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MONETARY POLICY STATEMENT (AUGUST 4-6) 2025-26

Governor's Statement

*Governor's Statement**

Sanjay Malhotra

Namaskar and greetings to all in this month of Raksha Bandhan, Independence Day, Janmashtami, Parsi New Year and Ganesh Chaturthi. May this pious and auspicious month bring good luck to all of us and to our economy.

The monsoon season has been progressing well. We are also approaching the festival season, which typically brings greater enthusiasm and buoyancy in economic activity. This favourable domestic setting, together with supportive policies of the Government and the Reserve Bank, augurs well for the Indian economy in the near term, as geopolitical uncertainties have somewhat abated, even though global trade challenges continue to linger. Over the medium-term also, the Indian economy holds bright prospects in the changing world order drawing on its inherent strength, robust fundamentals, and comfortable buffers. Opportunities are there for the taking, and we are making all efforts to create enabling conditions through a multi-pronged yet cohesive approach to policymaking.

Globally, policy makers are faced with muted growth and slowing pace of disinflation, with some advanced economies even witnessing an uptick in inflation. As the dust settles and a new equilibrium emerges in the new global order, policymakers will have a tough task navigating a world characterised by modest growth, sticky inflation and elevated public debt levels.

At the Reserve Bank, leveraging on the room provided by a significant moderation in inflation, we have taken decisive and forward-looking measures to support growth. The coordinated use of various tools available to us has helped accelerate monetary policy transmission in the current easing cycle.

Decisions of the Monetary Policy Committee (MPC)

The Monetary Policy Committee (MPC) met on the 4th, 5th and 6th of August to deliberate and decide on the policy repo rate. After a detailed assessment of the evolving macroeconomic and financial developments and the outlook, the MPC voted unanimously to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 5.50 per cent; consequently, the standing deposit facility (SDF) rate shall remain unchanged at 5.25 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 5.75 per cent. The MPC also decided to continue with the neutral stance.

The MPC noted that, while headline inflation is much lower than projected earlier, it is mainly due to volatile food prices, especially of vegetables. Core inflation, on the other hand, has remained steady around the 4 per cent mark, as anticipated. Inflation is projected to go up from the last quarter of this financial year. Growth is robust and as per earlier projections though below our aspirations. The uncertainties of tariffs are still evolving. Monetary policy transmission is continuing. The impact of the 100 bps rate cut since February 2025 on the economy is still unfolding.

On balance, therefore, the current macroeconomic conditions, outlook and uncertainties call for continuation of the policy repo rate of 5.5 per cent and wait for further transmission of the front-loaded rate cut to the credit markets and the broader economy. Accordingly, the MPC unanimously voted to keep the repo rate unchanged. The MPC further resolved to maintain a close vigil on the incoming data and the evolving domestic growth-inflation dynamics to chart out the appropriate monetary policy path. Accordingly, all members decided to continue with the neutral stance.

* Governor's Statement - August 6, 2025.

Assessment of Growth and Inflation

Growth

Domestic growth is holding up and is broadly evolving along the lines of our assessment even though some high-frequency indicators showed mixed signals in May-June. Rural consumption remains resilient[1] while urban consumption revival, especially discretionary spending, is tepid[2]. Fixed investment[3] supported by buoyant government capex continues to support economic activity.

On the supply side, steady southwest monsoon[4] is supporting *kharif* sowing,[5] replenishing reservoir levels[6] and boosting agriculture activity. Moreover, services activity remains steady, though some high-frequency indicators recorded a modest expansion.[7] Services PMI[8] increased to an 11-month high of 60.5 in July 2025. Construction activity continues to exhibit resilience.[9] However, growth in the industrial sector remained subdued and uneven across segments, pulled down by electricity and mining.[10] While the manufacturing Purchasing Managers' Index (PMI)[11] remained elevated in Q1, the Index of Industrial Production (IIP)[12] showed moderation.

Turning to the growth outlook, the above normal southwest monsoon, lower inflation, rising capacity utilisation, and congenial financial conditions continue to support domestic economic activity. The supportive monetary, regulatory and fiscal policies including robust government capital expenditure,[13] should also boost demand. With sustained growth in construction and trade segments, the services sector is expected to remain buoyant in the coming months. Prospects of external demand, however, remain uncertain amidst ongoing tariff announcements and trade negotiations. The headwinds emanating from prolonged geopolitical tensions, persisting global uncertainties, and volatility in global financial markets pose risks to the growth outlook. Taking all these factors into account, real GDP growth for 2025-26 is projected at 6.5 per cent, with Q1 at 6.5 per cent, Q2 at 6.7 per cent, Q3 at 6.6 per cent, and Q4 at 6.3 per cent. Real GDP growth for Q1:2026-27 is projected at 6.6 per cent. The risks are evenly balanced.

Inflation

CPI headline inflation declined for the eighth consecutive month to a 77-month low of 2.1 per cent

1 Tractor sales and retail two-wheeler sales posted a growth of 9.2 per cent and 4.9 per cent, respectively, during Q1 of 2025-26.

2 As per the NielsenIQ's Retail Audit Service, FMCG sales volume grew by 6.0 per cent during Q1:2025-26, with rural and urban areas recording a growth of 8.4 per cent and 4.3 per cent, respectively. Retail sales of passenger vehicles grew by 3.0 per cent during Q1 and domestic air passenger traffic expanded by 5.3 per cent during this period.

3 Central government capital expenditure grew at a strong 52.0 per cent (y-o-y) during Q1:2025-26. Index of Industrial Production of capital goods expanded by 10.0 per cent and import of capital goods increased by 12.6 per cent in Q1:2025-26.

4 As of August 4, 2025, the cumulative south-west monsoon (SWM) rainfall is 4 per cent above the long period average (LPA).

5 The area sown under *kharif* crops as on August 1, 2025, is 5.1 per cent higher than the corresponding acreage of previous year.

6 As of July 31, 2025, reservoir levels were at 69 per cent of the full capacity, well above last year's level as well as decadal average of 46 per cent.

7 E-way bills increased strongly by 19.3 per cent in June 2025 and toll collections increased by 15.2 per cent in June-July 2025. Growth of gross GST collections moderated to 6.9 per cent in June-July 2025 after a 16.4 per cent growth in May. Domestic air cargo posted a growth of 2.6 per cent in June 2025; port cargo witnessed a growth of 5.6 per cent in Q1:2025-26; sales of commercial vehicle contracted by 0.6 per cent in Q1.

8 PMI services climbed up to 60.4 in June 2025 and further to 60.5 in July, from 58.8 in May.

9 Steel consumption grew by 7.9 per cent in Q1:2025-26 and cement production posted a growth of 8.4 per cent during this period.

10 Mining and electricity output contracted by 3.0 per cent and 1.9 per cent, respectively, during Q1:2025-26.

11 Manufacturing PMI surged to a 16-month high of 59.1 in July 2025, signalling robust momentum in the manufacturing sector.

12 Manufacturing IIP recorded a modest growth of 3.4 per cent during Q1:2025-26.

13 As per the Union Budget 2025-26, the central government's effective capital expenditure (including grants-in-aid for creation of capital assets) is budgeted to grow by 17.4 per cent.

in June.[14] This was driven primarily by a sharp decline in food inflation, led by improved agricultural activity and various supply side measures. Food inflation recorded its first negative print since February 2019 at (-) 0.2 per cent in June. Double-digit deflation in vegetables and pulses drove this contraction.[15] High-frequency price indicators signal a continuation of the lower price momentum in food prices to July as well. Fuel group inflation moderated over two successive months to record 2.6 per cent in June.[16] Core inflation,[17] which remained within a narrow range of 4.1-4.2 per cent during February-May, increased to 4.4 per cent in June, partly driven by a continued increase in gold prices.

The inflation outlook for 2025-26 has become more benign than expected in June. Large favourable base effects combined with steady progress of the southwest monsoon, healthy *kharif* sowing, adequate reservoir levels and comfortable buffer stocks of foodgrains[18] have contributed to this moderation. CPI inflation, however, is likely to edge up above 4 per cent in Q4:2025-26 and beyond, as unfavourable base effects, and demand side factors from policy actions come into play. Barring any major negative shock to input prices, core inflation is likely to remain moderately above 4 per cent during the year. Weather-related shocks pose risks to inflation outlook. Considering all these factors, CPI inflation for 2025-26 is now projected at 3.1 per cent with Q2 at 2.1 per cent; Q3 at 3.1 per cent; and Q4 at 4.4 per cent. CPI inflation for Q1:2026-27 is projected at 4.9 per cent. The risks are evenly balanced.

External Sector

India's current account deficit (CAD) moderated to 0.6 per cent of GDP in 2024-25 from 0.7 per cent of GDP in 2023-24 due to robust services exports and strong remittances receipts despite higher merchandise trade deficit. Merchandise trade deficit further widened in Q1 of 2025-26. India's share in world services exports has risen markedly from about 2 per cent in 2005 to 4.3 per cent in 2024, driven by strong software and business services exports. Robust services exports[19] coupled with strong remittance receipts are expected to keep CAD within the sustainable level during the current financial year.

On the external financing side, gross foreign direct investment (FDI) to India remained strong during April-May 2025-26. However, net FDI moderated during this period due to higher outward FDI.[20] Foreign portfolio investment (FPI) inflows to EMEs have remained strong in May and June 2025.[21] However, net FPI to India recorded outflows of US$ 0.8 billion in 2025-26 so far (April-July 31) due to outflows in the debt segment.[22] External commercial borrowings, on the other hand, witnessed higher net inflows compared to last year. Inflows under

[14] CPI headline inflation declined to 2.1 per cent in June 2025 (lowest since January 2019) from 3.2 per cent in April, witnessing a cumulative fall of around 110 bps. The moderation was primarily driven by a further easing in vegetables, pulses, and cereals prices, which resulted in deflation in the CPI food group for the first time since February 2019, at (-)0.2 per cent in June. Fuel group inflation also moderated to 2.6 per cent in June from 2.9 per cent in April. Core inflation, however, edged up to 4.4 per cent in June 2025 after remaining broadly steady between 4.1 to 4.2 per cent during February to May.

[15] Vegetable prices declined by 19.0 per cent while pulses prices declined by 11.8 per cent in June 2025.

[16] Fuel group inflation also moderated to 2.6 per cent in June from 2.9 per cent in April.

[17] CPI headline excluding food and fuel.

[18] As on July 16, 2025, the stocks held by the Food Corporation of India for wheat stands at 1.3 times the buffer norms (stocks highest in last 4 years) and for rice, at 3.9 times the buffer norms.

[19] As per provisional figures, India's services exports grew by 10.1 per cent during April-June 2025-26, while services imports increased by 1.5 per cent during the same period. Net services exports grew by 20.7 per cent during the same period.

[20] Gross foreign direct investment (FDI) inflows grew by 5 per cent to US$ 15.9 billion in April-May 2025-26 from US$ 15.2 billion during the same period a year ago. Net FDI inflows contracted by 2.2 per cent to US$ 3.9 billion in April-May 2025-26 from US$ 4.0 billion a year ago.

[21] Net portfolio inflows into EMEs during June 2025 stood at US$ 42.8 billion as compared with US$ 16.8 billion in May 2025 (Source: Institute of International Finance).

[22] During April-July 2025, there were net inflows of US$ 2.6 billion in equity segment whereas debt segment witnessed a net outflow of US$ 3.5 billion.

non-resident deposits too remained positive, albeit witnessing some moderation.[23] As on August 1, 2025, India's foreign exchange reserves stood at US$ 688.9 billion, sufficient to cover more than 11 months of merchandise imports.[24] Overall, India's external sector remains resilient.[25] We remain confident of meeting our external financing requirements comfortably.

Liquidity and Financial Market Conditions

System liquidity, as measured by the net position under the Liquidity Adjustment Facility (LAF), has been in surplus, on an average of ₹3.0 lakh crore per day since the last MPC, as compared to an average daily surplus of ₹1.6 lakh crore during the previous two months.[26] Going ahead, as the CRR cut announced in the last policy comes into effect in a staggered manner beginning September, it would further support liquidity conditions.

The comfortable liquidity in the banking system has reinforced transmission of the policy repo rate cuts to the money[27], bond[28] and credit markets during the current easing cycle. In the credit market, the weighted average lending rate (WALR) of scheduled commercial banks declined by 71 basis points for fresh rupee loans (of which 55 bps is due to interest rate reduction) and 39 basis points for outstanding rupee loans from February 2025 to June 2025. On the deposit side, the weighted average domestic term deposit rate (WADTDR) on fresh deposits moderated by 87 bps during the same period. Moreover, the transmission to lending rates has been broad based across sectors.

Going ahead, the Reserve Bank will continue to be nimble and flexible in its liquidity management. We will endeavour to maintain sufficient liquidity in the banking system so that the productive requirements of the economy are met and transmission to money markets and credit markets remains smooth.

An internal Working Group has reviewed the Reserve Bank's extant Liquidity Management Framework (LMF), operative since February 2020. The Group has submitted its report and the same will be placed on the RBI website shortly for public consultation. The weighted average call rate (WACR) is found to be highly correlated with other overnight money market rates (TREPS and Market Repo) in the collateralised segments. Further, WACR is also found to be effective in transmitting signals to other money market instruments across maturities. Therefore, the Group has recommended continuation of overnight WACR as the operating target of monetary policy. The Group has, inter alia, also recommended to continue with the variable rate auction mechanism for repo and reverse repo operations of various tenors with the objective of maintaining the operating target rate at the policy rate.

Financial Stability

The system-level financial parameters related to capital adequacy, liquidity, asset quality and

[23] Net inflows under external commercial borrowings to India increased to US$ 3.5 billion during April-June 2025-26 as compared with US$ 1.6 billion a year ago. Non-resident deposits recorded a net inflow of US$ 1.9 billion in April-May 2025-26, lower than US$ 2.8 billion in the same period last year.

[24] Based on actual merchandise imports (on a BoP basis) during the four quarters period (Q1:2024-25 to Q4:2024-25) and around 94 per cent of total external debt as on end-March 2025.

[25] India's CAD/GDP ratio moderated to 0.6 per cent in 2024-25 from 0.7 per cent during 2023-24. India's external debt to GDP ratio increased to 19.1 per cent at end-March 2025 from 18.5 per cent at end-March 2024. The net International Investment position to GDP ratio improved to (-) 8.7 per cent from (-) 10.1 per cent during the same period.

[26] The average daily net absorption under the liquidity adjustment facility (LAF) during April and May stood at ₹1.5 lakh crore and ₹1.8 lakh crore, respectively. The average daily net absorption under the LAF further increased to ₹2.82 lakh crore in June 2025 and ₹3.12 lakh crore in July 2025. The daily average absorption under the SDF increased to ₹2.17 lakh crore during June-July from ₹2.06 lakh crore during April-May 2025.

[27] In response to the cumulative policy repo rate cut of 100 basis points (bps) in the current easing cycle (up to August 4), the WACR moderated by 108 bps. Since the February policy, 3-month T-bill rate declined by 110 bps, 3-month CP issued by NBFCs by 161 bps and 3-month CD rate by 170 bps.

[28] The 5-year and 10-year G-sec yield (6.79 GS benchmark) declined by 63 bps and 28 bps, respectively since the February policy. Over the same period, 5-year AAA corporate bond yields declined by 56 basis points. During this period, the Indian bond market was one of the best performers globally.

profitability of Scheduled Commercial Banks (SCBs) continue to remain healthy.[29] Credit Deposit Ratio (CD ratio) for the banking system at the end of June 2025 was 78.9 per cent, broadly similar to that an year ago. Similarly, the system-level parameters of NBFCs too are sound, with adequate capital position and improved GNPA ratios.[30]

Bank credit grew at 12.1 per cent during 2024-25. While it is slower than the growth rate of 16.3 per cent in 2023-24, it is higher than the average growth rate of 10.3 per cent recorded in the ten-year period preceding 2024-25. Moreover, while the flow of non-food bank credit during the financial year 2024-25 reduced by about ₹3.4 lakh crore from ₹21.4 lakh crore to almost ₹18 lakh crore, the flow from non-bank sources more than made up for this decrease.[31] Thus, even though growth rate of bank credit slowed last year, the overall flow of financial resources to the commercial sector increased from ₹33.9 lakh crore in 2023-24 to ₹34.8 lakh crore in 2024-25. This trend continues during the current financial year as well.[32] As transmission to money markets has been faster, large corporates increasingly relied on market-based instruments such as commercial paper and corporate bonds to source funds, reducing their reliance on bank credit.[33] Also, as the profitability of large corporates has increased, their internal resources have become an important source for business expansion.

Additional Measures

Before I conclude, let me underline that for us at RBI, the interest and welfare of the citizens of India is foremost. It is the people of India, including those at the bottom of the pyramid, who are our raison detre, or the reason of our being. In this regard, I have three consumer-centric announcements to make.

One, as Jan-dhan Scheme completes 10 years, a large number of accounts have fallen due for re-KYC. The banks are organising camps at Panchayat level from 1st July to 30th September, in an endeavour to provide services at customer doorsteps. Apart from opening new bank accounts and re-KYC, the camps will focus on micro insurance and pension schemes for financial inclusion and customer grievance redress.

Two, we will be standardising the procedure for settlement of claims in respect of bank accounts, and articles kept in safe custody or safe deposit lockers of deceased bank customers. This is expected to make settlement more convenient and simpler.

Three, we are expanding the functionality in RBI Retail-Direct platform to enable retail investors to invest in treasury bills through systematic investment plans.

Concluding Remarks

I now make my concluding remarks. Despite a challenging external environment, the Indian

[29] SCB Parameters: The outstanding credit and deposit on a y-o-y basis increased by 9.9 per cent and 10.5 per cent, respectively, between June-24 and June-25. The system-level Capital to Risk Weighted Assets Ratio (CRAR) of 17.44 per cent in June 2025 was well above the regulatory minimum level. Ratio of non-performing loans improved further (GNPA ratio at 2.24 per cent in June 2025 *vis-à-vis* 2.67 per cent in June 2024, NNPA Ratio at 0.53 per cent in June 2025 *vis-à-vis* 0.60 per cent in June 2024). Liquidity buffers were robust, with an LCR of 132.80 per cent as of end June 2025. The annualised return on assets (RoA) and return on equity (RoE) stood at 1.34 per cent and 12.70 per cent, respectively, in June 2025. Net Interest Margin was 3.24 per cent for June 2025 (3.54 per cent in June 2024).

[30] NBFC Parameters: Total CRAR of NBFCs was 25.78 per cent and Tier I CRAR was 23.83 per cent in June 2025, well above the minimum regulatory requirements. GNPA ratio has improved from 2.47 per cent in June 2024 to 2.21 per cent in June 2025, while NNPA ratio also improved from 1.08 per cent in June 2024 to 0.95 per cent in June 2025. RoA for the sector decreased slightly from 3.23 per cent in June 2024 to 3.11 per cent in June 2025. NIM has slightly decreased from 4.82% in June 2024 to 4.40% in June 2025.

[31] The total flow of resources from non-banks (including domestic and foreign sources) increased by ₹4.3 lakh crore from ₹12.5 lakh crore in 2023-24 to ₹16.8 lakh crore in 2024-25.

[32] Bank Credit recorded a growth (y-o-y) of 9.8 per cent as on July 11, 2025 as compared to 14.0 per cent a year ago. Despite the slowdown in bank credit, the total flow of financial resources remained at almost similar levels during April-July 2025-26 as compared with the corresponding period of last year.

[33] CP issuances by non-financial entities increased to 0.78 lakh crore in FY:2025-26 (up to June) compared to 0.30 lakh crore a year ago. Corporate bonds issued by non-financial entities increased to 0.95 lakh crore in FY:2025-26 (up to June) compared to 0.09 lakh crore a year ago.

economy is navigating a steady growth path with price stability. Monetary policy has appropriately used the policy space created by the benign inflation outlook to support growth without compromising on the primary objective of price stability. Transmission of our recent policy actions to the broader economy is underway.

As the Indian economy strives to attain its rightful place in the global economy, stronger policy frameworks across domains, and not just limited to monetary policy, will be pivotal in its journey. We, on our part, will continue to be agile and proactive in providing a facilitative monetary policy based on incoming data and the evolution of the growth-inflation dynamics. As always, we will have a clear, consistent and credible communication backed by actions necessary for the task at hand.

Thank you. Namaskar and Jai Hind.

MONETARY POLICY STATEMENT (AUGUST 4-6) 2025-26

Resolution of the Monetary Policy Committee (MPC)
August 4-6, 2025

Monetary Policy Statement, 2025-26 Resolution of the Monetary Policy Committee (MPC) *

Monetary Policy Decisions

The Monetary Policy Committee (MPC) held its 56th meeting from August 4 to 6, 2025 under the chairmanship of Shri Sanjay Malhotra, Governor, Reserve Bank of India. The MPC members Dr. Nagesh Kumar, Shri Saugata Bhattacharya, Prof. Ram Singh, Dr. Poonam Gupta and Dr. Rajiv Ranjan attended the meeting.

After assessing the current and evolving macroeconomic situation, the MPC voted to maintain the policy repo rate at 5.50 per cent. Consequently, the standing deposit facility (SDF) rate under the liquidity adjustment facility (LAF) remains unchanged at 5.25 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 5.75 per cent. This decision is 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.

Growth and Inflation Outlook

The global environment continues to be challenging. Although financial market volatility and geopolitical uncertainties have abated somewhat from their peaks in recent months, trade negotiation challenges continue to linger. Global growth, though revised upwards by the IMF, remains muted. The pace of disinflation is slowing down, with some advanced economies even witnessing an uptick in inflation.

Domestic growth remains resilient and is broadly evolving along the lines of our assessment. Private consumption, aided by rural demand, and fixed investment, supported by buoyant government capex, continue to boost economic activity. On the supply side, a steady south-west monsoon is supporting *kharif* sowing, replenishing reservoir levels and boosting agriculture activity. Moreover, services sector and construction activity remain robust. However, growth in industrial sector remained subdued and uneven across segments, pulled down by electricity and mining.

As for the growth outlook, the above normal southwest monsoon, lower inflation, rising capacity utilization and congenial financial conditions continue to support domestic economic activity. The supportive monetary, regulatory and fiscal policies including robust government capital expenditure should also boost demand. The services sector is expected to remain buoyant, with sustained growth in construction and trade in the coming months. Prospects of external demand, however, remain uncertain amidst ongoing tariff announcements and trade negotiations. The headwinds emanating from prolonged geopolitical tensions, persisting global uncertainties, and volatility in global financial markets pose risks to the growth outlook. Taking all these factors into account, projection for real GDP growth for 2025-26 has been retained at 6.5 per cent, with Q1 at 6.5 per cent, Q2 at 6.7 per cent, Q3 at 6.6 per cent, and Q4 at 6.3 per cent. Real GDP growth for Q1:2026-27 is projected at 6.6 per cent (Chart 1). The risks are evenly balanced.

CPI headline inflation declined for the eighth consecutive month to a 77-month low of 2.1 per cent (y-o-y) in June 2025. This was driven primarily by a sharp decline in food inflation led by improved agricultural activity and various supply side measures. Food inflation recorded its first negative print since February 2019 at (-) 0.2 per cent in June. High-frequency price indicators signal a continuation

* Released on August 6, 2025.

Chart 1: Quarterly Projection of Real GDP Growth (y-o-y)

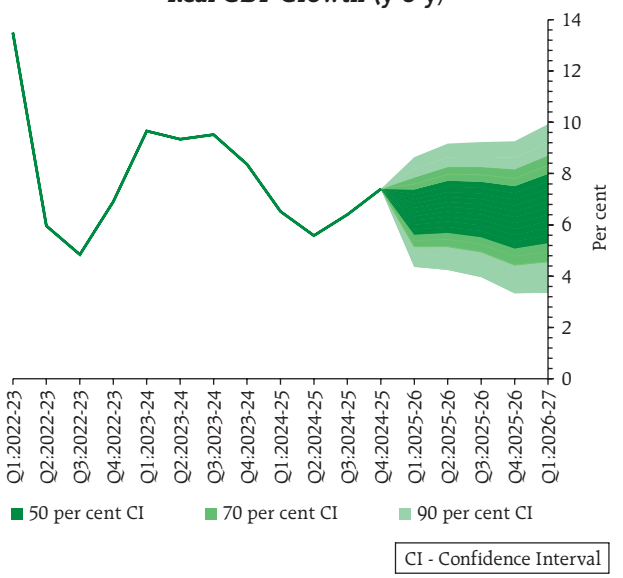
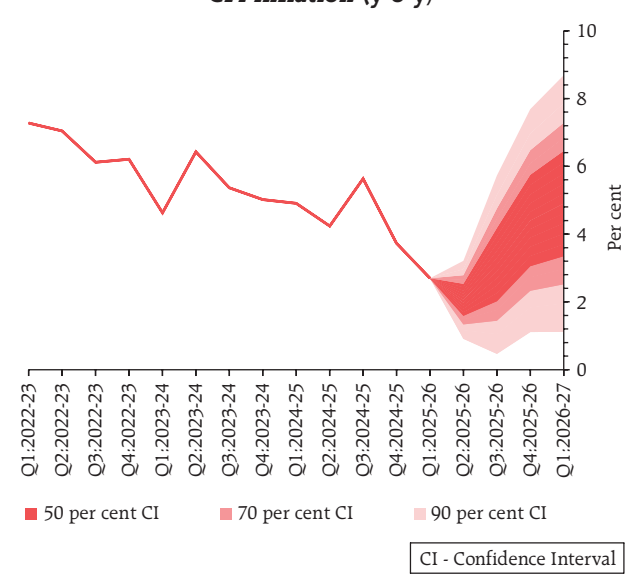


Chart 2: Quarterly Projection of CPI Inflation (y-o-y)



of the lower price momentum in food prices this year to July as well. Core inflation, which remained within a narrow range of 4.1-4.2 per cent during February-May, increased to 4.4 per cent in June, driven partly by a continued increase in gold prices.

The inflation outlook for 2025-26 has become more benign than expected in June. Large favourable base effects combined with steady progress of the southwest monsoon, healthy *kharif* sowing, adequate reservoir levels and comfortable buffer stocks of foodgrains have contributed to this moderation. CPI inflation, however, is likely to edge up above 4 per cent by Q4:2025-26 and beyond, as unfavourable base effects, and demand side factors from policy actions come into play. Barring any major negative shock to input prices, core inflation is likely to remain moderately above 4 per cent during the year. Weather-related shocks pose risks to inflation outlook. Considering all these factors, CPI inflation for 2025-26 is now projected at 3.1 per cent with Q2 at 2.1 per cent; Q3 at 3.1 per cent; and Q4 at 4.4 per cent. CPI inflation for Q1:2026-27 is projected at 4.9 per cent (Chart 2). The risks are evenly balanced.

Rationale for Monetary Policy Decisions

The MPC noted that the inflation outlook in the near term has become more benign than anticipated earlier, and the average CPI inflation this year is expected to remain significantly below the target. This is driven mainly by lower food inflation that entered deflationary territory in June. However, CPI inflation is likely to edge up above the 4 per cent target from Q4:2025-26 onwards. Moreover, core inflation has been rising steadily from the recent low of 3.6 per cent recorded during December-January 2024-25 and averaged 4.3 per cent in Q1 this year. Core excluding precious metals has witnessed an uptick and averaged 3.4 per cent in Q1.

Growth has held up well with some pick-up expected in the coming festive season and is evolving in line with our assessment of 6.5 per cent for 2025-26.

Thus, while headline inflation is much lower than projected earlier, it is mainly due to volatile food prices, especially of vegetables. Core inflation, on the other hand, has remained steady around the 4 per cent mark, as anticipated. Inflation is projected to go up from the last quarter of this financial year. Growth

is robust and as per earlier projections though below our aspirations. The uncertainties of tariffs are still evolving. Monetary policy transmission is continuing. The impact of the 100 bps rate cuts since February 2025 on the economy is still unfolding.

On balance, therefore, the current macroeconomic conditions, outlook and uncertainties call for continuation of the policy repo rate of 5.5 per cent and wait for further transmission of the front-loaded rate cuts to the credit markets and the broader economy. Accordingly, the MPC unanimously voted to keep the repo rate unchanged. The MPC further resolved to maintain a close vigil on the incoming data and the evolving domestic growth-inflation dynamics to chart out the appropriate monetary policy path. Accordingly, all members decided to continue with the neutral stance.

The minutes of the MPC's meeting will be published on August 20, 2025.

The next meeting of the MPC is scheduled from September 29 to October 1, 2025.

MONETARY POLICY STATEMENT (AUGUST 4-6) 2025-26

Statement on Developmental and Regulatory Policies

Statement on Developmental and Regulatory Policies

This Statement sets out the developmental and regulatory policy measures relating to (i) Regulation; (ii) Financial Markets.

I. Regulation

1. Standardisation of procedure for settlement of claims in respect of deposit accounts of deceased customers of banks

Under the provisions of Banking Regulation Act, 1949, nomination facility is available in respect of deposit accounts, articles kept in safe custody or safe deposit lockers. This is intended to facilitate expeditious settlement of claims or return of articles or release of contents of safe deposit locker upon death of a customer and to minimise hardship caused to family members. The extant instructions require banks to adopt a simplified procedure to facilitate expeditious and hassle-free settlement of claims made by survivors/ nominees/ legal heirs, the procedures vary across banks. With a view to enhance customer service standards, it has been decided to streamline the procedures and standardise the documentation to be submitted to the banks. A draft circular in this regard shall be issued shortly for public consultation.

II. Financial Markets

2. Introduction of Auto-bidding facilities in RBI Retail Direct for Investment and Re-investment in T-bills

The Retail Direct portal was launched in November 2021 to facilitate retail investors to open their Gilt accounts with the Reserve Bank under the Retail Direct Scheme. The scheme allows retail investors to buy Government Securities (G-Secs) in primary auctions as well as buy and sell G-Secs in the secondary market. Since the launch of the Scheme, various new features, in terms of product as well as payment options, have been introduced, including launch of a mobile app in May 2024.

To enable investors to systematically plan their investments, an auto-bidding facility for Treasury bills (T-bills), covering both investment and re-investment options, has been enabled in Retail Direct. The new functionality helps investors to mandate automatic placement of bids in primary auctions of T-bills.

SPEECHES

Inaugural Address at the FIBAC 2025 Conference
Shri Sanjay Malhotra

Rethinking Regulations in an Interconnected Financial System
Shri M Rajeshwar Rao

From Vanji to Viksit Bharat: Banking on Trust, Technology, and Transformation
Shri Swaminathan J

*Inaugural Address at the FIBAC 2025 Conference**

Shri Sanjay Malhotra

It gives me immense pleasure to participate in the FIBAC annual conference for this year. It brings together distinguished thought leaders and stakeholders of the Indian economy and our financial ecosystem to deliberate on critical and contemporary issues facing the economic landscape of our country. The topic of the Conference "Charting New Frontiers" is very relevant and topical as we respond to the new challenges of tariffs and geopolitical uncertainties. I am sure that the discussions in this conference will be very fruitful and provide deeper insights and guidance to all stakeholders, especially businesses, regulators and governments. This is all the more important as we strive to contribute in our journey for a *Viksit Bharat* by 2047. I compliment FICCI and IBA for organising this annual conference.

I. India's' Story of Resilience and Stability

We celebrated our 79th Independence Day ten days ago. We have made huge progress since our independence. Our advancement spreads across sectors – education, health, agriculture, industries, infrastructure, science and technology, defence, governance, finance, *etc.* The Indian economy has expanded manifold. It continues to be a symbol of resilience and hope. The achievements of the Indian economy despite unprecedented challenges in the last few years are undoubtedly creditable and widely recognised.

The Indian economy today is characterised by robust macroeconomic fundamentals. Indian economy rebounded strongly post-COVID and recorded an average annual growth of around 8 per cent during the last four years (2021-22 to 2024-25), supported by strong domestic demand – both private consumption and fixed investment - amidst challenging global economic conditions. The IMF has projected that India will be the fastest growing major economy. We are all set to become the third-largest economy in the coming years. Inflation levels have generally reduced after implementation of the inflation targeting. Headline inflation recorded an eight year low of 1.6 per cent in July this year.

India's fiscal situation too has seen significant improvement after the post-COVID counter-cyclical fiscal response with a focus on the quality of expenditure. The union government's fiscal deficit to GDP ratio is budgeted to moderate from a high of 9.2 per cent to 4.4 per cent of GDP in 2025-26. Quality of expenditure has improved. Central government's effective capital expenditure which includes capital grants-in-aid to the states is budgeted at 4.3 per cent of GDP for 2025-26. Corporate balance-sheets are healthy. Banks are well capitalised, with sufficient liquidity buffers, robust asset quality and reasonable profitability. My compliments to the industry, especially the banking sector for this impressive performance.

India's external sector has also strengthened considerably over the last decade. The current account deficit (CAD) has remained well within the sustainable limit in recent years - it was 0.6 per cent of GDP in 2024-25. This is due to robust services exports and strong remittance receipts despite higher merchandise trade deficit. Capital flows have generally exceeded the CAD, adding to our foreign exchange reserves which stood at 695 billion USD as on August 15, 2025, providing merchandise imports cover of over 11 months.

* Inaugural Address by Shri Sanjay Malhotra, Governor, Reserve Bank of India at the FIBAC 2025 Conference, Mumbai, August 25, 2025.

Proactive fiscal and monetary policies, structural reforms, massive upscaling of both physical and digital infrastructure, improved governance and enhanced productivity and competitiveness, have all contributed to this impressive performance.

We are at a critical juncture as we navigate the choppy global economic environment characterised by heightened trade uncertainty and persisting geopolitical tensions. We need to push the frontiers of growth. We all must step up our efforts to address the emerging challenges and capitalise on the opportunities ahead. Generations of freedom fighters gave us a free India, a *Swatantra Bharat.* We need to now work for a *Samridh Bharat*, a prosperous India. In this backdrop, I thought it appropriate to speak on what we need to do together to further build on our economic development. I have divided this into five major areas - monetary policy, regulation, financial inclusion, customer service and technology.

II. Monetary Policy

The role of monetary policy in economic prosperity is critical. One of the major conduits of macroeconomic stability in India during recent years despite multiple shocks, has been the decline of inflation. Sharp spikes in food prices, volatile oil prices, global supply chain disruptions, and geopolitical tensions could have significantly stoked inflation. However, proactive policy measures by the Reserve Bank, including timely interest rate adjustments and liquidity management, alongside prudent supply side measures by the government, have helped contain generalisation of price pressures. Anchored inflation expectations too have supported stable consumption patterns and improved investor confidence. The primary objective of monetary policy in terms of price stability has significantly contributed to the strength of India's macroeconomic fundamentals. At the same time, the Reserve Bank has not lost sight of the objective of growth. For example, before covid, when growth was slowing, and in recent months, when inflation was benign and growth needed to be supported, the Monetary Policy Committee (MPC) reduced the policy repo rate. We will continue to conduct monetary policy with the primary objective of price stability keeping in view the objective of growth.

III. Regulation of Banks and NBFCs

Importance of regulation

Despite increase in other sources of credit, the banks, NBFCs, HFCs and AIFIs regulated by RBI still provide about 73 per cent of the credit needs of the real economy with banks providing about 53 per cent. This shows the continued importance of RBI regulated entities in meeting the credit needs of the economy.

It has been our endeavour to regulate these entities with an aim to ensure that the financial system remains healthy and grows sustainably. Here I would like to mention that regulations are akin to friction. If friction is too less, one will fall while walking and if it is too much, progress will be impeded. Regulations provide the necessary friction to promote financial stability and safety of depositors hard-earned money. However, stringent regulations may impede growth of the economy. The art of regulation-making lies in finding the right balance between safety and growth - "the right amount of friction". Pursuit of this balance, or optimal regulation, is indeed our constant endeavour in the RBI.

Our approach to regulation making

Our regulatory framework is based on five principles or characteristics:

a. First, we have gradually pivoted from being prescriptive to largely principle based.

b. Second, we have espoused the idea of proportionality to strike a fine balance between costs and benefits of regulation. Impact analysis is an integral component of this.

c. Third, we are consultative in our approach. We realise that we need to understand the perspectives of all stakeholders. We organise outreach with industry, associations, banks, NBFCs and other regulated entities. We have also operationalised 'connect to regulate' for direct connection with our stakeholders. We seek your active support in giving feedback and suggestions for better regulation-making.

d. Fourth, we attempt to be evidence based. We gather information through our interaction and outreach as also through our supervisory teams. Some of the REs may be feeling the burden of our information seek from them. But, information is important for regulation-making. We seek your assistance in this regard.

e. Fifth, we are agile and we adapt with change in context, availability of new information, and the evolving landscape. We have not hesitated in relaxing a stringent rule, once deemed necessary, if the context changes and the cost-benefit balance reverses.

What we do as a matter of practice, has now been institutionalised through the recently released "Framework for Formulation of Regulations" which codifies this approach, that I just highlighted.

Regulatory Developments in Recent Past

Entering into this calendar year, we have rationalised the applicable prudential norms for Urban Cooperative Banks (UCBs) to accord flexibility in their operations; we restored the applicable risk weights for lending to NBFCs as risks abated. Similarly, the provisioning requirement for government guaranteed security receipts were reviewed in view of their sovereign nature. We have updated the priority sector lending (PSL) guidelines to boost credit to underserved segments. We rationalised run-off factors, which will potentially lead to a cumulative improvement in LCR of about 6 percentage points for the system as a whole. Similarly, we have come out with comprehensively rationalised regulatory framework for investments in Alternative Investment Funds (AIFs), co-lending, non-fund-based facilities, project finance, and gold loans to name a few. These are examples of how we have been agile, consultative, evidence-oriented, principle-based, and proportional in our regulation-making.

Proposed regulations

Going forward, we will continue this approach. Our focus will be three-fold. First and foremost, we will continue strengthening financial stability. We intend to implement Basel III guidelines for market, credit and operational risk from 1.4.2027, for which credit risk and ECL related draft guidelines are proposed to be issued soon. The Forms of Business circular is also planned to be finalised quickly.

Second, we will endeavour to enhance ease of doing business. We have already rationalised the returns that regulated entities have to submit to us. We are in the process of consolidating all the regulations for various categories of regulated entities. In our pursuit of making principle-based framework, we have given autonomy to the board of the respective entities to frame policies. While the intent was to leave detailed policy-making to the judgement of the bank, it has resulted in overburdening the boards of the regulated entities. Therefore, we are trying to rationalise the macro-policies that need to be

approved by the Boards of the regulated entities, and leave the procedural and routine matters with the management so that the Board gets quality time to deliberate on strategic and important matters.

Third, we are examining measures to expand bank credit towards productive sectors and reduce cost of intermediation.

As announced earlier, we propose to set up a Regulatory Review Cell with the mandate to review each regulation in a comprehensive, objective, systematic and structured manner. The objective of the review shall be to assess each regulation with focus on efficiency; its impact in terms of cost and benefit; its requirement in the current context and market realities; consistency and clarity especially across different regulations; and potential of unaddressed or emerging risks, among other things. The Cell shall organise its work in such a manner that each regulation is reviewed at least once in every 5-7 years. The Cell will interact with major financial sector industry bodies.

IV. Financial Inclusion

Economic development is incomplete if it is not inclusive. We believe in the adage *"if you want to go fast, go alone; if you want to go far, go together".* We need to take everyone together and especially those at the bottom of the pyramid. We have made considerable progress in financial inclusion over the years as reflected in the Financial Inclusion (FI)-Index constructed by the RBI which is based on the three dimensions of financial inclusion, 'Access', 'Usage' and 'Quality'. Notwithstanding the considerable progress, FI-Index point towards scope for further improvement in usage and quality while also addressing gaps in access.

Let us remember we have a responsibility to all the people of our country, almost two-thirds, of which resides in rural areas. While, we have provided banking access to almost all villages within a radius of 5 kilometres, there is scope to further enhance it. Business Correspondents (BCs) are an effective channel for providing services in sparsely populated areas of our country. This channel needs to be strengthened to improve the quality, consistency and reach of financial services. Not only is there is a scope to augment them, but there is also a need to train them and expand the number of services they can provide. On one hand, this will make the BCs financially viable and sustainable; on the other hand, it will improve quality and reach of services.

Towards the objective of financial inclusion and to ensure uninterrupted access to the financial services, banks have launched a country-wide campaign from July 1, 2025 to September 30, 2025 at Gram Panchayat level. I urge all the banks to step up their efforts through these camps towards enhancing the coverage of re-KYC and the social security schemes. I also seek your support to Financial Literacy Centres (FLCs) and Centres for Financial Literacy (CFLs), being operated under our aegis.

Another area of focus is the Micro, Small, and Medium Enterprises (MSME) sector which contributes significantly to employment, exports and output. There is a significant credit gap to MSMEs. Banks and NBFCs should make special efforts to boost formal credit to them. They should leverage the public digital infrastructure like the Unified Lending Interface (ULI), in this endeavour.

V. Customer Service

Consumers are the raison detre or the purpose of our being. Customer-centricity is fundamental for sustainable growth of any business.

Conduct related regulations

At the Reserve Bank, we are passionately driven by the objective of customer-centricity. Key Fact

Statement and integrating explicit conduct related aspects in our regulations are some examples in this regard. Recently released revised guidelines on pre-payment charges and draft guidelines on settlement of claims in respect of deceased customers also reflect our customer-first approach.

Consumer service by REs

Similarly, regulated entities must focus on excellent and seamless service and experience, creating customer delight. They need to be transparent, fair, and responsive. While digitalization is a key, the human aspect too cannot be neglected, for which training, especially on behavioural aspects, needs to be emphasized.

I had on an earlier occasion urged the Banks to enable the use of CKYCR at KYC touch points. I had also highlighted that the number of grievances escalating to the RBI Ombudsman is very high. It was also expected that each RE has an effective grievance redressal mechanism, where officers are suitably empowered to take decisions in consumer interest. I exhort the regulated entities to make further improvements in these areas.

Further, we are in the process of reviewing the Internal Ombudsman framework at the level of REs to further strengthen it and ensure that complaints get resolved effectively within the institution itself. We are also reviewing the RB-IOS to enhance its effectiveness, transparency and customer-centricity as an alternate grievance redressal mechanism. Further, we intend to enhance the consistency and adequacy of compensation awarded under the Ombudsman framework. We also plan to expand the set of services, non-timely provision of which may be liable for payment of penalty.

Consumer's trust is vital not only for the regulated entity but also for the stability and resilience of the banking system. To build and maintain trust, it is essential that regulated entities (REs) put in place a robust and effective mechanism to redress the grievances of aggrieved customers proactively in a just, transparent, timely and affordable manner. They should periodically assess the types of complaints, conduct a root cause analysis and implement systemic corrective measures in product design, processes, and employee conduct. It is further suggested that customer satisfaction related KPIs are included in performance appraisal and variable pay of key functionaries.

VI. Technology to enhance credit and efficiency

Use of technology is a sine quo non for any business. It has become the core engine for improving decision making and customer service, moving far beyond its traditional role of driving efficiency. Regulated entities need to accelerate its adoption as they strive to enhance credit and reduce costs.

RBI too has adopted technology in all its functions. The Account Aggregator (AA) ecosystem is empowering customers with control over their financial data. ULI is making credit delivery seamless, making it truly transformative. We will further strengthen these platforms. We have implemented PRAVAAH platform for improving services to regulated entities. We will continue to embrace technology including AI and ML and expect our regulated entities too invest in it.

VII. Concluding remarks

To conclude, I would like to emphasise that while we might seem to be on opposite sides – with the regulated entities trying to accelerate growth and the regulators focusing on stability, we actually have the same objectives. We are in the same team with a shared vision of a *Viksit Bharat*. There is no tussle between financial stability and growth. Financial stability and price stability do not inhibit growth. Far from it, they are essential for sustainable growth.

I look forward to working together with the regulated entities to improve the efficiency and effectiveness of financial intermediation to ensure that the due benefits reach the people of our nation. Likewise, on the demand side, I urge the industry to invest boldly and champion the entrepreneurial spirit that defines our nation. At a time, when balance sheet of banks and corporates are at their best, they should come together and drive the animal spirits to create an investment cycle which is so important at this juncture.

Lastly, in your respective roles, I urge you not to ever lose sight of the people you are serving. At the cost of sounding a bit sermonic, I must say that if there is any doubt in your mind, espouse the philosophies of Gandhi's Talisman, or *Antyodaya*. Take decisions keeping in mind how your actions will impact the most vulnerable person of our country.

I wish the conference a huge success.

Thank you. Namaskar. Jai Hind.

*Rethinking Regulations in an Interconnected Financial System**

Shri M Rajeshwar Rao

Participants of the 'Management Development Programme on Financial Market Regulations', Professors, ladies, and gentlemen. A very good morning to all of you!

At the outset, I would like to thank IIM, Kozhikode for inviting me here. It is a pleasure to address such a diverse gathering, ranging from policy veterans to important stakeholders across the financial landscape. The contents of programme span the issues around the regulatory framework of a diverse mix of entities operating in the financial markets including banks, securities firms, and insurance entities.

Financial markets span a wide array of products starting with money markets, G Secs, forex, equities, commodities, and derivatives. These products are traded bilaterally, over the counter, or increasingly on electronic trading platforms or on exchanges. The entities are diverse, and they are active in many of these markets. They are regulated by different regulators depending on the nature of entities and/or their activities. The markets are interconnected with spillover risks from one set of market activities into another, increasingly becoming a point of concern from the point of view of financial stability. In my remarks today, I would like to, therefore, share a few perspectives on the need for market and entity regulations and their interplay, the tools employed by the regulators and the challenges faced in framing regulations for a rapidly evolving and interlinked financial ecosystem; and conclude by sharing a few thoughts on the way forward.

The role and evolution of financial sector regulations in India

To set the stage, it is essential to start by tracing the evolution of financial sector regulations in India, which commenced with the establishment of the Reserve Bank of India (RBI) in 1935. The Bank's remit was expanded in 1949 to cover regulation and supervision of commercial banks[1]. This was succeeded by empowering it to regulate and supervise non-banking institutions[2] now commonly referred to as Non-Banking Financial Companies (NBFCs) in 1964[3] and thereafter Urban Co-operative Banks (UCBs) in 1966[4].

The year 1991 is extremely significant as it ushered in key economic reforms which helped to transform and grow our economy. The reforms in the financial sector started in a way, with the implementation of the recommendations of the Narasimham Committee on financial sector reforms. The entry of private banks, introduction of prudential norms for banks, and alignment of capital adequacy requirements with global standards based on the recommendations of the Committee and conferring of statutory powers to the Reserve Bank to exercise greater oversight over the NBFCs were important policy landmarks during this period. This together with the subsequent changes in the monetary policy framework[5], the liberalisation of

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1 https://rbi.org.in/history/Brief_Chro1935to1949.html

2 Act 055 of 1963: Banking Laws (Miscellaneous Provisions) Act, 1963 (https://www.casemine.com/act/in/5a979d964a93263ca60b70c7)

3 Chapter IIIB of RBI Act, 1934.

4 https://rbi.org.in/history/Brief_Fun_UrbanCoopBanks.html

5 From abolishing of automatic monetization through ad-hoc T bills to Multiple Indicators approach from 1998 to 2009, followed by a transition period with pre-conditions to kick in inflation as the nominal anchor guided the monetary policy from 2013 to 2016 and, thereafter, the Flexible Inflation Targeting framework: https://rbi.org.in/commonman/english/Scripts/speeches.aspx?Id=3161

the exchange control regime and the grant of powers to regulate the Payment and Settlement Systems as well as the money, foreign exchange, and government securities (G-Sec) markets to the Reserve Bank, have collectively influenced the changes in the approach to regulation making at the Reserve Bank.

The Securities and Exchange Board of India (SEBI) was statutorily entrusted with regulation and development of the securities market in the year 1992[6]. The subsequent decades saw establishment of new financial sector regulators in the form of the Insurance Regulatory and Development Authority of India (IRDAI) to oversee the regulation of the insurance and reinsurance sectors and of the Pension Fund Regulatory and Development Authority (PFRDA) for pension funds. More recently in 2020, the International Financial Services Centres Authority (IFSCA) was created to regulate and promote financial products, services, and institutions within India's International Financial Services Centres. Collectively, these regulators play a critical role in the journey of transforming India's financial system into a more resilient, market-driven, and consumer-centric ecosystem, while facilitating sustainable economic growth of the country.

Approach for Regulation making

The market-oriented *laissez-faire* approach towards Regulation of financial markets with minimal regulations operates on the assumption that self-regulation will be effective. However, this view has been contested by some economists and policymakers who argue that regulation is not just necessary but essential. They contend that the idea of inherently self-correcting markets is more of an ideological fad than a factual occurrence, and that effective oversight is crucial to ensure stability, transparency, and protection of the financial sector against systemic risks. Nobel Laureate Joseph Stiglitz in his influential book *Freefall: Free Markets and the Sinking of the Global Economy* writes, "*The crisis has made it clear that self-regulation – which the financial industry promoted and which I view as an oxymoron – doesn't work.*" Time and again it has been proven that financial regulation is essential not only to prevent market failures, but also to protect consumers and safeguard the stability and resilience of the broader economy, particularly in times of crisis. The common misconception that regulation inherently imposes restrictive barriers, is inaccurate. A well-designed financial oversight framework underpinned by thoughtfully crafted regulations not only ensures a level playing field but also fosters sustainable growth and development.

How do we regulate financial systems[7]

Before delving into the specific approaches to regulation-making, it is important to first reflect on the broader frameworks for financial system regulation, especially considering that alternative models of financial oversight are in vogue.

The regulatory oversight architecture for financial systems can be broadly categorised into **three main models**. The first model is known as **'sectoral or traditional model'**, in which each of the financial sector authorities is responsible for both - prudential and conduct aspects of the specific financial sector, *i.e.*, banking, insurance, securities and market integrity. This approach has been followed by countries like India, Brazil, Hong Kong and Mexico and remains the most commonly used model around the world. However, challenges arise in such a model while

[6] SEBI was established in 1988 as a non-statutory body for regulating securities market.

[7] https://www.bis.org/fsi/publ/insights8.htm and https://www.researchgate.net/publication/290574692_Approaches_to_Financial_System_Regulation_An_International_Comparative_Survey

dealing with financial conglomerates, whose activities blur the boundaries between different types of financial institutions. Such trade-offs can be smoothed by introducing complementary arrangements, like those adopted by Indian Financial Sector Regulators (FSRs), which I will discuss later.

An alternative approach is the **'integrated model'**, where a single agency oversees all oversight functions including regulations across the finance industry. This model was adopted by Singapore in 1984 as a consequence of reforms in financial oversight architecture. Later Scandinavian countries adopted similar models, followed by the UK, which established a single Financial Services Authority (FSA) in 1997. Further, countries like Russia, Japan, Germany and South Korea have adopted this model in their financial architecture. While this approach offers a cohesive and streamlined framework for overseeing the financial sector, enabling unified decision-making, reduced regulatory arbitrage, and improved co-ordination, it may present some operational challenges like risk of possible single point of regulatory failure, dilution of sectoral focus and reduced flexibility in addressing the needs of different sub-sectors.

The third model involves grouping responsibilities either according to regulatory and supervisory goals or according to sectors, *i.e.*, **partially integrated approach**. The **'Twin Peaks'** model is an example of this, where two separate agencies manage each of the prudential oversight and conduct of business for all types of financial institutions. This model was first adopted in Australia in 1997, followed by Netherlands in 2002 and thereafter introduced in Canada and South Africa. After the Global Financial Crisis (GFC), the UK restructured its regulatory framework by replacing the integrated model with Twin Peaks model by bifurcating FSA in two institutions - the Financial Conduct Authority which focuses on market conduct, and the Prudential Regulation Authority (under the aegis of Central Bank) responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. The Twin Peaks model leverages potential synergies arising in the prudential or the business conduct oversight of various types of financial institutions but faces similar challenges of lack of sectoral focus as in the integrated model and co-ordination challenges as in sectoral model.

The **Two Agency** model is another example of the partially integrated model where one agency is responsible for the regulation and supervision of both solvency and conduct of business for banks and insurance companies, and a second agency is responsible for market integrity and the securities business. It is currently in place in jurisdictions such as France, Italy, Malaysia, Saudi Arabia, *etc.*

The models in the United States (US) and the European Union (EU) have special characteristics. While in the US functions have been assigned to various agencies at the federal and state level, in the EU, countries within the euro zone share a single prudential supervisory authority for significant banks. More recently, after the GFC, the macroprudential policy and resolution functions were the areas which were added to the financial oversight architecture, which may or may not involve separate agencies depending on the type of model adopted.

Each model includes trade-offs between synergies and potential conflicts of interest and challenges. The decision to adopt a financial oversight model depends on the structure and evolution of the financial sector, legal, cultural, and political economy considerations as well as past experiences like dealing with financial crises. Whichever be the model, one of the key

features of any financial oversight architecture is the Central Bank remains the primary or lead authority. Its leadership in coordinating with other regulatory entities reinforces the coherence, resilience, and credibility of the overall financial oversight architecture.

Let me now touch upon the approaches adopted by regulators for the regulation-making process. While there may be differing views on the most apt approach to regulations, there is no 'one size fit all' approach. Regulators use different approaches and tools to address varied types of problems for effective regulation.

Principle vs. Rule vs. Outcome based regulation

Principle based regulation is qualitative and uses high-level statements with an explanation of the underlying intent. It gives flexibility and freedom to a Regulated Entity (RE) to innovate by developing new products and services without being constrained by prescriptive rules. However, it is open to subjective interpretation and can therefore pose challenges for both REs and supervisors, thus limiting enforcement and accountability. It may also be less effective in areas like consumer protection, where clear and actionable directions are essential. In the context of Reserve Bank as a banking regulator, the Prudential Framework for Resolution of Stressed Assets[8] is an example of principle-based regulation.

Rule-based regulation, on the other hand, requires an RE to comply with specific, prescriptive requirements. It leads to better clarity, compliance, and consistency, as it simplifies the understanding of regulations for an RE and consumer alike. However, it may lead to a 'check-the-box' mentality, resulting in compliance by REs in letter but not in spirit. The REs may also face challenges when dealing with complex and dynamic issues where nuanced judgment is required. The Master Directions on Priority Sector Lending – Targets and Classification[9] can be considered as an example of a rule-based regulation issued by the Bank.

Another approach which has gained prominence of late is the outcome-based regulation, with focus on desired outcomes or results rather than prescribing specific processes and tools. This approach sets "what" is the desired outcome, while providing flexibility on "how" to achieve it. The RBI's Directions on Digital Lending[10] emphasise on the desired outcome, *i.e.*, transparency and fairness for borrowers, rather than getting into specifics like lending rates or methods.

Striking the right balance amongst these approaches is critical to creating an enabling, and effective regulatory environment while encouraging innovation, given the complexities of today's dynamic financial landscape.

Activity vs. Entity based regulation

Activity-based regulation prescribes regulatory obligations for specific activities, independent of the entity undertaking them. It works on the principle of "same activity, same risk, same rules". The Directions issued on Financial Services provided by Banks[11] can be categorised as activity-based regulation.

In contrast, entity-based regulation aims to bolster the resilience of activities with focus on the entity. This approach encompasses governance, prudential and conduct requirements, reinforced by supervisory interventions. Given that an entity's overall resilience is shaped by the composition of its activities, entity-

[8] https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11580&Mode=0

[9] https://rbi.org.in/scripts/NotificationUser.aspx?Id=12799&fn=2754&Mode=0

[10] https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12848&Mode=0

[11] https://www.rbi.org.in/scripts/BS_ViewMasDirections.aspx?id=10425

based regulations place targeted restrictions – an essential feature of such regulation. The prudential norms on capital adequacy are in nature of entity-based regulation.

Given the distinct regulatory domains, and keeping in view the objective of financial stability, regulators often adopt a hybrid approach that integrates elements of both activity-based and entity-based regulation. Such a tailored regulatory framework enhances the comprehensiveness and resilience of oversight mechanisms. It allows regulators to respond more effectively to market developments and emerging risks, thereby strengthening the overall regulatory architecture and promoting a sound, stable, and inclusive financial system.[12]

Rules based vs. Risk based approach[13]

Rules-based regulation focusses on adherence to regulatory prescriptions regardless of the level of risk. Though beneficial at times, the approach should factor in principle of proportionality, as not all entities carry same amount of risk to financial stability or consumer protection.

Adopting a risk-based approach enables regulators to frame regulations that are both effective and proportionate in the dynamic financial environment of today. This also helps in directing scarce regulatory and supervisory resources in optimal manner while also fostering innovation and financial inclusion. The Scale Based Regulation issued by RBI for Non-Banking Finance Companies (NBFCs)[14] and revised regulatory framework for Urban Co-operative Banks (UCBs)[15], can be thought of as recent examples of a risk-based approach.

Market vs. entity regulation

Market-based regulation focuses on the overall structure and functioning of financial markets, while entity-based regulation deals with the prudential norms, conduct, solvency, and internal risk management of individual financial institutions. Although each Financial Sector Regulator (FSR) such as the RBI, SEBI, IRDAI, PFRDA, or IFSCA has its distinct regulatory domain, activities of many of their REs overlap. Depending on their activities, these entities may fall under multiple regulatory frameworks, resulting in differential oversight and heightened operational complexity. For example, a mutual fund or an insurance company participating in government securities market or a bank participating in corporate bond market. To address such overlaps, FSRs are increasingly adopting a co-ordinated approach to regulation and supervision, with the broader goal of ensuring financial stability.

Challenges in regulation making

Regulation making is a complex process starting from identification of risks or gaps in existing regulations, evaluation of options to address them and finally coming out with an appropriate and effective regulation which is intended to address the risks for the entity and for the financial system (prudence, resilience and stability) and/or empower the consumers and ensure fair conduct amongst entities (conduct issues). While treading this path, the regulators are often confronted with many challenges. Let me highlight a few of them.

Balancing innovation and stability[16]

Innovation in the financial sector has brought about transformative changes. However, the rapid pace of innovation, also leads to regulatory gaps or grey areas. Innovations often take shape of new

[12] https://www.fsb.org/uploads/P160724-2.pdf and https://www.bis.org/fsi/fsipapers19.pdf
[13] https://www.fsb.org/uploads/P160724-2.pdf
[14] https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12550
[15] https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12416&Mode=0
[16] https://rbi.org.in/Scripts/BS_SpeechesView.aspx?Id=1453

business models and partnerships with third parties, who are outside the regulatory ambit of the FSRs. It is the job of the regulator to plug these loopholes by framing rules in such a manner that allows innovation to thrive but provide sufficient guardrails to ensure that financial system remains stable and resilient. The regulators are therefore adopting a more agile and forward-looking approach - like the development of regulatory sandboxes and enhancing dialogue with key stakeholders for integrating the new players into the regulatory framework, while being mindful of financial stability.

Keeping pace with emerging risks and technologies

The regulators need to keep pace with dynamically changing markets and deal with emerging risks and technologies. This requires regulators to devise approaches to ensure that consumers are treated fairly and also ensuring the safety of the financial system, while providing space for innovation. I would like to highlight two examples of the challenges faced by the regulators.

(I) Climate risk

Addressing climate change not only requires transition towards sustainability, but also integration of climate related financial risks into regulatory framework. Regulators across the world are debating whether climate risk warrants a separate framework or should it be embedded within existing risk categories. There is also ongoing discussion on whether climate risk oversight should form part of Pillar 2 (supervisory review), or Pillar 1 (capital and liquidity requirements). This continues to engage the attention of the standard setting bodies, industry and other stakeholders and there is a need to strike right balance to harmonize environmental stewardship with maintenance of financial stability.[17]

[17] https://www.bis.org/review/r231115f.pdf

(II) Emerging technologies

New technologies improve ease of doing business, reduce operational and compliance costs, but they also pose challenges for regulation. There are three primary challenges in regulating these technologies: (i) the unpredictable nature of business models that rely on emerging technologies, (ii) data privacy, security, ownership, and control, and (iii) the artificial intelligence (AI) conundrum.[18] One example of new business models is Banking-as-a-Service (BaaS) model which increases scale and speed of distribution of financial products but could also lead to significant business conduct risks. Regulators face a dilemma: whether to come out with a framework before such financial innovations happen or allow markets to develop, risking unanticipated systemic risks and exploitative consumer practices.[19] Additionally, regulators must navigate capacity constraints and legal complexities in crafting effective regulations.

Here too, we have adopted a cautious approach while coming out with regulations like digital lending directions covering partnerships between FinTechs (as Lending Service Providers) and REs, introduction of Video based Customer Identification Process (V-CIP) *etc.*, in these emerging technology areas. The RBI had constituted a committee to develop a robust, comprehensive, and adaptable Framework for Responsible and Ethical Enablement of Artificial Intelligence (FREE-AI) for the Financial Sector[20] which has come out with a principle-based approach to AI adoption in the financial sector.

Reducing regulatory burden and ensuring compliance

India has made notable progress in improving its business environment over the years, however, there is still ample scope for further improvement. Regulatory

[18] https://digitalregulation.org/3004297-2/

[19] https://www.bis.org/review/r231115f.pdf

[20] https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=1306

burden and compliance costs pose challenges to REs, more so for smaller REs. Regulators not only need to do a delicate balancing act of reducing the burden and compliance cost for the REs but also need to ensure that it does not hinder the efficient functioning of markets. The Reserve Bank has pioneered some initiatives over time, which I would like to highlight:

a. To reduce compliance burden, RBI had constituted a Regulatory Review Authority (RRA) in 1999, followed by establishment of the second RRA (RRA 2.0) in 2021. The RRA 2.0 led to withdrawal or repeal of a total of 1,673 circulars, and discontinuation/ online conversion/ merger of 78 returns.

b. The 'Connect 2 Regulate' Platform has been introduced on RBI's website to broaden involvement of members of the public and stakeholders in policy formulation and review, thereby making the process more consultative.

c. The 'PRAVAAH' (Platform for Regulatory Application, VAlidation and AutHorisation), a secure and centralised web-based portal for any individual or entity to seek authorisation, license or regulatory approval on any reference made to the Reserve Bank has been launched to enhance the efficiency of processes related to granting of regulatory approvals.

d. To formalise participatory and responsive regulation making and demonstrating RBI's commitment to enhanced transparency and consultative approach a comprehensive Framework for the Formulation of Regulations was issued on May 7, 2025[21]. It lays down broad principles for drafting, amending, and reviewing regulations by the Reserve Bank.

e. The Reserve Bank is in the process of setting up a Regulatory Review Cell that would review all regulations every five to seven years.

Data, capacity and resource constraints

Another area which continues to engage the attention of the regulators is the lack of precise data to effectively formulate new policies. Rapid evolution of financial technologies has led to an exponential increase in the volume of data generated, however, challenges remain with respect to comprehensiveness, credibility, and accuracy of such information. Though regulators are equipping themselves with the latest tools and skills, the pace at which requirements are evolving is breath-taking. This requires continued capacity building within the regulators.

Inter-Regulatory co-ordination

As alluded to earlier, the Indian financial sector is characterised by significant heterogeneity, comprising of varied players governed by multiple FSRs, each responsible for entities operating under its purview. This demands robust and effective inter-regulatory co-ordination to facilitate consistent policy making. To address this challenge, an integrated approach to oversight has been adopted by the Financial Sector Regulators (FSRs) for financial conglomerates operating across multiple sectors, based on the 'lead regulator' principle. Joint supervision and periodic bilateral/multilateral discussions with such financial conglomerates are some of the tools adopted as a part of this approach.

The Financial Stability and Development Council (FSDC) headed by the Finance Minister and its Sub-Committee, headed by RBI Governor, where all

[21] The key processes include (a) public consultation through issuance of a draft and a statement of particulars highlighting inter-alia the objective of the regulation, (b) impact analysis (to the extent feasible), (c) issuance of general statement of response to the public comments received, and (d) periodic review keeping in view aspects such as the stated objectives, experience gained, relevance in a changed environment, and the scope for reducing redundancies.

heads of FSRs are represented, provides a platform for combined assessment of risks from the financial stability perspective and plays a pivotal role, for inter-regulatory co-ordination on the matters where there is overlap among FSRs. Such platforms help in further strengthening inter-regulatory co-ordination for wider development of financial sector in India.

However, there could be certain areas, such as increasing partnerships between the technological firms and the REs, where activities may fall outside the remit of any of the FSRs, exposing the REs to risks arising out of these activities. Addressing such risks, many a times becomes challenging for regulators and requires effective co-ordination among international regulators/ supervisors so that they do not lead to a systemic crisis. This remains a complex area for regulators, given the concerns around privacy, confidentiality, and enforcement.

Way forward

Principle and outcome-based approach

There is no perfect regulatory approach, however, principle and outcome-based regulation is generally found to be more suitable for mature markets. Nevertheless, even developed economies use rule-based framework when it comes to safeguarding interests of consumers. We, at the Reserve Bank are gradually shifting towards principle and outcome-based regulations, as it gives operational flexibility to the REs for conduct of their operations and tailor their activities to their unique needs, while adhering to the regulatory framework for delivering the outcomes expected from them.

Forward looking and proactive approach

Regulators are often confronted with complex challenges while framing regulations, necessitating adoption of a forward-looking approach. Addressing emerging risks calls for nuanced and adaptive strategies to ensure resilience. Regulators must adopt a more proactive mindset to help build a financial system that is both resilient and adaptable. Being proactive entails embracing innovation and fully leveraging data and technology. They need to further leverage technology to enhance their efficiency - both internal and supervisory, carry out regulatory horizon risk scanning and boost regulatory effectiveness. Usage of rapidly evolving technologies and collaboration with domain experts is need of the hour for the regulators to stay abreast of the evolving changes in the financial system.

Regulatory Impact Assessments (RIAs)

Regulatory Impact Assessments (RIA) are increasingly being recognised as essential tools for policy makers, enabling the development of policies that are grounded in evidence, clear in their purpose, proportionate in design, and responsive to real world conditions. These tools can be useful to strike a balance, by guarding against both unnecessary compliance burden and regulatory gaps, while boosting public confidence and enhancing international standing. Two essential elements of RIA are (i) Cost Benefit Analysis of the regulations, which can be evaluated either through qualitative or quantitative parameters or through a mix of both and (ii) consultation with a broad spectrum of stakeholders. While the latter leads to enhanced transparency, fostering trust, and improvement in the quality and effectiveness of the regulations, the former helps determine the optimal solution for addressing the problem while ensuring efficient allocation of resources.

Another important area is timely review of regulatory prescriptions and reporting mechanisms

with a view to streamlining/ rationalising them and making them more effective. Such timely reviews not only reduce compliance requirements but also offer the regulators an opportunity to review the appropriateness of regulations in line with evolving market practices and developments. Regulators should endeavour to adopt best practices in their regulatory approaches, both *ex-ante*, to assess potential impact and avoid unintended consequences and *ex-post*, to assess actual impact and support course correction while enhancing future rule design, so that together, they ensure that regulation is both "right the first time" and "kept right over time".

Enhancing compliance

The regulators should have a broader vision of enhancing compliance by REs to make it easier for them to comply with regulations. This can be done by simplifying regulations, enhancing their clarity and removing redundancies and duplications. The Reserve Bank has been emphasising on clarity in regulations and has started including examples, FAQs and illustrations as a part of its regulations for the benefit of the REs. To provide a high-level overview of the regulatory landscape and serve as a broad point of reference for general understanding of the REs, the Reserve Bank had come out with a Handbook titled 'Regulations at a Glance'[22]. Further, the Reserve Bank is in the process of consolidating more than 8,000 regulations issued by Department of Regulation, under 30-35 thematic subjects. The regulators need to persist with such initiatives for enhancing the responsiveness of the REs and development of the financial sector.

International and domestic regulatory co-operation

Given the cross sectoral operations of entities, there is a need for the FSRs to move away from siloed, sector-specific regulations towards cross-functional principle-based regulations. This co-ordination will foster innovation and enable the REs to offer services across different domains as also ensure that they have appropriate risk management protocols. This would also help in capping regulatory arbitrage, while simultaneously reducing compliance requirements for the REs. Additionally, co-operation among regulators across jurisdictions is essential for sharing insights, expertise, and resources to enable more efficient regulation without compromising on quality.[23] International standards serve as a valuable reference point; however, they must be adapted to local contexts and conditions, as a 'one size fits all' approach is neither practical nor effective in today's diverse regulatory landscape.

Consumer centricity

We need to consider the impact that regulations can have on one of the most important stakeholders in financial system *i.e.*, consumers. Regulators have remained conscious of the need to empower consumers and safeguard their interests. To advance this objective, they must think beyond conventional approaches. Behavioral economics offers a powerful tool in this regard, providing valuable insights into consumer behavior and decision-making processes. It equips the regulators with an advanced set of policy instruments, most notably, behavioral nudges[24], which can complement conventional regulatory frameworks by achieving the desired outcomes at far lower compliance costs, thus presenting a more efficient and socially beneficial policy alternative.[25]

[22] https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59862

[23] International Regulatory Co-operation – Policy Brief by OECD April 2020

[24] According to Thaler and Sunstein (2008, p. 6), a nudge is any aspect of the choice architecture that alters people's behavior in a predictable way without forbidding any options or significantly changing their economic incentives. To count as a mere nudge, the intervention must be easy and cheap to avoid. Nudges are not mandates.

[25] https://behavioraleconomics.pmc.gov.au/blog/more-nudges-value-behavioural-economics-regulation

Conclusion

Regulatory policy in the financial sector must strike an optimal balance between the critical need for stability and objectives of fostering innovation, efficiency, and competition. While it is necessary to minimise systemic risks and protect consumers, it should not discourage creativity, innovation, or healthy market dynamics. On the other hand, an overemphasis on innovation and competition - without adequate safeguards - can lead to financial instability, resource misallocation, and ultimately loss of confidence in the system. Finding this right balance is particularly important for India, given the immense size and heterogeneity of economy, growing aspirations, and substantial investment needs to sustain high growth and development. The regulators must consistently strive to achieve this equilibrium. As Mahatma Gandhi said, "*You may never know what results come of your actions, but if you do nothing, there will be no result.*"

Thank you once again for the opportunity to share my thoughts with you. I wish all participants an enriching and successful deliberations in the programme.

*From Vanji to Viksit Bharat: Banking on Trust, Technology, and Transformation**

Shri Swaminathan J.

The Karur Vysya Bank family - represented here by the Chairperson, the Directors on the Board, the shareholders, MD CEO, the staff, officials and the customers of the bank and their families, ladies and gentlemen, Anaivarukkum Vanakkam. Namaskaram. A warm good afternoon.

It is both an honour and a privilege to join you here in Karur on the momentous occasion of KVB's 109th Foundation Day. I extend my sincere gratitude to Shri Ramesh Babu, the Managing Director and Chief Executive Officer for his kind invitation.

Karur is a town where history, commerce, and character are deeply intertwined. It is a place celebrated in Sangam literature as ***'Karuvoor'*** or ***'Vanji'***—a thriving hub of poetry, trade, and craftsmanship, that served as the capital city of early Chera kings. That spirit of enterprise and cultural pride lives on through institutions like KVB.

Founding with Foresight[1]

Today is not just a ceremonial gathering to mark the passage of time. It is a celebration of vision, resolve, and quiet determination—a tribute to those who chose to build a lasting institution in the face of uncertainty.

In 1916, as the First World War caused disruptions and hardship, two visionaries from Karur, Shri M.A. Venkatarama Chettiar and Shri Athi Krishna Chettiar, came together to create a bank rooted in trust and community service.

The founders travelled across the region, sometimes fording the *Amaravati* River in a coracle, appealing to landholders and traders and offering their personal guarantees to reassure hesitant investors. Memories of financial failures like the Arbuthnot crash[2] were still fresh, and public trust in banking was fragile. Yet, the founders' integrity and persistence won the day. KVB was formally registered on June 22, 1916, with a paid-up capital of ₹1.20 lakh, exceeding their original target. Fittingly, the first shareholder was Goddess Gayathri Devi, who continues to bestow her blessings on the bank and its clientele.

The bank's founding team embedded forward-looking principles in its structure: they voluntarily incorporated a clause prohibiting directors from taking loans from the bank—a safeguard that only became a statutory requirement decades later with the Banking Regulation Act of 1949. They also envisaged employee participation in the bank's future by allotting shares to staff—long before the idea of stock options became fashionable. Each manager was to hold 50 shares, officers 20 shares, and cashiers, reflecting their key role, were to be allotted 40 shares.

What they began with prudence and purpose has today grown into a ₹1.86 lakh crore institution, standing as a testament to their values, vision, and unshakeable trust in community enterprise.

* Address by Shri Swaminathan J, Deputy Governor, Reserve Bank of India at the 109th Foundation Day of the Karur Vysya Bank on Friday, July 25, 2025.

[1] Based on material from Sriram, V, Karur Vysya Bank, Centenary Book, https://www.kvb.co.in/docs/kvb-history-book-part1.pdf (accessed July 20, 2025).

[2] The Arbuthnot crash of 1906 was one of colonial India's most notorious banking failures. Arbuthnot & Co., a leading British firm in Madras, collapsed due to speculative mismanagement, triggering widespread panic. Thousands of depositors, including pensioners and officials, even the Governor of Madras, lost their savings. The episode severely eroded trust in foreign-run banks and inspired the founding of Indian Bank in 1907.

Banking for Viksit Bharat: Adapting with Purpose and Agility

The 109th year of KVB comes at a time of profound change in India's economy and the broader financial system. As the nation moves towards the vision of Viksit Bharat 2047, banks are being called upon not only to expand credit, but also to play a deeper role—supporting inclusive growth, maintaining financial stability, and driving responsible innovation.

I am sure KVB has already taken meaningful steps in this direction. But the journey ahead will demand even greater agility, foresight, and commitment to purpose.

In thinking about how banks like KVB can navigate the path ahead, I am reminded of a verse from the *Thirukkural*, which is a treasure trove of timeless guidance for thoughtful action:

"பொருள் கருவி காலம் வினை-யிடனொடு
ஐந்தும் இருள்தீர எண்ணிச் செயல்"

(Poruḷ karuvi kāalam viṉai-yiṭaṉodu aindhum
iruḷtheera eṇṇi cheyal)

Literal meaning[3]:

"Do an act after a due consideration of the {following} five, *viz.*, **Money, means, time, execution and place**."

What the sage Thiruvalluvar tells us is this: "The wise act only after reflecting on five things—resources, tools, timing, action, and place or context—to dispel any uncertainty and act with clarity."

To my mind, this is not just classical wisdom—it is a practical framework, deeply relevant to modern banking. These five elements have shaped KVB's journey so far, and they will be critical in shaping its future. So let us reflect on each of these—not as philosophy, but as building blocks for a strong, agile, and responsible banking institution.

