India's Balance of Payments Developments during the Second Quarter (July-September 2006) of 2006-07 and Revisions in 2005-06 and First Quarter (April-June 2006) of 2006-07

Preliminary data on India's balance of payments (BoP) for the second quarter (Q2) of the financial year 2006-07 *i.e.,* July-September 2006, are now available. These preliminary data, combined with the partially revised data for the first quarter (Q1) *i.e.,* April-June 2006, provide an assessment of the BoP for the first half of the current financial year *i.e.,* April-September 2006. Full details of BoP data are set out in the standard format of presentation in Statement 1.

July-September 2006

The major items of the BoP for Q2 of 2006-07 are set out in Table 1 below.

Table 1: India's Balance of Payments: July-September 2006

(US $ million)

	April-June 2006PR	July-September 2006P	July-September 2005PR
1	2	3	4
Exports	29,674	30,876	25,257
Imports	46,882	48,809	38,417
Trade Balance	-17,208	-17,933	-13,160
Invisibles, net	12,453	11,005	9,582
Current Account Balance	-4,755	-6,928	-3,578
Capital Account*	11,133	9,196	8,834
Change in Reserves# (- Indicates increase)	-6,378	-2,268	-5,256

*: Including errors and omissions.
#: On BoP basis excluding valuation.
P: Preliminary PR: Partially Revised.

Merchandise Trade

- On a BoP basis, India's Merchandise exports posted a growth of 22.2 per cent in Q2 of 2006-07 as compared with 33.8 per cent in Q2 of the previous year.
- Import payments recorded 27.1 per cent growth in Q2 of 2006-07 as against an increase of 34.5 per cent in Q2 of 2005-06.
- The deceleration in exports growth, according to DGCI&S data, was mainly due to slowdown in exports of manufactured goods.
- According to the data released by Directorate General of Commercial Intelligence and Statistics (DGCI&S), while oil imports recorded an increase of 31.0 per cent in Q2 of 2006-07 (56.1 per cent in Q2 of 2005-06), non-oil imports witnessed a moderate growth of 13.9 per cent (43.1 per cent in Q2 of 2005-06) mainly due to decline in imports of export related items and gold and silver. Apart from these, a strong base effect also contributed to such deceleration.
- Oil imports reflected the impact of hardening price of the Indian basket of international crude (a mix of Dubai and Brent varieties), which rose to US $ 66.8 per barrel in Q2 of 2006-07 from US $ 49.3 per barrel in the corresponding quarter of the previous year.

Trade Deficit

- Strong oil import demand led to a steady expansion in trade deficit, on BoP basis, to US $ 17.9 billion in Q2 of 2006-07 (US $ 13.2 billion in Q2 of 2005-06).

Invisibles

- Maintaining the pace of growth in business and professional services and remittances, invisible receipts recorded robust growth (32.8 per cent) in Q2 of 2006-07.

- Steady expansion in invisible payments reflected continuing pace of outbound tourist traffic from India, rising payments towards transportation, and strong domestic demand for business related services and higher investment income payments.

Current Account Deficit

- Despite support from invisible surplus at US $ 11.0 billion, current account deficit widened to US $ 6.9 billion in Q2 of 2006-07 (US $ 3.6 billion in Q2 of 2005-06) due to large trade deficit mainly on account of oil imports.

Capital Account and Reserves

- Under net capital inflows, the major contributors were foreign direct investment, FIIs, and NRI deposits.
- Accretion to foreign exchange reserves (excluding valuation) at US $ 2.3 billion in Q2 of 2006-07 was lower than US $ 5.3 billion in Q2 of 2005-06.

April-September 2006

Taking into account the partially revised data for Q1 of 2006-07 and the preliminary data for Q2 of 2006-07, the BoP position for the first half of the financial year 2006-07 has been worked out. While the detailed data are set out in the table in standard format of presentation, the major items are set out in Table 2.

Table 2: India's Balance of Payments: April-September 2006

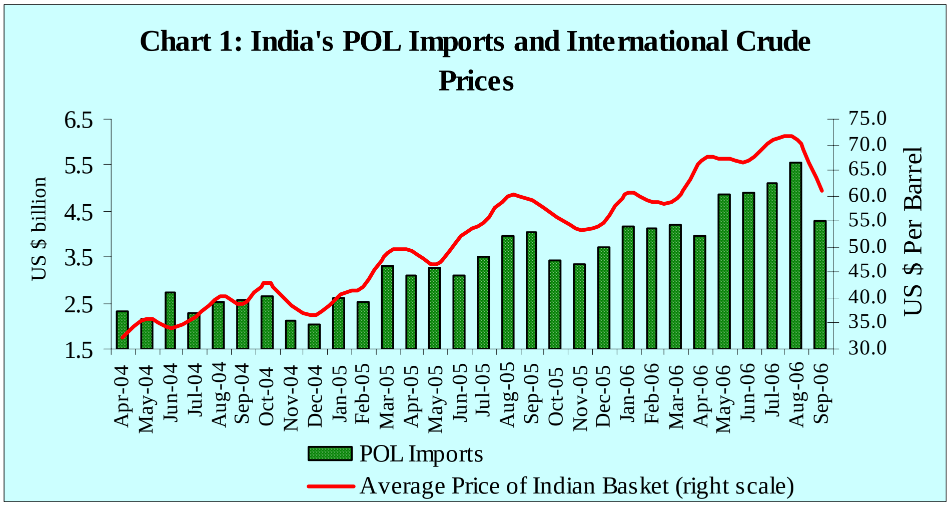
(US $ million)

