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India's Balance of Payments Developments during Fourth Quarter of 2006-07 (i.e., January-March 2007) and April-March 2006-07

Preliminary data on India's balance of payments (BoP) for the fourth quarter (Q4) of the financial year 2006-07, i.e., January-March 2007, are now available. These preliminary data, combined with the partially revised data for the first three quarters (i.e., April-June 2006, July-September 2006 and October-December 2006) provide an assessment of the BoP for the financial year 2006-07. The BoP data in the standard format of presentation are set out in Statement 1 and 2.

January-March 2007

The major items of the BoP for Q4 of 2006-07 are set out in Table 1 and details are in Statement 1.

Table 1: India's Balance of Payments: January-March 2007					
(US \$ million)					
Items	April-June 2006PR	July-September 2006PR	October-December 2006PR	January-March 2007 P	January-March 2006 PR
1	2	3	4	5	6
Exports	29,674	32,700	30,664	34,052	30,579
Imports	46,620	48,562	47,529	49,284	42,331
Trade Balance	-16,946	-15,862	-16,865	-15,232	-11,752
Invisibles, net	12,379	11,032	14,090	17,795	14,508
Current Account Balance	-4,567	-4,830	-2,775	2,563	2,756
Capital Account*	10,946	7,100	10,280	17,889	10,465
Change in Reserves (- Indicates increase)#	-6,379	-2,270	-7,505	-20,452	-13,221

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

Merchandise Trade

- On BoP basis, India's Merchandise exports posted a growth of 11.4 per cent in Q4 of 2006-07 as compared with 10.8 per cent in Q4 of 2005-06.
- Import payments, on BoP basis, recorded 16.4 per cent growth in Q4 of 2006-07 as against an increase of 21.9 per cent in Q4 of 2005-06.
- According to the data released by Directorate General of Commercial Intelligence and Statistics (DGCI&S), while oil import growth significantly decelerated to 7.6 per cent in Q4 of 2006-07 (48.3 per cent in Q4 of 2005-06), non-oil imports recorded a strong growth of 29.2 per cent (negative growth of 3.7 per cent in Q4 of 2005-06).
- Oil imports reflected the impact of moderating oil price of the Indian basket of international crude (a mix of Dubai and Brent varieties), which declined to US \$ 56.6 per barrel in Q4 of 2006-07 from US \$ 59.6 per barrel in the corresponding quarter of the previous year.

- Non-oil imports showed momentum due to upturn in the gold and silver demand, and pick up in metalliferous ores and metal scraps, iron and steel, besides the steady growth in capital goods.

Trade Deficit

- On BoP basis, trade deficit increased to US \$ 15.2 billion in Q4 of 2006-07 (US \$ 11.8 billion in Q4 of 2005-06) mainly on account of higher growth in non-oil imports.

Invisibles

- Invisible receipts showed a steady growth in Q4 of 2006-07 (29.8 per cent), while payments recorded a moderate growth.
- Steady expansion in invisibles reflected mainly the growth in exports of commercial services such as software, professional services, travel, and inward remittances from overseas Indians.

Current Account Surplus

- The current account recorded a surplus of US \$ 2.6 billion in Q4 of 2006-07 as against a surplus of US \$ 2.8 billion in Q4 of 2005-06.
- The surplus in current account during Q4 of 2006-07 was mainly on account of the following.
 - Buoyant growth in invisibles led by exports of software services (29.9 per cent), travel receipts (19.5 per cent) and private transfers (19.1 per cent) during Q4 of 2006-07 over the Q4 of 2005-06.
 - Deceleration of merchandise imports growth from 21.9 per cent in Q4 of 2005-06 to 16.4 per cent in Q4 of 2006-07. As per the DGCI&S data, this deceleration was mainly due to significant slowdown in oil imports growth (7.6 per cent in Q4 of 2006-07).
 - Higher growth in exports at 11.4 per cent in Q4 of 2006-07 as compared with 10.8 per cent in Q4 of 2005-06.

Capital Account and Reserves

- The net capital inflows rose substantially to US \$ 17.1 billion in Q4 of 2006-07 from US \$ 10.0 billion in Q4 of 2005-06. The major sources of capital inflows were external commercial borrowings (ECBs), foreign direct investment (FDI), American Depository Receipts (ADRs)/Global Depository Receipts (GDRs) issues and overseas borrowings by the banks.
- Direct investment showed strong bi-directional movement, reflecting higher FDI into India as well as overseas investments by the Indian companies.
- Portfolio equity inflows by foreign institutional investors (FIIs) were lower in Q4 of 2006-07 than the corresponding period of the previous year due to outflows witnessed on the back of global developments such as volatility and weakness in the major stock markets and withdrawal of funds from the emerging markets.
- On BoP basis, accretion to foreign exchange reserves (excluding valuation) at US \$ 20.5 billion in Q4 of 2006-07 was significantly higher than US \$ 13.2 billion in Q4 of 2005-06, led by buoyant capital inflows coupled with the surplus in the current account (Table 2).

(US \$ million)		
Items	January-March 2007P	January-March 2006PR
1	2	3
A. Current Account Surplus	2,563	2,756
B. Capital Account*	17,889	10,465
Of Which		
Foreign Direct Investment	2,037	1,383
Portfolio Investment	1,846	4,333
External Commercial Borrowings	6,673	3,934
Banking Capital	2,265	-427
Short Term Trade Credits	1,620	-23
C. Change in Reserves (- indicates increase)#	-20,452	-13,221
* Including errors and omissions #: On BoP basis excluding valuation. P: Preliminary. PR: Partially Revised.		

