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BI-MONTHLY MONETARY POLICY STATEMENT (DECEMBER 3-5, 2025)

Governor's Statement

*Governor's Statement**

Sanjay Malhotra

Good morning and Namaskar. We are in the last month of an eventful and a challenging 2025. We look back at the year so far with satisfaction. The economy witnessed robust growth and benign inflation; the banking system further consolidated and the regulatory framework was refined to strengthen the financial system, enhance ease of doing business, and improve consumer protection. At the same time, we approach the new year with hope, vigour and determination to further support the economy and accelerate progress.

Since the October policy, the Indian economy has witnessed rapid disinflation, with inflation coming down to an unprecedentedly low level. For the first time since the adoption of flexible inflation targeting (FIT), average headline inflation for a quarter at 1.7 per cent in Q2:2025-26, breached the lower tolerance threshold (2 per cent) of the inflation target (4 per cent). It dipped further to a mere 0.3 per cent in October 2025. On the other hand, real GDP growth accelerated to 8.2 per cent in Q2, buoyed by strong spending during the festive season which was further facilitated by the rationalisation of the goods and services tax (GST) rates. Inflation at a benign 2.2 per cent and growth at 8.0 per cent in H1:2025-26 present a rare goldilocks period.

Contrary to earlier expectations, global growth has been relatively strong. Evolving geopolitical and trade environments, however, continue to weigh on the outlook. Inflation paths remain divergent with headline inflation remaining above target in most advanced economies, while pressures in most emerging markets are contained, providing room for accommodative monetary policy. Conflicting pulls and pressures from AI-fuelled optimism and concerns over high valuations are playing out in global equity markets, while divergence in the monetary policy trajectory of central banks is adding to the uncertainty on capital flows and yield spreads.

Major Decisions of the Monetary Policy Committee (MPC) and the RBI

The Monetary Policy Committee (MPC) met on the 3rd, 4th and 5th of December to deliberate and decide on the policy repo rate. After a detailed assessment of the evolving macroeconomic conditions and the outlook, the MPC voted unanimously to reduce the policy repo rate by 25 basis points (bps) to 5.25 per cent with immediate effect. Consequently, the standing deposit facility (SDF) rate under the liquidity adjustment facility (LAF) shall stand adjusted to 5.00 per cent and the marginal standing facility (MSF) rate and the Bank Rate to 5.50 per cent. The MPC also decided to continue with the neutral stance.

Moreover, in view of the evolving liquidity conditions and the outlook, the Reserve Bank has decided to conduct OMO purchases of government securities of ₹1,00,000 crore and a 3-year USD/INR Buy Sell swap of USD 5 billion this month to inject durable liquidity into the system.

I shall now briefly set out the rationale for the decisions of the MPC.

The MPC noted that headline inflation has eased significantly and is likely to be softer than the earlier projections, primarily on account of the exceptionally benign food prices. Reflecting these favourable conditions, the projections for average headline inflation in 2025-26 and Q1:2026-27 have been further revised downwards. Core inflation, which had been rising steadily since Q1:2024-25, eased at the margin in Q2:2025-26 and is expected to remain anchored in the period ahead. Both headline and core inflation are expected to be at or below the 4 per cent target during

* Governor's Statement - December 5, 2025.

the first half of 2026-27. The underlying inflation pressures are even lower as the impact of increase in price of precious metals is about 50 basis points (bps). Growth, while remaining resilient, is expected to soften somewhat.

Thus, the growth-inflation balance, especially the benign inflation outlook on both headline and core, continues to provide the policy space to support the growth momentum. Accordingly, the MPC unanimously voted to reduce the policy repo rate by 25 bps to 5.25 per cent. The MPC also decided to continue with the neutral stance.

Assessment of Growth and Inflation

Growth

Real gross domestic product (GDP) registered a six-quarter high growth of 8.2 per cent in Q2:2025-26, underpinned by resilient domestic demand amidst global trade and policy uncertainties.[1] On the supply side, real gross value added (GVA) expanded by 8.1 per cent, aided by buoyant industrial and services sectors. Economic activity during the first half of the financial year benefited from income tax and goods and services tax (GST) rationalisation, softer crude oil prices, front-loading of government capital expenditure, and facilitative monetary and financial conditions supported by benign inflation.

High-frequency indicators suggest that domestic economic activity is holding up in Q3, although there are some emerging signs of weakness in few leading indicators.[2] GST rationalisation and festival-related spending supported domestic demand during October-November. Rural demand[3] continues to be robust while urban demand is recovering steadily.[4] Investment activity remains healthy[5] with private investment gaining steam[6] on the back of expansion in non-food bank credit,[7] and high capacity utilisation[8]. Merchandise exports declined sharply in October amid subdued external demand, accompanied by softer services exports.[9] On the supply side, agricultural growth is supported by healthy *kharif* crop production,[10] higher reservoir levels[11] and better *rabi* crop sowing.[12] Manufacturing activity continues to improve, while the services sector is maintaining a steady pace.[13]

Looking ahead, domestic factors such as healthy agricultural prospects, continued impact of GST rationalisation, benign inflation, healthy balance

1 Private final consumption expenditure (PFCE) expanded by 7.9 per cent during Q2:2025-26 as against 7.0 per cent in Q1:2025-26. Gross fixed capital formation (GFCF) also remained resilient at 7.3 per cent in Q2:2025-26.

2 PMI Manufacturing has moderated to a 9-month low of 56.6 in November 2025. Growth in index of industrial production (IIP) moderated to 0.4 per cent in October 2025 from 4.6 per cent in September 2025. Construction indicators viz., steel consumption and cement production recorded modest growth of 2.4 per cent and 5.3 per cent, respectively, during October. Electricity demand remained in contractionary zone in November 2025.

3 Retail two-wheeler sales expanded by 51.8 per cent in October 2025. The demand under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) declined by 33.4 per cent in October-November, reflecting improvement in farm sector employment.

4 Retail passenger vehicle sales increased by 11.3 per cent (y-o-y) in October on the back of festive demand and GST cuts. Domestic air passenger traffic witnessed a growth of 5.2 per cent in October-November.

5 Imports of capital goods expanded by 8.7 per cent during October.

6 Growth in fixed assets of private manufacturing companies has accelerated to 9.0 per cent during H1:2025-26 based on half-yearly balance sheet of listed companies.

7 Bank credit to food processing, textiles, chemicals, base metals, and engineering goods increased y-o-y by 10.2 per cent, 9.1 per cent, 12.2 per cent, 13.1 per cent, and 25.1 per cent, respectively, in October 2025.

8 As per the early results, seasonally adjusted capacity utilisation (CU) of manufacturing sector at 74.8 per cent in Q2:2025-26 is well above the long-term average.

9 India's merchandise exports contracted by 11.9 per cent (y-o-y) to US$ 34.4 billion, while imports rose sharply by 16.6 per cent to US$ 76.0 billion in October 2025. Services exports grew by 12.5 per cent and services imports expanded by 7.8 per cent in September but moderated sharply to 2.2 per cent and 2.9 per cent, respectively, in October.

10 The production of kharif food grains in 2025-26, as per the first advance estimates (FAE), is estimated at 2.3 per cent higher than the final estimates of 2024-25.

11 All-India water storage in 155 major reservoirs stands at 87.8 per cent of the total capacity as of November 27, 2025, as against 81.9 per cent a year ago and decadal average of 72.3 per cent.

12 As on 28th November, rabi crop sowing is higher by 9.9 per cent when compared to the same period last year.

13 GST revenues rose by 4.6 per cent and 0.7 per cent, respectively, in October and November 2025 despite rate rationalisation. Port cargo traffic increased by 12.0 per cent in October while toll collections registered an expansion of 2.9 per cent in November. Aggregate bank credit and deposits registered robust growth of 11.4 per cent and 10.2 per cent, respectively, as on November 14, 2025.

sheets of corporates and financial institutions and congenial monetary and financial conditions should continue to support economic activity. Continuing reform initiatives would further facilitate growth. On the external front, services exports are likely to remain strong, while merchandise exports face some headwinds. External uncertainties continue to pose downside risks to the outlook, while speedy conclusion of various ongoing trade and investment negotiations present upside potential. Taking all these factors into consideration, real GDP growth for 2025-26 is projected at 7.3 per cent, with Q3 at 7.0 per cent; and Q4 at 6.5 per cent. Real GDP growth for Q1:2026-27 is projected at 6.7 per cent and Q2 at 6.8 per cent. The risks are evenly balanced.

Inflation

Headline CPI inflation declined to an all time low in October 2025.[14] The faster than anticipated decline in inflation was led by correction in food prices[15], contrary to the usual trend witnessed during the months of September-October. Core inflation (CPI headline excluding food and fuel) remained largely contained in September-October, despite continued price pressures exerted by precious metals.[16] Excluding gold, core inflation moderated to 2.6 per cent in October. Overall, the decline in inflation has become more generalised.[17]

Turning to the inflation outlook, food supply prospects have improved on the back of higher *kharif* production, healthy *rabi* sowing, adequate reservoir levels and conducive soil moisture. Barring some metals, international commodity prices are likely to moderate going forward.[18] Overall, inflation is likely to be softer than what was projected in October, mainly on account of the fall in food prices. Considering all these factors, CPI inflation for 2025-26 is now projected at 2.0 per cent with Q3 at 0.6 per cent; and Q4 at 2.9 per cent. CPI inflation for Q1:2026-27 and Q2 are projected at 3.9 per cent and 4.0 per cent, respectively. The underlying inflation pressures are even lower as the impact of increase in price of precious metals is about 50 bps. The risks are evenly balanced.

External Sector

India's current account deficit moderated from 2.2 per cent of GDP in Q2:2024-25 to 1.3 per cent in Q2:2025-26 on account of robust services exports[19] and strong remittances.[20] In October 2025, merchandise exports contracted year-on-year, whereas merchandise imports continued to increase for the second consecutive month, resulting in a widening of the trade deficit.[21] Healthy services exports coupled with strong remittance receipts are expected to keep CAD modest during 2025-26.

On the external financing side, gross foreign direct investment (FDI) to India increased at a robust pace during the first half of the year. Net FDI also increased significantly due to a decline in repatriation

[14] Based on the current CPI series (Base: 2012 = 100).

[15] Food group registered a deflation of (-) 3.7 per cent on a y-o-y basis after registering (-)1.4 per cent deflation in September. Within food group, vegetables, cereals and spices recorded a deflation of (-) 27.6 per cent, (-) 16.2 per cent and (-) 3.3 per cent, respectively.

[16] Core inflation moved within a narrow range of 4.3-4.4 per cent during September-October.

[17] Nearly 80 per cent of the CPI basket recorded less than 4 per cent inflation in October 2025, as compared with 63 per cent in April and about 60 per cent a year ago. The CPI-Combined diffusion index, a measure of dispersion of price changes, declined to 55.8, its lowest value since July 2020.

[18] As per the World Bank Commodity Price Forecasts (October 2025), energy, food, raw materials and fertiliser prices are projected to decline in 2026 from the 2025 levels.

[19] India's services exports grew by 8.8 per cent (y-o-y) during Q2:2025-26, while services imports rose by 3.7 per cent with net services exports growing by 14.5 per cent during the same period. In October 2025, services exports at US$ 35.2 billion grew at 2.2 per cent, while services imports at US$ 17.7 billion increased by 2.9 per cent. Net services exports grew by 1.5 per cent and stood at US$ 17.4 billion.

[20] India's inward remittances increased by 10.7 per cent (y-o-y) to US$ 39.0 billion in Q2:2025-26.

[21] In October 2025, India's merchandise exports contracted by 11.9 per cent on a y-o-y basis, whereas merchandise imports rose by 16.9 per cent to reach an all-time high of US$ 76.1 billion, resulting in a widening of the merchandise trade deficit to US$ 41.7 billion in October 2025.

despite a rise in outward FDI.[22] Foreign portfolio investment (FPI) to India recorded net outflows of US$ 0.7 billion in 2025-26 so far (April-December 03), due to outflows in the equity segment. Flows under external commercial borrowings and non-resident deposit accounts moderated as compared to last year.[23] As on November 28, 2025, India's foreign exchange reserves stood at US$ 686.2 billion, providing a robust import cover of more than 11 months. Overall, India's external sector remains resilient.[24] We are confident of meeting our external financing requirements comfortably.

Liquidity and Financial Market Conditions

System liquidity, as measured by the net position under the LAF, stood at an average surplus of ₹1.5 lakh crore for the period since the MPC last met in October 2025.[25]

Money market rates have remained largely aligned to the policy repo rate amidst comfortable liquidity conditions.[26] G-sec yields have remained range-bound since the last policy. In response to the cumulative 100 bps cut in the policy repo rate, the weighted average lending rate (WALR) of Scheduled Commercial Banks has declined by 69 bps for fresh rupee loans during February-October 2025 (the interest rate effect[27] is 78 bps). The moderation in the weighted average lending rate (WALR) of outstanding rupee loans has been to the extent of 63 bps. Transmission has been broad-based across sectors. On the deposit side, the weighted average domestic term deposit rate (WADTDR) on fresh deposits has declined by 105 bps, while that on outstanding deposits has softened by 32 bps over the same period.

I would like to reiterate that we are committed to provide sufficient durable liquidity to the banking system. We continuously assess the durable liquidity requirements of the banking system due to changes in currency in circulation, forex operations, and reserve maintenance. Going forward too, we shall continue to do so. After reviewing the liquidity situation and the outlook, we have decided to conduct open market operation (OMO) purchases of government securities amounting to ₹1,00,000 crore and 3-year USD/INR Buy Sell swaps of USD 5 billion this month. The details will be notified separately later today. These measures will ensure adequate durable liquidity in the system and further facilitate monetary transmission.

I would also like to take this opportunity to clarify that injection (absorption) of liquidity through purchase (sale) of government securities under OMOs and that through operations under the LAF (VRR or VRRR) of short term duration serve very different purposes. While the objective of purchase (sale) under OMO is to provide (absorb) durable liquidity, the purpose of repo operations is to manage transient liquidity so as to align the operating target – the Weighted Average Call Rate (WACR) – to the policy repo rate. So, it is quite possible that we inject durable liquidity through purchase of government securities under OMO on the one hand while simultaneously

[22] Gross foreign direct investment (FDI) flows to India grew by 19.4 per cent to US$ 51.8 billion in April-September 2025-26 from US$ 43.4 billion during the same period a year ago. Net FDI inflows increased by 127.6 per cent to US$ 7.7 billion in April-September 2025-26 from US$ 3.4 billion during the same period a year ago.

[23] Net inflows under external commercial borrowings to India moderated to US$ 6.2 billion during April-October 2025-26 from US$ 8.1 billion a year ago. Non-resident deposits recorded net inflows of US$ 6.1 billion in April-September 2025-26, lower than US$ 10.2 billion in the same period last year.

[24] India's external debt to GDP ratio declined to 18.9 per cent at end-June 2025 from 19.1 per cent at end-March 2025, while the net international investment position (IIP) moderated to (-) 8.0 per cent of GDP at end-June 2025 from (-) 8.6 per cent of GDP at end-March 2025.

[25] The average daily net absorption under the LAF stood at ₹2.9 lakh crore and ₹1.6 lakh crore in August and September, respectively. The average daily net absorption under the LAF declined to ₹0.9 lakh crore in October 2025 but improved to ₹1.9 lakh crore in November 2025. As on December 03, net absorption under the LAF stood at ₹2.6 lakh crore.

[26] In response to the cumulative policy repo rate cut of 100 bps in the current easing cycle (up to December 03), the WACR, the 3-month T-bill rate, the rate on 3-month CPs issued by NBFCs, and the 3-month CD rate declined by 110 bps, 113 bps, 124 bps, and 140 bps, respectively.

[27] Interest rate effect on transmission to weighted average lending rate (WALR) is calculated by keeping the weight constant (as of January 2025).

withdrawing transient liquidity through a VRRR operation on the other hand.

I would further like to reiterate that the primary instrument of monetary policy is the policy repo rate.[28] It is expected that changes in the short term interest rates will transmit to various long-term rates. At the same time, the primary purpose of open market operations is to provide sufficient liquidity and not to directly influence G-sec yields.