	April-September 2006	April-September 2005
1	2	3
Exports	60,550	49,255
Imports	95,691	76,364
Trade Balance	-35,141	-27,109
Invisibles, net	23,458	19,949
Current Account Balance	-11,683	-7,160
Capital Account*	20,329	13,663
Change in Reserves# (- Indicates increase)	-8,646	-6,503

*: Including errors and omissions.
#: On BoP basis excluding valuation.

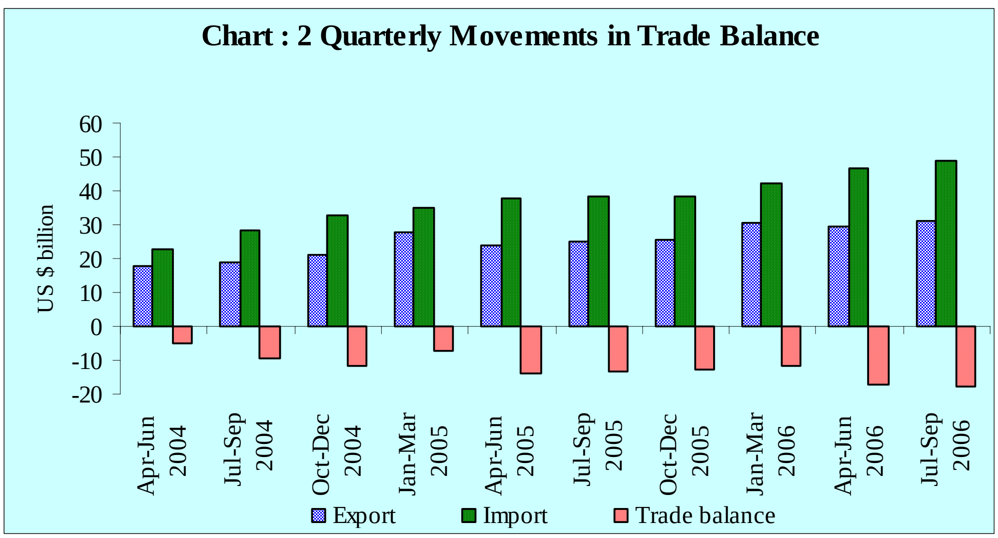
Merchandise Trade

- On a BoP basis, merchandise exports recorded an increase of 22.9 per cent during April-September 2006 (34.2 per cent in the corresponding period of the previous year).
- Merchandise import payments showed 25.3 per cent growth in April-September 2006 as compared with 48.2 per cent in the corresponding period of previous year.
- According to DGCI&S data, deceleration in exports growth occurred on account of slowdown in exports of manufactured goods viz., chemical and related products, textile and textile products, leather and manufactures and decline in handicrafts and gems and jewellery.
- Oil imports, as per DGCI&S data, increased by 36.9 per cent in April-September 2006 (43.7 per cent in April-September 2005), while non-oil imports recorded a moderate growth of 11.5 per cent (47.9 per cent in April-September 2005).
- The rise in crude oil imports reflected elevated international oil prices and also the volume growth. While the average crude oil price recorded a year on year increase of 25 per cent during April-September 2006, volume growth was 11 per cent.
- The average price of the Indian basket of international crude (a mix of Dubai and Brent varieties) rose to US $ 67.2 per barrel in April-September 2006 from US $ 53.7 per barrel in the corresponding period of the previous year (Chart 1).



Trade Deficit

- With the growth in imports outstripping the pace of export growth, merchandise trade deficit, on a BoP basis, sharply increased to US $ 35.1 billion from US $ 27.1 billion in April-September 2005 (Chart 2).



Invisibles

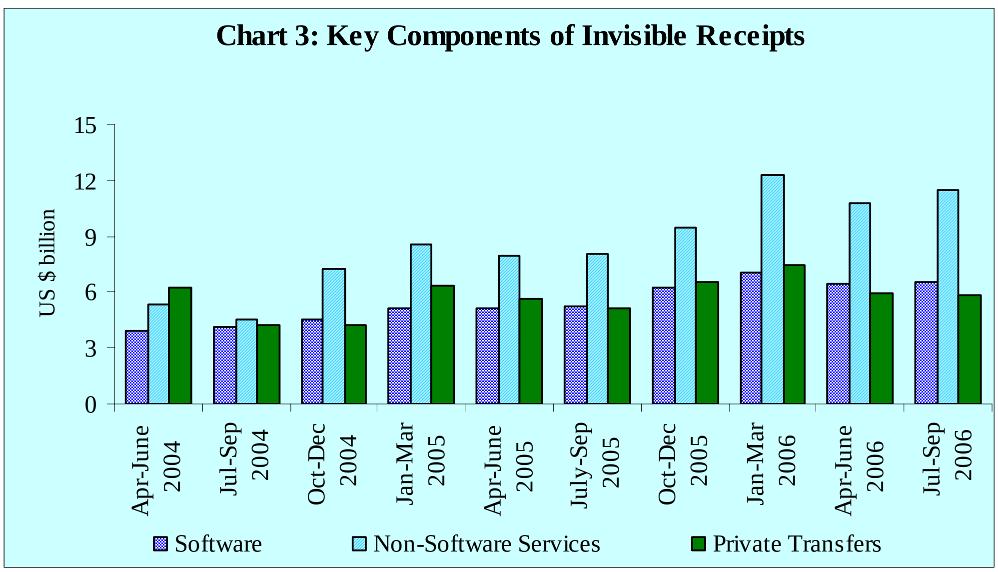
- Invisible receipts rose by 28.6 per cent mainly due to steady growth in transportation, software exports, other professional and business services and remittances from overseas Indians (Table 3 and Chart 3).