2006-07 (April-March)

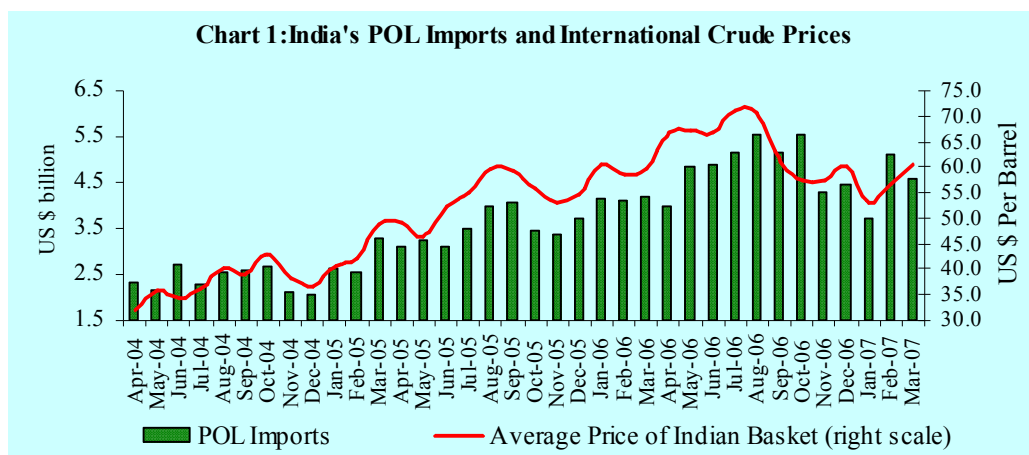
The BoP position for the full financial year 2006-07 has been worked out taking into account the partially revised data for the first three quarters of 2006-07 and the preliminary data compiled for Q4 of 2006-07. While the detailed data are set out in Statement 2 in standard format of presentation, the major items are set out in Table 3.

(US \$ million)		
Items	2006-07 P	2005-06 PR
1	2	3
Exports	127,090	105,152
Imports	191,995	156,993
Trade Balance	-64,905	-51,841
Invisibles, net	55,296	42,655
Current Account Balance	-9,609	-9,186
Capital Account*	46,215	24,238
Change in Reserves (- Indicates increase) #	-36,606	-15,052
*: Including errors and omissions. #: On BoP basis excluding valuation. P: Preliminary PR: Partially Revised.		

Merchandise Trade

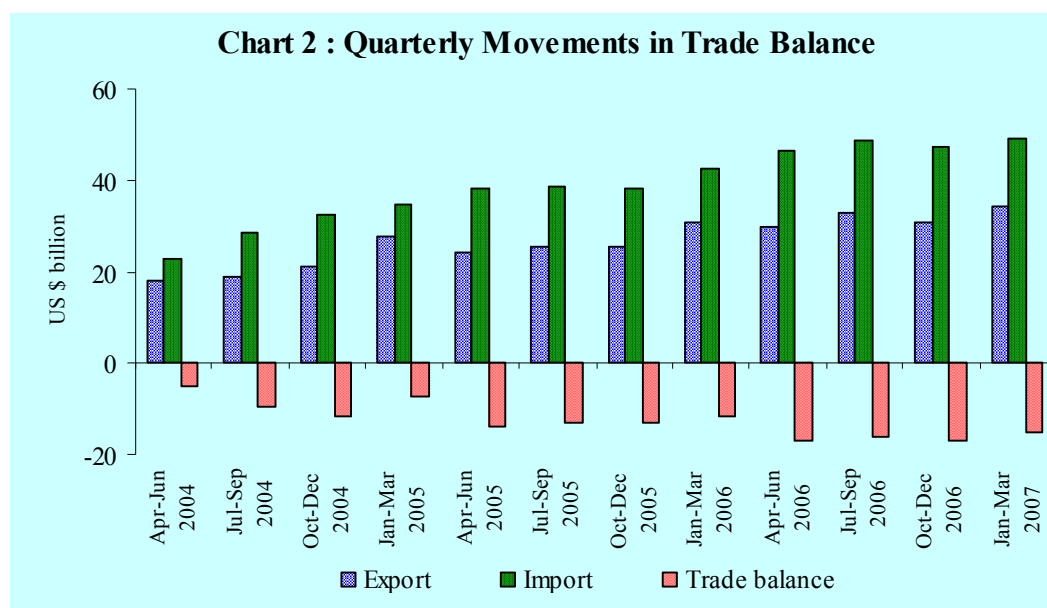
- On BoP basis, merchandise exports recorded an increase of 20.9 per cent during 2006-07 (23.4 per cent in the previous year).
- Merchandise import payments, on BoP basis, showed moderation in growth at 22.3 per cent in 2006-07 (32.0 per cent in 2005-06).
- The commodity-wise data released by DGCI&S (April-February 2006-07) revealed that both primary products and manufactured products, in general, showed a moderation in export growth. Within the primary products, tea and spices, under the manufactured products, engineering goods and petroleum products remained as the growth drivers.
- According to DGCI&S data, non oil imports increased by 24.7 per cent in 2006-07 (21.8 per cent in 2005-06). The major contributors to the growth in non-oil imports were capital goods, metalliferous ores, metal scrap and gold and silver.