Porul (Money/Resources): Using Strength with Discipline

In banking, resources are more than just financial capital. They include people, systems, institutional memory, customer trust, and reputation. Sound resource management is all about the quality of decisions and the sustainability of outcomes.

It is not enough to meet regulatory thresholds or improve headline numbers. What matters is how these financial resources are deployed—whether they support inclusive lending, long-term investment, or business models that promote trust and transparency. **Every rupee must carry intent, not just interest.**

Equally important are the less tangible, but no less critical, resources that do not reside on the balance sheet. These include the people who engage with customers every day, the internal controls that drive decisions and manage risk, and the institutional values that shape internal culture.

A bank's reputation, once established, becomes one of its most valuable assets. In an environment of rising competition and evolving customer expectations, the way forward lies in building upon a customer-centric approach that fosters trust, loyalty, and long-term value.

Karuvi (Tools/Means): Staying Ahead with Responsible Innovation

The tools of banking have evolved rapidly—from passbooks and ledgers to core banking platforms, mobile apps, real-time payment systems and artificial intelligence.

[3] Thirukural 675: English Translation and Commentary by Rev. Dr. G. U. Pope, Rev W. H. Drew, Rev. John Lazarus and Mr F. W. Ellis. Available at Project Madurai. https://www.projectmadurai.org/pm_etexts/utf8/pmuni0153.html

These tools define how services are delivered, how decisions are made, and increasingly, how risks are managed. In this environment, a bank's technological capabilities are no longer just operational enablers; they have become strategic differentiators.

However, every tool comes with responsibility. The speed and scale of digital adoption must be matched by equally strong investments in cybersecurity, data governance, and ethical safeguards. Recent global and domestic experiences have shown that technology gaps, if not addressed in time, can become points of systemic vulnerability.

For banks looking to scale up responsibly, tools must be modern, agile, and continuously evolving. More importantly, they must be well-governed. Technology must never outrun the organisation's capacity to manage it. Directors and senior management must lead this conversation, ensuring that risk, compliance, and internal audit functions have the resources and visibility needed to keep pace.

Kaalam (Time/Timing): Knowing When to Act

In banking, timing can be the difference between a breakthrough and missed opportunity, between resilience and regret. Whether it is extending credit, entering new markets, or rebalancing portfolios, the ability to act at the right moment, and with the right judgment, is essential.

Timing also requires contextual awareness. Economic cycles, interest rate shifts, regulatory changes, geopolitical developments, and even climate events—all influence when and how decisions should be made. A delay in recognising an early stress, or a rushed response to market signals, can have lasting consequences.

But timing is not only about reacting to external events. It is also about recognising when an institution needs to change internally—when to modernise systems, when to refresh leadership, when to pause and consolidate, and when to take bold steps forward. History rewards institutions that act early, rather than those that act perfectly.

The founders of KVB acted at such a moment. Their decision to establish a bank in 1916, in the midst of war and economic uncertainty, was bold, timely, and rooted in the needs of the community. The same sense of timing and responsiveness must now guide the bank as it enters its next phase.

Vinai (Action/Execution): Converting Thought into Execution – From the Boardroom to the Branch

Strategy has little meaning, unless it is translated into action. For a bank, this means ensuring that intent at the top is reflected in outcomes on the ground. Policies made in the boardroom must find meaningful expression at the branch. The strongest frameworks—whether related to risk, credit, technology, or compliance—are only as effective as their execution at the customer interface.

Effective action requires clarity, coordination, and accountability. Whether it is launching a new product, entering a new geography, or rolling out a compliance reform, success depends on how well goals are communicated, how clearly roles are defined, and how outcomes are tracked.

However, driven by intense competitive pressures and a desire to project short-term success, the management of certain banks and NBFCs appears to believe that the ends justify the means. Practices such as creative accounting, liberal interpretations of regulations, lenient policy frameworks, and inadequate internal controls are being normalised in some boardrooms—necessitating supervisory intervention. Though such instances may be limited, they risk eroding the public's trust in the integrity of the banking system.

Therefore, it is important to pursue growth with systems, people, and processes that are aligned and rooted in ethical practices—from the boardroom to the branch.

Idan / Idam (Context/Place): Understanding the Terrain

Every institution operates within a broader environment—economic, social, technological, and geographic. The most resilient banks are those that remain deeply aware of their context and continually adapt to it.

KVB has long drawn strength from its community roots. Its orientation towards semi-urban and rural markets, and its close connection to the needs of local businesses and households, has shaped its identity and customer relationships.

However, context is never static. Changing demographics, climate variability, digital access, migration patterns, and sectoral shifts are constantly reshaping the operating environment. As India progresses towards the goal of Viksit Bharat by 2047, banks will be called upon to adapt continuously—to serve a more aspirational, mobile, and digitally connected population.

Geographic concentration can bring familiarity, but it also introduces exposure. Regional slowdowns and policy changes can affect concentrated portfolios more acutely. Banks must continuously assess whether their branch network, sectoral mix, and credit exposure are aligned with the emerging realities around them.

Expanding into new markets or product segments brings promise, but this also calls for capacity-building—in terms of people, processes, and local knowledge.

The most effective banks are those that understand not only their own strengths, but also the terrain in which they operate. For a bank with a rich heritage and legacy like KVB, the ability to balance deep local insight with broader diversification will be key to navigating the next phase of growth. In this dynamic environment, staying true to its community roots while embracing innovation and adaptability is what will truly define the "smart way to bank"[4].

Conclusion: Closing Thoughts for the Road Ahead

Let me return, in closing, to the words from *Thirukkural* that guided my reflections today. It reminds us that lasting success is built not on chance or scale, but on careful thought and considered action. Resources must be used with discipline. Tools must be modern and well-governed. Timing must be informed by awareness. Action must translate intent into outcome. And context must guide judgment at every step.

In my address today, I have tried to compress my 37 years of experience—as a banker and, more recently, as a banking supervisor—into the timeless framework provided by the sagacious Thiruvalluvar. His words speak not just to individual wisdom, but to institutional purpose.

In the 109 years since its founding, KVB has honoured these principles in many ways—quietly, steadily, and purposefully. But the road ahead will be more complex, more competitive, and more demanding. The institutions that will lead in this environment are not those that move the fastest, but those that move with clarity, with courage, and with conviction.

From the Reserve Bank's perspective, we expect banks like KVB to continue evolving—setting benchmarks in governance and customer service, empowering its assurance functions, and

[4] "Smart way to bank" is the tagline of Karur Vysya Bank.

using technology not just for efficiency, but for inclusion. Every Bank Board and management has a responsibility to deepen the hard-earned trust—through service that is responsive, systems that are reliable, and leadership that is responsible.

My warmest congratulations to the entire KVB family—past and present—on this remarkable milestone. May the future be built on innovation with prudence, growth with responsibility, and leadership with integrity.

Nandri. Thank you and best wishes. Jai Hind!!

ARTICLES

*State of the Economy**

Continuing uncertainty on US trade policies shaped the global macroeconomic environment during July and August. Domestic economic activity remained mixed across sectors in July. Timely progress of monsoon has boosted kharif sowing. While industrial activity remained subdued, manufacturing sector expanded, along with services sector sustaining the growth momentum. Headline inflation fell for the ninth consecutive month in July. Financial conditions remained congenial and supportive of domestic economic activity. India's sovereign rating upgrade by S&P bodes well for capital inflows and sovereign yields, going forward.

Introduction

Continuing uncertainty on US trade policies shaped the global macroeconomic environment during July and August. While the EU, South Korea and Japan have entered into trade deals with the US, steeper tariffs were levied on Brazil, Canada, India and Switzerland in August. In its July 2025 World Economic Outlook (WEO) update, the IMF highlighted that the risks to global growth outlook were tilted to the downside notwithstanding the upward revision in global growth projections.

High frequency indicators for global manufacturing activity returned to contractionary zone in July. As per the latest available information, the world trade volume also contracted. Nevertheless, global economic activity, aided by a strong expansion of the services sector, held up. Reflecting uncertain demand conditions, industrial metal prices remained subdued, with crude oil prices exhibiting volatility on geo-political developments and OPEC *plus* deciding to increase crude oil production. Inflation remained sticky across many advanced economies, leading many central banks to pause on policy rates in July. Subsequently in August, growth concerns led some central banks to reduce their policy rates.

Global equity markets showed divergent trends. The equity market rallies in the US and China continued into August. While the Japanese equity indices registered a significant jump following trade deals with the US, those for Europe moved rangebound. The US treasury yields edged up in July on fiscal debt concerns. In August so far, yields exhibited a two-way movement reacting to the weak employment numbers, lower than anticipated consumer price index (CPI) inflation, significant pick-up in wholesale inflation and release of minutes of the July meeting of the Federal Open Market Committee.

Various high frequency indicators of domestic economic activity showed a mixed trend in July, with goods and services tax (GST) e-way bills scaling a record high and GST collections registering a robust growth, but electricity demand remained subdued. Demand in rural areas continued to show resilience. Timely progress of southwest monsoon has helped boost *kharif* sowing. Industrial activity remained subdued in June, dragged down by mining and electricity. Lead indicators for manufacturing and services activity showed sustained expansion in July. Merchandise trade deficit widened in July 2025 due to higher oil deficit with non-oil deficit remaining steady. Uncertainty surrounding the India-US trade deal persists. While the current exemptions from

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tariff alleviate the immediate impact, exports in some sectors may get negatively impacted.

Headline inflation fell for the ninth consecutive month in July and to its lowest level after June 2017, as deflation in food accentuated and core inflation (CPI excluding food and fuel inflation) softened. Vegetable price deflation, in the wake of a muted seasonal uptick in prices and favourable base effects, drove food price dynamics. Other food subgroups such as meat and fish, pulses, and spices continued to record a deflation and cereals experienced a notable fall in inflation. The softening of core inflation was driven by a sharp moderation in the services component.

Overall financial conditions remained benign during July and August (till August 21). Amidst surplus liquidity, the weighted average call rate – the operating target of monetary policy – hovered in the lower half of the corridor. Overnight rates in the money market moved in tandem with the weighted average call rate. In the fixed income segment, 10-year G-sec yields hardened during mid-July to early August amidst uncertainties over India-US trade negotiations and subsequent tariff imposition by the US. The S&P's upgrade of India's sovereign rating on August 14, 2025 led to a brief easing.[1] Thereafter, yields hardened during the third week of August.

On the credit side, bank credit growth exhibited a modest improvement in June 2025, driven by an uptick in credit to micro, small and medium enterprises. The total flow of resources to the commercial sector registered an increase. Large corporates increasingly met their funding requirements through market-based instruments such as commercial paper and corporate bonds.

Domestic equity markets were negatively influenced by subdued corporate earnings and announcement of significantly higher US import tariffs on Indian exports during July and early August, but revived thereafter amidst optimism surrounding India's sovereign credit rating upgrade and the announcement of GST reforms. Steady inflows from domestic institutional investors, notably mutual funds, helped cushion the impact from net selling by foreign portfolio investors (FPIs).

Gross inward foreign direct investment (FDI) reached a four-year high in June. Even so, net FDI inflows remained muted due to an increase in both repatriation of FDI and outward FDI. India's external sector remained resilient with a modest current account deficit and forex reserves covering 11 months of imports. The S&P's sovereign rating upgrade for India – underpinned by buoyant economic growth, enhanced monetary policy credibility and government's commitment to fiscal consolidation – could potentially lead to a reduction in borrowing costs, greater investor confidence and higher foreign capital inflows, going forward.

Set against this backdrop, the remainder of the article is structured into four sections. Section II covers the rapidly evolving developments in the global economy. Section III provides an assessment of domestic macroeconomic conditions. Section IV encapsulates financial conditions in India, while Section V presents the concluding observations.

II. Global Setting

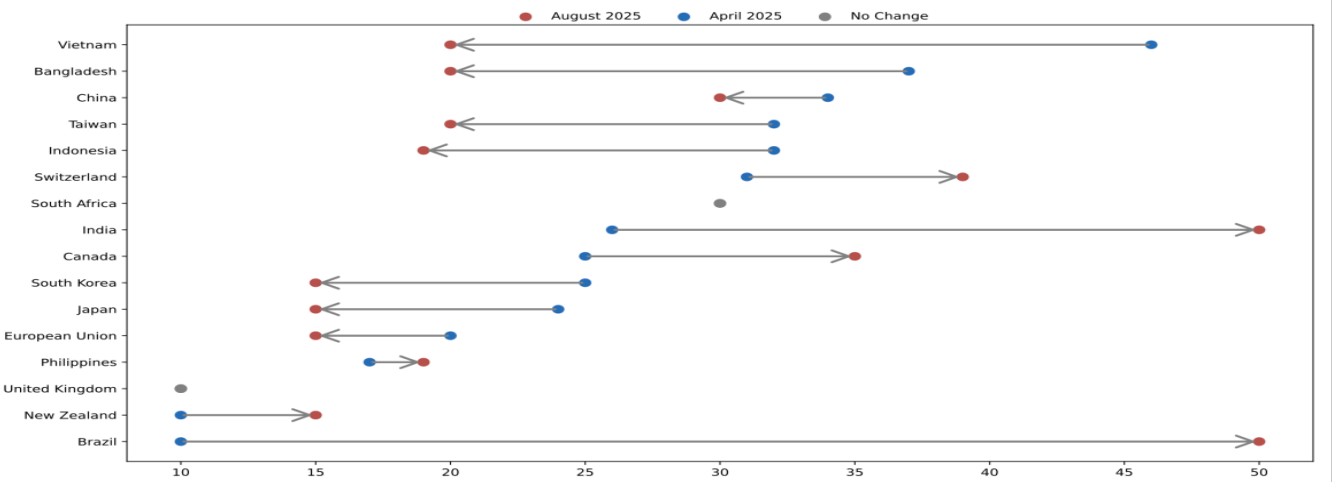
In July, the global macroeconomic environment was largely shaped by trade tariff announcements and the continuing uncertainties on US import tariffs rates relating to some major economies and sectors. While the EU, South Korea and Japan have entered into trade deals with the US, steeper tariffs were levied on Brazil, Canada, India and Switzerland in August (Chart II.1).

In its July 2025 update of the World Economic Outlook (WEO), the IMF revised its global GDP growth

[1] S&P Global Ratings has upgraded India's long-term unsolicited sovereign credit rating to 'BBB' from 'BBB-', while also raising the short-term rating to 'A-2' from 'A-3'.

Chart II.1: New Tariffs Announced by the US

(In per cent)



Notes: 1. Countries are ranked in the order of the tariff levied by the US on April 02, 2025.
2. August tariffs include import tariff announcements by US as well as the new tariffs post trade deals.
Sources: The White House, and Reuters.

forecasts for 2025 and 2026 upwards *vis-à-vis* its April projections. Growth forecasts were increased for advanced economies (AEs) by 0.1 percentage points led by the US, the UK, and the Euro area, while growth of emerging market and developing economies (EMDEs) was revised upwards by 0.4 percentage points, driven by stronger projections for China and India (Table II.1). Considering the lingering uncertainties on US trade policy stance, the balance of risks to global growth outlook was perceived to be tilted to the downside.

Global uncertainty remained elevated in July on account of US tariff related uncertainty and geo-political tensions. The economic and trade policy uncertainty indices in the US have retreated from their all-time high levels in April, but the pace of decline has moderated somewhat.[2] Despite some

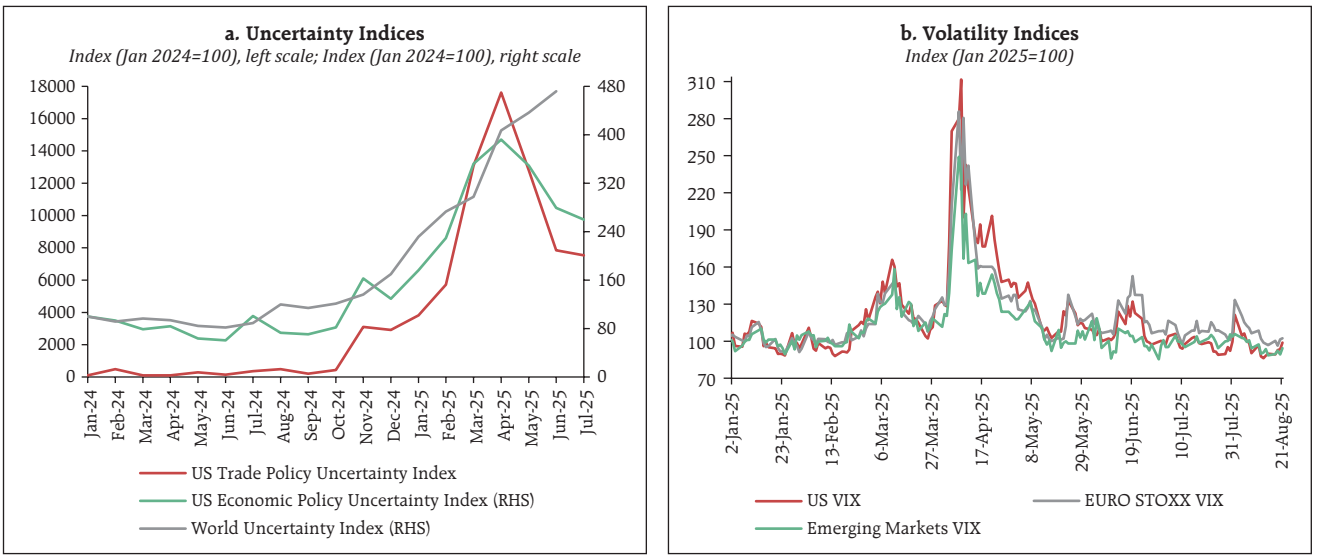
Table II.1: IMF's GDP Growth Projections – Select AEs and EMDEs

Projection for	2025		2026	
Month of Projection	**July 2025**	**April 2025**	**July 2025**	**April 2025**
World	**3.0**	**2.8**	**3.1**	**3.0**
Advanced Economies	**1.5**	**1.4**	**1.6**	**1.5**
US	1.9	1.8	2.0	1.7
UK	1.2	1.1	1.4	1.4
Euro area	1.0	0.8	1.2	1.2
Japan	0.7	0.6	0.5	0.6
Emerging Market and Developing Economies	**4.1**	**3.7**	**4.0**	**3.9**
Emerging and Developing Europe	*1.8*	*2.1*	*2.2*	*2.1*
Russia	0.9	1.5	1.0	0.9
Emerging and Developing Asia	*5.1*	*4.5*	*4.7*	*4.6*
India#	6.4	6.2	6.4	6.3
China	4.8	4.0	4.2	4.0
Latin America and the Caribbean	*2.2*	*2.0*	*2.4*	*2.4*
Mexico	0.2	–0.3	1.4	1.4
Brazil	2.3	2.0	2.1	2.0
Middle East and North Africa	*3.2*	*2.6*	*3.4*	*3.4*
Sub-Saharan Africa	4.0	3.8	4.3	4.2
South Africa	1.0	1.0	1.3	1.3

Note: #: India's data is on a fiscal year basis (April-March), while for all other countries it is for calendar years.
Source: IMF's World Economic Outlook update, July 2025.

[2] Economic Policy Uncertainty (EPU) index measures the level of uncertainty surrounding future economic policies, derived from the frequency of specific keywords like "economy," "policy," and "uncertainty" in major newspaper articles. Trade Policy Uncertainty Index measures the unpredictability of government trade policy decisions. World Uncertainty Index (WUI) is computed by counting the percent of word "uncertain" (or its variant) in the Economist Intelligence Unit country reports.

Chart II.2: Global Uncertainty Indicators



Sources: Bloomberg; www.PolicyUncertainty.com; and World Uncertainty Index database.

temporary pick-up in AEs in end July, financial market volatility eased in August reflecting improved market sentiment (Chart II.2a and II.2b).

The global composite purchasing managers' index (PMI) rose to a seven-month high in July, reflecting continued expansion in output and new business. This was primarily driven by expansion in services, with the sector's PMI rising to its highest level since December 2024. Global manufacturing PMI turned contractionary, indicating a deterioration in output as the impact of front-loading of production in anticipation of higher tariff receded and firms awaited clarity on trade policies (Table II.2).

PMI readings in July remained in expansionary zone for major AEs and EMDEs. Among major EMDEs, India continued to register strong expansion in business activity. In contrast, Brazil and Russia continued to contract (Chart II.3a). Major economies, including the

Table II.2: Global Purchasing Managers' Index

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
PMI composite	52.5	52.9	51.9	52.3	52.4	52.6	51.8	51.5	52.1	50.8	51.2	51.7	52.4
PMI manufacturing	49.7	49.6	48.7	49.4	50.1	49.6	50.1	50.6	50.3	49.8	49.5	50.4	49.7
PMI services	53.3	53.9	52.9	53.1	53.1	53.8	52.2	51.5	52.7	50.8	52.0	51.8	53.4
PMI export orders	49.7	49.0	48.5	48.9	49.3	48.7	49.6	49.7	50.1	47.5	48.0	49.1	48.5
PMI export orders: manufacturing	49.4	48.4	47.5	48.3	48.6	48.2	49.4	49.6	50.1	47.3	48.0	49.2	48.2
PMI export orders: services	50.6	50.8	51.6	50.7	51.3	50.3	50.2	50.2	50.1	48.2	47.9	48.7	49.3

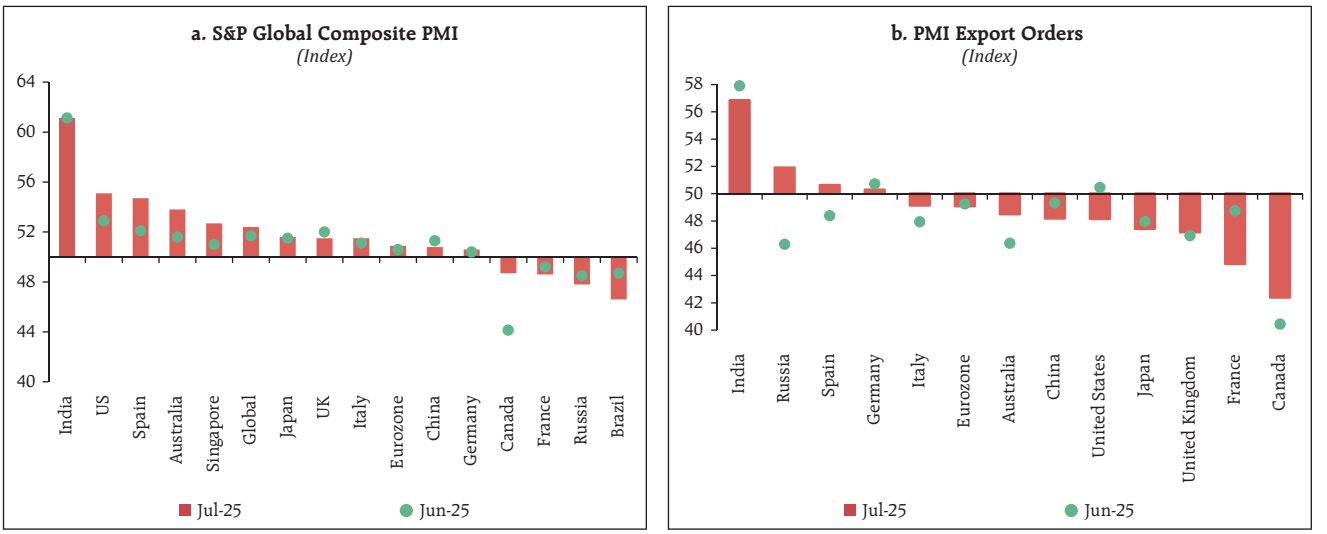
<<<<<<Contraction----------Expansion>>>>>>

Notes: 1. The Purchasing Managers' Index, a diffusion index, captures the change in each variable compared to the previous month, noting whether each has risen/improved, fallen/deteriorated or remained unchanged. A PMI value >50 denote expansion; <50 denote contraction; and =50 denote 'no change'.

2. Heatmap is applied on data from April 2023 till July 2025. The map is colour coded–red denotes the lowest value, yellow denotes 50 (or the no change value), and green denotes the highest value in each of the PMI series.

Source: S&P Global.

Chart II.3: Purchasing Managers' Index: Comparison across Jurisdictions

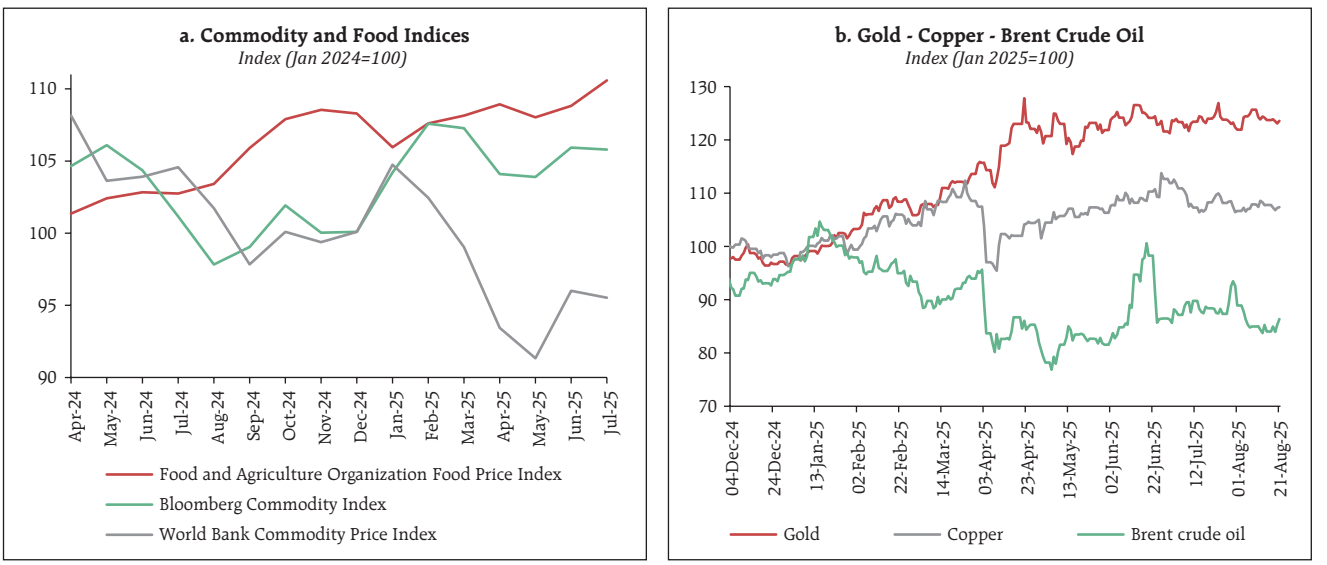


Note: A level of 50 indicates no change in activity, while a reading above 50 signals expansion and below 50 suggests contraction.
Source: S&P Global.

US, China, Japan and Eurozone witnessed, in general, a contraction in new export orders but India registered a strong expansion (Chart II.3b). The global supply chain pressure index moderated to a level close to its historical average (Annex chart A1).

Commodity prices remained broadly unchanged in July on the back of adequate supply of energy and weak macro sentiment. Global food prices rose above its two-year high, with an increase in the prices of meat and vegetable oil, partially offset by cereals, dairy and sugar (Chart II.4a).[3] Crude oil prices stabilised since July as fears of broader conflict eased and OPEC *plus* signalled potential supply increases in August. Crude prices also moderated on account of weak

Chart II.4: Commodity and Food Prices



Sources: Food and Agriculture Organization; Bloomberg; and World Bank Pink Sheet.

[3] As per the Food and Agriculture Organization's Food Price Index for the month of July 2025.

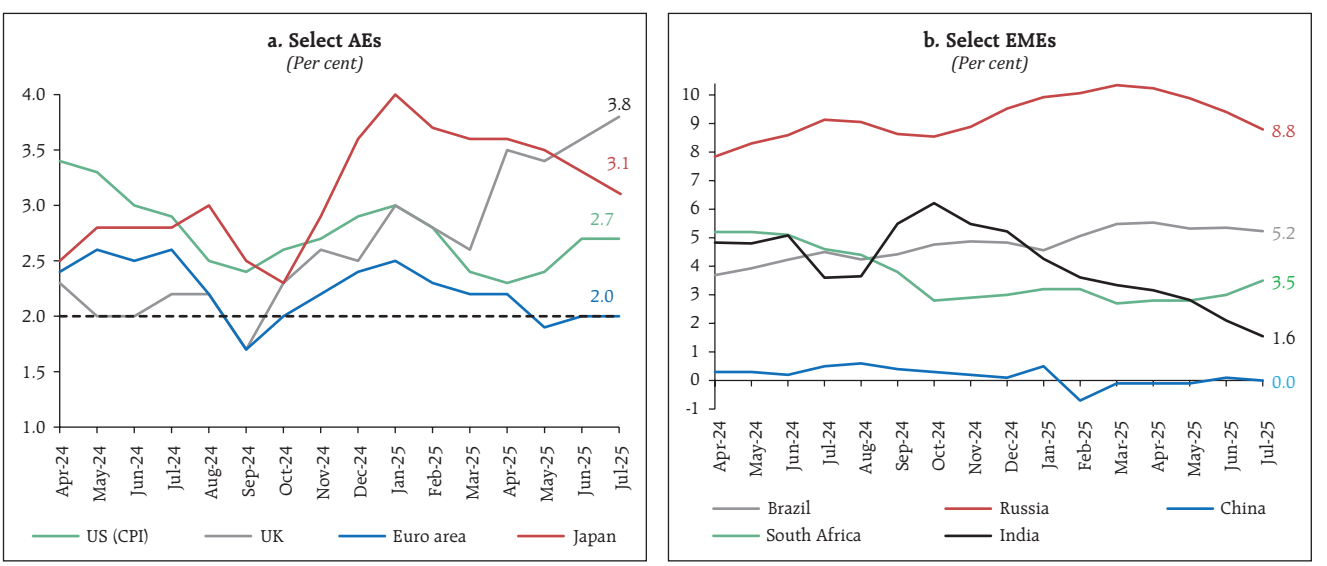
manufacturing activity in China and rising inventories in the US. Gold prices remained broadly stable in July but inched higher in early August in the wake of bullion tariff uncertainty and rising expectation of policy rate cut by the US Fed. It moderated thereafter, aided by clarity on exemption of gold bullion from import tariffs (Chart II.4a and 4b).

CPI inflation in the US and Euro area remained stable in July. CPI inflation in the US remained steady at 2.7 per cent in July, though core inflation reached a six-month high of 3.1 per cent. In the Euro area, headline inflation held steady at 2.0 per cent marking the second consecutive month that inflation has aligned with the European Central Bank's official target. Inflation in the UK rose to its highest level since January 2024, while Japan's inflation dropped to an eight-month low (Chart II.5a). Among major EMDEs, inflation softened in Brazil although remaining above target. Deflationary pressure persists in China while Russia continued to grapple with inflation well above the target. South Africa's annual inflation rate inched up in July, marking the second consecutive monthly increase (Chart II.5b).

Equity market movements in July-August tracked the corporate earnings results and progress in trade talks with the US, although uncertainty about the economic outlook imparted volatility. The US equity markets increased for most of July, supported by healthy corporate earnings in Q2:2025 and optimism about trade negotiations (Chart II.6a). Gains over the month were wiped out towards the end of July as weaker-than-expected US non-farm payroll data for July and substantial downward revision of the June data weighed on market sentiments. Stoxx Europe 600 lost momentum amidst muted corporate earnings in Europe. Though there was a pick-up following the European Union-US trade agreement, it was short-lived on account of lingering uncertainties on the real benefits of the deal for the European Union. In contrast, equity indices in Japan registered sharp gains following the trade deal with the US, and thereafter on robust GDP growth for Q2 and strong corporate results in August.

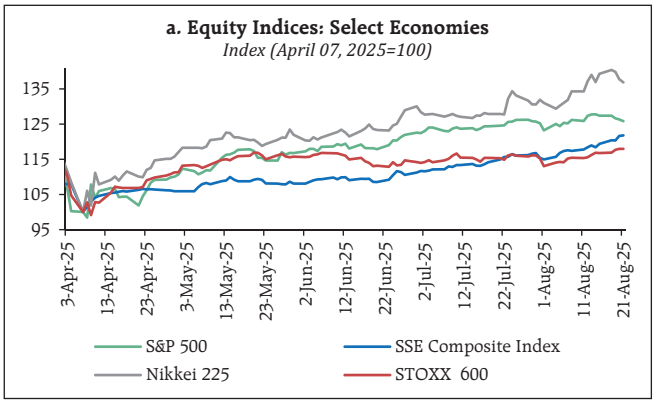
The US 10-year Treasury yields rose in July on account of stronger-than-anticipated June inflation print and growing uneasiness in markets with the

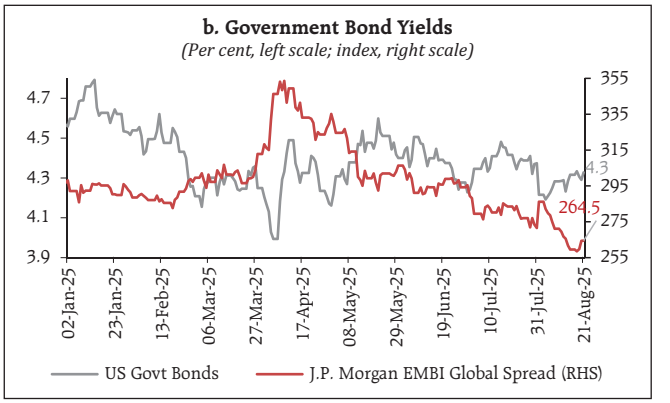
Chart II.5: Headline Inflation



Sources: Bloomberg; and OECD.

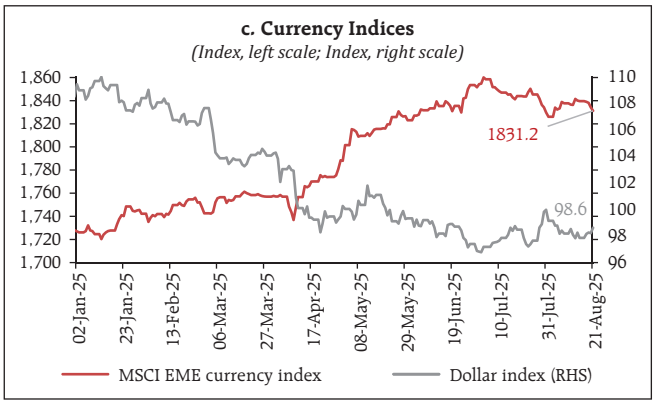
Chart II.6: Global Financial Markets

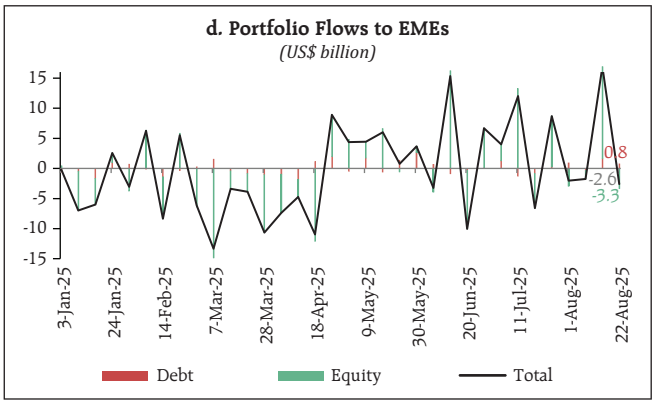




Note: Equity markets are represented by S&P 500 for US, SSE Composite Index for China, Nikkei 225 for Japan and STOXX 600 for Europe.
Source: Bloomberg.

Source: Bloomberg.





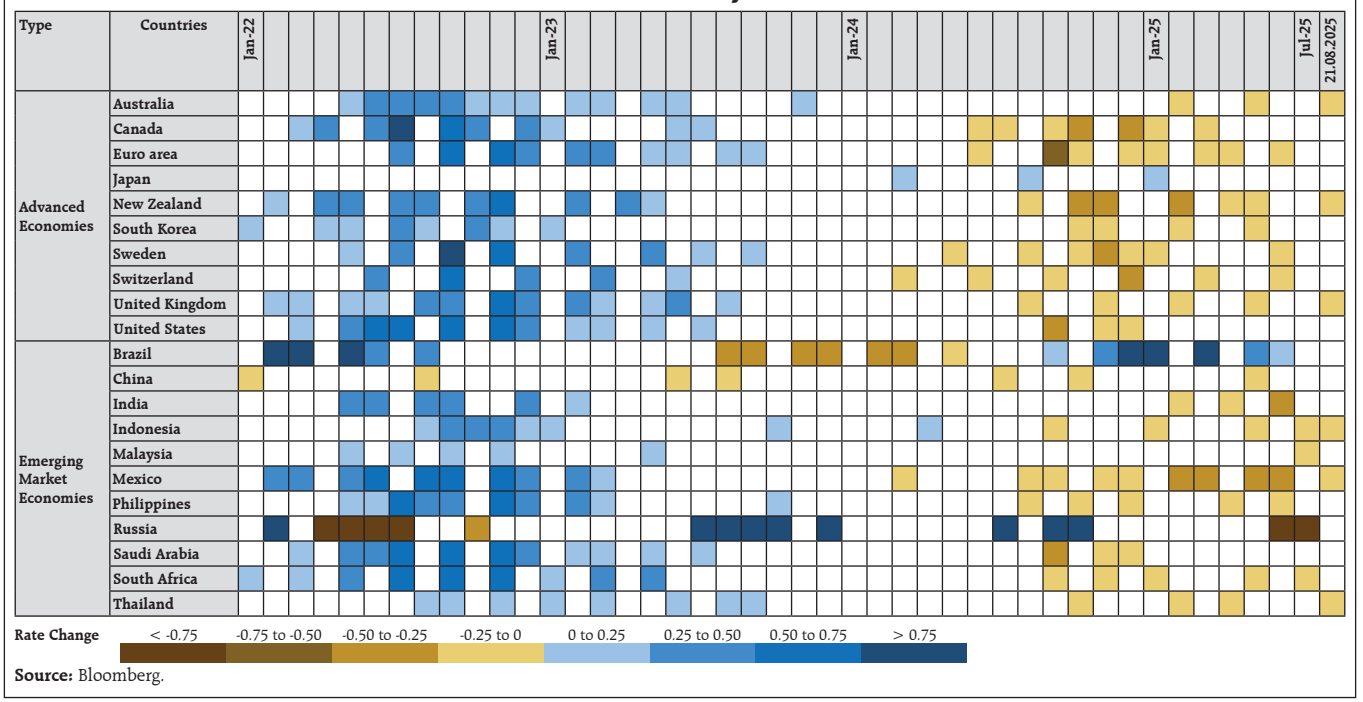
Source: Bloomberg.

Source: Institute of International Finance.

fiscal situation which reduced hopes of imminent rate cuts. In August, yields experienced two-way movements. Though they fell initially owing to weaker than expected US jobs data and lower than anticipated CPI inflation, yields firmed up thereafter following a higher-than-expected increase in the producer price inflation. Yields eased following the release of the minutes of the July meeting of the Federal Open Market Committee (Chart II.6b). Risk premium on emerging market bonds declined in July and August on resilient macroeconomic fundamentals of several economies, with a soft US dollar contributing further to the spread compression. The US dollar remained intermittently volatile and subdued, reflecting shifting expectations around Fed policy, incoming macro data and changing global risk perceptions (Chart II.6c). Concerns over the US fiscal dynamics, tighter global financial conditions, and an uneven global recovery contributed to heightened volatility in capital flows to emerging markets (Chart II.6d).

Policy decisions by central banks' continued to be driven by the growth-inflation dynamics in respective jurisdictions amidst uncertainties surrounding global trade policies. Major advanced economies largely kept policy rates unchanged in July owing to sticky core and services inflation. In August, the UK, Australia and New Zealand reduced their policy rates by 25 bps each Sweden held its key policy rate steady amidst high trade uncertainty. Amongst the EMDEs, Indonesia, Mexico and Thailand also reduced key policy rates by 25 bps each in August. China held its benchmark lending rate steady for the third consecutive month (Chart II.7).

Chart II.7: Policy Rates



Source: Bloomberg.

III. Domestic Developments

The Indian economy remained resilient amidst global uncertainties. Timely progress of southwest monsoon has helped increase *kharif* sowing. Growth in industrial sector remained uneven across segments in June, pulled down by electricity and mining. Manufacturing and services continued to expand in July. Forward-looking surveys of consumer sentiments show improvement in consumer confidence for the current period and improved optimism about the future (Annex chart A3). Headline inflation, driven by benign food prices and favourable base effects, is likely to soften further and remain below the 4 per cent target in Q2. In this context, the monetary policy committee unanimously voted to keep the repo rate unchanged at 5.5 per cent in its resolution of August 6, 2025, considering the current macroeconomic conditions, outlook and uncertainties, as well as the ongoing transmission of the cumulative 100 bps rate cut undertaken since February 2025. The monetary policy committee, while remaining vigilant on the incoming data and the evolving domestic growth-inflation dynamics, also unanimously decided to continue with the neutral stance while determining the appropriate monetary policy path.

Aggregate Demand

The high-frequency indicators for overall economic activity showed a mixed picture in July. GST e-way bills touched a record high in July, led by pre-festive inventory build-up and higher compliance. GST revenue picked-up and toll collections remained steady, although electricity demand and petroleum consumption recorded weakness in July. Digital payments, a key indicator of overall economic activity, registered robust double-digit growth in both volume and value terms (Table III.1)

During July, urban demand moderated with domestic air passenger traffic weakening due to seasonal factors and runway maintenance. Retail sales of passenger vehicles also declined. Rural demand remained resilient supported by an uptick in real wages. Retail tractor sales posted robust growth, aided

Table III.1: High Frequency Indicators-Economic Activity

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
GST e-way bills	19.2	12.9	18.5	16.9	16.3	17.6	23.1	14.7	20.2	23.4	18.9	19.3	25.8
GST revenue	10.3	10.0	6.5	8.9	8.5	7.3	12.3	9.1	9.9	12.6	16.4	6.2	7.5
Toll collection	9.4	6.8	6.5	7.9	11.9	9.8	14.8	18.7	11.9	16.6	16.4	15.5	14.8
Electricity demand	4.0	-5.0	-0.8	-0.4	3.7	5.1	1.3	2.4	5.7	2.8	-4.8	-2.3	2.0
Petroleum consumption	10.7	-3.1	-4.4	4.1	10.6	2.0	3.0	-5.2	-3.1	0.2	0.7	1.4	-4.0
Of which Petrol	10.5	8.6	3.0	8.7	9.6	11.1	6.7	5.0	5.7	5.0	9.2	6.8	5.9
Diesel	4.5	-2.5	-1.9	0.1	8.5	5.9	4.2	-1.3	0.9	4.2	2.1	1.5	2.4
Aviation turbine fuel	9.6	8.1	10.4	9.4	8.5	8.7	9.4	4.2	5.7	3.9	4.3	3.3	-2.3
Digital payments- volume	36.7	34.9	36.3	40.3	30.1	33.1	33.0	26.7	30.8	30.0	29.2	28.3	29.0
Digital payments- value	22.1	16.7	21.5	27.5	9.5	19.6	18.6	9.5	17.3	18.4	12.6	17.4	16.9

<<Contraction ---------- Expansion>>

Notes: 1. The y-o-y growth (in per cent) has been calculated for all indicators.
2. The heatmap is applied on data from April 2023 till July 2025.
3. The heatmap translates the data range for each indicator into a colour gradient scheme with red denoting the lowest values and green corresponding to the highest values of the respective data series. For digital payments data, zero growth is taken as the lower bound.

Sources: Goods and Services Tax Network (GSTN); RBI; Central Electricity Authority (CEA); and Ministry of Petroleum and Natural Gas, GoI.

by a favourable monsoon. Two-wheeler retail sales declined due to *kharif* sowing operations and heavy rains. Sales are expected to pick up in the upcoming festive season. Household demand for employment under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) declined in July as *kharif* sowing picked up (Table III.2).

Employment conditions remained resilient in July. The all-India unemployment rate declined to 5.2 per cent, led by decline in rural unemployment. The labour force participation rate and worker population ratio edged up in both rural and urban areas.[4] Job creation in organised sector remained strong as reflected in record net pay roll additions under Employees' Provident Fund Organization in June. Growth in white-collar job listings, as per the *Naukri* JobSpeak index, was led by travel/hospitality, insurance, and education in July. PMI employment indices for both manufacturing and services

Table III.2: High Frequency Indicators-Rural and Urban Demand

		Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Urban demand	Domestic air passenger traffic	7.6	6.7	7.4	9.6	13.8	10.8	14.1	12.1	9.9	9.7	2.6	3.7	-2.1
	Retail passenger vehicle sales	14.0	-4.5	-18.8	32.4	-13.7	-2.0	15.5	-10.3	6.3	1.6	-3.1	2.5	-0.8
Rural demand	Retail tractor sales	-12.0	-11.4	14.7	3.1	29.9	25.8	5.2	-14.5	-5.7	7.6	2.8	8.7	11.0
	MGNREGA work demand	-19.5	-16.0	-13.4	-7.6	3.9	8.2	14.4	2.8	2.2	-6.5	4.4	4.4	-12.3
	Retail two-wheeler sales	17.7	6.3	-8.5	36.3	15.8	-17.6	4.2	-6.3	-1.8	2.3	7.3	4.7	-6.5

<<Contraction ---------- Expansion>>

Notes: 1. The y-o-y growth (in per cent) has been calculated for all indicators.
2. The heatmap is applied on data from April 2023 till July 2025.
3. The heatmap translates the data range for each indicator into a colour gradient scheme with red denoting the lowest values and green corresponding to the highest values of the respective data series.
4. The data on domestic air passenger traffic for July 2025 growth rate is calculated by aggregating daily data.

Sources: Airports Authority of India; Federation of Automobile Dealers Associations (FADA); and Ministry of Rural Development, GoI.

[4] PLFS July 2025 Monthly Bulletin released on August 18, 2025.

Table III.3: High Frequency Indicators- Employment

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Unemployment rate (PLFS: All-India)										5.1	5.6	5.6	5.2
Unemployment rate (PLFS: Rural)										4.5	5.1	4.9	4.4
Unemployment rate (PLFS:Urban)										6.5	6.9	7.1	7.2
Naukri JobSpeak Index	11.8	-3.4	6.0	10.0	2.0	8.7	3.9	4.0	-1.5	8.9	0.3	10.5	6.8
PMI Employment: Manufacturing	53.7	53.5	52.1	53.3	52.9	53.4	54.8	54.5	53.4	54.2	54.9	55.1	53.3
PMI Employment: Services	53.5	53.1	53.4	54.3	56.6	55.5	56.3	56.2	52.5	53.9	57.1	55.1	51.4

<<Contraction ---------- Expansion>>

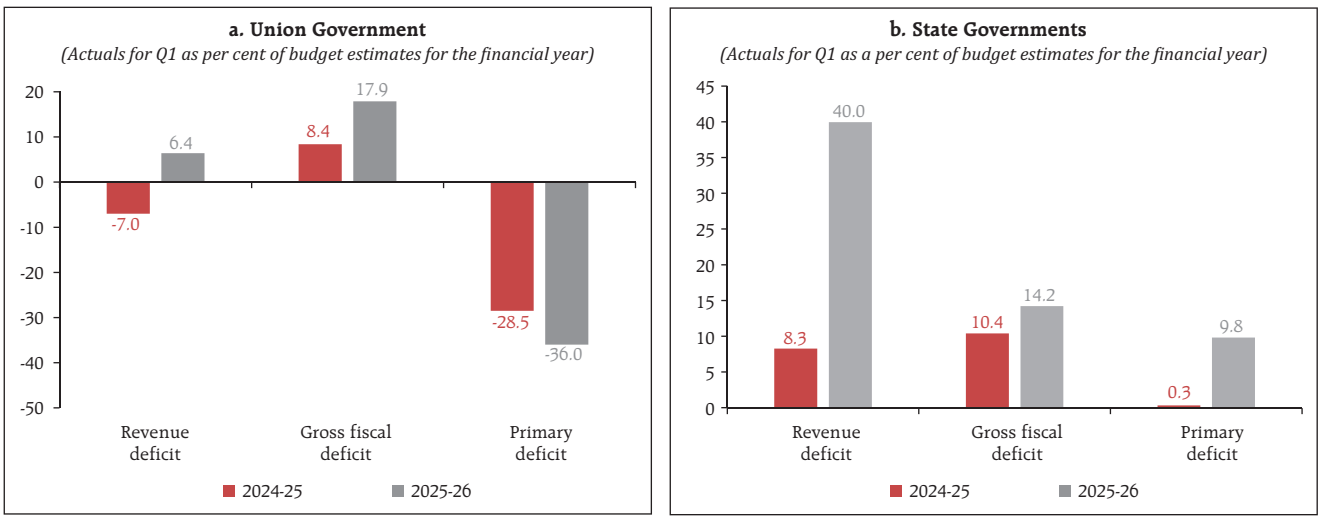
Notes: 1. All PLFS indicators are in the current weekly status and for people aged 15 years and above.
2. The y-o-y growth (in per cent) has been calculated for Naukri index.
3. The heatmap is applied on data from April 2023 till July 2025.
4. The heatmap translates the data range for each indicator into a colour gradient scheme with red denoting the lowest values and green corresponding to the highest values of the respective data series.
5. All PMI values are reported in index form. A PMI value >50 denotes expansion, <50 denotes contraction and =50 denotes 'no change'. In the PMI heatmaps, red denotes the lowest value, yellow denotes 50 (or the no change value), and green denotes the highest value in each of the PMI series.

Sources: Ministry of Statistics and Program Implementation (MoSPI), GoI; Info Edge; and S&P Global.

expanded in July, *albeit* at a slower pace than in June (Table III.3).

The gross fiscal deficit of the union government for Q1:2025-26, as proportion of budget estimates for the financial year, was higher as compared with Q1 of last year (Chart III.1a).[5] This was on account of larger capital and revenue expenditure, and lower net tax revenue.[6] On account of front-loading of capital expenditure, 24.5 per cent of the budgetary target was completed in Q1.[7]

Chart III.1: Major Fiscal Indicators (Up to end-June)



Notes: 1. Negative revenue deficit and primary deficit numbers, as per cent of budget estimates indicate revenue surplus and primary surplus, respectively.
2. In Chart III.1b, data pertains to 24 States/UTs.

Sources: Controller General of Accounts; and Comptroller and Auditor General of India.

5 As per the latest data released by the Controller General of Accounts.
6 Due to lower direct tax collections. Indirect taxes, however, grew by 11.3 per cent, primarily led by higher growth in GST collections.
7 16.3 per cent of the budgeted target for capital expenditure was attained in Q1:2024-25.

Gross fiscal deficit of states in Q1:2025-26, as proportion of budget estimates for the financial year, was also higher *vis-a-vis* Q1 of last year. This was on account of higher spending as well as lower revenue receipts (Chart III.1b). Lower revenue receipts resulted from slowdown in growth of states' goods and services tax collections. Non-GST revenue streams such as state excise duties, stamp duties, and registration fees remained robust. On the expenditure side, both revenue and capital expenditure were strong.

Trade

Merchandise trade deficit widened to US$ 27.3 billion in July 2025 from US$ 24.8 billion a year ago due to higher oil deficit (Chart III.2). The share of oil in total trade deficit increased as compared to a year ago.[8] Non-oil deficit remained roughly the same at US$ 16.1 billion.

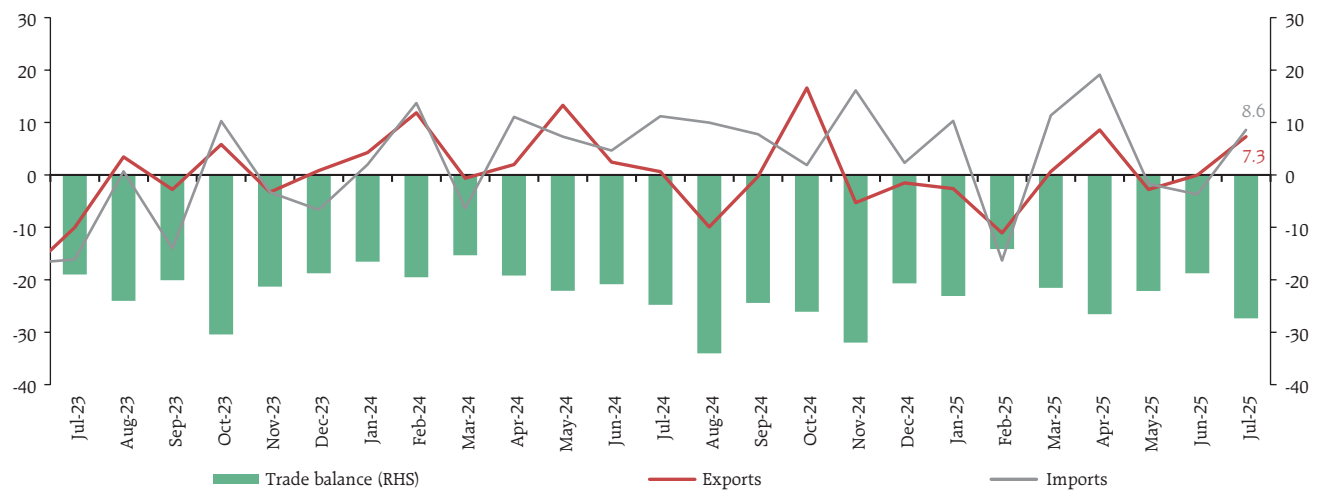
Merchandise exports expanded after declining in the previous two months (Annex chart A4).[9] Engineering goods, electronic goods, gems and jewellery, drugs and pharmaceuticals, and organic and inorganic chemicals performed well while petroleum products, iron ore, and oil meals contributed negatively.

Merchandise imports also expanded after declining in the previous two months (Annex chart A5).[10] Electronic goods, petroleum crude and products, fertilisers, crude and manufactured, machinery, electrical and non-electrical, and gold supported import growth during the month while, coal, coke and briquettes, pulses, and leather and leather products dragged overall imports down.

Services trade remained robust despite challenging global trade scenario. In June 2025, net services export earnings increased by 19.8 per cent (y-o-y) to US$ 16.2 billion. Services exports grew at a fast pace, underscoring the sustained strength of India's services sector. At the same time, imports also rose rapidly, reflecting a rise in software services and transportation services imports (Chart III.3).[11]

Chart III.2: Merchandise Trade Deficit

(Per cent, y-o-y, left scale; US$ billion, right scale)



Sources: PIB; DGCI&S; and RBI staff estimates.

[8] Oil trade deficit increased to US$ 11.2 billion in July from US$ 8.7 billion a year ago. Oil's share in total trade deficit increased to 41.1 per cent in July from 35.1 per cent a year ago.

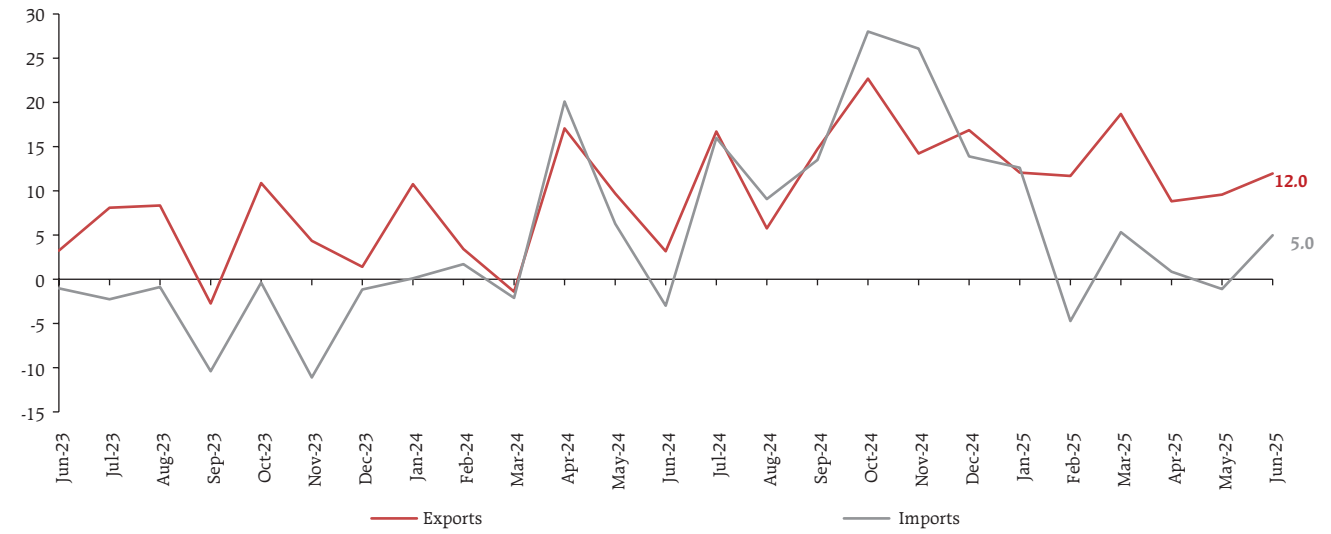
[9] US$ 37.2 billion in July [growth of 7.3 per cent (y-o-y)]

[10] US$ 64.6 billion in July [growth of 8.6 per cent (y-o-y)]

[11] Services exports and imports increased to US$ 32.1 billion and US$ 15.9 billion, respectively in June 2025.

Chart III.3: Trend in Services Exports and Imports

(Per cent, y-o-y)



Source: RBI.

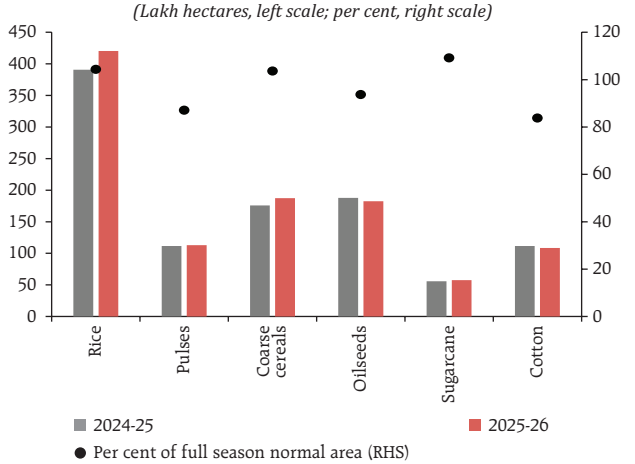
Aggregate Supply

Agriculture

Timely progress of the southwest monsoon has helped increase *kharif* sowing (Chart III.4).[12] The increase in sown area was mainly in rice and maize, while the area under oilseeds and cotton declined. *Tur*, which accounts for 35 per cent of area under pulses, witnessed a decline as farmers shifted to more lucrative crops such as maize.[13]

Chart III.4: *Kharif* Sown Area

(Lakh hectares, left scale; per cent, right scale)



Note: Data is as on August 22, 2025

Source: Ministry of Agriculture and Farmers' Welfare.

The cumulative rainfall during June 1 - August 22, 2025 at the all-India level stands 2 per cent above normal. Reservoir levels stood well above the previous year and the decadal average (Chart III.5).

The combined public stock of rice and wheat remained comfortable supported by strong procurement.[14]

Industry and Services

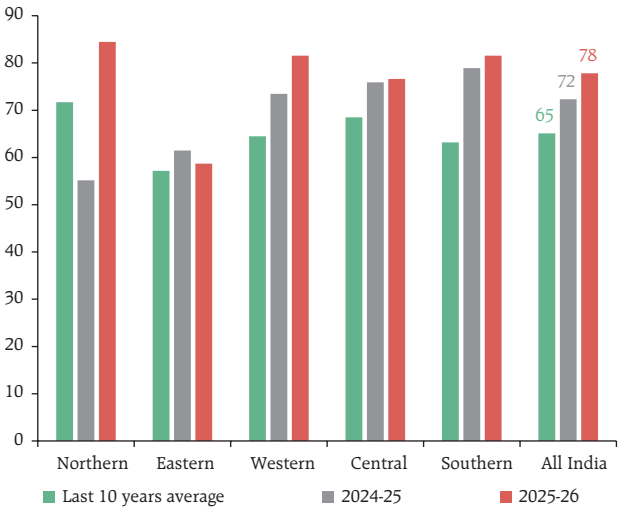
Q1:2025-26 Results for Listed Companies

Results of listed non-government non-financial companies[15] for Q1:2025-26 indicated a subdued performance in the corporate sector. Sales growth of listed private manufacturing companies moderated further primarily due to a slowdown in petroleum industry, automobiles, electrical machinery, and food products.[16] Following a period of steady improvement, sales growth of IT firms also declined during Q1, reflecting the impact of global headwinds. Sales

[12] *Kharif* sowing was at 1074 lakh hectares, covering around 97.9 per cent of the normal area as on August 22, 2025.
[13] Sown area of *tur* declined by 1.8 per cent, while that of maize rose by 11.7 per cent as compared to the previous year.
[14] As on August 01, 2025, public stock was 2.1 times the buffer norm
[15] Based on quarterly results of 3,079 listed non-government non-financial companies.
[16] Aggregate sales growth moderated to 5.5 per cent (y-o-y) during Q1:2025-26, down from 7.1 per cent in the previous quarter.

Chart III.5: Reservoir Storage

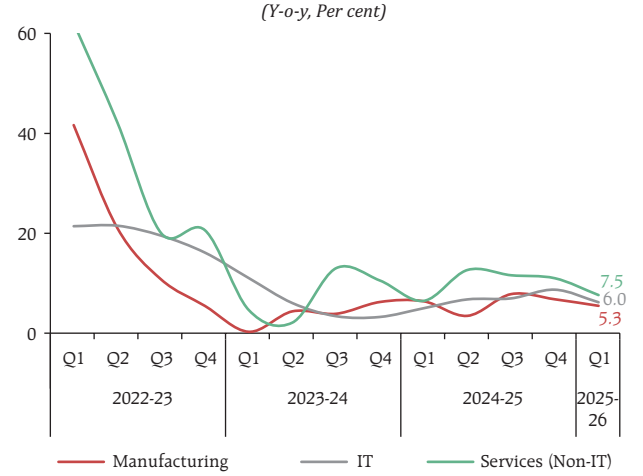
(Per cent of full reservoir level)



Note: Data is as on August 21, 2025.
Source: Central Water Commission.

Chart III.6: Sales Growth of Listed Private Non-Financial Companies

(Y-o-y, Per cent)



Note: Data is based on results of 3,079 listed non-government non-financial companies (1,736 manufacturing, 198 IT, and 892 non-IT services).
Sources: Capitaline database; and RBI staff estimates.

growth of non-IT services companies also moderated (Chart III.6).

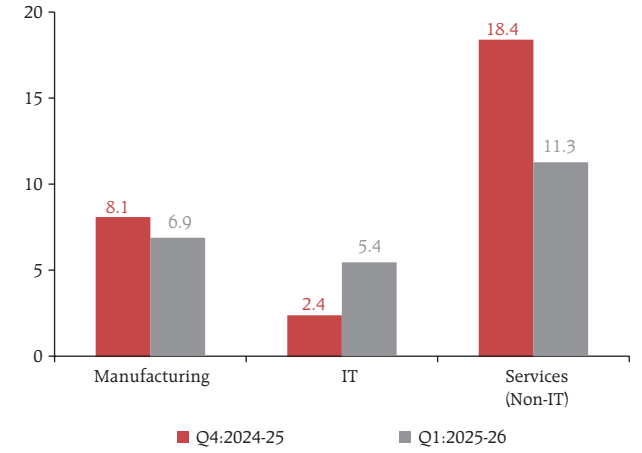
Despite subdued sales growth, the operating profits and margins remained stable for manufacturing and services companies during Q1:2025-26 on account of slower increase in expenses (Chart III.7a & III.7b).

During Q1:2025-26, listed Indian banking and financial sector companies[17] underwent a moderation in both revenue and net profit growth (Chart III.8). Revenue continued to expand but at a slower pace. Costs rose on account of sequential increase in salary and wage expenses. Higher provisioning costs and

Chart III.7: Profitability of Listed Private Non-Financial Companies

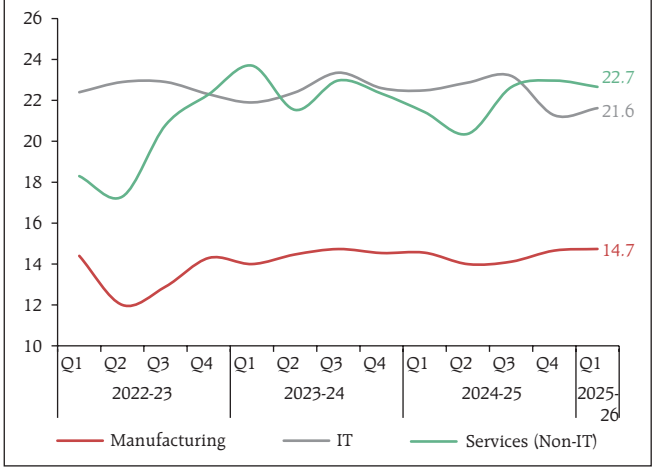
a. Operating Profit Growth

(Per cent, y-o-y)



b. Operating Profit Margin

(Per cent)

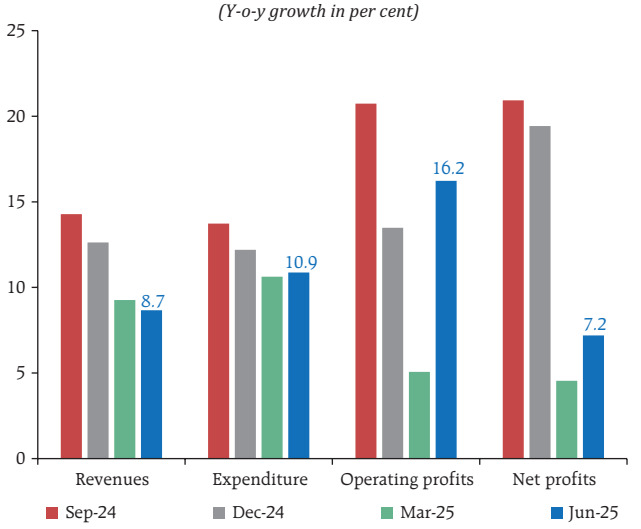


Note: Data is based on results of 3,079 listed non-government non-financial companies (1,736 manufacturing, 198 IT, and 892 non-IT services).
Sources: Capitaline database; and RBI staff estimates.

[17] Based on a sample of 349 companies constituting around 84 per cent of the total market capitalisation of listed banking and financial sector companies.

Chart III.8: Performance of Listed Financial Companies

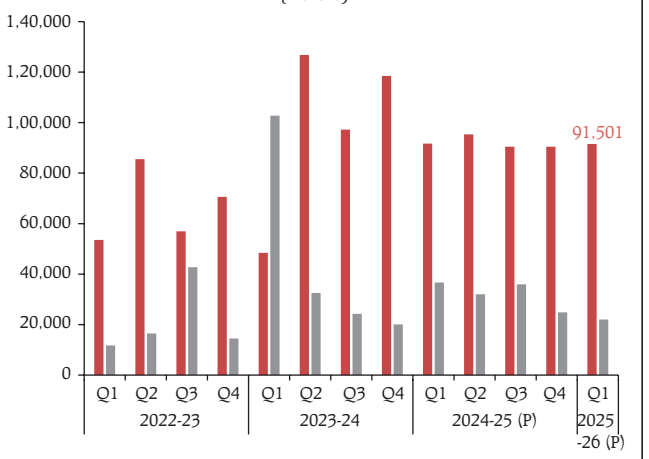
(Y-o-y growth in per cent)



Sources: CMIE Prowess; and RBI staff estimates.

Chart III.9: Private Corporates' Investment Intentions

(₹ crore)



Note: Data for 2024-25 and Q1:2025-26 are provisional.
Sources: Data on project finance gathered from banks/FIs; and RBI staff estimates.

deterioration in asset quality of some companies contributed to slower growth of net profits relative to operating profits.

On the investment front, the total cost of capex projects sanctioned by select banks and financial institutions during Q1:2025-26 recorded a modest increase over the previous quarter. About 66 per cent of intended investment was concentrated in power, construction and IT software industries. Funds raised through external commercial borrowings and initial public offering for capex purposes were slightly lower than in the previous quarter. Overall, fund mobilisation for capex by private corporates through various channels indicated stable investment activity despite heightened uncertainties (Chart III.9).

Monthly Indicators of Industrial Activity

Growth in industrial activity, as measured by the year-on-year change in Index of Industrial Production (IIP), eased to a ten-month low in June 2025. While mining and electricity continued to experience contraction, manufacturing expanded. In July, growth in index of eight core industries remained subdued with four out of the eight sectors contracting, although steel and cement industries performed well.

Available high-frequency indicators for July point to expansion in manufacturing activity, with its PMI surging to a 16-month high. Automobile production recorded its fastest growth in a year, led by strong output of three-wheelers and two-wheelers. Conventional electricity generation remained subdued for the fourth consecutive month, driven by early rains and softer industrial output. In contrast, renewable energy generation sustained its pace. Import of capital goods rebounded in July (Table III.4). Supply chain pressures inched up in July 2025 but stayed below their historical average levels (Annex chart A6).

India has emerged as the third-largest country in terms of solar power generation – a significant milestone in its pursuit of an energy-secure future.[18] India's installed solar power capacity has increased sharply in recent years (Chart III.10). Moreover, as a measure of accelerated e-mobility in India, the PM Electric Drive Revolution in Innovative Vehicle

[18] International Renewable Energy Agency (IRENA). Renewable Energy Statistics, July 2025.

Table III.4: High Frequency Indicators- Industry

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
IIP headline	5.0	0.0	3.2	3.7	5.0	3.7	5.2	2.7	3.9	2.6	1.9	1.5	
IIP manufacturing	4.7	1.2	4.0	4.4	5.5	3.7	5.8	2.8	4.0	3.1	3.2	3.9	
IIP capital goods	11.7	0.0	3.5	2.9	8.9	10.5	10.2	8.2	3.6	14.0	13.3	3.5	
PMI manufacturing	58.1	57.5	56.5	57.5	56.5	56.4	57.7	56.3	58.1	58.2	57.6	58.4	59.1
PMI export orders	57.2	54.4	52.9	53.6	54.6	54.7	58.6	56.3	54.9	57.6	56.9	60.6	57.3
PMI manufacturing: future output	64.1	62.1	61.6	62.1	65.5	62.5	65.1	64.9	64.4	64.6	63.1	62.2	57.6
Index of eight core industries	6.3	-1.5	2.4	3.8	5.8	5.1	5.1	3.4	4.5	1.0	1.2	2.2	2.0
Electricity generation: conventional	6.8	-3.8	-1.3	0.5	2.7	4.5	-1.3	2.4	4.8	-1.8	-8.2	-6.1	-0.9
Electricity generation: renewable	14.2	-3.7	12.5	14.9	19.0	17.9	31.9	12.2	25.2	28.0	18.2	28.7	
Automobile production	16.8	4.4	10.1	10.0	8.0	1.3	9.4	2.3	6.5	-1.7	5.2	1.2	10.7
Passenger vehicle production	1.2	0.7	-3.4	-4.0	6.5	9.2	3.7	4.5	11.2	10.8	5.4	-1.8	0.1
Tractor production	8.1	-1.0	2.7	0.4	24.7	20.9	23.7	-7.8	18.5	20.5	9.1	9.8	11.5
Two-wheelers production	21.1	4.9	12.9	13.3	8.8	-0.6	10.3	1.6	5.6	-4.1	4.7	1.4	12.3
Three-wheelers production	6.0	9.0	3.9	-6.7	-5.5	7.6	16.2	6.5	6.0	4.1	16.9	8.6	24.0
Crude steel production	6.8	2.6	0.3	4.2	4.5	8.3	7.4	6.0	8.5	9.3	11.0	12.6	14.0
Finished steel production	6.9	2.7	0.7	4.0	2.8	5.3	6.7	6.7	10.0	6.6	7.0	10.9	13.8
Import of capital goods	11.6	12.3	10.9	7.0	4.7	6.1	15.5	-0.5	8.6	21.5	14.3	2.6	12.2

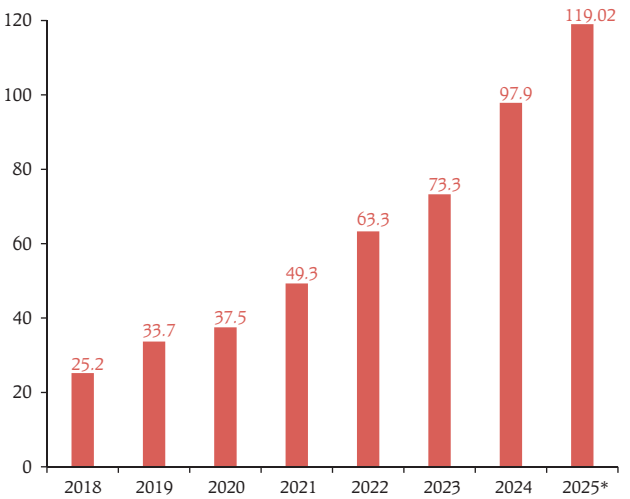
<<Contraction ---------- Expansion>>

Notes: 1. The y-o-y growth (in per cent) has been calculated for all indicators (except for PMI).
2. The heatmap translates the data range for each indicator into a colour gradient scheme with red denoting the lowest values and green corresponding to the highest values of the respective data series.
3. The heatmap is applied on data from April 2023 till July 2025, other than for IIP, and electricity generation: renewable, where the data are till June 2025.
4. All PMI values are reported in index form. A PMI value >50 denotes expansion, <50 denotes contraction and =50 denotes 'no change'. In the PMI heatmaps, red denotes the lowest value, yellow denotes 50 (or the no change value), and green denotes the highest value in each of the PMI series.

Sources: Ministry of Statistics and Programme Implementation (MoSPI); S&P Global; Central Electricity Authority (CEA), Ministry of Power; Society of Indian Automobile Manufacturers (SIAM); Office of Economic Adviser, GoI; Joint Plant Committee; Directorate General of Commercial Intelligence & Statistics; and Tractor and Mechanisation Association.

Chart III.10: Solar Energy Capacity

(Gigawatts)



Note: *: Capacity as of July 2025.
Source: Central Electricity Authority (CEA).

Enhancement (PM E-DRIVE) Scheme has been extended by two years till March 31, 2028.

Monthly Indicators of Services Activity

India's services sector sustained its growth momentum in July, with PMI services recording the highest expansion in 11 months, driven by new orders and output on the back of strong domestic and international demand. International air passenger traffic remained firm while retail commercial vehicles segment expanded. Port traffic rose for the eighth consecutive month led by higher growth in fertilisers, petroleum, oil and lubricants, and containerised cargo. Growth in construction sector indicators – steel consumption and cement production – remained robust (Table III.5).