Table 3: Invisible Receipts and Payments

(US $ million)

Items	Invisible Receipts		Invisible Payments	
	April-Sep 2006	April-Sep 2005	April-Sep 2006	April-Sep 2005
1	2	3	4	5
Travel	3,487	3,029	3,247	2,757
Transportation	3,744	2,897	3,689	3,579
Insurance	551	567	278	341
Govt. not included elsewhere	124	119	210	208
Transfers	11,883	10,899	672	398
Income	3,757	2,302	5,808	4,580
Investment Income	3,617	2,237	5,403	4,272
Compensation of Employees	140	65	405	308
Miscellaneous	27,389	19,791	13,573	7,792
Of Which: Software	*12,966*	*10,321*	*881*	*479*
Total	**50,935**	**39,604**	**27,477**	**19,655**

- Private transfers, comprising primarily remittances from Indians working overseas, remained steady at US $ 11.2 billion in April-September 2006 as compared with US $ 10.5 billion in April-September 2005.



- Invisible payments also grew sharply (39.8 per cent) on account of surge in outbound tourist traffic, business services such as business and management consultancy, engineering and other technical services and dividend and profit payouts.
- The miscellaneous receipts, net of software, were recorded at US $ 14.4 billion in April-September 2006 (US $ 9.5 billion in April-September 2005). The break up is presented in Table 4.
- Business services receipts and payments both were mainly driven by trade related services, business and management consultancy services, architectural, engineering and other technical services, and services relating to maintenance of offices. These reflect the underlying momentum in trade of professional and technology related services.

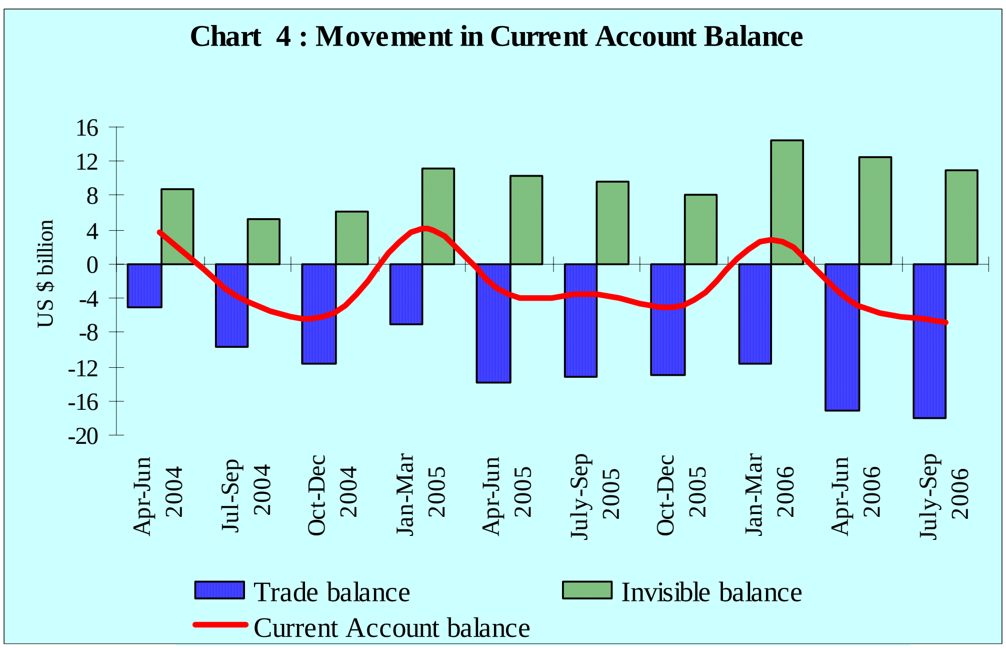
Table 4: Break up of Non-Software Miscellaneous Receipts and Payments

(US $ million)

	Receipts		Payments	
	Apr-Sept 2006	Apr-Sept 2005	Apr-Sept 2006	Apr-Sept 2005
1	2	3	4	5
Communication Services	935	785	291	141
Construction	185	682	463	315
Financial	1,158	791	669	592
News Agency	190	202	80	72
Royalties, Copyrights & License Fees	59	58	390	267
Business Services	10,806	4,555	8,584	3,731
Personal,Cultural, Recreational	92	56	64	55
Others	998	2,341	2150	2,140
Total	14,423	9,470	12,691	7,313

Current Account Deficit

- Despite a net invisible surplus of US $23.5 billion, the current account deficit increased to US $ 11.7 billion in April-September 2006 from US $ 7.2 billion in the corresponding period of the previous year mainly on account of higher oil imports resulting in large trade deficit (Chart 4).