- Crude oil imports during 2006-07 recorded some moderation in growth at 30.4 per cent (47.3 per cent in 2005-06).
- The average price of the Indian basket of international crude (a mix of Dubai and Brent varieties) stood at US \$ 62.4 per barrel during 2006-07 as compared with US \$ 55.4 per barrel during 2005-06 (Chart 1). Besides the rise in oil prices, the oil import demand in volume terms rose to 13.3 per cent in 2006-07 from 7.8 per cent in 2005-06, reflecting the higher momentum of domestic industrial activity.



Trade Deficit

- On BoP basis, with imports outpacing the growth in exports, trade deficit widened to US \$ 64.9 billion (or 7.1 per cent of GDP) from US \$ 51.8 billion (or 6.4 per cent of GDP) in 2005-06 (Chart 2).



Invisibles

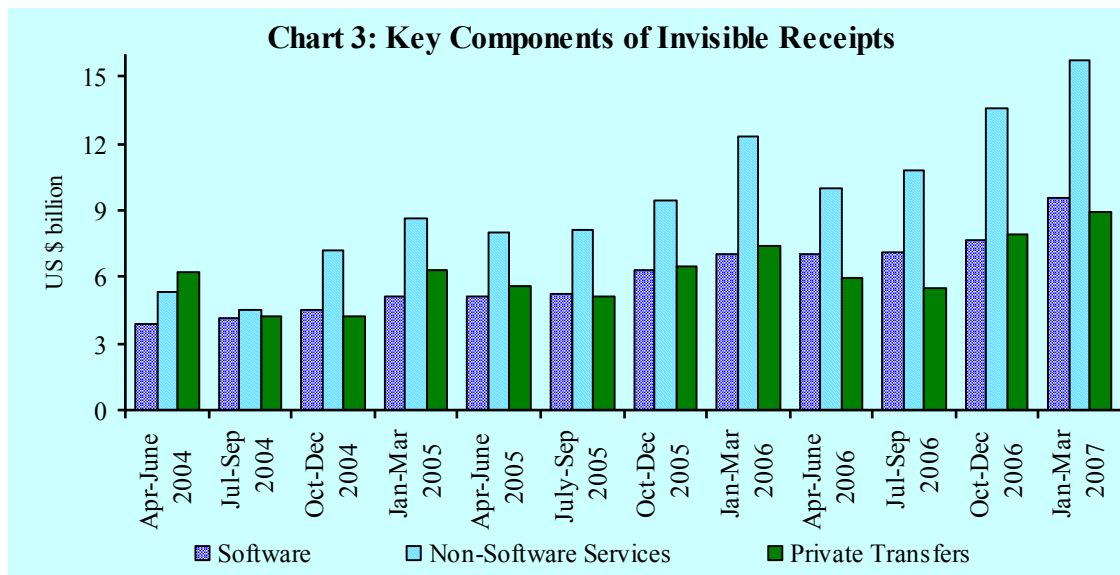
- Invisible receipts, comprising services, current transfers and incomes, rose by 29.1 per cent during 2006-07 mainly due to the momentum maintained in the growth of software services exports, other professional and business services, travel, along with the steady inflow of remittances from overseas Indians (Table 4 and Chart 3).

Table 4 : Invisible Gross Receipts and Payments: 2006-07

(US \$ million)				
Items	Invisible Receipts		Invisible Payments	
	2006-07P	2005-06 PR	2006-07P	2005-06 PR
1	2	3	4	5
Travel	9,423	7,853	7,235	6,464
Transportation	8,069	6,291	8,857	7,841
Insurance	1,200	1050	641	1,028
Govt. not included elsewhere	273	309	417	506
Transfers	28,861	25,228	1,446	944
Income	8,972	5,662	13,818	11,172
Investment Income	8,574	5,486	12,856	10,407
Compensation of Employees	398	176	962	765
Miscellaneous	62,365	45,901	31,453	21,684
Of Which: Software	31,300	23,600	2,502	1,338
Total	119,163	92,294	63,867	49,639

P: Preliminary PR: Partially Revised

- Private transfer receipts mainly comprising remittances from Indians working overseas, remained steady at US \$ 28.2 billion in 2006-07 as compared with US \$ 24.6 billion in 2005-06, reflecting the buoyant economic activity in source regions of remittances.



- Invisible payments grew by 28.7 per cent in 2006-07 on account of surge in outbound tourist traffic, business and management consultancy services, engineering and technical services and dividend and profit payouts.
- The non-software miscellaneous receipts, increased to US \$ 31.1 billion in 2006-07 from US \$ 22.3 billion in 2005-06 (Table 5).