Table III.5: High Frequency Indicators- Services

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
PMI services	60.3	60.9	57.7	58.5	58.4	59.3	56.5	59.0	58.5	58.7	58.8	60.4	60.5
International air passenger traffic	8.8	11.1	11.2	10.3	10.7	9.0	11.1	7.7	6.8	13.0	5.0	3.4	5.4
Domestic air cargo	8.8	0.6	14.0	8.9	0.3	4.3	6.9	-2.5	4.9	16.6	2.3	2.6	
International air cargo	24.4	20.7	20.5	18.4	16.1	10.5	7.1	-6.3	3.3	8.6	6.8	-1.2	
Port cargo traffic	5.9	6.7	5.8	-3.4	-5.0	3.4	7.6	3.6	13.3	7.0	4.3	5.6	4.0
Retail commercial vehicle sales	5.9	-6.0	-10.4	6.4	-6.1	-5.2	8.2	-8.6	2.7	-1.0	-3.7	6.6	0.2
Hotel occupancy	3.6	0.7	2.1	-5.3	11.1	-0.2	1.2	0.6	1.9	7.2	-2.8	-0.3	
Tourist arrivals	-1.3	-4.2	0.4	-1.4	-0.1	-6.6	-0.2	-8.6	-13.7	-3.8			
Steel consumption	14.6	9.1	11.8	8.9	9.5	5.2	10.9	10.9	13.6	6.0	8.1	9.3	7.3
Cement production	5.1	-2.5	7.6	3.1	13.1	10.3	14.3	10.7	12.2	6.3	9.7	8.2	11.7

<<Contraction ---------- Expansion>>

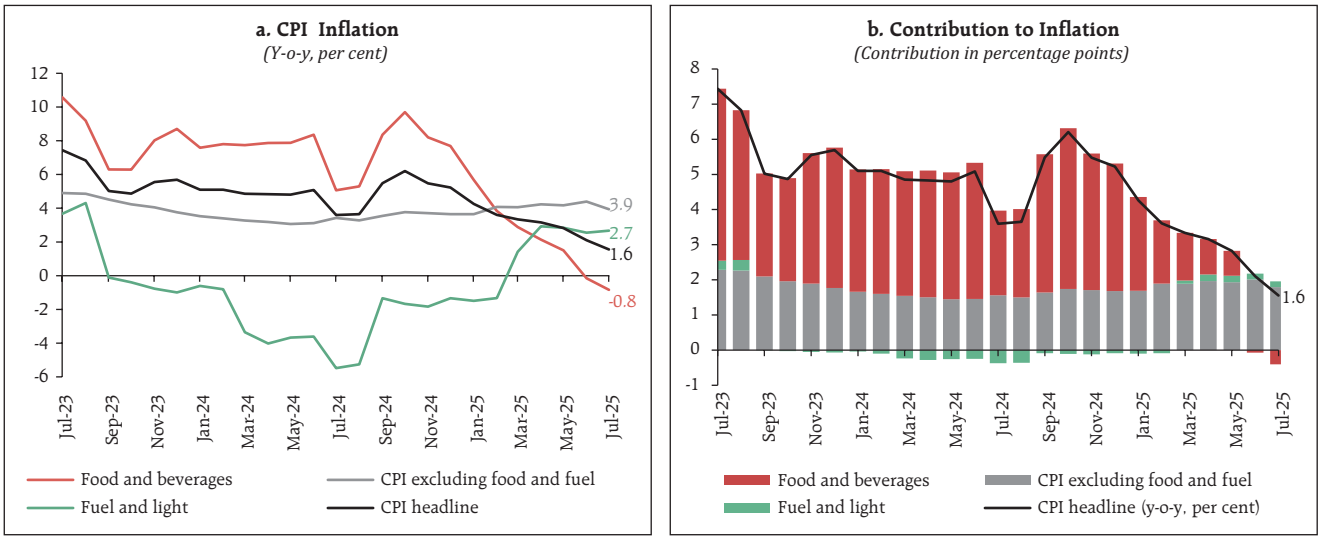
Notes: 1. The y-o-y growth (in per cent) has been calculated for all indicators (except for PMI).
2. The heatmap translates the data range for each indicator into a colour gradient scheme with red denoting the lowest values and green corresponding to the highest values of the respective data series.
3. The heatmap is applied on data from April 2023 till July 2025, other than for domestic and international air cargo, and hotel occupancy, where the data are till June 2025. The latest data for tourist arrivals is till April 2025.
4. The data on international air passenger traffic for July 2025 growth rate is calculated by aggregating daily data.
5. All PMI values are reported in index form. A PMI value >50 denotes expansion, <50 denotes contraction and =50 denotes 'no change'. In the PMI heatmaps, red denotes the lowest value, yellow denotes 50 (or the no change value), and green denotes the highest value in each of the PMI series.

Sources: Federation of Automobile Dealers Associations (FADA); Indian Ports Association; Airports Authority of India; HVS Anarock; Ministry of Tourism, GoI; Joint Plant Committee; Office of Economic Adviser; and S&P Global.

Inflation

Headline inflation declined for the ninth consecutive month in July, reaching its lowest level since June 2017, driven by deeper food deflation and a softening of core inflation (CPI excluding food and fuel).[19] The all-India CPI inflation was at 1.6 per cent in July 2025 as against 2.1 per cent in June (Chart III.11). Strong favourable base effects, which were partly

Chart III.11: Trends and Drivers of CPI Inflation

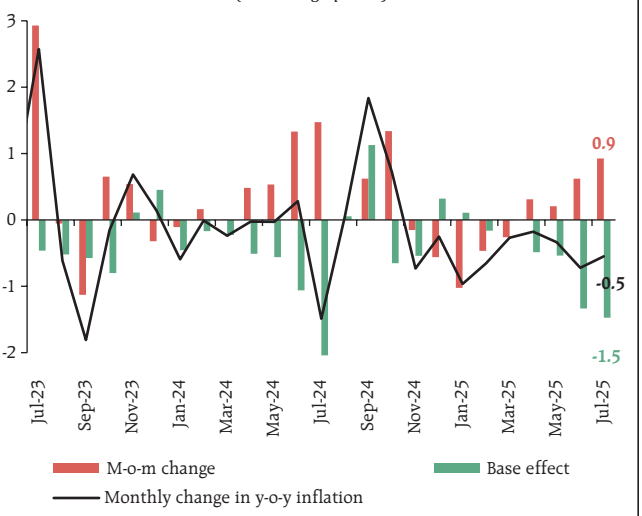


Sources: NSO; and RBI staff estimates.

[19] As per the provisional data released by the National Statistical Office (NSO) on August 12, 2025.

Chart III.12: CPI Headline: Momentum and Base Effect

(Percentage points)



Sources: NSO; and RBI staff estimates.

offset by a positive price momentum, also contributed to the fall in headline inflation (Chart III.12).

Food inflation dipped to its lowest level in 78 months driven by a deflation in vegetables, pulses, spices, and meat and fish sub-groups.[20] Inflation in cereals, eggs, milk and products, sugar and confectionery moderated, while that in oils and fats, non-alcoholic beverages, fruits, and prepared meals edged up (Chart III.13).

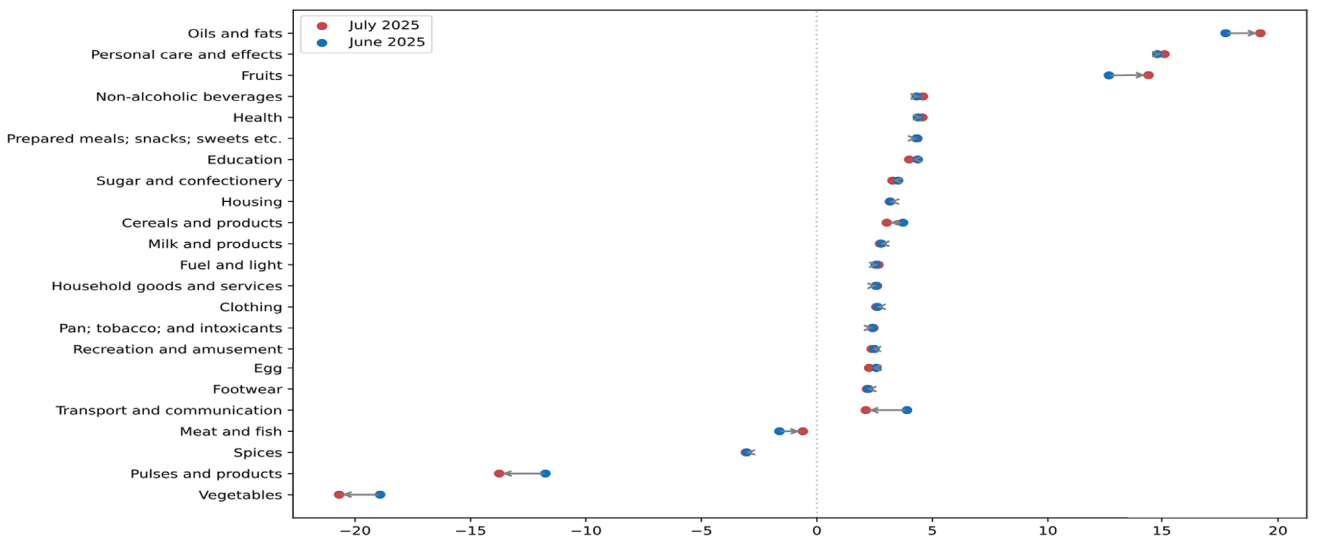
Fuel and light inflation inched up in July with inflation remaining elevated for LPG while moderating for electricity.[21] Kerosene prices continued to record deflation, though at a slower pace.

Core inflation eased to 3.9 per cent in July 2025 from 4.4 per cent in June. The decline in inflation was mostly driven by transport and communication and education sub-groups, while inflation in health and personal care and effects inched up. Clothing and footwear recorded a marginally lower inflation, while that in pan, tobacco and intoxicants, household goods and services, and housing remained unchanged.

Both rural and urban inflation eased further to 1.2 per cent and 2.0 per cent, respectively, in July. While state-level inflation rates varied between (-) 0.61 per cent and 8.89 per cent, majority of the states experienced inflation of less than 2 per cent (Chart III.14).

Chart III.13: Annual Inflation across Sub-groups

(Y-o-y, per cent)



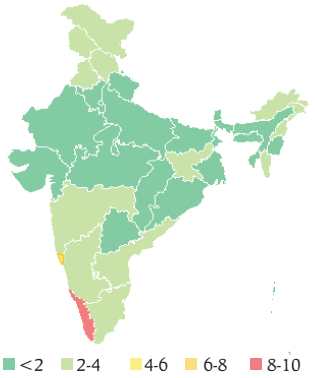
Sources: NSO; and RBI staff estimates.

[20] Food inflation was (-)0.8 per cent (y-o-y) in July.

[21] Inflation in fuel and light subgroup was 2.7 per cent in July.

Chart III.14: Spatial Distribution of Inflation: July 2025 (CPI-Combined)

(Y-o-y, per cent)



Inflation Range	Number of States/UTs
<2	20
2-4	14
4-6	1
6-8	1
8-10	1

Inflation Trend	Number of States/UTs
Decline	32
Stable	0
Increase	5

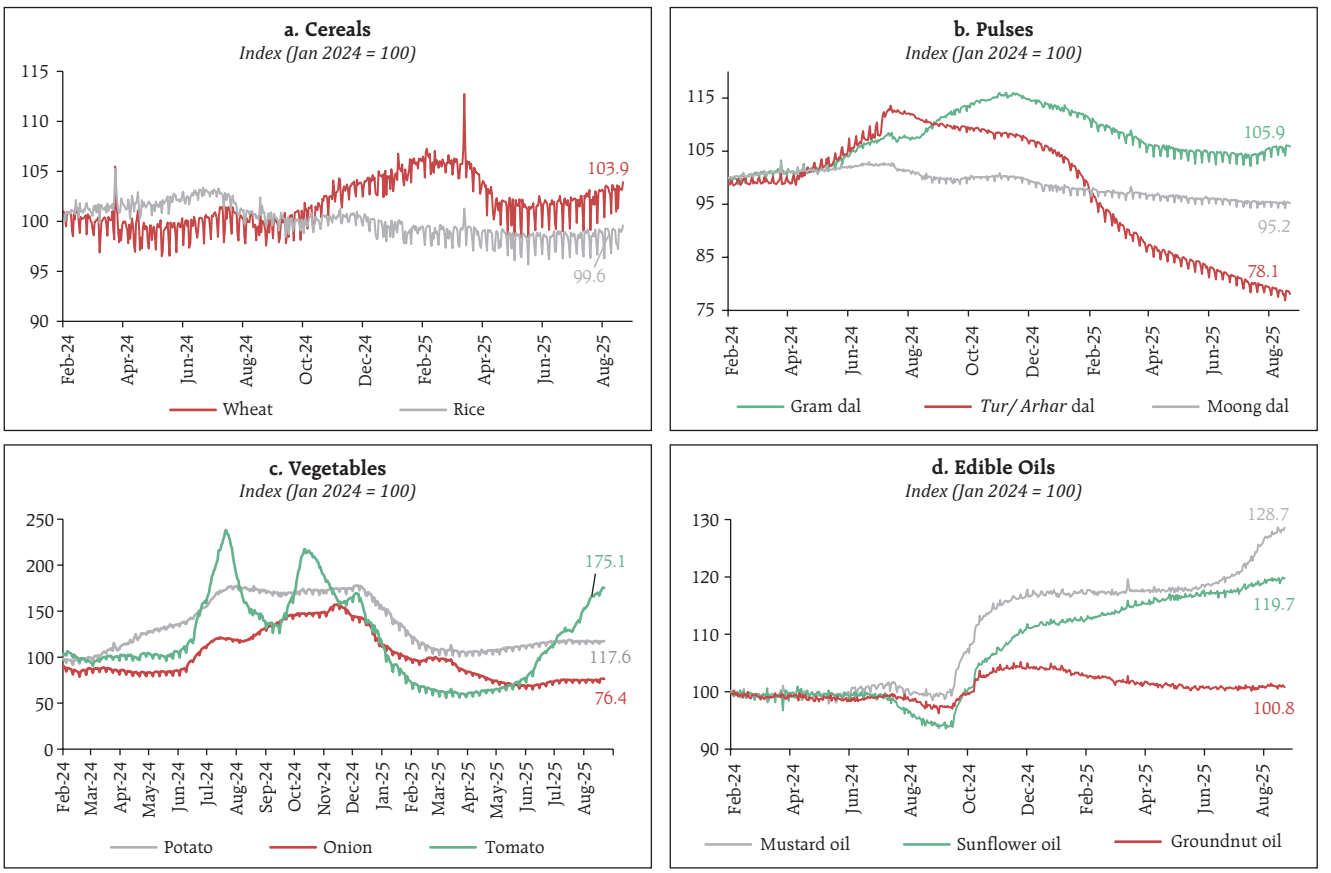
Note: Map is for illustrative purposes only.
Sources: NSO; and RBI Staff estimates.

High-frequency food price data for August so far (up to 22nd) indicate a pick-up in cereal prices. Pulses recorded a mixed trend, with a decline in *tur/arhar* dal prices, and an increase in gram dal price. Among edible oils, prices firmed up for mustard, sunflower, groundnut and soybean oils, while palm oil prices remained steady. Among key vegetables, tomato prices continued to increase. The prices of potatoes and onions remained steady (Chart III.15).

Retail selling prices of petrol and diesel remained unchanged in August. Kerosene prices firmed up while LPG prices remained unchanged (Table III.6).

The PMIs for July recorded a sequential pick-up in the rate of expansion of input prices for manufacturing and services. Selling prices also accelerated for both services and manufacturing firms (Annex chart A7).

Chart III.15: Prices of Essential Commodity



Sources: Department of Consumer Affairs, GoI; and RBI staff estimates.

Table III.6: Petroleum Products Prices

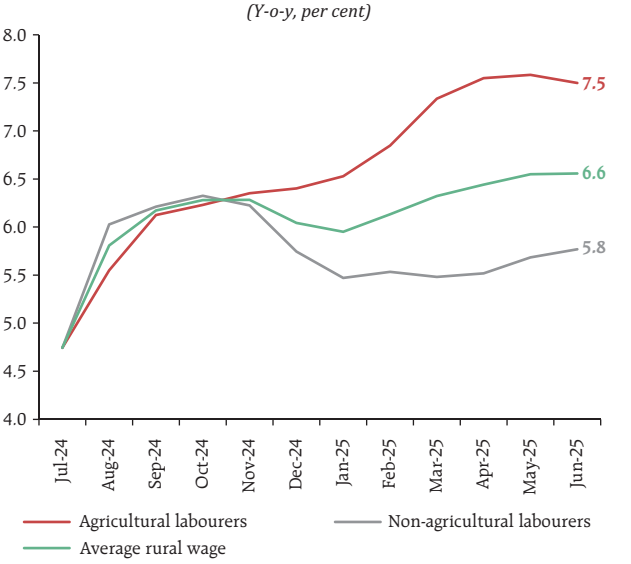
Item	Unit	Domestic Prices			Month-over-month (per cent)	
		Aug-24	Jul-25	Aug-25 ^	Jul-25	Aug-25 ^
Petrol	₹/litre	100.97	101.12	101.12	0.0	0.0
Diesel	₹/litre	90.42	90.53	90.53	0.0	0.0
Kerosene (subsidised)	₹/litre	46.65	43.03	44.47	7.1	3.4
LPG (non-subsidised)	₹/cylinder	813.25	863.25	863.25	0.0	0.0

Notes: 1. ^ : For the period August 1-22, 2025.
2. Other than kerosene, prices represent the average Indian Oil Corporation Limited (IOCL) prices in four major metros (Delhi, Kolkata, Mumbai and Chennai). For kerosene, prices denote the average of the subsidised prices in Kolkata, Mumbai and Chennai.

Sources: IOCL; Petroleum Planning and Analysis Cell (PPAC); and RBI staff estimates.

Chart III.16: Rural Nominal Wage

(Y-o-y, per cent)



Sources: Labour Bureau, Ministry of Labour and Employment.

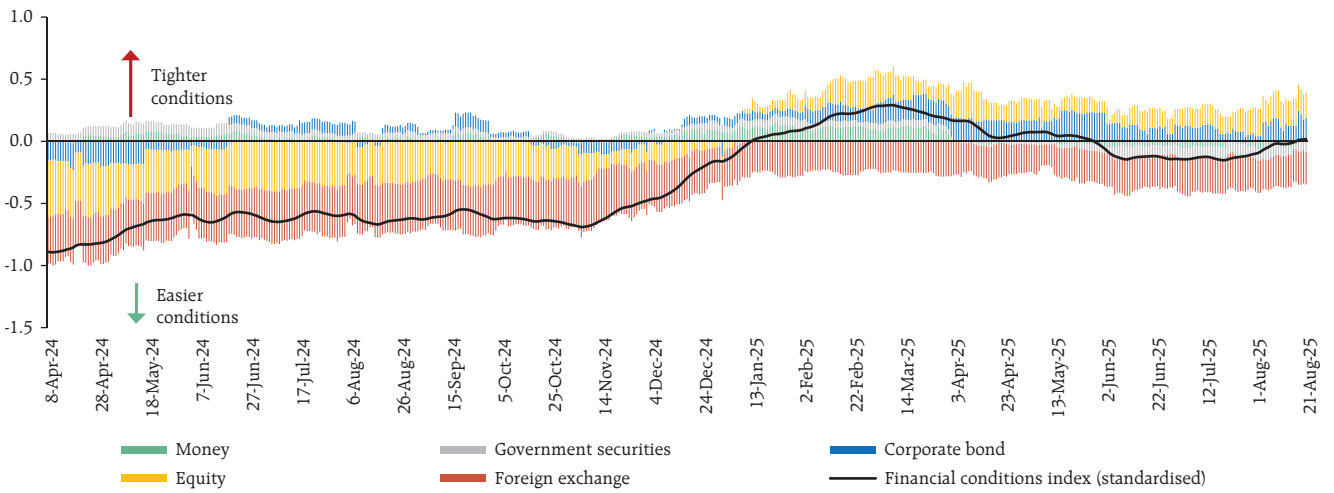
Rural labour wage growth remained largely stable in June 2025 as the non-agricultural sector wage edged up, while wage growth in the agricultural sector saw a modest moderation (Chart III.16). Increase in non-agricultural wage growth was primarily driven by occupations including sweeping/ cleaning, light motor vehicle and tractor drivers, and mason workers.

IV. Financial Conditions

Overall financial conditions remained benign during July and August (till August 21) [Chart IV.1].

Chart IV.1: Daily Financial Conditions Index for India

(Standard deviation from average since 2012)



Note: The financial conditions index provides a metric based on its historical average; in this context, a zero value corresponds to a financial system operating at the historical average level of all the financial indicators included in the index. To present the results, standardised index is used.[22]

Source: RBI staff estimates.

[22] For detailed methodology, refer to Bandyopadhyay, P., Kumar, A., Kumar, P. and Bhattacharyya, I. (2025), 'Financial Condition Index for India: A High-frequency Approach'; Reserve Bank of India Bulletin, June. https://rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=23451

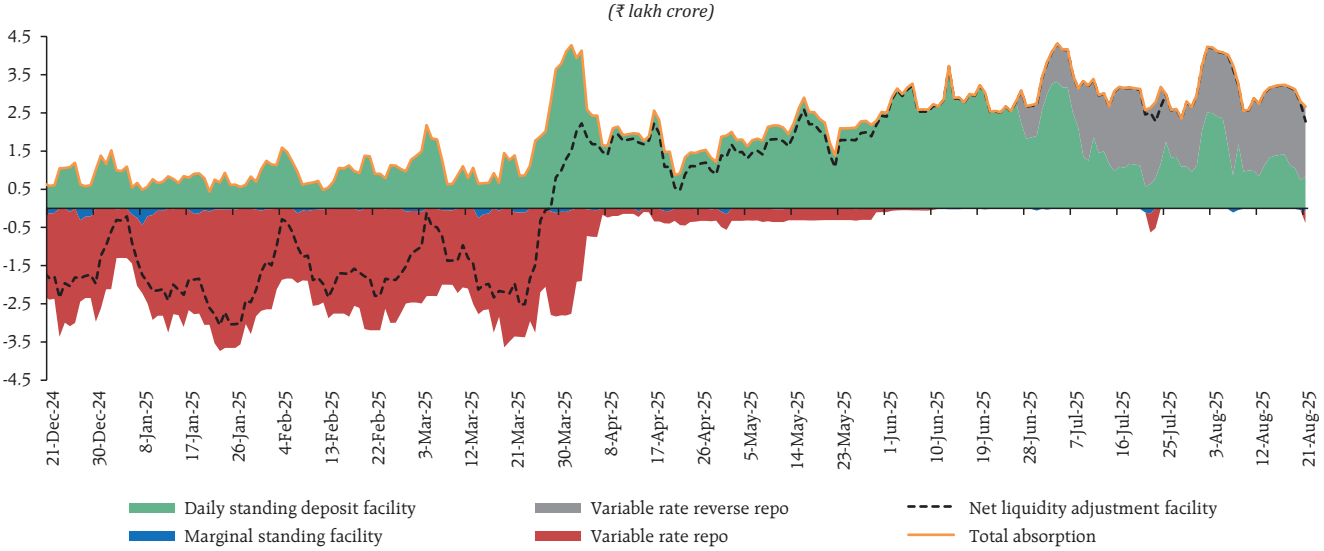
System liquidity remained in surplus during July and August (up to August 21), primarily driven by higher government spending. The average daily net absorption under the liquidity adjustment facility stood at ₹3.07 lakh crore during July 16 to August 21, 2025, marginally lower than in the preceding one-month period (Chart IV.2). During this period, to absorb excess liquidity which was exerting downward pressure on the overnight money market rates, the Reserve Bank conducted 12 variable rate reverse repo (VRRR) auctions (overnight to 8-day).[23] To tide over temporary liquidity tightness due to tax related outflows, the Reserve Bank also conducted three variable rate repo (VRR) auctions of 2-day and overnight maturity. The banks' recourse to the marginal standing facility remained low on easy liquidity conditions.[24]

Money Market

Amidst ample liquidity, the weighted average call rate – the operating target of monetary policy – hovered in the lower half of the corridor. The rate, however, briefly inched towards the marginal standing facility rate during July 21 to July 23 on account of large GST outflows. Consequent to surplus liquidity absorption through VRRR auctions, the spread between the weighted average call rate and the policy repo rate narrowed (Chart IV.3a).[25] Overnight rates in the collateralised segments — the triparty and market repo – and the benchmark secured overnight rupee rate largely moved in tandem with the uncollateralised rate.[26] Recently, an Internal Working Group to review the Reserve Bank's extant liquidity management framework has recommended the continuation of

Chart IV.2: Liquidity Operations

(₹ lakh crore)



Source: RBI.

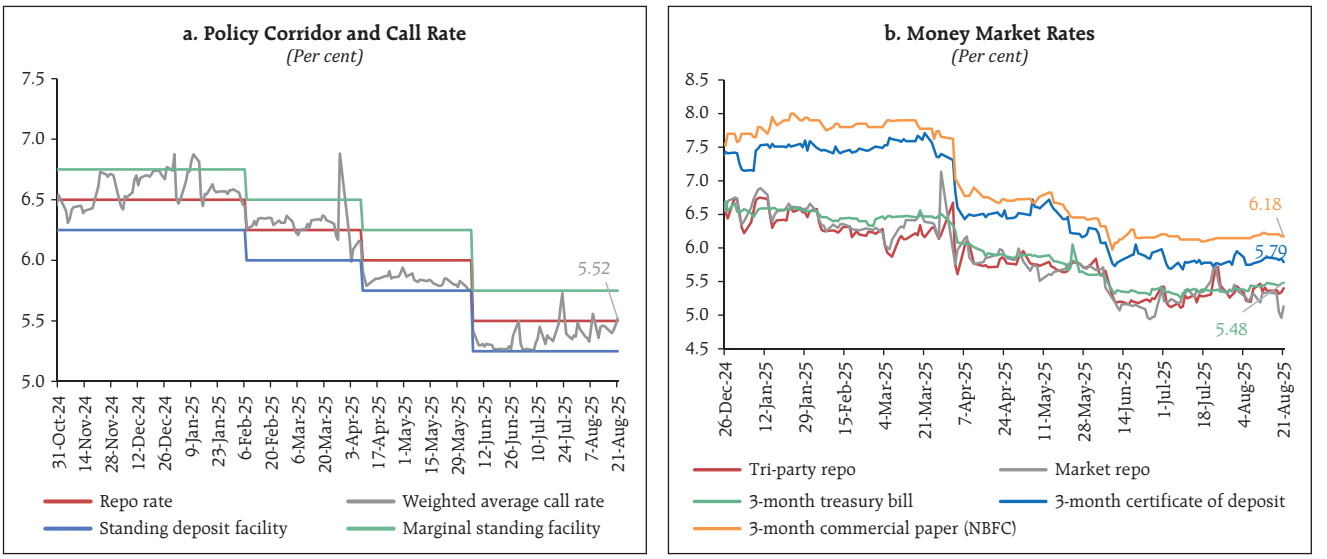
[23] Accordingly, the average absorption through the standing deposit facility declined to 40.3 per cent of the total absorptions during July 16 to August 21, 2025, as against 76.3 per cent during June 16 to July 15, 2025.

[24] Average of 0.02 lakh crore.

[25] The spread between weighted average call rate and repo rate narrowed to (-) 6 bps during July 16 to August 14, 2025 from (-)19 bps during June 16 to July 21, 2025.

[26] In line with the recommendations of the Committee on the MIBOR Benchmark (Chairperson: Shri Ramanathan Subramanian), it was proposed to develop a benchmark secured overnight rupee rate based on the secured money markets (both basket repo and triparty repo). Financial Benchmarks India Private Limited (FBIL) has started publishing the rate at a daily frequency.

Chart IV.3: Policy Corridor and Money Market Rates



Sources: RBI; Clearing Corporation of India Limited; and Bloomberg.

weighted average call rate as the operating target of monetary policy.[27]

Overall, interest rates in the term money market remained broadly stable (Chart IV.3b).[28] The average yields hardened marginally for treasury bills while commercial papers and certificates of deposit rates softened.[29]

Government Securities (G-sec) Market

In the fixed income segment, 10-year G-sec yields firmed up during mid-July to early August, amidst uncertainties over India-US trade negotiations and receding expectations of further monetary policy easing. Following the announcement of S&P's upgrade of India's sovereign rating on August 14, 2025 the 10-year G-sec yields eased briefly. Thereafter, yields hardened during the third week of August. The average term premium (the difference between the 10-year G-sec yield and the 91-day treasury bill yield) increased by 3 bps during July 16 to August 21, 2025 as compared to June 16 to July 15, 2025 (Charts IV.4a and IV.4b).

Corporate Bond Market

Corporate bond yields as well as their spreads over the corresponding risk-free rates generally rose across tenors and rating spectrum (Table IV.1).[30]

Money and Credit

Reserve money growth, adjusted for the first-round impact of changes in the cash reserve ratio, increased during the month, tracking growth in currency in circulation. Currency in circulation grew

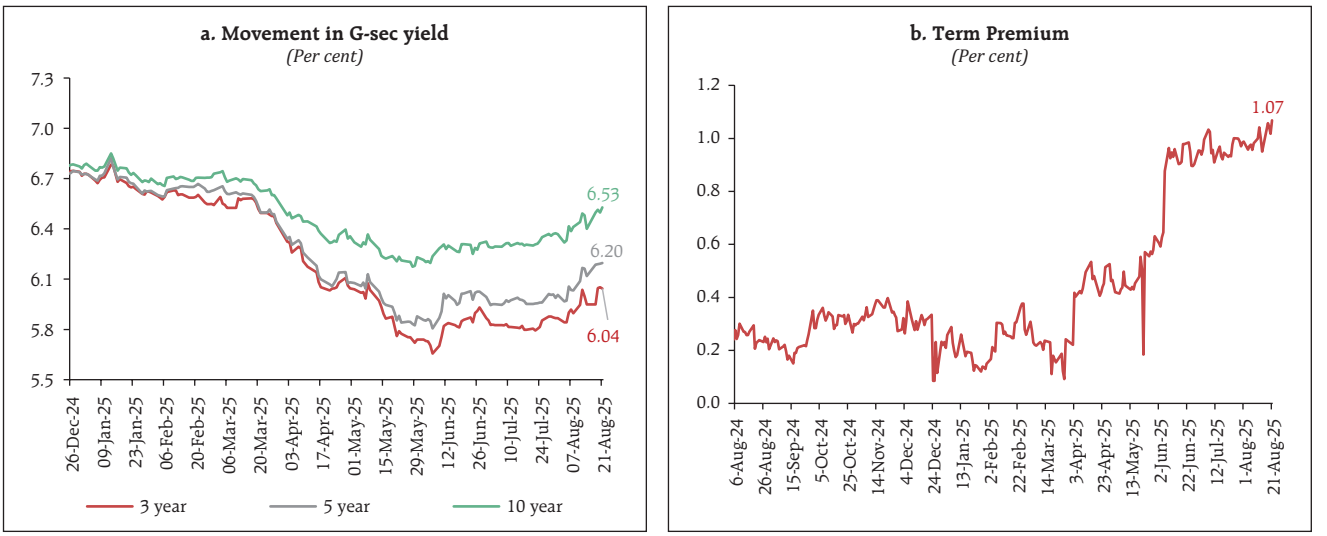
[27] The weighted average call rate is found to be highly correlated with other overnight money market rates in the collateralised segments and is also found to be effective in transmitting signals to other money market instruments across maturities. Further details can be found in the Report of the Internal Working Group to Review the Liquidity Management Framework – July 2025. https://rbidocs.rbi.org.in/rdocs//PublicationReport/Pdfs/IWG060820254255B36745A04F23A683956447CB227A.PDF

[28] The average yields on 3-month treasury bills hardened by 6 bps, while the average yields on 3-month commercial papers issued by NBFCs and 3-month certificate of deposit declined by 1 bps and 3 bps, respectively, during the period July 16 to August 21, 2025, as compared to the period June 16 to July 15, 2025.

[29] The average risk premium in the money market (the spread between the yields on 3-month commercial paper by NBFCs and 91-day treasury bill) declined to 75 bps during the current period from 82 bps in the preceding period.

[30] Corporate bond issuances remained high at ₹1.08 lakh crore up to June 2025, up from 0.95 lakh crore in May 2025.

Chart IV.4: Developments in G-sec Market



Note: In chart b, term premium is calculated as the difference between the 10-year G-sec yield and the 91-day treasury bill yield.
Sources: Bloomberg; FIMMDA; and RBI staff estimates.

ahead of the festive season and waning impact of withdrawal of ₹2000 denominated banknotes. The growth in money supply (M_3) remained broadly stable during July (Chart IV.5).[31,32]

Scheduled commercial banks' credit growth continued to remain subdued in July, despite a marginal uptick compared to the previous month, with deposit growth remaining steady (Chart IV.6 and Annex Chart A9).[33] During 2025-26 so far, while the flow of non-food bank credit declined, this reduction was more than offset by higher inflows from non-bank sources. Consequently, the total flow of financial resources to the commercial sector

Table IV.1: Corporate Bonds - Rates and Spread

	Interest Rates *(Per cent)*			Spread *(bps)* (Over Corresponding Risk-free Rate)		
Instrument	**June 16, 2025 – July 15, 2025**	**July 16, 2025 – August 20, 2025**	**Variation (bps)**	**June 16, 2025 – July 15, 2025**	**July 16, 2025 – August 20, 2025**	**Variation (bps)**
1	2	3	(4 = 3-2)	5	6	(7 = 6-5)
Corporate Bonds						
(i) AAA (1-year)	6.55	6.54	-1	95	92	-3
(ii) AAA (3-year)	6.91	6.97	6	95	97	2
(iii) AAA (5-year)	7.13	7.13	0	96	93	-3
(iv) AA (3-year)	7.84	8.03	19	188	203	15
(v) BBB- (3-year)	11.49	11.66	17	553	566	13

Note: Yields and spreads are computed as averages for the respective periods.
Sources: Fixed Income Money Market and Derivatives Association of India; and Bloomberg.

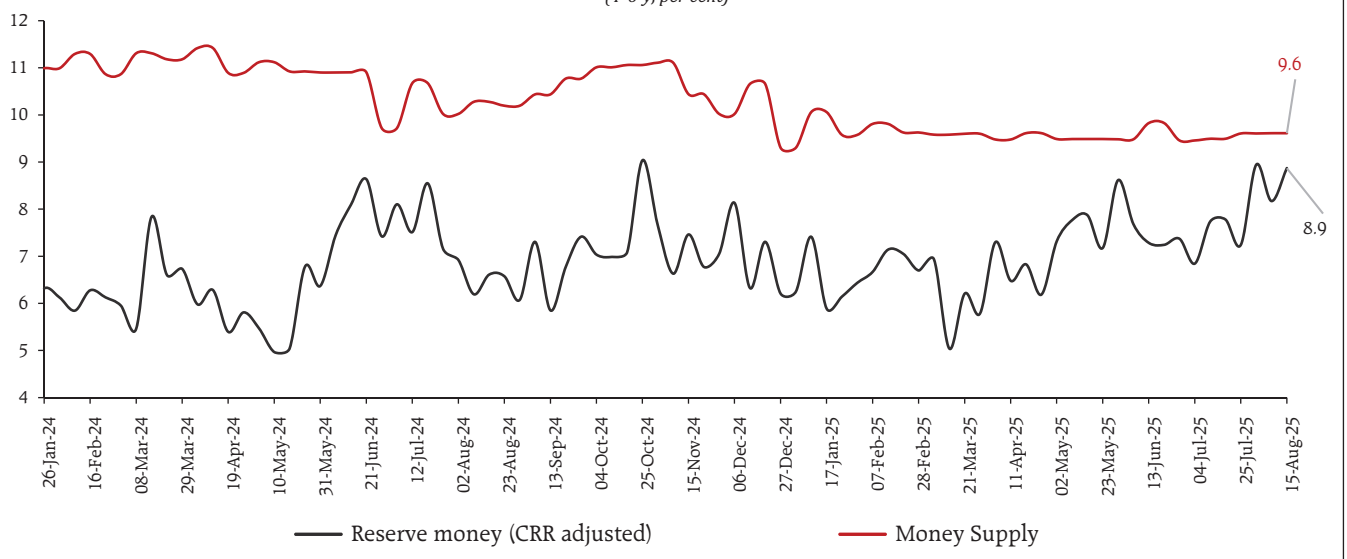
[31] Reserve money (adjusted for CRR) grew by 8.9 per cent (y-o-y) as on August 15, 2025 [7.8 per cent (y-o-y) as on July 18, 2025]. Currency in circulation grew by 8.8 per cent (y-o-y) as on August 15, 2025 [7.2 per cent (y-o-y) as on July 18, 2025].

[32] Money supply grew by 9.6 per cent (y-o-y) as on August 8, 2025 [9.5 per cent (y-o-y) as on July 11, 2025]. It includes the impact of the merger of a non-bank with a bank (with effect from July 1, 2023).

[33] Credit growth of scheduled commercial banks was 10.2 per cent (y-o-y) as on August 8, 2025 [9.9 per cent (y-o-y) a month ago]. Deposit growth was 10.1 per cent (y-o-y) as on August 8, 2025 [10.1 per cent (y-o-y) a month ago].

Chart IV.5: Growth in Reserve Money and Money Supply (M_3)

(Y-o-y, per cent)



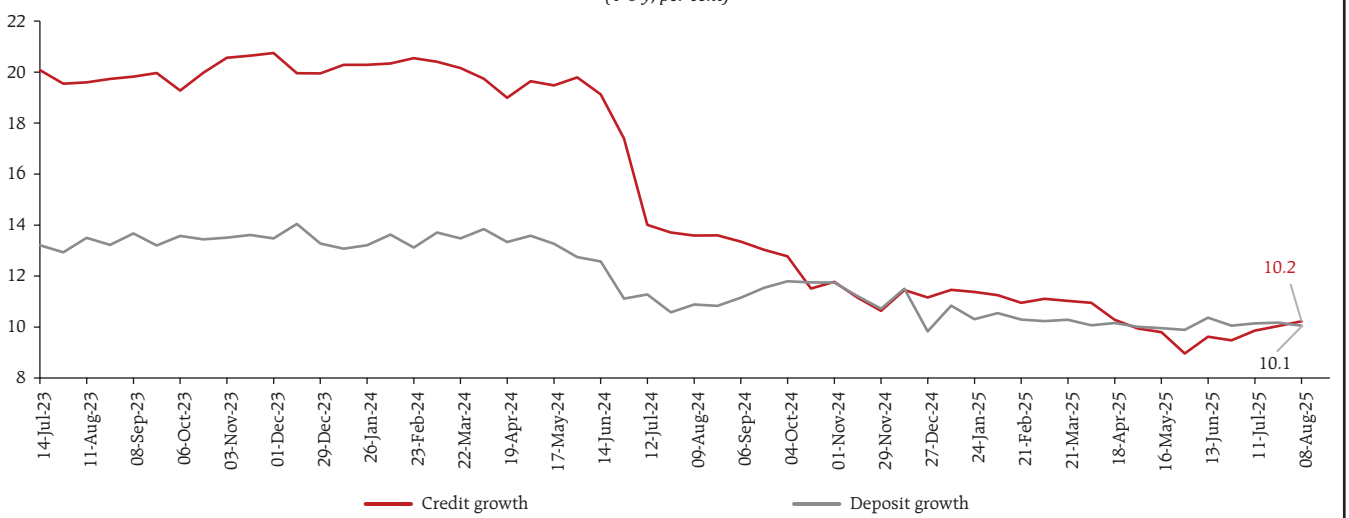
Sources: RBI.

registered an increase, notwithstanding slower growth in bank credit. With faster monetary policy transmission to money markets, large corporates have increasingly turned to market-based instruments such as commercial paper and corporate bonds for funding, thereby reducing the demand for bank credit.

Across key sectors, bank credit growth recorded a modest improvement in June (Annex Chart A10).[34,35] Personal loans, the primary driver of credit growth, registered a notable pick-up. It was largely supported by the housing segment, which accounts for nearly half of the loans extended under

Chart IV.6: Scheduled Commercial Banks: Credit and Deposit Growth

(Y-o-y, per cent)



Note: Scheduled commercial banks' data are inclusive of regional rural banks. Data include the impact of the merger of a non-bank with a bank.
Source: Fortnightly Section 42 Returns, RBI.

[34] As at end-June, growth in non-food bank credit stood at 10.2 per cent (y-o-y), up from 9.8 per cent (y-o-y) recorded in May 2025.

[35] Sectoral non-food credit data are based on sector-wise and industry-wise bank credit (SIBC) return, which covers select banks accounting for about 95 per cent of total non-food credit extended by all scheduled commercial banks, pertaining to the last reporting Friday of the month. Data exclude the impact of the merger of a non-bank with a bank.

personal loans, along with an increase in vehicle loans and other personal loans. Services sector also recorded an uptick, as bank credit to NBFCs turned positive, reversing the contraction observed in the previous month. Nevertheless, these entities continued to access funds through money and capital market instruments. Industrial credit also witnessed an improvement. While there was continued contraction in infrastructure sector, credit to the MSMEs has been expanding at a strong pace.

Deposit and Lending Rates

The pass-through of the cumulative 100-bps reduction in the repo rate during February 2025 to June 2025 to lending and deposit rates, especially for fresh deposits and loans, has been strong. The weighted average lending rate on fresh and outstanding rupee loans of scheduled commercial banks declined. On the deposit side, the weighted average domestic term deposit rates on fresh and outstanding deposits also moderated (Table IV.2).

The decline in the weighted average lending rate on fresh and outstanding rupee loans was higher in the case of public sector banks relative to private banks (Chart IV.7). Similarly, on the deposit side, transmission was higher for public sector banks compared to private banks.

Equity Markets

Equity markets declined in July amidst lingering tariff uncertainty and mixed corporate earnings results for Q1:2025-26. Steady inflows from domestic institutional investors, notably mutual funds, helped cushion the impact of FPI outflows from equities. A marginal recovery led by gains in automobile sector stocks in early August was wiped out by fresh uncertainty surrounding India-US trade negotiations. The markets recovered subsequently amidst optimism surrounding India's sovereign credit rating upgrade and the announcement of GST reforms (Chart IV.8).

External Sources of Finance

Gross inward FDI reached a four-year high in June (Chart IV.9a). The US, Cyprus and Singapore together accounted for more than three-fourths of total FDI inflows. Computer services, manufacturing, and construction were the top recipient sectors.

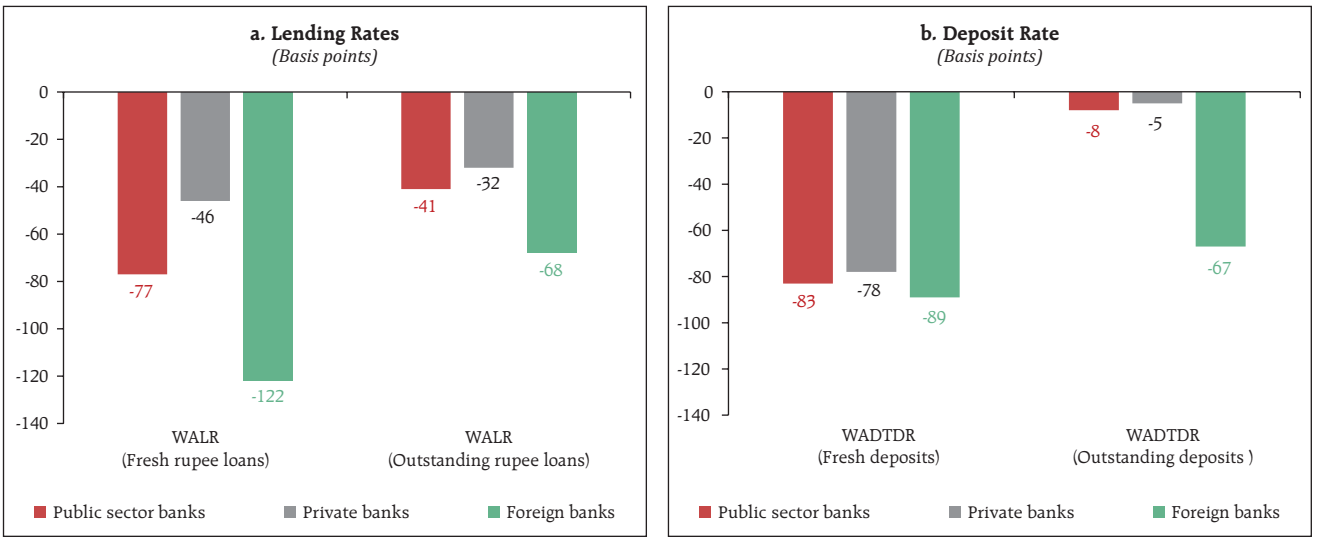
Table IV.2: Transmission to Banks' Deposit and Lending Rates

(Variation in basis points)

Period		Term Deposit Rates		Lending Rates				
	Repo Rate	WADTDR-Fresh Deposits	WADTDR-Outstanding Deposits	EBLR	1-Year MCLR (Median)	WALR - Fresh Rupee Loans		WALR-Outstanding Rupee Loans
						Overall	Interest Rate Effect #	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Tightening Period May 2022 to Jan 2025	+250	259	206	250	175	181	193	115
Easing Phase Feb 2025 to Jul* 2025	-100	-87	-10	-100	-25	-71	-55	-39

Notes: Data on EBLR pertain to 32 domestic banks.
*: Data on WADTDR and WALR pertain to June 2025. **#:** At constant share.
WALR: Weighted Average Lending Rate; **WADTDR**: Weighted Average Domestic Term Deposit Rate;
MCLR: Marginal Cost of Funds-based Lending Rate; **EBLR**: External Benchmark-based Lending Rate.
Source: RBI.

Chart IV.7: Transmission across Bank Groups (February 2025 – June 2025)



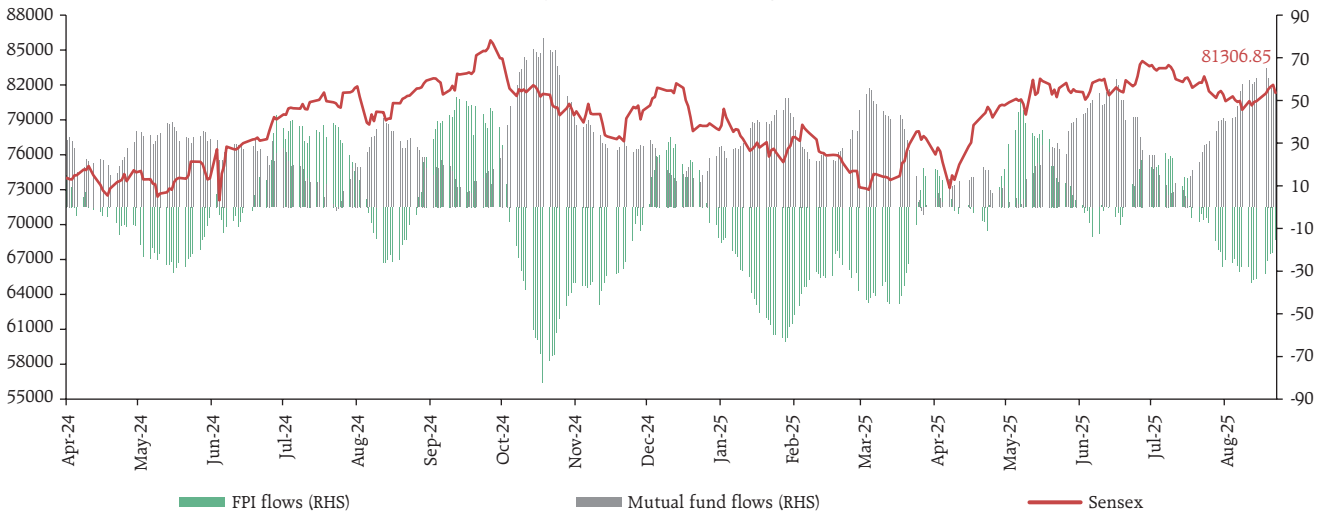
Note: Transmission during February to June 2025 is calculated by subtracting the weighted average lending and deposit rates of January 2025 from those of June 2025.
Source: RBI.

However, both repatriation of FDI and outward FDI also increased. Top sectors for outward FDI included financial, manufacturing, insurance and business services, and the major destinations were Singapore, the US, the UK and the UAE (Chart IV.9b). As a result, net FDI inflows remained muted.

FPI recorded net outflows in July and August, reversing two consecutive months of inflows, as equity outflows intensified amidst persistent global trade tensions and heightened risk-off sentiment following US tariff announcements (Chart IV.10). In contrast, the debt segment saw modest net inflows,

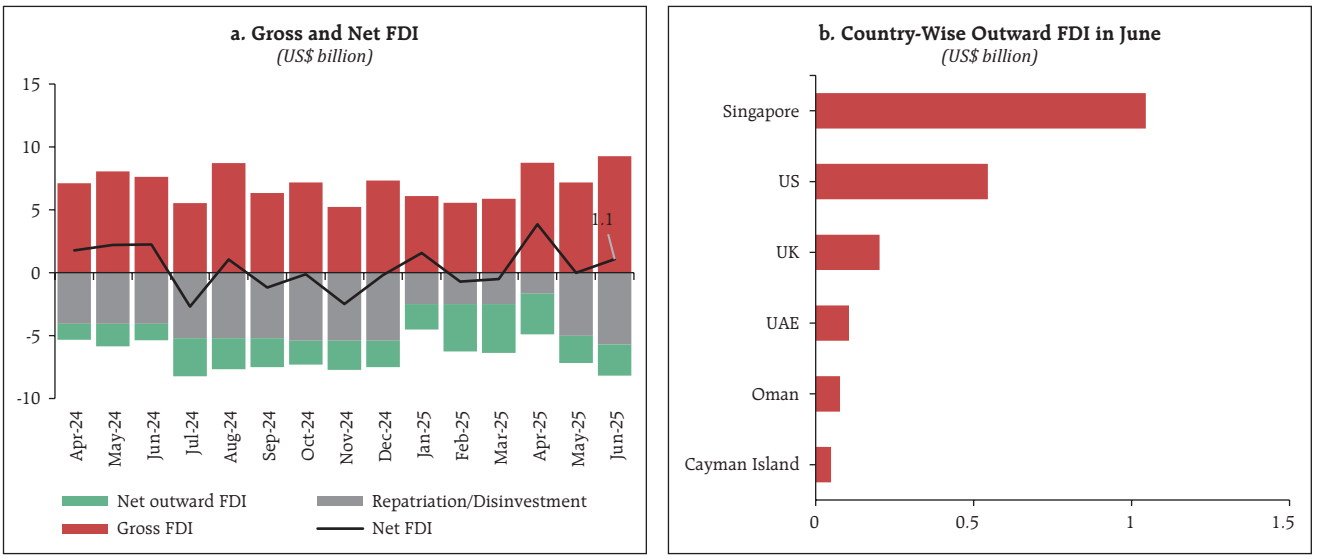
Chart IV.8: BSE Sensex and Institutional Flows

(Index, left scale; ₹ thousand crores, right scale)



Note: FPI and mutual fund flows are represented on 15-days rolling sum basis.
Source: Bloomberg.

Chart IV:9: Foreign Direct Investment Flows



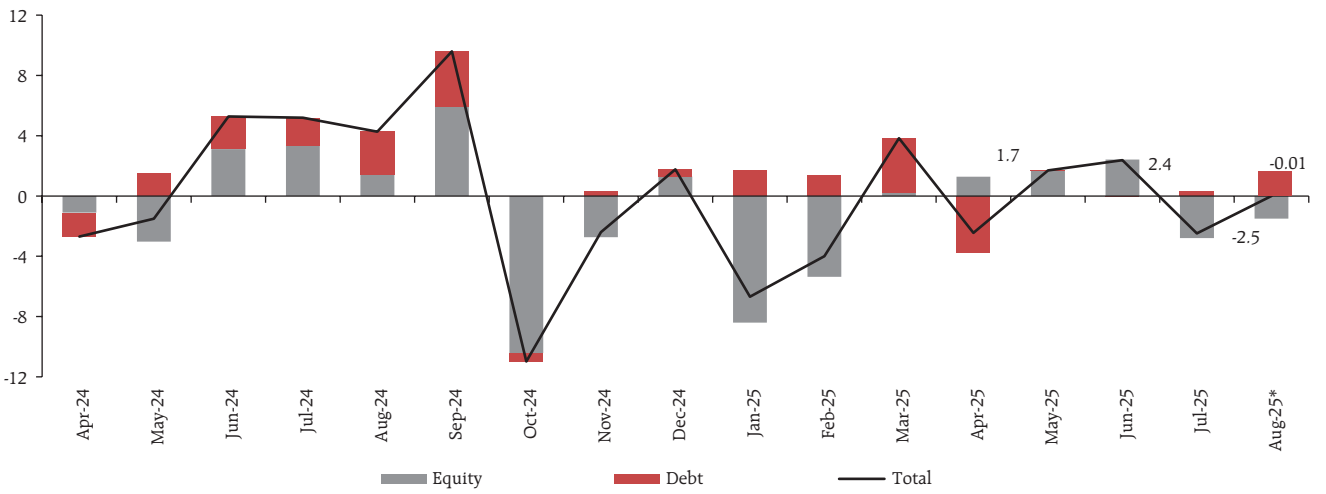
Source: RBI.

supported by primary debt issuances and inflows in G-sec through fully accessible route.[36]

The registrations of external commercial borrowings moderated in Q1:2025-26, although inflows continued to outpace outflows, resulting in positive net inflows (Chart IV.11). Notably, nearly half of the total external commercial borrowings registered during this period were intended for capital expenditure.

India's foreign exchange reserves remained adequate, providing a cover for more than 11 months of goods imports and for more than 94 per cent of

Chart IV.10: Foreign Portfolio Investments

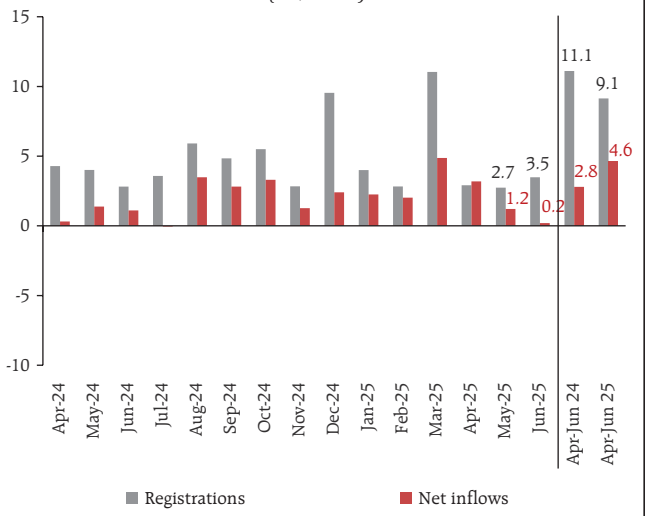


Notes: 1. Debt also includes investments under the hybrid instruments.
2. *: Data up to August 21.
Source: National Securities Depository Limited (NSDL).

[36] Fully accessible route is a separate channel introduced by RBI with effect from April 1, 2020 to enable non-residents to invest in specified Government of India securities without any investment ceilings.

Chart IV.11: External Commercial Borrowings - Registrations and Flows

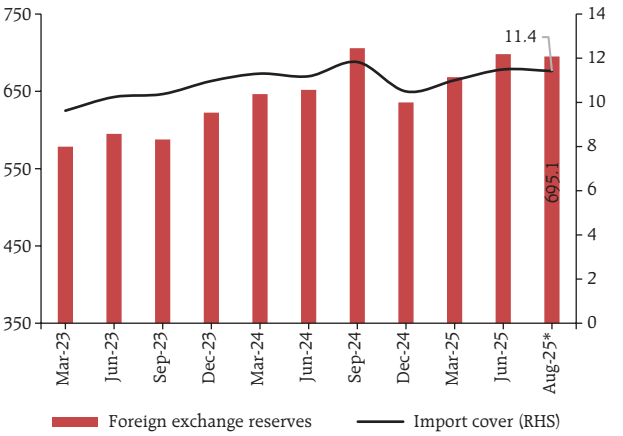
(US$ billion)



Source: Form ECB, RBI.

Chart IV.12: India's Foreign Exchange Reserves

(US$ billion, left scale; months, right scale)



Notes: 1. *: As on August 15, 2025.
2. The import cover data for June and August 2025 is based on total merchandise imports for 2024-25, as per the balance of payments statistics.

Source: RBI.

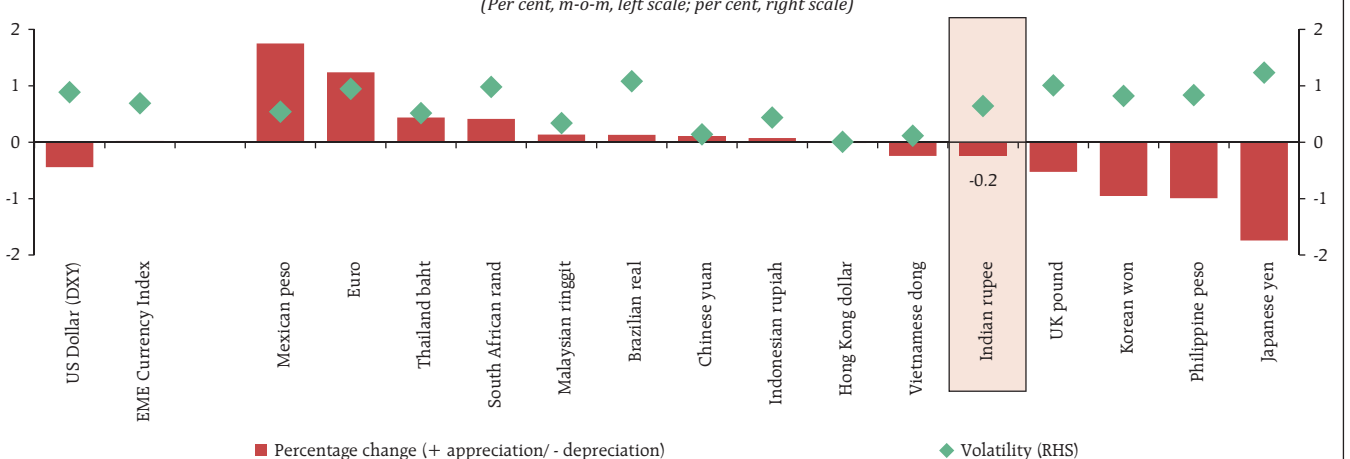
the external debt outstanding at end-March 2025 (Chart IV.12).[37]

Foreign Exchange Market

The Indian rupee depreciated marginally against the US dollar in July, reflecting ongoing global trade uncertainties and FPI outflows (Chart IV.13). Despite such depreciation, the rupee remained one of the least volatile currencies among major EMDEs during the month. In August, the Indian rupee registered some gains against the US dollar following the announcement of S&P's upgrade of India's sovereign rating.

Chart IV.13: Movements in Major Currencies against the US Dollar in July 2025

(Per cent, m-o-m, left scale; per cent, right scale)

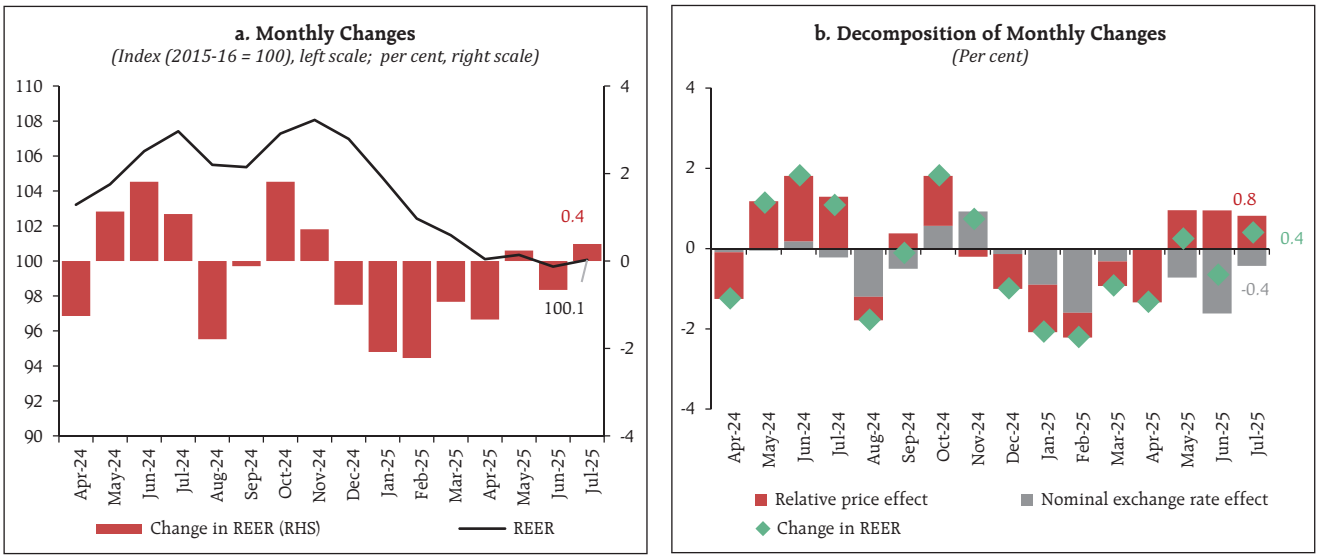


Notes: 1. Appreciation/depreciation (m-o-m) calculated using monthly average exchange rates.
2. US dollar (DXY) measures the movements of the US dollar against a basket of major currencies (Euro, Japanese yen, British pound, Canadian dollar, Swedish krona, Swiss franc).
3. For each currency, volatility is measured as the coefficient of variation (100*Standard Deviation/Mean) using daily exchange rate data for July 2025.

Sources: FBIL; Thomson Reuters; and RBI staff estimates.

[37] The import cover for goods and services combined was around nine months.

Chart IV.14: Movements in the 40-Currency Real Effective Exchange Rate



Source: RBI.

In real effective terms, the Indian rupee appreciated in July (Chart IV.14a). India's inflation (on a m-o-m basis) was higher than the weighted average inflation of its major trading partners, outweighing depreciation of the Indian rupee in nominal effective terms (Chart IV.14b).

V. Conclusion

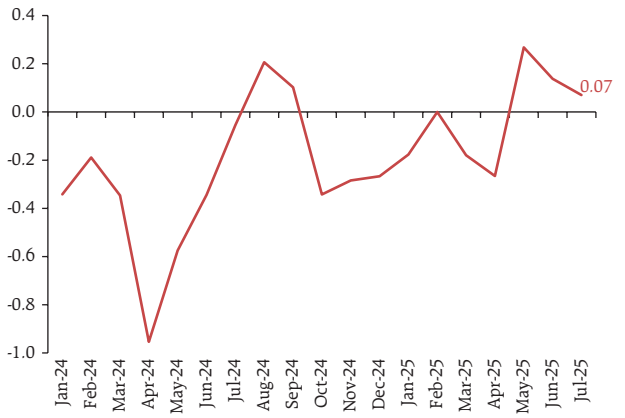
Favourable rainfall and temperature conditions bode well for the *kharif* agriculture season. An increase in real rural wages may support rural demand in the second half of the financial year.[38] Coupled with the benign financial conditions, ongoing transmission of rate cuts, supportive fiscal measures and rising household optimism, the environment is conducive for holding up aggregate demand. On the other hand, persisting uncertainties related to India-US trade policies continue to pose downside risk. Inflation outlook for the near term has become more benign than anticipated earlier. Headline inflation, driven by muted food price pressures supported by favourable base effects, are likely to soften further below the 4 per cent target in Q2 before inching up in the last quarter of the financial year. Overall, the average headline inflation this year is expected to remain significantly below the target.[39] Monetary policy, going forward, would continue to maintain a close vigil on the incoming data and the evolving domestic growth-inflation dynamics to chart out the appropriate monetary policy path.

[38] The monetary policy committee resolution of August 6th 2025, retained the real GDP growth for 2025-26 at 6.5 per cent, with Q1 at 6.5 per cent, Q2 at 6.7 per cent, Q3 at 6.6 per cent, and Q4 at 6.3 per cent. Real GDP growth for Q1:2026-27 was projected at 6.6 per cent.

[39] The monetary policy committee resolution of August 6th 2025, projected CPI inflation for 2025-26 at 3.1 per cent with Q2 at 2.1 per cent; Q3 at 3.1 per cent; and Q4 at 4.4 per cent. CPI inflation for Q1:2026-27 was projected at 4.9 per cent.

Annex

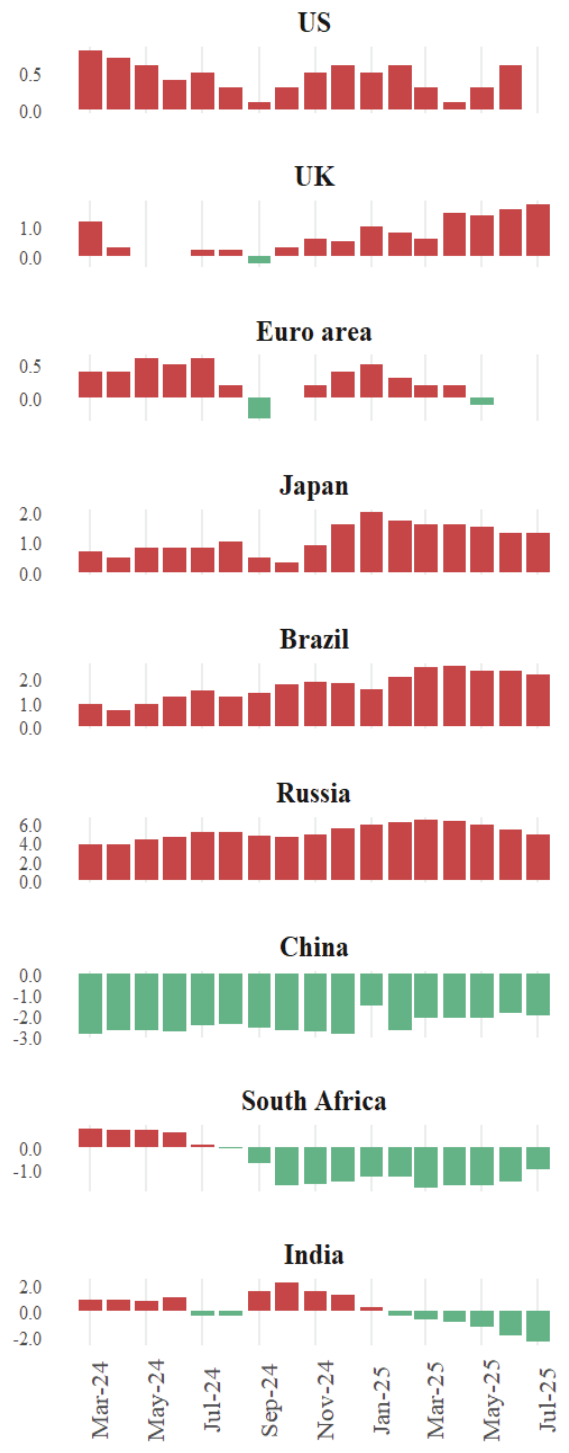
Chart A1: Global Supply Chain Pressure Index



Note: Index readings measure standard deviations from the index's historical average.
Source: Federal Reserve Bank of New York.

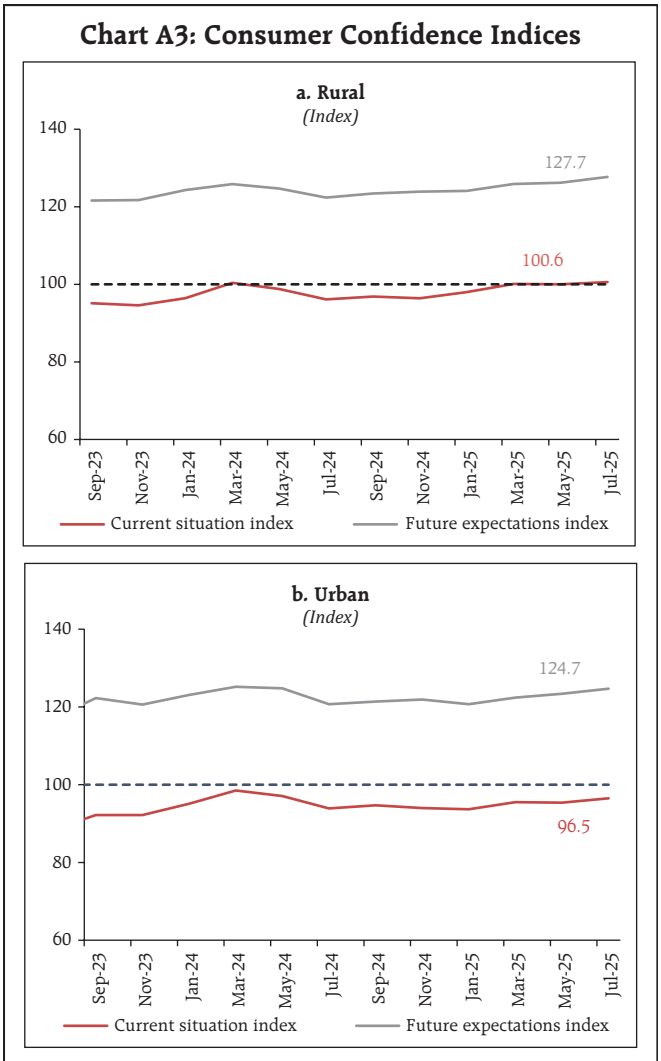
Chart A2: Inflation Gap (Actual minus Target)

(Percentage points)



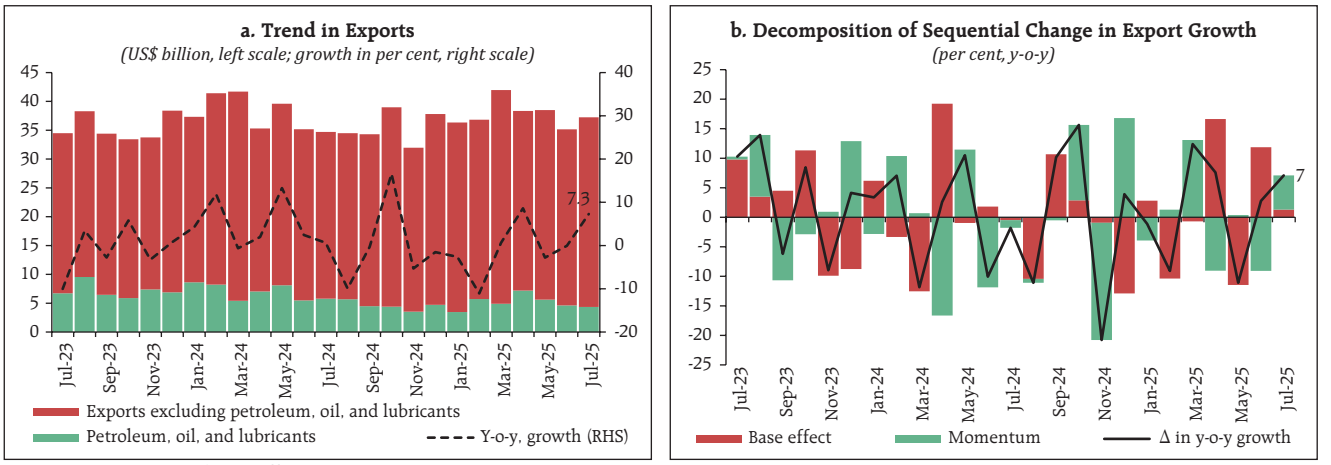
Note: Inflation for the US is based on the US(PCE) data.
Sources: Bloomberg; and RBI staff estimates.

Chart A3: Consumer Confidence Indices



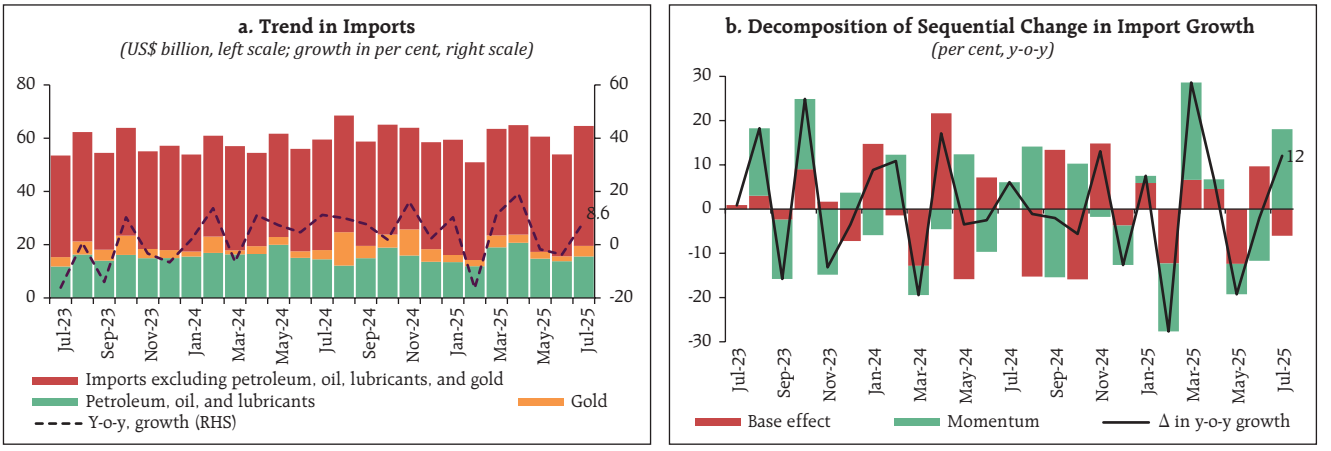
Sources: Rural and Urban Consumer Confidence Surveys, RBI.

Chart A4: India's Merchandise Exports



Sources: PIB; DGCI&S; and RBI staff estimates.