Capital Account

- Under net capital flows, external commercial borrowings (ECBs), foreign direct investment, and NRI deposits and short-term trade credit showed robust growth (Table 5).

Table 5: Net Capital Flows during April-September 2006

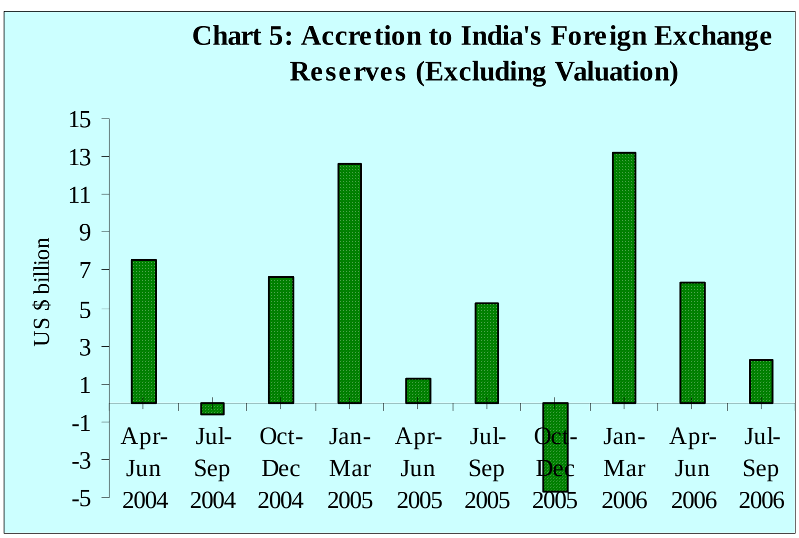
(US $ million)

Components	April-Sep 2006	April-Sep 2005
1	2	3
Foreign Direct Investment	4,218	2,129
Portfolio Investment	1,614	5,413
External Assistance	358	409
External Commercial Borrowings	5,093	2,925
NRI Deposits	2,029	233
Other Banking Capital	1,136	2,545
Short-term Credit	1,938	972
Others	2,949	-1,551
Total	19,335	13,075

- Net FDI into India accelerated on the strength of sustained domestic activity and positive investment climate with inflows channeling into manufacturing, business and computer services. Outward FDI remained on track as reflecting the appetite of Indian companies for global expansion in terms of markets and resources.
- Higher recourse to ECBs and short-term credit was enabled by lower spreads on external borrowings and rising financing requirements for capacity expansion.
- Other capital rose mainly representing leads and lags in exports receipts.

Reserves Accretion

- Net accretion to foreign exchange reserves on a BoP basis (i.e., excluding valuation) at US $ 8.6 billion was enabled by strong capital inflows, notwithstanding a sizeable current account deficit (Chart 5). Taking into account the valuation gain of US $ 5.1 billion, foreign exchange reserves recorded an increase of US $ 13.7 billion during April-September 2006 as against a modest increase of US $ 1.5 billion during the corresponding period of the previous year [A press release on sources of accretion to foreign exchange reserves is released separately].



- At the end of September 2006, with outstanding foreign exchange reserves at US $ 165.3 billion, India held the fifth largest stock of reserves among the emerging markets and sixth largest in the world.

Revisions in BoP Data for 2005-06, and first quarter of 2006-07

According to the Revisions Policy announced on September 30, 2004, the data for 2005-06 and the first quarter of 2006-07 are to be revised. The BoP data have been accordingly revised based on latest information reported by various reporting entities. The revised data are presented in the standard format of presentation in Statement 2.