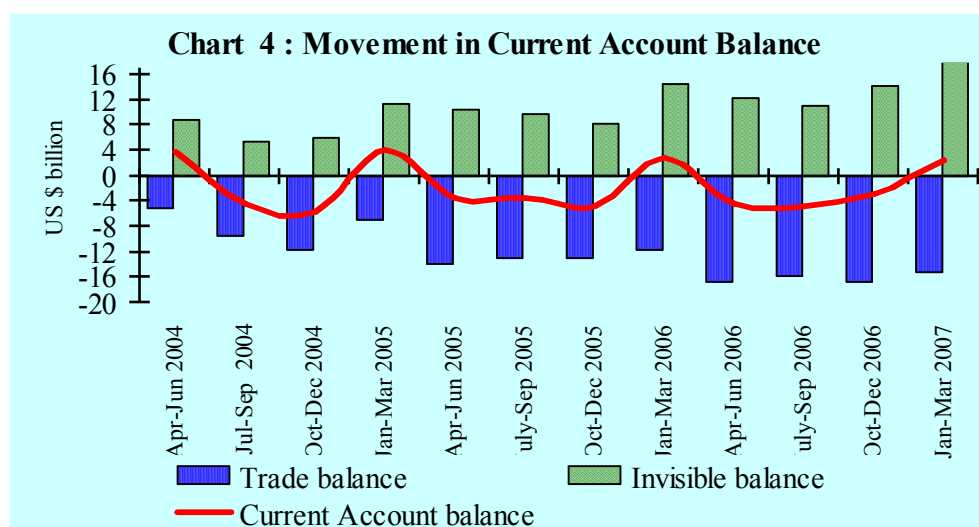
Items	Receipts		Payments	
	2006-07 P	2005-06PR	2006-07 P	2005-06PR
1	2	3	4	5
Communication Services	2,068	2,182	719	808
Construction	397	916	807	853
Financial	3,213	1,704	1,832	1,308
News Agency	438	339	245	306
Royalties, Copyrights & License Fees	164	129	1,164	729
Business Services	23,459	12,858	20,200	10,496
Personal, Cultural, Recreational	251	128	131	97
Others	1,075	4,045	3,853	5,749
Total	31,065	22,301	28,951	20,346

P: Preliminary PR: Partially Revised.

- Business services receipts and payments were mainly driven by trade related services, business and management consultancy services, architectural and engineering services and other technical services, and office maintenance services. These reflect the underlying momentum in trade of professional and technology related services.

Current Account Deficit

- With turnaround to a surplus in Q4 of 2006-07, the current account deficit for the full financial year 2006-07 amounted to US \$ 9.6 billion or 1.1 per cent of GDP (US \$ 9.2 billion in 2005-06 or 1.1 per cent of GDP) (Chart 4).



Capital Account

- The capital flows to India remained buoyant reflecting the sustained momentum of domestic economic activity and the interest rate environment. The net capital flows nearly doubled to US \$ 44.9 billion in 2006-07 from US \$ 23.4 billion in 2005-06.
- The capital flows were dominated both by the debt as well as the non-debt flows. Notable developments were the significant ECBs inflows, strong bi-directional movement in direct investment, and large inflows through Non-Resident Indian (NRI) deposits and issuances of ADR/GDR by the Indian corporates (Table 6).
- Among the components of capital flows, ECBs inflows alone accounted for about 36 per cent, enabled by favourable liquidity and the interest rates in the global markets on the one hand and rising financing requirements for capacity expansion domestically on the other hand.

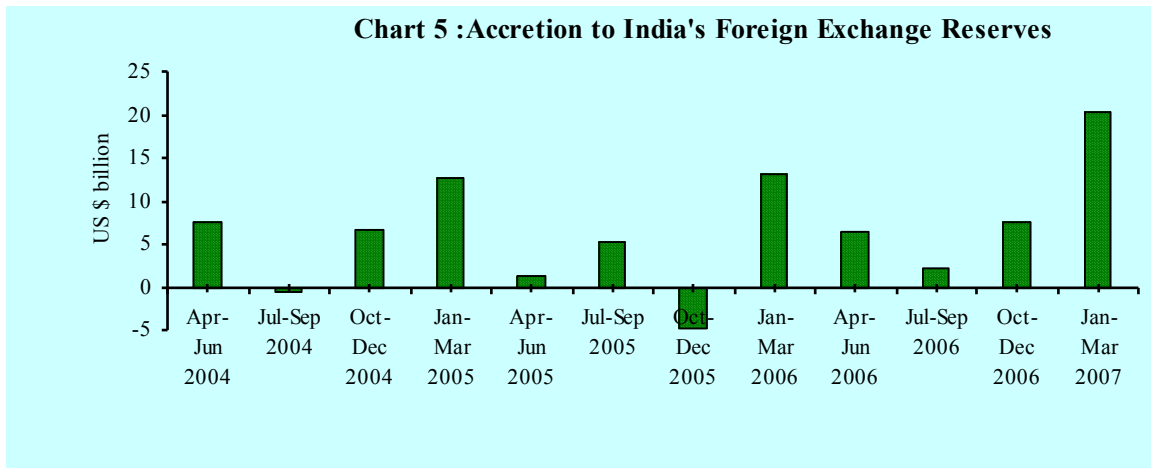
Table 6: Net Capital Flows : 2006-07		
(US \$ million)		
Items	2006-07 P	2005-06PR
1	2	3
Foreign Direct Investment	8,437	4,730
Portfolio Investment	7,062	12,494
External Assistance	1,770	1,682
External Commercial Borrowings	16,084	2,723*
NRI Deposits	3,895	2,789
Short-term Credits	3,275	1,708
Others	4,421	-2,726
Total	44,944	23,400
*Including the impact of IMD redemptions amounting to US \$ 5.5 billion. P: Preliminary PR: Partially Revised		

- Net FDI into India accelerated on the strength of sustained domestic activity and positive investment climate. FDI was channelled mainly into financial services, manufacturing, banking services, information technology services and construction.
- Outward FDI of India also showed significant increase due to appetite of Indian companies for global expansion reflected in some large overseas acquisitions.
- As regards portfolio equity flows, foreign institutional investors (FIIs) made large purchases in the Indian stock market during August-November 2006, more than offsetting the outflows witnessed during May-July 2006. During December 2006, however, FIIs registered outflows against the backdrop of volatility in Asian equity markets. Furthermore, the volatility in global stock markets witnessed in March 2007 and the withdrawal of funds by the foreign investors from the emerging markets led to significant outflows from the Indian market in March 2007. Thus, the net FII inflows during 2006-07 were lower than the previous year. Resources mobilised by the Indian companies through their global offerings of ADRs/GDRs abroad remained buoyant.
- Other capital, which comprise mainly the leads and lags in export receipts (difference between the custom data and the banking channel data), funds held abroad, and the residual item of other capital transactions not included elsewhere such as flows arising from cross-border financial derivative and commodity hedging transactions, migrant transfers, and sale of intangible assets such as patents, copyrights, trade marks, etc. amounted to US \$ 6.4 billion in 2006-07.