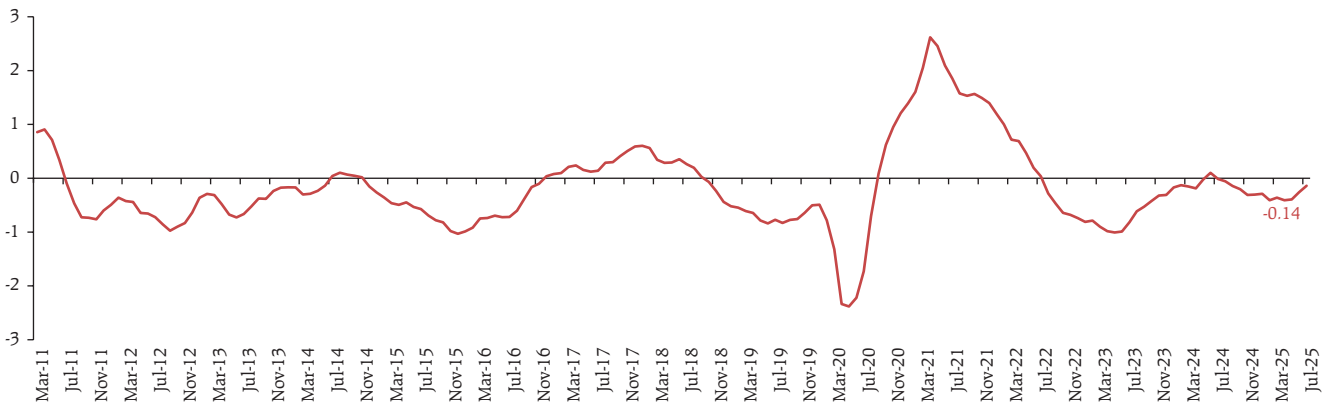
Chart A5: India's Merchandise Imports



Sources: PIB; DGCI&S; and RBI staff estimates.

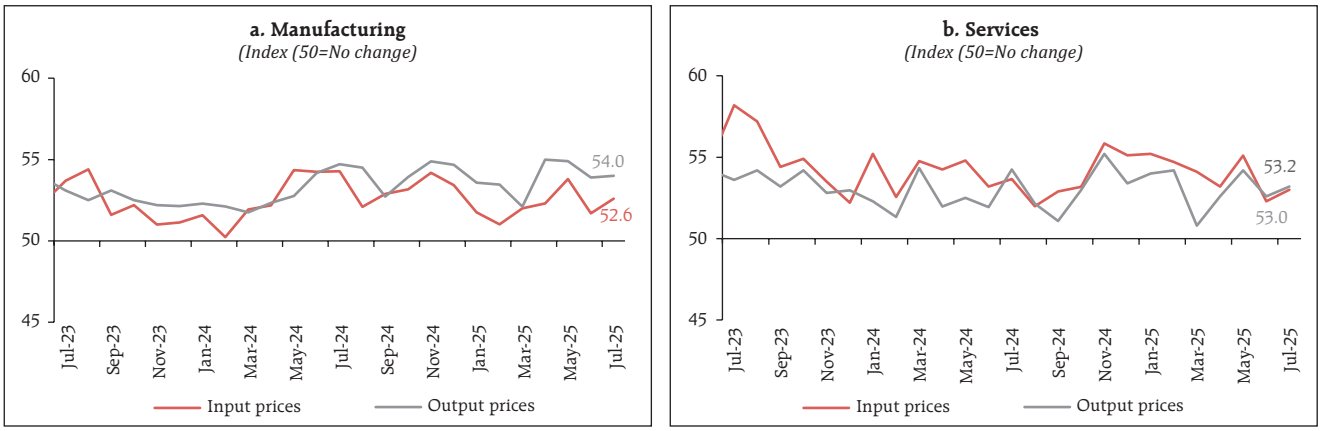
Chart A6: Index of Supply Chain Pressures for India

(Standard deviations from average value)



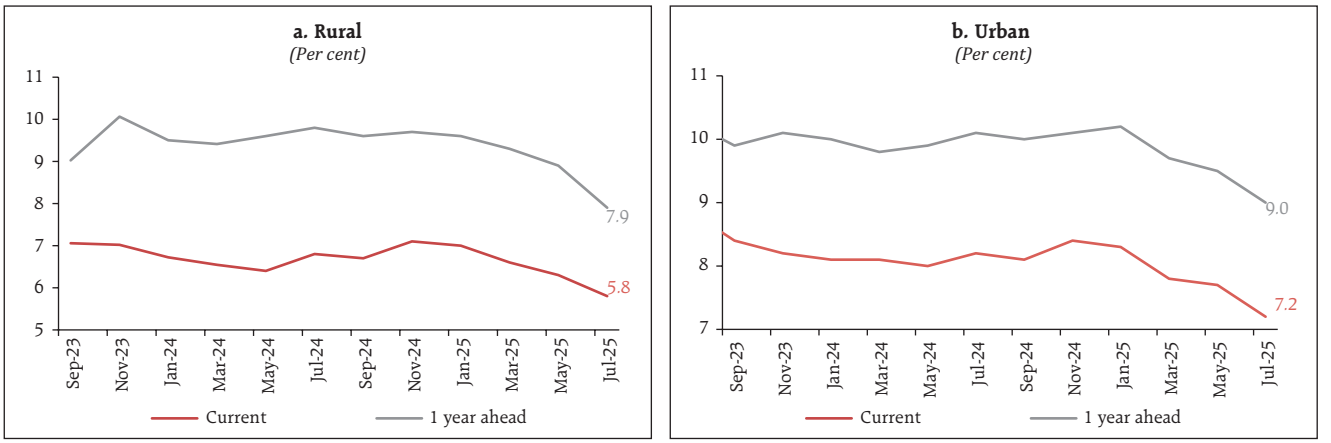
Note: ISPI depicts the deviation of supply chain situation in each month from long period average (time series starting from March 2005).
Source: RBI staff estimates.

Chart A7: PMI: Input and Output Prices



Note: A level of 50 corresponds to no change in activity, and a reading above 50 denotes expansion and vice versa.
Source: S&P.

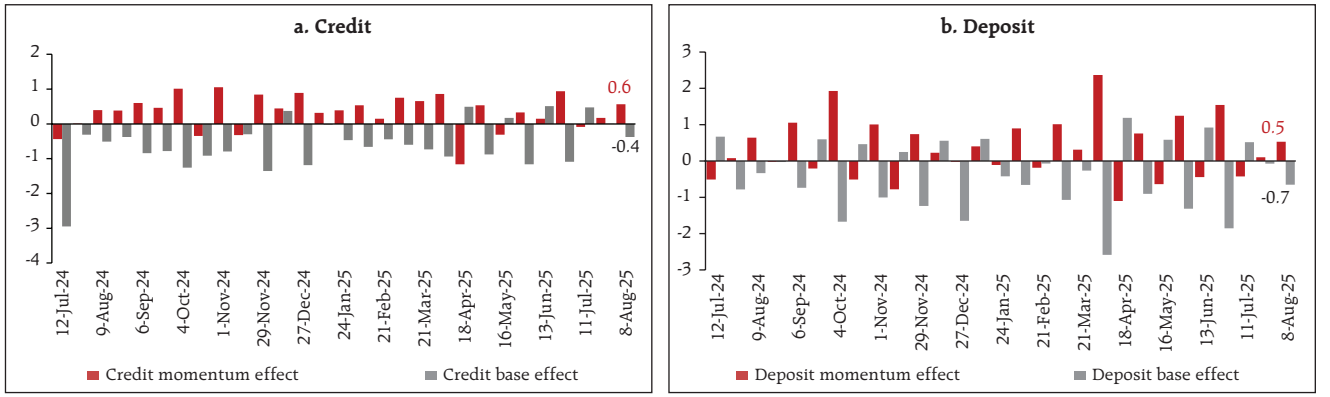
Chart A8: Households' Median Inflation Expectations



Sources: Rural Consumer Confidence Survey; and Inflation Expectations Survey of Households, RBI

Chart A9: Scheduled Commercial Banks: Credit and Deposit Growth

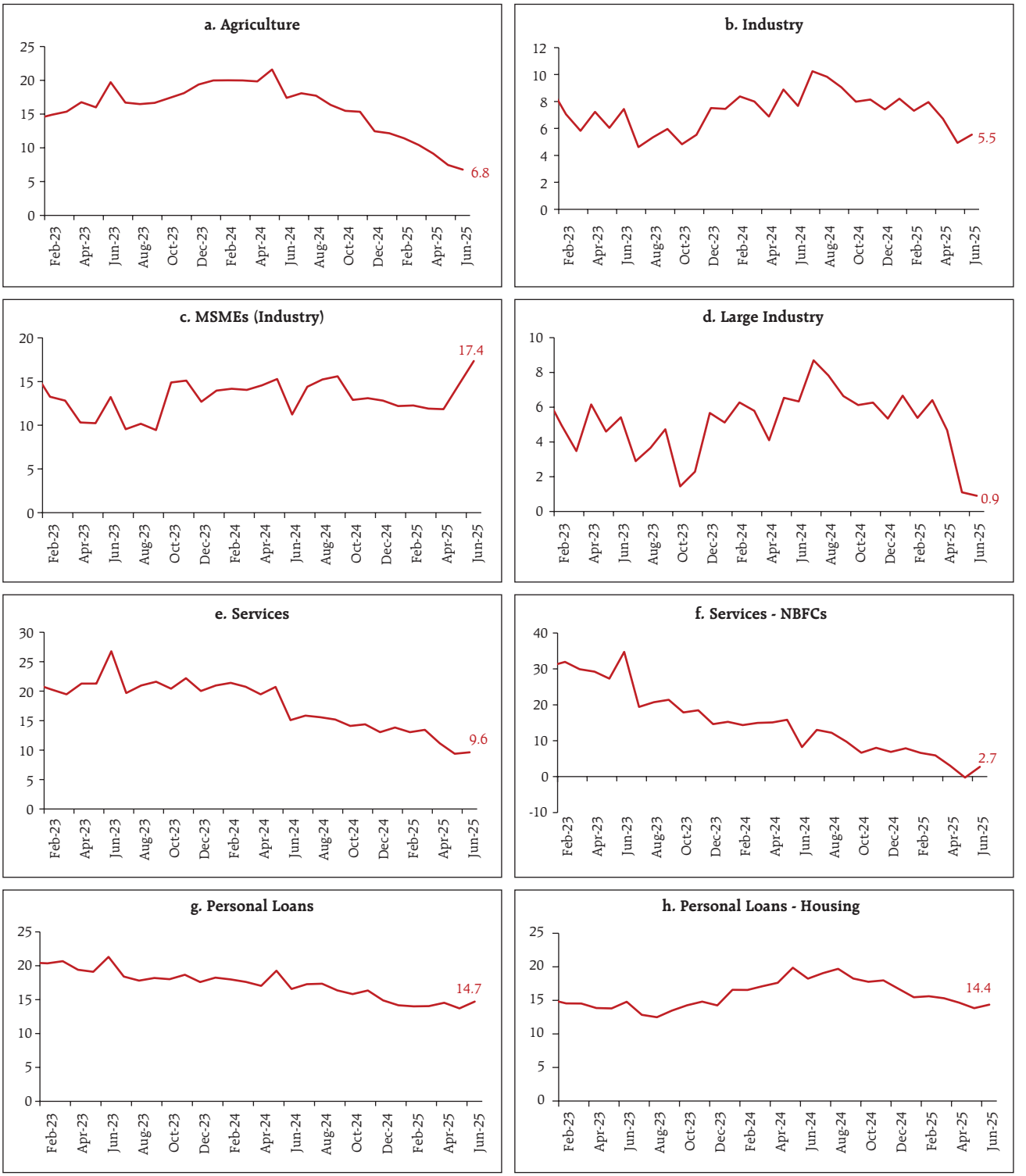
(Percentage points)



Note: Scheduled commercial banks' data are inclusive of regional rural banks. Data include the impact of the merger of a non-bank with a bank.
Source: Fortnightly Section 42 Return, RBI.

Chart A10: Sectoral Deployment of Bank Credit

(Y-o-y, per cent)



Notes: 1. Sectoral non-food credit data is based on sector-wise and industry-wise bank credit (SIBC) return, which covers select banks accounting for about 95 per cent of total non-food credit extended by all SCBs, pertaining to the last reporting Friday of the month. Data are provisional. The bank groups covered under the SIBC return are - Public Sector Banks, Private Sector Banks, Foreign Banks, and Small Finance Banks.

2. Data exclude the impact of the merger of a non-bank with a bank.

Source: RBI.

Private Corporate Investment: Growth in 2024-25 and Outlook for 2025-26

by Snigdha Yogindran, Sukti Khandekar, Rajesh B Kavediya and Aloke Ghosh ^

This article examines private corporate investment intentions in India during 2024–25 and the outlook for 2025-26, based on projects sanctioned by banks and financial institutions (FIs). The total cost of projects sanctioned by banks/FIs at ₹3.68 lakh crore for 2024-25, lower than the previous year, points to tepid investment optimism of private corporates. Based on pipeline projects, financed through all channels, capital expenditure is expected to rise to ₹2.67 lakh crore in 2025–26, aided by robust macroeconomic fundamentals, improved balance sheets, rising capacity utilisation, easy liquidity conditions, infrastructure push, and a 100-bps policy rate cut starting from February 2025. Lower investment announcements amid uncertain demand conditions along with higher cash buffer points to cautiously optimistic outlook for private investment activity.

Introduction

Private corporate investment remained as one of the vital contributors to India's long-term growth trajectory. After a period of subdued activity during the pandemic years, the investment cycle is being rejuvenated by a confluence of supportive factors. In 2024–25, the macroeconomic backdrop is characterised by robust GDP growth, sustained disinflation, and a consequent conducive monetary policy stance. The domestic economy continues to demonstrate resilience, with real GDP growth of 6.5 per cent in 2024–25, making India the fastest-growing major economy, underpinned by robust domestic demand, and steady progress on public infrastructure investments.

Over the past few years, Indian corporates have undergone a phase of balance sheet repair, aided by deleveraging, improved cash flows, and strong profitability across several sectors (RBI, FSR, June 2025). The banking sector's improved asset quality and abundant liquidity have further enhanced the credit environment, translating into easier access to financing for capacity expansion. Recent trends in high-frequency indicators—such as rising imports of capital goods, improved capacity utilisation, and increased flows in corporate bond markets—signal renewed investment appetite among firms. Additionally, sector-specific policies, such as the Production-Linked Incentive (PLI) schemes, energy transition investments, and digital infrastructure expansion, are incentivising corporates to undertake fresh investments.

Amid this recovery, a key motivation for this article is to assess the evolving landscape of private corporate investment and its near-term prospects. Several questions guide this analysis: Have investment intentions rebounded meaningfully? Which sectors and regions are leading this recovery? What is the role of alternative financing channels beyond traditional bank credit?

As finalisation of corporate balance sheet takes time, many countries adopt survey-based approach to assess the near-term outlook on corporate investment and perspective planning. Such surveys provide lead information on quantum and timing of investment for direct assessment of firms' investment intentions that are expected to materialise in the near to medium-term.

In the Indian context, the Reserve Bank has been tracking private capex plans through monitoring

^The authors are from Department of Statistics and Information Management. The views expressed in the article are those of the authors and do not represent the views of the Reserve Bank of India.

of the projects that are funded by banks/financial institutions (FIs) for assessing investment outlook. This article analyses the characteristics, funding patterns, sectoral and regional distribution, and phasing profile of capex projects undertaken by private corporates in 2024–25. Capital expenditure envisaged from pipeline projects[1], which refers to the projects already undertaken for implementation, are also estimated for 2024-25. The article draws on multiple sources like bank/FI sanctions, external commercial borrowings, and equity issuances, to present a holistic view of investment intentions. By focusing on the timing and composition of proposed capex, the article provides valuable forward-looking insights into the investment cycle and its macroeconomic implications for 2025–26.

The article is structured into five sections. Section II outline the methodology and assumption. Section III discusses the key features of projects sanctioned by banks/FIs during 2024-25, including the funding pattern and sectoral/regional distribution. Evaluation of the phasing profile and estimates the investment growth outlook are presented in section IV, while section V concludes the study.

II. Methodology and Assumptions

To assess the short- to medium-term outlook of private corporate investment, this study adopts the methodological framework developed by Rangarajan (1970)[2]. The analysis draws on three main data sources reflecting diverse financing routes for capital projects: (i) private corporates' capex projects sanctioned by banks and FIs, (ii) capex-related external commercial borrowings (ECBs), including foreign currency convertible bonds (FCCBs) and rupee-denominated bonds (RDBs), and (iii) funds raised through initial public offerings (IPOs), follow-on public offerings (FPOs), and rights issues for capex purpose.

To avoid double counting and consequent overestimation of capital investment, meticulous efforts have been made to ensure that each project is included in the dataset only once. This is achieved by utilising internal databases of the Reserve Bank and incorporating information supplied by the Securities and Exchange Board of India (SEBI), even when a project is funded through multiple sources. This study focuses exclusively on projects that receive funding from the aforementioned sources, having a project cost exceeding ₹10 crore, and majority ownership stake of project with private corporates. Projects having majority stake holding with the Central and/or State governments, and projects initiated by trusts and educational institutions are excluded from the scope of this study.

The estimates are derived under the assumption that companies adhere to their ex-ante capital expenditure plans. However, it is important to note that these estimates may differ from actual investments due to various reasons such as (a) modifications in timing or scale of planned investments, (b) shifts in funding patterns—*e.g.*, substitution of debt or equity financing with internal accruals or FDI, which are not being captured in the project finance data collected by the RBI, and (c) emergence of new projects or cancellation of earlier ones. Further, it needs to be recognised that the analysis presented in the article is based only those capex projects for which private corporates approached banks/FIs for funding and accordingly, these estimates serve as a leading indicator of investment activity and may differ from national accounts-based estimates of private corporate fixed capital formation.

[1] Pipeline projects are those projects which are already undertaken for implementation. Capex from pipeline projects are envisaged amounts for a given year, which got sanctioned prior to that given year.

[2] The Methodology was published on 19th December, 1970 in the article "Forecasting Capital Expenditure in the Corporate Sector" authored by Dr. C Rangarajan in the Economic and Political Weekly (EPW), Volume No. 5, Issue No. 51, Page 2049-2051.

III. Characteristics of Projects Sanctioned/ Contracted

During 2024-25, about 907 projects got assistance from banks/FIs with total cost of projects of ₹3,67,973 crore, as compared to 944 projects sanctioned during the previous year having total cost of ₹3,91,003 crore (Annex Table A1).

During 2024-25, 448 private companies, which did not avail of any financing from banks/FIs for capex projects, raised ₹96,966 crore through ECBs for capex purpose, while 229 other companies raised ₹32,295 crore through domestic equity issuances under the initial public offering (IPO) route for funding their capex needs. Overall, investment plans of 1,584 projects were made during 2024-25, with investment intentions of ₹4,97,235 crore, as against 1500 projects in 2023-24 with investment intentions of ₹5,47,734 crore (Annex Table A1 - A4).

i) Size-wise

During 2024-25, ten mega projects (with project cost ₹5,000 crore and above) and 75 large projects (₹1000 crore-₹5000 crore), got sanctioned by banks/FIs, having share of 25.8 per cent and 37.2 per cent in the total project costs, respectively. Deviation from phasing plans of capex of these mega/large projects may affect the overall capex pattern in the medium-term (Annex Table A5).

ii) Purpose-wise

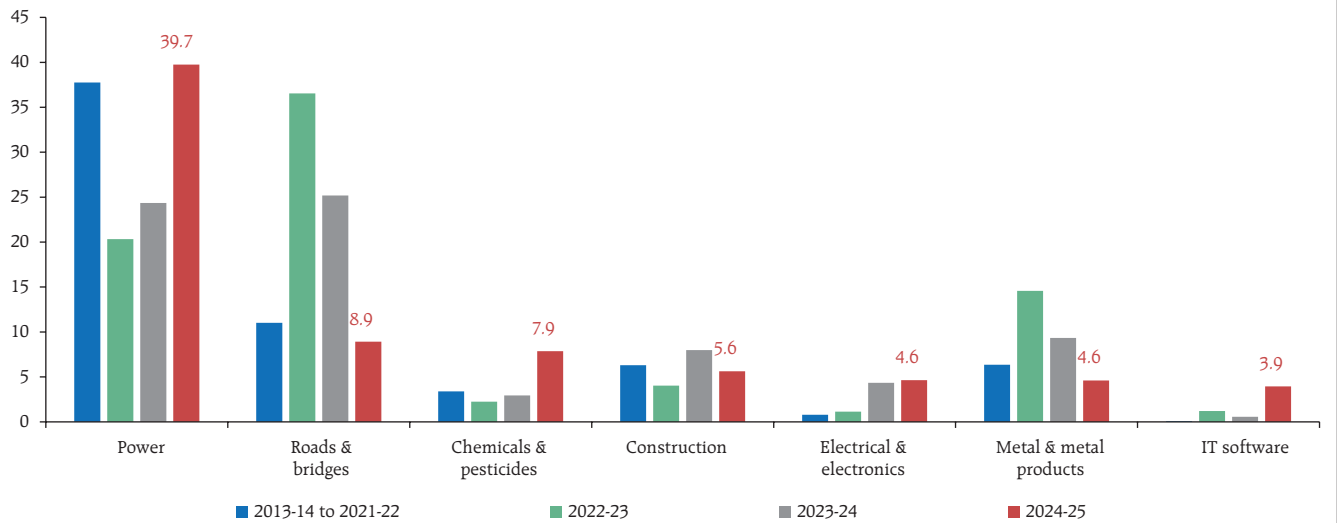
Investment in green field (new) projects accounted for the lion share of about 92 per cent in the total cost of projects financed by banks/FIs during 2024-25, in line with the trend seen in the past. Greenfield investment generally brings new and additional resources and assets to the firms and leads to gross fixed capital formation (GFCF). Higher investment in green filed projects thus points to likely capacity expansion by private corporates going forward. Investment in expansion and modernisation of existing projects[3] accounted for 7.8 per cent share in the total project cost (Annex Table A6).

iii) Industry-wise

Industry-wise distribution of projects sanctioned during 2024-25 indicates that the infrastructure

Chart 1: Share of Major Industries in Aggregate Cost of Projects Sanctioned by Banks/FIs

(Per cent)



Sources: Data on project finance gathered from banks/FIs; and RBI staff estimates.

[3] Investment in expansion and modernisation of existing projects generally relates to investment required for upgradation of existing technology/ processes to improve production and/or its quality.

sector[4] remained the major sector accounting for 50.6 per cent share in the total cost of projects, primarily driven by investment in 'Power', followed by 'Road & bridges' (Annex Table A7). However, the share of infrastructure related projects in the total cost of projects was lowest in the last ten years. Beside infrastructure, among the other major industries, chemicals & pesticides, construction, electrical equipments, and metal & metal products also accounted for the sizable share in the total cost of projects (Chart 1 and Annex Table 7).

iv) State-wise

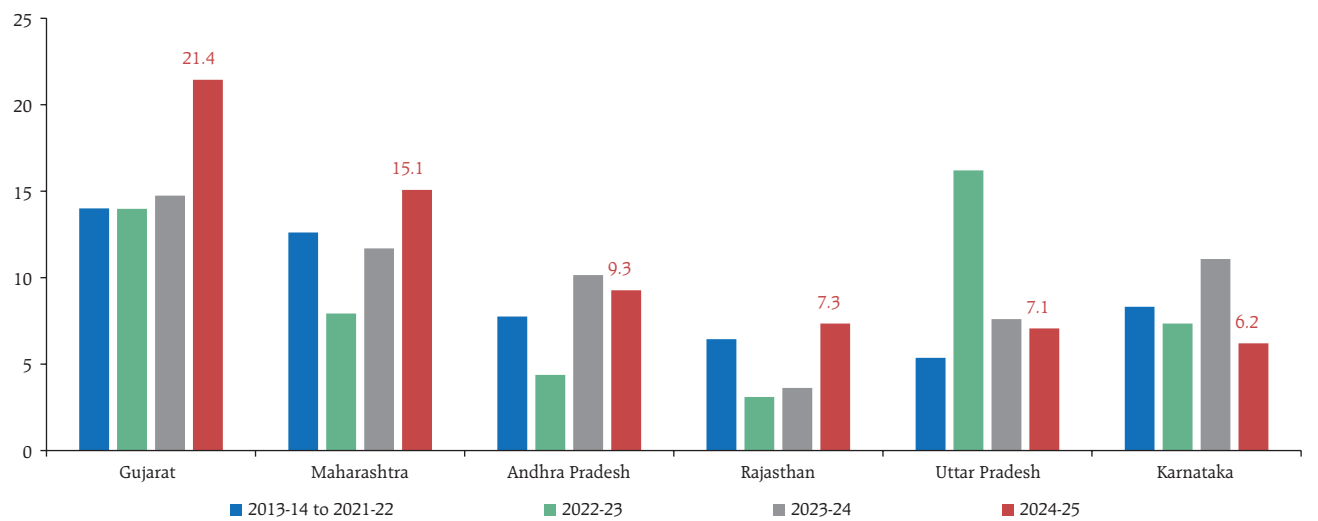
The regional factors, for instance, accessibility of raw materials, availability of suppliers, availability of skilled labour, presence of adequate infrastructure, size of the market, growth potential, and demand conditions remained crucial in destination choice for the investment. For the analysis purpose, in this article, the projects which are spread across multiple states have been classified as "multi-state" projects. The state-wise distribution of projects sanctioned revealed that the top five states *viz.*, Gujarat, Maharashtra, Andhra Pradesh, Rajasthan and Uttar Pradesh, together accounts for about 60 per cent share in total cost of projects during 2024-25. Share of Gujarat, Maharashtra and Rajasthan improved significantly from the previous year (Chart 2 and Annex Table A8).

IV. Phasing Profile of Investment Intentions

Phasing profile of capital expenditures of projects sanctioned by banks/FIs till end of the financial year 2024-25 provides near-term (one year ahead) investment outlook of private corporates. The phasing from the cohort of projects sanctioned in 2024-25 indicates that 39.3 per cent (₹1,44,782 crore) of the total proposed capital expenditure was planned to be invested by the year-end 2024-25, while 35.2 per cent (₹1,29,591 crore) is planned to be spent in 2025-26 and another 25.4 per cent (₹93,600 crore) in the subsequent period. Based on the phasing profile of projects sanctioned by banks/FIs till 2024-25, the envisaged capex recorded a marginal increase of 0.4 per cent to ₹2,95,234 crore during 2024-25 over the previous year (Annex Table A1).

Chart 2: Share of Major States in Aggregate Cost of Projects Sanctioned by Banks/FIs

(Per cent)



Sources: Data on project finance gathered from banks/FIs; and RBI staff estimates.

[4] Infrastructure sector comprising of (a) power, (b) telecom, (c) ports and airports, (d) storage and water management, (e) special economic zone (SEZ), industrial, biotech and IT park, and (f) roads & bridges.

Resources raised through the ECB and IPO route by private corporates supplement the financing of their investment activities. From the fund raised through the ECB route for capex purpose during 2024-25 and prior period, capital expenditure planned to be made during 2024-25 remained robust at ₹1,00,747 crore, though remained lower than the previous year. Also, planned capital expenditure from the fund raised through the IPO route for capex purpose increased significantly to ₹18,943 crore in 2024-25, though its share in total envisaged capital expenditure remained miniscule (Annex Table A2 and A3).

Overall, based on the various channels of fundings, as alluded earlier, total capital investment of ₹4,14,923 crore was intended to be made by the private corporate sector in 2024-25, broadly similar to the planned capex during the previous year. The phasing profile of the envisaged capex, based on the pipeline projects sanctioned by the banks/ FIs in the previous years prior to the reference year, indicate that envisaged capital investment increased from ₹1,68,204 crore in 2024-25 to ₹1,91,073 crore in 2025-26; while based on all channels of financing taken together, it stood at ₹2,67,432 crore in 2025-26 as against ₹2,20,132 crore in 2024-25 (Annex Table A1 and A4).

V. Conclusion

The analysis of project finance data points to lower investment optimism as reflected in tepid total cost of projects during 2024–25 as compared to previous year. Infrastructure sector continued to attract the major share of envisaged capital investment, led by 'Power' sector. Of the total cost of projects sanctioned by banks/FIs during 2024-25, 39.3 per cent was planned to be invested by the end of financial year 2024-25, 35.2 per cent is provided for 2025-26 and the remaining 25.4 per cent is envisaged to be invested in the subsequent years. The phasing profile of pipeline projects financed through all the three channels suggests that the envisaged capex could increase substantially to ₹2,67,432 crore in 2025-26 from ₹2,20,132 crore in 2024-25.

Despite global uncertainties, Indian firms are entering the new fiscal year with healthier balance sheets, higher cash buffer, improved profitability, and greater access to diversified funding sources. The continued policy push for infrastructure, sustained disinflation, combined with lower interest rates, easy liquidity conditions, and rising capacity utilisation, is fostering an environment conducive to private investment.

Looking ahead, the investment outlook remains cautiously optimistic. While external risks such as geopolitical tensions, global uncertainty and demand slowdown may influence investment sentiment, the domestic fundamentals appear robust. Importantly, the composition of investments—driven largely by greenfield infrastructure projects—signals not only cyclical recovery but also structural capacity building. The ability of firms to convert intentions into execution will be critical in shaping the next phase of India's growth. Thus, sustained monitoring of project implementation and supportive policy measures will be vital to translating this momentum into durable economic gains.

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RBI (2025). Financial Stability Report, June. Retrieved from https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/0FSRJUNE20253006258AE798B4484642AD861CC35BC2CB3D8E.PDF

Table A1: Phasing of Capex of Projects Sanctioned by Banks/FIs

Year of sanction ↓	No of Projects	Project Cost in the Year of Sanction (₹crore)	Project Cost due to Revision/ Cancellation^ (in ₹crore)	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Beyond 2025-26
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
upto 2013-14				1,70,603	93658	34172	14421	4722	1472								
2014-15	326	87,601	87,253 (0.4)	14,920	34,589	25,765	9,535	1,246	162	1,036							
2015-16	346	95,371	91,781 (3.8)	3,787	7,434	37,517	28,628	8,079	4,964	1,152	220						
2016-17	541	1,82,807	1,79,249 (2.0)	1,352	3,952	25,388	71,186	41,075	21,643	8,566	4,001	2,086					
2017-18	485	1,72,831	1,68,239 (2.6)		620	15,184	12,445	63,001	41,436	22,767	10,202	2,342	242				
2018-19	409	1,76,581	1,59,189 (9.8)			569	6,862	11,000	59,973	47,080	21,248	9,759	2,663	35			
2019-20	320	2,00,038	1,75,83 (12.1)					4,049	14,524	53,978	58,556	28,116	14,114	2,299	194		
2020-21	220	75,558	75,558 (0.0)						2,491	3,709	29,013	26,166	9,711	3,867	601		
2021-22	401	1,43,314	1,42,111 (0.8)							3,610	10,543	59,622	44,306	18,447	3,541	1,646	396
2022-23	547	2,66,547	2,66,621 (0.0)							1,127	2,150	16,663	87,996	92,539	47,942	15,338	2,865
2023-24	944	3,90,978	3,91,003 (0.0)								2,235	6,783	39,455	1,63,608	1,15,926	44,499	18,497
2024-25	907	3,67,973										1,476	3,073	13,204	1,27,029	1,29,591	93,600
Grand Total[&]				**1,90,662**	**1,40,253**	**1,38,595**	**1,43,077**	**1,33,172**	**1,46,665**	**1,43,025**	**1,38,169**	**1,53,013**	**2,01,561**	**2,93,999**	**2,95,234**	**1,91,073**	**1,15,358**
Percentage change					**-26.4**	**-1.2**	**3.2**	**-6.9**	**10.1**	**-2.5**	**-3.4**	**10.7**	**31.7**	**45.9**	**0.4**	**#**	

&: Column totals indicate envisaged capex in a particular year covering the projects which received financial assistance in various years. The estimate is *ex ante* incorporating only envisaged investments. They are different from those actually realised/utilised.

#: Per cent change for 2025-26 is not worked out as capex from proposal that are likely to be sanctioned in 2025-26 is not yet available.

^ : Figures in bracket are percentage of revision/cancellation.

Table A2: Phasing of Capex Projects* Funded through ECBs/ FCCBs/RDBs**

Year of sanction ↓	No of LRNs issued	Total loan contracted (₹crore)	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Beyond 2025-26
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
upto 2013-14			78,864	27,376	4,896											
2014-15	478	57,327		36,791	16,806	3,151	575	2	2							
2015-16	314	38,885			28,998	7,311	2,572	4								
2016-17	346	22,154				14,953	6,005	1,192	2	2						
2017-18	419	37,896					17,822	13,054	6,484	529	7					
2018-19	515	72,490						46,221	17,725	1,236	5,398	1,844	66			
2019-20	495	95,491							65,367	17,157	11,717	965	285			
2020-21	362	40,564								21,865	13,574	3,219	1,675	231		
2021-22	363	51,059								13	29,315	16,554	5,089	89		
2022-23	393	81,101										33,927	31,785	14,438	950	
2023-24	433	1,50,421											76,336	34,178	21,169	18,738
2024-25	448	96,966											12	51,811	40,660	4,483
Grand Total&			**78,864**	**64,167**	**50,700**	**25,415**	**26,974**	**60,473**	**89,580**	**40,802**	**60,011**	**56,509**	**1,15,248**	**1,00,747**	**62,779**	**23,221**
Percentage change				**-18.6**	**-21.0**	**-49.9**	**6.1**	**124.2**	**48.1**	**-54.5**	**47.1**	**-5.8**	**103.9**	**-12.6**	**#**	

*: Projects which did not receive assistance from banks/FIs.

**: Rupee Denominated Bonds (RDBs) have been included since 2016-17.

#: Percent change for 2025-26 is not worked out as capex from proposals that are likely to be drawn in 2025-26 is not yet available.

&: The estimate is *ex ante* incorporating only envisaged investment. They are different from those actually realised/utilised.

LRN: Loan registration number

Table A3: Phasing of Capex of Projects Funded Through Equity Issues*

Equity issued during ↓	No. of Companies	Capex Envisaged (₹crore)	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Beyond 2025-26
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
upto 2013-14			494	492	70											
2014-15	24	1,078		189	557	332										
2015-16	40	4,511		11	644	2,753	849	183	71							
2016-17	29	1,159			14	471	368	163	143							
2017-18	51	1,538					419	327	787	5						
2018-19	39	609						506	90	13						
2019-20	12	53						2	49	2						
2020-21	12	663								139	421	84	19			
2021-22	27	3,410								10	757	1,304	939	400		
2022-23	42	3,629										1,172	2,181	276		
2023-24	123	6,310										58	2,999	2,316	937	
2024-25	229	32,295											199	15,951	12,643	3,503
Grand Total&			**494**	**692**	**1,285**	**3,556**	**1,636**	**1,181**	**1,140**	**169**	**1,178**	**2,618**	**6,337**	**18,943**	**13,580**	**3,503**
Percentage change				**40.1**	**85.7**	**176.7**	**-54.0**	**-27.8**	**-3.5**	**-85.2**	**597.0**	**122.2**	**142.1**	**198.9**	**#**	

*: Projects which did not receive assistance from banks/FIs/ECBs/FCCBs/RDBs.

#: Per cent change for 2025-26 is not worked out as capex from proposals that are likely to be implemented in 2025-26 is not yet available.

&: The estimate is ex ante incorporating only envisaged investment, they are different from those actually realized / utilised.

Table A4: Phasing of Capex of Projects Funded Through Banks/FIs/IPOs/ECBs/FCCBs/RDBs*/IPOs

Year of sanction ↓	No of Companies or Banks/ FIs/ ECBs/ FCCBs / RDBs /IPOs	Project Cost (₹ crore)	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Beyond 2025-26
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
upto 2013-14			2,49,961	1,21,526	39,138	14,421	4,722	1,472								
2014-15	828	1,46,006	14,920	71,569	43,128	13,018	1,821	164	1,038							
2015-16	700	1,38,767	3,787	7,445	67,159	38,692	11,500	5,151	1,223	220						
2016-17	916	2,06,120	1,352	3,952	25,402	86,610	47,448	22,998	8711	4,003	2,086					
2017-18	955	2,12,265		620	15,184	12,445	81,242	54,817	30038	10,736	2,349	242				
2018-19	963	2,49,680			569	6,862	11,000	1,06,700	64895	22,497	15,157	4,507	101			
2019-20	827	2,95,582					4,049	14,526	119,394	75,715	39,833	15,079	2,584	194		
2020-21	594	1,16,785						2,491	3709	51,017	40,161	13,014	5,561	832		
2021-22	791	1,96,580							3,610	10,566	89,694	62,164	24,475	4,030	1,646	396
2022-23	982	3,51,351							1,127	2,150	16,663	1,23,095	1,26,505	62,656	16,288	2,865
2023-24	1,500	5,47,734								2,235	6,783	39,513	2,42,943	1,52,420	66,604	37,235
2024-25	1,584	4,97,235									1,476	3,073	13,415	1,94,791	1,82,895	1,01,586
Grand Total[&]			**270,020**	**2,05,112**	**1,90,580**	**1,72,048**	**1,61,782**	**2,08,319**	**2,33,745**	**1,79,139**	**2,14,202**	**2,60,688**	**4,15,583**	**4,14,923**	**2,67,432**	**1,42,082**
Percentage change				**-24.0**	**-7.1**	**-9.7**	**-6.0**	**28.8**	**12.2**	**-23.4**	**19.6**	**21.7**	**59.4**	**-0.2**	**#**	

*: Rupee Denominated Bonds (RDBs) have been included since 2016-17.

#: Per cent change for 2025-26 is not worked out as capex from proposals that are likely to be sanctioned in 2025-26 is not yet available.

&: The estimate is ex ante incorporating only envisaged investment, they are different from those actually realised/utilised.

Table A5: Size-wise Distribution of Projects Sanctioned by Banks/FIs: 2013-14 to 2024-25

Period	Number and Share of Projects	Less than ₹100 crore	₹100 crore to ₹500 crore	₹500 crore to ₹1000 crore	₹1000 crore to ₹5000 crore	₹5000 crore & above	Total
2013-14	No. of Projects	306	115	25	21	5	**472**
	Per cent Share	8.3	20.0	13.9	29.1	28.7	**100 (1,27,328)**
2014-15	No. of Projects	223	65	18	19	1	**326**
	Per cent Share	9.0	16.6	14.6	47.8	12.0	**100 (87,253)**
2015-16	No. of Projects	214	76	34	21	1	**346**
	Per cent Share	8.6	20.9	26.0	38.5	5.9	**100 (91,781)**
2016-17	No. of Projects	287	180	29	40	5	**541**
	Per cent Share	5.8	23.3	11.9	41.7	17.4	**100 (1,79,239)**
2017-18	No. of Projects	263	149	28	42	3	**485**
	Per cent Share	5.2	21.0	10.8	43.8	19.1	**100 (1,68,239)**
2018-19	No. of Projects	220	110	39	36	4	**409**
	Per cent Share	4.8	17.0	17.0	39.6	21.6	**100 (1,59,189)**
2019-20	No. of Projects	150	84	45	36	5	**320**
	Per cent Share	3.3	11.9	18.6	37.4	28.8	**100 (1,75,830)**
2020-21	No. of Projects	128	52	15	24	1	**220**
	Per cent Share	5.5	16.8	14.2	53.5	10.0	**100 (75,558)**
2021-22	No. of Projects	201	125	37	36	2	**401**
	Per cent Share	5.6	19.7	20.0	46.9	7.9	**100 (1,42,111)**
2022-23	No. of Projects	267	158	50	64	8	**547**
	Per cent Share	3.9	13.8	13.9	41.3	27.1	**100 (2,66,621)**
2023-24	No. of Projects	484	265	107	77	11	**944**
	Per cent Share	4.6	16.6	20.0	37.1	21.7	**100 (3,91,003)**
2024-25	No. of Projects	502	234	86	75	10	**907**
	Per cent Share	5.2	14.8	17.1	37.2	25.8	**100 (3,67,973)**

Note: i. Figures in brackets are total cost of projects in ₹crore.
ii. Per cent share is the share in total cost of projects. Percentages may not total 100 due to rounding.

Table A6: Purpose-wise Distribution of Projects Sanctioned by Banks/FIs during 2013-14 to 2024-25

Period	Number and Share of Projects	New	Expansion & Modernisation	Diversification	Others	Total
2013-14	No. of Projects	361	95	2	14	**472**
	Percent Share	65.2	20.1	-	14.7	**100 (1,27,328)**
2014-15	No. of Projects	203	92	2	29	**326**
	Percent Share	39.4	14.7	0.2	45.7	**100 (87,253)**
2015-16	No. of Projects	260	64	3	19	**346**
	Percent Share	73.6	14.3	0.1	12.0	**100 (91,781)**
2016-17	No. of Projects	429	97	4	11	**541**
	Percent Share	78.6	9.9	0.1	11.3	**100 (1,79,249)**
2017-18	No. of Projects	396	80	2	7	**485**
	Percent Share	89.0	9.5	0.1	1.5	**100 (1,68,239)**
2018-19	No. of Projects	309	80	-	20	**409**
	Percent Share	76.8	19.3	-	3.9	**100 (1,59,189)**
2019-20	No. of Projects	262	37	1	20	**320**
	Percent Share	79.8	13.7	-	6.4	**100 (1,75,830)**
2020-21	No. of Projects	181	38	1	-	**220**
	Percent Share	94.1	5.9	-	-	**100 (75,558)**
2021-22	No. of Projects	312	88	1	-	**401**
	Percent Share	89.1	10.8	0.1	0.0	**100 (1,42,111)**
2022-23	No. of Projects	440	101	-	6	**547**
	Percent Share	93.1	6.1	-	0.8	**100 (2,66,621)**
2023-24	No. of Projects	767	167	4	6	**944**
	Percent Share	89.1	8.7	0.1	2.2	**100 (3,91,003)**
2024-25	No. of Projects	734	162	5	6	**907**
	Percent Share	91.6	7.8	0.1	0.5	**100 (3,67,973)**

Note: i. Figures in brackets are total cost of projects in ₹crore.
ii. Per cent share is the share in total cost of projects. Percentages may not total 100 due to rounding.
iii. -: Nil/ Negligible.

Table A7: Industry-wise Distribution of Projects Sanctioned by Banks/FIs: 2013-14 to 2024-25

Industry	2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		2020-21		2021-22		2022-23		2023-24		2024-25	
	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share
Infrastructure	87	39.7	74	48.9	108	72.0	204	62.5	150	51.7	122	60.3	99	61.5	63	74.3	95	56.3	135	60.0	245	55.5	207	50.6
i) Power	70	35.1	65	42.2	92	57.1	170	45.4	117	36.5	78	26.8	47	32.9	35	49.3	58	29.0	53	20.3	139	24.4	146	39.7
ii) Telecom	1	-	1	4.9	1	0.3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	0.6	-	-
iii) Ports & Airports	1	0.8	-	-	3	2.4	8	5.7	6	3.1	4	14.2	4	8.4	1	0.1	2	5.9	2	0.4	9	4.8	3	0.6
iv) Storage & Water Management	5	1.1	2	0.6	4	4.2	6	3.7	2	0.4	13	5.7	4	0.4	5	1.2	2	0.2	3	0.8	4	0.0	8	0.2
v) SEZ, Industrial, Biotech and IT Park	8	1.5	3	0.9	1	0.4	2	0.4	9	1.6	11	3.2	8	1.3	5	2.2	3	1.1	8	1.9	10	0.5	8	1.2
vi) Roads & Bridges	2	1.2	3	0.3	7	7.6	17	7.3	16	10.1	16	10.4	36	18.5	17	21.5	30	20.2	69	36.5	82	25.2	42	8.9
Metal & Metal Products	44	17.4	17	17.4	14	1.5	23	4.9	21	9.7	16	3.0	14	0.8	6	0.8	27	4.3	60	14.6	71	9.3	68	4.6
Construction	27	2.1	29	4.0	26	1.8	60	12.0	39	5.3	26	2.3	44	11.4	27	4.8	22	7.4	35	4.0	56	8.0	57	5.6
Electrical & Electronics	9	2.0	7	0.2	2	0.2	9	0.2	6	0.2	1	0.1	4	-	1	0.1	5	4.0	9	1.1	15	4.4	28	4.6
Food Products	43	1.8	34	2.9	26	1.8	38	0.9	47	2.8	28	1.4	32	1.9	20	1.5	25	1.7	40	2.5	107	3.0	86	2.6
Chemicals & Pesticides	15	1.0	7	2.6	11	1.6	10	2.1	23	11.4	19	2.9	12	1.3	9	1.6	20	3.4	16	2.3	33	2.9	24	7.9
Textiles	58	10.3	50	4.1	49	4.8	57	4.1	54	3.7	27	3.4	11	0.5	15	1.8	56	4.5	42	2.8	58	2.2	38	1.2
Transport Services	14	0.5	5	0.6	10	1.2	12	0.4	16	4.1	5	0.2	14	1.4	1	0.1	19	2.5	21	0.6	35	2.1	46	2.1
Coke and Petroleum Products	1	0.5	1	3.4	2	2.0	2	0.5	1	0.4	-	-	3	8.0	-	-	7	1.0	17	1.1	28	1.6	23	1.8
Cement	12	7.1	7	3.8	5	1.9	5	2.3	3	0.6	10	5.1	2	0.1	5	1.3	3	3.3	2	0.8	11	1.3	4	1.0
Transport Equipments and Parts	14	1.0	7	5.3	4	2.5	9	3.6	10	0.3	5	0.8	5	0.4	2	0.3	5	0.4	16	0.6	12	1.2	16	1.8
Mining and quarrying	1	0.6	2	0.1	10	2.7	4	0.4	1	-	-	-	-	-	-	-	1	0.1	7	1.8	11	1.2	9	2.2
Hotels and Restaurants	22	2.2	15	1.1	16	1.1	12	0.8	29	2.9	26	1.9	16	1.7	4	2.9	12	0.9	13	0.4	58	1.1	61	1.5
Pharmaceuticals	19	1.3	9	1.5	11	0.3	12	1.1	15	0.6	23	1.6	9	0.6	7	0.5	20	1.3	30	2.1	29	0.8	42	1.0
Hospitals & Health services	10	0.7	2	0.1	1	-	22	1.1	18	1.8	15	2.6	12	0.7	7	0.3	19	2.3	20	1.1	25	0.7	34	1.5
Rubber & Plastic product	9	0.3	8	0.8	4	0.5	8	0.2	10	2.5	5	0.5	5	0.3	17	2.1	12	0.8	13	0.8	24	0.7	35	1.9
IT Software	3	0.1	1	-	1	-	-	-	1	-	2	0.7	1	-	-	-	2	0.6	4	1.2	4	0.6	10	3.9
Others*	84	11.4	51	3.2	46	4.1	54	2.9	41	2.0	79	13.3	37	9.3	36	7.6	51	5.1	67	2.3	122	3.5	119	4.2
Total	**472**	**100**	**326**	**100**	**346**	**100**	**541**	**100**	**485**	**100**	**409**	**100**	**320**	**100**	**220**	**100**	**401**	**100**	**547**	**100**	**944**	**100**	**907**	**100**
Total project cost in ₹crore	**1,27,328**		**87,253**		**91,781**		**1,79,249**		**1,68,239**		**1,59,189**		**1,75,830**		**75,558**		**1,42,111**		**2,66,621**		**3,91,003**		**3,67,973**	

*: Comprise industries like Paper & paper products, Agricultural & related activities, Manufacturing of electric and non-electric machinery, Glass & pottery, Sugar and allied products, Entertainment, Trading of services, Printing & publishing, other manufacturing and other services.

Note: i. Per cent share is the share in total cost of project. Percentages may not total 100 due to rounding.
ii. -: Nil/Negligible.

Table A8: State-wise Distribution of Projects Sanctioned by Banks/FIs: 2013-14 to 2024-25

State	2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		2020-21		2021-22		2022-23		2023-24		2024-25	
	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share	No. of Projects	Per cent Share
Gujarat	66	14.5	71	9.5	61	15.1	102	23.0	71	8.0	56	11.1	47	15.1	54	17.1	82	11.7	82	14.0	154	14.7	152	21.4
Maharashtra	76	19.7	38	14.8	36	9.4	57	8.8	65	23.3	34	11.5	41	6.9	13	8.5	44	9.6	48	7.9	93	11.7	111	15.1
Karnataka	39	6.2	27	5.4	21	6.2	52	6.8	64	9.6	34	5.7	33	17.2	11	6.1	24	6.9	37	7.3	61	11.1	60	6.2
Andhra Pradesh	37	4.0	24	8.1	33	12.3	47	8.0	22	9.9	29	11.1	12	4.0	7	15.0	11	2.1	27	4.4	51	10.1	28	9.3
Uttar Pradesh	21	1.1	20	5.4	15	2.5	22	3.7	30	2.4	28	4.8	24	5.4	30	13.7	33	12.7	45	16.2	69	7.6	78	7.1
Odisha	10	11.7	5	15.9	6	3.1	6	3.1	5	3.0	9	1.4	6	1.9	2	0.1	9	2.2	12	11.8	23	6.7	18	4.6
Telangana	-	-	-	-	10	3.8	51	5.5	17	1.9	26	9.1	12	4.0	9	1.9	16	3.4	30	1.9	40	4.1	42	2.8
Rajasthan	24	1.4	29	11.1	10	0.9	23	2.8	33	6.3	21	7.7	23	3.8	21	17.1	32	12.6	22	3.1	61	3.6	45	7.3
Jharkhand	4	0.3	2	0.7	5	0.3	1	0.0	3	0.3	2	0.5	4	9.4	1	0.2	6	0.8	12	1.9	17	3.4	7	1.3
Madhya Pradesh	30	6.1	14	3.9	21	7.0	18	7.5	10	0.7	12	1.6	10	1.2	19	2.8	18	4.2	35	5.0	56	3.4	41	2.7
Chhattisgarh	16	10.7	8	7.4	8	4.6	15	4.0	7	4.8	6	0.9	6	0.2	3	1.2	4	0.8	8	1.4	26	3.3	24	1.1
Tamil Nadu	33	5.4	27	2.9	26	9.3	23	4.4	28	6.6	32	12.8	28	8.3	7	0.7	40	8.8	44	4.7	83	3.0	73	4.7
Bihar	6	0.2	4	0.1	6	0.2	4	0.2	3	0.1	6	0.4	6	3.4	1	0.0	5	3.4	6	1.6	13	2.6	11	0.9
West Bengal	12	1.2	9	1.3	14	3.1	18	1.7	14	1.8	13	1.1	7	0.9	3	0.4	11	2.6	16	1.0	28	2.3	34	2.3
Jammu & Kashmir	10	5.2	2	0.1	9	0.2	3	0.1	8	2.0	11	0.4	3	0.3	5	0.2	5	0.2	23	3.1	36	1.9	54	3.8
Punjab	28	1.5	6	0.3	11	1.7	29	2.1	31	2.2	15	1.9	9	0.8	4	0.7	15	2.2	21	2.5	34	1.6	28	1.5
Haryana	15	1.1	11	1.9	16	3.6	13	1.6	21	0.5	18	1.7	20	3.4	15	7.8	14	2.0	14	1.0	25	1.5	20	0.6
Delhi	5	0.4	2	0.1	1	0.1	5	0.3	6	1.2	8	1.3	3	0.5	2	0.1	3	0.6	12	0.4	10	1.2	14	0.3
Assam	4	0.3	2	0.2	4	0.4	10	0.6	5	0.8	4	0.2	1	0.3	3	4.4	2	0.0	6	0.7	13	0.9	14	1.2
Himachal Pradesh	3	1.8	3	0.1	8	1.4	1	0.0	8	2.3	7	0.3	6	0.1	4	0.2	7	1.2	11	2.2	10	0.3	9	0.1
Kerala	3	0.0	4	0.2	4	0.1	6	2.7	3	0.1	6	0.9	3	1.0	-	-	5	4.2	12	0.9	11	0.2	12	0.3
Goa	-	-	-	-	1	0.0	3	0.6	2	1.9	3	1.8	2	0.1	-	-	3	3.0	3	0.8	4	0.1	3	0.6
Uttarakhand	5	0.1	5	0.2	2	0.1	11	0.4	6	0.4	9	0.4	5	0.1	2	0.1	2	0.4	5	0.1	8	0.1	14	0.3
Multi-State #	21	6.9	10	9.5	13	13.5	17	11.8	16	7.5	15	9.8	8	11.7	2	1.4	7	4.0	10	5.5	12	4.4	9	4.5
others*	4	0.2	3	0.9	5	1.1	4	0.3	7	2.4	5	1.7	1	0.0	2	0.3	3	0.3	6	0.3	6	0.3	6	0.1
Total	**472**	**100**	**326**	**100**	**346**	**100**	**541**	**100**	**485**	**100**	**409**	**100**	**320**	**100**	**220**	**100**	**401**	**100**	**547**	**100**	**944**	**100**	**907**	**100**
Total Cost of Projects (in ₹crore)	**1,27,328**		**87,253**		**91,781**		**1,79,249**		**1,68,239**		**1,59,189**		**1,75,830**		**75,558**		**142,111**		**2,66,621**		**3,91,003**		**3,67,973**	

#: Comprise projects over several states.

*: Comprise remaining states/union territories.

Note: i. Per cent share is the share in total cost of project. Percentages may not total 100 due to rounding.

ii. -: Nil/Negligible.

Equity Mutual Funds: Transforming India's Savings Landscape

by Mayank Gupta, Satyam Kumar, Abhinandan Borad, Subrat Kumar Seet and Pratibha Kedia ^

This article examines the determinants of equity mutual fund flows in India, highlighting the shift in retail investor behaviour toward equity-oriented assets over the past decade. Using machine learning techniques, the empirical analysis identifies increasing financial inclusion (proxied by demat accounts), fixed deposit rates, and business confidence as the top three influential factors shaping equity mutual fund flows. Granger causality analysis further suggests that real GDP growth helps forecast these flows, reflecting how economic performance influences investor behaviour. The article underscores the growing maturity and long-term orientation of retail investors in India. Despite recent growth, India's mutual fund industry remains relatively small compared to those of advanced economies, indicating significant scope for future expansion.

Introduction

Retail investors have been increasingly preferring equity investments over traditional saving instruments, which is reshaping the financial landscape in India. The substantial growth of mutual funds (MFs) would unquestionably be a prominent highlight if one were to outline the significant developments in India's financial sector during the twenty-first century. The share of MFs in the household sector's gross financial savings increased from 0.9 per cent in 2011-12 to 6 per cent in 2022-23 (Chart 1a). MFs have emerged as the preferred vehicle for household investors to invest in equity markets[1] (Chart 1b).

Over the past few decades, MFs in India have experienced considerable popularity, attributable to rise in income levels, increasing levels of financial literacy, young demographic composition, the widespread growth of the digital ecosystem and internet connectivity, and the success of the marketing initiatives led by the Association of Mutual Funds in India (AMFI) leading into buildup of trust. Assets under management (AUM) of the MF industry have grown from ₹6.1 lakh crore at end-March 2010 to ₹65.7 lakh crore at end-March 2025 at a compounded annual growth rate (CAGR) of 17.1 per cent. Monthly flow through systematic investment plans (SIPs) has been recording fresh lifetime highs, crossing the ₹27,000 crore mark in June 2025, despite heightened volatility in Indian equity markets in the recent period due to geopolitical developments and trade related uncertainties.

MFs are seeing higher growth in new SIP accounts from smaller towns (beyond 30 or B-30 centers) compared to the top 30 (T30[2]) cities[3] along with greater participation from women - their share in industry assets has expanded from 15 per cent in

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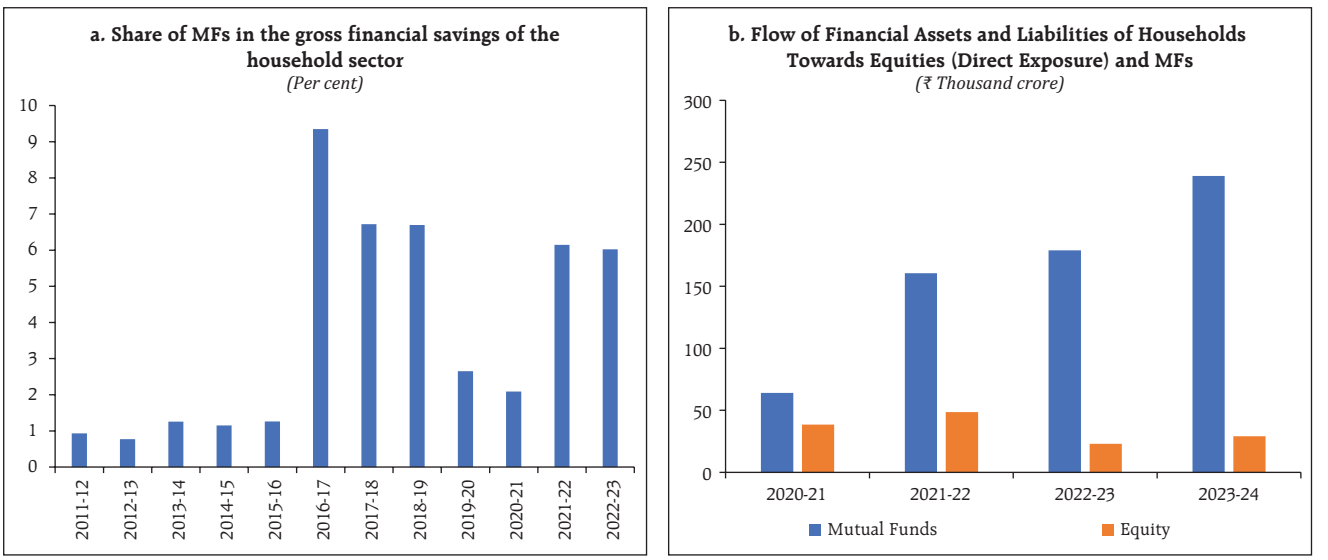
[1] The current Household Financial Savings Data accounts only for primary market flows into equities. Securities and Exchange Board of India (2024) undertook an extended analysis by incorporating secondary market flows and introducing certain methodological refinements. Even with these adjustments, the findings indicate that flows into mutual funds continue to significantly surpass the combined flows into equities through both primary and secondary markets.

[2] T30 refers to the top 30 geographical locations in India and B30 refers to the locations beyond the top 30. The list of T30 cities can be accessed at https://www.amfiindia.com/research-information/aum-data/listoftop30cities

[3] https://www.business-standard.com/markets/stock-market-news/sip-soars-beyond-city-limits-small-towns-lead-in-account-additions-123112600539_1.html

Chart 1: Financialisaton of Household Savings



Sources: MoSPI, RBI and Author's calculations.

March 2017 to nearly 21 per cent as of December 2023. Another encouraging facet of this change has been the fact that the pace of growth of women's participation is more prominent in smaller towns - the share of women's folios and assets in B-30 cities has increased from 15 per cent and 17 per cent to 18 per cent and 28 per cent, respectively, during the same period[4]. The AUM of women investors in MFs in India more than doubled from ₹4.59 lakh crore in March 2019 to ₹11.25 lakh crore in March 2024[5]. At a time when foreign portfolio investor's (FPIs) share in the equity market is decelerating *albeit* slowly, the ownership of MFs in domestic equity markets is at an all-time high. This trend is expected to strengthen[6], given the rapid projected growth of the domestic MF industry in the coming years. In such an environment, it is imperative to closely examine the factors influencing the inflow of funds into MFs, particularly into equity-oriented MFs, which have attracted substantial interest from retail investors and the subsequent implications for the domestic financial markets.

Against this background, the present study attempts to investigate the key determinants of flows into equity MFs in India using machine learning techniques like random forest. When the data exhibits non-linear and interacting effects, random forest is capable of managing complex interactions between features much better than linear models. This exercise involves exploring various potential channels, such as the comparative returns on alternative investment avenues, increasing financialisation of savings, and the overall outlook on the financial markets and business environment.

The rest of the article is organised as follows. Section II discusses stylised facts on equity MFs and recent trends. Section III reviews the extant literature on equity MFs. Section IV covers the analysis of determinants of flows into equity MFs and an assessment of the link between MF flows and real Gross Domestic Product (GDP). Lastly, section V presents the concluding observations.

[4] https://www.amfiindia.com/Themes/Theme1/downloads/AMFI_womensDay_Mar2024.pdf

[5] https://www.amfiindia.com/Themes/Theme1/downloads/AMFIFactbook%202024.pdf

[6] https://www.mordorintelligence.com/industry-reports/india-mutual-fund-industry

II. Stylised Facts of the MF Industry in India

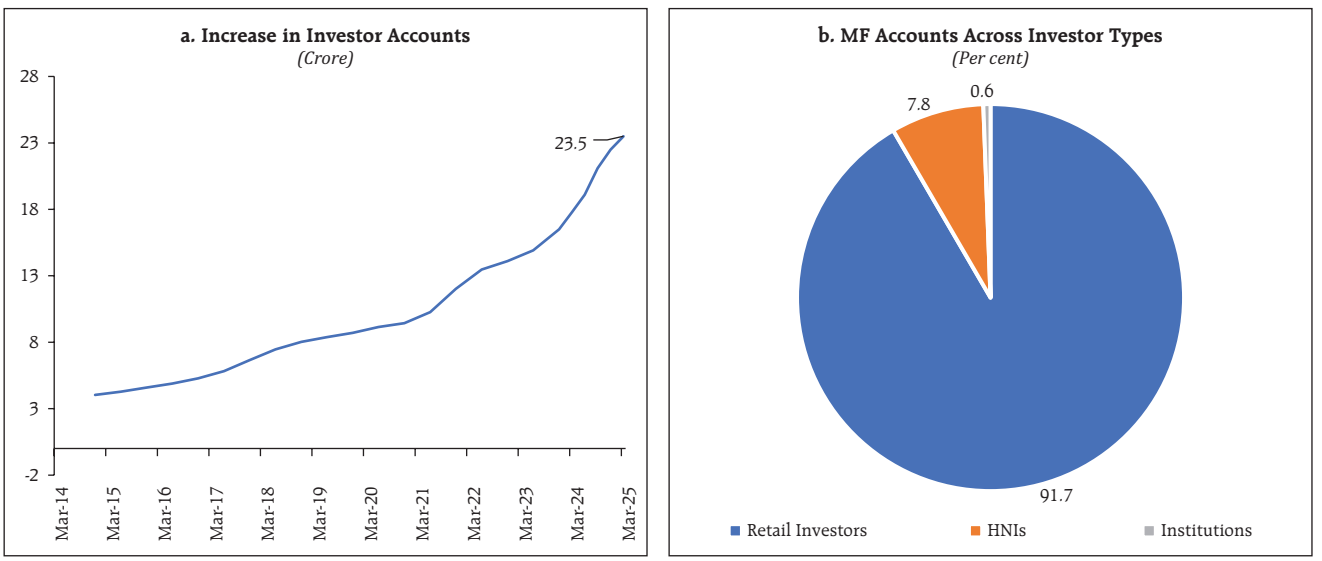
The increasing interest in MFs can be gauged by the rise in the number of investor accounts, which have grown nearly six times since December 2014, reaching 23.5 crores in March 2025. Notably, 91.7 per cent of these accounts belong to retail investors (Charts 2a and 2b). The number of unique MF investors crossed the five-crore mark in 2024[7].

MFs are emerging as a potential competitor to bank deposits in terms of investment avenue, especially among the aspirational middle class in India. The ratio of AUM of the MF industry to total deposits[8] has more than doubled from around 10 per cent at end-March 2014 to 23.8 per cent at end-March 2024 (Chart 3a). Despite the recent high-growth phase, MFs still have a vast territory to capture. MFs' assets in advanced economies have a higher share as a per cent of their GDPs than in India (Chart 3b).

Equity MFs have grown faster than non-equity funds, supported by the stellar performance of domestic equity markets and sustained inflows into equity-oriented funds from retail investors, with equity AUM rising from ₹2.1 lakh crore at end-March 2010 to ₹34.5 lakh crore at end-March 2025 (Charts 4a and 4b).

The tilt of retail investors towards equities is also reflected in the fact that around two-thirds of all MF accounts are focused on equity-oriented assets. There has been a simultaneous growth in SIPs along with the rise in the number of investor accounts. Indian MFs had almost 9.2 crore SIP accounts at the end of June 2025 through which investors regularly invested in Indian MF schemes. While growth in the number of investor accounts indicates the increasing popularity of MFs among small investors, a secular increase in SIP investments is a testament to the growing maturity of retail investors (Chart 5a). Two polarising trends *i.e.*, preference for short-

Chart 2: MF Industry Accounts

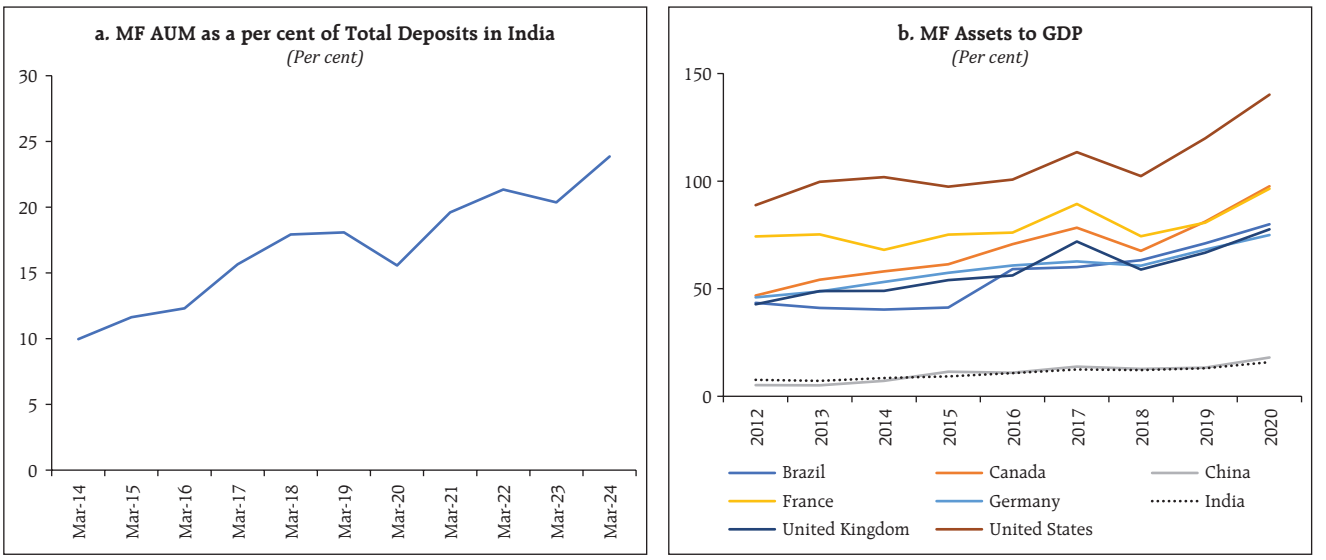


Source: AMFI.

[7] https://www.business-standard.com/markets/mutual-fund/mf-investor-count-crosses-50-million-after-10-million-additions-in-a-year-124102501213_1.html

[8] Deposits include deposits with scheduled commercial banks (SCBs), public deposits with non-banking financial companies (NBFCs) and urban co-operative banks.

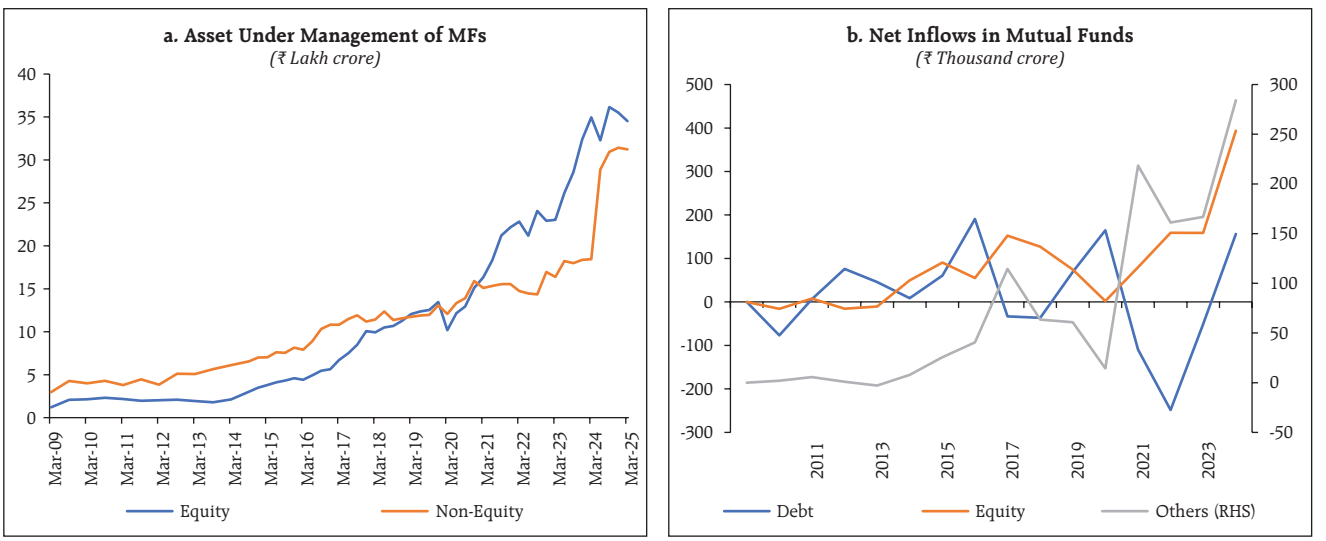
Chart 3: MFs Gaining Popularity Among Retail Investors



Sources: RBI, SEBI, World Bank and Authors' calculations.

term trading *via* equity derivatives and long-term investments through SIPs have gained traction simultaneously. It is noteworthy that while there have been concerns over retail investors being on the losing side of derivatives trading[9], a segment of retail investors has shown more patience, which is reflected by the fact that retail investors hold 61 per cent of equity MF assets for a period greater than 24 months (as at end-March 2025) (Chart 5b). The stickiness of retail investors with equities is showing signs of strengthening as this share (retail investors holding equity assets for more than two years) stood at 44.9 per cent and 53.3 per cent in end-March 2023 and end-March 2024, respectively. MFs seem to

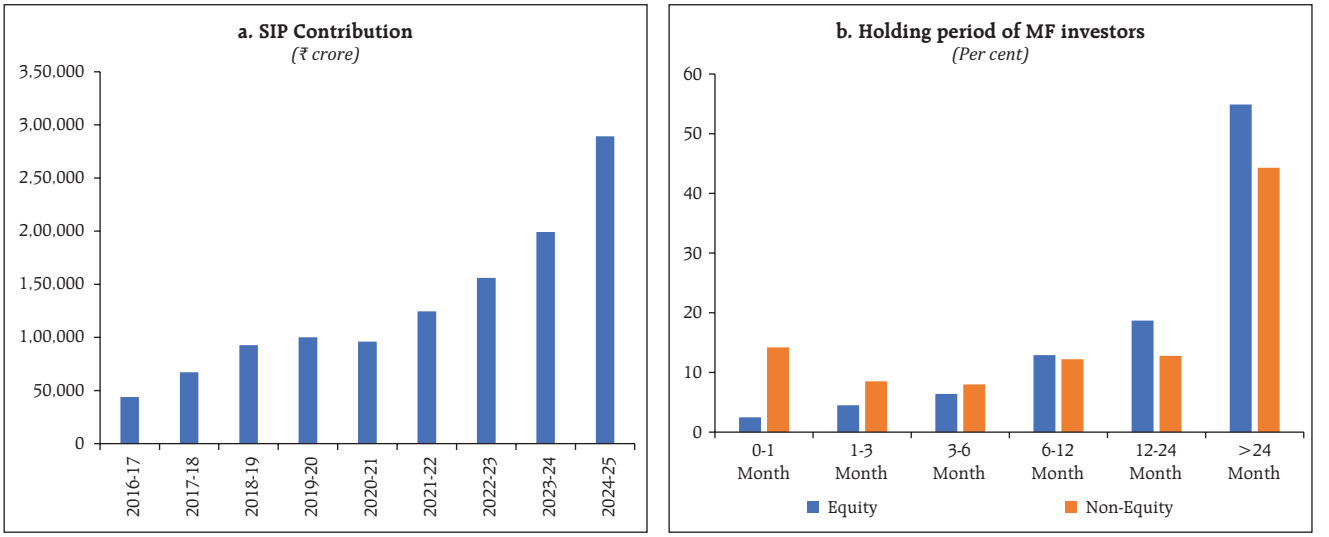
Chart 4: Growth in Equity-oriented MFs has Outpaced Debt Funds



Note: Others include balance/hybrid/solution-oriented schemes.
Sources: AMFI and Author's calculations.

[9] https://www.sebi.gov.in/reports-and-statistics/research/jul-2025/comparative-study-of-growth-in-equity-derivatives-segment-vis-vis-cash-market-after-recent-measures_95105.html

Chart 5: Growing Maturity of Retail Investors

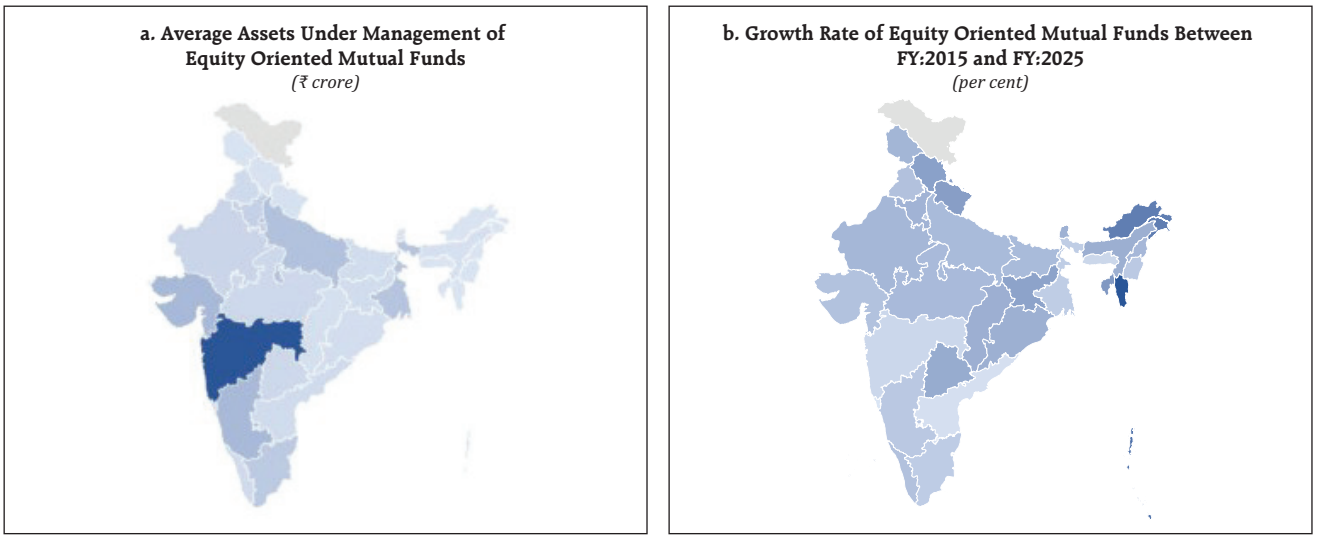


Note: The holding period includes data pertaining to all categories of investors. Data as at end-March 2025.
Source: AMFI.

have successfully persuaded small investors to stay invested for the longer term.

