.1.3.1 Metallic Minerals	0.648	98.4	88.0	107.6	105.1	107.6
1.1.3.2 Other Minerals	0.185	164.4	165.3	166.9	169.9	166.9
1.1.4 CRUDE PETROLEUM & NATURAL GAS	2.410	73.1	71.3	66.0	64.3	69.8
1.2 FUEL & POWER	13.152	86.3	84.6	89.1	90.7	93.5
1.2.1 COAL	2.138	109.0	107.0	117.5	117.5	117.5
1.2.1.1 Coking Coal	0.647	108.2	101.4	135.5	135.5	135.5
1.2.1.2 Non-Coking Coal	1.401	110.5	110.7	110.7	110.7	110.7
1.2.1.3 Lignite	0.090	90.2	88.8	95.0	95.0	95.0
1.2.2 MINERAL OILS	7.950	73.3	71.2	77.0	79.1	82.2
1.2.3 ELECTRICITY	3.064	104.2	103.9	100.6	102.0	106.1
1.3 MANUFACTURED PRODUCTS	64.231	110.7	110.8	112.8	113.4	113.7
1.3.1 MANUFACTURE OF FOOD PRODUCTS	9.122	125.4	126.7	127.4	128.2	128.3
1.3.1.1 Processing and Preserving of meat	0.134	137.1	136.3	132.7	131.8	133.6
1.3.1.2 Processing and Preserving of fish, Crustaceans, Molluscs and products thereof	0.204	127.7	130.7	128.2	125.9	129.5
1.3.1.3 Processing and Preserving of fruit and Vegetables	0.138	120.2	121.1	119.4	118.2	118.9
1.3.1.4 Vegetable and Animal oils and Fats	2.643	107.0	107.6	106.3	107.9	108.3
1.3.1.5 Dairy products	1.165	132.3	133.1	143.4	144.2	143.8
1.3.1.6 Grain mill products	2.010	136.2	138.8	137.4	139.2	139.2
1.3.1.7 Starches and Starch products	0.110	114.6	114.3	111.7	112.0	112.7
1.3.1.8 Bakery products	0.215	127.0	127.8	128.4	128.7	128.5
1.3.1.9 Sugar, Molasses & honey	1.163	124.8	126.3	133.4	133.1	132.3
1.3.1.10 Cocoa, Chocolate and Sugar confectionery	0.175	125.5	125.9	127.0	123.9	126.8
1.3.1.11 Macaroni, Noodles, Couscous and Similar farinaceous products	0.026	137.1	144.3	130.4	130.4	132.3
1.3.1.12 Tea & Coffee products	0.371	125.9	126.5	131.3	132.2	132.3
1.3.1.13 Processed condiments & salt	0.163	124.5	125.9	114.8	114.2	115.0
1.3.1.14 Processed ready to eat food	0.024	126.3	126.7	127.0	126.2	127.1
1.3.1.15 Health supplements	0.225	143.2	145.6	142.7	144.5	141.8
1.3.1.16 Prepared animal feeds	0.356	165.4	168.1	152.9	152.4	151.2
1.3.2 MANUFACTURE OF BEVERAGES	0.909	116.1	115.9	118.6	120.1	119.0
1.3.2.1 Wines & spirits	0.408	113.3	113.9	114.1	114.5	113.5
1.3.2.2 Malt liquors and Malt	0.225	114.2	114.9	117.8	118.4	118.1
1.3.2.3 Soft drinks; Production of mineral waters and Other bottled waters	0.275	121.8	119.6	125.8	129.9	127.8
1.3.3 MANUFACTURE OF TOBACCO PRODUCTS	0.514	141.6	140.6	149.7	150.9	148.9
1.3.3.1 Tobacco products	0.514	141.6	140.6	149.7	150.9	148.9
1.3.4 MANUFACTURE OF TEXTILES	4.881	111.2	110.8	113.7	113.4	113.2
1.3.4.1 Preparation and Spinning of textile fibres	2.582	103.3	103.3	106.3	106.2	105.5
1.3.4.2 Weaving & Finishing of textiles	1.509	120.9	120.2	123.1	122.2	122.5
1.3.4.3 Knitted and Crocheted fabrics	0.193	107.1	106.4	107.2	106.9	108.6
1.3.4.4 Made-up textile articles, Except apparel	0.299	121.7	121.6	124.4	124.3	124.0
1.3.4.5 Cordage, Rope, Twine and Netting	0.098	143.0	139.1	141.9	143.1	143.7
1.3.4.6 Other textiles	0.201	112.9	110.7	116.4	116.2	116.2
1.3.5 MANUFACTURE OF WEARING APPAREL	0.814	131.0	131.1	136.1	136.6	137.1
1.3.5.1 Manufacture of Wearing Apparel (woven), Except fur Apparel	0.593	133.9	132.2	137.5	138.3	138.2
1.3.5.2 Knitted and Crocheted apparel	0.221	123.3	128.1	132.2	131.9	134.1

No. 21: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2016-17	2016	2017		
			Oct.	Aug.	Sep. (P)	Oct. (P)
		1	2	3	4	5
1.3.6 MANUFACTURE OF LEATHER AND RELATED PRODUCTS	0.535	122.6	123.1	119.3	119.2	119.1
1.3.6.1 Tanning and Dressing of leather; Dressing and Dyeing of fur	0.142	119.9	120.3	109.0	109.0	109.2
1.3.6.2 Luggage, HandbAgs, Saddlery and Harness	0.075	132.3	133.7	128.5	130.3	132.6
1.3.6.3 Footwear	0.318	121.5	121.9	121.8	121.2	120.3
1.3.7 MANUFACTURE OF WOOD AND PRODUCTS OF WOOD AND CORK	0.772	129.8	128.5	132.2	132.4	132.3
1.3.7.1 Saw milling and Planing of wood	0.124	122.9	122.7	120.5	118.9	119.2
1.3.7.2 Veneer sheets; Manufacture of plywood, Laminboard, Particle board and Other panels and Boards	0.493	127.3	125.7	131.4	132.2	132.1
1.3.7.3 Builder's carpentry and Joinery	0.036	153.8	157.5	163.3	163.3	160.4
1.3.7.4 Wooden containers	0.119	140.3	137.9	138.4	138.6	138.3
1.3.8 MANUFACTURE OF PAPER AND PAPER PRODUCTS	1.113	113.6	112.9	118.1	119.3	119.6
1.3.8.1 Pulp, Paper and Paperboard	0.493	117.7	116.8	120.2	122.0	122.4
1.3.8.2 Corrugated paper and Paperboard and Containers of paper and Paperboard	0.314	114.7	115.0	117.1	119.5	119.5
1.3.8.3 Other articles of paper and Paperboard	0.306	105.9	104.4	115.9	114.9	115.3
1.3.9 PRINTING AND REPRODUCTION OF RECORDED MEDIA	0.676	141.1	141.2	143.8	144.6	143.1
1.3.9.1 Printing	0.676	141.1	141.2	143.8	144.6	143.1
1.3.10 MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS	6.465	111.0	110.3	111.1	111.3	111.7
1.3.10.1 Basic chemicals	1.433	104.7	103.9	107.7	107.5	108.6
1.3.10.2 Fertilizers and Nitrogen compounds	1.485	118.7	118.3	116.5	116.7	116.8
1.3.10.3 Plastic and Synthetic rubber in primary form	1.001	113.7	112.1	111.3	112.6	112.7
1.3.10.4 Pesticides and Other agrochemical products	0.454	116.8	115.3	114.9	115.1	114.8
1.3.10.5 Paints, Varnishes and Similar coatings, Printing ink and Mastics	0.491	108.5	108.4	108.8	108.7	108.9
1.3.10.6 Soap and Detergents, Cleaning and Polishing preparations, Perfumes and Toilet preparations	0.612	113.7	113.9	115.5	114.7	114.6
1.3.10.7 Other chemical products	0.692	106.5	106.2	108.4	108.9	109.1
1.3.10.8 Man-made fibres	0.296	94.1	92.4	96.3	95.8	97.1
1.3.11 MANUFACTURE OF PHARMACEUTICALS, MEDICINAL CHEMICAL AND BOTANICAL PRODUCTS	1.993	119.7	119.8	120.7	121.5	122.1
1.3.11.1 Pharmaceuticals, Medicinal chemical and Botanical products	1.993	119.7	119.8	120.7	121.5	122.1
1.3.12 MANUFACTURE OF RUBBER AND PLASTICS PRODUCTS	2.299	107.5	106.9	107.6	106.8	107.6
1.3.12.1 Rubber Tyres and Tubes; Retreading and Rebuilding of Rubber Tyres	0.609	101.4	101.5	100.5	100.3	100.0
1.3.12.2 Other Rubber Products	0.272	90.4	88.4	91.3	91.2	91.7
1.3.12.3 Plastics products	1.418	113.3	112.8	113.8	112.5	114.0
1.3.13 MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS	3.202	109.8	110.3	111.4	111.9	111.8
1.3.13.1 Glass and Glass products	0.295	116.6	116.4	118.6	117.0	117.1
1.3.13.2 Refractory products	0.223	116.2	115.2	111.4	113.3	113.4
1.3.13.3 Clay Building Materials	0.121	94.3	87.9	89.0	87.5	90.9
1.3.13.4 Other Porcelain and Ceramic Products	0.222	111.8	111.7	113.0	112.8	113.0
1.3.13.5 Cement, Lime and Plaster	1.645	110.6	112.6	113.0	114.1	113.4
1.3.13.6 Articles of Concrete, Cement and Plaster	0.292	115.3	115.0	118.4	119.1	120.0
1.3.13.7 Cutting, Shaping and Finishing of Stone	0.234	117.4	116.5	116.3	116.5	116.4
1.3.13.8 Other Non-Metallic Mineral Products	0.169	70.9	68.9	78.4	77.4	77.4
1.3.14 MANUFACTURE OF BASIC METALS	9.646	91.1	91.0	98.5	100.4	100.7
1.3.14.1 Inputs into steel making	1.411	82.9	82.5	93.7	96.9	97.0
1.3.14.2 Metallic Iron	0.653	79.4	84.1	95.1	101.7	99.2
1.3.14.3 Mild Steel - Semi Finished Steel	1.274	89.8	90.6	92.1	93.4	92.7
1.3.14.4 Mild Steel -Long Products	1.081	85.3	83.8	92.0	91.9	91.7
1.3.14.5 Mild Steel - Flat products	1.144	89.4	89.8	99.9	103.3	104.8
1.3.14.6 Alloy steel other than Stainless Steel- Shapes	0.067	85.6	84.2	92.3	93.4	93.3
1.3.14.7 Stainless Steel - Semi Finished	0.924	84.1	85.3	95.4	96.9	95.8
1.3.14.8 Pipes & tubes	0.205	107.8	106.8	112.6	114.3	116.1
1.3.14.9 Non-ferrous metals incl. precious metals	1.693	100.1	98.2	105.9	107.5	109.0
1.3.14.10 Castings	0.925	102.2	100.1	104.2	103.7	105.7
1.3.14.11 Forgings of steel	0.271	118.2	120.3	117.5	118.1	117.7
1.3.15 MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT	3.155	105.1	105.1	106.3	108.5	108.8
1.3.15.1 Structural Metal Products	1.031	102.5	102.1	104.1	105.4	105.5
1.3.15.2 Tanks, Reservoirs and Containers of Metal	0.660	109.2	107.2	117.5	119.7	121.6
1.3.15.3 Steam generators, Except Central Heating Hot Water Boilers	0.145	108.5	110.9	109.4	109.4	109.4
1.3.15.4 Forging, Pressing, Stamping and Roll-Forming of Metal; Powder Metallurgy	0.383	94.7	93.6	87.5	88.7	89.8
1.3.15.5 Cutlery, Hand Tools and General Hardware	0.208	111.5	111.2	93.5	107.6	93.6
1.3.15.6 Other Fabricated Metal Products	0.728	108.1	110.5	112.0	113.1	116.3
1.3.16 MANUFACTURE OF COMPUTER, ELECTRONIC AND OPTICAL PRODUCTS	2.009	108.3	108.5	109.5	109.2	111.8
1.3.16.1 Electronic Components	0.402	106.7	106.0	104.0	104.0	104.3
1.3.16.2 Computers and Peripheral Equipment	0.336	127.3	127.3	127.4	127.4	127.4

No. 21: Wholesale Price Index (Concl.)