Financial Stability

The system-level financial parameters related to capital adequacy, liquidity, asset quality and profitability of Scheduled Commercial Banks (SCBs) continue to remain robust.[29] Similarly, the system-level parameters of NBFCs too are sound, with adequate capital position and improved gross non-performing asset (GNPA) ratios[30].

The total flow of resources to the commercial sector has strengthened, bolstered by greater non-bank intermediation. In the current financial year so far, the total flow of resources was ₹20.1 lakh crore *vis-à-vis* ₹16.5 lakh crore in the corresponding period of the previous year. Outstanding credit from bank and non-bank sources increased by 13 per cent (y-o-y).

Bank credit growth too has seen an uptick in recent months.[31] Sector-wise[32] data reveals that the growth was supported by sustained lending to retail and service sector segments. Industrial credit growth firmed up, aided by buoyant credit flow to micro, small and medium enterprises (MSMEs). Large industries also recorded improvement in credit growth.

Additional Measures

Before I conclude, I have one additional measure to announce.

We have been focusing on improving customer services. We have taken a large number of measures in this regard. Re-KYC, financial inclusion and "Aapki Poonji, Aapka Adhikar" campaigns are some of the initiatives taken in association with other stakeholders. Earlier in the year, we reviewed our Citizens Charter too. We made applications for all our services online. We are publishing the summary of our monthly disposal and pendency of various applications on the first of every month. I am happy to note that more than 99.8 per cent of the applications are disposed of within stipulated timelines.

However, in the recent past, as a result of, *inter alia*, receipt of a large number of grievances, pendency with the RBI Ombudsman has increased. I exhort all regulated entities to keep customers central in their policies and operations, improve customer service and reduce grievances. Further, we propose to hold a two-month campaign from 1st January next year with an aim to resolve all grievances pending for more than a month with the RBI Ombudsman. I elicit the support of all regulated entities in this endeavour.

[28] We moved away from targeting money supply in 1998.

[29] SCB Parameters: The outstanding credit and deposit increased by 11.31per cent and 9.74per cent on a y-o-y basis, respectively, between October-24 and October-25. The system-level Capital to Risk Weighted Assets Ratio (CRAR) of 17.24 per cent in September 2025 was well above the regulatory minimum level. Ratio of non-performing loans improved further (GNPA ratio at 2.05 per cent in September 2025 vis-à-vis 2.54 per cent in September 2024, NNPA Ratio at 0.48 per cent in September 2025 vis-à-vis 0.57 per cent in September 2024). Liquidity buffers were robust, with an LCR of 131.69 per cent as of end September 2025. The annualised return on assets (RoA) and return on equity (RoE) stood at 1.32 per cent and 13.06 per cent, respectively, in September 2025. Net Interest Margin was 3.26 per cent for September 2025 (3.52 per cent in September 2024).

[30] NBFC Parameters: Total CRAR of NBFCs was 25.11 per cent and Tier I CRAR was 23.27 per cent in September 2025, well above the minimum regulatory requirements. GNPA ratio has improved from 2.57 per cent in September 2024 to 2.21 per cent in September 2025, while NNPA ratio also improved from 1.04 per cent in September 2024 to 0.99 per cent in September 2025. RoA for the sector decreased from 3.25 per cent in September 2024 to 2.83 per cent in September 2025. NIM has decreased from 5.51 per cent in September 2024 to 4.24 per cent in September 2025.

[31] On a year-on-year basis, bank credit registered a growth of 11.4 per cent as on November 14, 2025, compared to 11.2 per cent a year ago.

[32] 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. Data available till October 2025.

Concluding Remarks

Let me now conclude. Despite an unfavourable and challenging external environment, the Indian economy has shown remarkable resilience and is poised to register high growth. The headroom provided by the inflation outlook has allowed us to remain growth supportive. We will continue to meet the productive requirements of the economy in a proactive manner while ensuring macroeconomic stability.

Thank you. Namaskar and Jai Hind.

BI-MONTHLY MONETARY POLICY STATEMENT (DECEMBER 3-5, 2025)

Resolution of the Monetary Policy Committee (MPC)
December 3 to 5, 2025

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

Monetary Policy Decisions

The Monetary Policy Committee (MPC) held its 58th meeting from December 3 to 5, 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 Shri Indranil Bhattacharyya attended the meeting.

After a detailed assessment of the evolving macroeconomic and financial developments and the outlook, the MPC voted unanimously to reduce the policy repo rate under the liquidity adjustment facility (LAF) to 5.25 per cent. Consequently, the standing deposit facility (SDF) rate shall stand adjusted to 5.00 per cent and the marginal standing facility (MSF) rate and the Bank Rate to 5.50 per cent. The MPC also decided to continue with the neutral stance.

Growth and Inflation Outlook

The global economy is holding up better than expected, though the earlier frontloading of trade is showing signs of normalising. Uncertainty has eased somewhat following the end of the US government shutdown and progress on trade agreements, yet it remains elevated. Global inflation dynamics remain uneven, with inflation trending above target in most major advanced economies. The US dollar strengthened primarily on safe haven demand while treasury yields remained range bound. Equity markets remain volatile, driven by shifting views on the monetary policy outlook and concerns surrounding stretched valuations in tech stocks.

In India, real gross domestic product (GDP) registered a six-quarter high growth of 8.2 per cent in Q2:2025-26, underpinned by resilient domestic demand amidst global trade and policy uncertainties. On the supply side, real gross value added (GVA) expanded by 8.1 per cent, aided by buoyant industrial and services sectors. Economic activity during the first half of the financial year benefited from income tax and goods and services tax (GST) rationalisation, softer crude oil prices, front-loading of government capital expenditure, and facilitative monetary and financial conditions supported by benign inflation.

High-frequency indicators suggest that domestic economic activity is holding up in Q3, although there are some emerging signs of weakness in a few leading indicators. GST rationalisation and festival-related spending supported domestic demand during October-November. Rural demand continues to be robust while urban demand is recovering steadily. Investment activity remains healthy with private investment gaining steam on the back of expansion in non-food bank credit and high capacity utilisation. Merchandise exports declined sharply in October amid subdued external demand, accompanied by softer services exports. On the supply side, agricultural growth is supported by healthy *kharif* crop production, higher reservoir levels and better *rabi* crop sowing. Manufacturing activity continues to improve, and the services sector is maintaining a steady pace.

Looking ahead, domestic factors such as healthy agricultural prospects, continued impact of GST rationalisation, benign inflation, healthy balance sheets of corporates and financial institutions and congenial monetary and financial conditions should continue to support economic activity. Continuing reform initiatives would further facilitate growth. On the external front, services exports are likely to remain strong, while merchandise exports face some headwinds. External uncertainties continue to pose downside risks to the outlook, while

* Released on December 5, 2025.

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

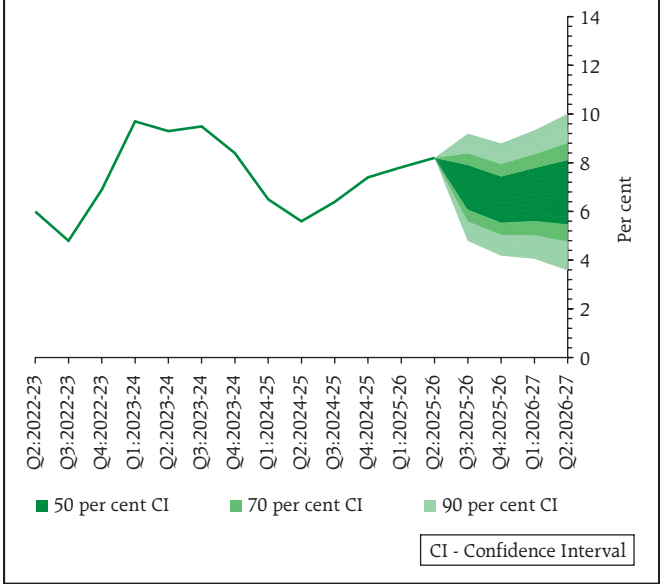
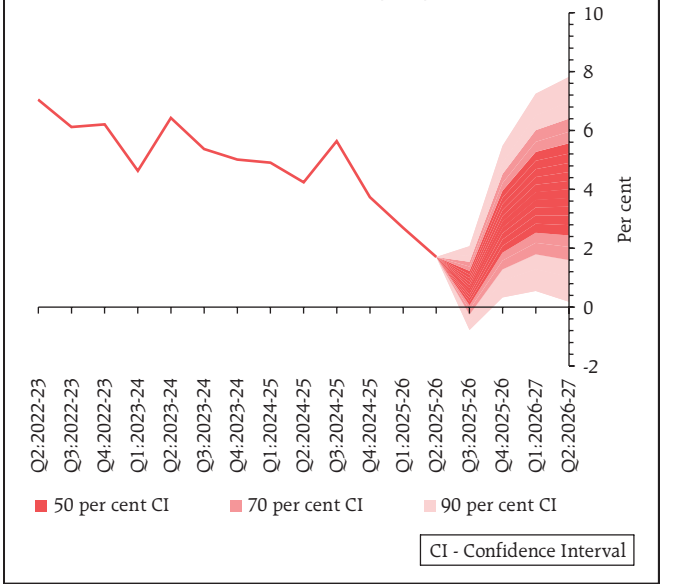


Chart 2: Quarterly Projection of CPI Inflation (y-o-y)



speedy conclusion of ongoing trade and investment negotiations present upside potential. Taking all these factors into consideration, real GDP growth for 2025-26 is projected at 7.3 per cent, with Q3 at 7.0 per cent; and Q4 at 6.5 per cent. Real GDP growth for Q1:2026-27 is projected at 6.7 per cent and Q2 at 6.8 per cent (Chart 1). The risks are evenly balanced.

Headline CPI inflation declined to an all time low in October 2025. The faster than anticipated decline in inflation was led by correction in food prices, contrary to the usual trend witnessed during the months of September-October. Core inflation (CPI headline excluding food and fuel) remained largely contained in September-October, despite continued price pressures exerted by precious metals. Excluding gold, core inflation moderated to 2.6 per cent in October. Overall, the decline in inflation has become more generalised.

Turning to the inflation outlook, food supply prospects remain bright on the back of higher *kharif* production, healthy *rabi* sowing, adequate reservoir levels and conducive soil moisture. Barring some metals, international commodity prices are likely to moderate going forward. Overall, inflation is likely to be softer than what was projected in October, mainly on account of the fall in food prices. Considering all these factors, CPI inflation for 2025-26 is now projected at 2.0 per cent with Q3 at 0.6 per cent; and Q4 at 2.9 per cent. CPI inflation for Q1:2026-27 and Q2 are projected at 3.9 per cent and 4.0 per cent, respectively (Chart 2). In fact, the underlying inflation pressures are even lower as the impact of increase in price of precious metals is about 50 basis points (bps). The risks are evenly balanced.

Rationale for Monetary Policy Decisions

The MPC noted that headline inflation has eased significantly and is likely to be softer than the earlier projections, primarily on account of the exceptionally benign food prices. Reflecting these favourable conditions, the projections for average headline inflation in 2025-26 and Q1:2026-27 have been further revised downwards. Core inflation, which had been rising steadily since Q1:2024-25, eased at the margin in Q2:2025-26 and is expected to remain anchored in the period ahead. Both headline and core inflation are expected to be around the 4 per cent target during

the first half of 2026-27. The underlying inflation pressures are even lower as the impact of increase in price of precious metals is about 50 bps. Growth, while remaining resilient, is expected to soften somewhat.

Thus, the growth-inflation balance, especially the benign inflation outlook on both headline and core, continues to provide the policy space to support the growth momentum. Accordingly, the MPC unanimously voted to reduce the policy repo rate by 25 bps to 5.25 per cent. The MPC also decided to continue with the neutral stance. However, Prof. Ram Singh was of the view that the stance be changed from neutral to accommodative.

The minutes of the MPC's meeting will be published on December 19, 2025.

The next meeting of the MPC is scheduled during February 4 to 6, 2026.

SPEECHES

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*Stablecoins – Do They Have a Role in the Financial System**

Shri T. Rabi Sankar

I. Introduction

Distinguished industry leaders, colleagues and guests.

It is a privilege to be able to stand here and talk to such a learned gathering and I am thankful to Mint for inviting me.

Money, as we know it, has been a central pillar of human society for centuries, enabling trade, facilitating economic activity, and underpinning the very notion of trust in social and financial interactions. Over time, the form of money has evolved with technology - from commodities to metal to paper to balances in deposit accounts to now, digital tokens. While the forms of money have evolved with technology, the fundamental character of money - what it represents, or what gives it credibility – has always been that it represents value that has users' trust. That value is either intrinsic (metal money) or derived from a promise to pay (paper money or deposit money) by a trusted person. Theoretically, money can be issued by any person as long as he has the trust of the users. The more stable forms of money in history have, however, always been issued by sovereigns, not by private issuers. Examples of private money (money issued by non-sovereigns) can be found in history but they have not been stable arrangements. In practice, therefore, money has credibility because its value is promised by the sovereign.

This fundamental character of money is under challenge from cryptocurrencies. Not in terms of technology, as money in the form of digital tokens can exist without changing the nature of money itself. But the fundamental challenge of cryptocurrencies is that they claim to change the very nature of money – because cryptocurrencies do not represent value either in terms of intrinsic worth or in terms of promise to pay. In my talk today, I propose to explore what the nature of such challenge is, and what are the implications of cryptocurrencies for the financial system as we know it.

To be able to understand the nature or character of money, we need to look a little deeper.

II. Attributes of Money

In a modern economy, there are two types of money *viz.*, currency and bank deposits – currency (physical) is issued directly by the State (through its central bank) while deposits (digital) are issued under license by commercial banks. All money is issued either directly by the central bank or indirectly through banks authorised by it. Thus, all money in modern economies is effectively FIAT in nature. It is this fiat or sovereign aspect of modern money which creates 'trust' in money and provides it stability.

A second defining feature of modern money is "Singleness", the property that different forms of money in an economy *viz.*, cash, deposits, are denominated in a single unit and interchangeable at par. This 'Singleness' also arises from the fact that settlement of all transactions take place in central bank money. 'Singleness' of money ensures that trade and commerce are smooth without any concern for the value of different types of money. Ultimately, in modern economies, the fact that all "money" is fiat also ensures that money is SINGLE.

Let us now sum up our understanding of what money has evolved into – that money represents VALUE trusted by users, that money is FIAT and, that money is SINGLE.

Let us now see how a cryptocurrency measures up to these attributes of money.

* Keynote address delivered by Deputy Governor Shri T. Rabi Sankar at the Mint Annual BFSI Conclave 2025 on December 12, 2025 in Mumbai.

III. Attributes of Cryptocurrency

The historical evolution of Cryptocurrency is the outcome of decades of search for a cyber solution for total anonymity of transactions outside of state control. The creation of Bitcoin in 2008 was the result of that search. Bitcoin, or rather, the Blockchain, the technology underpinning the Bitcoin, demonstrated that a digital token can be transferred between unknown counterparts without the need for an intermediary. The technology was revolutionary. But the Bitcoin itself was just a tool to demonstrate the technology, it had no value, either intrinsic or as a promise to pay. It was not money. The price of Bitcoin today does not represent value in the sense money has value. This value is purely speculative like the price of a tulip during the tulip mania of the seventeenth century.

To summarise, cryptocurrencies have no intrinsic value. They are not backed by a promise to pay, that is, they have no issuer. Since they do not meet the basic attributes of money, they are not money. In fact, since they do not have any underlying cash flow, they are not financial assets as well, or, for that matter, any asset at all.

How about Stablecoins, which are cryptocurrencies against which the "issuer" holds reserves to maintain a stable value. Since they are pegged to a fiat currency, they can perform the functions of a currency. Also, as they are backed by financial or other assets, they do represent value. Therefore, they have some of the basic attributes of a money. However, we need to keep in mind two factors.

a. Is there a promise to pay? For stablecoins to be money the issuer needs to promise to pay par value to the holder. It is not clear whether Stablecoins are the liability of their issuers. It would appear that neither of the two major cryptocurrencies in use today make such unconditional promise.

b. Assuming such a liability is legally established, the next point to keep in mind is that stablecoin is private money. Thus, stablecoins fail to satisfy the two defining features of modern money, *viz.*, (i) money as fiat and (ii) singleness of money. It is possible that in a stablecoin system, there would be hundreds, or more, of currencies in an economy making any such system inherently unstable.