As discussed above, there are signs of increasing preference for equities beyond metro cities, as seen by the rise in the number of fresh demat account openings from tier-2 and tier-3 towns[10]. Although small cities are in the early stages of developing a taste for equities, and much of the volume still originates from a handful of states, visible changes can be seen. Regarding equity-oriented MFs, Maharashtra alone accounts for over a quarter of the AUM. Densely populated northern and eastern states account for a relatively lower share (Chart 6a). However, a glance

Chart 6: Geographical Distribution of AUM of Equity Oriented Mutual funds



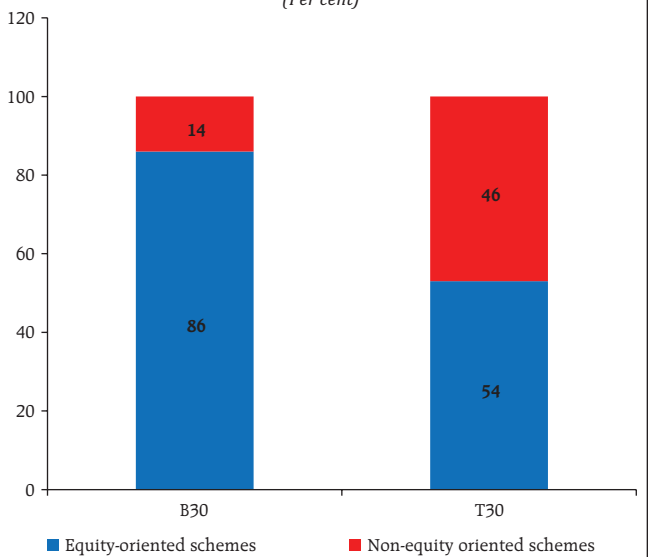
Note: Darker hues indicate higher values. Data for the UT of Ladakh has been merged with Jammu and Kashmir.
Sources: AMFI and Author's calculations.

[10] The data may slightly overstate the trend due to migrant workers not updating their addresses.

at the growth rate in AUM shows that laggard states have shown a tendency to catch up (Chart 6b).

The market regulator and the industry body have proactively promoted the deepening of MFs beyond T30 cities. As of end-June 2025, 18 per cent of the MF industry's assets came from B30 locations. MFs could charge an additional expense ratio of 0.3 per cent on fresh inflows of up to ₹2 lakhs from B30 cities to provide distributors a higher commission to popularise MFs in smaller towns[11]. Despite the growth of digital platforms in recent years that enable direct investments in MFs, retail investors tend to invest through distributors who provide administrative assistance and guidance. Only 27 per cent of the retail investors chose to invest directly (29 per cent of equity scheme assets came through the direct route as of end-June 2025). Corporate houses and HNIs are concentrated in large cities, and thus, T30 locations account for most of the non-equity assets (Chart 7).

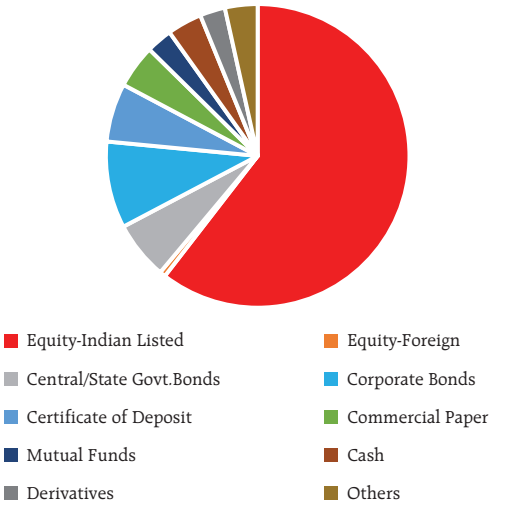
Chart 7: Asset Mix (end-June 2025)
(Per cent)



Source: AMFI.

[11] SEBI has stopped the incentive scheme from March 1, 2023, till further directions due to misuse, inconsistencies and deficiencies in the manner of implementation of the incentive mechanism.

Chart 8: Aggregate Holding of MFs (March 2025)



Note: Others include equity-Indian unlisted, treasury bills, fixed, term and margin deposits, commodity, Alternative Investment Funds and Reits/Invits.
Source: Prime Database.

Equities are the most significant investment class for MFs, with the banking and finance sector accounting for more than one-fourth of MF equity investments (Chart 8).

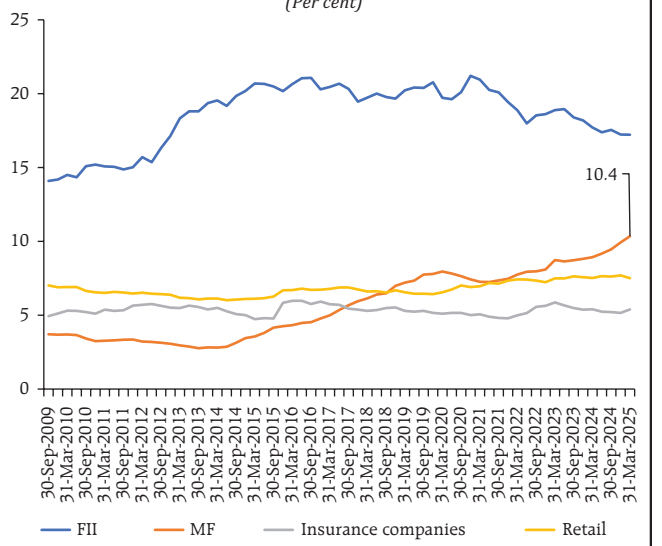
With increasing flows towards MFs, their ownership in domestic equities has grown considerably over the last decade. The shareholding of MFs in companies listed on the National Stock Exchange (NSE) has risen from 3.7 per cent at end-March 2010 to 10.4 per cent at end-March 2025 (Chart 9).

With increasing shareholding in companies and having substantial voting power, MFs have a greater responsibility to ensure that the companies they invest in, abide by corporate governance principles. To ensure that MFs do not shy away from their stewardship role and vote in the best interest of their unitholders, effective April 1, 2021, SEBI has mandated MFs to vote on several resolutions ranging from corporate governance to changes in capital structure[12] of the companies they invest in. Following the change in guidelines, MFs have shown more active and diverse participation in voting on

[12] https://www.sebi.gov.in/legal/circulars/mar-2021/circular-on-guidelines-for-votes-cast-by-mutual-funds_49405.html

Chart 9: Shareholding of MFs in Companies Listed on NSE has increased

(Per cent)



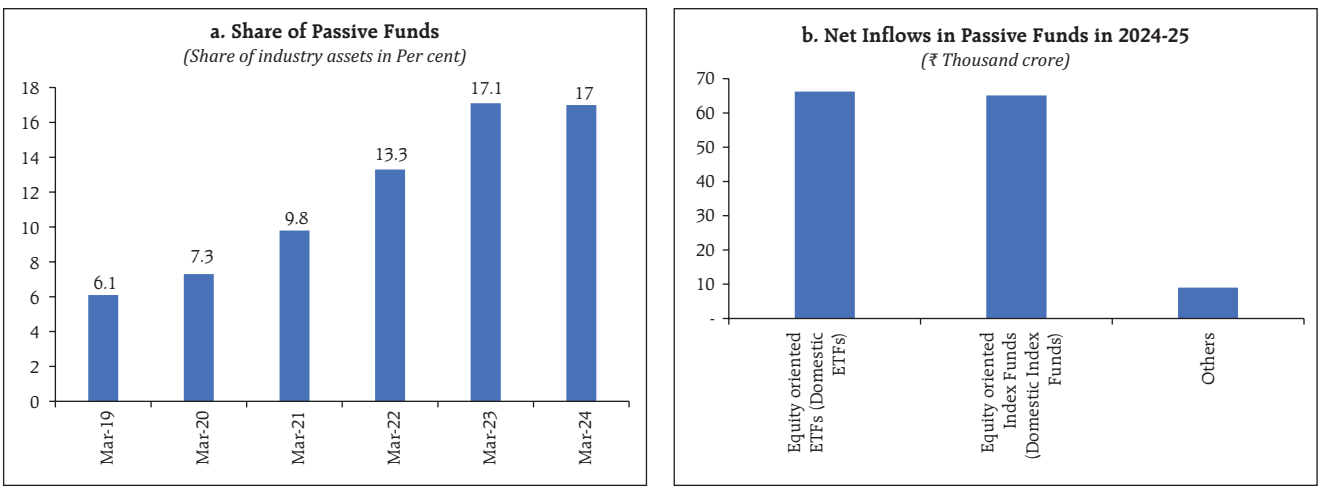
Source: Prime Database.

corporate resolutions, which is also reflected in a greater share of voting 'Against' the resolution. Share of MFs voting 'Against' a corporate resolution has increased from 4.4 per cent in 2014-15 to 11.9 per cent in 2024-25 while MFs abstaining from voting on resolutions has declined from 21.5 per cent in 2014-15 to 0.2 per cent in 2024-25.

Another notable trend has been the growing interest in passive investments worldwide. As per Morningstar, passive investments represent 43.5 per cent of worldwide long-term assets as of 2024, a 3.2 per cent increase from year-end 2023[13]. Passive funds have also found favour amongst domestic investors, with the share of passive funds as a per cent of industry assets rising from 6.1 per cent in March 2019 to 17 per cent in March 2024[14]. During 2024-25, passive funds/Exchange Traded Funds (ETFs) witnessed net inflows of ₹1.4 lakh crore, led by inflows in domestic ETFs and domestic index funds. Equity-oriented ETFs have the largest share supported by institutional flows[15] (Chart 10).

MFs also provide opportunities for domestic investors to get exposure to international equities and reap diversification benefits. The trend of looking beyond domestic equities picked up during

Chart 10: Growth of Passive Funds



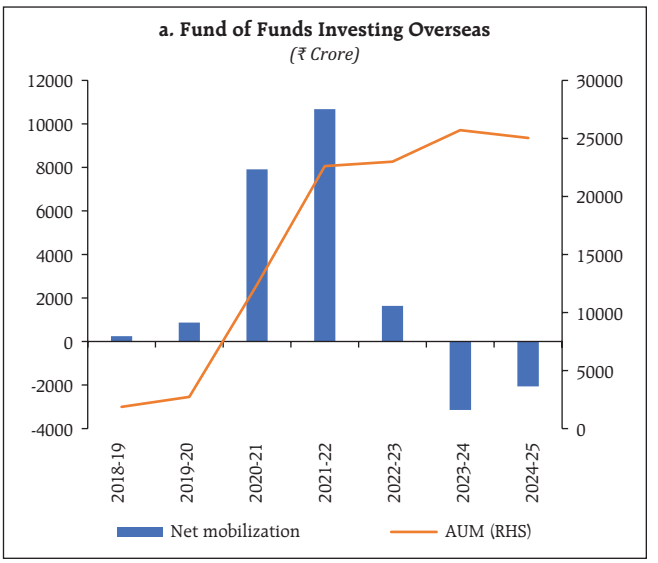
Note: Other passive funds include income/debt-oriented ETFs, gold ETFs, silver ETFs, fund of funds investing overseas in passive funds, equity-oriented index funds (international index funds), equity-oriented ETFs (international ETFs), income/debt-oriented index funds (other than target maturity index funds), fund of funds investing overseas in active funds, income/debt oriented index funds (target maturity index funds).
Sources: AMFI and Author's calculations.

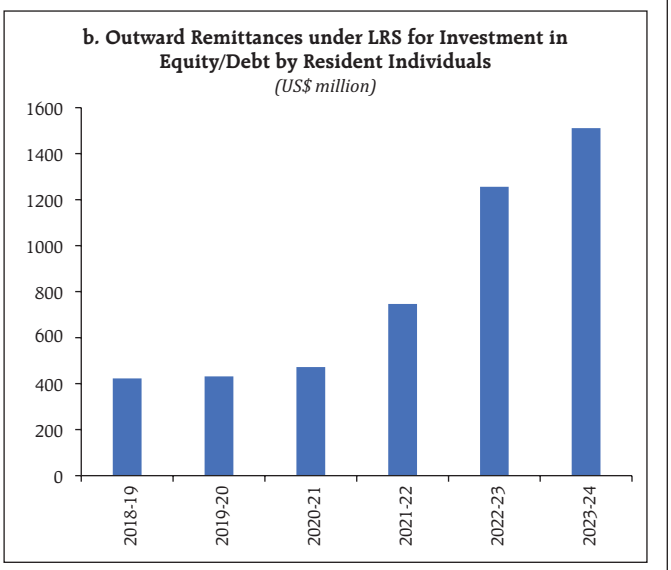
[13] https://www.morningstar.com/business/insights/research/global-asset-flows-report

[14] https://www.amfiindia.com/Themes/Theme1/downloads/AMFIFactbook%202024.pdf

[15] EPFO invests in equity markets through ETFs replicating BSE-SENSEX and NIFTY-50 indices.

Chart 11: Overseas Investments through MFs





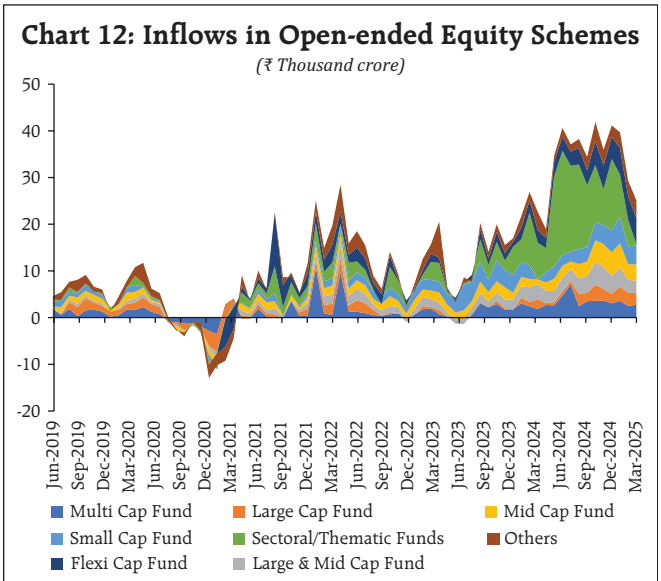
Sources: SEBI and RBI.

the COVID-19 pandemic. However, it has moderated in recent periods amid outperformance by domestic equity markets coupled with the MF industry nearing the maximum permissible ceiling limit for overseas investments (Chart 11a). Restrictions on overseas investing *via* MFs may inadvertently push investors towards alternate routes, such as the Liberalised Remittance Scheme (LRS), leading to potentially riskier exposures in international equities (Chart 11b).

The re-categorisation of MF schemes has provided greater clarity to investors about the schemes' final investment universe. Flexi-cap[16] funds have witnessed substantial net inflows among open-ended equity schemes, likely due to the greater flexibility provided by these schemes, while sectoral/thematic funds[17] gained traction in 2024-25 (Chart 12).

Sustained MF inflows have helped cushion the equity market against volatility triggered by FPI outflows. The capacity of MFs to influence domestic markets has strengthened. Empirical evidence suggests that MF flows affect equity market returns in the small and midcap segments[18]. The broader markets have witnessed increasing investor interest over the last few years, with midcap and smallcap funds accounting for almost one-fifth of the net

Chart 12: Inflows in Open-ended Equity Schemes



Note: Others include dividend yield fund, value fund/contra funds, focused fund, and Equity Linked Savings Scheme (ELSS).
Source: AMFI.

[16] SEBI introduced this category in November 2020 as an an open-ended dynamic equity scheme investing across large cap, mid cap, small cap stocks.

[17] https://www.cnbctv18.com/personal-finance/mutual-funds-thematic-schemes-rise-in-inflows-returns-should-you-invest-19424553.htm

[18] https://www.rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=22189

Chart 13: Flows in Midcap and Smallcap Schemes

(Per cent of total flows)

Notes: Flows data pertains to open-ended equity-oriented schemes only as a per cent of total flows. There were net outflows from open-ended equity-oriented schemes in 2020-21, of which 26.1 per cent were from midcap and small-capped schemes.

Sources: SEBI and Author's calculations.

inflows into open-ended equity-oriented MFs in 2024-25 (Chart 13). The market value of Small and Midcap stocks held by MFs stood at around ₹14 lakh crore[19] in end-March 2025, accounting for more than one-fourth of the equity holdings of MFs. Given relatively low liquidity in the Small and Midcap segments, MFs could be subject to large liquidity risks from redemption pressures in case of sharp downward adjustments, which could then put pressure on other segments of the financial markets. To protect investor interest of small and midcap funds, SEBI has asked MFs to put in place appropriate and proactive measures to protect investors by using tools like moderating inflows, portfolio rebalancing and ensuring that investors are protected from the first mover advantage of redeeming investors in case of mass redemptions. Furthermore, the market regulator has regularised liquidity stress tests for these equity schemes, an exercise already conducted regularly for debt schemes.[20]

[19] As per calculations using data from Prime MF database.

[20] https://www.msn.com/en-in/news/other/latest-stress-test-shows-this-about-small-cap-mutual-funds-check-details-here/ar-AA1FMddc?ocid=BingNewsSerp

III. Literature Review

Understanding the factors that influence flows into mutual funds is important because these flows reflect consumer saving patterns, individual wealth, and investment decisions. They also impact fund managers' incentives, reveal investor behaviour, and influence the overall efficiency of financial markets (Ferson and Kim, 2012; Kopsch *et al.*, (2015)). Past studies on MF flows have employed both micro and macro approaches. The micro approach focuses on analysing flows into individual MFs, while the macro approach examines the aggregate inflows and outflows across the MF industry as a whole (Alexakis *et al.*, 2005,2013; Remolona *et al.*, 1997; Edward and Zhang, 1998; Watson and Wickramanayke, 2012; Jank, 2012; Fong *et al.*, 2018).

In the Indian context, studies have focused on analysing flows into individual funds as well as overall flows in the MF industry in the case of both debt and equity funds (see Kumar *et al.*, 2020; Mishra, 2011; Gupta *et al.*, 2022). Madhumathi *et al.*, (2012) examines the factors influencing equity MF flows in India. This study covers the period from July 2005 to August 2012, uses linear AutoRegressive Integrated Moving Average (ARIMA) models, and finds volatility, volume, dividend yield, exchange rate, investor behaviour, US market returns, call rates and past fund flows as factors influencing net flows in equity MFs. A recent study by Kumari and Debnath (2022) investigates the determinants of MF flows with reference to BSE SENSEX using monthly data from January 2012 to December 2020. The authors find that stock returns and volatility have an asymmetric impact on MF flows and foreign institutional investors (FIIs) have opposite trading pattern *i.e.*, FII purchases lead to MF sales and *vice versa.*

In recent years, equity MF schemes in India have consistently seen higher net inflows than debt schemes since 2017, except in 2020, indicating a

shift in investor preference. For the current study, the macro approach is chosen to gauge general shifts in investor preference and behaviour rather than specific fund-to-fund shifts by looking into the determinants of equity MF flows.

IV. Data and Methodology

The following variables with a monthly frequency are used to estimate the drivers of flows into equity MFs (Table 1). The data spans from April 2015 to November 2024.

Given the diverse and dynamic nature of factors influencing mutual fund flows, machine learning algorithms are well-suited for uncovering the most influential predictors. Unlike traditional linear models, which may miss complex interactions or non-linear patterns in the data, machine learning algorithm such as random forest can effectively handle such complexities without assuming a specific functional form. Random Forest is an ensemble machine-learning method constructed based on individual tree classification or regression (Breiman 2001). Ensemble learning combines multiple models to create a more robust and accurate predictive model. In the case of random forest, individual models are decision trees. It is a non-parametric supervised machine learning algorithm and reduces variance, resulting in a stable and reliable model. It is robust to outliers in the data due to the nature of averaging predictions from multiple trees and can also handle missing values.

The importance of variables is a crucial aspect of the random forest model, offering insights into the contribution of each feature to predictive performance. To evaluate variable importance, we employ both the permutation test and Shapley values. The permutation test involves randomly shuffling the values of a specific predictor to break its relationship with the outcome variable, while keeping all other variables unchanged. The resulting increase in prediction error indicates the importance of that variable-larger increases suggest a greater contribution to the model's accuracy. In contrast, Shapley values, derived from cooperative game theory, measure each feature's average marginal contribution to the prediction across all possible combinations of features. This approach provides a consistent and locally accurate estimate of variable importance, effectively capturing interactions and dependencies among features.

Table 1: Description of Variables

Variable	Definition	Source
Flows	Monthly net flows are normalised by the previous month's net AUM to control for the increasing trend in flows (Remolona *et al.*, 1997).	AMFI
Sensex Returns	Monthly per cent change in BSE Sensex (with one month lag).	Bloomberg
VIX	NIFTY Volatility (Investment Risk)	Bloomberg
Term Spread	10-Year G-sec bond yield net of 3-month G-sec yields.	Bloomberg
Risk Spread	10-Year AAA corporate bond yield net of 10-year G-sec yields.	Bloomberg
Dividend Yield	Financial ratio computed as (dividend/stock price).	Bloomberg
Inflation	Y-o-Y per cent change in consumer price index (CPI)	Bloomberg
Fixed Deposit Rate (Relative Market Returns)	Term deposit rate greater than one year	DBIE, RBI
Business Confidence Index	This standardized index, based on manufacturing surveys, signals future outlooks for production, orders, and inventories. Values above 100 indicate optimism; below 100, pessimism.	OECD
Demat Accounts	Number of Investor Accounts (Lakhs)	SEBI

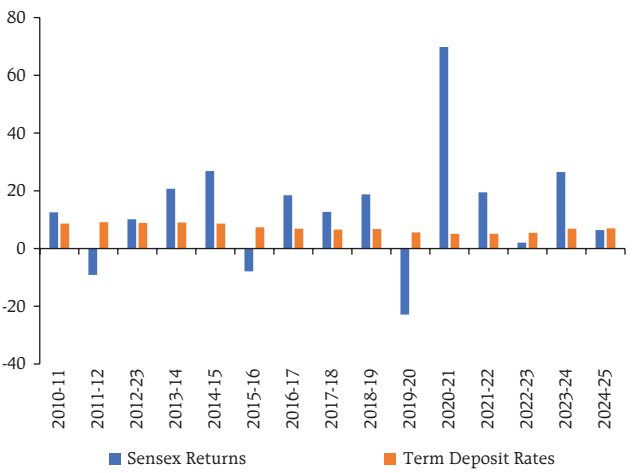
Source: Author's compilation.

To understand the determinants of equity MF flows, variables are chosen based on cues from Kopsch *et al.,* (2015) as well as other domestic factors such as fixed deposit rates, business confidence index and demat account openings. Fixed deposit rates are chosen as a substitute for the return/relative market return from equity MFs. A persistently low fixed deposit rate for an extended period might eventually lead people to search for other asset classes that offer higher returns, thereby increasing equity MF flows. The return on BSE Sensex has beaten fixed deposit returns in 10 out of the last 15 financial years with the Compounded Annual Growth Rate (CAGR) of Sensex Total Return Index at 12 per cent *vis-à-vis* 7 per cent for term deposits between 2010-11 and 2024-25 (Chart 14).

Demat account opening can be considered a proxy for financial inclusion and increasing preference for equities. This should lead to additional flows to equity-oriented products. The business confidence index is expected to impact flows, as it is an indicator of future growth, and the VIX is associated with volatility. Thus, higher volatility may reduce flows into equity MFs. According to Jank (2012), higher term spreads and risk spreads tend to result in lower flows in equity MFs. The author notes that just before or during a recession, there is a surge in dividend yield due to falling stock prices. Simultaneously, investors become less willing to hold equity positions. Therefore, a negative relation between dividend yield and flows in equity MFs might be observed. The direction of flows with inflation is not certain. Equities provide a hedge against inflation in emerging market economies (Al-Nassar and Bhatti, 2019; Spyrou, 2019). However, higher inflation might lead people to hedge by investing in real assets rather than stocks (Park *et al.,* 1990; Kopsch *et al.,* 2015). In this analysis, using both the permutation test and Shapley values, the primary focus is on identifying which variables significantly influence mutual fund flows, rather than determining the direction (positive or negative) of their effects. The objective is to assess the relative importance of each predictor in driving model performance. The analysis[21] reveal the top five variables ranked by importance (Chart 15).

Chart 14: Sensex versus Term Deposit Returns

(Per cent)

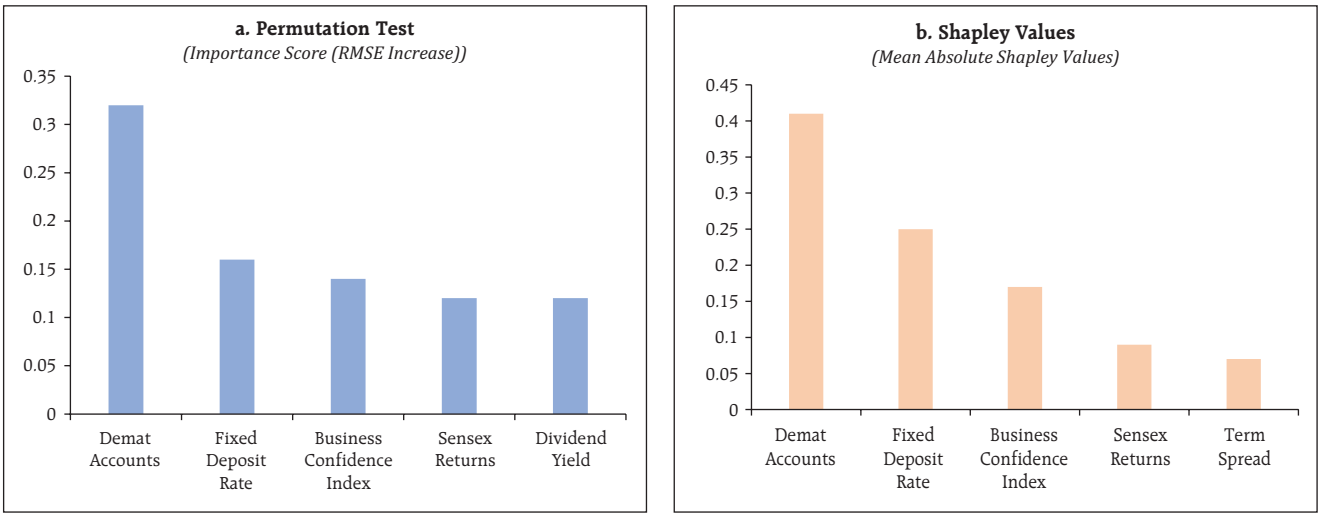


Note: Sensex returns for the financial year are calculated using the BSE Sensex Total Return Index. Term deposit rates pertain to the term deposit rates (1 to 3 years) of five major banks.
Sources: RBI and Bloomberg.

The results from both the permutation test and Shapley values indicate that demat accounts, fixed deposit rates, and the business confidence index are the top three influential predictors of equity mutual fund flows. This suggests that investor access to markets (as proxied by demat accounts), alternative saving options (such as fixed deposit rates), and optimism about the business environment (as measured by the business confidence index) play a significant role in driving flows to equity mutual funds. While both methods broadly agree on the most

[21] The dataset is standardised to have a mean of zero and a standard deviation of one. An 80–20 split is then employed to divide the data into training and testing sets.

Chart 15: Variable Importance obtained from Random Forest

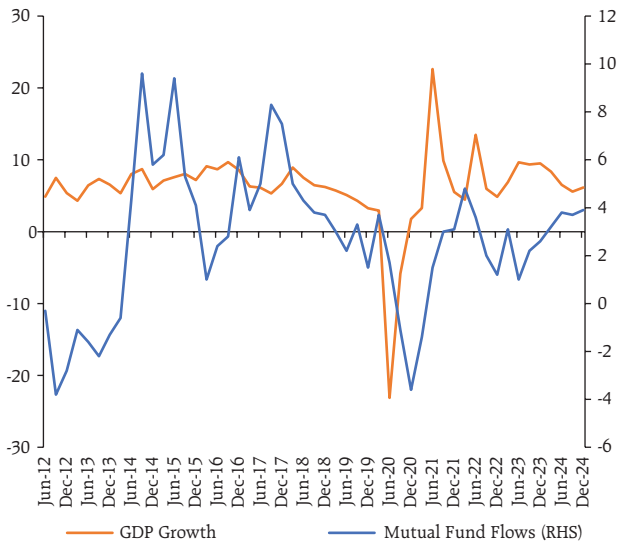


Note: Left panel plots the variable importance derived from Permutation Importance, while right panel plots the variable importance derived from Shapley Values. Only the top 5 variables as per the specifed criteria are selected for each mode.
Source: Author's calculations.

important variables, the permutation test highlights dividend yields as an important factor, whereas Shapley values emphasise term spreads. This divergence reflects how different methods capture variable importance: permutation importance focuses on the marginal impact on prediction accuracy, while Shapley values also account for interactions and shared contributions among variables.

Chart 16: GDP Growth and Equity MF Flows

(Growth Rate, Flows Scaled by AUM)



Sources: Bloomberg and AMFI.

Further, to understand the link between flows into equity MFs and the dynamics of the real economy *i.e.*, whether equity MF flows contain information about real GDP growth or *vice versa* in the case of India, an empirical exercise is undertaken, and the analysis suggests that equity MF flows do not contain any information about real GDP growth[22]. The period of analysis is from Q1: 2012-13 to Q3: 2024-25 (Chart 16)[23].

A reduced-form bivariate VAR model is used. The results of the Granger Causality test between flows and real GDP growth are reported in Table 2. The null hypothesis that "flows do not Granger-cause real GDP growth" fails to be rejected, suggesting that the past value of flows does not contain significant information about real GDP growth. However, the null hypothesis "Real GDP growth does not Granger-cause flows" is rejected at five per cent level of significance. Thus, past values of real GDP growth contain useful information for forecasting equity mutual fund flows.

[22] Net flows are normalised by the previous month's net AUM to control the increasing trend in flows (Remolona *et al.*, 1997).

[23] The correlation coefficient between the two series is 0.17.

Table 2: Test of Granger Causality Between Flows and Real GDP Growth

	Flows do not Granger Cause real GDP Growth	Real GDP Growth does not Granger Cause Flows
F stats	0.27	4.23**

Note: * p<0.1; **p<0.05; ***p<0.01. The above results are reported only for one lag.
Source: Author's Calculations.

A unidirectional Granger causality is established from real GDP growth to mutual fund flows. In essence, stronger real economic growth enhances investor's financial capacity and confidence, enabling greater participation in equity markets.

V. Conclusion

There is an increasing preference for equity investments in India, particularly through equity MFs, which are experiencing continuous growth and resilience. Despite a traditionally cautious approach to financial markets, the populace has shown a discernible inclination to embrace greater financial risk in their personal investment choices in recent years. MFs have notably emerged as a favoured instrument in facilitating and accommodating this shift in financial behaviour.

The empirical analysis highlights that increasing financial inclusion (proxied by demat accounts), fixed deposit rates, and business confidence are the top three influential factors shaping equity mutual fund flows in India. An alternative analysis suggests that equity MF flows do not predict real GDP growth, while real GDP growth does help forecast flows. This indicates that stronger economic growth enhances both the capacity and confidence of investors to allocate more funds toward equity markets.

In an evolving scenario, keeping a close eye on the drivers of equity MFs may be necessary, as they have implications for household savings and the changing dynamics of domestic capital markets. Increasing retail participation, both directly and indirectly, also warrants more efforts toward investor education and protection to maintain the faith and trust of these new entrants. As MFs grow in size, a constant monitoring of risks emanating from their operations would need greater attention.

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EV Policies and Two-Wheeler EV Adoption: Evidence from Indian States

by Atal Singh[#], Satyam Kumar, Abhyuday Harsh and Tista Tiwari[^]

The adoption of electric vehicles (EVs) in India is in a nascent stage, with two-wheelers (2Ws) playing a critical role in the transition to sustainable mobility. While supportive policies have accelerated EV adoption, regional disparities persist. This paper examines the impact of state-level EV promotion policies on 2W-EV adoption using a panel data of 23 Indian states. The empirical findings suggest that state-level supportive policies boost adoption rates. Further, robust charging infrastructure, when combined with even moderate fiscal incentives can drive adoption.

Introduction

To accelerate the adoption of electric vehicles (EVs), governments (both centre and states) have implemented several policies and initiatives. This push aligns closely with India's commitment under the *Panchamrit* agenda presented at Conference of the Parties-26 to reduce the emission intensity of gross domestic product by 45 per cent from 2005 levels by 2030 and achieving net zero by 2070. The shift to EVs is crucial, *inter alia*, not only for meeting India's climate goals but also for addressing domestic challenges such as reducing oil imports, combating air pollution, and facilitating employment growth in a sunrise sector. With about three-fourths of vehicle registrations in India being two-wheelers in 2024-25, any initiative aimed at tackling the challenges posed by fossil fuels in the automobile sector must prioritise accelerating the adoption of two-wheeler electric vehicles (2W-EVs). India, being the third largest automobile market (of passenger and commercial vehicles) and the second largest manufacturer of two-wheelers in the world, is uniquely positioned to capitalise on the decarbonisation of the 2W vehicle segment (Rajya Sabha, 2023). Although, the share of 2W-EVs in total EVs (2W+3W+4W) has been rapidly climbing upwards, it is yet to catch up with the same share as 2Ws in overall sales (Chart 1). Estimates suggest that with supportive policies, 80 per cent of 2Ws can become electric by 2030-31 (JMK Research & Analysis, 2022).

A host of factors have contributed to enable EVs to enter mass market globally (Chart 2). Over the past decade, numerous supportive policies for EVs have been initiated in global markets, driving a significant expansion of EVs. These initiatives were launched as early as the 1990s in Norway, by the United States in 2008, and China in 2014 (IEA, 2021).

Supportive government policies have been central to the global growth of EVs, addressing barriers like high upfront costs and limited charging infrastructure. From tax incentives to subsidies, such measures have proven effective in fostering EV adoption by making them accessible and affordable to consumers (Münzel *et al.*, 2019). In India, with its significant market potential, a combination of fiscal and infrastructural initiatives across states can play a critical role in driving this transition, particularly in the 2W segment. These policies can provide the necessary impetus for the transition to sustainable mobility.

Globally, India, China, and the Association of Southeast Asian Nations (ASEAN) countries represent the largest markets for two and three-wheelers.

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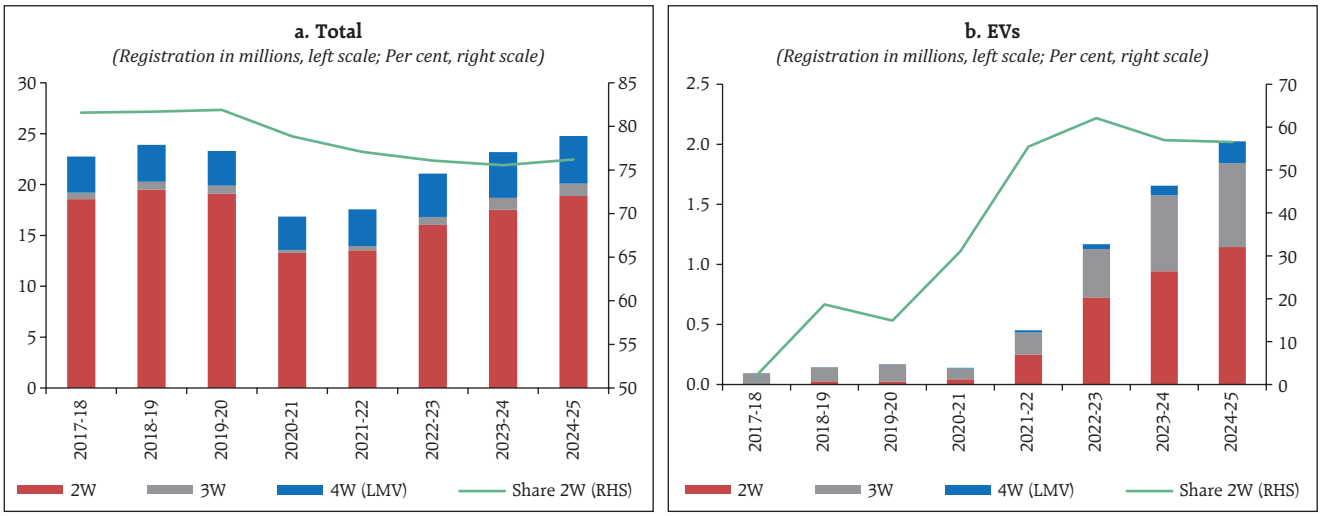
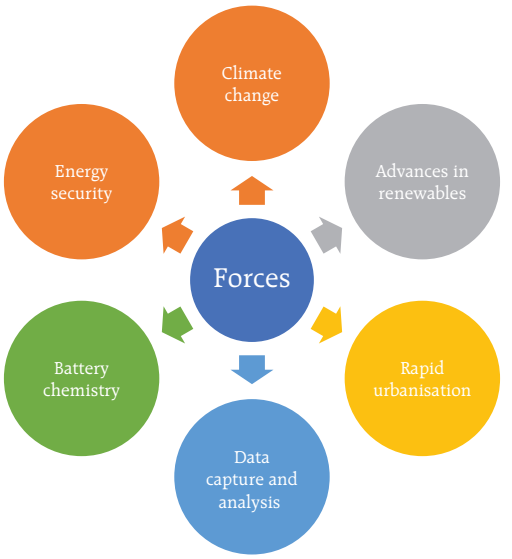
Chart 1: Vehicle Sales in India



Notes: 1. Light Motor Vehicle (LMV) include cars, jeeps, vans, and small trucks used with the gross weight of under 7.5 tons. Here only passenger LMVs are considered.
2. Total refers to both conventional fossil fuel powered vehicles and EVs.
Sources: CMIE Industry Outlook; and author's calculations.

In 2023, China accounted for 78 per cent of global 2W-EVs sales followed by India which is the second largest 2W-EV market globally. India had around five per cent of its 2W sales being electric in 2023. Electric cars are also steadily advancing towards becoming a mass-market product in an increasing number of countries. In 2023, majority of electric car sales occurred in China, Europe, and the United States, accounting for about 95 per cent of global electric car sales. Thus, sales of both 2W-EVs and electric cars are still geographically concentrated, *albeit* in different regions[1]. In large emerging car markets like India and Brazil, share of EVs remain relatively low, but several factors indicate potential for further growth (IEA, 2024) [Chart 3].

Chart 2: Forces Contributing to Growth of EVs

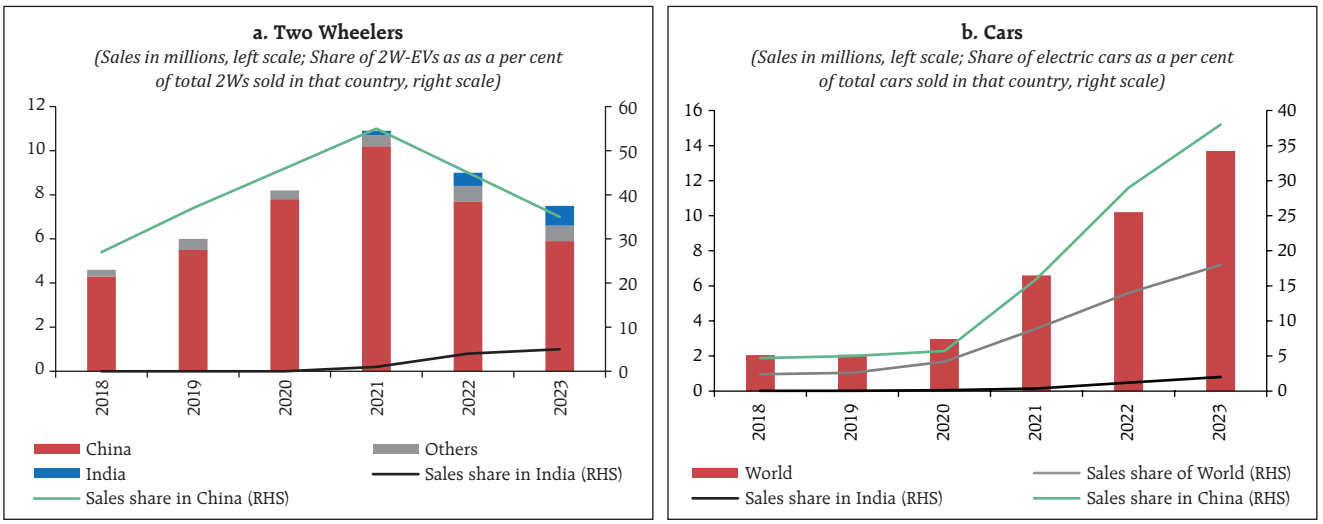


Source: NITI Aayog, 2018.

Against the backdrop of India's significant position as the second largest 2W-EV market globally, the 2W-EV market holds immense promise, and the role of targeted governmental action comes to the fore. Consequently, this article analyses the impact of state government policies in driving the growth of the 2W-EVs in India. The rest of the article is divided into the following sections. Section II provides an overview of the landscape for EV policies. Section III provides a brief literature review. Section IV outlines the sources of data and methodology. The empirical estimation and results are discussed in Section V, followed by section VI, which concludes with the way forward.

[1] Electric car sales are concentrated in China, Europe, and the US, while 2W-EVs are concentrated in China, India, and ASEAN countries.

Chart 3: Sales and Share of Electric Personal Vehicles



Notes: Others in Chart a includes Europe, Latin America, North America, Vietnam, Afghanistan, Bangladesh, Brunei, Cambodia, Lao People's Democratic Republic, Myanmar, Mongolia, Nepal, Pakistan, Singapore, Sri Lanka and Chinese Taipei.
Sources: IEA, 2024.

II. Policy Landscape

Countries around the world are adopting multifaceted policies to promote EVs *viz.*, prescribing emission standards, providing industrial incentives, intensifying competition in the EV manufacturing sector, installation of public charging points, *etc.* Apart from these supply side measures, demand side measures like upfront subsidy to buyers of EVs have also been at play simultaneously (Table 1). However, inadequate financial incentives on account

Table 1: Key Developments in Global EV policies

Region	Key Initiatives	Brief overview
United States	Inflation Reduction Act	Tax incentives, manufacturing linked credits support, and supply chain agreements to boost clean energy and EV production.
European Union	Green Deal Industry Plan	Deployment of public charging stations, focus on net-zero technologies, raw material sourcing, recycling and domestic battery production to meet 90 per cent of EU demand by 2030 (as part of Net-Zero Industry Act).
China	EV Subsidy Program	Trade-in subsidy scheme with a higher premium for purchase of EVs, exemption of EVs from purchase tax applicable on other segments, significant investment in strengthening charging infrastructure, and battery manufacturing leadership.
Japan	Green Growth Strategy	Goal to phase out sale of new gasoline-only cars by 2035, purchase subsidies for electric and fuel cell cars, and boosting battery supply chains.
Canada	Zero-Emissions Vehicle (ZEV) Mandate	Provincial ZEV mandates, federal purchase incentives, and supply chain investments for batteries and critical minerals.
Australia	National Electric Vehicle Strategy	Government-led incentives for EV adoption, development of charging networks, and plans for local battery and EV component manufacturing.
United Kingdom	Zero Emission Vehicle (ZEV) Mandate	All new cars and vans to be zero emission vehicles by 2035, investment in nationwide charging infrastructure, and tax rebates for company cars, Vehicle Emission Trading Scheme setting targets for zero-emission car sales
Norway	EV Tax Exemptions	Exemptions from registration fees, tolls, and VAT on EV purchases; target to phase out internal combustion vehicles by 2025.
India	FAME I and FAME II; PM E-DRIVE	Incentives to promote demand, creating necessary charging infrastructure for EVs and R&D support.

Sources: IEA, 2025; and authors' compilation.

Table 2: Evolution of EV Policy in India

Policy	Goals	Incentives
Alternate fuels for surface transportation (AFST) [2011]	Developing indigenous technology and encouraging domestic manufacturing.	Central financial assistance as a subsidy to direct end-users; Incentives for R&D and domestic manufacturing.
National electric mobility mission plan (NEMMP) 2020 [Launched in 2013]	Achieve 6-7 million sales of electric and hybrid vehicles year on year from year 2020 onwards.	Tax incentives; support for charging infrastructure; Pilot projects; Market creation; and R&D support.
Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles in India (FAME India) Scheme Phase I (2015) [Launched as part of NEMMP]	Four focus areas: • Demand creation • Technology platform • Pilot projects • Charging infrastructure.	Demand incentives for buyers of EVs in the form of an upfront-reduced purchase price, grants for specific projects under pilot projects, R&D/ technology development, and public charging infrastructure.
FAME India Scheme Phase-II (2019) [Extension of FAME India Scheme Phase-I]	Encourage faster adoption of EVs; Establishing necessary charging infrastructure for EVs; Carrying out various awareness activities.	Financial subsidies to buyers by offering upfront incentives on purchase; State-level incentives in addition to central subsidies; and R&D support.
Production Linked Incentive (PLI) Scheme for Automobile and Auto components (2021)	Enhance India's Manufacturing Capabilities for Advanced Automotive Products'.	Financial incentives to boost domestic manufacturing of Advanced Automotive Technology products and attract investments in the automotive manufacturing value chain.
Electric drive revolution in innovative vehicle enhancement (PM E-DRIVE) [2024]	Promote electric mobility, reduce the environmental impact of transportation, and improve air quality; Expedite adoption of EVs. Efficient, competitive, and resilient EV manufacturing.	Subsidies/Demand incentives for 2 & 3W-EVs, e-ambulances, e-trucks and other emerging EVs; Installation of EV public charging stations in selected cities with high EV penetration and highways.

Sources: PIB; Bureau of Energy Efficiency (BEE); and authors' compilation.

of limited fiscal space can hinder the adoption of EVs in emerging and developing countries (IEA, 2024).

In line with global policy trends, India has also introduced policy support for adoption of EVs (Table 2). Early efforts began with fiscal incentives under Alternate Fuels for Surface Transportation (AFST) in 2011. Most recently Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) scheme was introduced which came into effect from October 1, 2024, and will remain in force until end-March 2028[2] (PIB, 2024). The scheme seeks to reduce transportation-related environmental impacts and improve air quality while also promoting an efficient and competitive EV manufacturing sector.

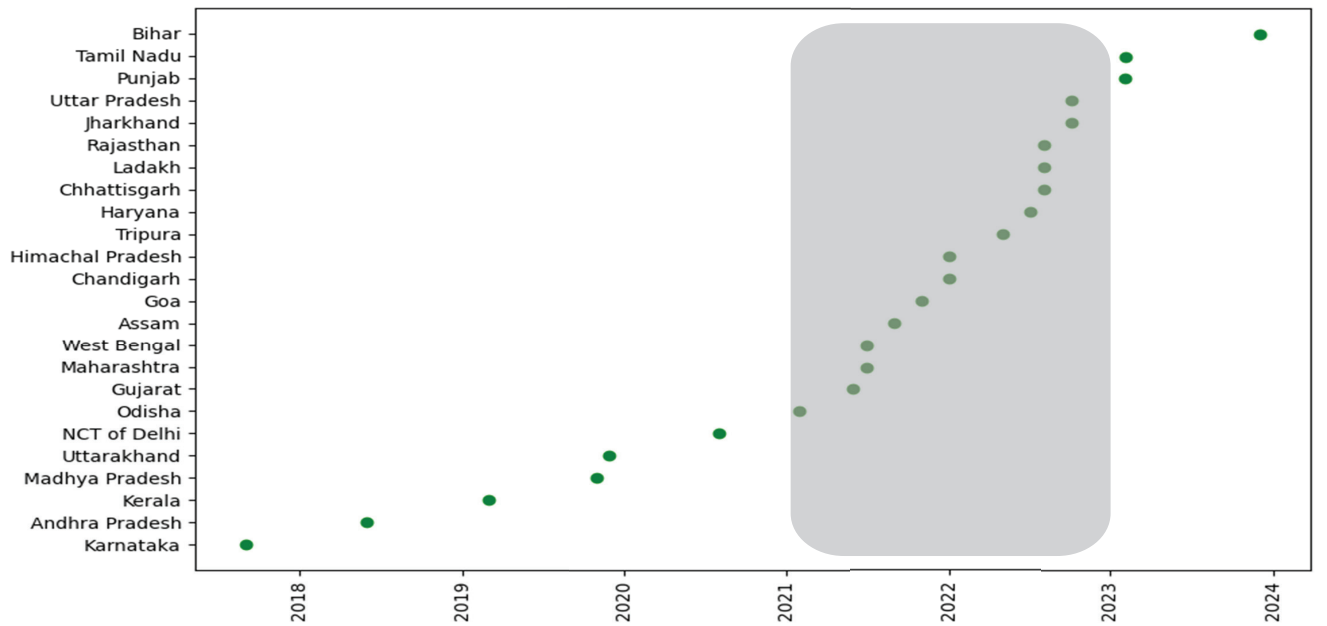
In line with policies of the centre, state governments have also introduced complementary policies for EVs. Notably, southern states like Karnataka, Andhra Pradesh and Kerala were the early movers in this regard (Chart 4). Most of the policies at state-level were introduced between 2021 and 2023. A state EV policy broadly has three main pillars *viz.*, demand incentives, improving charging infrastructure and boosting skill development and R&D.

III. Literature Review

Subsidies and financial incentives influence consumer behaviour, especially in sectors like EVs, where high upfront costs can be prohibitive. Several studies have shown that monetary incentives such as rebates, tax credits, and reduced registration fees enhance EV adoption by lowering the initial purchase cost for consumers (Jenn *et al.*, 2018; and Sierzchula *et al.*, 2014). In markets such as Europe, targeted fiscal incentives have significantly reduced the price gap between EVs and conventional vehicles, making EVs more accessible (Lévay *et al.*, 2017).

[2] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2154408

Chart 4: Timeline of EV Policy Notifications by States/UTs



Note: The shaded region indicates that majority of state policies were notified between 2021 and 2023.
Source: BEE

Empirical evidence from the U.S. demonstrates that incentives closer to the point of sale, like rebates, are more effective in driving EV sales than tax credits (Narassimhan and Johnson, 2018). Wee, Coffman, and La Croix (2018) found that a $1000 increase in state-level subsidies in the U.S. results in a 5–11 per cent increase in EV registrations. Similarly, in Europe, a study by Münzel *et al.* (2019) found that a €1000 increase in financial incentives leads to a 5-7 per cent rise in EV market share, underscoring the importance of both the availability and magnitude of monetary benefits in influencing market penetration. The adoption of EVs in India is still in a nascent stage (Saw *et al.*, 2023), and hence the presence of appropriate incentives is crucial. In India, government policies have been geared towards promoting EVs, as part of efforts to decarbonise the transport sector and reduce dependence on oil imports. Chakraborty *et al.* (2022) underscores the importance of demand-side incentives such as price subsidies, preferential tax treatments, and improvements in charging infrastructure in accelerating the adoption of electric two-wheelers. Further, Srivastava *et al.* (2022) highlight through a game-theoretic model that a well-balanced mix of demand-side and supply-side measures, such as differential taxes, can maximise social welfare, stimulate EV adoption, and help achieve long-term sustainability goals.

Charging infrastructure has been repeatedly identified as a critical enabler of EV adoption. Li *et al.* (2017) finds that greater availability of public charging stations is associated with higher EV sales, emphasising the complementarity between charging availability and consumer demand. Hall and Lutsey (2017) show that markets with more developed charging networks, like Norway and the Netherlands, have experienced significantly higher EV adoption rates. In the Indian context, Nigam *et al.* (2024) show that the availability of charging stations influences EV uptake, highlighting the importance of robust infrastructure in supporting the growth of the EV market.

The paper contributes to the growing literature by examining the differential impact of state-level EV promotion policies on the adoption of 2W-EVs, a relatively underexplored segment in India. Further, it uniquely integrates state-level policy variations with the role of charging infrastructure to provide insights into regional adoption disparities.

IV. Data and Methodology

This study utilises quarterly data on state-wise registration of electric and non-electric 2W sales (Q1:2021 to Q2:2024), number of public charging stations (as on August 2024), state-wise road length (as per Basic Road Statistics of India 2018-19), and state EV policy notifications[3] to capture multiple dimensions of developments in the 2W-EVs (Table 3, Annex 1 and 2).

To assess the uptake of 2W-EVs across the Indian states, an adoption ratio (AR) is calculated, which is defined as:

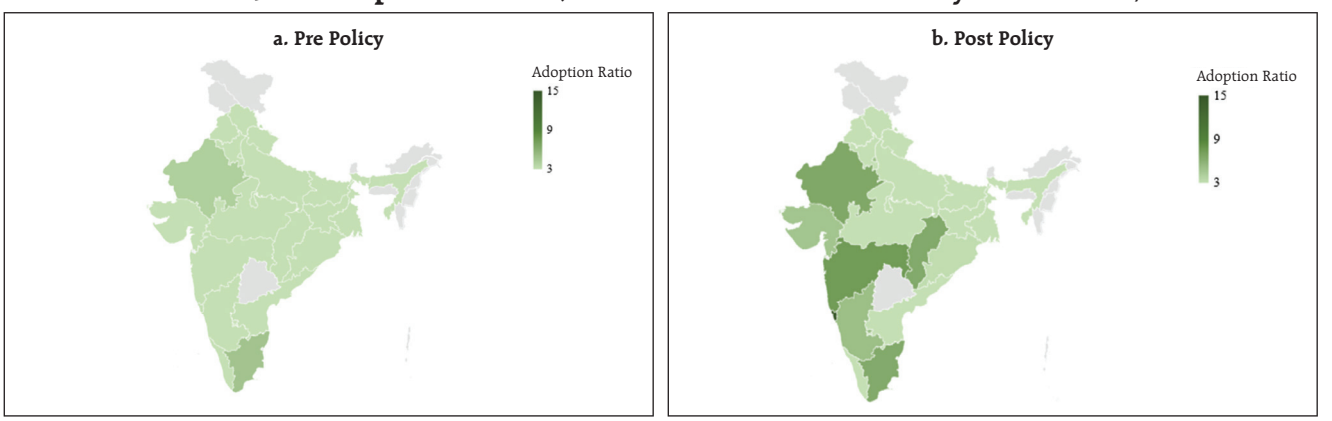
$$AR_{i,t} = \frac{Total\ 2W\text{–}EVs\ registered\ in\ state\ i\ in\ period\ t}{Total\ non\ electric\ 2Ws\ registered\ in\ state\ i\ in\ period\ t} * 100$$

Table 3: Sources of Data

S. No.	Data (State-wise)	Source
1.	2- W sales (electric and non-electric)	Vahan Portal
2.	Number of public charging stations	BEE
3.	Road length	Database of Basic Road Statistics of India, Ministry of Road Transport and Highways
4.	EV policy notification dates	BEE

The ratio calculates the proportion of sales of 2W-EVs *vis-à-vis* the non-electric 2W equivalent. Higher AR signifies a greater share of EV sales relative to non-EVs, hence a deeper penetration of 2W-EVs. To visualise change in AR post EV policy-adoption by states, a geographical heat map depicting pre and post policy adoption scenarios are presented in Chart 5. The dark green regions in the post-policy heat map indicates that southern and the western regions of India have exhibited a stronger policy effect in adoption of 2W-EVs. In contrast, the lighter shaded

Chart 5: EV Adoption in India (Before and After State EV Policy Introduction)



Notes: 1. The pre-policy adoption ratios for each state are calculated as the average adoption ratio for six quarters preceding the EV policy notification quarter.
2. The post-policy adoption ratios for each state are determined by averaging the adoption ratios for the six quarters following the EV policy announcement quarter.
3. For states where the EV policy was implemented before the study period, the post-policy adoption ratio is computed as the average of adoption ratios starting from the March 2021 quarter onwards.
4. For states where the policy has been implemented between March 2021 and September 2022, the averages were taken for six quarters or less preceding EV policy notification for calculating pre-policy adoption ratios.

Sources: Vahan Portal; BEE; and authors' calculations.

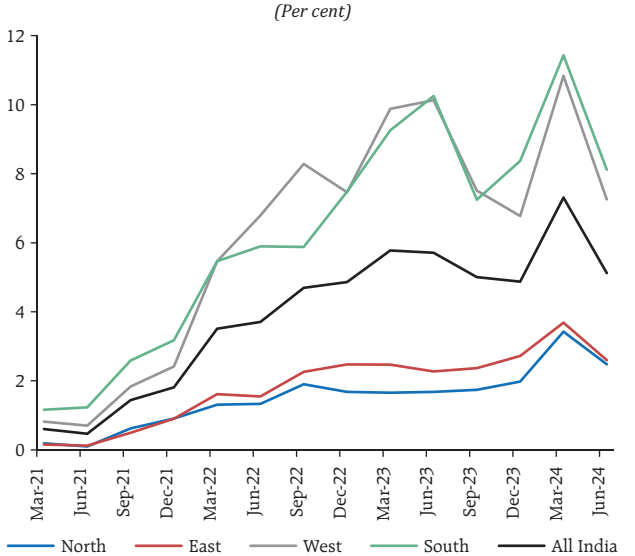
[3] These notifications give details about the starting of scheme, information pertaining to demand incentive, government initiative to strengthen its charging infra, R&D and manpower training.

region of heat map in the northern and eastern states indicate a comparatively modest growth in adoption rates.

In light of the above, evolution of AR is plotted for different regions of India (North, South, East and West)[4] in Chart 6. The preferences for 2W-EVs in India have been driven by multiplicity of factors. For *e.g.*, in the aftermath of Covid-19, the high demand for personal mobility encouraged the bike rental companies to add more 2W-EVs in their fleet[5]. Southern and Western regions, early movers in formulating state-level EV policies, have exhibited consistently better AR than all-India AR, while northern and eastern regions lag. Thus, the adoption trajectory across India is clearly non-uniform and non-synchronous which can be attributed to both local and a few common factors that played out differently across regions. Additionally, inadequate charging infrastructure has been repeatedly highlighted as hinderance to the long-term growth of EVs.

Chart 6: Region-wise Adoption Ratio

(Per cent)



Sources: Vahan Portal; BEE; and Authors' calculations.

A major bottleneck in adoption of an EV over an internal combustion engine powered vehicle is lack of adequate charging infrastructure. To capture this, an EV charging index[6] is constructed as shown below:

$$EV\ Charging\ Index_i = \frac{Number\ of\ public\ charging\ stations\ in\ state\ i}{Total\ road\ length\ in\ the\ state\ i} * 100$$

The state wise EV charging index provides a comparative picture of the status of charging infrastructure across India. Out of five leading states with robust charging infrastructure, three states *viz.*, Karnataka, Goa and Maharashtra belong to the south-west coast of India. Moreover, Delhi and Haryana from the north India feature in the top five (Chart 7). Besides framing the relevant EV policies, several state governments have worked upon strengthening their charging infrastructure. States like Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Kerala, *etc.* have been providing capital subsidies ranging between 25-60 per cent on total cost of charging station equipment/machinery and components. Delhi has provision to sanction 100 per cent grant on purchase of charging equipment.[7]

In June 2023, the central government reduced the subsidy provided to customers purchasing 2W-EVs under the ongoing FAME II policy as part of its strategy to rationalise subsidies and promote a more sustainable and self-reliant EV ecosystem in the long term as well as concerns over non-compliance to localisation norms.[8] The subsidy was capped at 15 per cent of the ex-factory price, reduced from the

[4] North: Haryana, Himachal Pradesh, Punjab, Uttar Pradesh; Uttarakhand; South: Andhra Pradesh, Karnataka, Kerala, Tamil Nadu; East: Bihar, Odisha, Jharkhand, West Bengal; West: Rajasthan, Gujrat, Goa, Maharashtra.

[5] https://timesofindia.indiatimes.com/blogs/voices/rise-in-ev-rental-of-2-wheelers-in-india/

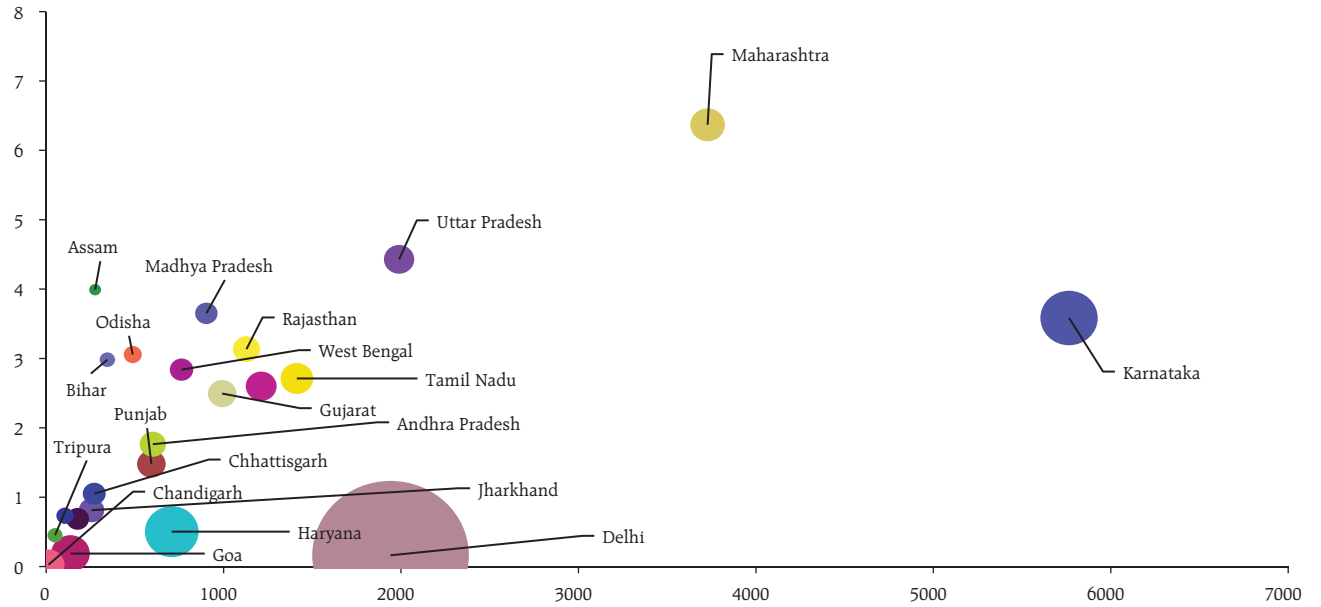
[6] The index is based on August 2024 data due to unavailability of time-series data on number of charging stations.

[7] The Government of National Capital Territory of Delhi (GNCTD) vide Delhi Electric Vehicles Policy, 2020, aims to provide a grant of 100% for the purchase of charging equipment up to Rs. 6000/- per charging point for the first 30,000 charging points.

[8] https://indbiz.gov.in/govt-reduces-fame-ii-subsidies-for-electric-two-wheelers/

Chart 7: EV Charging Infrastructure Index

(Road length in lakh kms, vertical scale; Number of public charging stations, horizontal scale)



Note: Larger the size of the bubble, higher is the number of public charging stations per kilometre of road length.
Sources: Ministry of Road Transport and Highways of India; BEE; and authors' compilation.

previous limit of 40 per cent of the cost of the vehicle. Additionally, the subsidy rate was set at ₹10,000 per kWh of battery capacity, lower than the earlier incentive of ₹15,000 per kWh for manufacturers.[9] This move impacted the sales in the September 2023 quarter across India (Chart 8).

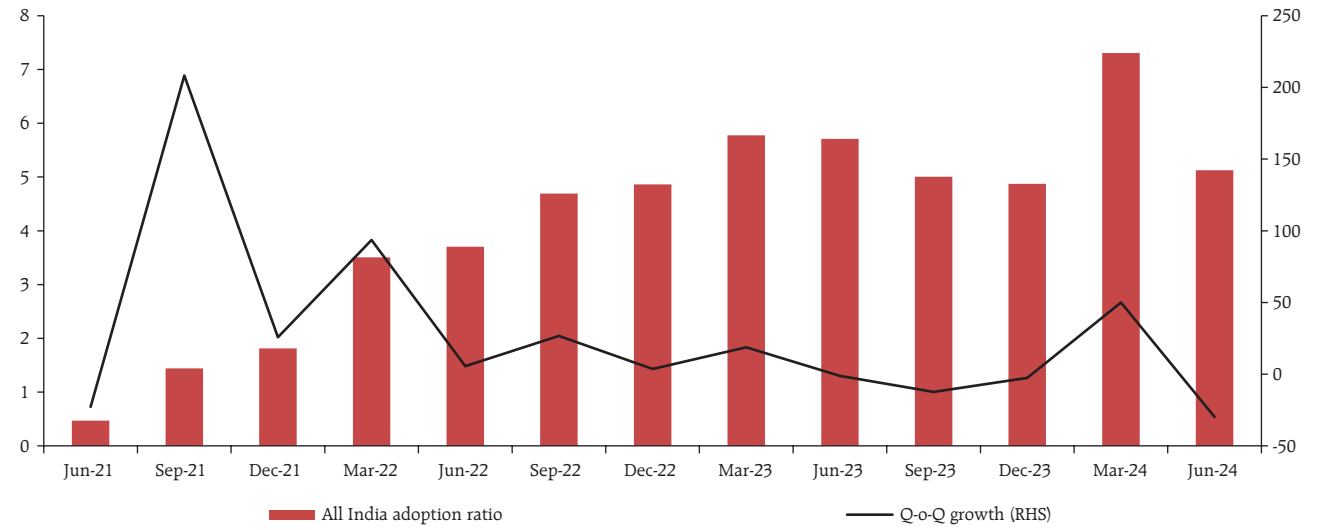
Most state governments have been offering incentives such as subsidies along with tax and registration fee waivers on every new 2W-EV purchase. On the other hand, a few states did not offer any additional subsidies beyond tax and registration fee waivers. An analysis of the 2W-EV adoption ratio in 23 states–six states that offered only tax and registration fee waivers without any additional subsidies, and 17 states that provided a top-up subsidy along with these waivers—revealed notable differences in adoption trends. In the aftermath of the policy change in June 2023, the average adoption ratio in the six states without additional subsidies contracted by 24 per cent quarter-on-quarter (Q-o-Q) in the September 2023 quarter. In contrast, the 17 states offering additional subsidies experienced a smaller decline, with average adoption rate falling by 17 per cent Q-o-Q during the same period. This suggests that states providing higher levels of support helped cushion the impact of the subsidy reduction under FAME II, to some extent.

For the empirical design, data on state-wise policies for 2W-EVs across 23 states of India is utilised, covering a period from Q1:2021 to Q2:2024, with a total sample size of 322 observations. First, an EV policy indicator variable for policy incentives for each state was created, which takes a value of 1 for periods after the policy came into effect and 0 otherwise. The binary-level policy indicator encapsulates the information on the diverse set of policy instruments, including demand incentives, charging infrastructure development, R&D, and related aspects reflecting the impact of an overall EV policy in a state. To explore the combined impact of policy implementation and charging infrastructure, states are ranked based on EV charging index. A dummy variable representing

[9] https://egazette.gov.in/(S(vtvytkdyvv1cxyitlmdwjjih))/ViewPDF.aspx

Chart 8: All India 2W-EV Adoption Ratio

(Per cent, left and right scale)



Sources: Vahan portal; and authors' calculations.

the top seven or 12 states, based on their ranking in the EV charging index, is also used in different model specifications. This variable is employed to analyse the joint effect of policy measures and charging infrastructure on accelerating the adoption of EVs.

We employ a panel regression model, with the adoption ratio (AR) as the dependent variable, explained by a binary-type policy indicator variable.

$$AR_{it} = \beta_1 \text{ Policy.Indicator}_{it} + \alpha_i + \epsilon_{it} \quad (1)$$

- β_1 measures the effect of policy indicator on the adoption ratio.
- α_i captures the state-specific fixed effects on adoption ratio.

In the next specification, a dummy variable (rr) is utilised to restrict the policy-event effect to the leading states, focusing on the top seven or 12 with the highest concentration of EV charging stations. The regression model is formally expressed as follows:

$$AR_{it} = \beta_1 \text{ Policy.Indicator}_{it} + \beta_2 \, rr_{it} + \beta_3 \, (\text{Policy.Indicator}_{it} \times rr_i) + \alpha_i + \epsilon_{it} \quad (2)$$

- β_1 measures the effect of policy indicator on adoption ratio, holding rr and state-specific effects constant.
- β_2 measures the effect of rr on the adoption ratio, holding policy indicator and state-specific effects constant.
- β_3 represents the additional effect on the adoption ratio due to the interaction between the policy indicator and rr.
- α_i captures the state-specific fixed effects on adoption ratio.

Demand-driven incentives introduced by states aim to lower the overall cost of EV ownership, making 2W-EVs more affordable to potential buyers. The benefits range from moderate incentives, such as registration fee waivers and tax exemptions, to more aggressive incentives that include subsidies in addition to these waivers. The demand-supporting policy incentives are categorised into two approaches: moderate and aggressive. The policy indicator classified as 'aggressive' takes a value of 1 when the state government offers subsidies along with

tax/registration fee waivers, and 0 otherwise. The 'moderate' policy indicator takes a value of 1 if only tax/registration fee exemptions are provided, without an additional subsidy, and 0 otherwise. The model is formally defined as follows:

$$AR_{it} = \beta_1 \cdot policy\_agg_{it} + \beta_2 \cdot policy\_mod_{it} + \alpha_i + \epsilon_{it} \quad (3)$$

- AR_{it} is the adoption ratio for an individual state *i* at time *t*.
- β_1 and β_2 are the coefficients associated with aggressive policy and moderate policy indicators respectively.
- α_i captures the state-specific fixed effects on adoption ratio.

In conjuncture, the next model incorporates a dummy variable (rr) for charging infrastructure, indicating whether a state ranks in the top seven or 12 based on the EV charging index. The model seeks to determine how these two categories of incentives—moderate and aggressive—affect the adoption of 2W-EVs. The model is formally defined as follows:

$$AR_{it} = \beta_1 \cdot policy\_agg_{it} + \beta_2 \cdot rr_i + \beta_3 \cdot (policy\_agg_{it} \times rr_i) + \beta_4 \cdot policy\_mod_{it} + \beta_5 \cdot (policy\_mod_{it} \times rr_i) + \alpha_i + \epsilon_{it} \quad (4)$$

- β_1 and β_4 are the coefficients associated with the aggressive policy and moderate policy indicators respectively.
- β_2 measures the effect of rr on the adoption ratio, holding other effects constant.
- β_3 and β_5 represent the additional effect on the adoption ratio due to the interaction between rr and aggressive and moderate policy respectively.
- rr_i is the dummy variable for the leading state *i* possessing a sound EV charging infrastructure.
- α_i captures the state-specific fixed effects on adoption ratio.

V. Results and Discussion

The results of the model (1 and 2) are presented in Table 4. The policy indicator variable shows a positive and statistically significant effect on the adoption ratio, signaling a positive relationship between policy implementation and 2W-EV adoption. To further understand the impact of timely policy interventions in states with better EV charging infrastructure, two panel regression models are employed. In the first model, a dummy variable (rr) for charging infrastructure is used to represent the top seven states with the best charging infrastructure (Model 2a). In the second model, the analysis is extended to include the top 12 states (Model 2b). These two specifications allow for a comparative assessment of the policy impact across different levels of infrastructure development. In these specifications, the interaction term between the policy indicator and the dummy variable for regions with better-developed charging infrastructure shows that charging infrastructure, alongside state localised policy interventions, has a multiplier effect on 2W-EV adoption, as evidenced by the higher coefficient of the interaction term in both models, although at lower significance levels.

As various states offer different demand incentives to encourage potential EV buyers, these

Table 4: Panel Regression Results

Dependent Variable: Adoption Ratio (23 States)
Period (March 2021- June 2024) Sample Size = 322

Explanatory Variables	Model 1	Model 2a (Top 7 states)	Model 2b (Top 12 states)
Policy Indicator	3.1** (0.85)	1.80*** (0.47)	1.53* (0.61)
Policy Indicator *rr		4.06^ (2.24)	2.72^ (1.49)

Notes: 1. ^, *, ** and *** indicate significance at 10, 5, 1 and 0.1 per cent level, respectively.
2. Figures in parentheses are standard errors clustered at states level.

Table 5: Panel Regression Results

Dependent Variable: Adoption Ratio (23 States)
Period (March 2021- June 2024) Sample Size = 322

Explanatory Variables	Model 3	Model 4a (Top 7 states)	Model 4b (Top 12 states)
Policy aggressive	3.25** (0.98)	1.88*** (0.512)	1.61* (0.72)
Policy moderate	2.03** (0.65)	1.02*** (0.00)	1.02*** (0.00)
Policy aggressive *rr		4.96 ^ (2.82)	2.84 ^ (1.72)
Policy moderate *rr		1.86*** (0.00)	1.86*** (0.00)

Notes: 1. ^, *, ** and *** indicate significance at 10, 5,1 and 0.1 per cent level, respectively.
2. Figures in parentheses are standard errors clustered at states level.

incentives are classified as moderate or aggressive, as described above. The results of the respective model specifications (3) and (4) are presented in Table 5. The empirical results indicate that direct monetary subsidies, combined with tax and registration fee waivers on 2W-EV sales, significantly boost 2W-EV adoption. The moderate incentive strategy having lower coefficient value underscores the importance of stronger incentivisation strategy (Model 3). The coefficient of interaction between moderate policy and charging infrastructure (rr), however, is significant suggesting that even moderate policy with robust charging infrastructure can drive adoption of 2W-EVs (Model 4 a and b).

VI. Conclusion

The adoption of 2W-EVs in India is critical for achieving decarbonisation goals. This study highlights the significant role of state-level policies in shaping the adoption trajectory of 2W-EVs across different regions in India. The findings underscore that policy measures, including financial incentives, tax waivers, and investments in charging infrastructure, significantly influence EV uptake, particularly when designed to address the price-sensitive nature of the Indian market.

The analysis reveals a clear regional disparity in adoption rates, with southern and western states showing greater adoption partly due to robust infrastructure and early formulation of EV policies. To achieve the EV 30@30 (GoI, 2024) target and sustain growth, continued investment in infrastructure and a phased policy approach are crucial. From policy makers' perspective, our results suggest that even moderate policy support with robust charging infrastructure can drive EV adoption.