STATEMENT 1 : INDIA'S OVERALL BALANCE OF PAYMENTS IN DOLLARS

(US $ millic

	July-September 2006 P			July-September 2005 PR			April-September 2006 P			April -September 2005P		
m	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
	2	3	4	5	6	7	8	9	10	11	12	13
CURRENT ACCOUNT												
IERCHANDISE	**30876**	**48809**	**-17933**	**25257**	**38417**	**-13160**	**60550**	**95691**	**-35141**	**49255**	**76364**	**-271**
NVISIBLES (a+b+c)	**26126**	**15121**	**11005**	**19678**	**10096**	**9582**	**50935**	**27477**	**23458**	**39604**	**19655**	**199**
Services	18100	11546	6554	13333	7254	6079	35295	20997	14298	26403	14677	117
Travel	1779	1796	-17	1594	1409	185	3487	3247	240	3029	2757	2
) Transportation	2010	1791	219	1398	1684	-286	3744	3689	55	2897	3579	-6
) Insurance	312	150	162	358	118	240	551	278	273	567	341	2
') G.n.i.e.	67	129	-62	53	116	-63	124	210	-86	119	208	-
) Miscellaneous of which	13932	7680	6252	9930	3927	6003	27389	13573	13816	19791	7792	119
of which												
Software Services	6581	443	6138	5218	229	4989	12966	881	12085	10321	479	98
Business Services	5620	4828	792	2201	1949	252	10806	8584	2222	4555	3731	8
Financial Services	433	352	81	522	302	220	1158	669	489	791	592	1
Communication Services	418	183	235	494	56	438	935	291	644	785	141	6
Transfers	5896	375	5521	5194	204	4990	11883	672	11211	10899	398	105
Official	114	52	62	103	104	-1	178	124	54	220	208	
) Private	5782	323	5459	5091	100	4991	11705	548	11157	10679	190	104
Income	2130	3200	-1070	1151	2638	-1487	3757	5808	-2051	2302	4580	-22
i) Investment Income	2055	2976	-921	1121	2486	-1365	3617	5403	-1786	2237	4272	-20
ii) Compensation of Employees	75	224	-149	30	152	-122	140	405	-265	65	308	-2
tal Current Account (I+II)	**57002**	**63930**	**-6928**	**44935**	**48513**	**-3578**	**111485**	**123168**	**-11683**	**88859**	**96019**	**-71**
CAPITAL ACCOUNT												
Foreign Investment (a+b)	**21497**	**16827**	**4670**	**17994**	**12627**	**5367**	**54686**	**48854**	**5832**	**30958**	**23416**	**75**
Foreign Direct Investment (i+ii)	3568	1039	2529	1580	654	926	5956	1738	4218	3415	1286	21
n India	3338	2	3336	1543	7	1536	5703	10	5693	3303	19	32
uity	2782	2	2780	1075	7	1068	4624	10	4614	2331	19	23
einvested Earnings	472	-	472	419	-	419	944	-	944	838	-	8
her Capital	84	-	84	49	-	49	135	-	135	134	-	1
Abroad	230	1037	-807	37	647	-610	253	1728	-1475	112	1267	-11
uity	230	622	-392	37	504	-467	253	1055	-802	112	846	-7
einvested Earnings	-	167	-167	-	91	-91	-	334	-334	-	182	-1
her Capital	-	248	-248	-	52	-52	-	339	-339	-	239	-2
Portfolio Investment	17929	15788	2141	16414	11973	4441	48730	47116	1614	27543	22130	54
India	17929	15787	2142	16414	11973	4441	48730	47114	1616	27543	22130	54
road	-	1	-1	-	-	-	-	2	-2	-	-	
Loans (a+b+c)	**9503**	**6417**	**3086**	**10158**	**7029**	**3129**	**20121**	**12732**	**7389**	**17336**	**13030**	**43**
External Assistance	760	450	310	644	447	197	1339	981	358	1350	941	4
By India	7	13	-6	5	26	-21	14	26	-12	10	52	-
) To India	753	437	316	639	421	218	1325	955	370	1340	889	4
Commercial Borrowings T&LT)	2178	923	1255	4491	2682	1809	7111	2018	5093	6433	3508	29
By India	-	171	-171	-	97	-97	-	395	-395	-	122	-1
) To India	2178	752	1426	4491	2585	1906	7111	1623	5488	6433	3386	30
Short Term to India	6565	5044	1521	5023	3900	1123	11671	9733	1938	9553	8581	9
Banking Capital (a+b)	**4085**	**5912**	**-1827**	**5450**	**3454**	**1996**	**12268**	**9103**	**3165**	**9534**	**6756**	**27**
Commercial Banks	4085	5868	-1783	5320	3429	1891	12194	9059	3135	9226	6669	25
i) Assets	1	1985	-1984	299	34	265	3602	2206	1396	770	96	6
ii) Liabilities	4084	3883	201	5021	3395	1626	8592	6853	1739	8456	6573	18
of which : Non-Resident eposits	4083	3285	798	3734	3393	341	8257	6228	2029	6493	6260	2
Others	-	44	-44	130	25	105	74	44	30	308	87	2
Rupee Debt Service	-	-	-	-	-	-	-	**67**	**-67**	-	**142**	**-1**

Other Capital	**3185**	**466**	**2719**	**668**	**2602**	**-1934**	**4086**	**1070**	**3016**	**1813**	**3222**	**-14**
tal Capital Account (1to5)	**38270**	**29622**	**8648**	**34270**	**25712**	**8558**	**91161**	**71826**	**19335**	**59641**	**46566**	**130**
Errors & Omissions	**548**	-	**548**	**276**	-	**276**	**994**	-	**994**	**588**	-	**5**
Overall Balance	**95820**	**93552**	**2268**	**79481**	**74225**	**5256**	**203640**	**194994**	**8646**	**149088**	**142585**	**65**
otal Capital Account, Current Account												
nd Errors & Omissions +B+C))												
Monetary Movements (i+ii)	-	**2268**	**-2268**	-	**5256**	**-5256**	-	**8646**	**-8646**	-	**6503**	**-65**
I.M.F.	-	-	-	-	-	-	-	-	-	-	-	
Foreign Exchange Reserves	-	2268	-2268	-	5256	-5256	-	8646	-8646	-	6503	-65
(Increase - / Decrease +)												