(Base: 2011-12 = 100)

Commodities	Weight	2016-17	2016	2017		
			Oct.	Aug.	Sep. (P)	Oct. (P)
			1	2	3	4
1.3.16.3 Communication Equipment	0.310	104.1	104.1	104.7	104.7	116.0
1.3.16.4 Consumer Electronics	0.641	100.0	101.1	104.5	103.4	104.9
1.3.16.5 Measuring, Testing, Navigating and Control equipment	0.181	103.1	102.3	105.9	105.9	108.7
1.3.16.6 Watches and Clocks	0.076	137.9	140.2	136.6	136.7	136.9
1.3.16.7 Irradiation, Electromedical and Electrotherapeutic equipment	0.055	104.3	102.5	102.6	102.6	102.6
1.3.16.8 Optical instruments and Photographic equipment	0.008	96.6	95.2	105.1	107.9	112.8
I.3.17 MANUFACTURE OF ELECTRICAL EQUIPMENT	2.930	108.2	107.9	109.9	110.2	110.2
1.3.17.1 Electric motors, Generators, Transformers and Electricity distribution and Control apparatus	1.298	105.0	104.6	106.5	106.9	106.5
1.3.17.2 Batteries and Accumulators	0.236	120.4	121.3	115.2	115.3	115.3
1.3.17.3 Fibre optic cables for data transmission or live transmission of images	0.133	118.8	117.2	122.9	123.7	121.6
1.3.17.4 Other electronic and Electric wires and Cables	0.428	99.7	98.4	104.5	106.1	106.6
1.3.17.5 Wiring devices, Electric lighting & display equipment	0.263	108.5	107.7	111.6	110.8	110.9
1.3.17.6 Domestic appliances	0.366	119.4	119.9	121.5	120.9	121.6
1.3.17.7 Other electrical equipment	0.206	104.4	105.2	105.4	106.0	106.8
I.3.18 MANUFACTURE OF MACHINERY AND EQUIPMENT	4.789	107.9	107.9	108.5	108.2	109.1
1.3.18.1 Engines and Turbines, Except aircraft, Vehicle and Two wheeler engines	0.638	104.1	103.6	102.8	101.4	102.0
1.3.18.2 Fluid power equipment	0.162	114.3	114.1	115.0	116.8	115.0
1.3.18.3 Other pumps, Compressors, Taps and Valves	0.552	106.6	105.9	107.2	108.3	108.3
1.3.18.4 Bearings, Gears, Gearing and Driving elements	0.340	104.5	102.9	110.2	106.8	108.6
1.3.18.5 Ovens, Furnaces and Furnace burners	0.008	77.8	74.2	79.6	79.5	79.5
1.3.18.6 Lifting and Handling equipment	0.285	103.2	103.0	103.8	105.9	106.0
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	124.9	125.9	126.8	126.3	127.6
1.3.18.9 Agricultural and Forestry machinery	0.833	112.3	112.6	112.3	112.3	112.7
1.3.18.10 Metal-forming machinery and Machine tools	0.224	100.1	98.7	100.9	100.0	102.7
1.3.18.11 Machinery for mining, Quarrying and Construction	0.371	79.6	80.1	75.0	75.5	75.5
1.3.18.12 Machinery for food, Beverage and Tobacco processing	0.228	116.9	118.5	119.5	116.9	120.3
1.3.18.13 Machinery for textile, Apparel and Leather production	0.192	116.2	115.7	115.7	115.5	119.0
1.3.18.14 Other special-purpose machinery	0.468	115.8	117.0	119.2	119.1	120.2
1.3.18.15 Renewable electricity generating equipment	0.046	73.7	72.0	70.9	70.9	71.0
I.3.19 MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	4.969	110.4	110.6	110.4	110.5	110.6
1.3.19.1 Motor vehicles	2.600	113.4	113.3	113.3	112.6	112.8
1.3.19.2 Parts and Accessories for motor vehicles	2.368	107.2	107.5	107.3	108.2	108.2
I.3.20 MANUFACTURE OF OTHER TRANSPORT EQUIPMENT	1.648	107.7	107.9	109.1	109.6	109.8
1.3.20.1 Building of ships and Floating structures	0.117	158.7	158.6	158.8	158.8	158.8
1.3.20.2 Railway locomotives and Rolling stock	0.110	100.6	103.3	103.6	105.0	104.7
1.3.20.3 Motor cycles	1.302	102.8	102.7	104.1	104.6	104.9
1.3.20.4 Bicycles and Invalid carriages	0.117	118.0	118.1	119.8	119.8	119.9
1.3.20.5 Other transport equipment	0.002	116.5	115.3	119.1	119.1	119.0
I.3.21 MANUFACTURE OF FURNITURE	0.727	114.1	114.9	120.3	120.1	124.6
1.3.21.1 Furniture	0.727	114.1	114.9	120.3	120.1	124.6
I.3.22 OTHER MANUFACTURING	1.064	119.7	123.7	105.0	105.3	106.6
1.3.22.1 Jewellery and Related articles	0.996	118.4	122.5	102.1	102.4	103.8
1.3.22.2 Musical instruments	0.001	158.0	159.1	173.0	162.2	185.2
1.3.22.3 Sports goods	0.012	124.7	126.0	125.7	125.7	126.1
1.3.22.4 Games and Toys	0.005	125.2	124.8	128.3	126.8	126.9
1.3.22.5 Medical and Dental instruments and Supplies	0.049	143.3	144.5	153.5	153.5	153.5
2 FOOD INDEX	24.378	134.7	136.2	142.1	138.6	140.6

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	2015-16	2016-17	April-September		September	
				2016-17	2017-18	2016	2017
	1	2	3	4	5	6	7
General Index	100.00	114.7	120.0	117.7	120.6	118.2	122.7
1 Sectoral Classification							
1.1 Mining	14.37	97.3	102.5	92.8	96.4	87.7	94.6
1.2 Manufacturing	77.63	115.9	121.0	119.6	121.9	121.0	125.1
1.3 Electricity	7.99	133.8	141.6	144.1	152.3	145.6	150.5
2 Use-Based Classification							
2.1 Primary Goods	34.05	112.0	117.5	113.4	117.6	109.8	117.0
2.2 Capital Goods	8.22	98.4	101.5	98.7	98.5	99.0	106.3
2.3 Intermediate Goods	17.22	118.4	122.3	121.2	121.7	121.2	123.5
2.4 Infrastructure/ Construction Goods	12.34	120.3	125.0	124.8	127.3	124.7	125.3
2.5 Consumer Durables	12.84	119.1	122.6	124.2	122.3	135.4	128.9
2.6 Consumer Non-Durables	15.33	117.2	126.5	122.3	131.4	123.9	136.3

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

Government Accounts and Treasury Bills**No. 23: Union Government Accounts at a Glance**

(Amount in ₹ Billion)

Item	Financial Year		April - Oct		
	2017-18 (Budget Estimates)	2017-18 (Actuals)	2016-17 (Actuals)	Percentage to Budget Estimates	
				2017-18	2016-17
1	2	3	4	5	
1 Revenue Receipts	15,157.7	7,287.7	6,979.9	48.1	50.7
1.1 Tax Revenue (Net)	12,270.1	6,336.2	5,300.2	51.6	50.3
1.2 Non-Tax Revenue	2,887.6	951.5	1,679.7	33.0	52.0
2 Capital Receipts	6,309.6	5,638.8	4,528.6	89.4	75.3
2.1 Recovery of Loans	119.3	83.9	79.4	70.3	74.6
2.2 Other Receipts	725.0	301.7	214.1	41.6	37.9
2.3 Borrowings and Other Liabilities	5,465.3	5,253.2	4,235.1	96.1	79.3
3 Total Receipts (1+2)	21,467.4	12,926.5	11,508.4	60.2	58.2
4 Revenue Expenditure	18,369.3	11,298.5	10,258.8	61.5	59.3
4.1 Interest Payments	5,230.8	2,579.1	2,268.1	49.3	46.0
5 Capital Expenditure	3,098.0	1,628.0	1,249.6	52.5	50.6
6 Total Expenditure (4+5)	21,467.4	12,926.5	11,508.4	60.2	58.2
7 Revenue Deficit (4-1)	3,211.6	4,010.9	3,279.0	124.9	92.6
8 Fiscal Deficit {6-(1+2.1+2.2)}	5,465.3	5,253.2	4,235.1	96.1	79.3
9 Gross Primary Deficit (8-4.1)	234.5	2,674.1	1,967.0	1,140.2	477.0

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

No. 24: Treasury Bills – Ownership Pattern

(₹ Billion)

Item	2016-17	2016		2017				
		Oct. 28	Sep. 22	Sep. 29	Oct. 6	Oct. 13	Oct. 20	Oct. 27
	1	2	3	4	5	6	7	8
1 91-day								
1.1 Banks	323.7	231.1	462.8	443.5	392.3	373.9	393.6	314.6
1.2 Primary Dealers	243.5	187.5	247.0	260.7	216.6	204.6	234.8	213.5
1.3 State Governments	146.2	523.8	857.9	892.9	922.9	943.9	778.9	944.5
1.4 Others	343.4	768.2	688.2	706.0	779.0	782.8	702.9	775.6
2 182-day								
2.1 Banks	216.2	344.1	414.1	382.4	360.6	364.0	365.1	342.4
2.2 Primary Dealers	316.5	312.8	268.7	295.9	255.9	256.5	250.5	278.6
2.3 State Governments	193.6	120.7	145.6	145.6	120.7	120.7	120.7	120.7
2.4 Others	120.9	109.9	145.6	150.4	174.7	190.2	155.3	169.9
3 364-day								
3.1 Banks	512.3	637.8	496.7	439.6	440.7	411.3	440.2	378.0
3.2 Primary Dealers	551.8	594.0	546.8	590.3	632.9	603.0	622.7	612.8
3.3 State Governments	26.3	25.2	29.7	29.7	29.7	29.7	29.7	29.7
3.4 Others	326.4	308.3	342.3	364.9	340.3	360.7	331.9	364.6
4 14-day Intermediate								
4.1 Banks	–	–	–	–	–	–	–	–
4.2 Primary Dealers	–	–	–	–	–	–	–	–
4.3 State Governments	1,560.6	796.1	1,386.0	1,251.7	894.5	761.4	1,235.7	1,211.9
4.4 Others	5.1	7.5	13.8	11.0	8.0	5.0	5.2	6.2
Total Treasury Bills (Excluding 14 day Intermediate T Bills) #	3,320.8	4,163.4	4,645.5	4,702.1	4,666.6	4,641.4	4,426.3	4,544.8