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Annex 1

Region	Total Public Charging Stations	Road Length (Kilometres)	EV Charging Index	Ranking
NCT of Delhi	1941	16170	12.00	1
Karnataka	5765	358300	1.61	2
Haryana	708	50292	1.41	3
Goa	137	18697	0.73	4
Maharashtra	3728	636887	0.59	5
Tamil Nadu	1413	271137	0.52	6
Chandigarh	13	2573	0.51	7
Kerala	1212	259932	0.47	8
Uttar Pradesh	1989	442907	0.45	9
Punjab	593	147862	0.40	10
Gujarat	992	249373	0.40	11
Rajasthan	1129	313469	0.36	12
Andhra Pradesh	601	176351	0.34	13
Jharkhand	256	81245	0.32	14
West Bengal	763	283865	0.27	15
Chhattisgarh	271	105074	0.26	16
Uttarakhand	177	68727	0.26	17
Madhya Pradesh	903	365045	0.25	18
Odisha	488	305631	0.16	19
Himachal Pradesh	106	73230	0.14	20
Bihar	345	298205	0.12	21
Tripura	50	45120	0.11	22
Assam	276	399122	0.07	23

Sources: Ministry of Road Transport and Highways; BEE and Author's calculations.

Annex 2

Region	Subsidy	Tax/ Registration Fee Exemption	Monetary Benefit Rating
Goa	P	P	2
Delhi	P	P	2
Karnataka	O	P	1
Kerala	O	P	1
Maharashtra	P	P	2
Tamil Nadu	O	P	1
Uttar Pradesh	P	P	2
Andhra Pradesh	O	P	1
Rajasthan	P	P	2
Odisha	P	P	2
Madhya Pradesh	O	P	1
Gujarat	P	P	2
Chhattisgarh	P	P	2
Assam	P	P	2
Haryana	P	P	2
Himachal Pradesh	O	P	1
Jharkhand	P	P	2
Tripura	P	P	2
West Bengal	P	P	2
Punjab	P	P	2
Uttarakhand	P	P	2
Chandigarh	P	P	2
Bihar	P	P	2

Notes: 1. P refers to present and O refers to not present.
2. Rating of 1 signifies moderate approach while 2 signifies aggressive approach.

Sources: BEE, Climate Trends and Author's compilation.

Horticultural Diversification: A Pathway to Agricultural Resilience

by Shivam ^

The article examines the decomposition of agricultural growth from 1992-93 to 2022–23. The analysis highlights that sustained improvements in yield, higher cropping intensity, and a clear shift towards diversification—especially into horticulture—have been the principal drivers of agricultural growth. Encouragingly, small and marginal farmers have also gained from these trends. Government interventions have made efforts to address challenges such as yield fluctuations, limited storage infrastructure, and price volatility in horticulture production.

Introduction

A vibrant agricultural sector remains indispensable in diffusing economic gains to the bottom of the income pyramid, as 46.1 per cent of India's workforce is engaged in agriculture (PLFS, 2023-24). While the sector's share in gross value added (GVA) has shown a gradual moderation[1], its role in fostering inclusive growth and poverty alleviation has been crucial (Kakwani, 1993; Ravallion and Datt, 1996; Thorbecke and Jung, 1994; Soloaga, 2006). In this context, a systematic decomposition of past agricultural growth trends offers valuable insights to guide policy priorities and strategic policy interventions.

This study undertakes the decomposition of agricultural growth over the past three decades (1992-93 to 2022-23), disaggregating it into four key components: area expansion, yield (or technology) improvement, price effects, and crop diversification. To ensure a comprehensive understanding, the study focuses on eight major crops - rice, wheat, pulses, coarse cereals, fruits and vegetables, oilseeds, sugarcane, and tobacco - which collectively account for over 80 per cent of the gross cropped area and 75 per cent of the gross value of output (GVO).[2] The finding disclosed that yield improvements and diversification, particularly towards horticulture, have emerged as the primary engines of agricultural growth, while enhanced cropping intensity[3] has also played a significant supporting role in this process.

The results resonate strongly with existing literature (Birthal *et al.,* 2008; Sharma, 2023), underscoring the strategic importance of crop diversification. This shift not only contributes to enhanced farm incomes but also acts as a crucial mechanism for risk mitigation and promoting long-term sustainability (Quiroz and Valdés, 1995). The increasing cultivation of high-value crops, particularly fruits and vegetables, is proving vital in bolstering farm earnings, generating employment opportunities, and strengthening the resilience of rural economies (Thapa *et al.,* 2017; Anuja *et al.,* 2020).

Diversification is propelled by a confluence of demand and supply-side factors. On the demand front, rising incomes, increasing urbanisation, and evolving consumer preferences are driving a dietary

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[1] The decline is not due to a reduction in agricultural GVA but rather a rapid expansion in industrial and service sector GVA (http://www.indiaenvironmentportal.org.in/files/file/winter_session_2023/Loksabha-Contribution%20of%20Agriculture%20in%20GDP.pdf).

[2] The gross cropped area of rice, coarse cereal, pulses, fruits and vegetables, oilseeds, and sugarcane was available till 2024-25, while that of wheat and tobacco was available till 2023-24. The aggregate gross cropped area was available till 2021-22. The latest data available for the gross value of output is available till 2022-23, therefore, the analysis is undertaken up to 2022-23.

[3] Cropping intensity denotes the degree to which cultivable land is engaged in crop production over a defined agricultural year. It serves as an indicator of the extent of utilisation of available arable land, reflecting the intensity of agricultural operations within a given period.

transition away from traditional cereals towards a greater consumption of fruits and vegetables (Singha *et al.,* 2014). This shift is corroborated by household consumption expenditure surveys, which indicate a declining demand for cereals alongside an increasing appetite for fruits. On the supply side, Agriculture Census data reveals that small and marginal farmers, who constitute the majority of Indian agriculture[4], are progressively allocating a larger share of their landholdings to horticulture, aligning with their labour-intensive farming practices.

Despite these encouraging trends, the study also highlights three critical areas that warrant attention: fluctuations in yields, inadequate and uneven post-harvest storage infrastructure, and heightened price volatility. These factors contribute to instability in farmers' incomes and often act as deterrents for smallholders from fully embracing high-value crops.

In this context, this study examines four important aspects:

(i) What are the primary sources of agricultural growth in India over the past three decades (1992-93 to 2022-23)?

(ii) What is the contribution of different crops to the overall growth of agriculture?

(iii) What are the implications of such growth on small farmers?

(iv) What are the challenges and policy considerations arising from this growth driven by diversification?

The subsequent sections of this article are structured as follows: Section II outlines the data and methodology, while empirical findings are presented in Section III. Section IV highlights challenges in horticulture, followed by concluding observations in Section V.

II. Data Source and Methodology

The study employs a growth decomposition methodology, complemented by an analysis of yield and price instability. The growth decomposition methodology of Minot (2003) facilitates a nuanced understanding of agricultural growth sources by incorporating physical factors - area, yield, and cropping pattern - and market-linked variables, namely, real prices and crop diversification. This approach enables the isolation of the contributions of area expansion, yield improvements, price effects, and crop diversification to overall agricultural growth. While this methodology provides a robust framework, it is important to acknowledge its drawbacks, including the limited ability to capture interaction effects between components and the absence of statistical inference due to its accounting-based structure (Sharma, 2023). Furthermore, the assumption of a uniform cost structure across crops, as highlighted by Minot (2003), may not always hold, potentially introducing aggregation bias.

In addition to the growth decomposition, the study assesses yield and price instability, given that instability is an inherent characteristic of agriculture, largely attributable to its susceptibility to weather-related shocks. Analysing agricultural instability is crucial as it has significant implications for both supply and demand dynamics. On the supply side, increased uncertainty can deter farmers from adopting new technologies or undertaking necessary investments. On the demand side, price volatility can disrupt consumption patterns and necessitate policy interventions focused on food security and market stabilisation (Anjum & Madhulika, 2018). Instability is commonly quantified using methods like the Cuddy-Della Valle Index (CDVI), Coefficient of Variation (CV), and standard deviation of first differences, which

[4] The average size of operational holdings has decreased from 2.28 hectares in 1970–71 to 1.08 hectares in 2015–16, indicating the increasing prominence of smallholder farming (PIB, 2020).

generate similar results (Huchet-Bourdon, 2011). This study employs the CDVI due to its ability to account for underlying linear trends often observed in prices (Huchet-Bourdon, 2011) and yield (Hazell, 1982).

II.1 Data sources

The analysis uses annual data for area, production, yield, and Index of Terms of Trade (ToT) between the agricultural and non-agricultural sectors (sourced from the Ministry of Agriculture and Farmer's Welfare) and value of output (obtained from National Account Statistics, Ministry of Statistics and Programme Implementation). To assess price dynamics, monthly price data are sourced from CMIE[5] for the period January 2002 to January 2025.

II.2 Methodology on the decomposition of sources of growth

This study employs the decomposition method pioneered by Minot (2003) and Joshi *et al.,* (2006) that breaks down the growth into area, prices, yield (or technology) and diversification. The real price is estimated by dividing the GVO by the quantity produced. Then, the prices were developed in real terms (2011-12 prices) using the Wholesale Price Index (WPI) released by the Ministry of Commerce and Industry.

Let A_i denote the area, Y_i is yield or the production per unit area, and P_i is the (real) price per unit of production under crop i. The gross revenue, R, from n crops can be expressed as:

$$R = \sum_{i=1}^{n} A_i P_i Y_i \quad \text{(I)}$$

Let a_i be the share of crop i in the total cropped area, *i.e.*, $a_i = A_i / \sum_i A_i$, the equation (I) can be rewritten as:

$$R = (\sum_{i=1}^{n} a_i P_i Y_i)(\sum_{i=1}^{n} A_i) \quad \text{(II)}$$

By taking the derivative of both sides of equation (II), we get

$$dR = (\sum_{i=1}^{n} a_i P_i Y_i)\boldsymbol{d}(\sum_{i=1}^{n} A_i) +$$

$$(\sum_{i=1}^{n} A_i)(\sum_{i=1}^{n} a_i P_i \boldsymbol{d}Y_i) + (\sum_{i=1}^{n} A_i)(\sum_{i=1}^{n} a_i Y_i \boldsymbol{d}P_i) +$$

$$(\sum_{i=1}^{n} A_i)(\sum_{i=1}^{n} Y_i P_i \boldsymbol{d}a_i) \quad \text{(III)}$$

The equation (III) is divided by dR and then multiplied by the growth rate of revenue (g_R) to get the relative contribution to growth.

$$g_R = \left[\frac{g_R}{dR}\right]\{\left(\sum_{i=1}^{n} a_i P_i Y_i\right)\boldsymbol{d}\left(\sum_{i=1}^{n} A_i\right) +$$

$$\left(\sum_{i=1}^{n} A_i\right)\left(\sum_{i=1}^{n} a_i P_i \boldsymbol{d}Y_i\right) + \left(\sum_{i=1}^{n} A_i\right)\left(\sum_{i=1}^{n} a_i Y_i \boldsymbol{d}P_i\right)$$

$$+ \left(\sum_{i=1}^{n} A_i\right)\left(\sum_{i=1}^{n} Y_i P_i \boldsymbol{d}a_i\right)\}^{6} \quad \text{(IV)}$$

The right-hand side of equation (IV) tells the source of growth. The first, second, third and fourth term on the right-hand side represents the growth in the GVO due to the change in total cropped area (area effect), changes in yield (technology /yield effect), changes in real prices (price effect) and change in land use (diversification effect) respectively. A positive sign for the fourth term suggests a positive association between diversification and GVO, potentially reflecting a transition to more valuable crops.

The relative contributions of these growth drivers warrant careful consideration in the formulation of agricultural development policies. Agricultural growth driven by an expansion in the net sown area

[5] CMIE sources its data from the Agriculture Marketing Information Network (AGMARKNET) and National Commodity & Derivatives Exchange Limited (NCDEX). The data is sourced for a daily frequency for marketwise and variety-wise prices. The all-India estimates of overall prices across varieties and markets are computed as a simple average for the reference period by CMIE.

[6] The equation has ignored the interactive term. The interactive terms measure the change in output due to change in 2 or more inputs. The interactive terms are generally small and, therefore, ignored. However, the cumulative effect of the interactive term may be significant.

may not be sustainable in the long term, given the limited scope for further increases in cultivable land. In contrast, enhancing cropping intensity may offer a viable alternative, as it enables multiple uses of the same land parcel within a year. Growth arising from rising prices could be attributed to changes in pricing mechanisms or reductions in transportation costs; however, such price-induced growth is unlikely to be sustainable. Therefore, achieving long-term, sustainable agricultural growth necessitates a strategic focus on improving crop yields and diversifying production towards high-value crops (Birthal *et al.*, 2008).

The novelty of this study is to employ relative contribution rather than absolute contribution. This approach has been adopted primarily for its ability to capture the proportional impact of individual components on overall growth. For instance, in 1995-96, the aggregate GVO declined compared to the previous year (*i.e.*, $dR < 0$). During this period, the contribution of diversification (*i.e.*, the fourth term) was positive. Had the absolute contribution been considered, the contribution of diversification in that year would have appeared negative. Under the framework of relative contribution, however, the impact of diversification is positive, as the negative sign of dR is offset by the negative growth in GVO (*i.e.*, $g_R < 0$).

II.3 Instability Index

The CDVI Index is employed to assess the instability of time series data. It offers an advantage over the CV as it accounts for the underlying trend in the data. The CDVI achieves this by incorporating the adjusted R^2 from a semi-log linear trend model, thereby providing a more robust measure of variability in the presence of a deterministic trend (Cuddy and Della Valle, 1978).

$$\ln Y_i = \alpha + \beta t_i + \mu_i \quad \text{(V)}$$

Here, Y_i is the dependent variable specifying yield (kg/ha) or prices (₹/kg). The intercept term is denoted by α, while the slope term is denoted by β, and t_i is the time trend along with μ_i is the error term.

CDVI incorporates the adjusted R^2 of the equation (V) as shown below.

$$CV_t = CV \times \sqrt{(1 - R^2_{Adjusted})} \quad \text{(VI)}$$

$$CV = \sigma / x$$

Here, CV_t represents the coefficient of variation around the trend. In contrast, CV represents the coefficient of variation around the mean, and $R^2_{Adjusted}$ is the adjusted coefficient of determination from a time-trend regression. σ measures the standard deviation and x measures the mean.

III. Results and Discussion

III.1 Decoding Agriculture Growth Story

Table 1 dissects the drivers of India's agricultural growth, revealing the contribution of yield, diversification (both linked to government policies), area (evaluated by cropping intensity) and prices (gauged by the Index of Terms of Trade (ToT) between the agricultural and non-agricultural sectors). As farmers respond to relative prices rather than the price paid or received, the ToT was incorporated in MSP in 1980 (Dev and Rao, 2015). A ToT above 100 indicates favourable conditions, whereas a value below 100 suggests an adverse environment for farmers. With mounting pressure on agricultural land from industrialisation and urbanisation, expanding the net sown area faces inherent limits. Consequently, increased cropping intensity emerges as the key to maximising land utilisation and is used to measure area contribution.

Table 1: Contribution of Various Sources to Crop Sector Growth

Period	Area	Price	Yield	Diversification	Interaction
1992-93 to 2001-02	0.01	-0.79	1.72	0.76	0.26
2002-03 to 2011-12	0.83	-0.09	1.68	1.13	0.37
2012-13 to 2022-23	0.76	0.49	1.63	0.21	0.17
1992-93 to 2022-23	0.54	-0.11	1.67	0.68	0.26

Source: Author's calculation.

The initial decade (1992-93 to 2001-02) saw yield improvements (1.72 per cent) and diversification (0.76 per cent) fuel the majority of the growth (1.96 per cent). Despite a slight dip in net sown area (from 142.6 to 140.7 million hectares over the period), cropping intensity remained range-bound (130.1 per cent to 134.3 per cent over the period) (Chart 1.b). An unfavourable ToT likely contributed to negative price impacts (Chart 1.a). Notably, the "Golden Revolution" spurred significant gains in horticulture and apiculture, bolstering overall agricultural yield.

In the second period, yield (1.68 per cent), diversification (1.13 per cent), and area expansion (0.83 per cent) were the major contributors to the growth of 3.92 per cent. This period witnessed a rise in cropping intensity from 131.8 per cent (2002-03) to 138.9 per cent (2011-12) (chart 1.b).[7] ToT began to show signs of improvement during this period but continued to favour the non-agriculture sector (Chart 1.a). This partial recovery in ToT may account for the relatively improved, though still negative, contribution of prices to agricultural growth.

In the third period, all sources- area (0.76 per cent), prices (0.49 per cent), yield (1.63 per cent), and diversification (0.21 per cent)- contributed positively to the overall growth of 3.25 per cent. Cropping intensity saw a substantial jump from 139.15 per cent in 2012-13 to 155.4 per cent in 2021-22. During this

Chart 1: Terms of Trade and Cropping Intensity

Notes: 1. The Index of Terms of trade was present in two base years triennium ending (TE) 1990-91 and 2011-12. The TE 1990-91 was available from 1982-83 to 2006-07, while the TE 2011-12 was available from 2004-05 to 2022-23. To bring the data in common TE 2011-12, the data of TE 1990-91 was spliced with 0.80 (*i.e.*, the average of the common factor between two series).
2. Index value below 100 means the terms of trade are unfavourable to agriculture, while an index value above 100 means the terms of trade are favourable to agriculture.
3. Cropping Intensity measures the ratio of gross cropped area to net sown area. The higher the value of the cropping intensity, the amount of area is used in production.

Sources: Agricultural Statistics at a glance, various issues; and Author's calculation.

[7] The gross cropped area expanded significantly, from 173.9 million hectares in 2002–03 to 195.6 million hectares in 2011–12, whereas the net sown area increased modestly—from 132 million hectares to 140.8 million hectares over the same period.

period, ToT turned favourable, which may explain the positive contribution of prices to agricultural growth.

Over the period under consideration (1992-93 to 2022-23), the primary drivers of agricultural growth were yield improvements (1.67 per cent) and diversification (0.68 per cent), followed by area expansion (0.54 per cent). Yield gains likely stemmed from economic reforms, high-yielding seeds, irrigation focus, mechanisation, and fertiliser subsidies (Joshi, Gulati and Birthal, 2007). The analysis also indicates a rise in per-hectare production across all selected crops over the three-decade period. Diversification appears to be driven by multiple factors, including changes in dietary preferences among higher-income groups, policy initiatives such as the establishment of a dedicated Ministry of Food Processing Industries, and a shift in consumption patterns—from basic staple to high-value agricultural crop even in lower income brackets (Joshi, Gulati and Birthal, 2007). The rise in cropping intensity is likely linked to expanding irrigation, reducing reliance on rainfall.

A similar analysis was attempted to identify the sources of agricultural growth at the state level. However, due to the unavailability of Wholesale Price Index (WPI) data at the state level for the period under consideration, the study could not be pursued further. This study primarily examines diversification into horticulture, rather than focusing on yields, as the contribution of yield is well established (Sharma, 2023; Kumar, 2022).

III.2 Horticulture: The Bright Spot in Agricultural Growth

While horticulture encompasses a diverse range of crops such as fruits and vegetables, plantation crops, flowers, aromatic and medicinal plants, as well as spices and condiments, due to data limitations, the study focuses on fruits and vegetables (F&V). Table 2 highlights their consistently high growth rates across all three decades under review, underscoring their crucial role in driving agricultural performance. In 2022-23, F&V occupied a modest 5.77 per cent of the gross cropped area but impressively contributed 28.19 per cent to the GVO.

Table 2: Crop-Wise Contributions to Agriculture

Crop	Share in GCA (per cent)	Share in GVO (per cent)	Annual growth in value of output			Relative contribution to output growth		
	2021-22	2022-23	1992-93 to 2001-02	2002-03 to 2011-12	2012-13 to 2022-23	1992-93 to 2001-02	2002-03 to 2011-12	2012-13 to 2022-23
Rice	22.77	14.28	2.25	1.76	2.38	0.51	0.28	0.40
Wheat	15.88	8.90	2.93	2.83	1.48	0.41	0.36	0.16
Coarse Cereals	10.96	4.01	3.59	3.03	2.73	0.19	0.12	0.08
Pulses	13.64	5.17	2.27	3.11	4.84	0.13	0.16	0.35
Oilseeds	14.65	9.22	1.45	5.66	2.94	0.18	0.55	0.22
Sugarcane	2.96	5.03	5.46	1.11	0.53	0.43	0.05	0.13
F&V	5.77	28.19	5.86	4.33	3.84	1.45	1.33	1.30
Tobacco	0.18	0.32	-0.76	3.82	-2.32	-0.01	0.02	-0.02
Other crops	13.19	24.88	-	-	-	-	-	-
All crops	100	100	3.31	2.96	2.41	3.29	2.88	2.61

Notes: 1. All crops in the annual growth in the value of output consider growth of all the crops irrespective of those eight crops considered while all crops in the weighted contribution of growth shown only in eight crops considered.
2. The annual growth rate is estimated by taking the average of the annual growth rate in the period considered.
3. The relative contribution of output growth is measured by taking the aggregate value of GVO of the crops considered. Then, the average value of the change in GVO of each crop is divided by the aggregate value of GVO.

Sources: Agriculture Statistics at a Glance, 2023; and Author's calculation.

In Table 2, the annual growth in the value of output is estimated in two stages. In the first stage, the year-on-year (y-o-y) growth rate is calculated for each crop. In the second stage, the average growth rate for each crop is computed for the respective periods, such as 1992-93 to 2001-02. Based on this approach, fruits and vegetables exhibit the highest growth rate in all three periods under consideration. All other crops also show positive contributions to growth, except for tobacco.

The relative contribution of output growth is estimated in three stages in Table 2. In the first stage, the aggregate GVO is computed. In the second stage, the change in the GVO of each crop is expressed as a proportion of the aggregate GVO calculated in the first step. In the final stage, the average contribution of each crop to output growth is determined. From 1992-93 to 2022-23, the robust expansion of F&V output has been a significant tailwind for the agricultural sector, offsetting potential slowdowns elsewhere. In the initial period (1992-93 to 2001-02), F&V contributed a substantial 1.45 per cent to the overall 3.29 per cent growth. This strong contribution continued in the subsequent periods, accounting for 1.33 per cent of the 2.88 per cent growth (2002-03 to 2011-12) and 1.30 per cent of the 2.61 per cent growth (2012-13 to 2022-23). Without the contribution of F&V, agricultural growth would have been noticeably slower.

Underlying the strong performance of F&V is a gradual but distinct shift in Indian dietary patterns (Table 3). Data reveals a rising share of fruits in total food expenditure in both rural and urban areas- from 2 per cent in 2004-05 to 3.9 per cent in 2023-24. Vegetable consumption has remained largely stable in rural areas but has seen a slight uptick in urban centres. Conversely, the proportion of spending on cereals and pulses has been on a downward trend, signalling a broader diversification towards higher-value food items.

III.3 Cropping Patterns and Horticultural Diversification across Farm Sizes

An analysis of the cropping patterns of farmers[8], especially the land share dedicated to horticulture, is essential to assess whether small farmers are well-positioned to benefit from horticulture-led growth. As Chand (2017) highlighted, shifting one hectare of land from staple crops to high-value crops could enhance gross returns by ₹1,01,608. Encouragingly, small farmers already allocate a relatively larger portion of their land to horticulture compared to their larger counterparts (Table 4). In 2015-16, small farmers dedicated 6.08 per cent of their gross cropped area to these crops, *versus* 5.04

Table 3: Monthly Per Capita Consumption Expenditure

Item Group	Break-up of Monthly Per Capita Consumption Expenditure (per cent)									
	2004-05		2009-10		2011-12		2022-23		2023-24	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
Cereals and cereals substitutes	18	10	13.8	8.2	10.8	6.7	4.9	3.6	5	3.8
Pulses and their Products	3	2	3.3	2.5	2.9	2	2	1.4	2	1.4
Vegetables	6	4	8.3	5.7	6.6	4.6	5.4	3.8	6	4.1
Fruits	2	2	2.4	3.2	2.8	3.4	3.7	3.8	3.9	3.9

Source: Household Consumption Expenditure Survey, Ministry of Statistics and Programme Implementation.

[8] Small farmers have landholding between 1-2 hectares while medium farmers have landholding between 4 -10 hectares. Large farmers have landholding more than 10 hectares.

Table 4: Cropping Pattern on Small *versus* Large Farms (Per cent of Gross Cropped Area)

Farm Size	Cereals	Pulses	Oilseeds	Sugarcane	Cotton	Fruits	Vegetables	S&C[9]	Others	Total
1995-96										
Small	64.42	8.9	10.07	2.6	3.64	1.59	2.53	1.24	7.55	100
Medium	58.12	10.47	13.27	2.45	6.07	1.28	1.58	1.21	7.14	100
Large	50.72	12.72	15.41	1.53	6.3	1.02	0.9	1.21	11.07	100
All	57.77	10.71	12.84	2.16	5.22	1.3	1.69	1.22	8.77	100
2015-16										
Small	62.28	8.90	11.19	2.68	5.50	1.76	3.03	1.29	3.37	100
Medium	52.64	11.92	15.57	2.69	7.68	1.69	1.97	1.66	4.18	100
Large	49.16	12.90	14.68	1.79	6.00	1.42	1.71	1.91	10.43	100
All	56.31	10.74	13.20	2.43	6.16	1.65	2.41	1.55	5.56	100

Sources: Agriculture Census, various issues.

per cent for large farmers and 5.32 per cent for medium farmers.

The increasing share of horticulture in the total cropped area across all farm sizes indicates a broader diversification trend. The sustained growth in cultivating fruits, vegetables, and spices & condiments reflects both the rising economic importance of smallholdings and growing consumer demand.

A closer look reveals that small farmers lean towards vegetable cultivation. These crops offer quicker returns, require less capital, and are more labour-intensive, aligning well with the resources of smallholders. In contrast, larger farmers tend to favour fruits and certain spices, which typically demand higher upfront investment and have longer maturity periods. For example, mango trees take 3-5 years to bear fruit, while onions can be harvested in about six months.

Table 5 reveals a compelling trend, where, in 1995-96, small farmers already dedicated the largest share of their land to horticulture, closely trailed by large farmers. By 2015-16, this lead widened as small farmers continued to expand their horticultural footprint. This increasing allocation underscores their strong capacity and willingness to diversify into these higher-value crops.

Tables 4 and 5 suggest that small farmers have increasingly diversified into horticulture, particularly vegetables, suggesting they may have benefited from this shift. However, despite these positive trends, several challenges persist, which are explored in the following section.

Table 5: Distribution of Area under Horticulture across Farm Categories (Per cent)

	Gross Cropped Area	Fruits	Vegetables	S&C
1995-96				
Small	38.6	47.2	57.6	39.1
Medium	23.9	23.4	22.4	23.7
Large	37.5	29.4	20.0	37.2
All	100.0	100.0	100.0	100.0
2000-01				
Small	41.1	47.3	56.7	39.8
Medium	24.0	24.1	18.8	23.4
Large	37.5	28.6	24.5	36.7
All	100.0	100.0	100.0	100.0
2015-16				
Small	48.3	51.6	60.7	40.2
Medium	23.4	23.9	19.2	24.9
Large	28.3	24.4	20.1	34.9
All	100.0	100.0	100.0	100.0

Sources: Agriculture Census, various issues.

[9] S&C refers to spices and condiments, which is included in horticulture.

IV. Challenges and Policy Focus[10]

While horticulture presents significant opportunities, this study now turns its attention to three key challenges that persist: the unpredictability of yields, insufficient storage infrastructure, and the volatility of prices. The study also discussed the government's policy responses aimed at mitigating these obstacles.

IV.1 Fluctuation in Yield

A significant challenge in horticulture is the inherent variability in yields (Annex Table 1). Fruit yields, in particular, show considerable fluctuation, as seen in crops like lemon, mosambi, oranges, grapes, litchi, mango, and sapota between 1992-93 and 2021-22. Notably, grape and sapota yield has declined over this period, highlighting the urgency for stabilisation. While vegetable yield has generally trended upwards (with exceptions like peas and tapioca), the overall growth in fruit and vegetable yield is largely propelled by vegetables. The underlying causes of this yield volatility warrant deeper investigation, which is beyond the scope of this study.

Table 6 highlights the instability in major fruit and vegetable yields as evidenced by CDVI. For vegetables, instability decreased between 2002-03 and 2011-12 (except for onions). Fruit yield instability, however, increased during this period (except for banana, oranges and papaya). The subsequent decade (2012-13 to 2021-22) saw reduced instability for fruits, while vegetables showed a mixed bag - increased instability for brinjal, tomato, and tapioca, but decreased instability for cabbage, peas, onion, and potato.

Table 6: Instability in the Yield of Major Fruits and Vegetables

Crops	1992-93 to 2001-02	2002-03 to 2011-12	2012-13 to 2021-22	1992-93 to 2021-22
Apple	0.08	0.15	0.12	0.14
Banana	0.06	0.06	0.03	0.06
Lemon	0.06	0.17	0.05	0.12
Mosambi	0.13	0.21	0.07	0.23
Orange	0.18	0.15	0.05	0.19
Grapes	0.13	0.24	0.01	0.20
Guava	0.04	0.05	0.04	0.08
Mango	0.05	0.10	0.06	0.15
Papaya	0.12	0.05	0.04	0.10
Total Fruits	**0.06**	**0.06**	**0.05**	**0.10**
Brinjal	0.03	0.01	0.03	0.03
Cabbage	0.09	0.02	0.01	0.08
Cauliflower	0.12	0.02	0.02	0.07
Peas	0.14	0.04	0.03	0.13
Tomato	0.05	0.03	0.06	0.06
Onion	0.06	0.10	0.06	0.10
Potato	0.08	0.07	0.05	0.07
Tapioca	0.05	0.03	0.21	0.15
Total Vegetables	**0.04**	**0.02**	**0.02**	**0.03**

Sources: Department of Agriculture and Farmers Welfare, Ministry of Agriculture & Farmers Welfare; and Author's calculation.

To address yield fluctuations in horticulture, the government has launched the Mission for Integrated Development of Horticulture (MIDH). This umbrella scheme encompasses key programmes, including the National Horticulture Mission and the Horticulture Mission for North East and Himalayan States, which focus on providing high-quality planting material[11] and tissue culture[12] units, expanding cultivation areas, and promoting advanced horticulture technology.[13] Additionally, the Horticulture Cluster Development

[10] In this subsection, the study focuses on individual crops. As per the first advance estimates 2024-25, banana (37.7 million MT), guava (5.4 million MT), mango (22.7 million MT), papaya (5.4 million MT), grapes (4.1 million MT), apple (2.7 million MT), lemon (3.8 million MT), mosambi (3.9 million MT), and orange (6.1 million MT) contributed to 81 per cent to total fruits production (113.2 million MT). Brinjal (13 million MT), cabbage (10.4 million MT), cauliflower (9.9 million MT), peas (6.8 million MT), tomato (21.5 million MT), onion (28.9 million MT), potato (59.6 million MT), and tapioca (6.3 million MT) contributed to 70 per cent of total vegetables production (214.5 million MT). These crops are considered in this section.

[11] Quality Planting Material may be defined as 'the production of uniform, healthy, disease-free planting material raised through seed or vegetative methods with an overall goal to raise the physiological and phytosanitary quality of the plant available to stakeholders to increase productivity' (ICAR-CAFRI, 2019).

[12] Tissue culture (TC) is the cultivation of plant cells, tissues, or organs on specially formulated nutrient media. Under the right conditions, an entire plant can be regenerated from a single cell (ISAAA).

[13] https://www.myscheme.gov.in/schemes/midh

(HCD) program, launched in 2021, aims to enhance global competitiveness by creating market-driven development across 55 identified clusters.[14] This is complemented by a strong emphasis on research and development, evidenced by the growing number of establishments of dedicated institutes, research centres and directorates.

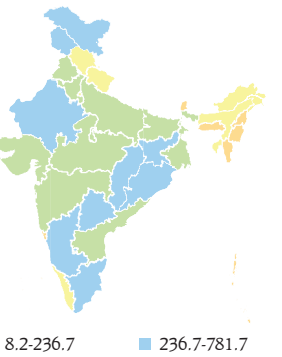
IV.2 Lack of Post-Harvest Storage Capacity

India grapples with substantial post-harvest losses, estimated at around ₹1.5 trillion annually (Gulati *et al.*, 2024), with fruits and vegetables bearing the brunt due to inadequate cold storage (Negi and Anand, 2017). Effectively addressing these post-harvest losses necessitates a dual approach encompassing the expansion of cold chain infrastructure and the reinforcement of the food processing sector to prolong the shelf life of agricultural commodities.

As of 2022, India's cold storage capacity stood at 38.2 million metric tonnes (MT), exhibiting significant regional concentration, with Uttar Pradesh (38.9 per cent), West Bengal (15.6 per cent), Gujarat (10.2 per cent), and Punjab (6.4 per cent) accounting for 71 per cent of the total. Chart 2, employing quartile distribution, vividly illustrates these regional disparities. Strikingly, approximately 75 per cent of existing cold storage is dedicated to potatoes, highlighting both the limited capacity for other perishables and the prominence of potatoes in Indian consumption (Tiwari, 2021). Furthermore, the location of these facilities near production hubs underscores their reliance on efficient transportation networks. The development of versatile, multi-commodity cold storage faces technical hurdles in maintaining diverse temperature and humidity requirements.

To boost post-harvest infrastructure and improve the agricultural supply chain, the government has launched several key initiatives. Agriculture Infrastructure Fund (AIF), established in 2020, has already sanctioned over 48,000 storage projects, adding a capacity of 94 million tonnes.[15] Reinforcing this thrust, the Union Budget 2025–26 announced an air cargo facility to support horticultural exports. Complementary schemes such as the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME), and the Mega Food Park initiative aim to improve processing, storage, branding, and value addition. While broad-based in scope, these interventions are expected to yield substantial spillover benefits for the horticulture sector.

Chart 2: State-wise Cold Storage Capacity (in thousand metric tons)



Notes: 1. The number of cold storages in Ladakh is considered the same as that in Jammu and Kashmir.
2. The states are classified based on the number of cold storages. States belonging to the first quartile have storage capacity of less than 8.2 thousand metric tons. The second quartile has a capacity between 8.2 to 236.7 thousand metric tons. The third and fourth quarters have a capacity between 236.7 to 781.7 thousand metric tons and more than 781.7 metric tons, respectively.
Source: Handbook of Statistics on Indian States, RBI.

IV.3 Volatility in Prices[16]

Prices are the lifeline for farmers, steering their production and investment decisions. However, price volatility acts as a significant disruptor, influencing crop choices, input application, and technology adoption, while also injecting uncertainty across the agricultural value chain (Sharma *et al.*, 2024).

[14] https://nhb.gov.in/CDPMap.aspx

[15] https://pib.gov.in/PressNoteDetails.aspx?NoteId=152061&ModuleId=3&reg=3&lang=1

[16] Given data availability, the analysis in this subsection spans from 2002-03 to 2021-22, with rice and wheat included to provide a comparative perspective *vis-a-vis* horticulture crop.

Table 7 unveils interesting trends in the price instability of major fruits and vegetables. Notably, fruit price volatility eased during 2012-13 to 2022-23 compared to the preceding decade. Conversely, vegetable price volatility generally intensified over the same period, except for peas and cauliflower.

The stability and upward trajectory of rice and wheat prices, as depicted in Chart 3, offer a compelling contrast. Given the Food Corporation of India's (FCI) primary procurement focus on these cereals, the combination of assured buyers, lower price fluctuations, and rising price trends likely contributes to farmers' persistent preference for these crops over the more volatile fruits and vegetables.

Table 7: Instability in the Prices of Major Fruits and Vegetables

Crops		2002-03 to 2011-12	2012-13 to 2022-23	2002-03 to 2022-23
Cereals	Rice	0.08	0.04	0.08
	Wheat	0.06	0.05	0.06
Fruits	Bananas	0.15	0.09	0.15
	Guavas	0.16	0.05	0.1
	Mango	0.09	0.06	0.07
	Papaya	0.11	0.05	0.08
	Grapes	0.09	0.04	0.05
	Apple	0.13	0.10	0.14
	Lemons	0.26	0.13	0.19
	Mousambi	0.13	0.05	0.09
	Oranges	0.15	0.06	0.11
	Watermelon	0.09	0.04	0.07
Vegetables	Brinjal	0.05	0.06	0.08
	Onion	0.18	0.28	0.27
	Potato	0.25	0.34	0.34
	Tomato	0.07	0.16	0.16
	Topioca	0.14	0.16	0.18
	Cabbage	0.09	0.10	0.12
	Cauliflower	0.06	0.05	0.09
	Peas	0.11	0.09	0.09

Sources: CMIE and Author's calculation.

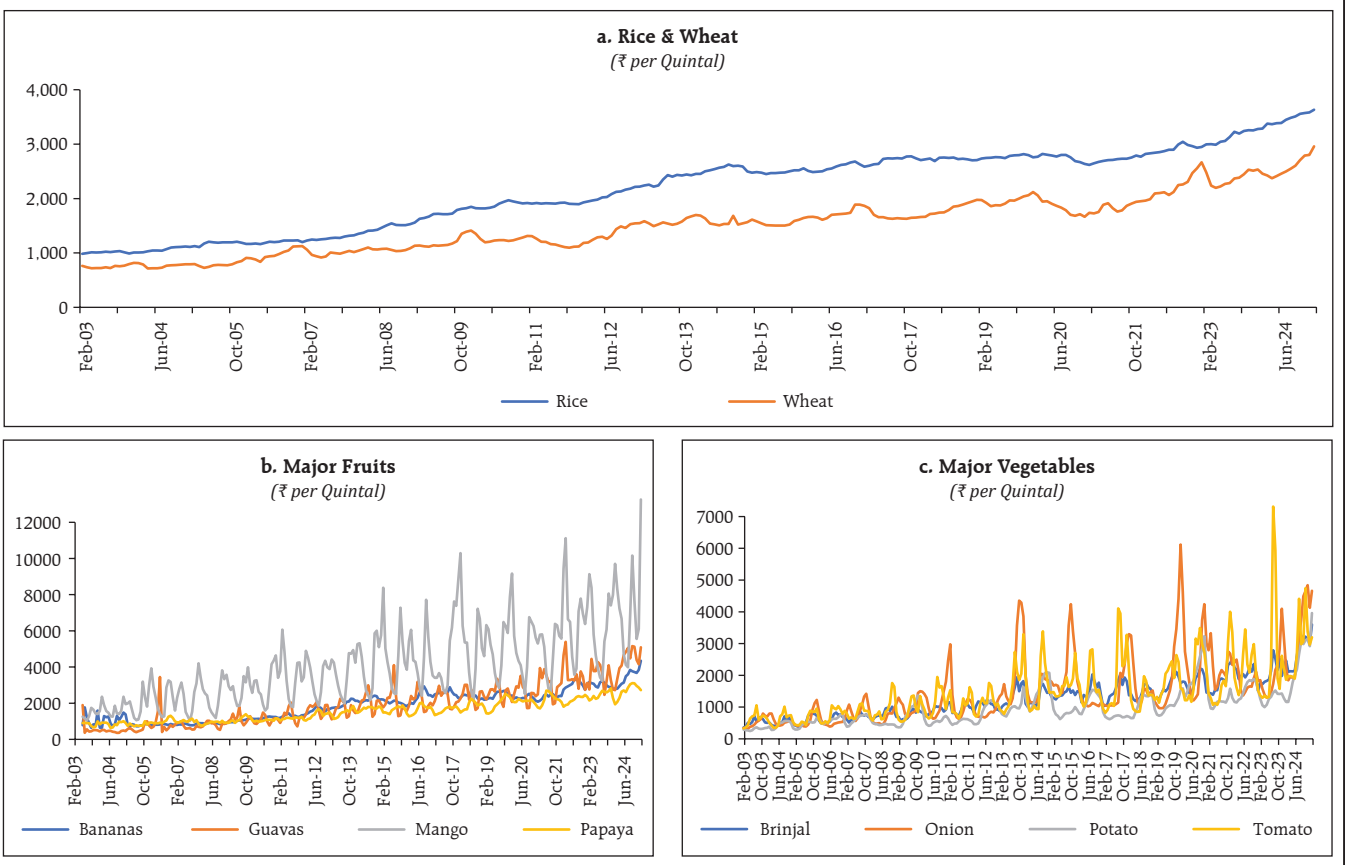
Recognising the challenges posed by price volatility in horticulture, the Government of India launched 'Operation Greens'. Initially focused on Tomato, Onion, and Potato (TOP), this scheme, announced in the Union Budget 2018-19, aims to shield farmers from distress sales and curtail post-harvest losses. Its scope was subsequently broadened in 2021-22 to encompass all fruits and vegetables under the umbrella of TOTAL.

V. Conclusion

Over the past three decades (1992-93 to 2022-23), agricultural growth has been significantly propelled by yield (or technological) improvement, diversification, and increased cropping intensity. Notably, the shift towards horticulture has been a key growth engine, particularly benefiting small farmers. However, the sector still grapples with yield and price volatility, exacerbated by insufficient cold storage. Government initiatives like the NHM and HCD target yield stability, while the AIF and PMFME aim to fortify cold chain infrastructure and supply chain efficiency- crucial steps forward.

Going forward, establishing stronger linkages between farmers and export markets, as well as urban consumers, will be critical for accelerating agricultural growth and development. Additionally, intercropping of horticultural and non-horticultural crops holds promise for improving yields, enhancing soil health, and augmenting farmer incomes. Strengthening agricultural research to develop technologies that address emerging challenges—such as climate change and pest management—while also improving productivity, remains imperative. The growth of agro-processing industries can unlock the potential for higher export growth, reduce post-harvest losses, and generate employment opportunities in the rural economy.

Chart 3: Prices of Various Commodities



Note: As rice and wheat are one of the most produced crops in India, it's price is used as a standard to compare with major fruits and vegetables.
Source: CMIE.

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Annex:

Table 1: Average Yields of Various Horticulture Crops

(Metric Tonnes/Hectares)

Horticulture	1992-93 to 2001-02	2002-03 to 2011-12	2012-13 to 2021-22	1992-93 to 2021-22
Total Fruits	**11.5**	**11**	**14.2**	**12.5**
Apple	5.5	7.5	7.7	7
Banana	30.1	33.6	35.6	33.7
Lemon*	8.9	8.8	10.7	9.7
Mosambi*	11.9	10.1	15.5	12.7
Oranges*	8.7	7.7	12	10.1
Grapes	22.2	19.9	21.6	21.2
Guava	11.1	11.2	15	12.9
Litchi	6.8	6.7	7	6.9
Mango	7.5	6.4	8.5	7.5
Papaya	24.3	35.8	41.5	36
Pineapple	14.6	15.3	16.5	15.6
Pomegranate	-	7	11.1	10.1
Sapota	12	8.5	11.1	10
Total Vegetables	**14**	**15.9**	**17.8**	**16.3**
Brinjal*	15.6	17	17.9	17
Cabbage	20.1	22	22.7	21.9
Cauliflower	16.5	18.5	19.4	18.4
Okra	9.7	10.6	11.9	10.9
Peas	9.1	8.1	9.9	9.2
Tomato	15.6	18.4	23.8	20.2
Onion	10.6	14.8	16.9	15.2
Potato	17.3	19.4	23	20.4
Sweet Potato	8.5	9	10.9	9.4
Tapioca	24.9	32.7	30.2	29.2

Notes: 1. *: Data available from 1993-94 onwards.
2. -: Not Available.
3. Here, yield is calculated by taking the average production divided by the average area under cultivation during the period. This study has deliberately not compared the yield of a specific year as that year's yield may be impacted by exogenous factors such as weather events, pests, and diseases, *etc.*
4. Yellow colour indicates the fall in yield, while green colour indicates the rise in yield. The yield in 2002-03 to 2011-12 is compared with that from 1992-93 to 2001-02, while the yield from 2012-13 to 2021-22 is compared with 2002-03 to 2011-12. The overall yield from 1992-93 to 2021-22 is compared with 1992-93 to 2001-02.

Sources: Department of Agriculture and Farmers Welfare, Ministry of Agriculture & Farmers Welfare; and Author's calculation.

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

Contents

Notes: .. = Not available.

– = Nil/Negligible.

P = Preliminary/Provisional. PR = Partially Revised.

No. 1: Select Economic Indicators

Item	2024-25	2023-24		2024-25	
		Q3	Q4	Q3	Q4
	1	2	3	4	5
1 Real Sector (% Change)					
1.1 GVA at Basic Prices	6.4	8.0	7.3	6.5	6.8
1.1.1 Agriculture	4.6	1.5	0.9	6.6	5.4
1.1.2 Industry	4.5	12.6	9.9	3.5	4.7
1.1.3 Services	7.5	8.5	8.0	7.5	7.9
1.1a Final Consumption Expenditure	6.5	5.3	6.3	8.3	4.7
1.1b Gross Fixed Capital Formation	7.1	9.3	6.0	5.2	9.4
	2024-25	**2024**		**2025**	
		May	**Jun.**	**May**	**Jun.**
	1	2	3	4	5
1.2 Index of Industrial Production	4.0	6.3	4.9	1.9	1.5
2 Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	10.6	12.2	10.7	10.1	10.3
	(10.3)	(12.7)	(11.1)	(9.9)	(10.1)
2.1.2 Credit #	12.1	16.1	13.9	9.9	10.4
	(11.0)	(19.8)	(17.4)	(9.0)	(9.5)
2.1.2.1 Non-food Credit #	12.0	16.2	13.9	9.8	10.2
	(11.0)	(19.8)	(17.4)	(8.8)	(9.3)
2.1.3 Investment in Govt. Securities	10.6	8.8	7.4	9.2	9.2
	(9.7)	(10.3)	(8.6)	(8.5)	(8.8)
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	4.3	5.8	7.4	6.1	4.9
2.2.2 Broad Money (M3)	9.6	12.1	9.7	9.5	9.6
	(9.4)	(12.5)	(10.1)	(9.3)	(9.5)
3 Ratios (%)					
3.1 Cash Reserve Ratio	4.00	4.50	4.50	4.00	4.00
3.2 Statutory Liquidity Ratio	18.00	18.00	18.00	18.00	18.00
3.3 Cash-Deposit Ratio	4.3	5.0	5.1	4.5	4.4
	(4.3)	(4.9)	(5.1)	(4.5)	(4.4)
3.4 Credit-Deposit Ratio	79.1	77.5	77.3	77.4	77.4
	(80.8)	(79.6)	(79.3)	(78.9)	(78.9)
3.5 Incremental Credit-Deposit Ratio #	89.2	59.2	58.4	11.0	31.6
	(86.1)	(57.3)	(56.0)	(7.3)	(28.7)
3.6 Investment-Deposit Ratio	29.5	29.0	28.8	28.8	28.5
	(29.7)	(29.3)	(28.9)	(28.9)	(28.6)
3.7 Incremental Investment-Deposit Ratio	29.5	13.4	9.4	1.7	0.0
	(28.1)	(12.6)	(6.4)	(1.5)	(-0.1)
4 Interest Rates (%)					
4.1 Policy Repo Rate	6.25	6.50	6.50	6.00	5.50
4.2 Fixed Reverse Repo Rate	3.35	3.35	3.35	3.35	3.35
4.3 Standing Deposit Facility (SDF) Rate *	6.00	6.25	6.25	5.75	5.25
4.4 Marginal Standing Facility (MSF) Rate	6.50	6.75	6.75	6.25	5.75
4.5 Bank Rate	6.50	6.75	6.75	6.25	5.75
4.6 Base Rate	9.10/10.40	9.10/10.25	9.10/10.40	9.10/10.40	9.10/10.30
4.7 MCLR (Overnight)	8.15/8.45	8.00/8.60	8.10/8.60	8.15/8.25	7.95/8.25
4.8 Term Deposit Rate >1 Year	6.00/7.25	6.00/7.25	6.00/7.30	6.00/6.85	5.85/6.70
4.9 Savings Deposit Rate	2.70/3.00	2.70/3.00	2.70/3.00	2.70/2.75	2.50/2.75
4.10 Call Money Rate (Weighted Average)	6.35	6.56	6.67	5.80	5.29
4.11 91-Day Treasury Bill (Primary) Yield	6.52	6.85	6.80	5.62	5.41
4.12 182-Day Treasury Bill (Primary) Yield	6.52	7.01	6.92	5.63	5.54
4.13 364-Day Treasury Bill (Primary) Yield	6.47	7.04	6.96	5.63	5.57
4.14 10-Year G-Sec Par Yield (FBIL)	6.62	7.01	7.04	6.23	6.34
5 Reference Rate and Forward Premia					
5.1 INR-US$ Spot Rate (Rs. Per Foreign Currency)	85.58	83.30	83.45	85.48	85.56
5.2 INR-Euro Spot Rate (Rs. Per Foreign Currency)	92.32	90.12	89.25	96.94	100.20
5.3 Forward Premia of US$ 1-month (%)	3.12	1.08	1.10	2.01	1.65
3-month (%)	2.56	1.22	1.14	1.87	1.66
6-month (%)	2.28	1.34	1.26	1.83	1.79
6 Inflation (%)					
6.1 All India Consumer Price Index	4.6	4.8	5.1	2.8	2.1
6.2 Consumer Price Index for Industrial Workers	3.39	3.9	3.7	2.9	2.5
6.3 Wholesale Price Index	2.3	2.7	3.4	0.1	-0.1
6.3.1 Primary Articles	5.2	7.4	9.2	-1.8	-3.4
6.3.2 Fuel and Power	-1.3	1.0	0.5	-4.8	-2.7
6.3.3 Manufactured Products	1.7	1.0	1.5	2.1	2.0
7 Foreign Trade (% Change)					
7.1 Imports	6.2	7.3	4.6	-1.7	-3.7
7.2 Exports	0.1	13.3	2.4	-2.8	-0.1

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

#: Bank credit growth and related ratios for all fortnights from December 3, 2021 to November 18, 2022 are adjusted for past reporting errors by select scheduled commercial banks (SCBs).

Figures in parentheses include the impact of merger of a non-bank with a bank.

*: As per Press Release No. 2022-2023/41 dated April 08, 2022.

Reserve Bank of India

No. 2: RBI - Liabilities and Assets *

(₹ Crore)

Item	As on the Last Friday/ Friday						
	2024-25	2024	2025				
		Jul.	Jun. 27	Jul. 04	Jul. 11	Jul. 18	Jul. 25
	1	2	3	4	5	6	7
1 Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	3683836	3502874	3783575	3783770	3787633	3773600	3763742
1.1.2 Notes held in Banking Department	11	10	18	17	18	17	16
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	**3683847**	**3502885**	**3783593**	**3783786**	**3787651**	**3773617**	**3763757**
1.2 Assets							
1.2.1 Gold	235379	176856	255940	256703	256442	257948	262726
1.2.2 Foreign Securities	3448129	3325806	3527205	3526711	3530927	3515466	3500580
1.2.3 Rupee Coin	340	223	448	372	282	202	451
1.2.4 Government of India Rupee Securities	-	-	-	-	-	-	-
2 Banking Department							
2.1 Liabilities							
2.1.1 Deposits	1709285	1702094	1803255	1782659	1767751	1784027	1811847
2.1.1.1 Central Government	100	100	100	101	100	101	101
2.1.1.2 Market Stabilisation Scheme	-		-	-	-	-	-
2.1.1.3 State Governments	42	42	42	42	42	42	43
2.1.1.4 Scheduled Commercial Banks	943060	976073	933483	931978	930199	984796	918229
2.1.1.5 Scheduled State Co-operative Banks	7776	8282	8300	8259	8078	8037	7969
2.1.1.6 Non-Scheduled State Co-operative Banks	5963	5278	4984	5234	5049	4994	5061
2.1.1.7 Other Banks	46963	49426	47375	47518	47621	47335	47638
2.1.1.8 Others	593085	538460	715693	692957	676113	641067	720791
2.1.1.9 Financial Institution Outside India	112296	124433	93278	96570	100547	97656	112014
2.1.2 Other Liabilities	2150508	1723581	2183725	2184406	2190245	2206803	2249693
2.1/2.2 Total Liabilities or Assets	**3859793**	**3425675**	**3986980**	**3967065**	**3957996**	**3990831**	**4061540**
2.2 Assets							
2.2.1 Notes and Coins	11	10	18	17	18	17	16
2.2.2 Balances Held Abroad	1413591	1625418	1590460	1554686	1553945	1579733	1627461
2.2.3 Loans and Advances							
2.2.3.1 Central Government	-	-	-	-	-	-	-
2.2.3.2 State Governments	26284	21239	20066	30956	20431	26294	24026
2.2.3.3 Scheduled Commercial Banks	251984	7161	1065	1282	1223	951	1906
2.2.3.4 Scheduled State Co-op.Banks	-	-	-	-	-	-	-
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	36426	9062	7031	6237	5901	6171	10320
2.2.3.9 Financial Institution Outside India	111768	124192	93636	96709	100592	97655	112123
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	-	-	-	-	-	-	-
2.2.4.2 Government Treasury Bills	-	-	-	-	-	-	-
2.2.5 Investments	1560630	1322437	1787779	1790646	1789719	1790931	1787703
2.2.6 Other Assets	459101	316156	486926	486533	486166	489079	497986
2.2.6.1 Gold	429510	306207	466434	467825	467349	470094	478801

* Data are provisional.

No. 3: Liquidity Operations by RBI

(₹ Crore)

Date	Liquidity Adjustment Facility						Standing Liquidity Facilities	OMO (Outright)		Net Injection (+)/ Absorption (-) (1+3+5+7+9-2-4-6-8)
	Repo	Reverse Repo	Variable Rate Repo	Variable Rate Reverse Repo	MSF	SDF		Sale	Purchase	
	1	2	3	4	5	6	7	8	9	10
Jun. 1, 2025	-	-	-	-	922	231621	-	-	-	-230699
Jun. 2, 2025	-	-	5150	-	1109	292229	-	-	-	-285970
Jun. 3, 2025	-	-	5019	-	447	314265	-322	-	-	-309121
Jun. 4, 2025	-	-	4271	-	622	299291	49	-	-	-294349
Jun. 5, 2025	-	-	4138	-	580	316403	-	-	-	-311685
Jun. 6, 2025	-	-	3550	-	1977	326946	-	-	-	-321419
Jun. 7, 2025	-	-	-	-	58	197270	-	-	-	-197212
Jun. 8, 2025	-	-	-	-	25	196222	-	-	-	-196197
Jun. 9, 2025	-	-	3711	-	2123	258855	-	-	-	-253021
Jun. 10, 2025	-	-	3853	-	16	272671	-1513	-	-	-270315
Jun. 11, 2025	-	-	-	-	1124	267414	1663	-	-	-264628
Jun. 12, 2025	-	-	-	-	1095	285659	-	-	-	-284564
Jun. 13, 2025	-	-	-	-	2248	373129	-	-	-	-370881
Jun. 14, 2025	-	-	-	-	8	219212	-	-	-	-219204
Jun. 15, 2025	-	-	-	-	48	205124	-	-	-	-205076
Jun. 16, 2025	-	-	-	-	1289	277831	-	-	10	-276532
Jun. 17, 2025	-	-	-	-	1297	299971	-	-	-	-298674
Jun. 18, 2025	-	-	-	-	1389	296073	-1139	-	-	-295823
Jun. 19, 2025	-	-	-	-	1323	322568	-175	-	-	-321420
Jun. 20, 2025	-	-	-	-	2659	303886	-125	-	-	-301352
Jun. 21, 2025	-	-	-	-	946	235683	-	-	-	-234737
Jun. 22, 2025	-	-	-	-	285	196522	-	-	-	-196237
Jun. 23, 2025	-	-	-	-	906	251686	-	-	-	-250780
Jun. 24, 2025	-	-	-	-	1090	267171	-	-	-	-266081
Jun. 25, 2025	-	-	-	-	1309	255293	-599	-	-	-254583
Jun. 26, 2025	-	-	-	-	1826	279877	577	-	-	-277474
Jun. 27, 2025	-	-	-	84975	1065	223883	-	-	-	-307793
Jun. 28, 2025	-	-	-	-	436	155844	-	-	-	-155408
Jun. 29, 2025	-	-	-	-	141	153631	-	-	-	-153490
Jun. 30, 2025	-	-	-	-	5705	189751	237	-	-	-183809

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

i) Operations in onshore / offshore OTC segment

Item	2024-25	2024	2025	
		Jun.	May	Jun.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1-1.2)	-34511	-2107	1764	-3661
1.1 Purchase (+)	364200	15936	9124	1164
1.2 Sale (–)	398711	18043	7360	4825
2 ₹ equivalent at contract rate (₹ Crores)	-291233	-17688	14562	-31808
3 Cumulative (over end-March) (US $ Million)	-34511	-1532	104	-3557
(₹ Crore)	-291233	-13016	-73	-31881
4 Outstanding Net Forward Sales (-)/ Purchase (+) at the end of month (US $ Million)	-84345	-15835	-65215	-60390

ii) Operations in currency futures segment

Item	2024-25	2024	2025	
		Jun.	May	Jun.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1-1.2)	0	0	0	0
1.1 Purchase (+)	31415	2338	0	0
1.2 Sale (–)	31415	2338	0	0
2 Outstanding Net Currency Futures Sales (-)/ Purchase (+) at the end of month (US $ Million)	0	-1974	0	0

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

Item	As on June 30 , 2025		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	0	2540	-2540
2. More than 1 month and upto 3 months	0	11845	-11845
3. More than 3 months and upto 1 year	0	25905	-25905
4. More than 1 year	0	20100	-20100
Total (1+2+3+4)	**0**	**60390**	**-60390**

No. 5: RBI's Standing Facilities

(₹ Crore)

Item	As on the Last Reporting Friday							
	2024-25	2024	2025					
		Jul. 26	Feb. 21	Mar. 21	Apr. 18	May 30	Jun. 27	Jul. 25
	1	2	3	4	5	6	7	8
1 MSF	9961	2021	500	9961	2003	1540	1065	1906
2 Export Credit Refinance for Scheduled Banks								
2.1 Limit	-	-	-	-	-	-	-	-
2.2 Outstanding	-	-	-	-	-	-	-	-
3 Liquidity Facility for PDs								
3.1 Limit	9900	9900	9900	9900	14900	14900	14900	14900
3.2 Outstanding	9517	9062	9096	9517	7999	8595	7010	10299
4 Others								
4.1 Limit	76000	76000	76000	76000	76000	76000	76000	76000
4.2 Outstanding	-	-	-	-	-	-	-	-
5 Total Outstanding (1+2.2+3.2+4.2)	19478	11083	9596	19478	10002	10135	8075	12205

Money and Banking

No. 6: Money Stock Measures

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/ reporting Fridays				
	2024-25	2024	2025		
		Jun. 28	May 30	Jun. 13	Jun. 27
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	3630751	3446055	3736896	3744990	3722652
1.1 Notes in Circulation	3686799	3528333	3797410	3808950	3782437
1.2 Circulation of Rupee Coin	35889	33322	36548	36548	36909
1.3 Circulation of Small Coins	743	743	743	743	743
1.4 Cash on Hand with Banks	93696	116948	98902	102371	98575
2 Deposit Money of the Public	2953329	2842003	3241663	3110721	3324072
2.1 Demand Deposits with Banks	2840023	2746237	3131530	3001877	3215375
2.2 'Other' Deposits with Reserve Bank	113307	95766	110133	108844	108697
3 M1 (1 + 2)	**6584081**	**6288057**	**6978559**	**6855711**	**7046725**
4 Post Office Saving Bank Deposits	212331	199223	212331	212331	212331
5 M2 (3 + 4)	**6796412**	**6487280**	**7190890**	**7068042**	**7259056**
6 Time Deposits with Banks	20643062	19413650	20956339	20987083	21131104
	(20702508)	(19503047)	(21011378)	(21040863)	(21183731)
7 M3 (3 + 6)	27227143	25701708	27934898	27842794	28177829
	(27286589)	(25791104)	(27989937)	(27896574)	(28230456)
8 Total Post Office Deposits	1443555	1351212	1443555	1443555	1443555
9 M4 (7 + 8)	28670698	27052920	29378453	29286349	29621384
	(28730144)	(27142316)	(29433492)	(29340129)	(29674011)

Figures in parentheses include the impact of merger of a non-bank with a bank.

No. 7 : Sources of Money Stock (M_3)

(₹ Crore)

Sources	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2024-25	2024	2025		
		Jun. 28	May 30	Jun. 13	Jun. 27
	1	2	3	4	5
1 Net Bank Credit to Government	**8463065**	**7424141**	**8446563**	**8556270**	**8473446**
1 Net Bank Credit to Government (Including Merger)	(8510825)	(7489485)	(8493151)	(8602857)	(8520033)
1.1 RBI's net credit to Government (1.1.1–1.1.2)	1508105	1026142	1479315	1602562	1513361
1.1.1 Claims on Government	1591591	1355438	1839456	1804247	1806229
1.1.1.1 Central Government	1558903	1348151	1811974	1788285	1786164
1.1.1.2 State Governments	32688	7286	27482	15962	20066
1.1.2 Government deposits with RBI	83485	329296	360141	201685	292869
1.1.2.1 Central Government	83443	329254	360099	201643	292826
1.1.2.2 State Governments	42	42	42	42	42
1.2 Other Banks' Credit to Government	6954959	6397999	6967248	6953707	6960086
1.2 Other Banks Credit to Government (Including Merger)	(7002720)	(6463344)	(7013836)	(7000295)	(7006672)
2 Bank Credit to Commercial Sector	**18646762**	**17148762**	**18690046**	**18715304**	**18888886**
2 Bank Credit to Commercial Sector (Including Merger)	(19068129)	(17648993)	(19089019)	(19113760)	(19283371)
2.1 RBI's credit to commercial sector	38246	10922	14393	10263	9029
2.2 Other banks' credit to commercial sector	18608516	17137840	18675653	18705041	18879856
2.2 Other banks credit to commercial sector (Including Merger)	(19029883)	(17638071)	(19074626)	(19103496)	(19274342)
2.2.1 Bank credit by commercial banks	17822605	16385798	17888404	17915507	18091714
2.2.1 Bank credit by commercial banks (Including Merger)	(18243972)	(16886029)	(18287377)	(18313963)	(18486200)
2.2.2 Bank credit by co-operative banks	766659	733421	768000	770519	769075
2.2.3 Investments by commercial and co-operative banks in other securities	19252	18621	19249	19014	19067
2.2.3 Investments by commercial and co-operative banks in other securities (Including Merger)	(19252)	(18621)	(19249)	(19014)	(19067)
3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	**6148527**	**5653720**	**6350876**	**6449305**	**6437976**
3.1 RBIs net foreign exchange assets (3.1.1 - 3.1.2)	5550947	5287013	5753296	5851725	5840396
3.1.1 Gross foreign assets	5550956	5287015	5753292	5851722	5840398
3.1.2 Foreign liabilities	9	2	-4	-4	2
3.2 Other banks' net foreign exchange assets	597580	366707	597580	597580	597580
4 Government's Currency Liabilities to the Public	**36632**	**34065**	**37291**	**37291**	**37652**
5 Banking Sector's Net Non-monetary Liabilities	**6067843**	**4558981**	**5589878**	**5915376**	**5660130**
5 Banking Sectors Net Non-monetary Liabilities (Including Merger)	(6477524)	(5035160)	(5980400)	(6306639)	(6048576)
5.1 Net non-monetary liabilities of RBI	2147427	1631829	2099222	2181690	2168644
5.2 Net non-monetary liabilities of other banks (residual)	3920417	2927152	3490656	3733686	3491487
5.2 Net non-monetary liabilities of other banks (residual) (Including Merger)	(4330098)	(3403331)	(3881177)	(4124949)	(3879932)
M_3(1+2+3+4–5)	**27227143**	**25701708**	**27934898**	**27842794**	**28177829**
M3 (1+2+3+4-5) (Including Merger)	(27286589)	(25791104)	(27989937)	(27896574)	(28230456)

Figures in parentheses include the impact of merger of a non-bank with bank.

No. 8: Monetary Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2024-25	2024	2025		
		Jun. 28	May 30	Jun. 13	Jun. 27
	1	2	3	4	5
Monetary Aggregates					
NM_1 (1.1+1.2.1+1.3)	6584081	6288057	6978559	6855711	7046725
NM_2 (NM_1 + 1.2.2.1)	15741937	14915653	16278082	16167286	16423308
NM2 (NM1 + 1.2.2.1) (Including Merger)	(15768688)	(14955882)	(16302849)	(16191486)	(16446990)
NM_3 (NM_2 +1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	27850121	26224953	28539892	28386562	28733795
NM3 (NM2 + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 - 2.4 - 2.5) (Including Merger)	(27909568)	(26314350)	(28594932)	(28440341)	(28786422)
1 Components					
1.1 Currency with the Public	3630751	3446055	3736896	3744990	3722652
1.2 Aggregate Deposits of Residents	23190815	21918672	23797136	23694264	24052227
1.2 Aggregate Deposits of Residents (Including Merger)	(23250261)	(22008068)	(23852176)	(23748044)	(24104854)
1.2.1 Demand Deposits	2840023	2746237	3131530	3001877	3215375
1.2.2 Time Deposits of Residents	20350792	19172435	20665606	20692388	20836852
1.2.2 Time Deposits of Residents (Including Merger)	(20410239)	(19261832)	(20720646)	(20746167)	(20889478)
1.2.2.1 Short-term Time Deposits	9157856	8627596	9299523	9311574	9376583
1.2.2.1 Short-term Time Deposits (Including Merger)	(9184607)	(8667824)	(9324291)	(9335775)	(9400265)
1.2.2.1.1 Certificates of Deposits (CDs)	527375	407354	516544	479167	516691
1.2.2.2 Long-term Time Deposits	11192936	10544839	11366083	11380813	11460269
1.2.2.2 Long-term Time Deposits (Including Merger)	(11225631)	(10594007)	(11396355)	(11410392)	(11489213)
1.3 'Other' Deposits with RBI	113307	95766	110133	108844	108697
1.4 Call/Term Funding from Financial Institutions	915248	764461	895727	838463	850218
2 Sources					
2.1 Domestic Credit	28333316	26021154	28414468	28590246	28607768
2.1 Domestic Credit (Including Merger)	(28802443)	(26586730)	(28860029)	(29035289)	(29048840)
2.1.1 Net Bank Credit to the Government	8463065	7424141	8446563	8556270	8473446
2.1.1 Net Bank Credit to the Government (Including Merger)	(8510825)	(7489485)	(8493151)	(8602857)	(8520033)
2.1.1.1 Net RBI credit to the Government	1508105	1026142	1479315	1602562	1513361
2.1.1.2 Credit to the Government by the Banking System	6954959	6397999	6967248	6953707	6960086
2.1.1.2 Credit to the Government by the Banking System (Including Merger)	(7002720)	(6463344)	(7013836)	(7000295)	(7006672)
2.1.2 Bank Credit to the Commercial Sector	19870251	18597013	19967905	20033976	20134322
2.1.2 Bank Credit to the Commercial Sector (Including Merger)	(20291618)	(19097244)	(20366878)	(20432432)	(20528808)
2.1.2.1 RBI Credit to the Commercial Sector	38246	10922	14393	10263	9029
2.1.2.2 Credit to the Commercial Sector by the Banking System	19832006	18586092	19953512	20023713	20125292
2.1.2.2 Credit to the Commercial Sector by the Banking System (Including Merger)	(20253372)	(19086322)	(20352485)	(20422168)	(20519778)
2.1.2.2.1 Other Investments (Non-SLR Securities)	1208294	1432378	1259726	1278661	1208081
2.2 Government's Currency Liabilities to the Public	36632	34065	37291	37291	37652
2.3 Net Foreign Exchange Assets of the Banking Sector	5605462	5180420	5821083	5867041	5954722
2.3.1 Net Foreign Exchange Assets of the RBI	5550947	5287013	5753296	5851725	5840396
2.3.2 Net Foreign Currency Assets of the Banking System	54514	-106593	67787	15316	114326
2.4 Capital Account	4481192	4258925	4956419	5035068	5040017
2.5 Other items (net)	2053777	1227940	1167053	1464211	1214776

Figures in parentheses include the impact of merger of a non-bank with a bank.

No. 9: Liquidity Aggregates

(₹ Crore)

Aggregates	2024-25	2024	2025		
		Jun.	Apr.	May	Jun.
	1	2	3	4	5
1 NM_3	**27837333**	**26224953**	**28152487**	**28539892**	**28733795**
	(27896780)	(26314350)	(28211019)	(28594932)	(28786422)
2 Postal Deposits	756786	713570	756786	756786	756786
3 L_1 (1 + 2)	**28594119**	**26938523**	**28909273**	**29296678**	**29490581**
	(28653566)	(27027920)	(28967805)	(29351718)	(29543208)
4 Liabilities of Financial Institutions	95148	68179	102284	116492	113786
4.1 Term Money Borrowings	10	748	4	4	5
4.2 Certificates of Deposit	80810	54670	87705	101755	98755
4.3 Term Deposits	14328	12761	14575	14733	15026
5 L_2 (3 + 4)	**28689268**	**27006703**	**29011557**	**29413170**	**29604367**
	(28748714)	(27096099)	(29070089)	(29468210)	(29656993)
6 Public Deposits with Non-Banking Financial Companies	121178	109284	..	..	129567
7 L_3 (5 + 6)	**28810446**	**27115987**	**..**	**..**	**29733934**

Notes : 1. Figures in the columns might not add up to the total due to rounding off of numbers.
2. Figures in parentheses include the impact of merger of a non-bank with a bank.

No. 10: Reserve Bank of India Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2024-25	2024	2025		
		Jun. 28	May 30	Jun. 13	Jun. 27
	1	2	3	4	5
1 Components					
1.1 Currency in Circulation	3724448	3563002	3835798	3847361	3821227
1.2 Bankers' Deposits with the RBI	991488	1036368	1016571	993358	994142
1.2.1 Scheduled Commercial Banks	926001	973455	956086	932453	933483
1.3 'Other' Deposits with the RBI	113307	95766	110133	108844	108697
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	4829243	4695137	4962501	4949563	4924066
2 Sources					
2.1 RBI's Domestic Credit	1389090	1005887	1271136	1242237	1214662
2.1.1 Net RBI credit to the Government	1508105	1026142	1479315	1602562	1513361
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)	1475460	1018898	1451876	1586643	1493338
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	1558574	1347914	1811677	1787961	1785715
2.1.1.1.3.1 Central Government Securities	1558574	1347914	1811677	1787961	1785715
2.1.1.1.4 Rupee Coins	329	237	297	324	449
2.1.1.1.5 Deposits of the Central Government	83443	329254	360099	201643	292826
2.1.1.2 Net RBI credit to State Governments	32646	7244	27439	15919	20023
2.1.2 RBI's Claims on Banks	-157261	-31176	-222572	-370589	-307728
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	-157261	-31176	-222572	-370589	-307728
2.1.3 RBI's Credit to Commercial Sector	38246	10922	14393	10263	9029
2.1.3.1 Loans and Advances to Primary Dealers	9182	9061	8595	8471	7010
2.1.3.2 Loans and Advances to NABARD	-	-	-	-	-
2.2 Government's Currency Liabilities to the Public	36632	34065	37291	37291	37652
2.3 Net Foreign Exchange Assets of the RBI	5550947	5287013	5753296	5851725	5840396
2.3.1 Gold	668162	471350	721351	743180	722374
2.3.2 Foreign Currency Assets	4882794	4815665	5031941	5108541	5118023
2.4 Capital Account	1875114	1728614	2091368	2164551	2127550
2.5 Other Items (net)	272313	-96785	7854	17139	41094

No. 11: Reserve Money - Components and Sources

(₹ Crore)

Item	2024-25	Outstanding as on March 31/last Fridays of the month/Fridays					
		2024	2025				
		Jun. 28	May 30	Jun. 6	Jun. 13	Jun. 20	Jun. 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)	4829243	4695137	4962501	4957029	4949563	4937712	4924066
1 Components							
1.1 Currency in Circulation	3724448	3563002	3835798	3851625	3847361	3829879	3821227
1.2 Bankers' Deposits with RBI	991488	1036368	1016571	998639	993358	999821	994142
1.3 'Other' Deposits with RBI	113307	95766	110133	106766	108844	108012	108697
2 Sources							
2.1 Net Reserve Bank Credit to Government	1508105	1026142	1479315	1576499	1602562	1524619	1513361
2.2 Reserve Bank Credit to Banks	-157261	-31176	-222572	-323564	-370589	-301224	-307728
2.3 Reserve Bank Credit to Commercial Sector	38246	10922	14393	12551	10263	9113	9029
2.4 Net Foreign Exchange Assets of RBI	5550947	5287013	5753296	5803137	5851725	5877121	5840396
2.5 Government's Currency Liabilities to the Public	36632	34065	37291	37291	37291	37291	37652
2.6 Net Non- Monetary Liabilities of RBI	2147427	1631829	2099222	2148884	2181690	2209208	2168644

No. 12: Commercial Bank Survey

(₹ Crore)

Item	Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month				
	2024-25	2024	2025		
		Jun. 28	May 30	Jun. 13	Jun. 27
	1	2	3	4	5
1 Components					
1.1 Aggregate Deposits of Residents	22228885	20954884	22826770	22721308	23078766
	(22288331)	(21044281)	(22881810)	(22775087)	(23131393)
1.1.1 Demand Deposits	2698049	2601677	2988921	2859234	3072874
1.1.2 Time Deposits of Residents	19530836	18353206	19837850	19862074	20005892
	(19590283)	(18442603)	(19892889)	(19915853)	(20058519)
1.1.2.1 Short-term Time Deposits	8788876	8258943	8927032	8937933	9002651
1.1.2.1.1 Certificates of Deposits (CDs)	527375	407354	516544	479167	516691
1.1.2.2 Long-term Time Deposits	10741960	10094264	10910817	10924141	11003241
1.2 Call/Term Funding from Financial Institutions	915248	764461	895727	838463	850218
2 Sources					
2.1 Domestic Credit	25687563	23918212	25817693	25870437	25978666
	(26156690)	(24483787)	(26263254)	(26315479)	(26419739)
2.1.1 Credit to the Government	6649537	6091725	6659581	6644387	6649761
	(6697298)	(6157070)	(6706169)	(6690975)	(6696348)
2.1.2 Credit to the Commercial Sector	19038025	17826487	19158112	19226049	19328905
	(19459392)	(18326718)	(19557085)	(19624504)	(19723391)
2.1.2.1 Bank Credit	17822605	16385798	17888404	17915507	18091714
	(18243972)	(16886029)	(18287377)	(18313963)	(18486200)
2.1.2.1.1 Non-food Credit	17786074	16351894	17817823	17847902	18027325
	(18207441)	(16852125)	(18216796)	(18246357)	(18421811)
2.1.2.2 Net Credit to Primary Dealers	15458	16136	18396	40274	37618
2.1.2.3 Investments in Other Approved Securities	630	1137	548	569	454
2.1.2.4 Other Investments (in non-SLR Securities)	1199332	1423416	1250763	1269699	1199119
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1-2.2.2-2.2.3)	54514	-106593	67787	15316	114326
2.2.1 Foreign Currency Assets	529621	304848	530021	477976	577466
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	292270	241215	290733	294696	294252
2.2.3 Overseas Foreign Currency Borrowings	182837	170226	171501	167964	168887
2.3 Net Bank Reserves (2.3.1+2.3.2-2.3.3)	791777	1109609	1265837	1393514	1327882
2.3.1 Balances with the RBI	882415	973455	956086	932453	933483
2.3.2 Cash in Hand	81874	104977	87179	90472	86671
2.3.3 Loans and Advances from the RBI	172512	-31176	-222572	-370589	-307728
2.4 Capital Account	2581908	2506141	2840880	2846347	2888296
2.5 Other items (net) (2.1+2.2+2.3-2.4-1.1-1.2)	807812	695742	587940	873149	603594
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	878795	759345	863072	938066	877929
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	118268	148564	115343	140380	135597

Figures in parentheses include the impact of merger of a non-bank with a bank.