Preliminary PR: Partially Revised

STATEMENT 2 : INDIA'S OVERALL BALANCE OF PAYMENTS IN DOLLARS						
						(US $ million)
	April-June 2006 PR			**2005-06 PR**		
Item	**Credit**	**Debit**	**Net**	**Credit**	**Debit**	**Net**
1	**2**	**3**	**4**	**5**	**6**	**7**
A.CURRENT ACCOUNT						
I. MERCHANDISE	**29674**	**46882**	**-17208**	**105152**	**156993**	**-51841**
II.INVISIBLES (a+b+c)	**24809**	**12356**	**12453**	**92294**	**49639**	**42655**
a) Services	17195	9451	7744	61404	37523	23881
i) Travel	1708	1451	257	7853	6464	1389
ii) Transportation	1734	1898	-164	6291	7841	-1550
iii) Insurance	239	128	111	1050	1028	22
iv) G.n.i.e.	57	81	-24	309	506	-197
v) Miscellaneous of which	13457	5893	7564	45901	21684	24217
of which						
Software Services	6385	438	5947	23600	1338	22262
Business Services	5186	3756	1430	12858	10496	2362
Financial Services	725	317	408	1704	1308	396
Communication Services	517	108	409	2182	808	1374
b) Transfers	5987	297	5690	25228	944	24284
i) Official	64	72	-8	668	486	182
ii) Private	5923	225	5698	24560	458	24102
c) Income	1627	2608	-981	5662	11172	-5510
i) Investment Income	1562	2427	-865	5486	10407	-4921
ii) Compensation of Employees	65	181	-116	176	765	-589
Total Current Account (I+II)	**54483**	**59238**	**-4755**	**197446**	**206632**	**-9186**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**33189**	**32027**	**1162**	**76061**	**58837**	**17224**
a) Foreign Direct Investment (i+ii)	2388	699	1689	7941	3211	4730
i. In India	2365	8	2357	7722	61	7661
Equity	1842	8	1834	5820	61	5759
Reinvested Earnings	472	-	472	1676	-	1676
Other Capital	51	-	51	226	-	226
ii. Abroad	23	691	-668	219	3150	-2931
Equity	23	433	-410	219	2060	-1841
Reinvested Earnings	-	167	-167	-	364	-364
Other Capital	-	91	-91	-	726	-726
b) Portfolio Investment	30801	31328	-527	68120	55626	12494
In India	30801	31327	-526	68120	55626	12494
Abroad	-	1	-1	-	-	-
2.Loans (a+b+c)	**10618**	**6315**	**4303**	**37529**	**31416**	**6113**
a) External Assistance	579	531	48	3627	1945	1682
i) By India	7	13	-6	20	104	-84
ii) To India	572	518	54	3607	1841	1766
b) Commercial Borrowings (MT&LT)	4933	1095	3838	14547	11824	2723
i) By India	-	224	-224	-	240	-240
ii) To India	4933	871	4062	14547	11584	2963
c) Short Term to India	5106	4689	417	19355	17647	1708
3. Banking Capital (a+b)	**8183**	**3191**	**4992**	**21658**	**20285**	**1373**
a) Commercial Banks	8109	3191	4918	20586	20144	442
i) Assets	3601	221	3380	772	3947	-3175
ii) Liabilities	4508	2970	1538	19814	16197	3617
of which: Non-Resident Deposits	4174	2943	1231	17835	15046	2789
b) Others	74	-	74	1072	141	931
4. Rupee Debt Service	-	**67**	**-67**	-	**572**	**-572**
5. Other Capital	**901**	**604**	**297**	**6505**	**7243**	**-738**
Total Capital Account (1to5)	**52891**	**42204**	**10687**	**141753**	**118353**	**23400**
C. Errors & Omissions	**446**	-	**446**	**838**	-	**838**
D. Overall Balance	**107820**	**101442**	**6378**	**340037**	**324985**	**15052**
(Total Capital Account, Current Account						
and Errors & Omissions (A+B+C))						

E. Monetary Movements (i+ii)	-	**6378**	**-6378**	-	**15052**	**-15052**
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves	-	6378	-6378	-	15052	-15052
(Increase - / Decrease +)						
P: Preliminary PR: Partially Revised						