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

No. 25: Auctions of Treasury Bills

(Amount in ₹ Billion)

Date of Auction	Notified Amount	Bids Received				Bids Accepted			Total Issue (6+7)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)
		Number	Total Face Value		Number	Total Face Value					
			Competitive	Non-Competitive		Competitive	Non-Competitive				
1	2	3	4	5	6	7	8	9	10		
91-day Treasury Bills											
2017-18											
Sep. 27	100	54	1,440.13	52.63	46	100.00	52.63	152.63	98.50	6.1081	
Oct. 4	70	49	1,052.66	60.63	27	70.00	60.63	130.63	98.51	6.0668	
Oct. 11	70	47	870.08	28.41	19	70.00	28.41	98.41	98.51	6.0668	
Oct. 17	70	37	870.11	10.00	30	70.00	10.00	80.00	98.50	6.1081	
Oct. 25	70	43	631.53	198.56	26	70.00	198.56	268.56	98.50	6.1081	
182-day Treasury Bills											
2017-18											
Oct. 11	20	43	109.72	–	18	20.00	–	20.00	97.01	6.1812	
Oct. 17	20	31	103.30	–	6	20.00	–	20.00	97.01	6.1812	
Oct. 25	20	35	133.16	–	8	20.00	–	20.00	97.01	6.1812	
364-day Treasury Bills											
2017-18											
Oct. 4	20	53	177.96	–	7	20.00	–	20.00	94.18	6.1966	
Oct. 11	20	41	105.17	–	19	20.00	–	20.00	94.16	6.2192	
Oct. 17	20	47	145.55	–	22	20.00	–	20.00	94.16	6.2192	
Oct. 25	20	37	87.11	–	12	20.00	–	20.00	94.16	6.2192	

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	1	2
October	3, 2017	5.00-6.00		5.85
October	4, 2017	5.00-6.00		5.85
October	5, 2017	4.95-6.00		5.82
October	6, 2017	4.95-6.06		5.84
October	7, 2017	4.50-6.00		5.75
October	9, 2017	5.00-6.10		5.95
October	10, 2017	4.95-6.07		5.88
October	11, 2017	4.95-6.10		5.85
October	12, 2017	4.95-6.00		5.84
October	13, 2017	4.80-6.20		5.83
October	16, 2017	4.95-6.30		6.01
October	17, 2017	4.95-6.15		5.98
October	18, 2017	4.95-6.10		5.95
October	21, 2017	4.65-5.90		5.51
October	23, 2017	4.95-6.11		5.85
October	24, 2017	4.95-6.20		5.86
October	25, 2017	4.95-6.06		5.88
October	26, 2017	4.95-6.00		5.84
October	27, 2017	4.80-6.05		5.86
October	30, 2017	4.85-6.10		5.89
October	31, 2017	4.85-6.20		5.88
November	1, 2017	5.00-6.05		5.87
November	2, 2017	4.95-6.05		5.84
November	3, 2017	4.90-6.10		5.84
November	6, 2017	4.95-6.05		5.86
November	7, 2017	4.95-6.05		5.85
November	8, 2017	4.95-6.06		5.91
November	9, 2017	4.95-6.05		5.89
November	10, 2017	4.90-6.05		5.88
November	13, 2017	4.90-6.05		5.91
November	14, 2017	4.90-6.05		5.84
November	15, 2017	4.90-6.02		5.85

Note: Includes Notice Money.

No. 27: Certificates of Deposit

Item	2016	2017			
	Oct. 28	Sep. 15	Sep. 29	Oct. 13	Oct. 27
	1	2	3	4	5
1 Amount Outstanding (₹ Billion)	1,816.0	824.1	1,144.5	1,168.0	1,286.2
1.1 Issued during the fortnight (₹ Billion)	51.5	117.7	169.2	149.6	137.7
2 Rate of Interest (per cent)	6.42-7.02	6.12-6.53	6.09-6.68	6.10-6.61	6.10-6.63

No. 28: Commercial Paper

Item	2016	2017			
	Oct. 31	Sep. 15	Sep. 30	Oct. 15	Oct. 31
	1	2	3	4	5
1 Amount Outstanding (₹ Billion)	3,961.2	4,423.9	3,932.1	4,796.8	4,892.3
1.1 Reported during the fortnight (₹ Billion)	535.9	1,250.7	1,162.9	1,069.9	1,355.9
2 Rate of Interest (per cent)	6.31-11.97	5.59-11.80	5.89-11.00	5.98-11.79	6.06-11.23

No. 29: Average Daily Turnover in Select Financial Markets

(₹ Billion)

Item	2016-17	2016	2017					
		Oct. 28	Sep. 22	Sep. 29	Oct. 6	Oct. 13	Oct. 20	Oct. 27
	1	2	3	4	5	6	7	8
1 Call Money	259.0	262.6	245.2	322.7	195.6	239.5	177.4	266.1
2 Notice Money	46.8	105.0	11.7	8.4	75.3	2.1	81.2	4.0
3 Term Money	8.4	8.2	5.5	7.6	20.6	6.1	8.2	11.1
4 CBLO	1,700.2	1,847.5	2,026.1	2,433.7	2,519.5	1,936.6	2,413.4	2,014.0
5 Market Repo	1,753.3	1,856.2	1,748.4	2,424.3	1,867.0	1,942.4	1,767.3	1,869.6
6 Repo in Corporate Bond	2.5	0.4	12.4	1.8	8.0	3.7	3.2	2.7
7 Forex (US \$ million)	55,345	57,738	67,231	86,072	67,951	65,728	49,353	59,299
8 Govt. of India Dated Securities	1,249.1	1,080.6	865.7	846.4	905.1	632.5	692.6	353.5
9 State Govt. Securities	50.7	35.8	58.3	97.5	25.9	22.6	34.2	21.6
10 Treasury Bills								
10.1 91-Day	45.1	61.0	72.9	36.0	11.7	26.5	19.6	12.8
10.2 182-Day	11.8	15.7	17.2	13.9	8.8	15.8	6.0	8.4
10.3 364-Day	18.5	18.2	12.5	21.9	12.6	24.5	7.2	1.8
10.4 Cash Management Bills	13.8	–	8.4	–	–	–	–	–
11 Total Govt. Securities (8+9+10)	1388.8	1,211.3	1,034.9	1,015.7	964.1	721.8	759.6	398.2
11.1 RBI	–	20.8	2.6	20.8	1.4	20.5	0.1	20.8

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

(Amount in ₹ Billion)

Security & Type of Issue	2016-17		2016-17 (Apr.-Oct.)		2017-18 (Apr.-Oct.) *		Oct. 2016		Oct. 2017 *	
	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	116	303.6	63	221.8	106	247.0	4	52.9	10	74.3
1A Premium	113	291.3	60	213.6	105	239.4	4	51.9	10	72.6
1.1 Public	105	280.7	60	215.7	98	215.9	4	52.9	8	50.3
1.1.1 Premium	102	270.4	57	207.6	97	209.3	4	51.9	8	49.1
1.2 Rights	11	22.9	3	6.2	8	31.1	–	–	2	24.0
1.2.1 Premium	11	20.9	3	6.0	8	30.0	–	–	2	23.6
2 Preference Shares	–	–	–	–	–	–	–	–	–	–
2.1 Public	–	–	–	–	–	–	–	–	–	–
2.2 Rights	–	–	–	–	–	–	–	–	–	–
3 Debentures	16	295.5	10	238.9	4	39.0	–	–	–	–
3.1 Convertible	–	–	–	–	–	–	–	–	–	–
3.1.1 Public	–	–	–	–	–	–	–	–	–	–
3.1.2 Rights	–	–	–	–	–	–	–	–	–	–
3.2 Non-Convertible	16	295.5	10	238.9	4	39.0	–	–	–	–
3.2.1 Public	16	295.5	10	238.9	4	39.0	–	–	–	–
3.2.2 Rights	–	–	–	–	–	–	–	–	–	–
4 Bonds	–	–	–	–	–	–	–	–	–	–
4.1 Public	–	–	–	–	–	–	–	–	–	–
4.2 Rights	–	–	–	–	–	–	–	–	–	–
5 Total (1+2+3+4)	132	599.0	73	460.8	110	285.9	4	52.9	10	74.3
5.1 Public	121	576.1	70	454.6	102	254.8	4	52.9	8	50.3
5.2 Rights	11	22.9	3	6.2	8	31.1	–	–	2	24.0

* : Data is Provisional

Source : Securities and Exchange Board of India

External Sector

No. 31: Foreign Trade

Item	Unit	2016-17	2016		2017			
			Oct.	Jun.	Jul.	Aug.	Sep.	Oct.
		1	2	3	4	5	6	7
1 Exports	₹ Billion	18,541.0	1,559.3	1,490.4	1,443.0	1,507.5	1,845.4	1,503.3
	US \$ Million	276,547.0	23,360.6	23,127.9	22,387.3	23,566.2	28,636.4	23,098.2
1.1 Oil	₹ Billion	2,120.3	185.3	144.6	175.9	196.1	233.8	207.3
	US \$ Million	31,622.3	2,776.0	2,244.3	2,728.5	3,066.3	3,627.9	3,185.3
1.2 Non-oil	₹ Billion	16,420.7	1,374.0	1,345.8	1,267.1	1,311.3	1,611.6	1,296.0
	US \$ Million	244,924.7	20,584.6	20,883.6	19,658.8	20,499.9	25,008.6	19,912.9
2 Imports	₹ Billion	25,668.2	2,302.5	2,382.1	2,188.3	2,272.6	2,423.1	2,415.6
	US \$ Million	382,740.9	34,495.1	36,964.9	33,950.7	35,526.6	37,601.8	37,117.0
2.1 Oil	₹ Billion	5,825.6	484.7	495.9	500.0	495.9	527.7	604.4
	US \$ Million	86,865.7	7,261.2	7,694.6	7,757.4	7,752.4	8,189.0	9,286.7
2.2 Non-oil	₹ Billion	19,842.6	1,817.8	1,886.3	1,688.3	1,776.7	1,895.4	1,811.2
	US \$ Million	295,875.2	27,233.9	29,270.3	26,193.3	27,774.2	29,412.8	27,830.3
3 Trade Balance	₹ Billion	-7,127.2	-743.2	-891.7	-745.3	-765.1	-577.7	-912.4
	US \$ Million	-106,193.9	-11,134.5	-13,837.1	-11,563.4	-11,960.5	-8,965.3	-14,018.8
3.1 Oil	₹ Billion	-3,705.4	-299.4	-351.2	-324.1	-299.8	-293.9	-397.1
	US \$ Million	-55,243.4	-4,485.2	-5,450.4	-5,028.9	-4,686.1	-4,561.1	-6,101.5
3.2 Non-oil	₹ Billion	-3,421.9	-443.8	-540.5	-421.2	-465.3	-283.8	-515.3
	US \$ Million	-50,950.6	-6,649.2	-8,386.7	-6,534.6	-7,274.3	-4,404.2	-7,917.3