No. 13: Scheduled Commercial Banks' Investments

(₹ Crore)

Item	As on March 21, 2025	2024	2025		
		Jun. 28	May 30	Jun. 13	Jun. 27
	1	2	3	4	5
1 SLR Securities	6697928	6158207	6706717	6691544	6696802
	(6650167)	(6092862)	(6660129)	(6644956)	(6650215)
2 Other Government Securities (Non-SLR)	165500	157944	165432	160229	160012
3 Commercial Paper	63163	51636	87088	70960	63802
4 Shares issued by					
4.1 PSUs	13874	13259	13263	13249	13929
4.2 Private Corporate Sector	95984	92861	98704	98749	98319
4.3 Others	7664	7014	7959	7806	7740
5 Bonds/Debentures issued by					
5.1 PSUs	130308	119057	138380	138077	145868
5.2 Private Corporate Sector	248138	248618	254057	254353	260092
5.3 Others	150000	134187	157501	159546	152387
6 Instruments issued by					
6.1 Mutual funds	119867	66115	127914	161081	91749
6.2 Financial institutions	204865	178493	204927	207844	205220

Notes: Data against column Nos. (1), (2) & (3) are final and for column Nos. (4) & (5) data are Provisional.
1. Data since July 14, 2023 include the impact of the merger of a non-bank with a bank.
2. Figures in parentheses exclude the impact of the merger.

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

(₹ Crore)

Item	As on the Last Reporting Friday (in case of March)/ Last Friday							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2024-25	2024	2025		2024-25	2024	2025	
		Jun.	May	Jun.		Jun.	May	Jun.
	1	2	3	4	5	6	7	8
Number of Reporting Banks	208	208	208	194	135	135	135	120
1 Liabilities to the Banking System	**458011**	**513092**	**507039**	**502819**	**451305**	**508732**	**500764**	**496493**
1.1 Demand and Time Deposits from Banks	315675	286043	370999	376973	309414	281970	365140	371106
1.2 Borrowings from Banks	112027	150174	110574	100647	111976	150168	110552	100641
1.3 Other Demand and Time Liabilities	30310	76875	25466	25199	29916	76594	25071	24746
2 Liabilities to Others	**25053097**	**23563072**	**25610676**	**25831794**	**24557481**	**22979438**	**25102843**	**25322680**
2.1 Aggregate Deposits	23055487	21847651	23662774	23916413	22580601	21285397	23172543	23425645
	(22996040)	(21758255)	(23607734)	(23863786)	(22521155)	(21196001)	(23117503)	(23373019)
2.1.1 Demand	2748263	2659582	3038379	3121680	2698049	2601677	2988921	3072874
2.1.2 Time	20307224	19188070	20624394	20794732	19882552	18683720	20183622	20352771
2.2 Borrowings	920568	769330	900194	854691	915248	764461	895727	850218
2.3 Other Demand and Time Liabilities	1077042	946090	1047708	1060690	1061632	929579	1034574	1046816
3 Borrowings from Reserve Bank	**311466**	**102741**	**6516**	**1065**	**311466**	**102741**	**6516**	**1065**
3.1 Against Usance Bills /Promissory Notes	-	-	-	-	-	-	-	-
3.2 Others	311466	102741	6516	1065	311466	102741	6516	1065
4 Cash in Hand and Balances with Reserve Bank	985044	1101330	1064842	1041975	964289	1078432	1043265	1020154
4.1 Cash in Hand	84399	107944	89605	89278	81874	104977	87179	86671
4.2 Balances with Reserve Bank	900645	993386	975237	952697	882415	973455	956086	933483
5 Assets with the Banking System	**432645**	**456033**	**494019**	**490913**	**348496**	**376530**	**403817**	**398514**
5.1 Balances with Other Banks	273720	255065	331989	340579	215801	200529	266765	273831
5.1.1 In Current Account	13239	16365	13853	25103	10619	12536	11435	22785
5.1.2 In Other Accounts	260481	238700	318135	315476	205182	187993	255331	251046
5.2 Money at Call and Short Notice	44772	31977	40689	42285	25838	11606	22813	24041
5.3 Advances to Banks	43856	51727	38542	33677	39504	50288	36148	31558
5.4 Other Assets	70296	117264	82799	74373	67353	114106	78092	69084
6 Investment	**6850574**	**6356686**	**6861687**	**6854341**	**6697928**	**6158207**	**6706717**	**6696802**
	(6802814)	(6291341)	(6815099)	(6807755)	(6650167)	(6092862)	(6660129)	(6650215)
6.1 Government Securities	6842024	6343630	6853140	6845977	6697298	6157070	6706169	6696348
6.2 Other Approved Securities	8550	13056	8547	8365	630	1137	548	454
7 Bank Credit	**18708286**	**17413067**	**18753741**	**18956024**	**18243972**	**16886029**	**18287377**	**18486200**
	(18286919)	(16912836)	(18354768)	(18561538)	(17822605)	(16385798)	(17888404)	(18091714)
7a Food Credit	87145	84526	122554	116363	36531	33904	70581	64389
7.1 Loans, Cash-credits and Overdrafts	18370704	17088089	18412982	18613283	17909851	16564523	17949958	18146380
7.2 Inland Bills-Purchased	76523	69416	80744	80511	74963	68064	79467	79560
7.3 Inland Bills-Discounted	222320	214682	223957	225234	221059	213232	222449	223845
7.4 Foreign Bills-Purchased	15357	17139	14063	14007	15122	16909	13866	13787
7.5 Foreign Bills-Discounted	23382	23741	21995	22988	22977	23301	21636	22627

Notes: 1. Data in column Nos. (4) & (8) are Provisional.
2. Data since July 2023 include the impact of the merger of a non-bank with a bank.
3. Figures in parentheses exclude the impact of the merger.

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

(₹ Crore)

Sector	Outstanding as on				Growth(%)	
	Mar. 21, 2025	2024	2025		Financial year so far	Y-o-Y
		Jun. 28	May 30	Jun. 27	2025-26	2025
	1	2	3	4	%	%
I. Bank Credit (II + III)	**18243936**	**16880782**	**18287597**	**18483098**	**1.3**	**9.5**
	(17822569)	(16385798)	(17888624)	(18088612)	(1.5)	(10.4)
II. Food Credit	**36531**	**33904**	**70581**	**64389**	**76.3**	**89.9**
III. Non-food Credit	**18207404**	**16846879**	**18217016**	**18418709**	**1.2**	**9.3**
	(17786038)	(16351894)	(17818043)	(18024223)	(1.3)	(10.2)
1. Agriculture & Allied Activities	**2287071**	**2159559**	**2298815**	**2305993**	**0.8**	**6.8**
2. Industry (Micro and Small, Medium and Large)	**3937149**	**3728156**	**3881567**	**3932773**	**-0.1**	**5.5**
	(3925089)	(3712270)	(3869110)	(3917824)	(-0.2)	(5.5)
2.1 Micro and Small	791721	731625	837079	872577	10.2	19.3
2.2 Medium	360475	316322	365914	357618	-0.8	13.1
2.3 Large	2784953	2680209	2678574	2702578	-3.0	0.8
3. Services	**5161462**	**4707069**	**5090833**	**5130831**	**-0.6**	**9.0**
	(5094021)	(4616040)	(5018221)	(5060940)	(-0.6)	(9.6)
3.1 Transport Operators	258409	242193	263377	256635	-0.7	6.0
3.2 Computer Software	32915	26677	33981	36232	10.1	35.8
3.3 Tourism, Hotels & Restaurants	83091	78351	85206	84781	2.0	8.2
3.4 Shipping	7305	7019	7793	8042	10.1	14.6
3.5 Aviation	46026	45360	46326	50750	10.3	11.9
3.6 Professional Services	195956	172138	196476	196406	0.2	14.1
3.7 Trade	1186787	1059459	1167392	1174129	-1.1	10.8
3.7.1. Wholesale Trade[1]	648619	557604	634298	629888	-2.9	13.0
3.7.2 Retail Trade	538168	501856	533094	544241	1.1	8.4
3.8 Commercial Real Estate	532757	483297	549874	555519	4.3	14.9
	(488689)	(421756)	(505800)	(513412)	(5.1)	(21.7)
3.9 Non-Banking Financial Companies (NBFCs)[2] of which,	1636098	1555496	1562646	1596490	-2.4	2.6
3.9.1 Housing Finance Companies (HFCs)	323146	328232	308740	331346	2.5	0.9
3.9.2 Public Financial Institutions (PFIs)	228678	197127	207146	211702	-7.4	7.4
3.10 Other Services[3]	1182118	1037078	1177763	1171848	-0.9	13.0
	(1166422)	(1018174)	(1157271)	(1152057)	(-1.2)	(13.1)
4. Personal Loans	**5952299**	**5486107**	**6061987**	**6150295**	**3.3**	**12.1**
	(5610478)	(5091342)	(5748146)	(5840710)	(4.1)	(14.7)
4.1 Consumer Durables	23402	24123	23715	23376	-0.1	-3.1
4.2 Housing	3010477	2798568	3037366	3067120	1.9	9.6
	(2689068)	(2427447)	(2742752)	(2776336)	(3.2)	(14.4)
4.3 Advances against Fixed Deposits	141101	126533	142479	145540	3.1	15.0
4.4 Advances to Individuals against share & bonds	10080	9357	9412	9886	-1.9	5.7
4.5 Credit Card Outstanding	284366	273044	290678	292602	2.9	7.2
4.6 Education	137456	121990	138122	139587	1.6	14.4
4.7 Vehicle Loans	622794	588575	637766	652285	4.7	10.8
4.8 Loan against gold jewellery[4]	208735	123776	251369	277025	32.7	123.8
4.9 Other Personal Loans	1513889	1420142	1531082	1542875	1.9	8.6
	(1493525)	(1396591)	(1511895)	(1524110)	(2.0)	(9.1)
5. Priority Sector (Memo)						
(i) Agriculture & Allied Activities[5]	2287804	2186829	2277560	2274259	-0.6	4.0
(ii) Micro & Small Enterprises[6]	2240503	2020474	2410013	2460012	9.8	21.8
(iii) Medium Enterprises[7]	601451	511467	610129	591992	-1.6	15.7
(iv) Housing	746651	752911	750390	856626	14.7	13.8
	(665107)	(661668)	(671007)	(776086)	(16.7)	(17.3)
(v) Education Loans	62825	61269	63146	64355	2.4	5.0
(vi) Renewable Energy	10325	6279	12250	12563	21.7	100.1
(vii) Social Infrastructure	1316	2949	827	828	-37.1	-71.9
(viii) Export Credit	12361	11721	12021	13047	5.5	11.3
(ix) Others	47900	60871	48675	46467	-3.0	-23.7
(x) Weaker Sections including net PSLC- SF/MF	1820904	1716930	1832723	1825579	0.3	6.3

Notes:

(1) Data are provisional. Bank credit, Food credit and Non-food credit data are based on Section-42 return, which covers all scheduled commercial banks (SCBs), while sectoral non-food credit data are based on sector-wise and industry-wise bank credit (SIBC) return, which covers select banks accounting for about 95 per cent of total non-food credit extended by all SCBs, pertaining to the last reporting Friday of the month.

(2) Data since July 28, 2023 include the impact of the merger of a non-bank with a bank.

(3) Figures in parentheses exclude the impact of the merger.

1 Wholesale trade includes food procurement credit outside the food credit consortium.

2 NBFCs include HFCs, PFIs, Microfinance Institutions (MFIs), NBFCs engaged in gold loan and others.

3 "Other Services" include Mutual Fund (MFs), Banking and Finance other than NBFCs and MFs, and other services which are not indicated elsewhere under services.

4 Since May 2024, a bank has changed the classification of a category of agricultural loan into "Loans against gold jewellery" under retail segment.

5 "Agriculture and Allied Activities" under the priority sector also include priority sector lending certificates (PSLCs).

6 "Micro and Small Enterprises" under the priority sector include credit to micro and small enterprises in industry and services sectors and also include PSLCs.

7 "Medium Enterprises" under the priority sector include credit to medium enterprises in industry and services sectors.

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

(₹ Crore)

Industry	Outstanding as on				Growth(%)	
	Mar. 21, 2025	2024	2025		Financial year so far	Y-o-Y
		Jun. 28	May 30	Jun. 27	2025-26	2025
	1	2	3	4	%	%
2 Industries (2.1 to 2.19)	3937149	3728156	3881567	3932773	-0.1	5.5
	(3925089)	(3712270)	(3869110)	(3917824)	(-0.2)	(5.5)
2.1 Mining & Quarrying (incl. Coal)	56756	55600	53904	56945	0.3	2.4
2.2 Food Processing	219527	206410	223657	223136	1.6	8.1
2.2.1 Sugar	28522	24945	25414	22862	-19.8	-8.4
2.2.2 Edible Oils & Vanaspati	20927	18123	20413	21342	2.0	17.8
2.2.3 Tea	5084	5853	4923	4950	-2.6	-15.4
2.2.4 Others	164994	157490	172908	173983	5.4	10.5
2.3 Beverage & Tobacco	35513	30518	34191	34636	-2.5	13.5
2.4 Textiles	277267	255274	272922	277281	0.0	8.6
2.4.1 Cotton Textiles	107227	96345	103651	105615	-1.5	9.6
2.4.2 Jute Textiles	4288	4245	4324	4411	2.9	3.9
2.4.3 Man-Made Textiles	49091	45229	47882	49102	0.0	8.6
2.4.4 Other Textiles	116661	109456	117065	118153	1.3	7.9
2.5 Leather & Leather Products	12980	12621	13164	13207	1.7	4.6
2.6 Wood & Wood Products	27826	24222	28239	28303	1.7	16.8
2.7 Paper & Paper Products	52848	47584	52519	52731	-0.2	10.8
2.8 Petroleum, Coal Products & Nuclear Fuels	154178	150054	137814	154602	0.3	3.0
2.9 Chemicals & Chemical Products	267814	254950	268394	271055	1.2	6.3
2.9.1 Fertiliser	32011	36925	32607	31958	-0.2	-13.5
2.9.2 Drugs & Pharmaceuticals	88738	81818	85831	86613	-2.4	5.9
2.9.3 Petro Chemicals	26892	25356	31822	31955	18.8	26.0
2.9.4 Others	120172	110852	118134	120529	0.3	8.7
2.10 Rubber, Plastic & their Products	103464	88917	101907	102610	-0.8	15.4
2.11 Glass & Glassware	13443	12340	13673	13243	-1.5	7.3
2.12 Cement & Cement Products	59752	60571	59400	59183	-1.0	-2.3
2.13 Basic Metal & Metal Product	433502	398182	430541	442055	2.0	11.0
2.13.1 Iron & Steel	300156	281763	293133	301600	0.5	7.0
2.13.2 Other Metal & Metal Product	133345	116419	137409	140455	5.3	20.6
2.14 All Engineering	240135	203490	239968	248780	3.6	22.3
2.14.1 Electronics	52862	45351	52810	55370	4.7	22.1
2.14.2 Others	187272	158139	187158	193411	3.3	22.3
2.15 Vehicles, Vehicle Parts & Transport Equipment	119057	113222	117522	121183	1.8	7.0
2.16 Gems & Jewellery	85734	84039	86968	88818	3.6	5.7
2.17 Construction	150701	137097	150908	150855	0.1	10.0
2.18 Infrastructure	1322831	1323860	1304228	1316796	-0.5	-0.5
2.18.1 Power	682953	646566	683712	695401	1.8	7.6
2.18.2 Telecommunications	118940	132542	101263	104278	-12.3	-21.3
2.18.3 Roads	311219	335841	316339	316840	1.8	-5.7
2.18.4 Airports	9156	7779	9428	9355	2.2	20.3
2.18.5 Ports	5916	6483	5182	5530	-6.5	-14.7
2.18.6 Railways	13595	13275	11487	11510	-15.3	-13.3
2.18.7 Other Infrastructure	181052	181374	176817	173882	-4.0	-4.1
2.19 Other Industries	303822	269206	291648	277354	-8.7	3.0

Notes: (1) Data since July 28, 2023 include the impact of the merger of a non-bank with a bank.
(2) Figures in parentheses exclude the impact of the merger.

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

(₹ Crore)

Item	Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday								
	2024-25	2024	2025						
		May 31	Mar. 28	Apr. 04	Apr. 18	Apr. 25	May 02	May 16	May 30
	1	2	3	4	5	6	7	8	9
Number of Reporting Banks	34	33	34	34	34	34	34	34	34
1 Aggregate Deposits (2.1.1.2+2.2.1.2)	**146871.0**	**135938.7**	**146871.0**	**148566.3**	**145054.5**	**147251.7**	**147608.7**	**147866.9**	**145985.2**
2 Demand and Time Liabilities									
2.1 Demand Liabilities	**29215.6**	**28297.6**	**29215.6**	**29503.5**	**27277.2**	**26936.5**	**28452.9**	**27298.2**	**26758.2**
2.1.1 Deposits									
2.1.1.1 Inter-Bank	9022.9	7482.3	9022.9	9328.0	8714.1	8298.2	8119.3	8033.8	7428.2
2.1.1.2 Others	14063.9	15241.7	14063.9	14165.7	13668.7	14069.6	14316.8	13861.7	11836.7
2.1.2 Borrowings from Banks	700.0	154.9	700.0		350.0		1289.0	824.2	2912.2
2.1.3 Other Demand Liabilities	5428.9	5418.7	5428.9	6009.9	4544.4	4568.8	4727.9	4578.4	4581.2
2.2 Time Liabilities	**201100.7**	**187897.4**	**201100.7**	**203978.3**	**199471.9**	**199412.2**	**199704.6**	**200375.1**	**199917.5**
2.2.1 Deposits									
2.2.1.1 Inter-Bank	66874.3	65382.8	66874.3	68122.4	66627.7	64779.7	64977.2	64945.2	64334.4
2.2.1.2 Others	132807.1	120697.0	132807.1	134400.6	131385.8	133182.1	133291.9	134005.2	134148.5
2.2.2 Borrowings from Banks	643.9	663.8	643.9	618.0	615.5	615.5	615.5	615.5	615.5
2.2.3 Other Time Liabilities	775.4	1153.8	775.4	837.3	842.9	834.9	820.0	809.2	819.0
3 Borrowing from Reserve Bank	699.5		699.5	699.8	499.9	499.8	499.8	499.8	499.8
4 Borrowings from a notified bank / Government	126928.5	84175.6	126928.5	123828.0	120340.2	117224.0	113687.2	112391.9	113039.0
4.1 Demand	53459.8	23112.7	53459.8	51798.7	50684.0	50291.4	48334.5	47731.0	47805.0
4.2 Time	73468.7	61062.9	73468.7	72029.3	69656.2	66932.6	65352.6	64660.9	65234.0
5 Cash in Hand and Balances with Reserve Bank	**13390.9**	**12165.3**	**13390.9**	**15154.0**	**15967.2**	**19115.8**	**12935.0**	**15919.7**	**16813.3**
5.1 Cash in Hand	1052.1	714.6	1052.1	1157.2	813.7	741.3	970.1	756.2	772.5
5.2 Balance with Reserve Bank	12338.8	11450.7	12338.8	13996.8	15153.5	18374.6	11964.9	15163.5	16040.7
6 Balances with Other Banks in Current Account	**1656.3**	**1528.5**	**1656.3**	**1727.6**	**1856.2**	**1487.3**	**1306.3**	**1197.9**	**1102.6**
7 Investments in Government Securities	**77220.1**	**76376.5**	**77220.1**	**77215.6**	**79265.3**	**78742.6**	**78309.8**	**79425.0**	**79798.1**
8 Money at Call and Short Notice	**26531.1**	**21180.5**	**26531.1**	**30596.7**	**22162.6**	**20185.1**	**22926.3**	**53472.9**	**21442.9**
9 Bank Credit (10.1+11)	**174828.8**	**135733.7**	**174828.8**	**174139.0**	**174573.0**	**185733.8**	**173379.6**	**173468.6**	**173065.3**
10 Advances									
10.1 Loans, Cash-Credits and Overdrafts	**174590.4**	**135524.3**	**174590.4**	**173853.1**	**174312.5**	**185468.1**	**173105.4**	**173203.9**	**172775.8**
10.2 Due from Banks	124607.6	136109.4	124607.6	121776.9	119426.7	118050.3	116990.1	116484.5	116407.6
11 Bills Purchased and Discounted	238.4	209.4	238.4	285.8	260.5	265.6	274.2	264.7	289.5

Prices and Production

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

Group/Sub group	2024-25			Rural			Urban			Combined		
	Rural	Urban	Combined	Jul.24	Jun.25	Jul.25 (P)	Jul.24	Jun.25	Jul.25 (P)	Jul.24	Jun.25	Jul.25 (P)
	1	2	3	4	5	6	7	8	9	10	11	12
1 Food and beverages	**198.6**	**205.3**	**201.1**	**200.4**	**194.9**	**198.4**	**208.3**	**203.5**	**207.0**	**203.3**	**198.1**	**201.6**
1.1 Cereals and products	195.0	193.7	194.6	191.4	197.1	197.0	191.2	197.5	197.3	191.3	197.2	197.1
1.2 Meat and fish	222.3	231.9	225.7	227.1	227.0	225.5	237.4	237.9	236.3	230.7	230.8	229.3
1.3 Egg	192.8	197.5	194.6	192.5	192.9	196.4	197.2	198.8	202.3	194.3	195.2	198.7
1.4 Milk and products	186.3	187.0	186.6	185.6	190.0	190.4	186.6	191.6	192.2	186.0	190.6	191.1
1.5 Oils and fats	175.4	165.5	171.8	163.4	193.7	197.9	157.1	179.4	182.0	161.1	188.4	192.1
1.6 Fruits	188.3	194.2	191.0	181.4	203.8	210.1	192.4	211.9	217.2	186.5	207.6	213.4
1.7 Vegetables	222.1	269.6	238.2	248.8	175.0	196.3	303.4	219.0	242.6	267.3	189.9	212.0
1.8 Pulses and products	208.0	213.5	209.8	211.5	184.6	182.8	218.0	189.0	187.2	213.7	186.1	184.3
1.9 Sugar and confectionery	130.4	132.6	131.2	130.4	134.7	134.7	132.3	136.4	136.4	131.0	135.3	135.3
1.10 Spices	228.5	223.9	227.0	229.4	221.7	221.7	225.0	219.0	219.2	227.9	220.8	220.9
1.11 Non-alcoholic beverages	185.2	173.9	180.5	183.0	190.0	190.9	172.1	180.0	180.5	178.4	185.8	186.6
1.12 Prepared meals, snacks, sweets	199.4	209.7	204.2	197.6	204.6	205.3	207.2	216.7	217.4	202.1	210.2	210.9
2 Pan, tobacco and intoxicants	**207.3**	**212.6**	**208.7**	**206.5**	**211.0**	**211.6**	**212.9**	**217.3**	**217.9**	**208.2**	**212.7**	**213.3**
3 Clothing and footwear	**197.9**	**186.7**	**193.5**	**196.7**	**201.0**	**201.3**	**185.5**	**190.4**	**190.8**	**192.3**	**196.8**	**197.1**
3.1 Clothing	198.8	188.8	194.9	197.5	202.0	202.2	187.6	192.6	193.0	193.6	198.3	198.6
3.2 Footwear	192.7	174.7	185.2	191.8	195.1	195.5	173.8	177.9	178.2	184.3	188.0	188.3
4 Housing	--	**181.5**	**181.5**	--	--	--	**180.0**	**184.8**	**185.7**	**180.0**	**184.8**	**185.7**
5 Fuel and light	**181.2**	**169.7**	**176.9**	**180.0**	**184.1**	**184.0**	**169.5**	**175.4**	**175.2**	**176.0**	**180.8**	**180.7**
6 Miscellaneous	**189.3**	**180.7**	**185.1**	**187.9**	**196.7**	**197.4**	**179.3**	**187.4**	**188.1**	**183.7**	**192.2**	**192.9**
6.1 Household goods and services	185.7	177.1	181.6	184.3	188.1	188.4	175.6	180.5	180.9	180.2	184.5	184.9
6.2 Health	198.4	193.2	196.4	196.5	204.5	205.4	191.4	199.3	200.3	194.6	202.5	203.5
6.3 Transport and communication	175.5	164.8	169.9	175.5	179.0	179.4	164.8	167.9	168.1	169.9	173.2	173.5
6.4 Recreation and amusement	180.1	175.5	177.5	179.0	182.3	182.8	174.2	178.6	178.7	176.3	180.2	180.5
6.5 Education	190.8	186.2	188.1	190.6	195.8	196.7	185.0	192.1	193.5	187.3	193.6	194.8
6.6 Personal care and effects	204.3	206.2	205.1	199.8	228.6	229.8	201.3	230.8	231.9	200.4	229.5	230.7
General Index (All Groups)	**194.9**	**190.0**	**192.6**	**195.3**	**195.5**	**197.6**	**190.3**	**192.6**	**194.2**	**193.0**	**194.2**	**196.0**

Source: National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India.
P: Provisional

No. 19: Other Consumer Price Indices

Item	Base Year	Linking Factor	2024-25	2024	2025	
				Jun.	May	Jun.
	1	2	3	4	5	6
1 Consumer Price Index for Industrial Workers	2016	2.88	142.6	141.4	144.0	145.0
2 Consumer Price Index for Agricultural Labourers	2019	9.69	-	132.2	133.1	134.1
3 Consumer Price Index for Rural Labourers	2019	9.78	-	132.1	133.4	134.4

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

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

Item	2024-25	2024	2025	
		Jun.	May	Jun.
	1	2	3	4
1 Standard Gold (₹ per 10 grams)	75842	72014	94590	97176
2 Silver (₹ per kilogram)	89131	88666	96026	105444

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	2024-25	2024	2025		
			Jul.	May	Jun.(P)	Jul.(P)
	1	2	3	4	5	6
1 ALL COMMODITIES	**100.000**	**154.9**	**155.3**	**153.7**	**153.8**	**154.4**
1.1 PRIMARY ARTICLES	**22.618**	**192.5**	**197.8**	**184.8**	**185.8**	**188.0**
1.1.1 FOOD ARTICLES	**15.256**	**205.3**	**213.1**	**196.8**	**197.8**	**199.7**
1.1.1.1 Food Grains (Cereals+Pulses)	3.462	210.1	208.1	204.0	203.0	204.1
1.1.1.2 Fruits & Vegetables	3.475	241.4	277.6	203.8	212.2	220.9
1.1.1.3 Milk	4.440	185.8	186.0	190.1	189.7	190.1
1.1.1.4 Eggs, Meat & Fish	2.402	173.4	173.7	176.6	174.0	171.8
1.1.1.5 Condiments & Spices	0.529	232.7	237.0	200.8	199.5	200.0
1.1.1.6 Other Food Articles	0.948	213.6	207.8	224.9	222.8	221.0
1.1.2 NON-FOOD ARTICLES	**4.119**	**161.7**	**158.9**	**158.5**	**160.9**	**164.3**
1.1.2.1 Fibres	0.839	161.4	163.9	163.5	163.2	165.0
1.1.2.2 Oil Seeds	1.115	181.5	180.2	184.0	190.6	197.8
1.1.2.3 Other non-food Articles	1.960	138.7	137.1	137.8	137.7	137.7
1.1.2.4 Floriculture	0.204	277.4	232.6	198.5	210.9	234.5
1.1.3 MINERALS	**0.833**	**229.0**	**226.6**	**228.4**	**231.5**	**229.0**
1.1.3.1 Metallic Minerals	0.648	219.2	212.4	219.9	223.9	219.6
1.1.3.2 Other Minerals	0.185	263.4	276.5	257.9	258.1	261.7
1.1.4 CRUDE PETROLEUM & NATURAL GAS	**2.410**	**151.3**	**157.9**	**138.8**	**136.8**	**140.3**
1.2 FUEL & POWER	**13.152**	**150.0**	**148.2**	**142.9**	**143.0**	**144.6**
1.2.1 COAL	**2.138**	**135.6**	**135.6**	**136.7**	**136.9**	**136.3**
1.2.1.1 Coking Coal	0.647	143.4	143.4	146.4	146.4	146.4
1.2.1.2 Non-Coking Coal	1.401	125.8	125.8	126.6	126.6	126.6
1.2.1.3 Lignite	0.090	232.4	232.0	224.5	227.3	215.0
1.2.2 MINERAL OILS	**7.950**	**156.2**	**157.4**	**146.6**	**146.7**	**149.6**
1.2.3 ELECTRICITY	**3.064**	**144.1**	**132.9**	**137.9**	**137.8**	**137.3**
1.3 MANUFACTURED PRODUCTS	**64.231**	**142.6**	**141.7**	**145.0**	**144.8**	**144.6**
1.3.1 MANUFACTURE OF FOOD PRODUCTS	**9.122**	**172.0**	**166.1**	**178.4**	**177.5**	**177.3**
1.3.1.1 Processing and Preserving of meat	0.134	155.7	155.7	157.2	158.2	158.4
1.3.1.2 Processing and Preserving of fish, Crustaceans, Molluscs and products thereof	0.204	144.9	141.9	146.2	146.2	146.6
1.3.1.3 Processing and Preserving of fruit and Vegetables	0.138	132.6	131.8	136.0	135.7	135.9
1.3.1.4 Vegetable and Animal oils and Fats	2.643	168.5	149.3	185.7	182.6	182.2
1.3.1.5 Dairy products	1.165	180.8	178.5	183.5	183.9	183.8
1.3.1.6 Grain mill products	2.010	186.9	184.9	186.1	185.5	185.7
1.3.1.7 Starches and Starch products	0.110	167.0	169.4	156.8	154.1	152.8
1.3.1.8 Bakery products	0.215	170.5	167.3	176.4	176.7	176.6
1.3.1.9 Sugar, Molasses & honey	1.163	139.1	138.3	144.1	143.2	143.0
1.3.1.10 Cocoa, Chocolate and Sugar confectionery	0.175	160.6	155.2	176.4	178.7	177.3
1.3.1.11 Macaroni, Noodles, Couscous and Similar farinaceous products	0.026	156.7	150.8	158.7	159.7	160.6
1.3.1.12 Tea & Coffee products	0.371	190.7	205.9	199.9	201.7	198.9
1.3.1.13 Processed condiments & salt	0.163	192.6	191.6	189.8	189.4	190.6
1.3.1.14 Processed ready to eat food	0.024	152.7	151.9	156.5	156.2	156.6
1.3.1.15 Health supplements	0.225	185.1	184.6	187.2	189.4	187.8
1.3.1.16 Prepared animal feeds	0.356	204.1	207.4	199.0	199.6	200.8
1.3.2 MANUFACTURE OF BEVERAGES	**0.909**	**134.1**	**133.5**	**135.4**	**135.6**	**135.2**
1.3.2.1 Wines & spirits	0.408	136.0	135.1	138.9	138.7	138.3
1.3.2.2 Malt liquors and Malt	0.225	138.7	138.2	140.0	139.4	140.1
1.3.2.3 Soft drinks; Production of mineral waters and Other bottled waters	0.275	127.5	127.3	126.6	127.8	126.4
1.3.3 MANUFACTURE OF TOBACCO PRODUCTS	**0.514**	**177.8**	**176.7**	**181.8**	**181.1**	**179.9**
1.3.3.1 Tobacco products	0.514	177.8	176.7	181.8	181.1	179.9

No. 21: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2024-25	2024	2025		
			Jul.	May	Jun.(P)	Jul.(P)
	1	2	3	4	5	6
1.3.4 MANUFACTURE OF TEXTILES	**4.881**	**136.3**	**136.8**	**136.3**	**136.6**	**136.6**
1.3.4.1 Preparation and Spinning of textile fibres	2.582	121.4	122.4	120.3	120.3	119.9
1.3.4.2 Weaving & Finishing of textiles	1.509	158.3	158.2	159.9	160.6	161.0
1.3.4.3 Knitted and Crocheted fabrics	0.193	124.0	125.0	124.7	125.2	125.3
1.3.4.4 Made-up textile articles, Except apparel	0.299	160.4	159.1	160.7	160.9	161.1
1.3.4.5 Cordage, Rope, Twine and Netting	0.098	142.7	141.1	150.7	151.8	155.3
1.3.4.6 Other textiles	0.201	134.9	136.7	132.8	132.1	133.1
1.3.5 MANUFACTURE OF WEARING APPAREL	**0.814**	**153.4**	**152.2**	**155.2**	**155.6**	**156.0**
1.3.5.1 Manufacture of Wearing Apparel (woven), Except fur Apparel	0.593	150.9	150.1	153.3	153.7	154.1
1.3.5.2 Knitted and Crocheted apparel	0.221	160.1	157.7	160.2	160.5	161.0
1.3.6 MANUFACTURE OF LEATHER AND RELATED PRODUCTS	**0.535**	**125.3**	**124.4**	**127.6**	**127.6**	**127.6**
1.3.6.1 Tanning and Dressing of leather; Dressing and Dyeing of fur	0.142	106.1	103.8	112.4	112.3	112.1
1.3.6.2 Luggage, HandbAgs, Saddlery and Harness	0.075	142.5	141.9	141.1	141.3	141.0
1.3.6.3 Footwear	0.318	129.7	129.4	131.2	131.2	131.3
1.3.7 MANUFACTURE OF WOOD AND PRODUCTS OF WOOD AND CORK	**0.772**	**149.2**	**149.4**	**150.2**	**150.4**	**150.1**
1.3.7.1 Saw milling and Planing of wood	0.124	141.1	140.2	142.3	142.6	141.6
1.3.7.2 Veneer sheets; Manufacture of plywood, Laminboard, Particle board and Other panels and Boards	0.493	148.6	149.0	149.3	149.4	149.3
1.3.7.3 Builder's carpentry and Joinery	0.036	215.3	215.6	215.4	215.4	215.3
1.3.7.4 Wooden containers	0.119	140.6	141.2	142.5	143.3	142.7
1.3.8 MANUFACTURE OF PAPER AND PAPER PRODUCTS	**1.113**	**139.2**	**138.5**	**140.1**	**140.5**	**139.8**
1.3.8.1 Pulp, Paper and Paperboard	0.493	144.6	144.7	144.6	144.3	143.8
1.3.8.2 Corrugated paper and Paperboard and Containers of paper and Paperboard	0.314	147.3	144.9	151.2	151.2	151.1
1.3.8.3 Other articles of paper and Paperboard	0.306	122.4	121.9	121.5	123.4	121.9
1.3.9 PRINTING AND REPRODUCTION OF RECORDED MEDIA	**0.676**	**187.3**	**186.5**	**189.0**	**189.6**	**190.3**
1.3.9.1 Printing	0.676	187.3	186.5	189.0	189.6	190.3
1.3.10 MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS	**6.465**	**136.5**	**136.7**	**137.2**	**137.2**	**137.0**
1.3.10.1 Basic chemicals	1.433	138.6	137.6	142.3	141.8	141.2
1.3.10.2 Fertilizers and Nitrogen compounds	1.485	143.1	143.4	143.3	143.0	142.9
1.3.10.3 Plastic and Synthetic rubber in primary form	1.001	133.6	135.3	133.3	133.8	134.6
1.3.10.4 Pesticides and Other agrochemical products	0.454	128.8	128.9	132.6	132.1	131.2
1.3.10.5 Paints, Varnishes and Similar coatings, Printing ink and Mastics	0.491	139.5	140.2	137.3	137.2	136.3
1.3.10.6 Soap and Detergents, Cleaning and Polishing preparations, Perfumes and Toilet preparations	0.612	139.7	138.8	141.9	142.3	142.6
1.3.10.7 Other chemical products	0.692	135.4	136.1	133.5	133.6	133.1
1.3.10.8 Man-made fibres	0.296	104.9	107.0	101.3	102.9	103.5
1.3.11 MANUFACTURE OF PHARMACEUTICALS, MEDICINAL CHEMICAL AND BOTANICAL PRODUCTS	**1.993**	**144.3**	**144.7**	**145.9**	**145.9**	**146.0**
1.3.11.1 Pharmaceuticals, Medicinal chemical and Botanical products	1.993	144.3	144.7	145.9	145.9	146.0
1.3.12 MANUFACTURE OF RUBBER AND PLASTICS PRODUCTS	**2.299**	**129.0**	**129.1**	**129.3**	**129.4**	**129.1**
1.3.12.1 Rubber Tyres and Tubes; Retreading and Rebuilding of Rubber Tyres	0.609	115.6	114.6	116.0	115.9	115.2
1.3.12.2 Other Rubber Products	0.272	112.1	112.9	113.5	113.2	114.3
1.3.12.3 Plastics products	1.418	138.1	138.5	138.0	138.3	137.9
1.3.13 MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS	**3.202**	**131.5**	**130.0**	**133.6**	**133.2**	**133.5**
1.3.13.1 Glass and Glass products	0.295	163.2	163.4	163.6	163.6	163.5
1.3.13.2 Refractory products	0.223	121.6	118.8	123.4	123.1	123.7
1.3.13.3 Clay Building Materials	0.121	124.4	119.0	133.5	131.0	129.3
1.3.13.4 Other Porcelain and Ceramic Products	0.222	124.6	124.6	125.9	125.8	125.6
1.3.13.5 Cement, Lime and Plaster	1.645	130.4	128.7	133.0	132.3	133.1

No. 21: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2024-25	2024	2025		
			Jul.	May	Jun.(P)	Jul.(P)
	1	2	3	4	5	6
1.3.13.6 Articles of Concrete, Cement and Plaster	0.292	139.2	138.3	140.6	140.2	139.5
1.3.13.7 Cutting, Shaping and Finishing of Stone	0.234	134.4	133.2	137.3	138.8	138.0
1.3.13.8 Other Non-Metallic Mineral Products	0.169	95.2	95.7	94.2	94.6	94.9
1.3.14 MANUFACTURE OF BASIC METALS	**9.646**	**139.7**	**140.8**	**140.2**	**138.8**	**137.5**
1.3.14.1 Inputs into steel making	1.411	133.6	135.6	132.9	131.8	131.2
1.3.14.2 Metallic Iron	0.653	141.8	148.4	133.2	129.5	128.6
1.3.14.3 Mild Steel - Semi Finished Steel	1.274	117.9	118.7	118.5	117.2	116.2
1.3.14.4 Mild Steel -Long Products	1.081	140.4	139.7	138.7	137.4	135.4
1.3.14.5 Mild Steel - Flat products	1.144	134.2	138.8	135.4	134.6	133.0
1.3.14.6 Alloy steel other than Stainless Steel- Shapes	0.067	135.4	136.5	135.9	134.2	130.8
1.3.14.7 Stainless Steel - Semi Finished	0.924	131.1	130.8	137.5	128.8	122.6
1.3.14.8 Pipes & tubes	0.205	164.7	166.3	167.5	167.2	163.2
1.3.14.9 Non-ferrous metals incl. precious metals	1.693	157.4	156.2	160.2	161.3	162.7
1.3.14.10 Castings	0.925	144.9	145.2	143.4	144.0	143.4
1.3.14.11 Forgings of steel	0.271	172.2	171.6	176.6	177.9	173.9
1.3.15 MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT	**3.155**	**136.0**	**136.3**	**137.7**	**137.2**	**136.6**
1.3.15.1 Structural Metal Products	1.031	130.8	131.1	132.2	131.5	131.5
1.3.15.2 Tanks, Reservoirs and Containers of Metal	0.660	149.5	151.4	153.4	151.5	149.7
1.3.15.3 Steam generators, Except Central Heating Hot Water Boilers	0.145	109.8	111.5	112.2	112.1	112.5
1.3.15.4 Forging, Pressing, Stamping and Roll-Forming of Metal; Powder Metallurgy	0.383	138.0	135.6	135.6	136.7	133.8
1.3.15.5 Cutlery, Hand Tools and General Hardware	0.208	102.0	101.7	103.6	104.7	104.8
1.3.15.6 Other Fabricated Metal Products	0.728	144.9	145.1	147.2	146.6	147.2
1.3.16 MANUFACTURE OF COMPUTER, ELECTRONIC AND OPTICAL PRODUCTS	**2.009**	**121.5**	**121.1**	**122.0**	**122.3**	**122.5**
1.3.16.1 Electronic Components	0.402	117.9	117.7	120.6	120.3	120.8
1.3.16.2 Computers and Peripheral Equipment	0.336	134.2	136.0	131.4	131.4	131.4
1.3.16.3 Communication Equipment	0.310	146.0	145.4	146.8	146.9	147.0
1.3.16.4 Consumer Electronics	0.641	101.1	100.5	100.8	100.8	100.6
1.3.16.5 Measuring, Testing, Navigating and Control equipment	0.181	119.9	118.1	121.9	126.6	126.6
1.3.16.6 Watches and Clocks	0.076	167.9	163.1	174.0	173.7	173.3
1.3.16.7 Irradiation, Electromedical and Electrotherapeutic equipment	0.055	114.4	111.1	111.7	109.9	115.4
1.3.16.8 Optical instruments and Photographic equipment	0.008	107.4	106.7	111.2	114.6	118.1
1.3.17 MANUFACTURE OF ELECTRICAL EQUIPMENT	**2.930**	**133.7**	**133.4**	**134.4**	**134.6**	**134.6**
1.3.17.1 Electric motors, Generators, Transformers and Electricity distribution and Control apparatus	1.298	132.3	131.1	132.9	133.0	132.7
1.3.17.2 Batteries and Accumulators	0.236	141.3	141.7	144.4	144.3	144.8
1.3.17.3 Fibre optic cables for data transmission or live transmission of images	0.133	118.6	120.7	115.5	114.5	115.7
1.3.17.4 Other electronic and Electric wires and Cables	0.428	154.4	154.4	157.6	158.2	158.6
1.3.17.5 Wiring devices, Electric lighting & display equipment	0.263	118.4	119.0	118.4	118.5	118.2
1.3.17.6 Domestic appliances	0.366	131.8	132.1	129.8	130.1	130.4
1.3.17.7 Other electrical equipment	0.206	123.4	123.3	125.9	126.0	125.5
1.3.18 MANUFACTURE OF MACHINERY AND EQUIPMENT	**4.789**	**130.8**	**130.5**	**131.9**	**132.3**	**132.3**
1.3.18.1 Engines and Turbines, Except aircraft, Vehicle and Two wheeler engines	0.638	132.8	133.0	135.1	136.6	136.6
1.3.18.2 Fluid power equipment	0.162	134.5	134.5	134.6	134.4	134.8
1.3.18.3 Other pumps, Compressors, Taps and Valves	0.552	118.5	118.2	119.5	119.5	120.2
1.3.18.4 Bearings, Gears, Gearing and Driving elements	0.340	128.5	128.0	129.0	130.7	130.0
1.3.18.5 Ovens, Furnaces and Furnace burners	0.008	86.6	86.7	88.1	87.9	88.2
1.3.18.6 Lifting and Handling equipment	0.285	130.0	130.3	131.2	131.0	131.0

No. 21: Wholesale Price Index (Concld.)

(Base: 2011-12 = 100)

Commodities	Weight	2024-25	2024	2025		
			Jul.	May	Jun.(P)	Jul.(P)
	1	2	3	4	5	6
1.3.18.7 Office machinery and Equipment	0.006	130.2	130.2	130.2	130.2	130.2
1.3.18.8 Other general-purpose machinery	0.437	145.3	146.8	144.9	143.8	141.8
1.3.18.9 Agricultural and Forestry machinery	0.833	145.5	143.5	146.8	146.8	146.4
1.3.18.10 Metal-forming machinery and Machine tools	0.224	123.2	122.7	126.0	126.2	127.4
1.3.18.11 Machinery for mining, Quarrying and Construction	0.371	89.8	89.0	92.5	92.9	93.0
1.3.18.12 Machinery for food, Beverage and Tobacco processing	0.228	126.1	126.0	126.3	126.3	128.0
1.3.18.13 Machinery for textile, Apparel and Leather production	0.192	141.4	139.3	138.9	139.6	139.6
1.3.18.14 Other special-purpose machinery	0.468	144.9	145.3	145.8	146.9	147.5
1.3.18.15 Renewable electricity generating equipment	0.046	69.2	69.7	69.2	69.4	69.4
1.3.19 MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	**4.969**	**129.9**	**130.0**	**130.6**	**130.5**	**130.7**
1.3.19.1 Motor vehicles	2.600	130.6	130.8	131.1	131.0	131.2
1.3.19.2 Parts and Accessories for motor vehicles	2.368	129.1	129.2	130.0	130.0	130.1
1.3.20 MANUFACTURE OF OTHER TRANSPORT EQUIPMENT	**1.648**	**145.2**	**144.6**	**149.7**	**150.4**	**151.1**
1.3.20.1 Building of ships and Floating structures	0.117	180.5	177.9	190.7	190.7	190.7
1.3.20.2 Railway locomotives and Rolling stock	0.110	108.9	109.8	109.7	109.8	110.0
1.3.20.3 Motor cycles	1.302	146.0	145.3	150.6	151.3	152.1
1.3.20.4 Bicycles and Invalid carriages	0.117	134.9	136.0	136.7	137.1	138.2
1.3.20.5 Other transport equipment	0.002	163.2	160.2	165.9	165.8	165.9
1.3.21 MANUFACTURE OF FURNITURE	**0.727**	**160.3**	**158.7**	**163.6**	**163.8**	**164.8**
1.3.21.1 Furniture	0.727	160.3	158.7	163.6	163.8	164.8
1.3.22 OTHER MANUFACTURING	**1.064**	**183.8**	**178.8**	**219.3**	**224.3**	**226.8**
1.3.22.1 Jewellery and Related articles	0.996	185.4	180.0	223.2	228.6	231.1
1.3.22.2 Musical instruments	0.001	201.9	200.0	202.1	204.3	204.3
1.3.22.3 Sports goods	0.012	164.9	163.0	171.0	171.4	171.9
1.3.22.4 Games and Toys	0.005	163.1	162.2	162.4	162.6	160.2
1.3.22.5 Medical and Dental instruments and Supplies	0.049	158.6	158.6	158.6	157.6	162.1
2 FOOD INDEX	**24.378**	**192.9**	**195.5**	**189.9**	**190.2**	**191.3**

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	2023-24	2024-25	April-June		June	
				2024-25	2025-26	2024	2025
	1	2	3	4	5	6	7
General Index	100.00	146.7	152.6	151.2	154.2	151.0	153.3
1 Sectoral Classification							
1.1 Mining	14.37	128.9	132.8	134.1	130.1	134.9	123.2
1.2 Manufacturing	77.63	144.7	150.6	147.2	152.2	146.6	152.3
1.3 Electricity	7.99	198.3	208.6	221.4	217.1	222.8	217.1
2 Use-Based Classification							
2.1 Primary Goods	34.05	147.7	153.5	156.4	153.9	156.0	151.3
2.2 Capital Goods	8.22	106.6	112.6	103.9	114.3	111.3	115.2
2.3 Intermediate Goods	17.22	157.3	164.0	159.8	167.8	159.1	167.9
2.4 Infrastructure/ Construction Goods	12.34	176.3	188.2	185.1	196.7	184.9	198.3
2.5 Consumer Durables	12.84	118.6	128.0	125.6	128.9	127.1	130.8
2.6 Consumer Non-Durables	15.33	153.7	151.4	150.0	148.0	145.2	144.6

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

Government Accounts and Treasury Bills

No. 23: Union Government Accounts at a Glance

(₹ Crore)

Item	Financial Year	April – June			
	2025-26 (Budget Estimates)	2025-26 (Actuals)	2024-25 (Actuals)	Percentage to Budget Estimates	
				2025-26	2024-25
	1	2	3	4	5
1 Revenue Receipts	**3420409**	**913377**	**829677**	**26.7**	**26.5**
1.1 Tax Revenue (Net)	2837409	540316	549633	19.0	21.3
1.2 Non-Tax Revenue	583000	373061	280044	64.0	51.3
2 Non Debt Capital Receipt	**76000**	**28018**	**4520**	**36.9**	**5.8**
2.1 Recovery of Loans	29000	5395	4516	18.6	16.1
2.2 Other Receipts	47000	22623	4	48.1	0.0
3 Total Receipts (excluding borrowings) (1+2)	**3496409**	**941395**	**834197**	**26.9**	**26.0**
4 Revenue Expenditure of which :	3944255	946995	788858	24.0	21.3
4.1 Interest Payments	1276338	386037	264052	30.2	22.7
5 Capital Expenditure	1121090	275132	181051	24.5	16.3
6 Total Expenditure (4+5)	**5065345**	**1222127**	**969909**	**24.1**	**20.1**
7 Revenue Deficit (4-1)	**523846**	**33618**	**-40819**	**6.4**	**-7.0**
8 Fiscal Deficit (6-3)	**1568936**	**280732**	**135712**	**17.9**	**8.4**
9 Gross Primary Deficit (8-4.1)	**292598**	**-105305**	**-128340**	**-36.0**	**-28.5**

Source: Controller General of Accounts (CGA), Ministry of Finance, Government of India and Union Budget 2025-26.

No. 24: Treasury Bills – Ownership Pattern

(₹ Crore)

Item	2024-25	2024	2025					
		Jun. 28	May 23	May 30	Jun. 6	Jun. 13	Jun. 20	Jun. 27
	1	2	3	4	5	6	7	8
1 91-day								
1.1 Banks	26554	10411	21845	22722	19435	19575	18639	18898
1.2 Primary Dealers	25258	24135	34187	36058	37041	25717	21671	18582
1.3 State Governments	40315	46310	64691	62591	59491	64991	71291	80904
1.4 Others	115688	88554	101268	92319	89624	96108	96090	95120
2 182-day								
2.1 Banks	44887	54590	53966	50567	50446	49643	51017	49943
2.2 Primary Dealers	62218	66312	59786	61807	61074	60332	55998	57055
2.3 State Governments	11078	14592	10688	11688	13688	16888	18888	16888
2.4 Others	104994	123098	89848	90226	90580	91925	93886	92901
3 364-day								
3.1 Banks	72304	92592	71496	69501	72281	70431	71580	71571
3.2 Primary Dealers	86939	143140	74280	73306	72817	73170	74466	76439
3.3 State Governments	37389	38191	46232	46344	46279	46093	44898	45967
3.4 Others	162757	156268	156223	160193	158903	161399	160754	159789
4 14-day Intermediate								
4.1 Banks								
4.2 Primary Dealers								
4.3 State Governments	188072	204835	146825	134728	126187	161628	156490	155018
4.4 Others	572	592	879	2166	1244	150	1297	428
Total Treasury Bills (Excluding 14 day Intermediate T Bills) #	790381	858193	784511	777323	771658	776272	779176	784059

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.
Note: Primary Dealers (PDs) include banks undertaking PD business.

No. 25: Auctions of Treasury Bills

(Amount in ₹ Crore)

Date of Auction	Notified Amount	Bids Received			Bids Accepted			Total Issue (6+7)	Cut-off Price (₹)	Implicit Yield at Cut-off Price (per cent)
		Number	Total Face Value		Number	Total Face Value				
			Competitive	Non-Competitive		Competitive	Non-Competitive			
	1	2	3	4	5	6	7	8	9	10
91-day Treasury Bills										
2025-26										
May 28	9000	102	30939	2819	37	8981	2819	11800	98.62	5.6200
Jun. 4	9000	125	43277	4524	33	8976	4524	13500	98.63	5.5796
Jun. 11	9000	132	33117	7520	42	8980	7520	16500	98.68	5.3694
Jun. 18	9000	133	36084	6320	46	8980	6320	15300	98.68	5.3575
Jun. 25	9000	126	26870	11516	66	8984	11516	20500	98.67	5.4094
182-day Treasury Bills										
2025-26										
May 28	5000	73	24766	2018	17	4982	2018	7000	97.27	5.6287
Jun. 4	5000	71	21002	4007	17	4993	4007	9000	97.28	5.5998
Jun. 11	5000	72	12546	5215	39	4985	5215	10200	97.36	5.4334
Jun. 18	5000	89	23389	2810	36	4990	2810	7800	97.35	5.4575
Jun. 25	5000	93	15026	6	50	4994	6	5000	97.31	5.5350
364-day Treasury Bills										
2025-26										
May 28	5000	110	29969	175	18	4948	175	5123	94.69	5.6288
Jun. 4	5000	77	24942	74	24	4943	74	5017	94.71	5.5995
Jun. 11	5000	61	10620	127	45	4957	127	5083	94.80	5.5000
Jun. 18	5000	94	24305	1037	31	4983	1037	6020	94.80	5.5000
Jun. 25	5000	87	19867	1531	45	4981	1531	6512	94.74	5.5687

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
June 02 ,2025	4.85-5.85	5.79
June 03 ,2025	4.85-6.65	5.77
June 04 ,2025	4.85-5.85	5.75
June 05 ,2025	4.85-5.85	5.75
June 06 ,2025	4.85-5.50	5.42
June 09 ,2025	4.75-5.40	5.30
June 10 ,2025	4.75-5.35	5.30
June 11 ,2025	4.80-5.35	5.30
June 12 ,2025	4.35-5.40	5.29
June 13 ,2025	4.75-5.36	5.31
June 16 ,2025	4.75-5.35	5.30
June 17 ,2025	4.50-5.35	5.26
June 18 ,2025	4.75-5.35	5.27
June 19 ,2025	4.70-5.35	5.26
June 20 ,2025	4.75-5.35	5.27
June 21 ,2025	4.50-5.30	5.04
June 23 ,2025	4.75-5.35	5.27
June 24 ,2025	4.75-5.35	5.27
June 25 ,2025	4.75-5.35	5.29
June 26 ,2025	4.75-5.35	5.27
June 27 ,2025	4.75-5.60	5.38
June 30 ,2025	4.75-5.70	5.50
July 01 ,2025	4.75-5.40	5.31
July 02 ,2025	4.70-5.35	5.27
July 03 ,2025	4.75-5.35	5.26
July 04 ,2025	4.75-5.35	5.26
July 05 ,2025	4.70-5.30	4.91
July 07 ,2025	4.75-5.35	5.26
July 08 ,2025	4.50-5.35	5.26
July 09 ,2025	4.80-5.45	5.32
July 10 ,2025	4.75-5.45	5.35
July 11 ,2025	4.75-5.55	5.45
July 14 ,2025	4.75-5.40	5.31
July 15 ,2025	4.75-5.50	5.38

Note: Includes Notice Money.

No. 27: Certificates of Deposit

Item	2024	2025			
	Jul. 26	Jun. 13	Jun. 27	Jul. 11	Jul. 25
	1	2	3	4	5
1 Amount Outstanding (₹ Crore)	424747.21	483064.43	517439.00	525253.75	508451.73
1.1 Issued during the fortnight (₹ Crore)	23643.34	40924.08	85607.74	18575.50	18550.54
2 Rate of Interest (per cent)	7.02-7.26	5.65-7.04	5.77-6.63	5.67-6.49	5.59-6.63

No. 28: Commercial Paper

Item	2024	2025					
	Jun. 30	May 15	May 31	Jun. 15	Jun. 30	Jul. 15	Jul. 31
	1	2	3	4	5	6	7
1 Amount Outstanding (₹ Crore)	422447.45	541591.10	553874.25	549258.30	500000.60	534009.15	547229.30
1.1 Reported during the fortnight (₹ Crore)	56023.85	48973.55	81053.80	102447.00	58021.75	79530.05	73858.50
2 Rate of Interest (per cent)	6.99-15.06	6.44-10.14	5.97-12.23	5.67-11.63	5.71-13.84	5.51-12.67	5.57-13.84

No. 29: Average Daily Turnover in Select Financial Markets

(₹ Crore)

Item	2024-25	2024	2025					
		Jun. 28	May 23	May 30	Jun. 6	Jun. 13	Jun. 20	Jun. 27
	1	2	3	4	5	6	7	8
1 Call Money	18990	23962	29606	26805	23489	31335	24157	28538
2 Notice Money	2506	3722	231	6439	209	219	6749	307
3 Term Money	941	613	2302	1687	785	1951	903	990
4 Triparty Repo	692068	799629	666649	824530	659923	784601	802836	702250
5 Market Repo	578912	663566	607184	719036	597129	759880	763218	632175
6 Repo in Corporate Bond	5212	3558	6682	6308	5913	9944	9639	8409
7 Forex (US $ million)	131877	135891	125401	140910	136313	128179	118707	165416
8 Govt. of India Dated Securities	56065	107938	153621	131774	109308	168382	132864	121551
9 State Govt. Securities	3971	9999	12737	7015	12804	6683	5182	4910
10 Treasury Bills								
10.1 91-Day	2514	8036	4847	6333	5534	6572	6647	3997
10.2 182-Day	2218	5128	6110	2619	3721	7784	4672	3436
10.3 364-Day	1854	4984	4542	3368	3377	3940	3093	1967
10.4 Cash Management Bills		0	0	0	0	0	0	0
11 Total Govt. Securities (8+9+10)	66622	136084	181858	151109	134743	193361	152459	135862
11.1 RBI	1715	948	4324	54	850	769	816	596

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

(Amount in ₹ Crore)

Security & Type of Issue	2024-25		2024-25 (Apr.-Jun.)		2025-26 (Apr.-Jun.) *		Jun. 2024		Jun. 2025 *	
	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	**464**	**210190**	**112**	**41280**	**73**	**23059**	**38**	**3571**	**40**	**15867**
1.1 Public	322	190478	75	36381	45	15464	22	2521	24	9526
1.2 Rights	142	19712	37	4899	28	7594	16	1051	16	6341
2 Public Issue of Bonds/ Debentures	**43**	**8149**	**10**	**2454**	**9**	**1436**	**3**	**560**	**1**	**83**
3 Total (1+2)	**507**	**218339**	**122**	**43734**	**82**	**24495**	**41**	**4131**	**41**	**15951**
3.1 Public	365	198627	85	38835	54	16900	25	3081	25	9609
3.2 Rights	142	19712	37	4899	28	7594	16	1051	16	6341

Notes : 1. Since April 2020, monthly data on equity issues is compiled on the basis of their listing date.
2. Figures in the columns might not add up to the total due to rounding off numbers.
3. The table covers only public and rights issuances of equity and debt. It does not include data on private placement of debt, qualified institutional placements and preferential allotments.
Source : Securities and Exchange Board of India.
* : Data is Provisional

External Sector

No. 31: Foreign Trade

Item	Unit	2024-25	2024	2025				
			Jun.	Feb.	Mar.	Apr.	May	Jun.
		1	2	3	4	5	6	7
1 Exports	₹ Crore	3701070	293505	320532	363598	328021	327855	301901
	US $ Million	437416	35163	36820	41968	38338	38485	35144
1.1 Oil	₹ Crore	534917	45821	49785	42467	61423	47820	39650
	US $ Million	63341	5489	5719	4902	7179	5613	4616
1.2 Non-oil	₹ Crore	3166153	247684	270747	321131	266598	280035	262251
	US $ Million	374075	29673	31101	37066	31159	32872	30529
2 Imports	₹ Crore	6089909	467413	443663	550211	555329	516260	463159
	US $ Million	720241	55997	50964	63507	64904	60601	53916
2.1 Oil	₹ Crore	1570226	125703	103528	164684	177212	125635	118534
	US $ Million	185779	15060	11892	19008	20712	14748	13799
2.2 Non-oil	₹ Crore	4519683	341709	340135	385527	378117	390624	344624
	US $ Million	534462	40938	39071	44499	44193	45853	40118
3 Trade Balance	₹ Crore	-2388839	-173907	-123131	-186613	-227308	-188405	-161257
	US $ Million	-282825	-20834	-14144	-21539	-26567	-22116	-18772
3.1 Oil	₹ Crore	-1035309	-79882	-53743	-122217	-115789	-77815	-78884
	US $ Million	-122438	-9570	-6173	-14107	-13533	-9134	-9183
3.2 Non-oil	₹ Crore	-1353530	-94025	-69388	-64395	-111519	-110590	-82373
	US $ Million	-160387	-11264	-7971	-7433	-13034	-12982	-9589

Note: Data in the table are provisional.
Source: Directorate General of Commercial Intelligence and Statistics.

No. 32: Foreign Exchange Reserves

Item	Unit	2024	2025					
		Aug. 02	Jun. 20	Jun. 27	Jul. 04	Jul. 11	Jul. 18	Jul. 25
		1	2	3	4	5	6	7
1 Total Reserves	**₹ Crore**	**5652457**	**6043697**	**6007745**	**5975266**	**5978149**	**5992373**	**6040880**
	US $ Million	**674919**	**697935**	**702784**	**699736**	**696672**	**695489**	**698192**
1.1 Foreign Currency Assets	₹ Crore	4958347	5100971	5084809	5049185	5052566	5062860	5095487
	US $ Million	592039	589069	594823	591287	588810	587609	588926
1.2 Gold	₹ Crore	503330	742482	722374	724528	723791	728042	741528
	US $ Million	60099	85743	84504	84846	84348	84499	85704
	Volume (Metric Tonnes)	846.18	879.58	879.98	879.98	879.98	879.98	879.98
1.3 SDRs	SDRs Million	13699	13707	13707	13707	13707	13707	13707
	₹ Crore	152096	161685	160963	161120	161343	160975	162741
	US $ Million	18161	18672	18830	18868	18802	18683	18809
1.4 Reserve Tranche Position in IMF	₹ Crore	38685	38559	39598	40432	40448	40496	41125
	US $ Million	4620	4452	4628	4735	4711	4698	4753

* Difference, if any, is due to rounding off.
Note: Exclude investment in foreign currency denominated bonds issued by IIFC (UK), SDRs transferred by Government of India to RBI, foreign currency received under SAARC and ACU currency swap arrangements and RBI's contribution to funding of Nexus Global Payments. 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.

No. 33: Non-Resident Deposits

(US $ Million)

Scheme	Outstanding				Flows	
	2024-25	2024	2025		2024-25	2025-26
		Jun.	May	Jun. (P)	Apr.-Jun.	Apr.-Jun.(P)
	1	2	3	4	5	6
1 NRI Deposits	**164677**	**155782**	**166720**	**168327**	**4025**	**3614**
1.1 FCNR(B)	32809	27414	33252	33583	1681	774
1.2 NR(E)RA	100733	100111	101862	102750	1582	1991
1.3 NRO	31135	28257	31606	31993	762	850

P: Provisional.

No. 34: Foreign Investment Inflows

(US $ Million)

Item	2024-25	2024-25	2025-26 (P)	2024 (P)	2025 (P)	
		Apr.-Jun.	Apr.-Jun.	Jun.	May	Jun.
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1-1.1.2)	**959**	**6224**	**4916**	**2242**	**-5**	**1075**
1.1.1 Direct Investment to India (1.1.1.1-1.1.1.2)	**29130**	**10606**	**12789**	**3557**	**2159**	**3554**
1.1.1.1 Gross Inflows/Gross Investments	**80615**	**22777**	**25178**	**7615**	**7173**	**9261**
1.1.1.1.1 Equity	50993	16402	18852	5489	5232	6987
1.1.1.1.1.1 Government (SIA/FIPB)	2208	209	1360	118	60	1004
1.1.1.1.1.2 RBI	34686	11764	13527	3244	3494	5337
1.1.1.1.1.3 Acquisition of shares	13124	4205	3740	2052	1603	571
1.1.1.1.1.4 Equity capital of unincorporated bodies	975	224	224	75	75	75
1.1.1.1.2 Reinvested earnings	22759	5225	5225	1742	1742	1742
1.1.1.1.3 Other capital	6863	1151	1101	384	200	533
1.1.1.2 Repatriation/Disinvestment	**51486**	**12171**	**12389**	**4057**	**5014**	**5707**
1.1.1.2.1 Equity	49525	11673	11991	3891	4855	5623
1.1.1.2.2 Other capital	1960	498	398	166	159	84
1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3-1.1.2.4)	**28171**	**4382**	**7872**	**1316**	**2165**	**2479**
1.1.2.1 Equity capital	16945	2728	4396	844	655	1919
1.1.2.2 Reinvested Earnings	6846	1712	1712	571	571	571
1.1.2.3 Other Capital	7955	1090	2405	283	1006	445
1.1.2.4 Repatriation/Disinvestment	3575	1147	640	382	67	455
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3-1.2.4)	**3564**	**945**	**847**	**5449**	**1554**	**2390**
1.2.1 GDRs/ADRs	-	-	-	-	-	-
1.2.2 FIIs	3283	897	1638	5433	1700	2378
1.2.3 Offshore funds and others	-	-	-	-	-	-
1.2.4 Portfolio investment by India	-281	-48	791	-16	146	-12
1 Foreign Investment Inflows	**4523**	**7168**	**5763**	**7690**	**1549**	**3465**

P: Provisional

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

(US $ Million)

Item	2024-25	2024	2025		
		Jun.	Apr.	May	Jun.
	1	2	3	4	5
1 Outward Remittances under the LRS	**29563.12**	**2181.85**	**2481.41**	**2313.16**	**2127.39**
1.1 Deposit	705.26	39.02	94.15	54.65	42.12
1.2 Purchase of immovable property	322.82	18.77	44.69	41.69	37.75
1.3 Investment in equity/debt	1698.94	120.22	203.44	104.94	206.12
1.4 Gift	2938.69	228.81	290.89	233.30	190.51
1.5 Donations	11.81	2.01	1.57	1.98	1.26
1.6 Travel	16964.57	1275.63	1270.44	1389.23	1235.17
1.7 Maintenance of close relatives	3722.03	270.72	397.97	322.54	262.97
1.8 Medical Treatment	81.19	6.42	5.08	6.72	5.59
1.9 Studies Abroad	2918.91	177.07	163.56	149.78	138.76
1.10 Others	198.90	43.19	9.61	8.32	7.15

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

Item	2023-24	2024-25	2024	2025	
			Jul.	Jun.	Jul.
	1	2	3	4	5
40-Currency Basket (Base: 2015-16=100)					
1 Trade-Weighted					
1.1 NEER	90.75	91.02	91.91	86.94	86.57
1.2 REER	103.71	105.26	107.42	99.68	100.07
2 Export-Weighted					
2.1 NEER	93.13	93.52	94.38	89.08	88.63
2.2 REER	101.22	102.34	104.45	97.08	97.34
6-Currency Basket (Trade-weighted)					
1 Base : 2015-16 =100					
1.1 NEER	83.62	82.38	83.39	79.06	78.58
1.2 REER	101.66	102.72	104.42	98.05	98.35
2 Base : 2022-23 =100					
2.1 NEER	97.31	95.87	97.04	92.01	91.44
2.2 REER	99.86	100.90	102.57	96.31	96.60

Note: Data for 2024-25 and 2025-26 so far is provisional.

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

(Amount in US $ Million)

Item	2024-25	2024	2025	
		Jun.	May	Jun.
	1	2	3	4
1 Automatic Route				
1.1 Number	1328	121	100	112
1.2 Amount	47800	1811	2739	2733
2 Approval Route				
2.1 Number	51	4	0	1
2.2 Amount	13384	1005	0	750
3 Total (1+2)				
3.1 Number	1379	125	100	113
3.2 Amount	61184	2816	2739	3483
4 Weighted Average Maturity (in years)	5.05	5.80	4.80	4.90
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over alternative reference rate (ARR) for Floating Rate Loans@	1.48	1.36	1.46	1.70
5.2 Interest rate range for Fixed Rate Loans	0.00-11.67	0.00-11.00	0.00-10.00	0.00-10.50
Borrower Category				
I. Corporate Manufacturing	13900	603	1201	954
II. Corporate-Infrastructure	15462	808	717	1819
a.) Transport	614	0	0	5
b.) Energy	6900	745	0	155
c.) Water and Sanitation	28	27	0	0
d.) Communication	13	0	0	0
e.) Social and Commercial Infrastructure	184	17	1	7
f.) Exploration,Mining and Refinery	5356	19	305	0
g.) Other Sub-Sectors	2367	0	411	1652
III. Corporate Service-Sector	3226	37	242	19
IV. Other Entities	1026	19	0	0
a.) units in SEZ	26	19	0	0
b.) SIDBI	0	0	0	0
c.) Exim Bank	1000	0	0	0
V. Banks	0	0	0	0
VI. Financial Institution (Other than NBFC)	0	0	0	0
VII. NBFCs	26318	1311	566	682
a). NBFC- IFC/AFC	12389	1062	0	97
b). NBFC-MFI	459	38	86	18
c). NBFC-Others	13470	211	480	567
VIII. Non-Government Organization (NGO)	0	0	0	0
IX. Micro Finance Institution (MFI)	0	0	0	0
X. Others	1252	38	13	9

Note: Based on applications for ECB/Foreign Currency Convertible Bonds (FCCBs) which have been allotted loan registration number during the period.
@ With effect from July 01, 2023, the benchmark rate is changed to Alternative Reference Rate (ARR).

No. 38: India's Overall Balance of Payments

(US$ Million)

Item	Jan.-Mar. 2024			Jan.-Mar. 2025 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance Of Payments (1+2+3)	**502221**	**471468**	**30754**	**521618**	**512829**	**8789**
1 Current Account (1.1+ 1.2)	**253534**	**248967**	**4567**	**264919**	**251469**	**13451**
1.1 Merchandise	**121626**	**173645**	**-52019**	**116283**	**175762**	**-59478**
1.2 Invisibles (1.2.1+1.2.2+1.2.3)	**131908**	**75322**	**56586**	**148636**	**75707**	**72929**
1.2.1 Services	89356	46672	42684	102019	48711	53308
1.2.1.1 Travel	9961	8063	1898	9097	7934	1162
1.2.1.2 Transportation	7771	7829	-58	8151	8385	-234
1.2.1.3 Insurance	927	650	277	886	762	124
1.2.1.4 G.n.i.e.	129	315	-186	165	330	-165
1.2.1.5 Miscellaneous	70568	29814	40753	83720	31299	52421
1.2.1.5.1 Software Services	41551	4908	36643	46917	5434	41483
1.2.1.5.2 Business Services	22620	16388	6232	29432	16221	13212
1.2.1.5.3 Financial Services	1599	1269	330	1989	795	1193
1.2.1.5.4 Communication Services	498	506	-7	731	533	198
1.2.2 Transfers	32097	3378	28719	34717	3214	31504
1.2.2.1 Official	51	282	-231	31	376	-345
1.2.2.2 Private	32046	3096	28950	34686	2838	31848
1.2.3 Income	10455	25272	-14817	11900	23782	-11882
1.2.3.1 Investment Income	8523	24233	-15710	9873	22750	-12877
1.2.3.2 Compensation of Employees	1932	1039	893	2027	1032	995
2 Capital Account (2.1+2.2+2.3+2.4+2.5)	**248044**	**222501**	**25543**	**255786**	**261361**	**-5574**
2.1 Foreign Investment (2.1.1+2.1.2)	**159056**	**145366**	**13691**	**144464**	**149956**	**-5492**
2.1.1 Foreign Direct Investment	20179	17881	2299	18494	18127	366
2.1.1.1 In India	19474	11411	8063	17527	7474	10053
2.1.1.1.1 Equity	12762	10934	1829	9610	7199	2411
2.1.1.1.2 Reinvested Earnings	5332		5332	6165		6165
2.1.1.1.3 Other Capital	1379	477	902	1751	275	1476
2.1.1.2 Abroad	706	6470	-5764	967	10653	-9686
2.1.1.2.1 Equity	706	3208	-2503	967	6321	-5354
2.1.1.2.2 Reinvested Earnings	0	1446	-1446	0	1712	-1712
2.1.1.2.3 Other Capital	0	1815	-1815	0	2620	-2620
2.1.2 Portfolio Investment	138877	127485	11392	125970	131829	-5859
2.1.2.1 In India	138217	126638	11579	124923	130917	-5995
2.1.2.1.1 FIIs	138217	126638	11579	124923	130917	-5995
2.1.2.1.1.1 Equity	120784	119426	1358	101683	115225	-13541
2.1.2.1.1.2 Debt	17432	7212	10221	23239	15693	7547
2.1.2.1.2 ADR/GDRs	0		0	0		0
2.1.2.2 Abroad	660	847	-187	1048	912	136
2.2 Loans (2.2.1+2.2.2+2.2.3)	**31787**	**27899**	**3888**	**56056**	**50511**	**5544**
2.2.1 External Assistance	3587	1562	2025	3712	1641	2071
2.2.1.1 By India	8	31	-23	6	25	-19
2.2.1.2 To India	3579	1531	2048	3706	1616	2090
2.2.2 Commercial Borrowings	15121	13472	1649	38786	30910	7876
2.2.2.1 By India	3401	4308	-907	23141	22668	473
2.2.2.2 To India	11719	9164	2555	15645	8242	7403
2.2.3 Short Term to India	13079	12865	214	13558	17961	-4403
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	12000	12865	-865	13558	16205	-2647
2.2.3.2 Suppliers' Credit up to 180 days	1079	0	1079	0	1755	-1755
2.3 Banking Capital (2.3.1+2.3.2)	**40722**	**33811**	**6911**	**33573**	**42550**	**-8977**
2.3.1 Commercial Banks	39768	33811	5957	33573	42331	-8758
2.3.1.1 Assets	9220	12330	-3110	6486	17652	-11166
2.3.1.2 Liabilities	30548	21481	9067	27087	24678	2408
2.3.1.2.1 Non-Resident Deposits	26041	20678	5363	26288	23458	2830
2.3.2 Others	955	0	955	0	219	-219
2.4 Rupee Debt Service		**7**	**-7**		**7**	**-7**
2.5 Other Capital	**16479**	**15418**	**1060**	**21694**	**18336**	**3358**
3 Errors & Omissions	**643**	**0**	**643**	**912**	**0**	**912**
4 Monetary Movements (4.1+ 4.2)	**0**	**30754**	**-30754**	**0**	**8789**	**-8789**
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)		30754	-30754		8789	-8789

Note: P: Preliminary.