Since we can reasonably establish that unbacked cryptocurrencies are not assets and merely speculative bets, akin to betting on a gambling event, we would focus, in the rest of this talk, on Stablecoins, which are close enough to money to pose a significant challenge to the financial system. First, let us look at the benefits of stablecoins that their proponents claim they have.

IV. Benefits of Stablecoins

Proponents of stablecoins present a range of claims, the more important of which are, improved cross-border payment efficiency, greater financial inclusion, and the ability to drive digital financial innovation.

Efficient cross-border payments

An oft cited benefit is that stablecoins can make payments, particularly cross-border payments faster, cheaper and more efficient. In the domestic space, real-time fast payment systems such as UPI already enable fast, low-cost, and reliable payments, and there is no reason to believe that stablecoins would be superior from the point of view of cost or speed or reliability. In the cross-border space, stablecoins can potentially enable faster and perhaps cheaper payments than what the current corresponding banking system provides, mainly because stablecoins do not face settlement risks. On the other hand, it is not certain that stablecoin issuers would have the same degree of acceptability as international banks that are closely

regulated and backstopped by central banks. Also, the purported efficiency is doubtful when there are a large number of stablecoins in the ecosystem.

Improve financial inclusion

Another claim often made is that stablecoins enhance financial inclusion by providing access to digital money for those outside of traditional banking systems. Financial inclusion requires solutions that are accessible, affordable and safe. Many countries have made substantial progress in financial inclusion through digital public infrastructure and simplified account opening frameworks without the need to create parallel private forms of money. The inherent instability of stablecoins means they are clearly inferior alternative to fiat money as tools of financial inclusion. As stablecoins remain dependent on smartphones and digital wallets, internet connectivity and technical know-how, they may not be available to those segments of the population that are most in need of financial services.

Bridge to the real economy

Finally, supporters of stablecoins often argue that they can act as a bridge for the crypto ecosystem to the real economy. Yet the evidence today indicates that stablecoins remain primarily used as instruments to facilitate trading and leverage within the crypto market itself. Their role as meaningful transactional currency in everyday economic activity remains limited.

To sum up, many of these benefits are neither unique to stablecoins nor have stablecoins yet established any of the benefits their proponents claim. By their very nature, they are in many ways inferior to available forms of money in achieving those benefits. On the other hand the risks they introduce to financial stability, and broader macro-financial stability are extremely serious. We will now take a closer look at these risks in detail before considering how India should approach stablecoins.

V. Risks of Stablecoins

Beyond the facilitation of illicit payments and circumvention of control measures, stablecoins raise significant concerns for monetary stability, fiscal policy, banking intermediation, and systemic resilience.

Risk of Currency Substitution

A core risk of stablecoins is currency substitution. Their design as currency-like instruments introduces the potential for currency substitution, particularly in emerging markets, where they could compete with domestic fiat money. Stablecoins, whether denominated in domestic currency or foreign currency, would reduce demand for the local currency and raise the risk of dollarisation.

Risk to Monetary Policy

Widespread adoption of stablecoins would undermine central banks' ability to control money supply and interest rates. '*If both an official currency and a crypto asset are used for pricing goods and services, domestic prices could become highly unstable due to the inherent volatility of the crypto asset*' (IMF-FSB 2023). If residents increasingly hold or transact stablecoins, changes in domestic policy rates may have limited influence on economic decisions, weakening the effectiveness of monetary policy.

Weakening Capital Account Management

Stablecoins pose challenges for capital flow management (CFM) as domestic households diversify their balance sheets by including foreign-currency denominated stablecoins. This trend would make it difficult for authorities to implement capital controls, which are a critical instrument for financial stability in many emerging markets, including India. The pseudonymous nature of blockchain transactions compounds these risks as it creates channels for unmonitored inflows and outflows, diluting the effectiveness of CFMs and complicating both

macroeconomic management and external sector oversight.

Bank and Credit Intermediation

Banks are the primary entities that intermediate between savers and investors in an economy. This ability derives from banks' role in credit creation. To the extent stablecoins replace bank deposits, banks would lose their role in financial intermediation. This would result either in a rise in cost of credit as banks lose access to low-cost deposits, or banks having to depend on the central bank to provide the liquidity required to fund credit. A financial system that has to increasingly depend on central bank liquidity to fund commercial credit would not sustain.

Systemic Risks

The combination of weakened banks, reduced monetary policy effectiveness, and limited capital account management amplifies systemic vulnerabilities. Large-scale stablecoin adoption could expose domestic economies to external shocks and cross-border volatility, leaving traditional policy instruments less effective in managing financial stress.

Loss of Seigniorage

When a central bank issues currency, it receives equal value that is invested in assets like Government securities which are used to back the currency issued. These assets earn a return, which is significantly higher, than the cost of printing and issuing money. This difference – higher returns against lower cost of issue – is seigniorage income, which is transferred to the Government. Since currency issue is a social function, seigniorage income rightfully belongs to the Government, as the representative of the people. There is no case for seigniorage to accrue to private profit-making entities. Yet, this is exactly what Stablecoin issuers earn as income. Seigniorage, which is inherently a sovereign revenue arising from the issuance of fiat money by the central bank, is thus diverted to private operators, often located outside the home jurisdiction, if stablecoins are dominated in a foreign currency. It is likely that most countries will see a leakage of seigniorage income to private issuers of Dollar linked stablecoins. This loss of Government revenue does not receive the serious focus it deserves, not even from central bankers.

Domestic-Currency Stablecoins Are Not Risk-Free

Some argue that permitting domestic currency denominated stablecoins would not involve these risks. While such instruments may reduce risks to capital account concerns, the fundamental vulnerabilities such as currency substitution, bank disintermediation, reduced monetary-policy control, singleness and loss of seigniorage income remain. This is the reason why advanced economies are not immune to the risks posed by stablecoins.

Stablecoins introduce real and severe risks ranging from monetary and fiscal disruption to banking disintermediation, to systemic instability. The risks are significantly higher for EMDEs, but they are also major risks for AEs. Understanding these vulnerabilities is critical before considering regulatory frameworks or policy adoption. It is not surprising then that global policy bodies and standard-setting organisations continue to highlight the risks of stablecoins.

VI. Global Policy Responses

Financial Stability Board (FSB) attempted to create a baseline for the regulation of global stablecoin arrangements through its High-level Recommendations[1] issued in 2023. But even these recommendations explicitly admit that they do not address virtually any of the major risks associated

[1] High-level Recommendations for the Regulation, Supervision and Oversight of Global Stablecoin Arrangements, July 17, 2023 https://www.fsb.org/uploads/P170723-3.pdf

[2] https://www.fsb.org/2023/09/imf-fsb-synthesis-paper-policies-for-crypto-assets/

with Stablecoins – risks that particularly matter most to jurisdictions like ours. The IMF and FSB joint Synthesis Paper of 2023[2] also recognised that EMDEs face a distinct and amplified set of vulnerabilities. In its 2025 Annual Economic Report, the BIS points out that stablecoins fail the basic tests of singleness, elasticity, and integrity that any form of money must meet and are hence structurally unsuitable to anchor a monetary system.

The asymmetrical risks to EMDEs often does not receive the importance it merits. Stablecoins are borderless instruments operating in a world of borders. If one jurisdiction with a liberal capital account allows unrestricted use of stablecoins, and they circulate widely in a neighbouring country with capital controls, the financial stability of the latter can be fundamentally undermined. Issues critical to the stability of EMDEs are often acknowledged but not prioritised.

So, what does all this mean for a country like India? How should we deal with stablecoins and safeguard financial stability and monetary sovereignty? These questions naturally lead us to consider the domestic policy imperatives that must guide India's approach in this evolving global environment.

VII. Policy Approach for India – Promote CBDCs - Harness Innovation and Protect Stability

For India, the approach to stablecoins must be guided by caution and an appreciation of domestic imperatives. Stablecoins can undermine trust in the currency and finance system. India already benefits from a payments landscape that is highly efficient, reliable, and robust. Systems such as UPI, RTGS, and NEFT provide fast, low-cost, and secure payment capabilities to millions of users. This leaves little justification for their integration into the financial system, even before considering the broader risks they pose. India's policy on stablecoins must be driven by domestic priorities.

At the same time, India must acknowledge the promise of innovation that technologies such as blockchain and tokenisation bring. A central pillar of this strategy is the adoption and cross-border readiness of Central Bank Digital Currencies (CBDCs). CBDCs are digital tokens like stablecoins yet they are inherently superior since they satisfy all the attributes that money should have – fiat, single, trusted and representing value - and do not pose many of the risks associated with stablecoins. They can perform all the functions stablecoins claim to offer such as programmability, atomic settlement, lower cross-border frictions, while being fully anchored within the existing financial system. Encouraging CBDC use domestically is essential and can be done by making CBDC functionally similar to physical cash, especially with respect to tiered anonymity. For example, ensuring anonymity for small-value CBDC transactions, much like cash, would provide users comfort and trust while preserving safeguards for high-value flows. Such an approach also avoids disintermediation risks for the banking system.

The cross-border dimension is even more critical. Much of the appeal of stablecoins lies in their promise of cheaper, faster international transfers. But the same efficiency can be achieved through bilateral or multilateral CBDC corridors. This is an area where India can play a shaping role, by helping build the case for interoperable CBDC arrangements among emerging markets and beyond.

A third pillar of India's approach should be the interlinking of fast payment systems (FPS). Interlinking domestic FPS directly contributes to the G20 objectives of faster, cheaper, more accessible and transparent cross-border payments. The recent linkages between UPI and several partner jurisdictions are important steps forward, increasingly reducing the need for any private digital alternatives for remittances.

Finally, as we weigh policy choices, we must also address a central argument often made by proponents of stablecoins who claim that the associated risks can be managed through regulation. Regulation can indeed mitigate some risks, but the larger question remains: Can we afford to experiment with the foundations of global monetary and financial stability that have been carefully built over the years for instruments that lack the safety features of money, that are inherently risky and that remain untested at scale? As highlighted in the BIS Annual Economic Report 2025[3], society faces a clear choice which is either to strengthen the monetary system using proven foundations of trust and advanced, programmable technologies, or to risk repeating the hard lessons of history by relying on unsound private digital currencies with real societal costs.

VIII. Conclusion

We have seen that stablecoins lack the basic attributes of money, their advantages are neither unique nor unambiguous and their risks are all too real. It may be noted we have not referred to the risks associated with the assets that back a stablecoin. That is because it does not matter, for either the benefits or the risks of stablecoins to materialise.

In fact, the bigger threat is a stablecoin that works well. India stands at a decisive policy crossroads. Despite India having good macroeconomic conditions and sound policies, the domestic factors and compulsions must be considered when evaluating policy options for stablecoins. The choices made today will impact the future of our monetary system and financial sector integrity. India's strategy must be clear and coherent, anchored in four key principles:

a. Preserve trust in the national currency, monetary and payment system

b. Safeguard monetary sovereignty and macro-financial stability

c. Encourage responsible innovation through CBDCs and interoperable payment systems, and

d. Ensure that innovation strengthens, rather than bypasses, the regulated financial system.

I will end with my response to the question posed in the title of this speech. Do stablecoins serve a purpose? It seems to me that they do not; at any rate, they do not serve a purpose that cannot be served better by fiat money.

Thank you.

[3] (BIS 2025). https://www.bis.org/publ/arpdf/ar2025e3.htm

*Reading the Pitch: Banking Strategies for a Long Innings**

Shri Swaminathan J.

The legendary cricketer, the *Very Very Special* Laxman ji; Shri P D Singh, CEO of Standard Chartered Bank, India & South Asia, distinguished leaders from across the banking, financial and capital markets ecosystem, colleagues, ladies and gentlemen.

It is a pleasure to be with you this evening at *"Success Through Synergy"*. This annual event is an invaluable platform for thoughtful conversations on where our industry is headed. I am grateful for the opportunity to share a few reflections.

I am also aware that I stand between you and a celebrity cricketer. So, I will keep my innings brief and brisk, rotate the strike between a few key themes, and then retire gracefully to the dugout quickly so that all of us can get to witness the legendary Laxman play his strokes!

We are meeting at a time when banking is being reshaped by powerful forces. Technology is changing how customers interact with financial services. Markets are more integrated, and shocks travel faster. Geopolitical developments, climate risks and cyber threats are adding new layers of complexity. At the same time, India's economic prospects, digital public infrastructure and entrepreneurial energy are creating huge opportunities.

In such an environment, success for any one institution cannot come in isolation. It depends on the strength of the entire ecosystem, and on the quality of collaboration among banks, non-banks, market participants, fintechs, regulators and customers. That is why the theme *"Success Through Synergy"* is so apt.

Since there is a cricketer waiting in the room, let me borrow something from the game. Think of the next part of my speech as an over, with six deliveries. Each ball is one key idea that I believe will shape the future of banking in India. I promise there will be no googlies.

Ball 1: New challenges in banking today

The first is about the nature of risk. The traditional risks we grew up with, such as credit, market and liquidity risk, have not gone away. In some ways, they have become more complex. Lending is more granular, markets are deeper, and interconnectedness has increased. At the same time, new categories of risk have come to the fore.

Technology has blurred the boundaries between banks, non-banks and big tech firms. Competition is no longer only from the bank across the street. It may be from an app that lives on your customer's phone. Reputation risk has become sharper in a world where information, and misinformation, travel instantly. A single customer complaint, if not handled well, can become a public issue in a few hours.

Climate-related risks, physical as well as transition-related, are starting to make impact. Cyber risk is now a permanent feature of bank risk registers. The cost of one major incident can far exceed the loss from a traditional fraud.

In this setting, risk management and governance cannot be a back-office function. They are central to strategy. Senior management and Boards have to ask themselves not only "What is our return on capital" but also "What risk culture are we building".

Ball 2: Drivers of customer service in a digital era

The second one is on customer service. Technology has given us powerful tools to reach customers, to simplify processes and to make payments and credit more convenient.

* Speech by Shri Swaminathan J, Deputy Governor at "*Success Through Synergy*" an annual banking event organised by Standard Chartered Bank on November 28, 2025.

But the basic expectations of customers remain very human. They want to be treated fairly. They want products that are suitable for their needs, explained in simple terms. They want transparency in pricing and conditions. And when something goes wrong, they want someone to listen and resolve their problem promptly.

In a digital, high-speed world, the test of customer service is not only "Did we respond?" but "Did we actually solve the issue fairly and quickly?"

Customer service is also about inclusion. The design of products and interfaces must be easy to access, not only to the tech-savvy, but also to those who may be less comfortable with digital interfaces.

Ball 3: Innovation and collaboration with fintechs

The third point is about innovation and partnership. Fintechs have entered almost every segment of financial services, from payments and small ticket credit to wealth management and cross-border remittances. Many of them have brought fresh ideas, agility and a new way of looking at customer pain points.

Banks bring something equally important. They bring trust, balance sheet strength, experience in managing risk over cycles, and deep knowledge of regulation and compliance.

The question is not whether banks will "win" against fintechs or vice versa. The question is how we can structure partnerships where the strengths of each are combined in a safe and sustainable way.

In cricketing terms, it is like a good batting partnership where both players complement each other, respect the match conditions and run between the wickets with mutual understanding.

Ball 4: Customer centricity, grievance redress and cyber frauds

The fourth point brings us to a very important issue. Customer centricity is not a slogan. It must show up most clearly when something has gone wrong. This is where robust internal grievance redress mechanisms are critical.

Cyber fraud and digital scams have increased, and they can cause real hardship to ordinary customers. Banks have invested in systems to detect suspicious transactions, to send alerts and to strengthen authentication. These efforts are welcome and must continue. But technology alone is not enough. Sharing of fraud typologies, coordinated efforts to take down mule accounts, and working with law enforcement agencies are all important.

From the customer's perspective, what matters is not who is legally liable under the fine print. What matters is whether they feel their bank stood by them in a moment of stress. In the long run, that perception affects trust more than any advertisement campaign.

This is where financial literacy and awareness also become part of our agenda. When banks invest in helping users navigate digital channels safely, they are building a more resilient customer base.

Ball 5: Data, analytics and responsible use of "the new oil"

The fifth idea is about data. It has often been said that data is the new oil. I would add that data is also like water. It can sustain life if used properly, but if it is polluted or misused, it can cause damage.