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

No. 32: Foreign Exchange Reserves

Item	Unit	2016		2017				
		Nov. 25	Oct. 20	Oct. 27	Nov. 3	Nov. 10	Nov. 17	Nov. 24
		1	2	3	4	5	6	7
1 Total Reserves	₹ Billion	24,941	26,021	25,956	25,749	25,949	25,902	25,937
	US \$ Million	365,306	399,921	398,761	398,739	399,293	399,534	400,742
1.1 Foreign Currency Assets	₹ Billion	23,316	24,388	24,324	24,168	24,367	24,318	24,354
	US \$ Million	341,089	374,908	373,772	374,320	374,876	375,096	376,305
1.2 Gold	₹ Billion	1,368	1,388	1,388	1,339	1,339	1,339	1,339
	US \$ Million	20,461	21,241	21,241	20,667	20,667	20,667	20,667
1.3 SDRs	SDRs Million	1,065	1,063	1,063	1,063	1,061	1,061	1,061
	₹ Billion	99	98	97	96	97	97	97
1.4 Reserve Tranche Position in IMF	US \$ Million	1,442	1,500	1,490	1,491	1,490	1,498	1,497
	₹ Billion	159	148	147	146	147	147	147
	US \$ Million	2,314	2,273	2,259	2,261	2,261	2,273	2,273

No. 33: NRI Deposits

(US\$ Million)

Scheme	Outstanding				Flows	
	2016-17	2016	2017		2016-17	2017-18
		Oct.	Sep.	Oct.	Apr.-Oct.	Apr.-Oct.
	1	2	3	4	5	6
1 NRI Deposits	116,867	124,402	118,021	119,161	-1,898	2,695
1.1 FCNR(B)	21,002	38,172	20,238	20,623	-7,144	-379
1.2 NR(E)RA	83,213	75,481	85,381	85,949	4,563	3,091
1.3 NRO	12,652	10,750	12,401	12,590	683	-17

No. 34: Foreign Investment Inflows

(US\$ Million)

Item	2016-17	2016-17	2017-18	2016	2017	
		Apr.-Oct.	Apr.-Oct.	Oct.	Sep.	Oct.
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1–1.1.2)	35,612	25,048	22,430	4,167	1,101	1,571
1.1.1 Direct Investment to India (1.1.1.1–1.1.2)	42,215	25,733	27,777	5,854	2,187	2,212
1.1.1.1 Gross Inflows/Gross Investments	60,220	37,290	37,691	7,478	3,384	3,945
1.1.1.1.1 Equity	44,701	28,502	28,682	6,300	2,213	2,786
1.1.1.1.1.1 Government (SIA/FIPB)	5,900	2,902	6,415	490	99	28
1.1.1.1.1.2 RBI	30,417	20,240	17,341	5,272	1,598	1,744
1.1.1.1.1.3 Acquisition of shares	7,161	4,679	4,280	434	419	910
1.1.1.1.1.4 Equity capital of unincorporated bodies	1,223	682	646	104	98	104
1.1.1.1.2 Reinvested earnings	12,343	7,062	6,812	1,020	958	1,020
1.1.1.1.3 Other capital	3,176	1,726	2,197	158	213	139
1.1.1.2 Repatriation/Disinvestment	18,005	11,557	9,915	1,624	1,197	1,733
1.1.1.2.1 Equity	17,318	11,292	9,728	1,604	1,167	1,732
1.1.1.2.2 Other capital	687	265	186	20	30	1
1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3–1.1.2.4)	6,603	685	5,347	1,688	1,086	641
1.1.2.1 Equity capital	9,792	5,430	3,089	1,392	475	335
1.1.2.2 Reinvested Earnings	2,925	1,707	1,733	244	244	244
1.1.2.3 Other Capital	4,450	2,135	3,051	212	1,098	256
1.1.2.4 Repatriation/Disinvestment	10,564	8,587	2,526	160	730	195
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3–1.2.4)	7,612	8,104	17,340	–49	–1,724	2,821
1.2.1 GDRs/ADRs	–	–	–	–	–	–
1.2.2 FIIs	7,766	7,909	17,412	–40	–1,493	3,053
1.2.3 Offshore funds and others	–	–	–	–	–	–
1.2.4 Portfolio investment by India	154	–196	72	9	231	231
1 Foreign Investment Inflows	43,224	33,153	39,770	4,118	–623	4,393

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

(US\$ Million)

Item	2016-17	2016	2017		
		Oct.	Aug.	Sep.	Oct.
	1	2	3	4	5
1 Outward Remittances under the LRS	8,170.7	621.4	1,096.8	1,093.3	811.3
1.1 Deposit	283.8	25.1	28.7	35.2	22.0
1.2 Purchase of immovable property	92.9	5.7	8.8	6.3	6.2
1.3 Investment in equity/debt	443.6	30.2	30.2	43.3	33.2
1.4 Gift	749.5	60.6	81.3	83.9	85.1
1.5 Donations	8.8	0.3	0.8	0.6	0.6
1.6 Travel	2,568.0	187.9	450.2	398.3	279.9
1.7 Maintenance of close relatives	2,169.5	158.6	240.7	227.0	201.1
1.8 Medical Treatment	17.3	1.5	2.1	3.8	2.0
1.9 Studies Abroad	1,536.4	140.4	240.7	278.0	167.4
1.10 Others	300.8	11.1	13.2	16.8	13.8

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

Item	2015-16	2016-17	2016	2017	
			November	October	November
	1	2	3	4	5
36-Currency Export and Trade Based Weights (Base: 2004-05=100)					
1 Trade-Based Weights					
1.1 NEER	74.75	74.65	75.01	76.43	76.95
1.2 REER	112.08	114.51	115.79	119.15	119.96
2 Export-Based Weights					
2.1 NEER	76.45	76.38	76.71	78.30	78.86
2.2 REER	114.44	116.44	117.61	121.33	122.20
6-Currency Trade Based Weights					
1 Base: 2004-05 (April-March) =100					
1.1 NEER	67.52	66.86	67.04	67.45	67.68
1.2 REER	122.71	125.17	126.31	129.42	130.01
2 Base: 2016-17 (April-March) =100					
2.1 NEER	101.00	100.00	100.27	100.89	101.23
2.2 REER	98.04	100.00	100.91	103.40	103.87

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

(Amount in US\$ Million)

Item	2016-17	2016	2017	
		Oct.	Sep.	Oct.
	1	2	3	4
1 Automatic Route				
1.1 Number	729	57	79	64
1.2 Amount	16,247	1,759	3,156	1,402
2 Approval Route				
2.1 Number	37	1	2	8
2.2 Amount	5,738	12	327	3,004
3 Total (1+2)				
3.1 Number	766	58	81	72
3.2 Amount	21,985	1,771	3,483	4,406
4 Weighted Average Maturity (in years)	5.30	5.90	6.20	5.00
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over 6-month LIBOR or reference rate for Floating Rate Loans	1.62	1.44	1.26	1.02
5.2 Interest rate range for Fixed Rate Loans	0.00-14.75	0.58-13.00	0.00-11.00	0.00-11.20

No. 38: India's Overall Balance of Payments

(US \$ Million)

Item	Apr-Jun 2016 (PR)			Apr-Jun 2017 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	254,325	247,356	6,969	296,104	284,699	11,405
1 CURRENT ACCOUNT (1.1+ 1.2)	124,970	125,371	-401	140,515	154,856	-14,341
1.1 MERCHANDISE	66,618	90,453	-23,835	73,659	114,881	-41,222
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	58,352	34,918	23,434	66,857	39,976	26,881
1.2.1 Services	39,381	23,636	15,745	45,916	27,701	18,215
1.2.1.1 Travel	4,803	4,562	241	6,242	4,845	1,396
1.2.1.2 Transportation	3,897	3,678	219	4,178	4,072	106
1.2.1.3 Insurance	516	287	229	625	352	272
1.2.1.4 G.n.i.e.	130	162	-32	156	152	4
1.2.1.5 Miscellaneous	30,035	14,948	15,087	34,716	18,280	16,436
1.2.1.5.1 Software Services	18,246	674	17,573	18,439	1,136	17,304
1.2.1.5.2 Business Services	8,058	8,005	53	8,467	8,265	202
1.2.1.5.3 Financial Services	1,403	1,268	135	1,174	1,218	-44
1.2.1.5.4 Communication Services	539	209	331	548	237	310
1.2.2 Transfers	15,306	1,304	14,002	16,148	1,690	14,458
1.2.2.1 Official	58	217	-159	92	237	-145
1.2.2.2 Private	15,248	1,087	14,161	16,056	1,453	14,603
1.2.3 Income	3,665	9,977	-6,312	4,792	10,585	-5,793
1.2.3.1 Investment Income	2,753	9,278	-6,525	3,650	10,040	-6,391
1.2.3.2 Compensation of Employees	912	700	212	1,143	544	598
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	129,166	121,985	7,181	155,226	129,843	25,383
2.1 Foreign Investment (2.1.1+2.1.2)	72,114	66,129	5,985	92,709	73,021	19,688
2.1.1 Foreign Direct Investment	14,173	10,291	3,881	15,410	8,174	7,236
2.1.1.1 In India	11,748	5,852	5,895	14,702	4,449	10,253
2.1.1.1.1 Equity	7,874	5,784	2,090	10,656	4,327	6,329
2.1.1.1.2 Reinvested Earnings	3,169	-	3,169	2,919	-	2,919
2.1.1.1.3 Other Capital	705	69	636	1,127	122	1,006
2.1.1.2 Abroad	2,425	4,439	-2,014	708	3,725	-3,017
2.1.1.2.1 Equity	2,425	2,427	-2	708	1,768	-1,060
2.1.1.2.2 Reinvested Earnings	0	731	-731	0	758	-758
2.1.1.2.3 Other Capital	0	1,281	-1,281	0	1,199	-1,199
2.1.2 Portfolio Investment	57,941	55,838	2,103	77,299	64,847	12,452
2.1.2.1 In India	56,260	55,020	1,241	76,134	64,213	11,921
2.1.2.1.1 FIIs	56,260	55,020	1,241	76,134	64,213	11,921
2.1.2.1.1.1 Equity	45,591	43,227	2,365	57,312	56,625	687
2.1.2.1.1.2 Debt	10,669	11,793	-1,124	18,823	7,588	11,234
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.2.2 Abroad	1,681	818	863	1,165	634	530
2.2 Loans (2.2.1+2.2.2+2.2.3)	26,222	27,822	-1,600	34,691	33,722	968
2.2.1 External Assistance	1,860	1,137	723	1,826	1,179	647
2.2.1.1 By India	15	58	-43	14	70	-56
2.2.1.2 To India	1,846	1,079	767	1,812	1,110	702
2.2.2 Commercial Borrowings	3,362	5,376	-2,013	6,391	6,650	-259
2.2.2.1 By India	974	493	482	2,438	2,283	156
2.2.2.2 To India	2,388	4,883	-2,495	3,953	4,367	-414
2.2.3 Short Term to India	21,000	21,310	-310	26,474	25,893	580
2.2.3.1 Suppliers' Credit > 180 days & Buyers' Credit	21,000	21,121	-122	25,735	25,893	-159
2.2.3.2 Suppliers' Credit up to 180 days	0	189	-189	739	0	739
2.3 Banking Capital (2.3.1+2.3.2)	21,139	21,288	-148	21,607	15,441	6,166
2.3.1 Commercial Banks	21,112	21,287	-175	21,607	14,383	7,225
2.3.1.1 Assets	9,426	8,569	856	7,589	1,217	6,373
2.3.1.2 Liabilities	11,687	12,718	-1,031	14,018	13,166	852
2.3.1.2.1 Non-Resident Deposits	11,573	10,195	1,378	12,799	11,561	1,237
2.3.2 Others	27	0	27	0	1,059	-1,059
2.4 Rupee Debt Service	0	35	-35	0	23	-23
2.5 Other Capital	9,692	6,712	2,980	6,219	7,635	-1,416
3 Errors & Omissions	189	-	189	362	-	362
4 Monetary Movements (4.1+ 4.2)	0	6,969	-6,969	0	11,405	-11,405
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	0	6,969	-6,969	0	11,405	-11,405