No. 39: India's Overall Balance of Payments

(₹ Crore)

Item	Jan.-Mar. 2024			Jan.-Mar. 2025 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance Of Payments (1+2+3)	**4169814**	**3914475**	**255339**	**4519960**	**4443804**	**76155**
1 Current Account (1.1+ 1.2)	**2105027**	**2067106**	**37921**	**2295597**	**2179044**	**116553**
1.1 Merchandise	**1009832**	**1441729**	**-431897**	**1007628**	**1523023**	**-515395**
1.2 Invisibles (1.2.1+1.2.2+1.2.3)	**1095194**	**625377**	**469817**	**1287969**	**656021**	**631948**
1.2.1 Services	741899	387502	354397	884018	422093	461925
1.2.1.1 Travel	82705	66948	15758	78826	68754	10072
1.2.1.2 Transportation	64519	65002	-483	70629	72660	-2031
1.2.1.3 Insurance	7698	5395	2303	7675	6603	1071
1.2.1.4 G.n.i.e.	1073	2616	-1543	1432	2860	-1429
1.2.1.5 Miscellaneous	585904	247541	338363	725457	271215	454242
1.2.1.5.1 Software Services	344986	40752	304234	406549	47084	359465
1.2.1.5.2 Business Services	187807	136067	51740	255039	140555	114484
1.2.1.5.3 Financial Services	13280	10537	2743	17232	6892	10339
1.2.1.5.4 Communication Services	4136	4197	-61	6333	4618	1715
1.2.2 Transfers	266491	28049	238442	300834	27848	272987
1.2.2.1 Official	423	2344	-1921	273	3259	-2986
1.2.2.2 Private	266068	25705	240363	300561	24588	275973
1.2.3 Income	86804	209826	-123022	103117	206080	-102963
1.2.3.1 Investment Income	70763	201199	-130436	85554	197135	-111581
1.2.3.2 Compensation of Employees	16041	8627	7414	17563	8945	8618
2 Capital Account (2.1+2.2+2.3+2.4+2.5)	**2059444**	**1847368**	**212076**	**2216458**	**2264761**	**-48303**
2.1 Foreign Investment (2.1.1+2.1.2)	**1320601**	**1206932**	**113669**	**1251821**	**1299413**	**-47592**
2.1.1 Foreign Direct Investment	167544	148458	19086	160253	157078	3175
2.1.1.1 In India	161684	94741	66943	151875	64767	87108
2.1.1.1.1 Equity	105963	90780	15183	83277	62383	20894
2.1.1.1.2 Reinvested Earnings	44274	0	44274	53422	0	53422
2.1.1.1.3 Other Capital	11447	3960	7487	15176	2384	12792
2.1.1.2 Abroad	5860	53718	-47858	8378	92311	-83933
2.1.1.2.1 Equity	5860	26638	-20778	8378	54774	-46396
2.1.1.2.2 Reinvested Earnings	0	12009	-12009	0	14831	-14831
2.1.1.2.3 Other Capital	0	15071	-15071	0	22706	-22706
2.1.2 Portfolio Investment	1153057	1058474	94583	1091568	1142335	-50767
2.1.2.1 In India	1147577	1051439	96139	1082489	1134435	-51945
2.1.2.1.1 FIIs	1147577	1051439	96139	1082489	1134435	-51945
2.1.2.1.1.1 Equity	1002841	991563	11278	881113	998454	-117341
2.1.2.1.1.2 Debt	144736	59875	84861	201376	135981	65395
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.2.2 Abroad	5480	7035	-1555	9079	7900	1178
2.2 Loans (2.2.1+2.2.2+2.2.3)	**263920**	**231641**	**32279**	**485737**	**437694**	**48043**
2.2.1 External Assistance	29784	12969	16816	32166	14220	17945
2.2.1.1 By India	66	255	-188	52	217	-166
2.2.1.2 To India	29718	12714	17004	32114	14003	18111
2.2.2 Commercial Borrowings	125543	111856	13688	336088	267839	68248
2.2.2.1 By India	28241	35769	-7528	200522	196420	4102
2.2.2.2 To India	97302	76086	21216	135565	71419	64146
2.2.3 Short Term to India	108592	106817	1775	117484	155634	-38150
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	99631	106817	-7185	117484	140424	-22940
2.2.3.2 Suppliers' Credit up to 180 days	8961	0	8961	0	15210	-15210
2.3 Banking Capital (2.3.1+2.3.2)	**338106**	**280721**	**57384**	**290917**	**368705**	**-77788**
2.3.1 Commercial Banks	330180	280721	49459	290917	366806	-75889
2.3.1.1 Assets	76548	102370	-25822	56203	152962	-96758
2.3.1.2 Liabilities	253632	178351	75281	234713	213844	20870
2.3.1.2.1 Non-Resident Deposits	216214	171683	44531	227792	203268	24524
2.3.2 Others	7926	0	7926	0	1899	-1899
2.4 Rupee Debt Service	**0**	**60**	**-60**	**0**	**62**	**-62**
2.5 Other Capital	**136818**	**128013**	**8804**	**187982**	**158886**	**29096**
3 Errors & Omissions	**5343**	**0**	**5343**	**7905**	**0**	**7905**
4 Monetary Movements (4.1+ 4.2)	**0**	**255339**	**-255339**	**0**	**76155**	**-76155**
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	0	255339	-255339	0	76155	-76155

Note: P: Preliminary.

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

(US$ Million)

Item	Jan.-Mar. 2024			Jan.-Mar. 2025 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**253531**	**248945**	**4586**	**264919**	**251439**	**13480**
1.A Goods and Services (1.A.a+1.A.b)	**210982**	**220317**	**-9334**	**218302**	**224473**	**-6171**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**121626**	**173645**	**-52019**	**116283**	**175762**	**-59478**
1.A.a.1 General merchandise on a BOP basis	121327	164054	-42727	116068	166261	-50193
1.A.a.2 Net exports of goods under merchanting	300	0	300	216	0	216
1.A.a.3 Nonmonetary gold		9591	-9591		9501	-9501
1.A.b Services (1.A.b.1 to 1.A.b.13)	**89356**	**46672**	**42684**	**102019**	**48711**	**53308**
1.A.b.1 Manufacturing services on physical inputs owned by others	352	18	335	280	46	235
1.A.b.2 Maintenance and repair services n.i.e.	55	456	-401	98	292	-193
1.A.b.3 Transport	7771	7829	-58	8151	8385	-234
1.A.b.4 Travel	9961	8063	1898	9097	7934	1162
1.A.b.5 Construction	1658	791	867	1553	820	733
1.A.b.6 Insurance and pension services	927	650	277	886	762	124
1.A.b.7 Financial services	1599	1269	330	1989	795	1193
1.A.b.8 Charges for the use of intellectual property n.i.e.	319	3365	-3046	376	4358	-3981
1.A.b.9 Telecommunications, computer, and information services	42137	5707	36430	47738	6309	41430
1.A.b.10 Other business services	22620	16388	6232	29432	16221	13212
1.A.b.11 Personal, cultural, and recreational services	1253	1496	-243	1270	1470	-199
1.A.b.12 Government goods and services n.i.e.	129	315	-186	165	330	-165
1.A.b.13 Others n.i.e.	575	324	251	983	990	-7
1.B Primary Income (1.B.1 to 1.B.3)	**10455**	**25272**	**-14817**	**11900**	**23782**	**-11882**
1.B.1 Compensation of employees	1932	1039	893	2027	1032	995
1.B.2 Investment income	6758	23555	-16797	7800	22296	-14497
1.B.2.1 Direct investment	2518	13929	-11411	2743	13132	-10389
1.B.2.2 Portfolio investment	94	2383	-2289	110	1937	-1827
1.B.2.3 Other investment	874	7015	-6141	846	7048	-6203
1.B.2.4 Reserve assets	3272	229	3043	4101	179	3923
1.B.3 Other primary income	1765	678	1087	2074	454	1620
1.C Secondary Income (1.C.1+1.C.2)	**32093**	**3356**	**28737**	**34717**	**3184**	**31532**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	32046	3096	28950	34686	2838	31848
1.C.1.1 Personal transfers (Current transfers between resident and/non-resident households)	31301	2324	28977	33936	2096	31839
1.C.1.2 Other current transfers	745	772	-27	750	741	9
1.C.2 General government	48	260	-212	31	347	-316
2 Capital Account (2.1+2.2)	**182**	**138**	**44**	**198**	**279**	**-81**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	21	50	-30	16	112	-96
2.2 Capital transfers	161	87	74	182	166	16
3 Financial Account (3.1 to 3.5)	**247865**	**253139**	**-5274**	**255589**	**269900**	**-14311**
3.1 Direct Investment (3.1A+3.1B)	**20179**	**17881**	**2299**	**18494**	**18127**	**366**
3.1.A Direct Investment in India	19474	11411	8063	17527	7474	10053
3.1.A.1 Equity and investment fund shares	18095	10934	7161	15776	7199	8576
3.1.A.1.1 Equity other than reinvestment of earnings	12762	10934	1829	9610	7199	2411
3.1.A.1.2 Reinvestment of earnings	5332		5332	6165		6165
3.1.A.2 Debt instruments	1379	477	902	1751	275	1476
3.1.A.2.1 Direct investor in direct investment enterprises	1379	477	902	1751	275	1476
3.1.B Direct Investment by India	706	6470	-5764	967	10653	-9686
3.1.B.1 Equity and investment fund shares	706	4655	-3949	967	8033	-7066
3.1.B.1.1 Equity other than reinvestment of earnings	706	3208	-2503	967	6321	-5354
3.1.B.1.2 Reinvestment of earnings		1446	-1446		1712	-1712
3.1.B.2 Debt instruments	0	1815	-1815	0	2620	-2620
3.1.B.2.1 Direct investor in direct investment enterprises		1815	-1815		2620	-2620
3.2 Portfolio Investment	**138877**	**127485**	**11392**	**125970**	**131829**	**-5859**
3.2.A Portfolio Investment in India	138217	126638	11579	124923	130917	-5995
3.2.1 Equity and investment fund shares	120784	119426	1358	101683	115225	-13541
3.2.2 Debt securities	17432	7212	10221	23239	15693	7547
3.2.B Portfolio Investment by India	660	847	-187	1048	912	136
3.3 Financial derivatives (other than reserves) and employee stock options	**6126**	**9280**	**-3154**	**4928**	**12389**	**-7461**
3.4 Other investment	**82683**	**67739**	**14944**	**106197**	**98766**	**7430**
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	26996	20678	6318	26288	23677	2611
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	955	0	955	0	219	-219
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	26041	20678	5363	26288	23458	2830
3.4.2.3 General government			0			0
3.4.2.4 Other sectors			0			0
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	32434	28167	4267	49782	51423	-1641
3.4.3.A Loans to India	29025	23828	5197	26636	28731	-2095
3.4.3.B Loans by India	3409	4339	-929	23147	22693	454
3.4.4 Insurance, pension, and standardized guarantee schemes	54	85	-31	56	630	-574
3.4.5 Trade credit and advances	13079	12865	214	13558	17961	-4403
3.4.6 Other accounts receivable/payable - other	10120	5945	4175	16512	5076	11437
3.4.7 Special drawing rights			0			0
3.5 Reserve assets	**0**	**30754**	**-30754**	**0**	**8789**	**-8789**
3.5.1 Monetary gold			0			0
3.5.2 Special drawing rights n.a.			0			0
3.5.3 Reserve position in the IMF n.a.			0			0
3.5.4 Other reserve assets (Foreign Currency Assets)	0	30754	-30754	0	8789	-8789
4 Total assets/liabilities	**247865**	**253139**	**-5274**	**255589**	**269900**	**-14311**
4.1 Equity and investment fund shares	146425	145227	1198	124457	144387	-19929
4.2 Debt instruments	91320	71214	20107	114619	111649	2970
4.3 Other financial assets and liabilities	10120	36698	-26578	16512	13864	2648
5 Net errors and omissions	**643**	**0**	**643**	**912**	**0**	**912**

Note: P: Preliminary.

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

(₹ Crore)

Item	Jan.-Mar. 2024			Jan.-Mar. 2025 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**2104999**	**2066922**	**38077**	**2295593**	**2178790**	**116804**
1.A Goods and Services (1.A.a+1.A.b)	**1751732**	**1829231**	**-77500**	**1891646**	**1945116**	**-53470**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**1009832**	**1441729**	**-431897**	**1007628**	**1523023**	**-515395**
1.A.a.1 General merchandise on a BOP basis	1007344	1362098	-354753	1005759	1440693	-434934
1.A.a.2 Net exports of goods under merchanting	2488	0	2488	1868	0	1868
1.A.a.3 Nonmonetary gold	0	79632	-79632	0	82330	-82330
1.A.b Services (1.A.b.1 to 1.A.b.13)	**741899**	**387502**	**354397**	**884018**	**422093**	**461925**
1.A.b.1 Manufacturing services on physical inputs owned by others	2923	146	2778	2429	397	2032
1.A.b.2 Maintenance and repair services n.i.e.	455	3786	-3331	852	2528	-1676
1.A.b.3 Transport	64519	65002	-483	70629	72660	-2031
1.A.b.4 Travel	82705	66948	15758	78826	68754	10072
1.A.b.5 Construction	13763	6567	7196	13459	7104	6355
1.A.b.6 Insurance and pension services	7698	5395	2303	7675	6603	1071
1.A.b.7 Financial services	13280	10537	2743	17232	6892	10339
1.A.b.8 Charges for the use of intellectual property n.i.e.	2648	27942	-25294	3261	37760	-34499
1.A.b.9 Telecommunications, computer, and information services	349851	47384	302467	413664	54665	358999
1.A.b.10 Other business services	187807	136067	51740	255039	140555	114484
1.A.b.11 Personal, cultural, and recreational services	10404	12421	-2016	11007	12735	-1729
1.A.b.12 Government goods and services n.i.e.	1073	2616	-1543	1432	2860	-1429
1.A.b.13 Others n.i.e.	4771	2691	2081	8514	8579	-64
1.B Primary Income (1.B.1 to 1.B.3)	**86804**	**209826**	**-123022**	**103117**	**206080**	**-102963**
1.B.1 Compensation of employees	16041	8627	7414	17563	8945	8618
1.B.2 Investment income	56107	195572	-139465	67585	193203	-125618
1.B.2.1 Direct investment	20904	115646	-94742	23767	113792	-90025
1.B.2.2 Portfolio investment	782	19786	-19004	951	16786	-15835
1.B.2.3 Other investment	7255	58240	-50985	7328	61075	-53747
1.B.2.4 Reserve assets	27166	1900	25266	35540	1549	33990
1.B.3 Other primary income	14656	5627	9029	17969	3932	14037
1.C Secondary Income (1.C.1+1.C.2)	**266464**	**27865**	**238599**	**300830**	**27593**	**273237**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	266068	25705	240363	300561	24588	275973
1.C.1.1 Personal transfers (Current transfers between resident and/non-resident households)	259885	19295	240591	294061	18164	275897
1.C.1.2 Other current transfers	6183	6410	-227	6501	6424	76
1.C.2 General government	396	2160	-1764	269	3005	-2736
2 Capital Account (2.1+2.2)	**1509**	**1144**	**364**	**1714**	**2414**	**-699**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	171	419	-248	136	971	-835
2.2 Capital transfers	1338	725	613	1578	1443	135
3 Financial Account (3.1 to 3.5)	**2057963**	**2101748**	**-43785**	**2214747**	**2338757**	**-124010**
3.1 Direct Investment (3.1A+3.1B)	**167544**	**148458**	**19086**	**160253**	**157078**	**3175**
3.1.A Direct Investment in India	161684	94741	66943	151875	64767	87108
3.1.A.1 Equity and investment fund shares	150237	90780	59457	136699	62383	74316
3.1.A.1.1 Equity other than reinvestment of earnings	105963	90780	15183	83277	62383	20894
3.1.A.1.2 Reinvestment of earnings	44274	0	44274	53422	0	53422
3.1.A.2 Debt instruments	11447	3960	7487	15176	2384	12792
3.1.A.2.1 Direct investor in direct investment enterprises	11447	3960	7487	15176	2384	12792
3.1.B Direct Investment by India	5860	53718	-47858	8378	92311	-83933
3.1.B.1 Equity and investment fund shares	5860	38647	-32787	8378	69605	-61227
3.1.B.1.1 Equity other than reinvestment of earnings	5860	26638	-20778	8378	54774	-46396
3.1.B.1.2 Reinvestment of earnings	0	12009	-12009	0	14831	-14831
3.1.B.2 Debt instruments	0	15071	-15071	0	22706	-22706
3.1.B.2.1 Direct investor in direct investment enterprises	0	15071	-15071	0	22706	-22706
3.2 Portfolio Investment	**1153057**	**1058474**	**94583**	**1091568**	**1142335**	**-50767**
3.2.A Portfolio Investment in India	1147577	1051439	96139	1082489	1134435	-51945
3.2.1 Equity and investment fund shares	1002841	991563	11278	881113	998454	-117341
3.2.2 Debt securities	144736	59875	84861	201376	135981	65395
3.2.B Portfolio Investment by India	5480	7035	-1555	9079	7900	1178
3.3 Financial derivatives (other than reserves) and employee stock options	**50865**	**77053**	**-26187**	**42703**	**107351**	**-64648**
3.4 Other investment	**686496**	**562423**	**124073**	**920223**	**855837**	**64386**
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	224139	171683	52457	227792	205167	22625
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	7926	0	7926	0	1899	-1899
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	216214	171683	44531	227792	203268	24524
3.4.2.3 General government	0	0	0	0	0	0
3.4.2.4 Other sectors	0	0	0	0	0	0
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	269294	233863	35431	431378	445598	-14220
3.4.3.A Loans to India	240986	197839	43147	230804	248960	-18156
3.4.3.B Loans by India	28307	36024	-7717	200574	196638	3936
3.4.4 Insurance, pension, and standardized guarantee schemes	448	704	-257	484	5456	-4972
3.4.5 Trade credit and advances	108592	106817	1775	117484	155634	-38150
3.4.6 Other accounts receivable/payable - other	84023	49357	34667	143085	43982	99102
3.4.7 Special drawing rights	0	0	0	0	0	0
3.5 Reserve assets	**0**	**255339**	**-255339**	**0**	**76155**	**-76155**
3.5.1 Monetary gold	0	0	0	0	0	0
3.5.2 Special drawing rights n.a.	0	0	0	0	0	0
3.5.3 Reserve position in the IMF n.a.	0	0	0	0	0	0
3.5.4 Other reserve assets (Foreign Currency Assets)	0	255339	-255339	0	76155	-76155
4 Total assets/liabilities	**2057963**	**2101748**	**-43785**	**2214747**	**2338757**	**-124010**
4.1 Equity and investment fund shares	1215731	1205783	9948	1078457	1251149	-172693
4.2 Debt instruments	758209	591269	166940	993206	967470	25736
4.3 Other financial assets and liabilities	84023	304696	-220673	143085	120138	22947
5 Net errors and omissions	**5343**	**0**	**5343**	**7905**	**0**	**7905**

Note: P: Preliminary.

No. 42: India's International Investment Position

(US$ Million)

Item	As on Financial Year/Quarter End							
	2024-25		2024				2025	
			Mar.		Dec.		Mar.	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	1	2	3	4	5	6	7	8
1. Direct investment Abroad/in India	270441	556812	242271	542952	260755	547104	270441	556812
1.1 Equity Capital*	173559	521931	153343	511142	166493	512997	173559	521931
1.2 Other Capital	96882	34881	88927	31810	94262	34107	96882	34881
2. Portfolio investment	13763	272061	12469	277239	12173	276521	13763	272061
2.1 Equity	8727	141938	10942	162061	9356	155573	8727	141938
2.2 Debt	5036	130123	1527	115178	2817	120948	5036	130123
3. Other investment	186700	640384	132617	574786	170526	619693	186700	640384
3.1 Trade credit	33422	131203	33413	123722	33213	135606	33422	131203
3.2 Loan	25891	250551	17547	221396	22523	240588	25891	250551
3.3 Currency and Deposits	79332	167598	53519	154787	68630	165713	79332	167598
3.4 Other Assets/Liabilities	48055	91032	28138	74880	46160	77785	48055	91032
4. Reserves	668326		646419		635701		668326	
5. Total Assets/ Liabilities	1139230	1469257	1033776	1394977	1079156	1443318	1139230	1469257
6. Net IIP (Assets - Liabilities)	-330027		-361201		-364162		-330027	

Note: * Equity capital includes share of investment funds and reinvested earnings.

Payment and Settlement Systems

No. 43: Payment System Indicators

PART I - Payment System Indicators - Payment & Settlement System Statistics

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2024-25	2024	2025		FY 2024-25	2024	2025	
		Jun.	May	Jun.		Jun.	May	Jun.
	1	2	3	4	5	6	7	8
A. Settlement Systems								
Financial Market Infrastructures (FMIs)								
1 CCIL Operated Systems (1.1 to 1.3)	47.40	4.36	5.48	5.30	296218030	22580094	29656042	30959727
1.1 Govt. Securities Clearing (1.1.1 to 1.1.3)	17.87	1.60	1.94	1.77	185733719	15107943	17500816	17946468
1.1.1 Outright	10.56	0.97	1.28	1.05	16056018	1372786	1875057	1611829
1.1.2 Repo	4.72	0.42	0.45	0.51	77286611	6414226	7645792	7894091
1.1.3 Tri-party Repo	2.58	0.21	0.21	0.21	92391091	7320931	7979967	8440549
1.2 Forex Clearing	28.06	2.67	3.44	3.39	100639565	6953169	11363617	11968143
1.3 Rupee Derivatives @	1.46	0.09	0.10	0.14	9844746	518982	791608	1045117
B. Payment Systems								
I Financial Market Infrastructures (FMIs)	-	-	-	-	-	-	-	-
1 Credit Transfers - RTGS (1.1 to 1.2)	3024.55	231.84	274.71	254.88	201387682	16037694	17013770	19012360
1.1 Customer Transactions	3010.32	230.72	273.46	253.73	181153129	14570686	15219873	16983278
1.2 Interbank Transactions	14.23	1.12	1.25	1.15	20234553	1467008	1793897	2029082
II Retail								
2 Credit Transfers - Retail (2.1 to 2.6)	2061014.91	155567.02	203656.72	200519.84	79781976	6073917	7146649	6957478
2.1 AePS (Fund Transfers) @	3.64	0.30	0.31	0.30	190	16	17	16
2.2 APBS $	32964.43	2929.34	2786.17	2841.94	554034	43676	50985	48247
2.3 IMPS	56249.68	5167.51	4636.60	4481.05	7139110	577794	640867	606356
2.4 NACH Cr $	16938.86	1311.11	1243.57	1325.97	1670223	113888	147380	134188
2.5 NEFT	96198.05	7307.34	8215.47	7920.52	44361464	3331461	3793103	3764742
2.6 UPI @	1858660.25	138851.42	186774.60	183950.06	26056955	2007081	2514297	2403931
2.6.1 of which USSD @	17.24	1.41	1.79	1.18	185	15	33	21
3 Debit Transfers and Direct Debits (3.1 to 3.3)	21659.95	1697.73	1895.74	1891.36	2208583	171469	206368	210754
3.1 BHIM Aadhaar Pay @	230.08	21.07	19.51	18.27	6907	581	641	615
3.2 NACH Dr $	19762.28	1544.59	1723.65	1728.39	2199327	170756	205535	209956
3.3 NETC (linked to bank account) @	1667.59	132.07	152.58	144.70	2349	132	192	183
4 Card Payments (4.1 to 4.2)	63861.15	5003.43	5827.40	5672.82	2605110	200081	226810	218552
4.1 Credit Cards (4.1.1 to 4.1.2)	47740.76	3579.49	4676.93	4587.10	2109197	158822	189832	183088
4.1.1 PoS based $	24571.10	1895.40	2359.14	2338.70	795022	59417	69607	67468
4.1.2 Others $	23169.66	1684.10	2317.79	2248.41	1314175	99405	120224	115620
4.2 Debit Cards (4.2.1 to 4.2.1)	16120.39	1423.94	1150.47	1085.72	495914	41259	36978	35463
4.2.1 PoS based $	11980.33	1063.58	861.57	812.90	332556	27629	24735	23079
4.2.2 Others $	4140.06	360.36	288.90	272.82	163358	13629	12243	12384
5 Prepaid Payment Instruments (5.1 to 5.2)	70254.08	5236.08	7106.39	6868.39	216751	15897	20722	20740
5.1 Wallets	52898.40	4038.05	5474.25	5338.82	154066	11298	16668	17308
5.2 Cards (5.2.1 to 5.2.2)	17355.68	1198.03	1632.13	1529.57	62686	4599	4053	3432
5.2.1 PoS based $	8240.14	650.89	650.54	595.05	11512	946	981	888
5.2.2 Others $	9115.54	547.14	981.59	934.51	51174	3653	3072	2544
6 Paper-based Instruments (6.1 to 6.2)	6095.38	484.42	481.93	447.43	7113350	553834	596239	550176
6.1 CTS (NPCI Managed)	6095.38	484.42	481.93	447.43	7113350	553834	596239	550176
6.2 Others	0.00	–	–	–	–	–	–	–
Total - Retail Payments (2+3+4+5+6)	2222885.46	167988.69	218968.18	215399.84	91925771	7015198	8196787	7957700
Total Payments (1+2+3+4+5+6)	2225910.01	168220.52	219242.89	215654.72	293313453	23052892	25210557	26970060
Total Digital Payments (1+2+3+4+5)	2219814.63	167736.10	218760.96	215207.29	286200103	22499058	24614318	26419884

PART II - Payment Modes and Channels

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2024-25	2024	2025		FY 2024-25	2024	2025	
		Jun.	May.	Jun.		Jun.	May.	Jun.
	1	2	3	4	5	6	7	8
A. Other Payment Channels								
1 Mobile Payments (mobile app based) (1.1 to 1.2)	1756976.91	132846.07	173238.90	170054.63	39206221	3029193	3641750	3385251
1.1 Intra-bank $	110801.96	8784.73	9743.77	8974.93	7207439	557266	638772	529331
1.2 Inter-bank $	1646174.95	124061.34	163495.14	161079.71	31998782	2471927	3002978	2855919
2 Internet Payments (Netbanking / Internet Browser Based) @ (2.1 to 2.2)	47478.09	3780.42	3668.66	3635.82	131858133	10487118	11661241	12824960
2.1 Intra-bank @	13056.37	1029.33	851.54	839.90	69086996	5573973	6068349	6918867
2.2 Inter-bank @	34421.72	2751.09	2817.12	2795.92	62771136	4913144	5592892	5906093
B. ATMs								
3 Cash Withdrawal at ATMs $ (3.1 to 3.3)	60308.11	5076.57	4604.61	4382.08	3063077	255229	246201	229907
3.1 Using Credit Cards $	97.25	8.29	6.70	6.28	5084	426	370	345
3.2 Using Debit Cards $	59965.70	5045.81	4579.88	4358.58	3046987	253844	244945	228735
3.3 Using Pre-paid Cards $	245.16	22.47	18.03	17.22	11005	959	886	827
4 Cash Withdrawal at PoS $ (4.1 to 4.2)	3.58	0.28	0.15	0.14	37	3	2	1
4.1 Using Debit Cards $	3.33	0.27	0.13	0.11	35	3	1	1
4.2 Using Pre-paid Cards $	0.25	0.02	0.03	0.02	3	0	0	0
5 Cash Withrawal at Micro ATMs @	11640.55	973.79	1017.25	944.62	296622	24426	27668	25646
5.1 AePS @	11640.55	973.79	1017.25	944.62	296622	24426	27668	25646

PART III - Payment Infrastructures (Lakh)

System	As on Mar. 2025	2024	2025	
		Jun.	May.	Jun.
	1	2	3	4
Payment System Infrastructures				
1 Number of Cards (1.1 to 1.2)	11006.97	10662.37	11115.67	11163.78
1.1 Credit Cards	1098.85	1038.13	1111.98	1111.97
1.2 Debit Cards	9908.12	9624.24	10003.70	10051.80
2 Number of PPIs @ (2.1 to 2.2)	13396.53	15051.30	13513.51	13520.65
2.1 Wallets @	8673.62	11375.61	8692.12	8681.92
2.2 Cards @	4722.91	3675.69	4821.38	4838.73
3 Number of ATMs (3.1 to 3.2)	2.56	2.56	2.57	2.51
3.1 Bank owned ATMs $	2.20	2.21	2.21	2.15
3.2 White Label ATMs $	0.36	0.35	0.36	0.36
4 Number of Micro ATMs @	14.82	15.25	14.78	14.59
5 Number of PoS Terminals	110.98	89.67	115.89	117.91
6 Bharat QR @	67.18	61.64	66.64	67.21
7 UPI QR *	6579.30	5770.15	6698.20	6782.51

@: New inclusion w.e.f. November 2019
#: Data reported by Co-operative Banks, LABs and RRBs included with effect from December 2021.
$: Inclusion separately initiated from November 2019 - would have been part of other items hitherto.
*: New inclusion w.e.f. September 2020; Includes only static UPI QR Code

Notes : 1. Data is provisional.
2. ECS (Debit and Credit) has been merged with NACH with effect from January 31, 2020.
3. The data from November 2019 onwards for card payments (Debit/Credit cards) and Prepaid Payment Instruments (PPIs) may not be comparable with earlier months/ periods, as more granular data is being published along with revision in data definitions.
4. Only domestic financial transactions are considered. The new format captures e-commerce transactions; transactions using FASTags, digital bill payments and card-to-card transfer through ATMs, etc.. Also, failed transactions, chargebacks, reversals, expired cards/ wallets, are excluded.
Part I-A. Settlement systems
1.1.3: Tri- party Repo under the securities segment has been operationalised from November 05, 2018.
Part I-B. Payments systems
4.1.2: 'Others' includes e-commerce transactions and digital bill payments through ATMs, etc.
4.2.2: 'Others' includes e-commerce transactions, card to card transfers and digital bill payments through ATMs, etc.
5: Available from December 2010.
5.1: includes purchase of goods and services and fund transfer through wallets.
5.2.2: includes usage of PPI Cards for online transactions and other transactions.
6.1: Pertain to three grids – Mumbai, New Delhi and Chennai.
6.2: 'Others' comprises of Non-MICR transactions which pertains to clearing houses managed by 21 banks.
Part II-A. Other payment channels
1: Mobile Payments –
o Include transactions done through mobile apps of banks and UPI apps.
o The data from July 2017 includes only individual payments and corporate payments initiated, processed, and authorised using mobile device. Other corporate payments which are not initiated, processed, and authorised using mobile device are excluded.
2: Internet Payments – includes only e-commerce transactions through 'netbanking' and any financial transaction using internet banking website of the bank.
Part II-B. ATMs
3.3 and 4.2: only relates to transactions using bank issued PPIs.
Part III. Payment systems infrastructure
3: Includes ATMs deployed by Scheduled Commercial Banks (SCBs) and White Label ATM Operators (WLAOs). WLAs are included from April 2014 onwards.

Occasional Series

No. 44: Small Savings

(₹ Crore)

Scheme		2023-24	2024		2025	
			Feb.	Dec.	Jan.	Feb.
		1	2	3	4	5
1 Small Savings	**Receipts**	**232460**	**14570**	**11133**	**12581**	**11379**
	Outstanding	**1865029**	**1819758**	**1982465**	**1994553**	**2005585**
1.1 Total Deposits	**Receipts**	**161344**	**10025**	**8734**	**9178**	**8077**
	Outstanding	**1298795**	**1268920**	**1395484**	**1404661**	**1412738**
1.1.1 Post Office Saving Bank Deposits	Receipts	17229	1520	1090	2702	814
	Outstanding	191692	218498	201999	204701	205515
1.1.2 Sukanya Samriddhi Yojna	Receipts	35174	2233	2244	2347	2282
	Outstanding	157611	109222	177007	179354	181636
1.1.3 National Saving Scheme, 1987	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.1.4 National Saving Scheme, 1992	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.1.5 Monthly Income Scheme	Receipts	26696	1927	827	1279	1045
	Outstanding	269007	267205	282142	283421	284466
1.1.6 Senior Citizen Scheme 2004	Receipts	38167	2153	1531	1922	1952
	Outstanding	175472	173476	194605	196527	198479
1.1.7 Post Office Time Deposits	Receipts	25341	2632	2125	2853	2108
	Outstanding	305776	303000	330912	333764	335872
1.1.7.1 1 year Time Deposits	Outstanding	140423	138552	159174	161578	163358
1.1.7.2 2 year Time Deposits	Outstanding	11967	11730	14299	14476	14637
1.1.7.3 3 year Time Deposits	Outstanding	8932	8782	10308	10487	10645
1.1.7.4 5 year Time Deposits	Outstanding	144454	143936	147131	147223	147232
1.1.8 Post Office Recurring Deposits	Receipts	18713	-420	1025	-1831	-25
	Outstanding	197134	195727	207269	205438	205413
1.1.9 Post Office Cumulative Time Deposits	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.1.10 Other Deposits	Receipts	8	-20	-108	-95	-100
	Outstanding	1754	1444	1195	1100	1000
1.1.11 PM Care for children	Receipts	16	0	0	1	1
	Outstanding	349	348	355	356	357
1.2 Saving Certificates	**Receipts**	**56069**	**3940**	**2226**	**3019**	**2858**
	Outstanding	**418021**	**414597**	**438074**	**440601**	**443112**
1.2.1 National Savings Certificate VIII issue	Receipts	16853	1446	430	796	762
	Outstanding	183905	180181	192621	193417	194179
1.2.2 Indira Vikas Patras	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.2.3 Kisan Vikas Patras	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.2.4 Kisan Vikas Patras - 2014	Receipts	20939	1428	1113	1376	1247
	Outstanding	220560	219498	228707	230083	231330
1.2.5 National Saving Certificate VI issue	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.2.6 National Saving Certificate VII issue	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.2.7 M.S. Certificates	Receipts	18277	1066	683	847	849
	Outstanding	18277	17235	25303	26150	26999
1.2.8 Other Certificates	Outstanding	-4721	-2317	-8557	-9049	-9396
1.3 Public Provident Fund	**Receipts**	**15047**	**605**	**173**	**384**	**444**
	Outstanding	**148213**	**136241**	**148907**	**149291**	**149735**

Note : Data on receipts from April 2017 are net receipts, i.e., gross receipt minus gross payment.
Source: Accountant General, Post and Telegraphs.

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

(Per cent)

Central Government Dated Securities					
Category	2024				2025
	Mar.	Jun.	Sep.	Dec.	Mar.
	1	2	3	4	5
(A) Total (in ₹ Crore)	**10740389**	**10946860**	**11271589**	**11422728**	**11642652**
1 Commercial Banks	37.66	37.52	37.55	37.98	36.18
2 Co-operative Banks	1.47	1.42	1.35	1.36	1.29
3 Non-Bank PDs	0.66	0.70	0.77	0.65	0.76
4 Insurance Companies	25.98	26.11	25.95	26.14	25.81
5 Mutual Funds	2.90	2.87	3.14	3.11	2.68
6 Provident Funds	4.47	4.41	4.25	4.25	4.24
7 Pension Funds	4.52	4.74	4.86	5.05	4.91
8 Financial Institutions	0.55	0.57	0.63	0.64	0.71
9 Corporates	1.35	1.44	1.60	1.45	1.49
10 Foreign Portfolio Investors	2.34	2.34	2.80	2.81	3.12
11 RBI	12.31	11.92	11.16	10.55	12.78
12 Others	5.79	5.97	5.92	6.01	6.01
12.1 State Governments	2.04	2.13	2.19	2.21	2.25

State Governments Securities					
Category	2024				2025
	Mar.	Jun.	Sep.	Dec.	Mar.
	1	2	3	4	5
(B) Total (in ₹ Crore)	**5646219**	**5727482**	**5909490**	**6055711**	**6399564**
1 Commercial Banks	34.14	33.85	34.39	35.11	35.40
2 Co-operative Banks	3.39	3.38	3.29	3.22	3.08
3 Non-Bank PDs	0.60	0.59	0.60	0.53	0.61
4 Insurance Companies	26.14	25.85	25.56	25.16	24.07
5 Mutual Funds	2.09	2.08	1.93	1.89	1.93
6 Provident Funds	22.35	22.94	23.02	22.90	23.60
7 Pension Funds	4.76	4.87	4.87	4.82	5.07
8 Financial Institutions	1.59	1.58	1.57	1.58	1.48
9 Corporates	2.02	2.03	1.95	1.97	2.05
10 Foreign Portfolio Investors	0.07	0.05	0.04	0.03	0.05
11 RBI	0.63	0.62	0.60	0.58	0.55
12 Others	2.20	2.17	2.18	2.19	2.10
12.1 State Governments	0.25	0.26	0.26	0.26	0.25

Treasury Bills					
Category	2024				2025
	Mar.	Jun.	Sep.	Dec.	Mar.
	1	2	3	4	5
(C) Total (in ₹ Crore)	**871662**	**858193**	**747242**	**760045**	**790381**
1 Commercial Banks	58.53	47.79	44.74	40.45	46.58
2 Co-operative Banks	1.67	1.49	1.58	1.22	2.17
3 Non-Bank PDs	1.66	2.69	2.28	1.41	2.09
4 Insurance Companies	5.06	5.78	5.26	4.73	4.23
5 Mutual Funds	11.89	14.50	15.06	15.41	16.15
6 Provident Funds	0.15	0.60	0.26	0.04	0.20
7 Pension Funds	0.01	0.00	0.00	0.00	0.02
8 Financial Institutions	7.16	6.56	6.36	6.77	7.73
9 Corporates	4.50	4.79	4.66	4.56	4.50
10 Foreign Portfolio Investors	0.01	0.20	0.15	0.12	0.09
11 RBI	0.00	0.00	0.00	0.00	0.00
12 Others	9.36	15.59	19.65	25.29	16.23
12.1 State Governments	5.88	11.55	14.95	20.11	11.23

Notes: (1) The table format is revised since monthly Bulletin for the month of June 2023.
(2) Central Government Dated Securities include special securities and Sovereign Gold Bonds.
(3) State Government Securities include special bonds issued under Ujwal DISCOM Assurance Yojana (UDAY).
(4) Bank PDs are clubbed under Commercial Banks.
(5) The category 'Others' comprises State Governments, DICGC, PSUs, Trusts, Foreign Central Banks, HUF/ Individuals etc.
(6) Data since September 2023 includes the impact of the merger of a non-bank with a bank.

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

(₹ Crore)

Item	2019-20	2020-21	2021-22	2022-23	2023-24 RE	2024-25 BE
	1	2	3	4	5	6
1 Total Disbursements	**5410887**	**6353359**	**7098451**	**7880522**	**9110725**	**9800798**
1.1 Developmental	3074492	3823423	4189146	4701611	5514584	5862996
1.1.1 Revenue	2446605	3150221	3255207	3574503	3965270	4195108
1.1.2 Capital	588233	550358	861777	1042159	1453849	1526993
1.1.3 Loans	39654	122844	72163	84949	95464	140895
1.2 Non-Developmental	2253027	2442941	2810388	3069896	3467270	3800321
1.2.1 Revenue	2109629	2271637	2602750	2895864	3266628	3537378
1.2.1.1 Interest Payments	955801	1060602	1226672	1377807	1562660	1711972
1.2.2 Capital	141457	169155	175519	171131	196073	259346
1.2.3 Loans	1941	2148	32119	2902	4569	3597
1.3 Others	83368	86995	98916	109015	128871	137481
2 Total Receipts	**5734166**	**6397162**	**7156342**	**7855370**	**9054999**	**9650488**
2.1 Revenue Receipts	3851563	3688030	4823821	5447913	6379349	7209647
2.1.1 Tax Receipts	3231582	3193390	4160414	4809044	5456913	6142276
2.1.1.1 Taxes on commodities and services	2012578	2076013	2626553	2865550	3248450	3631569
2.1.1.2 Taxes on Income and Property	1216203	1114805	1530636	1939550	2204462	2506181
2.1.1.3 Taxes of Union Territories (Without Legislature)	2800	2572	3225	3943	4001	4526
2.1.2 Non-Tax Receipts	619981	494640	663407	638870	922436	1067371
2.1.2.1 Interest Receipts	31137	33448	35250	42975	49552	57273
2.2 Non-debt Capital Receipts	110094	64994	44077	62716	86733	118239
2.2.1 Recovery of Loans & Advances	59515	16951	27665	15970	55895	45125
2.2.2 Disinvestment proceeds	50578	48044	16412	46746	30839	73114
3 Gross Fiscal Deficit [1 - (2.1 + 2.2)]	**1449230**	**2600335**	**2230553**	**2369892**	**2644642**	**2472912**
3A Sources of Financing: Institution-wise						
3A.1 Domestic Financing	1440548	2530155	2194406	2332768	2619811	2456959
3A.1.1 Net Bank Credit to Government	571872	890012	627255	687904	346483	...
3A.1.1.1 Net RBI Credit to Government	190241	107493	350911	529	-257913	...
3A.1.2 Non-Bank Credit to Government	868676	1640143	1567151	1644864	2273328	...
3A.2 External Financing	8682	70180	36147	37124	24832	15952
3B Sources of Financing: Instrument-wise						
3B.1 Domestic Financing	1440548	2530155	2194406	2332768	2619811	2456959
3B.1.1 Market Borrowings (net)	971378	1696012	1213169	1651076	1962969	1983757
3B.1.2 Small Savings (net)	209232	458801	526693	358764	434151	447511
3B.1.3 State Provident Funds (net)	38280	41273	28100	13880	21386	19857
3B.1.4 Reserve Funds	10411	4545	42153	68803	52385	-33653
3B.1.5 Deposits and Advances	-14227	25682	42203	51989	35819	-10138
3B.1.6 Cash Balances	-323279	-43802	-57891	25152	55726	150310
3B.1.7 Others	548753	347643	399980	163104	57374	-100684
3B.2 External Financing	8682	70180	36147	37124	24832	15952
4 Total Disbursements as per cent of GDP	*26.9*	*32.0*	*30.1*	*29.2*	*30.8*	*30.0*
5 Total Receipts as per cent of GDP	*28.5*	*32.2*	*30.3*	*29.1*	*30.7*	*29.6*
6 Revenue Receipts as per cent of GDP	*19.2*	*18.6*	*20.4*	*20.2*	*21.6*	*22.1*
7 Tax Receipts as per cent of GDP	*16.1*	*16.1*	*17.6*	*17.8*	*18.5*	*18.8*
8 Gross Fiscal Deficit as per cent of GDP	*7.2*	*13.1*	*9.5*	*8.8*	*9.0*	*7.6*

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

Source : Budget Documents of Central and State Governments.

Notes: GDP data is based on 2011-12 base. GDP for 2024-25 is from Union Budget 2024-25.
Data pertains to all States and Union Territories.
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: Borrowings through dated securities.
3B.1.2: Represent net investment in Central and State Governments' special securities by the National Small Savings Fund (NSSF).
This data may vary from previous publications due to adjustments across components with availability of new data.
3B.1.6: Include Ways and Means Advances by the Centre to the State Governments.
3B.1.7: Include Treasury Bills, loans from financial institutions, insurance and pension funds, remittances, cash balance investment account.

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

(₹ Crore)

Sr. No	State/Union Territory	During June-2025					
		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	5259.07	28	1662.97	8	3117.88	3
2	Arunachal Pradesh	-	-	-	-	-	-
3	Assam	-	-	-	-	-	-
4	Bihar	-	-	-	-	-	-
5	Chhattisgarh	-	-	-	-	-	-
6	Goa	-	-	-	-	-	-
7	Gujarat	-	-	-	-	-	-
8	Haryana	-	-	-	-	-	-
9	Himachal Pradesh	-	-	422.98	29	257.53	4
10	Jammu & Kashmir UT	18.86	21	478.83	21	-	-
11	Jharkhand	-	-	-	-	-	-
12	Karnataka	-	-	-	-	-	-
13	Kerala	1370.57	30	807.70	16	-	-
14	Madhya Pradesh	-	-	-	-	-	-
15	Maharashtra	3027.77	17	-	-	-	-
16	Manipur	69.73	16	163.71	9	-	-
17	Meghalaya	303.85	14	82.50	1	-	-
18	Mizoram	-	-	-	-	-	-
19	Nagaland	217.51	11	-	-	-	-
20	Odisha	-	-	-	-	-	-
21	Puducherry	-	-	-	-	-	-
22	Punjab	3330.73	23	376.59	1	-	-
23	Rajasthan	2682.97	21	409.27	3	-	-
24	Tamil Nadu	-	-	-	-	-	-
25	Telangana	4568.60	30	1386.67	21	738.44	5
26	Tripura	-	-	-	-	-	-
27	Uttar Pradesh	-	-	-	-	-	-
28	Uttarakhand	721.61	30	-	-	-	-
29	West Bengal	-	-	-	-	-	-

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

Source: Reserve Bank of India.

No. 48: Investments by State Governments

(₹ Crore)

Sr. No	State/Union Territory	As on end of June 2025			
		Consolidated Sinking Fund (CSF)	Guarantee Redemption Fund (GRF)	Government Securities	Auction Treasury Bills (ATBs)
	1	2	3	4	5
1	Andhra Pradesh	11908	1173	0	0
2	Arunachal Pradesh	3032	8	0	3400
3	Assam	7618	93	0	0
4	Bihar	12846	-	0	11500
5	Chhattisgarh	8466	986	0	7130
6	Goa	1157	471	0	0
7	Gujarat	15780	686	0	2500
8	Haryana	2689	1749	0	0
9	Himachal Pradesh	-	-	0	0
10	Jammu & Kashmir UT	37	36	0	0
11	Jharkhand	3085	-	0	780
12	Karnataka	20831	773	0	70564
13	Kerala	3329	-	0	0
14	Madhya Pradesh	-	1315	0	1500
15	Maharashtra	73492	2215	0	0
16	Manipur	71	144	0	0
17	Meghalaya	1312	112	0	0
18	Mizoram	520	82	0	0
19	Nagaland	1948	47	0	0
20	Odisha	18859	2104	0	12236
21	Puducherry	596	-	0	1950
22	Punjab	10372	948	0	0
23	Rajasthan	2408	375	0	5750
24	Tamil Nadu	3562	-	0	1450
25	Telangana	8130	1779	0	0
26	Tripura	1356	31	0	0
27	Uttarakhand	5460	266	0	0
28	Uttar Pradesh	15085	2247	0	15000
29	West Bengal	14241	1064	0	10000
	Total	**248188**	**18704**	**0**	**143759**

Notes: 1. CSF and GRF are reserve funds maintained by some State Governments with the Reserve Bank of India.
2. ATBs include investment by State Governments in Treasury bills of 91 days, 182 days and 364 days in the primary market.
3. - : Not Applicable (not a member of the scheme).

No. 49: Market Borrowings of State Governments

(₹ Crore)

Sr. No.	State	2023-24		2024-25		2025-26						Total amount raised, so far in 2025-26	
						April		May		June			
		Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross	Net
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Andhra Pradesh	68400	55330	78205	57123	5750	4750	6822	4322	14000	13000	26572	22072
2	Arunachal Pradesh	902	672	1010	704	-	-130	-	-	-	-	-	-130
3	Assam	18500	16000	19000	13850	900	-50	2600	2600	-	-	3500	2550
4	Bihar	47612	29910	47546	30890	-	-	-	-	-	-	-	-
5	Chhattisgarh	32000	26213	24500	16913	1970	1970	1000	1000	1000	1000	3970	3970
6	Goa	2550	1560	1050	250	-	-150	100	-50	100	100	200	-100
7	Gujarat	30500	11947	38200	16280	-	-2560	8500	4500	1500	300	10000	2240
8	Haryana	47500	28364	49500	31710	2000	2000	5000	3100	3000	425	10000	5525
9	Himachal Pradesh	8072	5856	7359	4725	2200	1550	-	-	800	800	3000	2350
10	Jammu & Kashmir UT	16337	13904	13170	11416	1000	1000	800	300	705	705	2505	2005
11	Jharkhand	1000	-2505	3500	-2005	-	-	-	-	-	-	-	-
12	Karnataka	81000	63003	92025	71525	-	-	-	-	-	-1000	-	-1000
13	Kerala	42438	26638	53666	37966	2000	-	5000	3500	5000	4000	12000	7500
14	Madhya Pradesh	38500	26264	63400	47206	-	-	5000	5000	3277	2277	8277	7277
15	Maharashtra	110000	79738	123000	90917	13500	13500	-	-3500	8000	6500	21500	16500
16	Manipur	1426	1076	1500	1037	-	-200	750	750	-	-	750	550
17	Meghalaya	1364	912	1882	997	350	250	-	-	500	430	850	680
18	Mizoram	901	641	1169	939	-	-	-	-	125	50	125	50
19	Nagaland	2551	2016	1550	950	-	-	-	-100	-	-100	-	-200
20	Odisha	0	-4658	20780	17780	-	-	-	-	-	-	-	-
21	Puducherry	1100	475	1600	880	-	-	-	-	200	200	200	200
22	Punjab	42386	29517	40828	32466	5800	4200	5500	4600	4500	2858	15800	11658
23	Rajasthan	73624	49718	75185	49479	5500	3500	8600	6600	9500	4938	23600	15038
24	Sikkim	1916	1701	1951	1621	-	-	-	-	-	-	-	-
25	Tamil Nadu	113001	75970	123625	89894	4000	1000	7300	1300	13000	9750	24300	12050
26	Telangana	49618	39385	56209	42199	4400	3400	4500	1152	8500	7200	17400	11752
27	Tripura	0	-550	0	-150	500	500	300	300	-	-	800	800
28	Uttar Pradesh	97650	85335	45000	23185	3000	-1000	3000	1000	-	-3233	6000	-3233
29	Uttarakhand	6300	3800	10400	8000	1000	1000	-	-	1000	250	2000	1250
30	West Bengal	69910	48910	76500	54600	-	-1000	-	-1500	7500	6000	7500	3500
	Grand Total	1007058	717140	1073310	753345	53870	33530	64772	34874	82207	56449	200849	124853

- : Nil.

Note: The State of J&K has ceased to exist constitutionally from October 31, 2019 and the liabilities of the State continue to remain as liabilities of the new UT of Jammu and Kashmir.

Source: Reserve Bank of India.

No. 50 (a): Flow of Financial Assets and Liabilities of Households - Instrument-wise

(Amount in ₹ Crore)

Item	2022-23				
	Q1	Q2	Q3	Q4	Annual
Net Financial Assets (I-II)	**287802.7**	**297217.6**	**293954.9**	**451660.3**	**1330635.4**
Per cent of GDP	*4.4*	*4.6*	*4.3*	*6.4*	*4.9*
I. Financial Assets	**577822.4**	**632335.6**	**748109.7**	**968986.1**	**2927253.7**
Per cent of GDP	*8.9*	*9.8*	*11.0*	*13.6*	*10.9*
of which:					
1.Total Deposits (a+b)	**185429.1**	**317361.2**	**280233.1**	**325852.7**	**1108876.2**
(a) Bank Deposits	**163172.4**	**299532.7**	**256399.7**	**307866.8**	**1026971.5**
i. Commercial Banks	158613.3	300565.0	248459.8	284968.0	992606.2
ii. Co-operative Banks	4559.0	-1032.4	7939.8	22898.9	34365.3
(b) Non-Bank Deposits	**22256.8**	**17828.6**	**23833.5**	**17985.9**	**81904.7**
of which:					
Other Financial Institutions (i+ii)	**6504.8**	**2076.7**	**8081.6**	**2234.0**	**18897.1**
i. Non-Banking Financial Companies	4230.6	3267.2	3246.9	3945.8	14690.4
ii. Housing Finance Companies	2274.2	-1190.5	4834.7	-1711.8	4206.6
2. Life Insurance Funds	**73357.5**	**151737.1**	**167581.7**	**156268.5**	**548944.9**
3. Provident and Pension Funds (including PPF)	**146719.1**	**118171.9**	**136388.4**	**216513.6**	**617793.1**
4. Currency	**66438.9**	**-54579.3**	**76760.1**	**148990.1**	**237609.7**
5. Investments	**51502.6**	**48530.1**	**49778.6**	**64150.6**	**213961.9**
of which:					
(a) Mutual Funds	35443.5	44484.0	40205.9	58954.5	179087.8
(b) Equity	13560.9	1378.2	6434.1	1664.9	23038.1
6. Small Savings (excluding PPF)	**54375.1**	**51114.5**	**37367.7**	**57210.6**	**200068.0**
II. Financial Liabilities	**290019.7**	**335118.0**	**454154.8**	**517325.8**	**1596618.3**
Per cent of GDP	*4.5*	*5.2*	*6.7*	*7.3*	*5.9*
Loans/Borrowings					
1. Financial Corporations (a+b)	**289781.5**	**334879.7**	**453916.6**	**517087.5**	**1595665.3**
(a) Banking Sector	**234235.0**	**263450.2**	**370782.9**	**383843.2**	**1252311.4**
of which:					
i. Commercial Banks	230283.8	261265.3	368304.6	331291.0	1191144.8
(b) Other Financial Institutions	**55546.4**	**71429.5**	**83133.7**	**133244.3**	**343353.9**
i. Non-Banking Financial Companies	30531.7	36650.3	55791.7	94565.3	217539.1
ii. Housing Finance Companies	22336.7	33031.2	24903.3	36745.8	117017.0
iii. Insurance Corporations	2678.0	1747.9	2438.7	1933.2	8797.8
2. Non-Financial Corporations (Private Corporate Business)	**33.7**	**33.7**	**33.7**	**33.7**	**135.0**
3. General Government	**204.5**	**204.5**	**204.5**	**204.5**	**818.0**

No. 50 (a): Flow of Financial Assets and Liabilities of Households - Instrument-wise (Contd.)

(Amount in ₹ Crore)

Item	2023-24				
	Q1	Q2	Q3	Q4	Annual
Net Financial Assets (I-II)	**349607.1**	**283994.4**	**294431.6**	**666547.4**	**1594580.4**
Per cent of GDP	*4.8*	*3.9*	*3.8*	*8.4*	*5.3*
I. Financial Assets	**671244.1**	**810128.8**	**805066.2**	**1187279.1**	**3473718.2**
Per cent of GDP	*9.3*	*11.2*	*10.4*	*14.9*	*11.5*
of which:					
1.Total Deposits (a+b)	**266680.3**	**407948.0**	**296931.3**	**406706.9**	**1378266.4**
(a) Bank Deposits	**253004.1**	**501768.5**	**277432.0**	**390720.4**	**1422924.9**
i. Commercial Banks	243833.9	502260.7	280096.7	383460.6	1409651.9
ii. Co-operative Banks	9170.2	-492.2	-2664.7	7259.8	13273.0
(b) Non-Bank Deposits	**13676.2**	**-93820.5**	**19499.4**	**15986.5**	**-44658.5**
of which:					
Other Financial Institutions (i+ii)	**-485.4**	**-107982.1**	**5337.7**	**1824.9**	**-101304.9**
i. Non-Banking Financial Companies	6119.3	4782.3	4895.8	1942.9	17740.3
ii. Housing Finance Companies	-6604.7	-112764.4	441.9	-118.0	-119045.2
2. Life Insurance Funds	**157301.9**	**140356.8**	**160135.2**	**189267.6**	**647061.4**
3. Provident and Pension Funds (including PPF)	**163686.0**	**148356.1**	**153435.1**	**253882.9**	**719360.2**
4. Currency	**-48636.2**	**-36700.8**	**56719.0**	**146643.8**	**118025.7**
5. Investments	**41014.3**	**72664.6**	**79238.2**	**108336.6**	**301253.8**
of which:					
(a) Mutual Funds	32085.6	55768.8	60134.6	90973.0	238962.1
(b) Equity	3756.7	7146.3	9941.1	8236.1	29080.1
6. Small Savings (excluding PPF)	**91197.8**	**77504.1**	**58607.4**	**82441.4**	**309750.7**
II. Financial Liabilities	**321637.1**	**526134.4**	**510634.6**	**520731.7**	**1879137.8**
Per cent of GDP	*4.5*	*7.3*	*6.6*	*6.5*	*6.2*
Loans/Borrowings					
1. Financial Corporations (a+b)	**321519.8**	**526016.2**	**510516.4**	**520613.5**	**1878665.8**
(a) Banking Sector	**213606.3**	**868873.9**	**402647.1**	**392330.5**	**1877457.7**
of which:					
i. Commercial Banks	208026.5	875654.0	389898.0	382557.9	1856136.4
(b) Other Financial Institutions	**107913.6**	**-342857.7**	**107869.2**	**128283.0**	**1208.0**
i. Non-Banking Financial Companies	81448.8	59683.7	85031.8	100836.5	327000.7
ii. Housing Finance Companies	23784.0	-404294.0	21233.4	25852.9	-333423.7
iii. Insurance Corporations	2680.7	1752.6	1604.0	1593.6	7631.0
2. Non-Financial Corporations (Private Corporate Business)	**33.7**	**34.7**	**34.7**	**34.7**	**138.0**
3. General Government	**83.5**	**83.5**	**83.5**	**83.5**	**334.0**

No. 50 (a): Flow of Financial Assets and Liabilities of Households - Instrument-wise (Concld.)

(Amount in ₹ Crore)

Item	2024-25				
	Q1	Q2	Q3	Q4	Annual
Net Financial Assets (I-II)	**551994.2**	**496676.1**	**271043.1**	**674489.0**	**1994202.4**
Per cent of GDP	*7.0*	*6.3*	*3.2*	*7.6*	*6.0*
I. Financial Assets	**840665.3**	**901135.4**	**689663.5**	**1129381.1**	**3560845.4**
Per cent of GDP	*10.6*	*11.5*	*8.1*	*12.8*	*10.8*
of which:					
1.Total Deposits (a+b)	**274567.9**	**403591.4**	**158320.8**	**418183.6**	**1254663.6**
(a) Bank Deposits	**254885.4**	**388328.6**	**141290.0**	**401577.5**	**1186081.4**
i. Commercial Banks	251171.1	389734.0	147864.7	395337.4	1184107.2
ii. Co-operative Banks	3714.3	-1405.4	-6574.7	6240.0	1974.2
(b) Non-Bank Deposits	**19682.4**	**15262.8**	**17030.8**	**16606.1**	**68582.2**
of which:					
Other Financial Institutions (i+ii)	**7461.4**	**3041.8**	**4809.8**	**4385.1**	**19698.2**
i. Non-Banking Financial Companies	6289.7	3230.0	4444.5	4220.0	18184.2
ii. Housing Finance Companies	1171.7	-188.2	365.4	165.1	1514.0
2. Life Insurance Funds	**175427.0**	**178835.2**	**90159.4**	**90393.0**	**534814.6**
3. Provident and Pension Funds (including PPF)	**170218.2**	**170219.6**	**170758.3**	**281332.6**	**792528.6**
4. Currency	**34212.5**	**-57615.2**	**70840.8**	**162236.1**	**209674.1**
5. Investments	**120638.2**	**152637.1**	**159255.2**	**103720.8**	**536251.4**
of which:					
(a) Mutual Funds	106987.0	137618.0	124132.0	97193.0	465930.0
(b) Equity	14448.0	15645.0	36063.1	7410.3	73566.5
6. Small Savings (excluding PPF)	**65601.6**	**53467.4**	**40329.0**	**73515.0**	**232913.0**
II. Financial Liabilities	**288671.1**	**404459.3**	**418620.4**	**454892.1**	**1566642.9**
Per cent of GDP	*3.7*	*5.2*	*4.9*	*5.2*	*4.7*
Loans/Borrowings					
1. Financial Corporations (a+b)	**288492.4**	**404280.6**	**418441.7**	**454713.3**	**1565928.0**
(a) Banking Sector	**205040.4**	**322147.7**	**319626.6**	**387045.6**	**1233860.3**
of which:					
i. Commercial Banks	208525.3	321241.4	302569.3	379856.5	1212192.4
(b) Other Financial Institutions	**83452.0**	**82132.9**	**98815.0**	**67667.7**	**332067.7**
i. Non-Banking Financial Companies	65813.7	65488.7	75764.5	39833.9	246900.8
ii. Housing Finance Companies	15125.2	14233.6	20561.4	25756.8	75677.0
iii. Insurance Corporations	2513.1	2410.7	2489.1	2077.1	9489.9
2. Non-Financial Corporations (Private Corporate Business)	**34.7**	**34.7**	**34.7**	**34.7**	**139.0**
3. General Government	**144.0**	**144.0**	**144.0**	**144.0**	**576.0**

Notes :
1. Net Financial Savings of households refer to the net financial assets, which are measured as difference of financial asset and liabilities flows.
2. Preliminary estimates for 2024-25 and revised estimates for 2022-23 and 2023-24.
3. The preliminary estimates for 2024-25 will undergo revision with the release of first revised estimates of national income, consumption expenditure, savings, and capital formation, 2024-25 by the NSO.
4. Non-bank deposits apart from other financial institutions, comprises state power utilities, co-operative non credit societies etc.
5. Figures in the columns may not add up to the total due to rounding off.

No. 50 (b): Stocks of Financial Assets and Liabilities of Households- Select Indicators

(Amount in ₹ Crore)

Item	Jun-2022	Sep-2022	Dec-2022	Mar-2023
Financial Assets (a+b+c+d+e+f+g+h)	**25621348.1**	**26423992.1**	**27187715.6**	**27844981.1**
Per cent of GDP	*102.8*	*102.6*	*103.3*	*103.5*
(a) Bank Deposits (i+ii)	**11843527.1**	**12143059.7**	**12399459.4**	**12707326.2**
i. Commercial Banks	10987692.1	11288257.2	11536717.0	11821685.0
ii. Co-operative Banks	855834.9	854802.6	862742.4	885641.2
(b) Non-Bank Deposits				
of which:				
Other Financial Institutions	**216170.0**	**218246.7**	**226328.2**	**228562.2**
i. Non-Banking Financial Companies	74794.2	78061.4	81308.3	85254.0
ii. Housing Finance Companies	141375.8	140185.3	145020.0	143308.2
(c) Life Insurance Funds	**5325967.3**	**5559681.9**	**5786592.6**	**5795430.6**
(d) Currency	**2950343.2**	**2895763.9**	**2972524.0**	**3121514.1**
(e) Mutual funds	**2048097.3**	**2260209.7**	**2355315.8**	**2367792.5**
(f) Public Provident Fund (PPF)	**851913.4**	**858591.1**	**864730.6**	**939449.0**
(g) Pension Funds	**744459.2**	**796454.0**	**853412.0**	**898343.0**
(h) Small Savings (excluding PPF)	**1640870.6**	**1691985.1**	**1729352.9**	**1786563.5**
Financial Liabilities (a+b)	**8911860.9**	**9246740.6**	**9700657.2**	**10217744.7**
Per cent of GDP	*35.8*	*35.9*	*36.9*	*38.0*
Loans/Borrowings				
(a) Banking Sector	**7095467.7**	**7358918.0**	**7729700.9**	**8113544.1**
of which:				
i. Commercial Banks	6620073.1	6881338.5	7249643.0	7580934.1
ii. Co-operative Banks	473897.0	476024.8	478486.9	530915.0
(b) Other Financial Institutions	**1816393.1**	**1887822.6**	**1970956.3**	**2104200.7**
of which:				
i. Non-Banking Financial Companies	869174.9	905825.3	961617.0	1056182.3
ii. Housing Finance Companies	835181.3	868212.5	893115.8	929861.7
iii. Insurance Corporations	112036.9	113784.8	116223.5	118156.7

No. 50 (b): Stocks of Financial Assets and Liabilities of Households- Select Indicators (Contd.)

(Amount in ₹ Crore)

Item	Jun-2023	Sep-2023	Dec-2023	Mar-2024
Financial Assets (a+b+c+d+e+f+g+h)	**28754605.9**	**29637615.0**	**30737884.8**	**32025210.0**
Per cent of GDP	*104.2*	*104.4*	*105.0*	*106.3*
(a) Bank Deposits (i+ii)	**12960330.3**	**13462098.8**	**13739530.7**	**14130251.1**
i. Commercial Banks	12065518.9	12567779.6	12847876.2	13231336.9
ii. Co-operative Banks	894811.4	894319.2	891654.5	898914.3
(b) Non-Bank Deposits				
of which:				
Other Financial Institutions	**228076.8**	**120094.7**	**125432.4**	**127257.3**
i. Non-Banking Financial Companies	91373.3	96155.6	101051.4	102994.3
ii. Housing Finance Companies	136703.5	23939.1	24381.0	24263.0
(c) Life Insurance Funds	**6064436.9**	**6255801.1**	**6553726.0**	**6820611.8**
(d) Currency	**3072877.9**	**3036177.0**	**3092896.0**	**3239539.8**
(e) Mutual funds	**2626046.1**	**2829859.3**	**3156299.3**	**3387208.3**
(f) Public Provident Fund (PPF)	**955060.6**	**960343.6**	**964851.5**	**1051376.5**
(g) Pension Funds	**970016.0**	**1017975.0**	**1091276.0**	**1172651.0**
(h) Small Savings (excluding PPF)	**1877761.2**	**1955265.4**	**2013872.8**	**2096314.2**
Financial Liabilities (a+b)	**10539264.5**	**11065280.7**	**11575797.1**	**12096410.5**
Per cent of GDP	*38.2*	*39.0*	*39.6*	*40.2*
Loans/Borrowings				
(a) Banking Sector	**8327150.3**	**9196024.2**	**9598671.3**	**9991001.8**
of which:				
i. Commercial Banks	7788960.6	8664614.6	9054512.6	9437070.5
ii. Co-operative Banks	536409.2	529527.7	542240.6	551852.1
(b) Other Financial Institutions	**2212114.2**	**1869256.5**	**1977125.7**	**2105408.7**
of which:				
i. Non-Banking Financial Companies	1137631.1	1197314.8	1282346.6	1383183.0
ii. Housing Finance Companies	953645.7	549351.7	570585.1	596438.0
iii. Insurance Corporations	120837.4	122590.0	124194.0	125787.7

No. 50 (b): Stocks of Financial Assets and Liabilities of Households- Select Indicators (Concld.)

(Amount in ₹ Crore)

Item	Jun-2024	Sep-2024	Dec-2024	Mar-2025
Financial Assets (a+b+c+d+e+f+g+h)	**33253098.6**	**34421189.5**	**34532805.6**	**35264710.9**
Per cent of GDP	*107.9*	*109.6*	*107.2*	*106.6*
(a) Bank Deposits (i+ii)	**14385136.5**	**14773465.1**	**14914755.1**	**15316332.6**
i. Commercial Banks	13482508.0	13872242.0	14020106.6	14415444.1
ii. Co-operative Banks	902628.6	901223.2	894648.5	900888.5
(b) Non-Bank Deposits				
of which:				
Other Financial Institutions	**134718.7**	**137760.5**	**142570.3**	**146955.5**
i. Non-Banking Financial Companies	109284.0	112514.0	116958.5	121178.5
ii. Housing Finance Companies	25434.7	25246.5	25611.9	25777.0
(c) Life Insurance Funds	**7123527.6**	**7385938.1**	**7272871.3**	**7293099.1**
(d) Currency	**3273752.3**	**3216137.1**	**3286977.8**	**3449213.9**
(e) Mutual funds	**3866386.1**	**4291914.4**	**4224091.7**	**4128924.5**
(f) Public Provident Fund (PPF)	**1059829.5**	**1063056.1**	**1064212.0**	**1157449.2**
(g) Pension Funds	**1247832.0**	**1337535.0**	**1371615.0**	**1443509.0**
(h) Small Savings (excluding PPF)	**2161915.8**	**2215383.2**	**2255712.2**	**2329227.2**
Financial Liabilities (a+b)	**12384902.9**	**12789183.5**	**13207625.1**	**13662338.5**
Per cent of GDP	*40.2*	*40.7*	*41.0*	*41.3*
Loans/Borrowings				
(a) Banking Sector	**10196042.2**	**10518189.9**	**10837816.5**	**11224862.1**
of which:				
i. Commercial Banks	9645595.7	9966837.1	10269406.4	10649262.8
ii. Co-operative Banks	548284.4	549069.4	566104.4	573131.8
(b) Other Financial Institutions	**2188860.7**	**2270993.6**	**2369808.7**	**2437476.4**
of which:				
i. Non-Banking Financial Companies	1448996.8	1514485.5	1590250.0	1630083.9
ii. Housing Finance Companies	611563.2	625796.8	646358.2	672115.0
iii. Insurance Corporations	128300.7	130711.4	133200.5	135277.5

Notes :
1. Data as ratios to GDP have been calculated based on the Provisional Estimates of National Income 2024-25, released by NSO on May 30, 2025.
2. Pension funds comprises funds with the National Pension Scheme.
3. Outstanding deposits with Small Savings are sourced from the Controller General of Accounts, Government of India.
4. Non-bank deposits apart from other financial institutions, comprises state power utilities, co-operative non credit societies etc. Data for outstanding deposits are available only for other financial institutions.
5. Figures in the columns may not add up to the total due to rounding off.

Explanatory Notes to the Current Statistics

Table No. 1

1.2& 6: Annual data are average of months.
3.5 & 3.7: Relate to ratios of increments over financial year so far.
4.1 to 4.4, 4.8,4.9 &5: Relate to the last friday of the month/financial year.
4.5, 4.6 & 4.7: Relate to five major banks on the last Friday of the month/financial year.
4.10 to 4.12: Relate to the last auction day of the month/financial year.
4.13: Relate to last day of the month/ financial year
7.1&7.2: Relate to Foreign trade in US Dollar.

Table No. 2

2.1.2: Include paid-up capital, reserve fund and Long-Term Operations Funds.
2.2.2: Include cash, fixed deposits and short-term securities/bonds, e.g., issued by IIFC (UK).

Table No. 4

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

Table No. 5

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

Table No. 6

For scheduled banks, March-end data pertain to the last reporting Friday.
2.2: Exclude balances held in IMF Account No.1, RBI employees' provident fund, pension fund, gratuity and superannuation fund.

Table Nos. 7 & 11

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

Table No. 8

NM_2 and NM_3 do not include FCNR (B) deposits.
2.4: Consist of paid-up capital and reserves.
2.5: includes other demand and time liabilities of the banking system.

Table No. 9

Financial institutions comprise EXIM Bank, SIDBI, NABARD and NHB.
L_1 and L_2 are compiled monthly and L_3 quarterly.
Wherever data are not available, the last available data have been repeated.

Table No. 13

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

Table No. 14

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

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 and ACU currency swap arrangements. Foreign currency assets in US dollar take into account appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen and Australian Dollar) held in reserves. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI holding rates.

Table No. 34

1.1.1.1.2 & 1.1.1.1.1.4: Estimates.

1.1.1.2: Estimates for latest months.

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

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

Table No. 35

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

Table No. 36

Increase in indices indicates appreciation of rupee and *vice versa*. For 6-Currency index, base year 2022-23 is a moving one, which gets updated every year. REER figures are based on Consumer Price Index (combined). The details on methodology used for compilation of NEER/REER indices are available in December 2005, April 2014 and January 2021 issues of the RBI 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

Part I-A. Settlement systems

1.1.3: Tri- party Repo under the securities segment has been operationalised from November 05, 2018.

Part I-B. Payments systems

4.1.2: 'Others' includes e-commerce transactions and digital bill payments through ATMs, *etc.*

4.2.2: 'Others' includes e-commerce transactions, card to card transfers and digital bill payments through ATMs, *etc.*

5: Available from December 2010.

5.1: includes purchase of goods and services and fund transfer through wallets.

5.2.2: includes usage of PPI Cards for online transactions and other transactions.

6.1: Pertain to three grids – Mumbai, New Delhi and Chennai.

6.2: 'Others' comprises of Non-MICR transactions which pertains to clearing houses managed by 21 banks.

Part II-A. Other payment channels

1: Mobile Payments –
- Include transactions done through mobile apps of banks and UPI apps.
- The data from July 2017 includes only individual payments and corporate payments initiated, processed, and authorised using mobile device. Other corporate payments which are not initiated, processed, and authorised using mobile device are excluded.

2: Internet Payments – includes only e-commerce transactions through 'netbanking' and any financial transaction using internet banking website of the bank.

Part II-B. ATMs

3.3 and 4.2: only relates to transactions using bank issued PPIs.

Part III. Payment systems infrastructure

3: Includes ATMs deployed by Scheduled Commercial Banks (SCBs) and White Label ATM Operators (WLAOs). WLAs are included from April 2014 onwards.

Table No. 45

(-) represents nil or negligible

The table format is revised since monthly Bulletin for the month of June 2023.

Central Government Dated Securities include special securities and Sovereign Gold Bonds.

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

Bank PDs are clubbed under Commercial Banks.

The category 'Others' comprises State Governments, DICGC, PSUs, Trusts, Foreign Central Banks, HUF/ Individuals *etc.*

Data since September 2023 includes the impact of the merger of a non-bank with a bank.

Table No. 46

GDP data is based on 2011-12 base. GDP for 2023-24 is from Union Budget 2023-24.

Data pertains to all States and Union Territories.

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: Borrowings through dated securities.

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

This data may vary from previous publications due to adjustments across components with availability of new data.

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

3B.1.7: Include Treasury Bills, loans from financial institutions, insurance and pension funds, remittances, cash balance investment account.

Table No. 47

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

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

OD is advanced to State Governments beyond their WMA limits.

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

- : Nil.

Table No. 48

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

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

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

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

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

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

Recent Publications of the Reserve Bank of India

Name of Publication	Price	
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6. Reserve Bank of India Occasional Papers Vol. 45, No. 1, 2024	₹200 per copy (over the counter) ₹250 per copy (inclusive of postal charges)	US$ 18 per copy (inclusive of air mail courier charges)
7. Finances of Panchayati Raj Institutions	₹300 per copy (over the counter) ₹350 per copy (inclusive of postal charges)	US$ 16 per copy (inclusive of air mail courier charges)
8. Report on Trend and Progress of Banking in India 2023-24	Issued as Supplement to RBI Bulletin January, 2025	
9. Annual Report 2024-25	Issued as Supplement to RBI Bulletin June, 2025	
10. Financial Stability Report, June 2025	Issued as Supplement to RBI Bulletin July, 2025	
11. Monetary Policy Report - April 2025	Included in RBI Bulletin April 2025	
12. Report on Municipal Finances - November 2024	₹300 per copy (over the counter) ₹350 per copy (inclusive of postal charges)	US$ 16 per copy (inclusive of air mail courier charges)
13. Banking Glossary (English-Hindi)	₹100 per copy (over the counter) ₹150 per copy (inclusive of postal charges)	

Notes

1. Many of the above publications are available at the RBI website (www.rbi.org.in).
2. Time Series data are available at the Database on Indian Economy (https://data.rbi.org.in).
3. The Reserve Bank of India History 1935-2008 (5 Volumes) are available at leading book stores in India.

* Concession is available for students, teachers/lecturers, academic/education institutions, public libraries and Booksellers in India provided the proof of eligibility is submitted.

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