Banks sit on large volumes of customer data. With appropriate analytics, this data can generate insights into behavioural patterns. It can help improve underwriting, detect early signs of stress, and tailor products to suit different customer segments. It can help reduce costs and improve efficiency.

At the same time, responsible use of data is essential. Customers must have confidence that their data is being used with care, that privacy is respected, and that there is no misuse or unauthorised sharing.

Models and algorithms must be explainable to management and boards, and their outcomes need to

be monitored for fairness and unintended exclusion. Both banks and supervisors may increasingly use advanced analytics, but these tools should support human judgment, not replace it.

Ball 6: IT resilience and third-party dependencies

The sixth and last point is about resilience. As banks digitise more and more of their operations and move to cloud and outsourced solutions, their dependence on IT systems and third-party providers has increased significantly. Outages that earlier affected only a branch can now affect millions of customers. Even planned downtimes need to be communicated and managed carefully.

Banks cannot simply rely on the assurance of service providers. They must understand the technology, the control environment and the concentration risk arising from many institutions relying on the same provider.

The question is not whether an incident will ever happen. The question is how quickly and effectively the institution can detect, contain and recover from it.

Bringing it all together

If you look back at these six balls in that over, a common thread runs through them. It is the central importance of governance, culture and people. Technology, data, regulation and processes are all important. But at the end of the day, decisions are made by people, and culture is shaped by the tone at the top.

Strong governance, an ethical culture, and a clear sense of purpose are what allow institutions to navigate cycles, absorb shocks and serve their customers and the economy over the long term.

As regulators, we see banks as partners. Our role is like that of the umpire: we set and interpret the rules, monitor the game and call out the occasional no-ball or wide when needed, so that the play remains fair and safe. The task of scoring runs, by serving customers well, managing risks prudently and supporting growth, rests with you.

Let me conclude with one final cricketing thought. In T20 cricket, it is tempting to go for big shots every ball. In Test cricket, patience, discipline, and respect for match conditions matter more. Our financial system must combine both mindsets. We need the innovation and energy of T20, but we must anchor it in the prudence and resilience of Test cricket. Only then can we build institutions that not only post quick scores, but also stay at the crease for decades.

I wish all of you continued success in your journey. May your partnerships be strong, your defences solid, your shots well timed, and your innings long. Jai Hind.

*Micro Matters, Macro Momentum: Microfinance for Viksit Bharat**

Shri Swaminathan J.

Shri Harsh Bhanwala and other distinguished members on the Board of MFIN; CEO, MFIN, Dr. Alok Misra; Director, Bankers Institute of Rural Development, Dr. Nirupam Mehrotra; esteemed industry leaders, distinguished guests, awardees of the ASCEND programme, ladies, and gentlemen. Good evening.

It is a pleasure to join you today at the launch of *Micro Matters: Macro View - India Microfinance Review FY 2024-25* and the special session on "Microfinance for Viksit Bharat." My compliments to Dr. Alok Misra and the MFIN team for producing a timely mirror of the sector and a compass for the road ahead.

The theme of this year's review captures a powerful idea: when microfinance is delivered responsibly, it does not remain "micro." It becomes macro progress. It turns access into livelihoods, borrowers into business owners, and informal activity into measurable economic output. As we work toward *Viksit Bharat 2047*, the question is how microfinance can contribute most - how we scale its impact soundly, transparently and with accountability.

Why Microfinance matters now?

Over the last decade, India has laid strong rails for inclusion. Jan Dhan has given households a basic account, Aadhaar has simplified verification, UPI has made small payments instant, and the Account Aggregator framework has the potential to unlock consented cash-flow data. On these public rails, microfinance can travel far beyond traditional branch footprints.

This progress shows up in the numbers. The Financial Inclusion Index has moved from 43.4 on March 31, 2017, to 67.0 on March 31, 2025. That is a meaningful shift in access and availability. However, the task now is depth and quality of use. In that context, let me share four reasons as to why microfinance matters.

First, it bridges asymmetry. Many low-income households have irregular incomes, thin documentation, and no collateral. Microfinance enables them to obtain small loans, where instalments are aligned to real cash cycles rather than to a salaried calendar.

Second, it creates productive capacity. Credit is deployed into inventory, livestock, tools, and working capital. Small assets start generating cash that can service the next, slightly larger loan which can eventually transform a person into a micro-entrepreneur.

Third, it serves as a platform for innovation. Assisted digital journeys, Aadhaar-based KYC, alternative credit scoring, etc. were first proven at the frontiers of microfinance. The sector often pilots what the rest of the system later scales.

Lastly and most importantly, it brings the benefits of formal finance to those otherwise excluded and help them create a transaction record. That record opens doors to larger formal credit over time and connects households to savings, insurance, and pensions.

In sum, microfinance can turn access into use, and use into progress on rails the country has already built. The agenda now should be to convert reach into inclusive growth through better underwriting, reasonable pricing and consistent customer protection. With that in view, let me outline five key ideas that can shape the next phase.

* Speech by Shri Swaminathan J, Deputy Governor at the MFIN event at Mumbai on November 14, 2025.

Five ideas to shape the next phase

Serve the household, not just the applicant: Credit decisions work best when they read the full cash life cycle of the family. It is better to promote a savings habit, a basic insurance cover, and a short emergency line, as all these together can make credit quality predictable.

Tech-enabled underwriting with human judgment: Technology can help overcome thin files, but human expert judgment must stay. AI models must be explainable, so review exceptions by a human, and back-test results regularly. The aim is less friction, not less prudence.

From mono-product to micro-enterprise finance: Product design needs to match how small businesses actually grow. A single working-capital loan is often the first step; but it should progressively graduate into inventory finance, capital asset financing, and basic payments support.

Build climate resilience at the base of the pyramid: Climate is now a credit variable. Districts face heat spikes, floods, or erratic rainfall that strain household income and collections. Lenders have to respond with products that can keep customers and portfolios steady through weather shocks.

Responsible use of data: the rails and the data must work for the borrower. Customer data and its privacy is a responsibility. Consent should be clear and in local language, data used for the purpose stated, and storage kept secure. Used well, these rails prevent over-indebtedness and enable responsible personalisation rather than indiscriminate up-selling.

Taken together, the aim is to convert first access into regular use, regular use into stable income, and stable income into a clear route to formal credit. This is the quality of growth the sector should now aim for.

Regulatory initiatives and supervisory expectations

In 2022, the Reserve Bank undertook a careful reset of the microfinance framework. After extensive stakeholder feedback, a revised framework was issued with the overarching intent to expand inclusion, place borrower welfare at the centre, and align rules across all regulated lenders offering microfinance. Along with clarifying what qualifies as microfinance, the framework also removed pricing caps, a long-standing demand of the industry.

Greater flexibility brings a higher bar for conduct. The Reserve Bank expects lenders to use the room provided by the 2022 framework in a way that strengthens borrower welfare and long-term portfolio quality. Let me therefore enumerate some of our expectations.

Pricing and transparency: Pricing should be reasonable, reflecting cost, risk, and efficiency improvements, and not taking undue advantage of the borrower's situation. Customers deserve a clear view, which means plain-language loan agreements/ contracts that set out instalments, fees, and total cost; and staff who can explain these in local language. Where technology or funding reduces cost-to-serve, borrowers should also reap the benefit. Boards of entities are expected to review spreads against cost of funds and operating efficiency, and to question outliers.

Lending should not result in over-indebtedness: A proper assessment should consider all sources of income, recognise seasonal variability, and verify all current obligations to ensure that additional lending does not lead to unsustainable indebtedness.

Collections conduct and grievance redress: Outsourcing collections does not dilute accountability. Lenders remain responsible for how customers are treated, including by BCs and recovery agents. Grievances must be easy to file, acknowledged promptly, and resolved within published timeframes.

Further, the quality of resolution matters as much as speed.

Model risk, analytics, and fairness: Digital adoption is welcome when it improves suitability and reduces friction. Analytics and models require strong governance. Inputs should be documented, and outcomes should be tested for accuracy and unwanted bias.

Accurate reporting: Bureau reporting needs to be timely and complete so good repayment behaviour travels with the borrower and lenders can see total obligations of a borrower. Inaccurate or late reporting hurts both households and institutions.

Operational resilience and partner hygiene: Resilience must reach the last mile. Cyber hygiene at branch, partner, and device level protects both customers and institutions. Partner due diligence for Business Correspondents and Direct Selling Agents should follow a common baseline that covers training, data handling, and conduct standards, with periodic spot checks.

Concentration risk and early warning: Concentration, whether geographic or segmental can magnify shocks. Early warning frameworks that track skip patterns, roll-rates, repeat top-ups, etc. allow timely course correction.

Governance, incentives, and culture: Incentives should reward responsible growth, accurate underwriting, and good conduct, not just volumes. Complaint analysis, collections exceptions, and pricing outliers deserve board time.

Eventually if industry standards remain high, regulatory or supervisory intervention can stay light. Flexibility and accountability travel together; the sector's longevity and health depends on that balance.

Let me end with a line[1] from Smt. Ela R. Bhatt, who founded SEWA and pioneered the concept of microfinance through women led SHGs in the 1970s.

"When we put the human being at the centre, we begin to get a more holistic and integrated view of development. We begin to co-relate our activities with its impact on our own self, on the society we live in, and on the universe we live in. And in this way we restore balance and harmony in the world."

If we stay true to these basics, more first time loan customers will graduate to larger formal credit, and the quality of growth will rise across states and segments. That is how micro becomes macro progress, and how we advance the larger journey to *Viksit Bharat 2047.* My compliments and thanks to MFIN for this opportunity, to lenders and partners across the ecosystem, and to the field teams who carry this work to the last mile. Jai Hind.

[1] Women's World Banking, Speech by Smt. Ela R. Bhatt at the Gandhi Lecture on Non-violence at McMaster University on October 18, 2013. https://www.womensworldbanking.org/insights/women-poverty-ela-bhatt-ghandi-lecture-nonviolence-mcmaster-university.

*Timely and Topical Statistics for Agile Policy Making**

Dr. Poonam Gupta

Good morning, Dr. Mahendra Dev, Chairman, EAC-PM, Dr. Saurabh Garg, Secretary, Ministry of Statistics and Programme Implementation (MoSPI), officers from MoSPI, fellow economists, and fellow policymakers. It is my privilege to be a part of this pre-release consultative workshop.

I would like to recognise the leadership of Dr. Saurabh Garg in bringing credibility, ownership, and, may I say, excitement, to the process of base revision of the key macroeconomic data series of India. I would also like to acknowledge the invaluable contributions of the experts, academics, and officials, many of whom are present here today, in this exercise. The data and statistics are public goods. In helping create the revised series, you all are performing an important public service.

Our statistical system has a long tradition of professionalism, transparency, and methodological rigour. Gross Domestic Product (GDP), Consumer Price Index (CPI), and Index of Industrial Production (IIP) are among the most widely used indicators for decision-making by governments, businesses, financial institutions, and households. Therefore, the base revision of these series is not merely a technical exercise, it is of foundational importance for the wider community. With the economy becoming more diversified and digital, with rising prosperity, demographic shifts, evolving consumer preferences, and deeper financial inclusion, our consumption and production baskets are changing rapidly. But that is not all.

Alongside, the ways in which we produce, market, distribute, and finance consumption and investment are evolving too. Global and domestic supply chains are realigning. Savings and investment habits of households are changing, as are the modes of financial intermediation. All of these have a bearing on what we construct and how we construct our key macro data series.

In my remarks, I will briefly outline some of the initiatives we are taking at the Reserve Bank of India (RBI) in order to enhance our own data and statistical offerings, in view of these underlying shifts.

RBI's data offerings can be grouped into three categories.

First, as you know, the RBI curates, compiles and disseminates a vast amount of economic and financial data, at frequencies ranging from daily to annual. It is not just an important source, but at times the only source for comprehensive data on banking, the balance of payments, non-banking financial companies, state finances, municipal finances, and the finances of the Panchayati Raj institutions.

RBI disseminates these data promptly through press releases, its flagship publications, as well as through timely updates on its data portal, the Database on Indian Economy (DBIE).

Second, in addition to such 'hard data', the RBI conducts eight forward-looking surveys (four at quarterly and four at bi-monthly frequency) of households, corporates, banks, and professional forecasters, covering areas such as inflation expectations, consumer confidence, and sectoral outlooks.[1] These surveys provide early signals of shifts

* Speech delivered at the Pre-release Consultative Workshop on Base Revision of Consumer Price Index (CPI), Gross Domestic Product (GDP) and Index of Industrial Production (IIP), Mumbai, on November 26, 2025. Assistance received from Anand Shankar, Somnath Sharma, Dhirendra Gajbhiye, GV Nadhanael, John V Guria, Pallavi Chavan and Tushar B Das, and comments received from AR Joshi, Indranil Bhattacharya and Sangita Misra, are gratefully acknowledged.

[1] These include i. Bank Lending Survey; ii. Industrial Outlook Survey of the Manufacturing Sector; iii. Inflation Expectations Survey of Households; iv. OBICUS on Manufacturing Sector; v. Rural Consumer Confidence Survey; vi. Services and Infrastructure Outlook Survey; vii. Survey of Professional Forecasters on Macroeconomic Indicators; and viii. Urban Consumer Confidence Survey.

in economic activity and sentiments. They serve as inputs in the policy deliberations as well as meet the needs of the wider community, even before the 'hard' statistics become available.

Finally, as a part of its mandate to conduct monetary policy, which under the flexible inflation targeting regime (FIT), is forward-looking, RBI prepares and releases inflation and growth forecasts in its bi-monthly monetary policy announcements.[2]

Let me briefly describe some of our recent initiatives in each one of these offerings.

Recent Initiatives Pertaining to the 'Hard' Data published by the RBI

(i) The RBI compiles a large body of administrative and regulatory-reporting data that it receives directly from regulated and other entities. These include information ranging from Basic Statistical Returns, supervisory returns, liquidity and capital adequacy metrics, non-performing assets (NPAs), to high-frequency payments data such as UPI, NEFT, and RTGS transactions. In recent years, as the demand for timely, granular, and user-friendly data has increased, the RBI has intensified its efforts to modernise its data dissemination systems, expand coverage, and enhance the user experience through the adoption of advanced technologies.

The **Database on Indian Economy**, was launched in 2004 as the RBI's unified data dissemination platform. Over time, the DBIE has undergone continuous enhancements in coverage, functionality, and accessibility. It now hosts more than 2,000 statistical tables, which contain over 20,000 individual data series spanning the real sector, financial markets, public finance, the external sector, banking statistics, surveys, and corporate performance. Since 2009, it has provided near-real-time updates of the Handbook of Statistics on the Indian Economy through the DBIE, ensuring that users receive the most current information.[3]

The efforts to make it savvier, user friendly and extensive are continuing on an ongoing basis. Planned enhancements include a redesign of the underlying data architecture, development of Application Programming Interfaces (APIs) for automatic retrieval, improved search and visualisation tools, and harmonised user experience across the portal, mobile app and future digital channels.

(ii) Data on Flow of Financial Resources and Outstanding Credit to Commercial Sector in India - The Indian financial system has traditionally been largely bank-dominated. Therefore, quite reasonably, bank credit growth has thus far been viewed as a key parameter to assess the flow of financial resources to the commercial sector and its implications for the growth outlook of the economy.

However, given the increasing role of non-bank sources of finance, an assessment of the broader spectrum of flow of financial resources to the commercial sector from banks and non-bank sources (including domestic and foreign) has become essential.

Against this backdrop, we have started to compile data on the total flow of financial resources to the commercial sector. The non-bank sources include issuances of equity, commercial paper, and corporate bonds by non-financial entities directly in the money and capital markets as well as credit to these entities from non-banking financial institutions. External commercial borrowings and foreign direct investments are additional sources of resources to

[2] The Reserve Bank also conducts a bi-monthly Survey of Professional Forecasters to capture the assessments and expectations of economists and industry experts on major economic parameters such as GDP growth, inflation, and external-sector developments including exports and imports.

[3] The interface has been progressively refined. In addition, RBIDATA, a mobile application, was launched in February 2025.

the commercial sector. In fact, during 2024-25, just a little less than half (48.7 per cent) of total resources to the commercial sector were mobilised from non-bank sources.