No. 39: India's Overall Balance of Payments

(₹ Billion)

Item	Apr-Jun 2016 (PR)			Apr-Jun 2017 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	17,012	16,546	466	19,086	18,351	735
1 CURRENT ACCOUNT (1.1+ 1.2)	8,359	8,386	-27	9,057	9,982	-924
1.1 MERCHANDISE	4,456	6,051	-1,594	4,748	7,405	-2,657
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	3,903	2,336	1,568	4,309	2,577	1,733
1.2.1 Services	2,634	1,581	1,053	2,960	1,786	1,174
1.2.1.1 Travel	321	305	16	402	312	90
1.2.1.2 Transportation	261	246	15	269	262	7
1.2.1.3 Insurance	35	19	15	40	23	18
1.2.1.4 G.n.i.e.	9	11	-2	10	10	0
1.2.1.5 Miscellaneous	2,009	1,000	1,009	2,238	1,178	1,059
1.2.1.5.1 Software Services	1,221	45	1,175	1,189	73	1,115
1.2.1.5.2 Business Services	539	535	4	546	533	13
1.2.1.5.3 Financial Services	94	85	9	76	78	-3
1.2.1.5.4 Communication Services	36	14	22	35	15	20
1.2.2 Transfers	1,024	87	937	1,041	109	932
1.2.2.1 Official	4	15	-11	6	15	-9
1.2.2.2 Private	1,020	73	947	1,035	94	941
1.2.3 Income	245	667	-422	309	682	-373
1.2.3.1 Investment Income	184	621	-436	235	647	-412
1.2.3.2 Compensation of Employees	61	47	14	74	35	39
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	8,640	8,160	480	10,006	8,369	1,636
2.1 Foreign Investment (2.1.1+2.1.2)	4,824	4,423	400	5,976	4,707	1,269
2.1.1 Foreign Direct Investment	948	688	260	993	527	466
2.1.1.1 In India	786	391	394	948	287	661
2.1.1.1.1 Equity	527	387	140	687	279	408
2.1.1.1.2 Reinvested Earnings	212	0	212	188	0	188
2.1.1.1.3 Other Capital	47	5	43	73	8	65
2.1.1.2 Abroad	162	297	-135	46	240	-194
2.1.1.2.1 Equity	162	162	-	46	114	-68
2.1.1.2.2 Reinvested Earnings	0	49	-49	0	49	-49
2.1.1.2.3 Other Capital	0	86	-86	0	77	-77
2.1.2 Portfolio Investment	3,876	3,735	141	4,983	4,180	803
2.1.2.1 In India	3,763	3,680	83	4,907	4,139	768
2.1.2.1.1 FII's	3,763	3,680	83	4,907	4,139	768
2.1.2.1.1.1 Equity	3,050	2,891	158	3,694	3,650	44
2.1.2.1.1.2 Debt	714	789	-75	1,213	489	724
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.2.2 Abroad	112	55	58	75	41	34
2.2 Loans (2.2.1+2.2.2+2.2.3)	1,754	1,861	-107	2,236	2,174	62
2.2.1 External Assistance	124	76	48	118	76	42
2.2.1.1 By India	1	4	-3	1	5	-4
2.2.1.2 To India	123	72	51	117	72	45
2.2.2 Commercial Borrowings	225	360	-135	412	429	-17
2.2.2.1 By India	65	33	32	157	147	10
2.2.2.2 To India	160	327	-167	255	281	-27
2.2.3 Short Term to India	1,405	1,425	-21	1,706	1,669	37
2.2.3.1 Suppliers' Credit > 180 days & Buyers' Credit	1,405	1,413	-8	1,659	1,669	-10
2.2.3.2 Suppliers' Credit up to 180 days	0	13	-13	48	0	48
2.3 Banking Capital (2.3.1+2.3.2)	1,414	1,424	-10	1,393	995	397
2.3.1 Commercial Banks	1,412	1,424	-12	1,393	927	466
2.3.1.1 Assets	630	573	57	489	78	411
2.3.1.2 Liabilities	782	851	-69	904	849	55
2.3.1.2.1 Non-Resident Deposits	774	682	92	825	745	80
2.3.2 Others	2	0	2	0	68	-68
2.4 Rupee Debt Service	0	2	-2	0	1	-1
2.5 Other Capital	648	449	199	401	492	-91
3 Errors & Omissions	13	0	13	23	0	23
4 Monetary Movements (4.1+ 4.2)	0	466	-466	0	735	-735
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	0	466	-466	0	735	-735

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

(US \$ Million)

Item	Apr-Jun 2016 (PR)			Apr-Jun 2017 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	124,969	125,351	-382	140,509	154,834	-14,324
1.A Goods and Services (1.A.a+1.A.b)	105,999	114,089	-8,090	119,575	142,582	-23,007
1.A.a Goods (1.A.a.1 to 1.A.a.3)	66,618	90,453	-23,835	73,659	114,881	-41,222
1.A.a.1 General merchandise on a BOP basis	66,200	86,533	-20,333	73,627	103,615	-29,988
1.A.a.2 Net exports of goods under merchandising	418	0	418	32	0	32
1.A.a.3 Nonmonetary gold	-	3,920	-3,920	-	11,266	-11,266
1.A.b Services (1.A.b.1 to 1.A.b.13)	39,381	23,636	15,745	45,916	27,701	18,215
1.A.b.1 Manufacturing services on physical inputs owned by others	45	13	33	26	9	17
1.A.b.2 Maintenance and repair services n.i.e.	33	78	-45	57	153	-96
1.A.b.3 Transport	3,897	3,678	219	4,178	4,072	106
1.A.b.4 Travel	4,803	4,562	241	6,242	4,845	1,396
1.A.b.5 Construction	463	233	230	675	286	388
1.A.b.6 Insurance and pension services	516	287	229	625	352	272
1.A.b.7 Financial services	1,403	1,268	135	1,174	1,218	-44
1.A.b.8 Charges for the use of intellectual property n.i.e.	171	1,628	-1,456	162	1,954	-1,792
1.A.b.9 Telecommunications, computer, and information services	18,848	989	17,859	19,056	1,476	17,581
1.A.b.10 Other business services	8,058	8,005	53	8,467	8,265	202
1.A.b.11 Personal, cultural, and recreational services	381	672	-291	402	467	-65
1.A.b.12 Government goods and services n.i.e.	130	162	-32	156	152	4
1.A.b.13 Others n.i.e.	633	2,064	-1,431	4,698	4,452	246
1.B Primary Income (1.B.1 to 1.B.3)	3,665	9,977	-6,312	4,792	10,585	-5,793
1.B.1 Compensation of employees	912	700	212	1,143	544	598
1.B.2 Investment income	2,286	9,042	-6,756	2,724	9,874	-7,149
1.B.2.1 Direct investment	1,401	4,017	-2,616	1,549	4,681	-3,132
1.B.2.2 Portfolio investment	31	2,039	-2,009	70	2,298	-2,228
1.B.2.3 Other investment	52	2,985	-2,933	186	2,894	-2,708
1.B.2.4 Reserve assets	803	1	802	919	0	919
1.B.3 Other primary income	467	236	231	925	167	759
1.C Secondary Income (1.C.1+1.C.2)	15,304	1,284	14,020	16,142	1,667	14,475
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	15,248	1,087	14,161	16,056	1,453	14,603
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	14,683	863	13,820	15,504	1,121	14,382
1.C.1.2 Other current transfers	565	225	341	553	332	221
1.C.2 General government	56	197	-140	86	214	-128
2 Capital Account (2.1+2.2)	221	62	159	114	105	8
2.1 Gross acquisitions (DR.) / disposals (CR.) of non-produced nonfinancial assets	32	8	24	75	39	35
2.2 Capital transfers	189	54	135	39	66	-27
3 Financial Account (3.1 to 3.5)	128,947	128,913	35	155,119	141,165	13,954
3.1 Direct Investment (3.1A+3.1B)	14,173	10,291	3,881	15,410	8,174	7,236
3.1.A Direct Investment in India	11,748	5,852	5,895	14,702	4,449	10,253
3.1.A.1 Equity and investment fund shares	11,043	5,784	5,259	13,575	4,327	9,248
3.1.A.1.1 Equity other than reinvestment of earnings	7,874	5,784	2,090	10,656	4,327	6,329
3.1.A.1.2 Reinvestment of earnings	3,169	-	3,169	2,919	-	2,919
3.1.A.2 Debt instruments	705	69	636	1,127	122	1,006
3.1.A.2.1 Direct investor in direct investment enterprises	705	69	636	1,127	122	1,006
3.1.B Direct Investment by India	2,425	4,439	-2,014	708	3,725	-3,017
3.1.B.1 Equity and investment fund shares	2,425	3,158	-733	708	2,526	-1,818
3.1.B.1.1 Equity other than reinvestment of earnings	2,425	2,427	-2	708	1,768	-1,060
3.1.B.1.2 Reinvestment of earnings	-	731	-731	-	758	-758
3.1.B.2 Debt instruments	0	1,281	-1,281	0	1,199	-1,199
3.1.B.2.1 Direct investor in direct investment enterprises	-	1,281	-1,281	-	1,199	-1,199
3.2 Portfolio Investment	57,941	55,838	2,103	77,299	64,847	12,452
3.2.A Portfolio Investment in India	56,260	55,020	1,241	76,134	64,213	11,921
3.2.1 Equity and investment fund shares	45,591	43,227	2,365	57,312	56,625	687
3.2.2 Debt securities	10,669	11,793	-1,124	18,823	7,588	11,234
3.2.B Portfolio Investment by India	1,681	818	863	1,165	634	530
3.3 Financial derivatives (other than reserves) and employee stock options	6,861	3,878	2,983	4,737	5,946	-1,209
3.4 Other investment	49,973	51,937	-1,964	57,672	50,793	6,880
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	11,600	10,195	1,405	12,799	12,620	179
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	27	0	27	0	1,059	-1,059
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	11,573	10,195	1,378	12,799	11,561	1,237
3.4.2.3 General government	-	-	-	-	-	-
3.4.2.4 Other sectors	-	-	-	-	-	-
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	14,762	17,605	-2,843	17,026	10,650	6,375
3.4.3.A Loans to India	13,773	17,055	-3,281	14,573	8,298	6,275
3.4.3.B Loans by India	989	550	438	2,453	2,352	100
3.4.4 Insurance, pension, and standardized guarantee schemes	145	279	-134	14	589	-575
3.4.5 Trade credit and advances	21,000	21,310	-310	26,474	25,893	580
3.4.6 Other accounts receivable/payable - other	2,466	2,548	-81	1,361	1,041	320
3.4.7 Special drawing rights	-	-	-	-	-	-
3.5 Reserve assets	0	6,969	-6,969	0	11,405	-11,405
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	6,969	-6,969	0	11,405	-11,405
4 Total assets/liabilities	128,947	128,913	35	155,119	141,165	13,954
4.1 Equity and investment fund shares	67,745	57,143	10,602	77,510	70,647	6,863
4.2 Debt instruments	58,735	62,252	-3,517	76,248	58,073	18,175
4.3 Other financial assets and liabilities	2,466	9,517	-7,050	1,361	12,445	-11,085
5 Net errors and omissions	189	-	189	362	-	362