Reserves Accretion

- Net accretion to foreign exchange reserves on BoP basis (i.e., excluding valuation) at US \$ 36.6 billion in 2006-07 was led mainly by strong capital inflows (Chart 5). Taking into account the valuation gain of US \$ 10.9 billion, foreign exchange reserves recorded an increase of US \$ 47.5 billion in 2006-07 (US \$ 10.1 billion in 2005-06). [A Press Release on the sources of accretion to foreign exchange reserves is separately issued].

Chart 5 : Accretion to India's Foreign Exchange Reserves



- At the end of March 2007, with outstanding foreign exchange reserves at US \$ 199.2 billion, India held the fifth largest stock of reserves among the emerging market economies and sixth largest in the world.

Revisions in BoP Data for first three quarters of 2006-07

Following the Revisions Policy announced on September 30, 2004, the BoP data for the first three quarters of 2006-07 are revised based on latest information reported by various reporting entities. These data are presented in the standard format of presentation in Statement 1 and 2.

G. Raghuraj
Deputy General Manager

Press Release : 2006-2007/1815

STATEMENT 1: INDIA'S OVERALL BALANCE OF PAYMENTS

(US \$ million)

Item	Apr-Jun 2006 PR			Jul-Sep 2006 PR			Oct-Dec 2006PR			Jan-Mar 2007P		
	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	29,674	46,620	-16,946	32,700	48,562	-15,862	30,664	47,529	-16,865	34,052	49,284	-15,232
II. INVISIBLES (a+b+c)	24,643	12,264	12,379	25,597	14,565	11,032	31,658	17,568	14,090	37,265	19,470	17,795
a) Services	17,006	9,041	7,965	17,847	10,579	7,268	21,240	13,773	7,467	25,237	15,210	10,027
i) Travel	1,708	1,488	220	1,796	1,827	-31	2,921	2,129	792	2,998	1,791	1,207
ii) Transportation	1,734	2,048	-314	2,010	2,041	-31	2,104	2,359	-255	2,221	2,409	-188
iii) Insurance	239	128	111	312	150	162	293	201	92	356	162	194
iv) G.n.i.e.	57	81	-24	67	129	-62	87	98	-11	62	109	-47
v) Miscellaneous	13,268	5,296	7,972	13,662	6,432	7,230	15,835	8,986	6,849	19,600	10,739	8,861
of which												
Software Services	7,039	438	6,601	7,121	443	6,678	7,602	738	6,864	9,538	883	8,655
Business Services	4,565	3,174	1,391	5,225	4,059	1,166	6,526	5,268	1,258	7,143	7,699	-556
Financial Services	622	317	305	433	352	81	543	297	246	1,615	866	749
Communication Services	444	108	336	418	183	235	589	259	330	617	169	448
b) Transfers	5,992	300	5,692	5,603	377	5,226	8,188	344	7,844	9,078	425	8,653
i) Official	69	90	-21	121	112	9	287	97	190	161	119	42
ii) Private	5,923	210	5,713	5,482	265	5,217	7,901	247	7,654	8,917	306	8,611
c) Income	1,645	2,923	-1,278	2,147	3,609	-1,462	2,230	3,451	-1,221	2,950	3,835	-885
i) Investment Income	1,580	2,727	-1,147	2,072	3,372	-1,300	2,128	3,216	-1,088	2,794	3,541	-747
ii) Compensation of Employees	65	196	-131	75	237	-162	102	235	-133	156	294	-138
Total Current Account	54,317	58,884	-4,567	58,297	63,127	-4,830	62,322	65,097	-2,775	71,317	68,754	2,563
B. CAPITAL ACCOUNT												
1. Foreign Investment (a+b)	33,437	32,526	911	21,761	17,183	4,578	37,759	31,632	6,127	37,078	33,195	3,883
a) Foreign Direct Investment	2,614	1,198	1,416	3,821	1,395	2,426	9,121	6,563	2,558	4,858	2,821	2,037
i. In India	2,548	8	2,540	3,587	2	3,585	8,960	7	8,953	4,436	72	4,364
Equity	1,842	8	1,834	2,782	2	2,780	8,099	7	8,092	3,342	72	3,270
Reinvested Earnings	698	-	698	746	0	746	746	-	746	746	-	746
Other Capital	8	-	8	59	0	59	115	-	115	348	-	348
ii. Abroad	66	1,190	-1,124	234	1,393	-1,159	161	6,556	-6,395	422	2,749	-2,327
Equity	66	777	-711	234	1,043	-809	161	6,018	-5,857	422	2,443	-2,021
Reinvested Earnings	-	184	-184	0	184	-184	0	184	-184	0	184	-184
Other Capital	-	229	-229	0	166	-166	0	354	-354	0	122	-122
b) Portfolio Investment	30,823	31,328	-505	17,940	15,788	2,152	28,638	25,069	3,569	32,220	30,374	1,846
In India	30,801	31,327	-526	17,929	15,787	2,142	28,625	25,063	3,562	32,177	30,351	1,826
Abroad	22	1	21	11	1	10	13	6	7	43	23	20