Given the primacy of this information in assessing overall resource flow to economic activity, starting this month, we have started disseminating two tables, *namely*, 'Flow of Financial Resources to Commercial Sector in India', and 'Outstanding Credit to Commercial Sector in India' in the RBI Bulletin.[4] These data will be updated and released in the RBI Bulletin on a monthly frequency from now on.

(iii) More timely and frequent Balance of Payments Data - Further, to facilitate the timely and more frequent availability of India's balance of payments (BoP) statistics, the time lag in the release of the quarterly BoP statistics has been brought down from 90 days to around 60 days beginning from Q1:2025-26.[5] This was achieved by optimising the data reporting timelines and streamlining the internal processes.

Going ahead, we will endeavour to prepare and release the monthly BoP statistics (*albeit* at a slightly more aggregate-level and at a lag of approximately 40 days). To achieve this, the data processing timelines of various reporting entities are being expedited and streamlined, and further internal cohesion is being established.

Recent Initiatives in the RBI's Surveys

Furthermore, the RBI is upgrading its enterprise and household surveys. Enterprise surveys, such as Order Books, Inventories and Capacity Utilisation Survey (OBICUS), and the Industrial and Services Outlook surveys are being comprehensively reviewed, as their methodologies have remained largely unchanged for nearly a decade. We are planning for periodic updates to expand coverage, incorporate emerging sectors, refine methodologies, and enhance data quality.

Household surveys on inflation expectations and consumer confidence have been expanded progressively to more cities and rural areas over the last two years. However, their broad methodology has remained unchanged since 2018. These surveys are undergoing a fresh evaluation to address the gap between perceived and realised inflation, improve questionnaire design, and explore the inclusion of household panels.[6]

Recent Initiatives in our Inflation and Growth Forecasts

Under the FIT framework, our mandate is to maintain price stability while keeping in mind the objective of growth. Because monetary policy operates with well-recognised lags in transmission, decisions taken today affect output and inflation over several quarters.

For the Monetary Policy Committee (MPC) to fulfil its mandate effectively, it must therefore form a view not just of current conditions, but also of where the economy is likely to be in the near-term. Therefore,

[4] An article titled 'Flow of Financial Resources to Commercial Sector in India during 2024-25', including outstanding credit to the commercial sector in India for three financial years, *viz.*, 2022-23, 2023-24 and 2024-25, was published in the September 2025 issue of the RBI Bulletin. Annual data on 'Flow of Financial Resources to Commercial Sector in India' for the period 2019-20 to 2024-25 (as per revised format) was published in the Handbook of Statistics on the Indian Economy 2024-25.

[5] This has been done without compromising the data coverage. The data are released at a disaggregated level as per the IMF's guidelines. Additionally, the IMF has revised the BoP compilation manual with the release of its 7th edition of the Integrated Balance of Payments and International Investment Position Manual (BPM7) [from its earlier BPM6] in March 2025. With these updates/developments, countries are encouraged to publish their BoP and national account statistics in line with the BPM7 framework.

[6] The expected outcomes of enterprise surveys include (i) enhancing the coverage of surveys (ii) inclusion of emerging industry-groups like semiconductors, electric vehicles, Production Linked Incentive industry-groups in the sampling frame (iii) revising the methodology for aggregation of survey indicators (iv) modifying the survey questionnaires, (v) adopting more rigorous data quality checks among others. The expected outcomes for Household surveys include augmenting, rewording, and refining the semantics of the survey questionnaire, and possibility of inclusion of panel of households as part of survey design (based on several rounds of pilot survey) to better capture inflation expectations and economic sentiments of the households.

the bi-monthly MPC resolution provides forecasts of inflation and growth up to four quarters ahead.[7]

Any forecasting exercise, by its very nature, has the risk of incurring forecast errors.

Such errors are a common feature around the world. These are generally larger when there are unpredictable shocks or events and are larger when one is predicting far ahead into the future.[8] Research has shown that variance across forecasters tends to increase during periods of uncertainty.[9] Inflation forecasting is equally challenging in India, if not more so, given the high and outdated weight of food in the CPI basket and the volatile nature of food prices.

Therefore, we take a multifaceted approach in forecasting inflation. This includes (i) using a suite of structural and time-series models, each providing a different lens on the economy; (ii) examining historical patterns in data to identify the underlying momentum in prices, and assess the base effects, which often shape near-term inflation dynamics; (iii) drawing upon a wide range of high-frequency indicators and surveys to capture real-time movements in demand, supply, and their implications on prices; (iv) seeking expert views to interpret turning points, structural breaks, and emerging risks that models alone may not be able to fully capture.

We are committed to using the state-of-the-art models and approaches to improve our forecast accuracy continuously. Thus, we have been assessing the appropriate time length that we should consider in our models, ensuring that we use more recent and relevant information than the distant past. We have also extended the scope of our stakeholder consultations, wherein besides, a detailed schedule of existing consultations, we have added a day-long workshop with a rotating set of professional forecasters so that we can learn from each other.

Besides minimising the forecast errors, what is equally important is to ensure that there is no systematic bias in the forecasts. As far as the inflation forecasts used in the MPC resolution are concerned, they are unbiased. The recently released Discussion Paper on Review of the Monetary Policy Framework shows that, the deviation of inflation and growth forecasts of the Monetary Policy Committee in India during the inflation-targeting regime does not have any systematic directional bias from the realised inflation and growth.[10]

Just as the inflation forecasts, the RBI uses a varied set of approaches to generate its growth projections. RBI relies on a balanced synthesis of robust econometric analysis, contemporary economic conditions, and forward-looking sectoral perspectives in preparing its projections. Among the technical models, projections are derived from a suite of approaches, rather than any single model. These include the benchmark indicator approach, a dynamic factor model, and various time series models for short-term growth projections.[11]

Before each Monetary Policy meeting, we hold nearly a dozen discussions with stakeholders from the real sector, financial markets, banks, NBFCs, analysts, and economists. These interactions provide us with valuable insights into their perspectives, outlooks,

[7] Except in February MPC resolution where 5 quarter ahead projection for inflation is provided along with the annual inflation projection for the next financial year. Additionally, the Reserve Bank of India Act and Monetary Policy Committee and Monetary Policy Process Regulations (2016) requires the RBI to present the projections of inflation and growth and the balance of risks, and an assessment of our projection performance in the Monetary Policy Report, released bi-annually in April and October.

[8] Inflation Forecast Accuracy Under High Volatility: Cross-Country Evidence. Box I.1 in the Monetary Policy Report, April 2023, RBI.

[9] Uncertainty and Disagreement among Professional Macroeconomic Forecasters, RBI Bulletin, November 2021.

[10] Annex 4: Inflation and Growth Projection Analysis. Review of Monetary Policy Framework - A Discussion Paper, RBI, August 2025.

[11] The use of multiple methods imparts robustness to RBI's projections. The Benchmark Indicator Approach, which relates to deriving sectoral contributions to GDP as recommended by the NSO, is used to nowcast GDP growth. The dynamic factor model relating to deriving condensed factors from a wide range of high frequency indicators is also used for nowcasting GDP growth. The time series models include ARIMAX model (ARIMA model including exogenous variables), and VARX model (vector autoregressive model including both endogenous and exogenous variables). ARIMAX and VARX models complement each other as the former focuses on a single target variable (GDP growth), while the latter jointly models multiple variables with mutual interactions.

and forecasts, which inform our assessments. Our periodic interactions with the NSO are noteworthy, as they help in improving the RBI's methods.

Closing Remarks

The Indian economy has been a high growth economy that has exhibited both resilience and agility. Our statistical offerings, data and techniques must keep pace with an economy that is growing and evolving rapidly. Regularly updating and revising the existing data series, as well as constructing new ones, is essential to capture ongoing transformations. We all are looking forward to the revised series being prepared by MoSPI. I once again congratulate MoSPI for launching this consultative process and wish the workshop every success.

ARTICLES

*State of the Economy**

Global uncertainty retreated further from its highly elevated levels. Major equity markets experienced volatile movements due to concerns about stretched market valuations. The Indian economy, supported by resilient domestic demand in Q2:2025-26, grew at its fastest pace in the last six quarters. High-frequency indicators for November suggest that overall economic activity has held up with demand conditions remaining robust. Headline CPI inflation edged up but continued to remain below the lower tolerance level. Financial conditions remained benign, and the flow of financial resources to the commercial sector remained robust. India's current account deficit moderated in Q2:2025-26 over the same period last year, supported by a lower merchandise trade deficit, robust services exports, and strong remittance receipts.

Introduction

In November, global uncertainty, including trade and policy uncertainties, retreated further from its highly elevated levels. Global economic activity expanded at a steady rate in November, aided by new export orders and the strengthening of trade in manufacturing and services. The month of November also saw China's trade surplus reach a record of more than USD 1 trillion for the year so far.

Major equity markets experienced volatile movements, particularly during mid-November, due to concerns about stretched market valuations. Portfolio flows to emerging markets turned negative for the first time after six consecutive months of positive inflows, driven by outflows from equity markets. US Treasury yields exhibited bi-directional movements, reflecting uncertainty about the Fed rate outlook for 2026, and strengthening of sentiments for a rate hike by the Bank of Japan in December.

Global commodity prices barring precious metals remained largely stable. Inflation in Advanced Economies (AEs) continued to exhibit downward stickiness due to persistent services inflation. Inflation in Emerging Market and Developing Economies (EMDEs), in contrast, remained more aligned with the target.

Monetary policy actions by major central banks during November gravitated towards maintaining a *status quo*. The month of December saw a clear divergence in the monetary policy of some systemic central banks. There are indications that central banks are nearing the end of their rate-cutting cycle, with a greater focus on data dependency going forward.

The Indian economy, with a larger-than-anticipated six-quarter high GDP growth during Q2:2025-26, has demonstrated remarkable resilience amidst persistent global trade uncertainties. Domestic drivers, particularly private consumption demand, underpinned the pick-up in growth momentum. High-frequency indicators for November suggest that overall economic activity held up. Demand conditions remained robust, with indicators of urban demand strengthening further. While services sector activity continued to register strong expansion in activity, manufacturing showed some signs of deceleration.

In November, the merchandise trade deficit narrowed on account of a surge in merchandise exports and a contraction in merchandise imports. Net services exports growth moderated in October,

* This article has been prepared by Rekha Misra, Asish Thomas George, Shashi Kant, Biswajeet Mohanty, Shreya Kansal, Durga G, Amin Ashraf, Vikas Anand, Sanjana Sejwal, Bhagyashree Chattopadhyay, Aayushi Khandelwal, Ettem Abhignu Yadav, Sakshi Chauhan, Ragini, Siddharth Arya, Sarthak Gulati, Shivam, Nilava Das, Dibyarka Chaule, Manu Swarnkar, Navya Singh, Pulastya Bandhopadhyay, Avnish Kumar, Kartikey Bhargav, Samridhi, Athira C A, Pallak Goyal, and Khushi Sinha. The guidance and comments provided by Dr. Poonam Gupta, Deputy Governor, are gratefully acknowledged. Peer review by Monika Sethi and Shromona Ganguly is also acknowledged. Views expressed in this article are those of the authors and do not represent the views of the Reserve Bank of India.

with both services exports and imports growth witnessing a slowdown in pace.

Headline CPI inflation edged up in November but continued to remain below the lower tolerance level for the third consecutive month. Moderation in food deflation and the setting-in of unfavourable base effects contributed to the uptick in headline inflation. Core (*i.e.,* CPI excluding food and fuel) inflation remained steady; however, after abstracting the impact of gold and silver prices, it fell to a new all-time low.

The Monetary Policy Committee (MPC), in its bi-monthly review of December 2025, unanimously decided to reduce the policy repo rate by 25 bps to 5.25 per cent. The MPC also decided to maintain its neutral stance. The decisions were guided by the benign inflation outlook for both headline and core, which provided space for monetary policy to further support the growth momentum.

Financial conditions remained benign with system liquidity in surplus during the second half of November and early December. The weighted average call rate – the operating target of monetary policy – remained broadly aligned with the policy repo rate. Growth in bank deposits registered an uptick in November. The total flow of financial resources to the commercial sector remained strong, bolstered by robust non-bank intermediation.

Indian equity markets witnessed a rebound in the first half of November and exhibited bi-directional movements thereafter. While healthy corporate results for Q2:2025-26 and policy rate cuts by the Reserve Bank and the US Fed improved market sentiments, muted foreign portfolio flows and uncertainty surrounding the India-US trade deal weighed them down. Foreign portfolio outflows from the equity markets exerted downward pressure on the rupee; nonetheless, rupee volatility moderated in November from a month ago and remained relatively lower than that for most major currencies.

India's external sector exhibited resilience despite a challenging global environment. Current account deficit narrowed in Q2:2025-26 compared to that for the same period last year with a moderation in merchandise trade deficit, robust services trade surplus, and resilient remittances. Capital flows, however, were tempered by persistent global uncertainties. Foreign exchange reserves remain sufficient to comfortably meet India's external financing requirements.

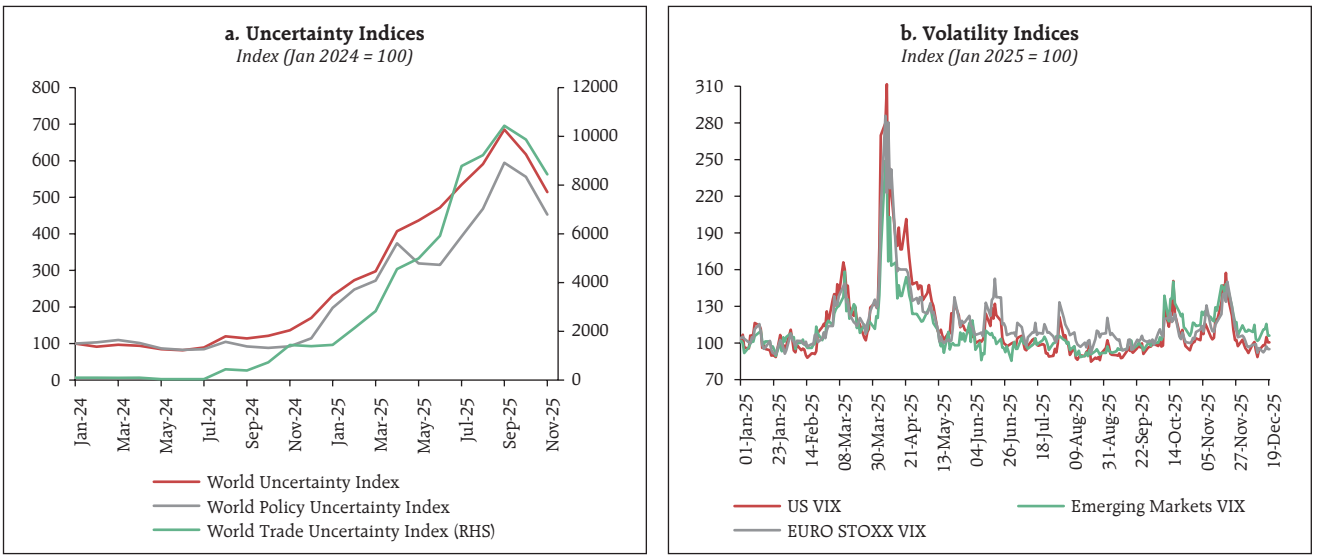
Set against this backdrop, the remainder of the article is structured into four sections. Section II covers the rapidly evolving developments in the global economy. Section III provides an assessment of domestic macroeconomic conditions. Section IV encapsulates financial conditions in India, while Section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

II. Global Setting

Global uncertainty continued to moderate in November, extending the mild retreat observed in October, even though the level of uncertainty indices remained elevated. World trade and policy uncertainties eased, supported by renewed traction in US trade negotiations and the resolution of the US government shutdown. Financial market volatility, which surged during the third week of November due to concerns about stretched AI valuations, moderated thereafter on strong corporate earnings. Volatility resurfaced during mid-December with renewed scepticism around AI investments (Charts II.1a and II.1b).

The global composite PMI for November continued to indicate an expansion in economic activity, *albeit* at a slower rate than in the previous month. New export orders stabilised after contracting for seven consecutive months, supported by

Chart II.1: Global Uncertainty Eased Further, Markets Experienced Volatile Movements



Sources: World Uncertainty Index (WUI) database; and Bloomberg.

improved trade for manufactured goods and services from China following the dissipation of trade tensions between the US and China (Table II.1).