STATEMENT 3 : INDIA'S OVERALL BALANCE OF PAYMENTS IN RUPEES												
												(Rs.crore)
	July-September 2006 P			July-September 2005 PR			April-September 2006 P			April-September 2005 PR		
Item	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7	8	9	10	11	12	13
A.CURRENT ACCOUNT												
I. MERCHANDISE	**143173**	**226329**	**-83156**	**110353**	**167851**	**-57498**	**278103**	**439505**	**-161402**	**214995**	**333317**	**-118322**
II.INVISIBLES (a+b+c)	**121147**	**70117**	**51030**	**85977**	**44112**	**41865**	**233956**	**126300**	**107656**	**172862**	**85792**	**87070**
a) Services	83930	53539	30391	58254	31695	26559	162117	96513	65604	115244	64062	51182
i) Travel	8249	8328	-79	6964	6156	808	16015	14926	1089	13221	12034	1187
ii) Transportation	9320	8305	1015	6108	7358	-1250	17205	16935	270	12644	15621	-2977
iii) Insurance	1447	696	751	1564	516	1048	2534	1278	1256	2475	1488	987
iv) G.n.i.e.	311	598	-287	232	507	-275	570	966	-396	520	908	-388
v) Miscellaneous of which	64603	35612	28991	43386	17158	26228	125793	62408	63385	86384	34011	52373
of which												
Software Services	30516	2054	28462	22798	1001	21797	59549	4046	55503	45049	2091	42958
Business Services	26060	22388	3672	9617	8516	1101	49641	39467	10174	19882	16286	3596
Financial Services	2008	1632	376	2281	1319	962	5305	3073	2232	3454	2584	870
Communication Services	1938	849	1089	2158	245	1913	4289	1340	2949	3427	616	2811
b) Transfers	27340	1739	25601	22694	891	21803	54563	3089	51474	47570	1736	45834
i) Official	529	241	288	450	454	-4	820	568	252	960	907	53
ii) Private	26811	1498	25313	22244	437	21807	53743	2521	51222	46610	829	45781
c) Income	9877	14839	-4962	5029	11526	-6497	17276	26698	-9422	10048	19994	-9946
i) Investment Income	9529	13800	-4271	4898	10862	-5964	16632	24836	-8204	9764	18650	-8886
ii) Compensation of Employees	348	1039	-691	131	664	-533	644	1862	-1218	284	1344	-1060
Total Current Account (I+II)	**264320**	**296446**	**-32126**	**196330**	**211963**	**-15633**	**512059**	**565805**	**-53746**	**387857**	**419109**	**-31252**
B. CAPITAL ACCOUNT												
1. Foreign Investment (a+b)	**99683**	**78027**	**21656**	**78620**	**55170**	**23450**	**250597**	**223656**	**26941**	**135150**	**102214**	**32936**
a) Foreign Direct Investment (i+ii)	16546	4817	11729	6904	2858	4046	27405	7995	19410	14906	5613	9293
i. In India	15479	9	15470	6742	31	6711	26233	45	26188	14417	83	14334
Equity	12900	9	12891	4697	31	4666	21276	45	21231	10174	83	10091
Reinvested Earnings	2189	-	2189	1831	0	1831	4335	-	4335	3658	-	3658
Other Capital	390	-	390	214	0	214	622	-	622	585	-	585
ii. Abroad	1067	4808	-3741	162	2827	-2665	1172	7950	-6778	489	5530	-5041
Equity	1067	2884	-1817	162	2202	-2040	1172	4853	-3681	489	3693	-3204
Reinvested Earnings	-	774	-774	-	398	-398	-	1533	-1533	-	795	-795
Other Capital	-	1150	-1150	-	227	-227	-	1564	-1564	-	1042	-1042
b) Portfolio Investment	83137	73210	9927	71716	52312	19404	223192	215661	7531	120244	96601	23643
In India	83137	73205	9932	71716	52312	19404	223192	215651	7541	120244	96601	23643
Abroad	-	5	-5	-	-	-	-	10	-10	-	-	-
2.Loans (a+b+c)	**44065**	**29755**	**14310**	**44382**	**30711**	**13671**	**92346**	**58470**	**33876**	**75682**	**56878**	**18804**
a) External Assistance	3524	2086	1438	2814	1953	861	6157	4500	1657	5893	4107	1786
i) By India	32	60	-28	22	114	-92	64	119	-55	44	227	-183
ii) To India	3492	2026	1466	2792	1839	953	6093	4381	1712	5849	3880	1969
b) Commercial Borrowings (MT&LT)	10099	4280	5819	19622	11718	7904	32530	9260	23270	28090	15320	12770
i) By India	-	793	-793	-	424	-424	-	1812	-1812	-	533	-533
ii) To India	10099	3487	6612	19622	11294	8328	32530	7448	25082	28090	14787	13303
c) Short Term to India	30442	23389	7053	21946	17040	4906	53659	44710	8949	41699	37451	4248
3. Banking Capital (a+b)	**18943**	**27415**	**-8472**	**23812**	**15091**	**8721**	**56151**	**41925**	**14226**	**41620**	**29489**	**12131**
a) Commercial Banks	18943	27211	-8268	23244	14982	8262	55815	41721	14094	40276	29110	11166
i) Assets	5	9205	-9200	1306	149	1157	16379	10210	6169	3360	419	2941
ii) Liabilities	18938	18006	932	21938	14833	7105	39436	31511	7925	36916	28691	8225
of which : Non-Resident Deposits	18933	15233	3700	16315	14825	1490	37913	28615	9298	28346	27326	1020
b) Others	-	204	-204	568	109	459	336	204	132	1344	379	965
4. Rupee Debt Service	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**305**	**-305**	**-**	**619**	**-619**
5. Other Capital	**14769**	**2161**	**12608**	**2919**	**11369**	**-8450**	**18866**	**4907**	**13959**	**7912**	**14072**	**-6160**
Total Capital Account (1to5)	**177460**	**137358**	**40102**	**149733**	**112341**	**37392**	**417960**	**329263**	**88697**	**260364**	**203272**	**57092**
C. Errors & Omissions	**2541**	**-**	**2541**	**1205**	**-**	**1205**	**4567**	**-**	**4567**	**2561**	**-**	**2561**
D. Overall Balance	**444321**	**433804**	**10517**	**347268**	**324304**	**22964**	**934586**	**895068**	**39518**	**650782**	**622381**	**28401**
(Total Capital Account, Current Account and Errors & Omissions (A+B+C))												