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

(₹ Billion)

Item	Apr-Jun 2016 (PR)			Apr-Jun 2017 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	8,359	8,385	-26	9,057	9,980	-923
1.A Goods and Services (1.A.a+1.A.b)	7,090	7,632	-541	7,708	9,191	-1,483
1.A.a Goods (1.A.a.1 to 1.A.a.3)	4,456	6,051	-1,594	4,748	7,405	-2,657
1.A.a.1 General merchandise on a BOP basis	4,428	5,788	-1,360	4,746	6,679	-1,933
1.A.a.2 Net exports of goods under merchanting	28	0	28	2	0	2
1.A.a.3 Nonmonetary gold	-	262	-262	0	726	-726
1.A.b Services (1.A.b.1 to 1.A.b.13)	2,634	1,581	1,053	2,960	1,786	1,174
1.A.b.1 Manufacturing services on physical inputs owned by others	3	1	2	2	1	1
1.A.b.2 Maintenance and repair services n.i.e.	2	5	-3	4	10	-6
1.A.b.3 Transport	261	246	15	269	262	7
1.A.b.4 Travel	321	305	16	402	312	90
1.A.b.5 Construction	31	16	15	43	18	25
1.A.b.6 Insurance and pension services	35	19	15	40	23	18
1.A.b.7 Financial services	94	85	9	76	78	-3
1.A.b.8 Charges for the use of intellectual property n.i.e.	11	109	-97	10	126	-116
1.A.b.9 Telecommunications, computer, and information services	1,261	66	1,195	1,228	95	1,133
1.A.b.10 Other business services	539	535	4	546	533	13
1.A.b.11 Personal, cultural, and recreational services	25	45	-19	26	30	-4
1.A.b.12 Government goods and services n.i.e.	9	11	-2	10	10	0
1.A.b.13 Others n.i.e.	42	138	-96	303	287	16
1.B Primary Income (1.B.1 to 1.B.3)	245	667	-422	309	682	-373
1.B.1 Compensation of employees	61	47	14	74	35	39
1.B.2 Investment income	153	605	-452	176	636	-461
1.B.2.1 Direct investment	94	269	-175	100	302	-202
1.B.2.2 Portfolio investment	2	136	-134	5	148	-144
1.B.2.3 Other investment	3	200	-196	12	187	-175
1.B.2.4 Reserve assets	54	0	54	59	0	59
1.B.3 Other primary income	31	16	15	60	11	49
1.C Secondary Income (1.C.1+1.C.2)	1,024	86	938	1,040	107	933
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	1,020	73	947	1,035	94	941
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	982	58	924	999	72	927
1.C.1.2 Other current transfers	38	15	23	36	21	14
1.C.2 General government	4	13	-9	6	14	-8
2 Capital Account (2.1+2.2)	15	4	11	7	7	1
2.1 Gross acquisitions (DR./)disposals (CR.) of non-produced nonfinancial assets	2	1	2	5	3	2
2.2 Capital transfers	13	4	9	3	4	-2
3 Financial Account (3.1 to 3.5)	8,625	8,623	2	9,999	9,099	899
3.1 Direct Investment (3.1A+3.1B)	948	688	260	993	527	466
3.1.A Direct Investment in India	786	391	394	948	287	661
3.1.A.1 Equity and investment fund shares	739	387	352	875	279	596
3.1.A.1.1 Equity other than reinvestment of earnings	527	387	140	687	279	408
3.1.A.1.2 Reinvestment of earnings	212	0	212	188	0	188
3.1.A.2 Debt instruments	47	5	43	73	8	65
3.1.A.2.1 Direct investor in direct investment enterprises	47	5	43	73	8	65
3.1.B Direct Investment by India	162	297	-135	46	240	-194
3.1.B.1 Equity and investment fund shares	162	211	-49	46	163	-117
3.1.B.1.1 Equity other than reinvestment of earnings	162	162	-0	46	114	-68
3.1.B.1.2 Reinvestment of earnings	0	49	-49	0	49	-49
3.1.B.2 Debt instruments	0	86	-86	0	77	-77
3.1.B.2.1 Direct investor in direct investment enterprises	0	86	-86	0	77	-77
3.2 Portfolio Investment	3,876	3,735	141	4,983	4,180	803
3.2.A Portfolio Investment in India	3,763	3,680	83	4,907	4,139	768
3.2.1 Equity and investment fund shares	3,050	2,891	158	3,694	3,650	44
3.2.2 Debt securities	714	789	-75	1,213	489	724
3.2.B Portfolio Investment by India	112	55	58	75	41	34
3.3 Financial derivatives (other than reserves) and employee stock options	459	259	200	305	383	-78
3.4 Other investment	3,343	3,474	-131	3,717	3,274	443
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	776	682	94	825	813	12
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	2	0	2	0	68	-68
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	774	682	92	825	745	80
3.4.2.3 General government	-	-	-	-	-	-
3.4.2.4 Other sectors	-	-	-	-	-	-
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	987	1,178	-190	1,097	686	411
3.4.3.A Loans to India	921	1,141	-219	939	535	404
3.4.3.B Loans by India	66	37	29	158	152	6
3.4.4 Insurance, pension, and standardized guarantee schemes	10	19	-9	1	38	-37
3.4.5 Trade credit and advances	1,405	1,425	-21	1,706	1,669	37
3.4.6 Other accounts receivable/payable - other	165	170	-5	88	67	21
3.4.7 Special drawing rights	-	-	-	-	-	-
3.5 Reserve assets	0	466	-466	0	735	-735
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	466	-466	0	735	-735
4 Total assets/liabilities	8,625	8,623	2	9,999	9,099	899
4.1 Equity and investment fund shares	4,532	3,822	709	4,996	4,554	442
4.2 Debt instruments	3,929	4,164	-235	4,915	3,743	1,172
4.3 Other financial assets and liabilities	165	637	-472	88	802	-714
5 Net errors and omissions	13	-	13	23	-	23

No. 42: International Investment Position

(US\$ Million)

Item	As on Financial Year /Quarter End							
	2016-17		2016		2017			
			Jun.		Mar.		Jun.	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
1	2	3	4	5	6	7	8	
1 Direct Investment Abroad/in India	148,229	342,659	143,640	294,110	148,229	342,659	151,246	353,406
1.1 Equity Capital and Reinvested Earnings	99,114	327,845	97,694	280,149	99,114	327,845	100,932	337,563
1.2 Other Capital	49,115	14,814	45,946	13,961	49,115	14,814	50,314	15,843
2 Portfolio Investment	2,615	238,604	1,598	220,551	2,615	238,604	2,084	251,142
2.1 Equity	1,593	153,978	1,596	141,510	1,593	153,978	2,022	154,901
2.2 Debt	1,022	84,626	2	79,040	1,022	84,626	63	96,241
3 Other Investment	43,433	377,449	45,840	390,676	43,433	377,449	37,058	378,767
3.1 Trade Credit	1,794	88,895	2,413	82,130	1,794	88,895	1,623	89,576
3.2 Loan	7,305	159,887	4,748	170,334	7,305	159,887	5,146	158,732
3.3 Currency and Deposits	20,073	117,110	21,603	126,455	20,073	117,110	16,083	118,476
3.4 Other Assets/Liabilities	14,261	11,557	17,077	11,758	14,261	11,557	14,206	11,984
4 Reserves	369,955	–	363,506	–	369,955	–	386,539	–
5 Total Assets/ Liabilities	564,231	958,712	554,584	905,338	564,231	958,712	576,928	983,316
6 IIP (Assets - Liabilities)		–394,480		–350,753		–394,480		–406,388