Business activity, as reflected by PMI indices expanded across major AEs except Canada. Among major EMDEs, business activity expanded in India and China but contracted in Brazil. As regards new export orders, EMDEs led by India and China witnessed a fresh rise in contrast with a sustained contraction for most AEs (Charts II.2a and II.2b).

Global commodity prices remained largely stable. Divergent movements were also observed across commodity markets, with a continued uptick in gold prices and a softening bias in crude oil prices. World Bank Commodity Price Index for November remained steady as lower energy prices were offset by modest

Table II.1: Global PMI Composite Eased Modestly, Export Orders Come out of Contraction

	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
PMI composite	52.4	52.6	51.8	51.5	52.1	50.8	51.2	51.7	52.5	52.9	52.5	52.9	52.7
PMI manufacturing	50.1	49.6	50.1	50.6	50.3	49.8	49.5	50.4	49.7	50.9	50.7	50.8	50.5
PMI services	53.1	53.8	52.2	51.5	52.7	50.8	52	51.8	53.5	53.3	52.9	53.4	53.3
PMI export orders	49.3	48.7	49.6	49.7	50.1	47.5	48.0	49.1	48.5	48.9	49.7	48.5	50.0
PMI export orders: manufacturing	48.6	48.2	49.4	49.6	50.1	47.3	48.0	49.2	48.2	48.7	49.5	48.3	49.9
PMI export orders: services	51.3	50.3	50.2	50.2	50.1	48.2	47.9	48.7	49.4	49.3	50.1	49.3	50.3

50

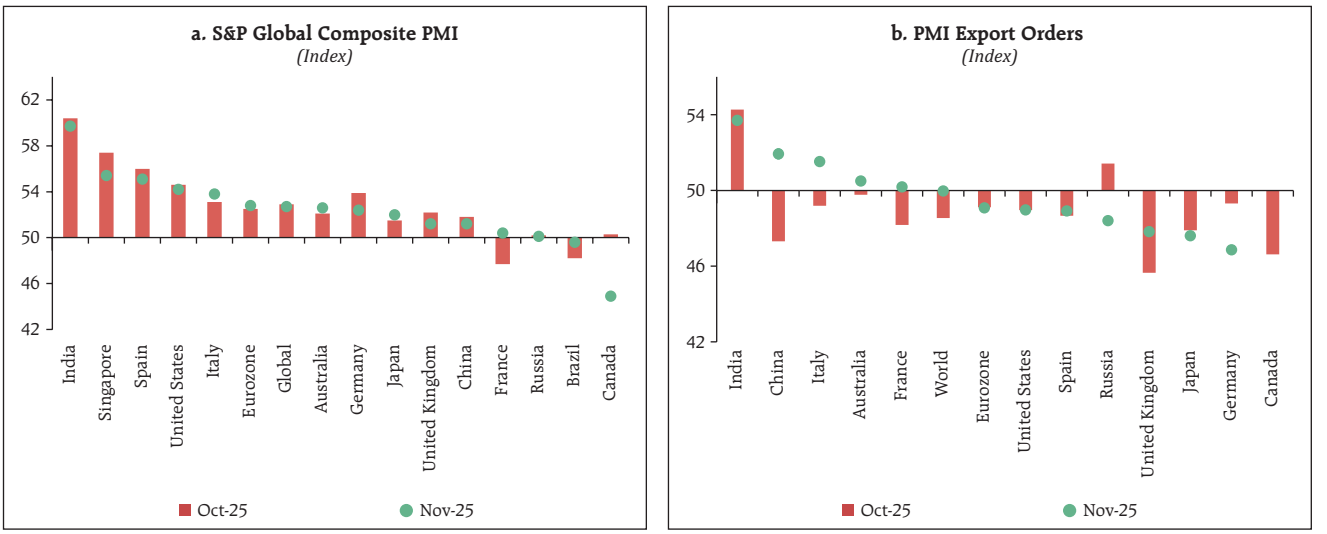
<<<<<<Contraction----------Expansion>>>>>>

Notes: 1. The Purchasing Managers' Index (PMI), a diffusion index, captures the change in each variable compared to the prior 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. Heat map is applied on data from April 2023 till November 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.2: Purchasing Managers' Index: Comparison across Jurisdictions

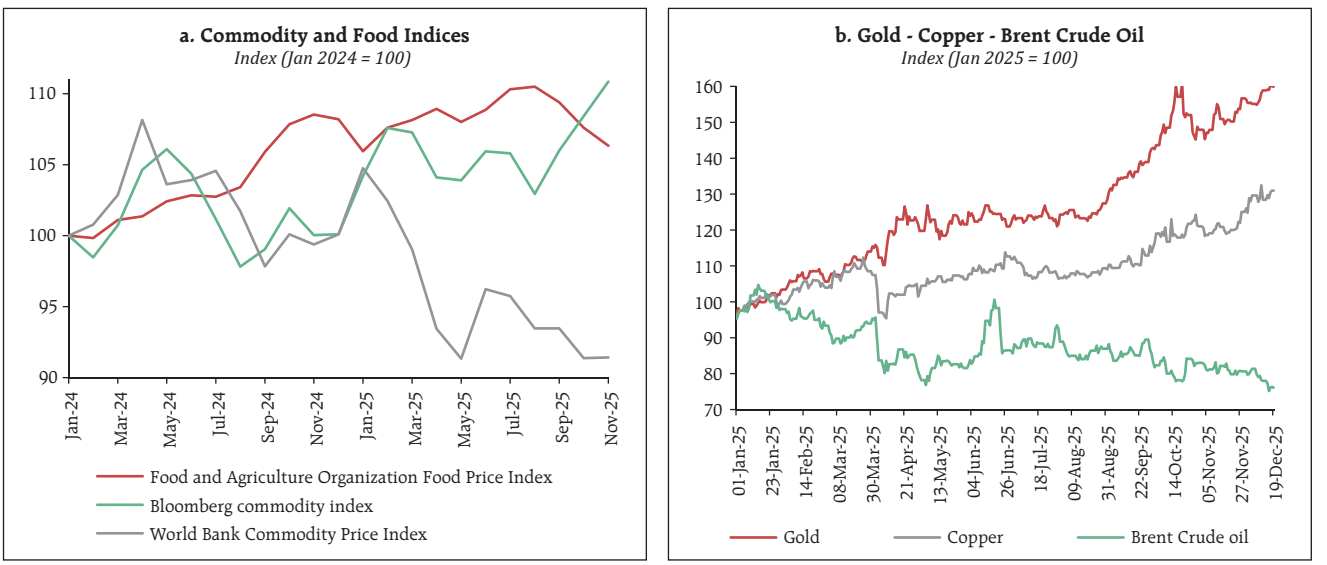


Note: A level of 50 of the PMI indicates no change in activity, while a reading above 50 signals expansion and below 50 suggests contraction.
Source: S&P Global.

increases in non-energy items. Food and Agriculture Organization's Food Price Index declined for the third consecutive month, dragged by dairy products, meat, sugar and vegetable oils (Chart II.3a). Bloomberg Commodity price index increased further, driven by precious metals. Gold prices rose in November on Fed rate cut expectations and continued to increase further in December. Copper prices inched higher on the back of supply disruptions and price distortions due to tariff risks. Brent crude oil prices traded with a downside bias due to concerns about oversupply and growing optimism over a possible Russia-Ukraine peace deal (Chart II.3b).

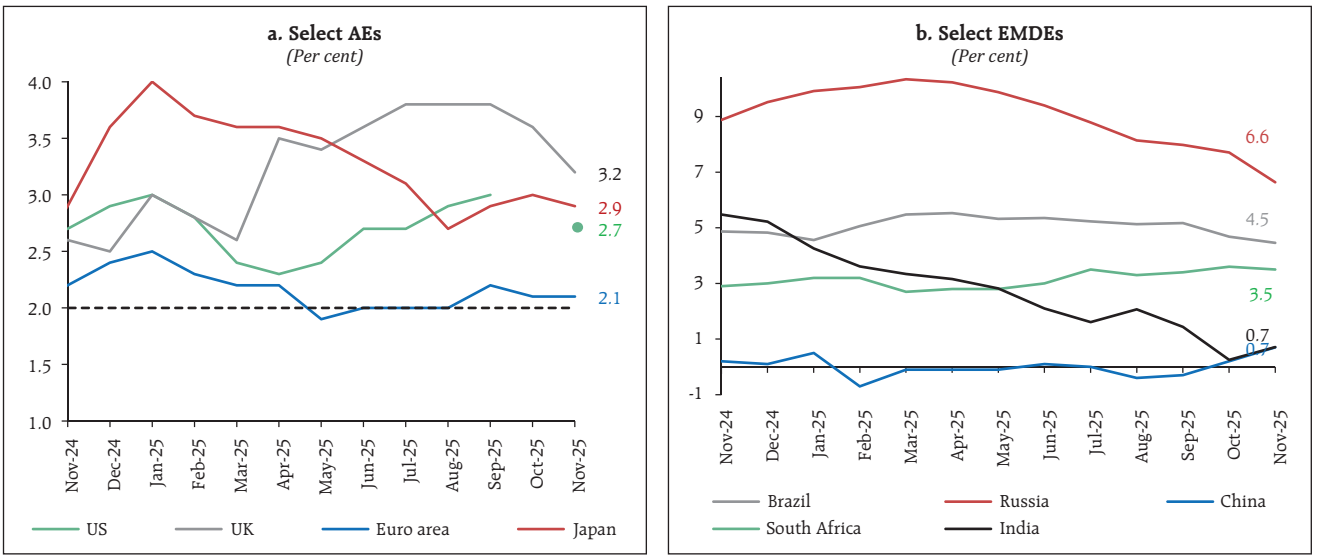
Headline inflation presented contrasting pictures across economies. Inflation eased but

Chart II.3: Commodity and Food Prices



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

Chart II.4: Headline Inflation



Source: Bloomberg.

remained at elevated levels in AEs amidst persistent services inflation. In the Euro area, headline inflation increased further in November driven by services costs, while inflation in the US eased. Inflation in the UK fell to a six-month low led by food and beverages. Japan's inflation also edged lower on low food inflation (Chart II.4a). Among major EMDEs, inflation picked up in China to a 21-month high driven by a rebound in food prices even as core inflation remained steady. In contrast, a lower food inflation led to easing of inflationary pressures in Brazil and in Russia, where headline inflation moderated to its lowest level since September 2023. Inflation in South Africa eased due to moderation in transport costs (Chart II.4b).

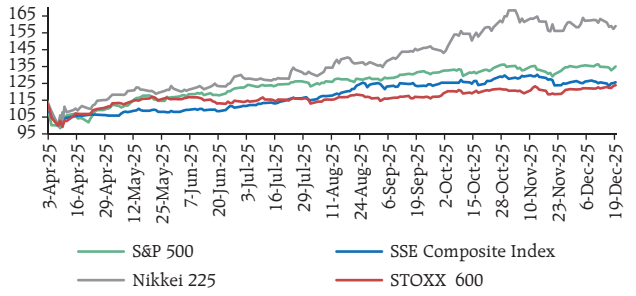
Equity markets in the US fell until the third week of November on concerns about stretched valuations of tech companies. Subsequently, markets recovered with strong corporate results and edged up in December following the Fed rate cut. However, it pared gains with the re-emergence of valuation concerns. European stocks gained during November-December on strong earnings from the financial and IT sectors, before falling as tech valuation fears resurfaced. Japan's stock market witnessed net gains since the end of November propelled by fiscal stimulus before falling again on increasing expectations of monetary tightening. Chinese equity markets edged lower as technology stocks retreated, even as stronger than expected exports and regulatory easing for high-performing securities firms provided support (Chart II.5a).

In November, US Treasury yields declined amidst increasing rate cut expectations. Yields, thereafter, firmed up to a 16-year high in early December following hawkish comments from the Bank of Japan. Though yields moderated post the Fed policy in December, the fall was capped by uncertainty on Fed rate outlook for 2026. The JP Morgan emerging market bond yield spread, on an average, narrowed sequentially in November-December so far (Chart II.5b). After moving sideways in November, the US dollar weakened in December on soft economic data and concerns about a shrinking yield advantage over

Chart II.5: Global Financial Markets

a. Equity Indices: Select Economies

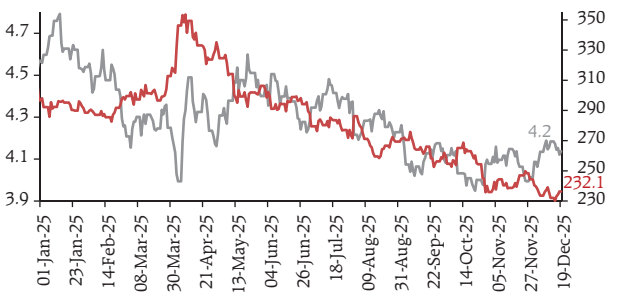
Index (April 07, 2025=100)



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.

b. Government Bond Yields

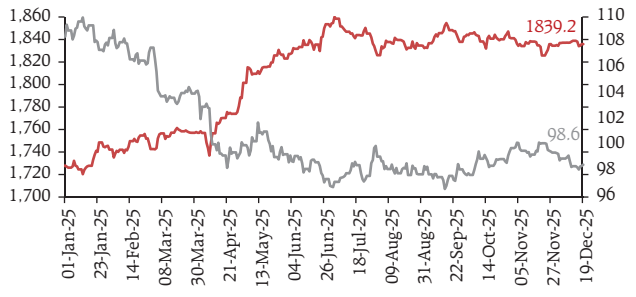
(Per cent, left scale; Index, right scale)



Source: Bloomberg.

c. Currency Indices

(Index, left scale; Index, right scale)



Source: Bloomberg.

d. Portfolio Flows to Emerging Markets

(US$ billion)

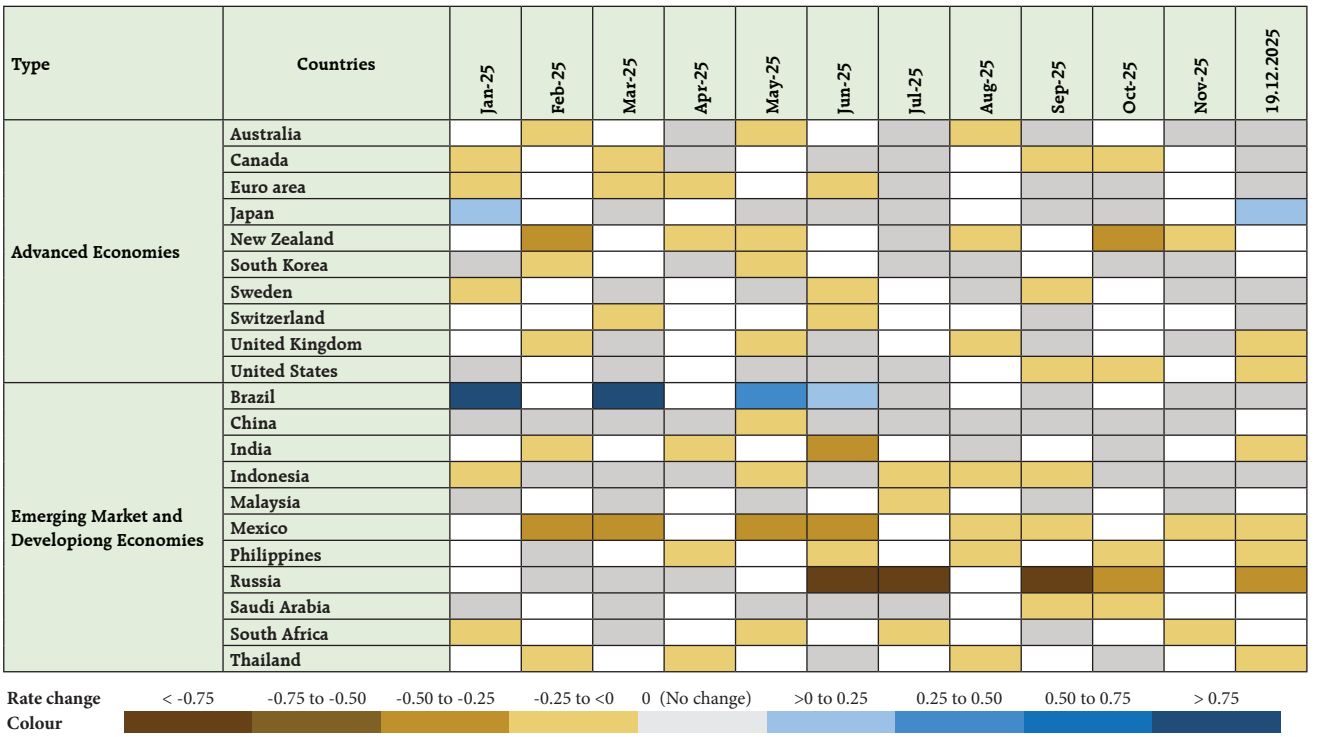
Source: Institute of International Finance.

other economies as Fed cut its policy rate (Chart II.5c). Portfolio flows to emerging markets turned negative in November after a six-month streak of inflows. Equity markets registered significant outflows on weak global risk appetite while debt flows remained steady and positive (Chart II.5d).