2.Loans (a+b+c)	10,739	6,314	4,425	9,798	6,449	3,349	12,660	8,349	4,311	17,272	8,228	9,044
a) External Assistance	576	527	49	787	450	337	1,097	464	633	1,268	517	751
i) By India	4	9	-5	4	9	-5	4	9	-5	4	9	-5
ii) To India	572	518	54	783	441	342	1,093	455	638	1,264	508	756
b) Commercial Borrowing	5,057	1,098	3,959	2,380	922	1,458	5,492	1,498	3,994	8,362	1,689	6,673
i) By India	91	223	-132	114	171	-57	447	343	104	0	234	-234
ii) To India	4,966	875	4,091	2,266	751	1,515	5,045	1,155	3,890	8,362	1,455	6,907
c) Short Term to India	5,106	4,689	417	6,631	5,077	1,554	6,071	6,387	-316	7,642	6,022	1,620
3. Banking Capital (a+b)	9,837	4,847	4,990	5,652	7,480	-1,828	6,936	10,276	-3,340	14,343	12,078	2,265
a) Commercial Banks	9,765	4,847	4,918	5,652	7,436	-1,784	6,720	10,242	-3,522	14,221	12,078	2,143
i) Assets	5,257	1,877	3,380	1,568	3,553	-1,985	556	4,530	-3,974	7,085	7,401	-316
ii) Total Liabilities	4,508	2,970	1,538	4,084	3,883	201	6,164	5,712	452	7,136	4,677	2,459
<i>of which: Non-Resident</i>	4,174	2,943	1,231	4,082	3,285	797	6,102	4,866	1,236	5,115	4,484	631
b) Others	72	-	72	-	44	-44	216	34	182	122	-	122
4. Rupee Debt Service	-	67	-67	-	-	-	-	2	-2	-	93	-93
5. Other Capital	1,786	1,481	305	1,795	1,130	665	4,178	792	3,386	2,370	335	2,035
Total Capital Account (A+B+C)	55,799	45,235	10,564	39,006	32,242	6,764	61,533	51,051	10,482	71,063	53,929	17,134
C. Errors & Omissions	382	-	382	336	-	336	-	202	-202	755	-	755
D. Overall Balance	110,498	104,119	6,379	97,639	95,369	2,270	123,855	116,350	7,505	143,135	122,683	20,452
(Total Capital Account, Current Account and Errors & Omissions (A+B+C))												
E. Monetary Movement	-	6,379	-6,379	-	2,270	-2,270	-	7,505	-7,505	-	20,452	-20,452
i) I.M.F.	-	-	-	-	-	-	-	-	-	-	-	-
ii) Foreign Exchange Reserves	-	6,379	-6,379	-	2,270	-2,270	-	7,505	-7,505	-	20,452	-20,452

P: Preliminary

PR: Partially Revised

STATEMENT 1: INDIA'S OVERALL BALANCE OF PAYMENTS

(Rs.crore)

Item	Apr-Jun 2006 PR			Jul-Sep 2006 PR			Oct-Dec 2006PR			Jan-Mar 2007P		
	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	134,930	211,985	-77,055	151,631	225,184	-73,553	137,940	213,807	-75,867	150,416	217,699	-67,283
II.INVISIBLES (a+b+c)	112,054	55,764	56,290	118,694	67,538	51,156	142,412	79,028	63,384	164,609	86,004	78,605
a) Services	77,328	41,109	36,219	82,757	49,055	33,702	95,547	61,957	33,590	111,479	67,186	44,293
i) Travel	7,766	6,766	1,000	8,328	8,472	-144	13,140	9,577	3,563	13,243	7,911	5,332
ii) Transportation	7,885	9,312	-1,427	9,320	9,464	-144	9,465	10,612	-1,147	9,811	10,641	-830
iii) Insurance	1,087	582	505	1,447	696	751	1,318	904	414	1,573	716	857
iv) G.n.i.e.	259	368	-109	311	598	-287	391	441	-50	274	481	-207
v) Miscellaneous	60,331	24,081	36,250	63,351	29,825	33,526	71,233	40,423	30,810	86,578	47,437	39,141
of which												
Software Services	32,007	1,992	30,015	33,020	2,054	30,966	34,197	3,320	30,877	42,132	3,900	38,232
Business Services	20,757	14,432	6,325	24,229	18,822	5,407	29,357	23,698	5,659	31,552	34,008	-2,456
Financial Services	2,828	1,441	1,387	2,008	1,632	376	2,443	1,336	1,107	7,134	3,825	3,309
Communication Serv	2,019	491	1,528	1,938	849	1,089	2,650	1,165	1,485	2,725	747	1,978
b) Transfers	27,246	1,364	25,882	25,981	1,748	24,233	36,833	1,547	35,286	40,099	1,878	38,221
i) Official	314	409	-95	561	519	42	1,291	436	855	711	526	185
ii) Private	26,932	955	25,977	25,420	1,229	24,191	35,542	1,111	34,431	39,388	1,352	38,036
c) Income	7,480	13,291	-5,811	9,956	16,735	-6,779	10,032	15,524	-5,492	13,031	16,940	-3,909
i) Investment Income	7,184	12,400	-5,216	9,608	15,636	-6,028	9,573	14,467	-4,894	12,342	15,641	-3,299
ii) Compensation of Employ	296	891	-595	348	1,099	-751	459	1,057	-598	689	1,299	-610
Total Current Account (I+II)	246,984	267,749	-20,765	270,325	292,722	-22,397	280,352	292,835	-12,483	315,025	303,703	11,322
B. CAPITAL ACCOUNT												
1. Foreign Investment (a+b)	152,041	147,898	4,143	100,906	79,678	21,228	169,856	142,295	27,561	163,781	146,630	17,151
a) Foreign Direct Investment (i+	11,886	5,447	6,439	17,718	6,468	11,250	41,030	29,523	11,507	21,458	12,461	8,997
i. In India	11,586	36	11,550	16,633	9	16,624	40,306	31	40,275	19,594	318	19,276
Equity	8,376	36	8,340	12,900	9	12,891	36,433	31	36,402	14,762	318	14,444
Reinvested Earnings	3,174	-	3,174	3,459	-	3,459	3,356	-	3,356	3,295	-	3,295
Other Capital	36	-	36	274	-	274	517	-	517	1,537	-	1,537
ii. Abroad	300	5,411	-5,111	1,085	6,459	-5,374	724	29,492	-28,768	1,864	12,143	-10,279
Equity	300	3,533	-3,233	1,085	4,836	-3,751	724	27,072	-26,348	1,864	10,791	-8,927
Reinvested Earnings	-	837	-837	-	853	-853	-	828	-828	-	813	-813
Other Capital	-	1,041	-1,041	-	770	-770	-	1,592	-1,592	-	539	-539
b) Portfolio Investment	140,155	142,451	-2,296	83,188	73,210	9,978	128,826	112,772	16,054	142,323	134,169	8,154
In India	140,055	142,446	-2,391	83,137	73,205	9,932	128,768	112,745	16,023	142,133	134,067	8,066
Abroad	100	5	95	51	5	46	58	27	31	190	102	88