Payment and Settlement Systems

No. 43: Payment System Indicators

System	Volume (Million)				Value (₹ Billion)			
	2016-17	2017			2016-17	2017		
		Aug.	Sep.	Oct.		Aug.	Sep.	Oct.
	1	2	3	4	5	6	7	8
1 RTGS	107.86	9.46	9.61	10.00	1,253,652.08	113,827.58	127,730.70	115,808.00
1.1 Customer Transactions	103.66	9.16	9.32	9.71	849,950.51	79,157.81	91,521.65	82,084.42
1.2 Interbank Transactions	4.17	0.30	0.29	0.29	131,953.25	10,005.58	10,826.48	9,971.68
1.3 Interbank Clearing	0.018	0.002	0.002	0.002	271,748.31	24,664.19	25,382.57	23,751.90
2 CCIL Operated Systems	3.65	0.27	0.30	0.27	1,056,173.36	87,499.01	92,763.82	86,873.56
2.1 CBLO	0.22	0.02	0.02	0.02	229,528.33	22,784.18	23,778.02	22,981.83
2.2 Govt. Securities Clearing	1.51	0.08	0.10	0.08	404,389.08	31,959.78	34,013.49	27,863.13
2.2.1 Outright	1.34	0.07	0.08	0.06	168,741.46	9,795.75	11,098.06	7,604.53
2.2.2 Repo	0.168	0.017	0.018	0.016	235,647.62	22,164.03	22,915.42	20,258.60
2.3 Forex Clearing	1.93	0.17	0.19	0.18	422,255.95	32,755.05	34,972.31	36,028.59
3 Paper Clearing	1,206.69	94.81	94.37	96.41	80,958.15	6,403.59	6,429.99	6,478.86
3.1 Cheque Truncation System (CTS)	1,111.86	92.05	92.16	94.44	74,035.22	6,224.34	6,271.53	6,340.16
3.2 MICR Clearing	-	-	-	-	-	-	-	-
3.2.1 RBI Centres	-	-	-	-	-	-	-	-
3.2.2 Other Centres	-	-	-	-	-	-	-	-
3.3 Non-MICR Clearing	94.83	2.76	2.22	1.97	6,922.93	179.25	158.47	138.70
4 Retail Electronic Clearing	4,204.96	442.79	427.72	444.62	132,250.12	13,988.09	15,624.23	15,598.70
4.1 ECS DR	8.76	0.12	0.14	0.12	39.14	0.83	0.84	0.83
4.2 ECS CR (includes NECS)	10.10	0.63	0.48	0.50	144.08	10.96	9.60	10.72
4.3 EFT/NEFT	1,622.10	151.61	157.67	158.78	120,039.68	12,500.38	14,182.14	13,851.28
4.4 Immediate Payment Service (IMPS)	506.73	75.66	82.85	88.12	4,111.06	651.49	717.60	750.42
4.5 National Automated Clearing House (NACH)	2,057.27	214.77	186.58	197.09	7,916.17	824.43	714.06	985.45
5 Cards	12,055.87	1,099.84	1,102.84	1,142.16	30,214.00	3,073.12	3,163.59	3,361.88
5.1 Credit Cards	1,093.51	115.99	113.29	124.04	3,312.21	366.03	377.76	422.60
5.1.1 Usage at ATMs	6.37	0.66	0.65	0.68	28.39	3.05	3.11	3.21
5.1.2 Usage at POS	1,087.13	115.33	112.63	123.36	3,283.82	362.99	374.65	419.39
5.2 Debit Cards	10,962.36	983.86	989.55	1,018.12	26,901.79	2,707.08	2,785.83	2,939.28
5.2.1 Usage at ATMs	8,563.06	718.41	724.26	739.72	23,602.73	2,352.96	2,419.54	2,530.58
5.2.2 Usage at POS	2,399.30	265.45	265.30	278.40	3,299.07	354.13	366.29	408.69
6 Prepaid Payment Instruments (PPIs)	1,963.66	261.14	240.29	245.18	838.01	102.88	109.77	116.98
6.1 m-Wallet	1,629.98	225.43	199.48	201.23	532.42	72.62	81.54	86.60
6.2 PPI Cards	333.11	35.67	40.76	43.91	277.52	28.53	26.19	28.80
6.3 Paper Vouchers	0.51	0.03	0.04	0.04	25.36	1.72	2.05	1.58
7 Mobile Banking	976.85	97.89	113.94	154.49	13,104.76	795.37	848.47	971.13
8 Cards Outstanding	884.72	843.51	853.11	860.13	-	-	-	-
8.1 Credit Card	29.84	32.65	33.34	33.87	-	-	-	-
8.2 Debit Card	854.87	810.87	819.76	826.25	-	-	-	-
9 Number of ATMs (in actuals)	222475	222568	221722	221314	-	-	-	-
10 Number of POS (in actuals)	2529141	2882422	2900038	2958301	-	-	-	-
11 Grand Total (1.1+1.2+2+3+4+5+6)	19,542.66	1,908.30	1,875.13	1,938.63	2,282,337.40	200,230.07	220,439.54	204,486.06

Note : Data for latest 12 month period is provisional.

Occasional Series

No. 44: Small Savings

(₹ Billion)

Scheme		2016-17	2016	2017		
			May	Mar.	Apr.	May
		1	2	3	4	5
1 Small Savings	Receipts	4,341.75	308.59	480.30	27.29	48.03
	Outstanding	7,312.73	6,817.61	7,312.73	7,339.92	7,387.84
1.1 Total Deposits	Receipts	3,879.55	282.04	397.56	27.92	37.33
	Outstanding	4,689.77	4,319.89	4,689.77	4,717.69	4,755.02
1.1.1 Post Office Saving Bank Deposits	Receipts	2,474.46	180.68	239.64	10.63	4.43
	Outstanding	920.64	667.94	920.64	931.27	935.69
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	0.56	0.01	0.49	-0.36	-0.32
	Outstanding	33.01	34.27	33.01	32.65	32.33
1.1.4 National Saving Scheme, 1992	Receipts	0.01	0.00	0.02	-0.06	-0.04
	Outstanding	-0.48	1.09	-0.48	-0.54	-0.58
1.1.5 Monthly Income Scheme	Receipts	353.34	26.48	41.41	-4.23	-1.19
	Outstanding	1,800.66	1,897.58	1,800.66	1,796.43	1,795.24
1.1.6 Senior Citizen Scheme	Receipts	100.02	6.90	13.93	8.40	12.01
	Outstanding	294.53	234.79	294.53	302.93	314.94
1.1.7 Post Office Time Deposits	Receipts	476.65	34.94	56.00	9.74	15.26
	Outstanding	796.58	717.78	796.58	806.32	821.58
1.1.7.1 1 year Time Deposits	Outstanding	518.38	501.48	518.38	521.44	527.91
1.1.7.2 2 year Time Deposits	Outstanding	36.58	30.66	36.58	37.33	38.38
1.1.7.3 3 year Time Deposits	Outstanding	51.77	48.33	51.77	52.12	52.64
1.1.7.4 5 year Time Deposits	Outstanding	189.85	137.31	189.85	195.43	202.65
1.1.8 Post Office Recurring Deposits	Receipts	474.51	33.03	46.07	3.80	7.18
	Outstanding	844.53	766.14	844.53	848.33	855.52
1.1.9 Post Office Cumulative Time Deposits	Outstanding	0.08	0.08	0.08	0.08	0.08
1.1.10 Other Deposits	Receipts	0	0.00	0.00	0.00	0.00
	Outstanding	0.22	0.22	0.22	0.22	0.22
1.2 Saving Certificates	Receipts	289.85	18.35	53.84	0.03	7.32
	Outstanding	1,989.35	1,925.33	1,989.35	1,989.28	1,996.49
1.2.1 National Savings Certificate VIII issue	Receipts	120.63	4.97	29.88	-7.13	-5.04
	Outstanding	872.39	869.15	872.39	865.26	860.23
1.2.2 Indira Vikas Patras	Receipts	0.00	0.00	0.00	0.00	0.02
	Outstanding	8.86	8.87	8.86	8.86	8.87
1.2.3 Kisan Vikas Patras	Receipts	-0.01	0.01	-0.49	-10.55	-11.88
	Outstanding	535.72	625.01	535.72	525.17	513.30
1.2.4 Kisan Vikas Patras - 2014	Receipts	169.23	13.37	24.45	17.73	24.27
	Outstanding	460.23	309.96	460.23	477.96	502.21
1.2.5 National Saving Certificate VI issue	Receipts	0	0.00	-	-0.02	-0.05
	Outstanding	-1.12	-0.95	-1.12	-1.14	-1.18
1.2.6 National Saving Certificate VII issue	Outstanding	-0.62	-0.60	-0.62	-0.62	-0.62
1.2.7 Other Certificates	Outstanding	113.89	113.89	113.89	113.79	113.68
1.3 Public Provident Fund	Receipts	172.35	8.20	28.90	-0.66	3.38
	Outstanding	633.61	572.39	633.61	632.95	636.33

Source: Accountant General, Post and Telegraphs.

TABLE 45 : OWNERSHIP PATTERN OF CENTRAL AND STATE GOVERNMENTS SECURITIES

(Per cent)

Central Government Dated Securities					
Category	2016			2017	
	Sep.	Dec.	Mar.	Jun.	Sep.
	1	2	3	4	5
(A) Total (in ₹. Billion)	47967.49	49246.98	49109.75	50430.94	51451.83
1 Commercial Banks	40.00	40.92	40.46	39.68	40.37
2 Non-Bank PDs	0.14	0.28	0.16	0.31	0.33
3 Insurance Companies	22.68	22.55	22.90	23.13	23.49
4 Mutual Funds	2.13	1.96	1.49	1.44	1.86
5 Co-operative Banks	2.47	2.63	2.70	2.65	2.62
6 Financial Institutions	0.84	0.86	0.81	0.73	0.78
7 Corporates	1.09	1.05	1.05	1.29	1.04
8 Foreign Portfolio Investors	3.82	3.13	3.53	4.29	4.58
9 Provident Funds	6.25	6.24	6.27	6.13	5.99
10 RBI	14.80	14.61	14.65	14.29	12.84
11. Others	5.79	5.77	5.98	6.07	6.11
11.1 State Governments	1.84	1.83	1.92	1.91	1.92

State Governments Securities					
Category	2016			2017	
	Sep.	Dec.	Mar.	Jun.	Sep.
	1	2	3	4	5
(B) Total (in ₹. Billion)	18114.95	19343.91	20893.41	21467.07	22488.35
1 Commercial Banks	40.22	41.25	39.01	37.94	37.64
2 Non-Bank PDs	0.35	0.30	0.39	0.38	0.33
3 Insurance Companies	32.67	31.87	32.50	33.53	34.00
4 Mutual Funds	1.62	1.36	2.42	1.89	1.92
5 Co-operative Banks	4.21	4.47	4.75	4.82	4.82
6 Financial Institutions	0.27	0.29	0.30	0.27	0.22
7 Corporates	0.14	0.13	0.17	0.11	0.11
8 Foreign Portfolio Investors	0.08	0.06	0.07	0.08	0.16
9 Provident Funds	16.84	16.81	17.27	18.10	18.37
10 RBI	0.01	0.03	0.06	0.06	0.06
11. Others	3.59	3.43	3.05	2.81	2.37
11.1 State Governments	-	-	-	-	-

Treasury Bills					
Category	2016			2017	
	Sep.	Dec.	Mar.	Jun.	Sep.
	1	2	3	4	5
(C) Total (in ₹. Billion)	4202.40	4366.47	3320.80	6135.01	5704.50
1 Commercial Banks	52.58	50.47	57.85	53.96	52.15
2 Non-Bank PDs	1.38	1.80	1.25	1.09	1.32
3 Insurance Companies	1.91	2.02	4.58	3.20	4.32
4 Mutual Funds	16.06	12.91	7.85	15.31	12.44
5 Co-operative Banks	3.52	3.28	5.62	2.48	2.33
6 Financial Institutions	2.75	2.76	4.57	2.60	3.54
7 Corporates	1.21	1.81	1.83	1.54	1.64
8 Foreign Portfolio Investors	-	-	-	-	-
9 Provident Funds	0.45	0.43	0.35	0.06	0.20
10 RBI	0.16	0.09	0.02	0.05	0.06
11. Others	19.96	24.44	16.09	19.72	22.01
11.1 State Governments	15.98	20.51	11.02	16.71	18.73

Notes : "-" represents nil or negligible

1. The revised table format since June 2016, incorporates the ownership pattern of State Governments Securities and Treasury Bills along with the Central Government Securities.
2. State Government Securities include special bonds issued under Ujwal DISCOM Assurance Yojana (UDAY) scheme.
3. Bank PDs are clubbed under Commercial Banks. However, they form very small fraction of total outstanding securities.
4. The category 'Others' comprises State Governments, Pension Funds, PSUs, Trusts, HUF/Individuals etc.