In November 2025, most major central banks kept policy rates unchanged. Among the AEs, while South Korea maintained *status quo* on financial stability risks, New Zealand cut the rate to an over three-year low on growth considerations. In the case of EMDEs, China, Malaysia, and Indonesia kept their interest rates unchanged in November, whereas South Africa reduced the policy rate due to concerns about growth.

The month of December saw a clear divergence in the monetary policy of some systemic central banks. While the US and the UK delivered a rate cut emphasising the soft labour market conditions, Japan increased its policy rate to a 30-year high as inflation remained above target. Seven out of 15 central banks that held their meetings in December kept their key policy rates unchanged. Among the AEs, Australia, Canada, Switzerland, Euro area, and Sweden held their key rates unchanged. Amongst EMDEs, Indonesia and Brazil kept their interest rates unchanged for the third and fourth consecutive meeting, respectively. Russia, Philippines, Thailand and Mexico cut their policy rates (Chart II.6).

Chart II.6: Central Banks Pursued Divergent Policy Rate Paths in December



Note: White-coloured blocks indicate an off-policy month.
Source: Bloomberg.

III. Domestic Developments

The Indian economy, supported by resilient domestic demand, grew at its fastest pace in the last six quarters in Q2:2025-26. On the supply side, services and industrial sectors exhibited robust growth despite the ongoing global trade and policy uncertainties. Available high-frequency indicators suggest that overall economic activity held up in the post-festival month of November. While services activity continued to register strong expansion, manufacturing showed some signs of deceleration.

The Monetary Policy Committee (MPC), in its bi-monthly review of December 2025, unanimously decided to reduce the policy repo rate by 25 bps to 5.25 per cent. The MPC also decided to continue with the neutral stance. The decisions were guided by the benign inflation outlook for both headline and core, which provided space for monetary policy to further support the growth momentum.

Aggregate Demand

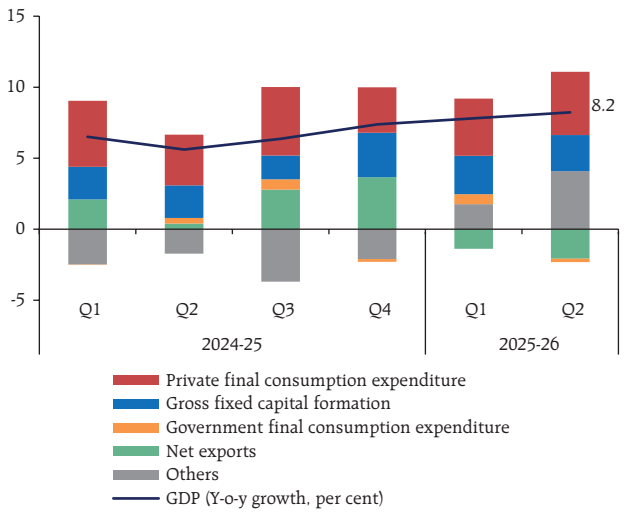
In Q2:2025-26, real gross domestic product (GDP) registered a growth of 8.2 per cent, the highest since Q4:2023-24, on the back of robust private consumption and fixed investment. The growth in private consumption was sustained by a robust rural demand and easing inflationary pressures. Net exports continued to be a drag on growth (Chart III.1 and Annex Table A1).

Notwithstanding a sharp uptick in real GDP growth in Q2, the nominal GDP registered a four-quarter low growth of 8.7 per cent. The narrowing of the gap between nominal and real GDP growth reflected the moderation in the GDP deflator to a low of 0.5 per cent (Chart III.2).

The high-frequency indicators suggest that overall economic activity held up in the post-festival month of November. While the low GST revenue collections were largely influenced by GST rate rationalisation,

Chart III.1: Weighted Contribution to GDP Growth

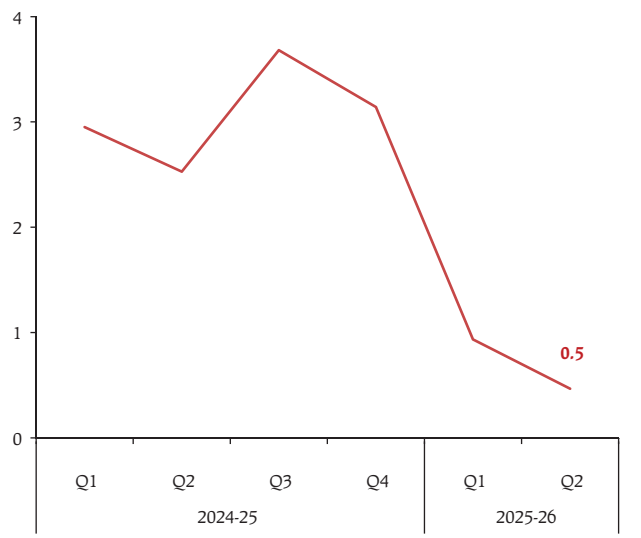
(Percentage points)



Note: Others include change in stocks, valuables, and statistical discrepancies.
Source: National Statistics Office (NSO).

Chart III.2: Moderation in GDP Deflator Inflation

(Per cent)



Sources: NSO; and RBI staff calculations.

other available high-frequency indicators of economic activity such as e-way bills, petroleum consumption and digital payments, registered a pick-up in growth. The sharp increase in e-way bill generation indicates a rise in goods movement and freight activity supported by the GST reforms. The increase in petroleum consumption was driven by a pick-up in construction and agricultural operations. Digital payments registered robust growth in both transaction value and volume. Electricity demand declined for the second consecutive month due to the early onset of winter season (Table III.1).

Table III.1: High Frequency Indicators of Overall Economic Activity

Indicator	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
GST E-way bills	16.3	17.6	23.1	14.7	20.2	23.4	18.9	19.3	25.8	22.4	21.0	8.2	27.6
GST revenue	0.6	7.3	12.3	9.1	9.9	12.6	16.4	6.2	7.5	6.5	9.1	4.6	0.7
Toll collection	11.9	9.8	14.8	18.7	11.9	16.6	16.4	15.5	14.8	12.7	4.5	4.6	2.9
Electricity demand	3.7	5.1	1.3	2.4	5.7	2.8	-4.8	-2.3	2.6	3.8	3.5	-5.8	-0.6
Petroleum consumption	10.6	2.0	3.0	-5.2	-3.1	0.2	1.1	0.5	-4.4	4.8	7.6	-0.4	3.0
Of which **Petrol**	9.6	11.1	6.7	5.0	5.7	5.0	9.2	6.8	5.9	5.5	8.0	7.4	2.6
Diesel	8.5	5.9	4.2	-1.3	0.9	4.2	2.1	1.5	2.4	1.2	6.6	-0.3	4.7
Aviation turbine fuel	8.5	8.7	9.4	4.2	5.7	3.9	4.4	3.3	-2.3	-2.9	-0.8	2.1	5.4
Digital payments - Volume	30.1	33.1	33.0	26.7	30.8	30.0	29.2	28.3	30.9	31.1	28.1	21.5	27.2
Digital payments - Value	9.5	19.6	18.6	9.5	17.3	18.4	12.6	17.4	16.6	5.3	13.4	8.8	14.9

<<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 to the latest month for which data is available. Digital Payments data for November 2025 are provisional.
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 toll collections for November 2025 growth rate is calculated by aggregating daily data.

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

Table III.2: High Frequency Indicators- Robust Demand Conditions

	Indicator	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Urban demand	Domestic air passenger traffic	13.8	10.8	14.1	12.1	9.9	9.7	2.6	3.7	-2.5	-0.5	-2.5	3.5	6.7
	Retail passenger vehicle sales	-11.8	-2.0	15.5	-10.3	6.3	1.6	-3.1	2.5	-0.8	0.9	5.8	10.7	19.7
Rural demand	Retail automobile Sales	12.0	-12.5	6.6	-7.2	-0.7	2.9	5.4	4.8	-4.3	2.8	5.2	40.5	2.1
	Retail tractor sales	29.9	25.8	5.2	-14.5	-5.7	7.6	2.8	8.7	11.0	30.1	3.6	14.2	56.5
	Retail two-wheeler sales	16.3	-17.6	4.2	-6.3	-1.8	2.3	7.3	4.7	-6.5	2.2	6.5	51.8	-3.1

<<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 to the latest month for which data is available.
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 November 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.

During November, overall demand conditions remained robust. Indicators of urban demand strengthened further, building up on the festival season pick-up. Retail passenger vehicle sales grew at their highest pace in over a year, aided by GST benefits, marriage season demand, and improved supply. Domestic air passenger traffic registered its fastest growth since May 2025. Retail tractor sales growth, buoyed by positive *rabi* season prospects, reduction in GST rates and hike in minimum support prices of *rabi* crops, registered a significant pick-up. Other high frequency indicators of rural demand, namely, retail automobiles sales, however, witnessed a sharp deceleration in the post festive season coupled with adverse base effects (Table III.2).[1]

As per the Periodic Labour Force Survey (released on December 15), the all-India unemployment rate declined to 4.7 per cent in November, with a fall in both rural and urban areas. Labour force participation rate rose to a seven-month high accompanied by an improvement in the worker population ratio. PMI employment for manufacturing witnessed deceleration in November but remained in the expansionary zone. PMI employment for services remained steady. The Naukri JobSpeak Index surged in November led by fresh hiring especially in non-IT sectors like education, hospitality, and real estate. Work demand under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) continued to contract, suggesting improvement in rural labour market conditions (Table III.3).

During April-October, 2025, the Centre's gross fiscal deficit as per cent of budget estimate (BE) was higher than the same period last financial year, while the revenue deficit as per cent of BE was lower (Chart III.3a).[2] The higher fiscal deficit was driven by higher capital expenditure and contraction in net tax revenue.[3] The revenue expenditure of the Centre remained flat, with interest payments registering higher growth and major subsidies recording a contraction.[4] A slower growth of tax revenue was observed in both direct and indirect tax collections.[5]

[1] Adverse base effects stem from the festive season being in November in 2024.

[2] As per the latest data released by the Controller General of Accounts (CGA).

[3] During April-October 2025-26, the y-o-y growth in capital expenditure and net tax revenue were 32.4 per cent and -2.4 per cent, respectively. The net tax collections of the Centre recorded a contraction since the increase in gross tax revenue during the period was more than offset by a rise in the devolution of tax from Centre to the States.

[4] During April-October 2025-26, the y-o-y growth in Centre's spending on interest payment and major subsidies were 13.0 per cent and (-) 0.8 per cent, respectively.

Table III.3: Robustness in High Frequency Indicators for Employment

Indicator	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Unemployment rate (PLFS: All-India)						5.1	5.6	5.6	5.2	5.1	5.2	5.2	4.7
Unemployment rate (PLFS: Rural)						4.5	5.1	4.9	4.4	4.3	4.6	4.4	3.9
Unemployment rate (PLFS: Urban)						6.5	6.9	7.1	7.2	6.7	6.8	7.0	6.5
Naukri JobSpeak Index	2.0	8.7	3.9	4.0	-1.5	8.9	0.3	10.5	6.8	3.4	10.1	-9.3	23.5
PMI employment: manufacturing	52.9	53.4	54.8	54.5	53.4	54.2	54.9	55.1	53.3	53.1	52.1	52.4	50.9
PMI employment: services	56.6	55.5	56.3	56.2	52.5	53.9	57.1	55.1	51.4	52.2	51.9	51.4	51.6
MGNREGA: work demand	3.9	8.2	14.4	2.8	2.2	-6.5	4.4	4.4	-12.3	-26.2	-27.1	-35.1	-31.9

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

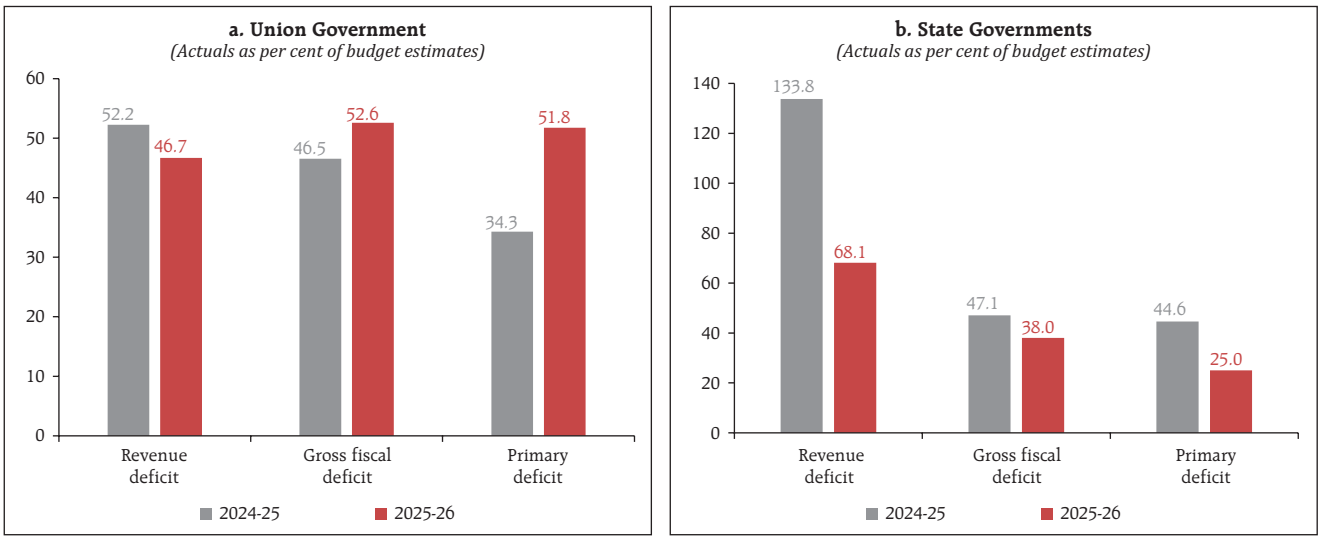
Notes: 1. All PLFS indicators are in the current weekly status and for people aged 15 years and above.
2. The y-o-y growth (in per cent) has been calculated for the Naukri JobSpeak Index and MGNREGA Work Demand.
3. The heatmap is applied on data from April 2023 to the latest month for which data is available.
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.

The robust performance of non-tax revenue and non-debt capital receipts had offset the contraction in net tax revenue and supported the growth in total receipts.[6]

The deficit indicators of states during April-October 2025, as a proportion of BE for the financial year, were lower than the same period last year (Chart III.3b). This improvement was driven by a sharp

Chart III.3: Deficit Indicators (April-October)



Note: Data pertain to 23 States/UTs.
Sources: Controller General of Accounts; Comptroller and Auditor General of India; and Union Budget Documents.

5 The direct and indirect tax growth decelerated from 12.3 per cent and 8.9 per cent in April-October 2024-25 to 6.0 per cent and 1.5 per cent, respectively, in April-October 2025-26. Within major direct and indirect taxes, only corporation tax and union excise duty registered an acceleration in growth in comparison to the previous year.

6 The total receipts of the Centre comprises of revenue receipts (consists of tax revenue as well as non-tax revenue) and non-debt capital receipts (i.e., capital receipts other than borrowings).