STATEMENT 2 : INDIA'S OVERALL BALANCE OF PAYMENTS

(US \$ million)

Item	2006-07 P			2005-06 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7
A.CURRENT ACCOUNT						
I. MERCHANDISE	127,090	191,995	-64,905	105,152	156,993	-51,841
II. INVISIBLES (a+b+c)	119,163	63,867	55,296	92,294	49,639	42,655
a) Services	81,330	48,603	32,727	61,404	37,523	23,881
i) Travel	9,423	7,235	2,188	7,853	6,464	1,389
ii) Transportation	8,069	8,857	-788	6,291	7,841	-1,550
iii) Insurance	1,200	641	559	1,050	1,028	22
iv) G.n.i.e.	273	417	-144	309	506	-197
v) Miscellaneous	62,365	31,453	30,912	45,901	21,684	24,217
<i>of which</i>						
<i>Software Services</i>	31,300	2,502	28,798	23,600	1,338	22,262
<i>Business Services</i>	23,459	20,200	3,259	12,858	10,496	2,362
<i>Financial Services</i>	3,213	1,832	1,381	1,704	1,308	396
<i>Communication Services</i>	2,068	719	1,349	2,182	808	1,374
b) Transfers	28,861	1,446	27,415	25,228	944	24,284
i) Official	638	418	220	668	486	182
ii) Private	28,223	1,028	27,195	24,560	458	24,102
c) Income	8,972	13,818	-4,846	5,662	11,172	-5,510
i) Investment Income	8,574	12,856	-4,282	5,486	10,407	-4,921
ii) Compensation of Employ	398	962	-564	176	765	-589
Total Current Account (I+II)	246,253	255,862	-9,609	197,446	206,632	-9,186
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	130,035	114,536	15,499	76,061	58,837	17,224
a) Foreign Direct Investment (i+	20,414	11,977	8,437	7,941	3,211	4,730
i. In India	19,531	89	19,442	7,722	61	7,661
<i>Equity</i>	16,065	89	15,976	5,820	61	5,759
<i>Reinvested Earnings</i>	2,936	-	2,936	1,676	-	1,676
<i>Other Capital</i>	530	-	530	226	-	226
ii. Abroad	883	11,888	-11,005	219	3,150	-2,931
<i>Equity</i>	883	10,281	-9,398	219	2,060	-1,841
<i>Reinvested Earnings</i>	-	736	-736	-	364	-364
<i>Other Capital</i>	-	871	-871	-	726	-726
b) Portfolio Investment	109,621	102,559	7,062	68,120	55,626	12,494
<i>In India</i>	109,532	102,528	7,004	68,120	55,626	12,494
<i>Abroad</i>	89	31	58	-	-	-

2.Loans (a+b+c)	50,469	29,340	21,129	37,529	31,416	6,113
a) External Assistance	3,728	1,958	1,770	3,627	1,945	1,682
i) By India	16	36	-20	20	104	-84
ii) To India	3,712	1,922	1,790	3,607	1,841	1,766
b) Commercial Borrowings (MT)	21,291	5,207	16,084	14,547	11,824	2,723
i) By India	652	971	-319	0	240	-240
ii) To India	20,639	4,236	16,403	14,547	11,584	2,963
c) Short Term to India	25,450	22,175	3,275	19,355	17,647	1,708
3. Banking Capital (a+b)	36,768	34,681	2,087	21,658	20,285	1,373
a) Commercial Banks	36,358	34,603	1,755	20,586	20,144	442
i) Assets	14,466	17,361	-2,895	772	3,947	-3,175
ii) Liabilities	21,892	17,242	4,650	19,814	16,197	3,617
<i>of which: Non-Resident Dep</i>	19,473	15,578	3,895	17,835	15,046	2,789
b) Others	410	78	332	1,072	141	931
4. Rupee Debt Service	-	162	-162	-	572	-572
5. Other Capital	10,129	3,738	6,391	6,505	7,243	-738
Total Capital Account (1to5)	227,401	182,457	44,944	141,753	118,353	23,400
C. Errors & Omissions	1,271	-	1,271	838	-	838
D. Overall Balance	474,925	438,319	36,606	340,037	324,985	15,052
(Total Capital Account, Current Account and Errors & Omissions (A+B+C))						
E. Monetary Movements (i+ii)	-	36,606	-36,606	-	15,052	-15,052
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves	-	36,606	-36,606	-	15,052	-15,052
P: Preliminary PR: Partially Revised						