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

(₹ Billion)

Item	2012-13	2013-14	2014-15	2015-16	2016-17 RE	2017-18 BE
	1	2	3	4	5	6
1 Total Disbursements	26,949.34	30,002.99	32,852.10	33,782.60	40,599.68	43,957.96
1.1 Developmental	15,741.62	17,142.21	18,720.62	19,429.44	24,271.15	26,194.51
1.1.1 Revenue	12,807.14	13,944.26	14,830.18	14,971.45	18,457.92	19,701.57
1.1.2 Capital	2,446.11	2,785.08	3,322.62	3,400.51	4,471.03	5,515.05
1.1.3 Loans	488.38	412.88	567.82	1,057.49	1,342.20	977.89
1.2 Non-Developmental	10,850.47	12,427.83	13,667.69	13,984.15	15,870.24	17,261.83
1.2.1 Revenue	9,991.40	11,413.65	12,695.20	12,739.11	15,031.91	16,430.73
1.2.1.1 Interest Payments	4,543.06	5,342.30	5,845.42	6,134.74	6,881.68	7,536.87
1.2.2 Capital	837.14	990.37	946.87	1,207.71	816.42	807.16
1.2.3 Loans	21.93	23.81	25.63	37.33	21.92	23.94
1.3 Others	357.24	432.95	463.79	369.01	458.29	501.62
2 Total Receipts	27,690.29	30,013.72	31,897.37	34,487.63	39,810.09	42,551.06
2.1 Revenue Receipts	19,716.19	22,114.75	23,876.93	24,504.58	30,356.58	33,511.38
2.1.1 Tax Receipts	16,879.59	18,465.45	20,207.28	20,754.42	23,917.47	27,066.67
2.1.1.1 Taxes on commodities and services	10,385.91	11,257.81	12,123.48	12,912.47	15,168.50	16,914.54
2.1.1.2 Taxes on Income and Property	6,462.73	7,176.34	8,051.76	7,803.16	8,706.20	10,105.34
2.1.1.3 Taxes of Union Territories (Without Legislature)	30.94	31.30	32.04	38.78	42.77	46.79
2.1.2 Non-Tax Receipts	2,836.60	3,649.30	3,669.65	3,750.16	6,439.11	6,444.71
2.1.2.1 Interest Receipts	355.43	401.62	396.22	347.38	322.08	275.25
2.2 Non-debt Capital Receipts	389.20	391.13	609.55	588.52	595.33	1,245.96
2.2.1 Recovery of Loans & Advances	129.29	93.85	220.72	155.86	136.03	519.12
2.2.2 Disinvestment proceeds	259.91	297.28	388.83	432.66	459.30	726.84
3 Gross Fiscal Deficit [1 - (2.1 + 2.2)]	6,843.95	7,497.11	8,365.63	8,689.51	9,647.78	9,200.62
3A Sources of Financing: Institution-wise						
3A.1 Domestic Financing	6,771.94	7,424.19	8,236.30	8,562.02	9,499.05	9,042.73
3A.1.1 Net Bank Credit to Government	3,352.80	3,358.58	-374.76	2,310.90	6,306.09	...
3A.1.1.1 Net RBI Credit to Government	548.40	1,081.30	-3,341.85	604.72	1,958.16	...
3A.1.2 Non-Bank Credit to Government	3,419.14	4,065.61	8,611.06	6,251.12	3,192.96	...
3A.2 External Financing	72.01	72.92	129.33	127.48	148.73	157.89
3B Sources of Financing: Instrument-wise						
3B.1 Domestic Financing	6,771.94	7,424.19	8,236.30	8,562.02	9,499.05	9,042.73
3B.1.1 Market Borrowings (net)	6,536.94	6,391.99	6,640.58	6,354.19	6,472.74	6,970.13
3B.1.2 Small Savings (net)	-85.70	-142.81	-565.80	-785.15	-1,091.76	-941.16
3B.1.3 State Provident Funds (net)	329.94	312.90	343.39	298.82	326.18	332.03
3B.1.4 Reserve Funds	-4.12	34.63	51.09	-33.22	-82.42	-10.45
3B.1.5 Deposits and Advances	27.22	255.45	275.45	134.70	386.99	502.14
3B.1.6 Cash Balances	-740.96	-10.72	954.74	-705.03	789.59	1,406.90
3B.1.7 Others	708.62	582.75	536.84	3,297.71	2,697.73	783.13
3B.2 External Financing	72.01	72.92	129.33	127.48	148.73	157.89
4 Total Disbursements as per cent of GDP	27.1	26.7	26.4	24.7	26.7	26.1
5 Total Receipts as per cent of GDP	27.8	26.7	25.6	25.2	26.2	25.3
6 Revenue Receipts as per cent of GDP	19.8	19.7	19.2	17.9	20.0	19.9
7 Tax Receipts as per cent of GDP	17.0	16.4	16.2	15.2	15.8	16.1
8 Gross Fiscal Deficit as per cent of GDP	6.9	6.7	6.7	6.4	6.4	5.5

Source : Budget Documents of Central and State Governments.

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

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

(₹ Billion)

Sr. No	State/Union Territory	During October 2017					
		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	602.99	10	355.95	5	-	-
2	Arunachal Pradesh	-	-	-	-	-	-
3	Assam	-	-	-	-	-	-
4	Bihar	-	-	-	-	-	-
5	Chhattisgarh	-	-	-	-	-	-
6	Goa	23.09	8	-	-	-	-
7	Gujarat	-	-	-	-	-	-
8	Haryana	-	-	-	-	-	-
9	Himachal Pradesh	-	-	-	-	-	-
10	Jammu & Kashmir	-	-	394.56	11	-	-
11	Jharkhand	-	-	-	-	-	-
12	Karnataka	-	-	-	-	-	-
13	Kerala	-	-	-	-	-	-
14	Madhya Pradesh	-	-	-	-	-	-
15	Maharashtra	-	-	-	-	-	-
16	Manipur	-	-	-	-	-	-
17	Meghalaya	-	-	-	-	-	-
18	Mizoram	-	-	-	-	-	-
19	Nagaland	151.93	29	132.54	3	-	-
20	Odisha	-	-	-	-	-	-
21	Puducherry	-	-	-	-	-	-
22	Punjab	7.34	29	698.35	29	303.82	10
23	Rajasthan	-	-	-	-	-	-
24	Tamilnadu	-	-	-	-	-	-
25	Telangana	395.11	19	441.72	13	-	-
26	Tripura	-	-	-	-	-	-
27	Uttar Pradesh	-	-	-	-	-	-
28	Uttarakhand	177.21	14	229	13	-	-
29	West Bengal	-	-	-	-	-	-

No. 48: Investments by State Governments

(₹ Billion)

Sr. No.	State/Union Territory	As on end of October 2017		
		Consolidated Sinking Fund (CSF)	Guarantee Redemption Fund (GRF)	Auction Treasury Bills (ATBs)
	1	2	3	4
1	Andhra Pradesh	63.03	6.57	0
2	Arunachal Pradesh	7.59	--	0
3	Assam	39.26	0.34	14.00
4	Bihar	43.09	--	50.00
5	Chhattisgarh	30.52	--	0
6	Goa	4.35	2.17	0
7	Gujarat	109.85	3.84	70.00
8	Haryana	16.78	9.37	0
9	Himachal Pradesh	--	--	5.00
10	Jammu & Kashmir	--	--	0
11	Jharkhand	--	--	0
12	Karnataka	24.77	--	150.00
13	Kerala	17.27	--	0
14	Madhya Pradesh	--	7.43	0
15	Maharashtra	247.23	--	420.00
16	Manipur	2.72	0.63	0
17	Meghalaya	4.47	0.16	0
18	Mizoram	3.90	0.20	0
19	Nagaland	9.78	0.25	0
20	Odisha	107.35	11.63	50.00
21	Puducherry	2.70	--	7.71
22	Punjab	0	0	0
23	Rajasthan	--	--	44.74
24	Tamilnadu	50.17	--	233.50
25	Telangana	38.48	5.62	0
26	Tripura	5.79	0.03	0
27	Uttar Pradesh	--	--	0
28	Uttarakhand	24.08	0.64	0
29	West Bengal	83.27	2.04	50.00
	Total	936.45	50.93	1094.96

Explanatory Notes to the Current Statistics

Table No. 1

1.2 & 6: Annual data are averages of months.

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

4.1 to 4.4, 4.8, 4.12 & 5: Relate to the last day of the month/financial year.

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

4.9 to 4.11: Relate to the last auction day of the month/financial year.

Table No. 2

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

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

Table No. 4

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

Table No. 5

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

Table No. 6

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

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

Table Nos. 7 & 11

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

Table No. 8

NM₂ and NM₃ 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.

L₁ and L₂ are compiled monthly and L₃ quarterly.

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

Table No. 13

Data against column Nos. (1), (2) & (3) are Final (including RRBs) and for column Nos. (4) & (5) data are Provisional (excluding RRBs)

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 & 1.1.1.1.4: Estimates.

1.1.1.2: Estimates for latest months.

'Other capital' pertains to debt transactions between parent and subsidiaries/branches of FDI enterprises.

Data may not tally with the BoP data due to lag in reporting.

Table No. 35

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

Table No. 36

Increase in indices indicates appreciation of rupee and vice versa. For 6-Currency index, base year 2012-13 is a moving one, which gets updated every year. REER figures are based on Consumer Price Index (combined). Methodological details are available in December 2005 and April 2014 issues of the Bulletin.

Table No. 37

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

Table Nos. 38, 39, 40 & 41

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

Table No. 43

1.3: Pertain to 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 excludes corporate payments which was being included earlier.

Table No. 45

(-): represents nil or negligible

The table format incorporates the ownership pattern of State Governments Securities and Treasury Bills along with the Central Government Securities. In addition, State Governments' holding of securities are shown as a separate category for the first time.

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 26 states.

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 temporry 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>)

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**.

Indicative Calendar for Bulletin Articles, 2018

Sr. No.	Theme	Release Month of the Bulletin
1	Survey on Computer Software & Information Technology Services Exports: 2016-17	January
2	Annual Census on Foreign Liabilities and Assets of Indian Companies: 2016-17	February
3	Composition and Ownership of Deposits, 2017	
4	Union Budget 2017-18: An Assessment	May
5	Inflation Expectations Survey of Households: 2017-18	June
6	Industrial Outlook Survey: 2017-18	
7	India's Foreign Trade: 2017-18	July
8	A Comprehensive Analysis of Private Corporate Sector Performance	
9	International Banking Statistics 2017	
10	Flow of Funds Accounts of the Indian Economy, 2016-17	August
11	India's Balance of Payments: 2017-18	
12	India's external Debt at End-March 2018	September
13	Corporate Investment: Growth in 2017-18 and Prospects for 2018-19	
14	Consumer Confidence Survey: 2017-18	October
15	Performance of Private Corporate Business Sector: 2017-18	November
16	International Trade in Banking Services: 2017-18	December

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Notes

- Many of the above publications are available at the RBI website (www.rbi.org.in).
 - Time Series data are available at the Database on Indian Economy (<http://dbie.rbi.org.in>).
 - 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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