E. Monetary Movements (i+ii)	**-**	**10517**	**-10517**	**-**	**22964**	**-22964**	**-**	**39518**	**-39518**	**-**	**28401**	**-28401**
) I.M.F.	-	-	-	-	-	-	-	-	-	-	-	-
i) Foreign Exchange Reserves	-	10517	-10517	-	22964	-22964	-	39518	-39518	-	28401	-28401
(Increase - / Decrease +)												
P: Preliminary PR: Partially Revised												

STATEMENT 4 : INDIA'S OVERALL BALANCE OF PAYMENTS IN RUPEES						
						(Rs.crore)
	April-June 2006 PR			2005-06 PR		
Item	**Credit**	**Debit**	**Net**	**Credit**	**Debit**	**Net**
1	**2**	**3**	**4**	**5**	**6**	**7**
A.CURRENT ACCOUNT						
I. MERCHANDISE	**134930**	**213176**	**-78246**	**465705**	**695131**	**-229426**
II.INVISIBLES (a+b+c)	**112809**	**56183**	**56626**	**409200**	**220496**	**188704**
a) Services	78187	42974	35213	272220	166601	105619
i) Travel	7766	6598	1168	34871	28673	6198
ii) Transportation	7885	8630	-745	27874	34746	-6872
iii) Insurance	1087	582	505	4641	4572	69
iv) G.n.i.e.	259	368	-109	1374	2243	-869
v) Miscellaneous of which	61190	26796	34394	203460	96367	107093
of which						
Software Services	29033	1992	27041	104632	5954	98678
Business Services	23581	17079	6502	57124	46630	10494
Financial Services	3297	1441	1856	7551	5799	1752
Communication Services	2351	491	1860	9695	3610	6085
b) Transfers	27223	1350	25873	111856	4183	107673
i) Official	291	327	-36	2965	2152	813
ii) Private	26932	1023	25909	108891	2031	106860
c) Income	7399	11859	-4460	25124	49712	-24588
i) Investment Income	7103	11036	-3933	24344	46313	-21969
ii) Compensation of Employees	296	823	-527	780	3399	-2619
Total Current Account (I+II)	**247739**	**269359**	**-21620**	**874905**	**915627**	**-40722**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**150914**	**145629**	**5285**	**337301**	**260982**	**76319**
a) Foreign Direct Investment (i+ii)	10859	3178	7681	35213	14251	20962
i. In India	10754	36	10718	34240	273	33967
Equity	8376	36	8340	25822	273	25549
Reinvested Earnings	2146	-	2146	7420	-	7420
Other Capital	232	-	232	998	-	998
ii. Abroad	105	3142	-3037	973	13978	-13005
Equity	105	1969	-1864	973	9142	-8169
Reinvested Earnings	0	759	-759	0	1612	-1612
Other Capital	0	414	-414	0	3224	-3224
b) Portfolio Investment	140055	142451	-2396	302088	246731	55357
In India	140055	142446	-2391	302088	246731	55357
Abroad	-	5	-5	-	-	-
2.Loans (a+b+c)	**48281**	**28715**	**19566**	**166208**	**139650**	**26558**
a) External Assistance	2633	2414	219	16116	8611	7505
i) By India	32	59	-27	89	460	-371
ii) To India	2601	2355	246	16027	8151	7876
b) Commercial Borrowings (MT&LT)	22431	4980	17451	64387	52925	11462
i) By India	0	1019	-1019	0	1058	-1058
ii) To India	22431	3961	18470	64387	51867	12520
c) Short Term to India	23217	21321	1896	85705	78114	7591
3. Banking Capital (a+b)	**37208**	**14510**	**22698**	**95988**	**90193**	**5795**
a) Commercial Banks	36872	14510	22362	91200	89569	1631
i) Assets	16374	1005	15369	3369	17711	-14342
ii) Liabilities	20498	13505	6993	87831	71858	15973
of which: Non-Resident Deposits	18980	13382	5598	79190	66733	12457
b) Others	336	-	336	4788	624	4164
4. Rupee Debt Service	-	305	**-305**	-	**2557**	**-2557**
5. Other Capital	4097	2746	**1351**	**28979**	**32125**	**-3146**
Total Capital Account (1to5)	**240500**	**191905**	**48595**	**628476**	**525507**	**102969**
C. Errors & Omissions	**2026**		**2026**	**3649**		**3649**
D. Overall Balance	**490265**	**461264**	**29001**	**1507030**	**1441134**	**65896**
(Total Capital Account, Current Account						
and Errors & Omissions (A+B+C))						
E. Monetary Movements (i+ii)	-	**29001**	**-29001**	-	**65896**	**-65896**

i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves	-	29001	-29001	-	65896	-65896
(Increase - / Decrease +)						
P: Preliminary PR: Partially Revised						

Alpana Killawala
Chief General Manager

Press Release : 2006-2007/878