STATEMENT 2 : INDIA'S OVERALL BALANCE OF PAYMENTS IN RUPEES						
(Rs.crore)						
Item	2006-07 P			2005-06 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7
A.CURRENT ACCOUNT						
I. MERCHANDISE	574,917	868,675	-293,758	465,705	695,131	-229,426
II.INVISIBLES (a+b+c)	537,769	288,334	249,435	409,200	220,496	188,704
a) Services	367,111	219,307	147,804	272,220	166,601	105,619
i) Travel	42,477	32,726	9,751	34,871	28,673	6,198
ii) Transportation	36,481	40,029	-3,548	27,874	34,746	-6,872
iii) Insurance	5,425	2,898	2,527	4,641	4,572	69
iv) G.n.i.e.	1,235	1,888	-653	1,374	2,243	-869
v) Miscellaneous	281,493	141,766	139,727	203,460	96,367	107,093
<i>of which</i>						
<i>Software Services</i>	141,356	11,266	130,090	104,632	5,954	98,678
<i>Business Services</i>	105,895	90,960	14,935	57,124	46,630	10,494
<i>Financial Services</i>	14,413	8,234	6,179	7,551	5,799	1,752
<i>Communication Services</i>	9,332	3,252	6,080	9,695	3,610	6,085
b) Transfers	130,159	6,537	123,622	111,856	4,183	107,673
i) Official	2,877	1,890	987	2,965	2,152	813
ii) Private	127,282	4,647	122,635	108,891	2,031	106,860
c) Income	40,499	62,490	-21,991	25,124	49,712	-24,588
i) Investment Income	38,707	58,144	-19,437	24,344	46,313	-21,969
ii) Compensation of Employees	1,792	4,346	-2,554	780	3,399	-2,619
Total Current Account (I+II)	1,112,686	1,157,009	-44,323	874,905	915,627	-40,722
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	586,584	516,501	70,083	337,301	260,982	76,319
a) Foreign Direct Investment (i+ii)	92,092	53,899	38,193	35,213	14,251	20,962
i. In India	88,119	394	87,725	34,240	273	33,967
<i>Equity</i>	72,471	394	72,077	25,822	273	25,549
<i>Reinvested Earnings</i>	13,284	-	13,284	7,420	-	7,420
<i>Other Capital</i>	2,364	-	2,364	998	-	998
ii. Abroad	3,973	53,505	-49,532	973	13,978	-13,005
<i>Equity</i>	3,973	46,232	-42,259	973	9,142	-8,169
<i>Reinvested Earnings</i>	-	3,331	-3,331	-	1,612	-1,612
<i>Other Capital</i>	-	3,942	-3,942	-	3,224	-3,224
b) Portfolio Investment	494,492	462,602	31,890	302,088	246,731	55,357
<i>In India</i>	494,093	462,463	31,630	302,088	246,731	55,357
<i>Abroad</i>	399	139	260	-	-	-

2.Loans (a+b+c)	227,511	132,518	94,993	166,208	139,650	26,558
a) External Assistance	16,805	8,854	7,951	16,116	8,611	7,505
i) By India	73	163	-90	89	460	-371
ii) To India	16,732	8,691	8,041	16,027	8,151	7,876
b) Commercial Borrowings (MT<)	95,675	23,468	72,207	64,387	52,925	11,462
i) By India	2,954	4,384	-1,430	-	1,058	-1,058
ii) To India	92,721	19,084	73,637	64,387	51,867	12,520
c) Short Term to India	115,031	100,196	14,835	85,705	78,114	7,591
3. Banking Capital (a+b)	165,495	156,302	9,193	95,988	90,193	5,795
a) Commercial Banks	163,657	155,945	7,712	91,200	89,569	1,631
i) Assets	64,972	78,080	-13,108	3,369	17,711	-14,342
ii) Liabilities	98,685	77,865	20,820	87,831	71,858	15,973
<i>of which: Non-Resident Deposits</i>	87,952	70,311	17,641	79,190	66,733	12,457
b) Others	1,838	357	1,481	4,788	624	4,164
4. Rupee Debt Service	-	725	-725	-	2,557	-2,557
5. Other Capital	45,708	17,017	28,691	28,979	32,125	-3,146
Total Capital Account (1to5)	1,025,298	823,063	202,235	628,476	525,507	102,969
C. Errors & Omissions	5,722	-	5,722	3,649	-	3,649
D. Overall Balance	2,143,706	1,980,072	163,634	1,507,030	1,441,134	65,896
(Total Capital Account, Current Account						
and Errors & Omissions (A+B+C))						
E. Monetary Movements (i+ii)	-	163,634	-163,634	-	65,896	-65,896
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Incre	-	163,634	-163,634	-	65,896	-65,896
P: Preliminary PR: Partially Revised						