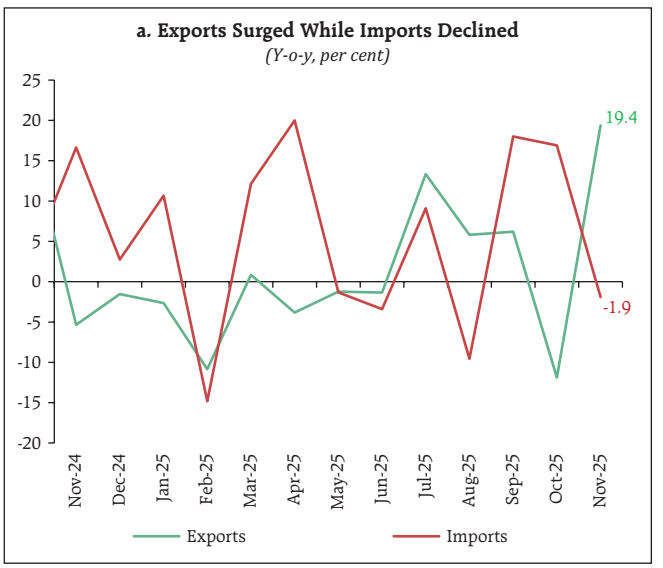
moderation in revenue expenditure growth. Within revenue receipts, state excise growth remained strong, while SGST growth decelerated.

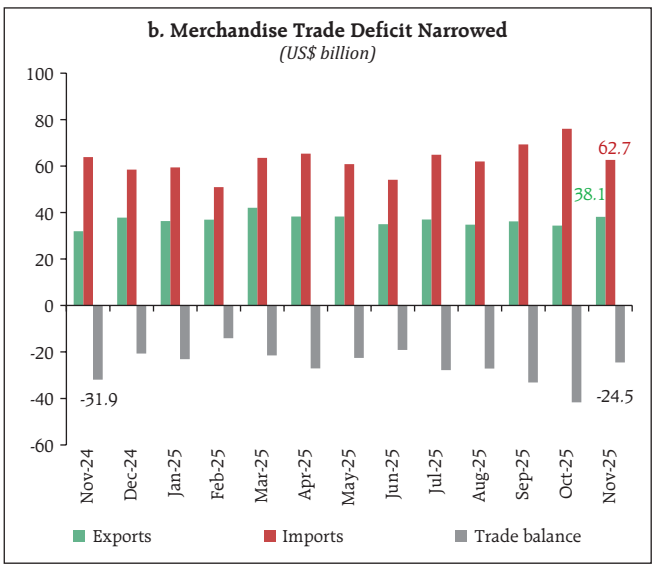
During the year so far (April-November), the merchandise trade deficit was higher than that of last year, primarily driven by petroleum products, electronic goods and gold.[7] India's merchandise exports and imports during this period witnessed a broad-based expansion.[8]

In November, the merchandise trade deficit narrowed on account of a surge in merchandise exports and a contraction in merchandise imports.[9] The contraction in imports in November *vis-à-vis* October was mainly driven by gold as the post-festive season demand declined. As a result, gold accounted for 11 per cent of merchandise trade deficit in November, down from 33 per cent in October (Chart III.4). Exports to the US increased in the month of November after declining consecutively in the previous two months.[10]

On December 11, Mexico imposed higher import duties ranging from 5 to 50 per cent on 1400 products imported from countries without a free trade agreement. Mexico is India's major export destination for three sub-segments of engineering goods, namely, two and three-wheelers, motor vehicles / cars and auto components and parts.[11]

Chart III.4: India's Merchandise Trade





Sources: PIB; DGCI&S.

[7] The merchandise trade deficit during April-November 2025 was at US$ 223.1 billion as against US$ 203.3 billion during April-November 2024.

[8] 17 out of 30 major commodities (accounting for 58.2 per cent of exports basket) and 19 out of 30 major commodities (accounting for 51.9 per cent of imports basket) registered expansion in 2025-26 (April-November).

[9] The merchandise trade deficit narrowed to US$ 24.5 billion in November 2025 from US$ 31.9 billion in November 2024. Merchandise exports stood at US$ 38.1 billion in November 2025 [increase of 19.4 per cent (y-o-y)]. Key segments such as engineering goods, electronic goods, gems and jewelery; drugs and pharmaceuticals; and petroleum products drove the exports while rice, plastic and linoleum, carpet, oil seeds, and jute manufacturing including floor covering dragged the exports down. Exports to 14 out of top 20 major destinations expanded, with exports to destinations such as the US, the UAE and China growing, while contracting to the Netherlands and Singapore. Merchandise imports stood at US$ 62.7 billion in November 2025 [contraction of 1.9 per cent (y-o-y)]. Gold, petroleum products, vegetable oil, coal, coke and briquettes; and artificial resins and plastic materials dragged down the imports, while electronic goods, fertilisers, crude and manufactured; pearls, precious and semi-precious stones; machinery, electrical and non-electrical, and silver contributed positively to the imports during the month.

[10] Merchandise exports to the US increased by 22.6 per cent (y-o-y) in November 2025.

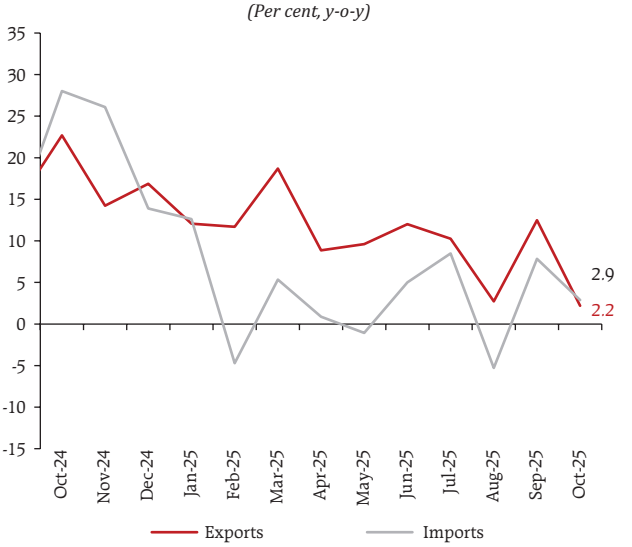
[11] Mexico accounted for 1.3 per cent of India's total exports in 2024-25. India exported US$ 3.5 billion worth of engineering goods to Mexico in 2024-25 accounting for 61.5 per cent of total exports to Mexico and 3.0 per cent of total engineering goods exports. US$ 1.8 billion worth of two-three wheelers, motor vehicles/ cars, and auto components and parts were exported to Mexico in 2024-25.

Mexico accounted for 5 -12 per cent of the total exports of India in these sectors during 2024-25. As India does not have a trade agreement with Mexico, tariffs on Indian exports of these goods are set to increase from 20 per cent to 50 per cent from January 1, 2026.

Net services exports growth moderated in October, with both services exports and imports witnessing a slowdown in pace.[12] Growth in services exports and imports softened on account of weak performance in software and transport services (Chart III.5).

Chart III.5: Services Exports Continue to Grow *albeit* at Moderate Pace

(Per cent, y-o-y)



Source: RBI.

Aggregate Supply

On the supply side, growth in real gross value added (GVA) increased to 8.1 per cent in Q2:2025-26 from 7.6 per cent in the previous quarter. The increase in GVA growth was driven by a strong pickup in industrial activity and sustained buoyancy in services sector (Chart III.6 and Annex Table A2). Industrial sector growth picked up on the back of strong performance in manufacturing. The services sector continued to sustain its growth momentum with financial, real estate and professional services being the key sub-component driving its growth. Agriculture and allied activities saw some moderation in growth on account of lower-than-expected *kharif* production resulting from localised crop damages due to excessive rainfall.

Agriculture

The first advance estimates for agricultural production of 2025-26 indicate an increase in *kharif* foodgrains production over the last year, driven primarily by a pick-up in cereals production–particularly rice and maize. The production of all other crops under foodgrains has declined, partially reflecting the crop damage caused by excessive rainfall (Chart III.7).[13]

For *kharif* marketing season 2025-26 so far, the procurement of rice is higher than the last year.[14]

Chart III.6: Weighted Contribution to GVA Growth

(Percentage points)

Sources: NSO; and RBI staff calculations.

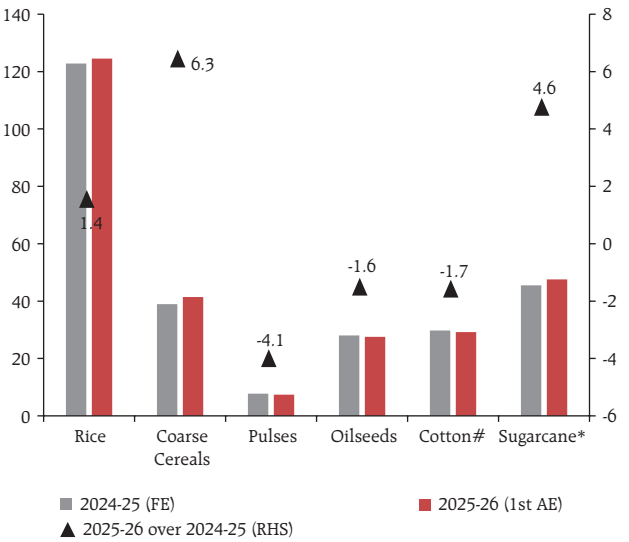
[12] Net services exports grew by 1.5 per cent (y-o-y) to US$ 17.4 billion in October 2025 from US$ 17.2 billion in October 2024. During April-October 2025, net services exports increased to US$ 116.2 billion from US$ 101.5 billion during April-October 2024.

[13] The production of kharif foodgrains in 2025-26, as per the 1st AE, is estimated at 173.3 million tonnes, 2.3 per cent higher than the final estimates of 2024-25.

[14] As on December 19, 2025, rice procurement reached 281 lakh tonnes which is 8.8 per cent higher than corresponding period of last year.

Chart III.7: Agriculture *Kharif* Crop Production 2025-26: First Advance Estimates

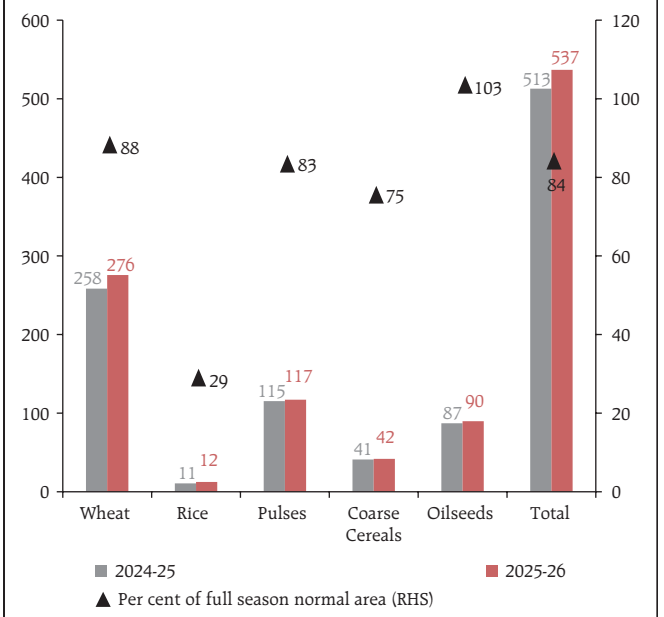
(Million tonnes, left scale; per cent, right scale)



#: Million bales of 170 kgs each, *: Sugarcane is in 10 million tonnes.
Note: FE: Final Estimates, AE: Advance Estimates.
Source: Ministry of Agriculture and Farmers' Welfare.

Chart III.8: Higher *Rabi* Sown Area

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



Note: Data is as on December 12.
Source: Ministry of Agriculture and Farmers' Welfare.

Consequently, the combined stock of rice and wheat with the government remains comfortable, with a record high stock of rice.[15]

High reservoir levels, because of good post-monsoon rainfall, have supported the ongoing *rabi* sowing.[16] Sown area under all major crops stands higher than the last year indicating better prospects for the *rabi* crop (Chart III.8).[17]

Monthly Indicators of Industrial Activity

Growth in industrial activity, as measured by the year-on-year change in the Index of Industrial Production (IIP), fell to a 14-month low in October, driven by a slowdown in manufacturing output, brought about primarily by the fewer working days. Mining and electricity sectors registered contraction in October. The combined index of eight core industries remained unchanged, as growth in steel, cement, fertilisers and refinery products was offset by contractions in coal, electricity, natural gas and crude oil.

The high-frequency indicators for November point to robust industrial activity. Steel output grew strongly, reflecting continued momentum in infrastructure and construction activity. Automobile production in November registered its highest growth since February 2024 with all the segments recording double-digit growth. Two-wheeler production also rebounded after the decline in October. Stable domestic demand, coupled with GST reforms, sustained the sector's strong growth. PMI manufacturing, though continuing to witness strong expansion, registered some deceleration due

[15] As on December 01, 2025, the total stock stood at 867 lakh tonnes with the rice stock at 575.7 lakh tonnes (5.6 times the buffer norms) and wheat stock at 291.4 lakh tonnes (1.4 times the buffer requirement).

[16] As on December 18, 2025, the average storage level in 166 major reservoirs in the country has reached 83 per cent of its full capacity. The same is 6.8 per cent and 21.9 per cent higher than the last year and normal storage, respectively.

[17] The area sown under rabi crops (as on December 12) has covered 84 per cent of the full season normal acreage and it is 4.7 per cent higher than the area sown during corresponding period of last year.

Table III.4: High Frequency Indicators for Industry showed Robust Growth

Indicator	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
IIP-headline	5.0	3.7	5.2	2.7	3.9	2.6	1.9	1.5	4.3	4.1	4.6	0.4	
IIP manufacturing	5.5	3.7	5.8	2.8	4.0	3.1	3.2	3.7	6.0	3.8	5.6	1.8	
IIP capital goods	8.9	10.5	10.2	8.2	3.6	14.0	13.3	3.0	6.8	4.5	5.4	2.4	
PMI manufacturing	56.5	56.4	57.7	56.3	58.1	58.2	57.6	58.4	59.1	59.3	57.7	59.2	56.6
PMI export order	54.6	54.7	58.6	56.3	54.9	57.6	56.9	60.6	57.3	56.1	56.5	54.7	54.1
PMI manufacturing: future output	65.5	62.5	65.1	64.9	64.4	64.6	63.1	62.2	57.6	60.5	64.8	62.3	57.1
Eight core index	5.8	5.1	5.1	3.4	4.5	1.0	1.2	2.2	3.7	6.5	3.3	0.0	
Electricity generation: conventional	2.6	4.5	-1.3	2.4	4.8	-1.8	-8.2	-6.1	-0.8	1.0	0.8	-10.6	-5.1
Electricity generation: renewable	19.0	17.9	31.9	12.2	25.2	28.0	18.2	28.7	26.4	22.7	16.4	21.4	
Automobile production	8.0	1.3	9.4	2.3	6.5	-1.7	5.2	1.2	10.7	8.1	10.8	-2.8	22.3
Passenger vehicle production	6.5	9.2	3.7	4.5	11.2	10.8	5.4	-1.8	0.1	-4.1	16.1	9.8	22.8
Tractor production	24.7	20.9	23.7	-7.8	18.5	20.5	9.1	9.8	11.5	9.4	23.0	13.0	37.5
Two-wheelers production	8.8	-0.6	10.3	1.6	5.6	-4.1	4.7	1.4	12.3	10.0	9.8	-5.6	20.9
Three-wheelers production	-5.5	7.6	16.2	6.5	6.0	4.1	16.9	8.6	24.0	15.8	15.9	15.9	55.4
Crude steel production	4.5	8.3	7.4	6.0	8.5	9.3	11.0	12.6	13.8	12.8	13.2	9.4	11.8
Finished steel production	2.8	5.3	6.7	6.7	10.0	6.6	7.0	10.9	13.8	13.8	13.8	10.0	13.5
Import of capital goods	4.4	6.1	15.5	-0.5	8.6	24.5	15.7	3.4	13.3	0.2	12.8	8.7	13.1

<<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 to the latest month for which data is available.
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.

to slowdown in growth of new orders and future output prospects (Table III.4).

Monthly Indicators of Services Activity

India's services sector in November continued to demonstrate a strong expansion in activity. Retail commercial vehicles sales and international air passenger traffic remained robust. Port cargo traffic registered a pick-up in growth (Table III.5).

The Climate Change Performance Index (CCPI) Report 2026[18] has ranked India as the 5th best country among G20 countries (23rd rank globally), acknowledging India's strong progress in renewable energy. Notably, India's adaptation-relevant expenditure as a per cent of GDP has increased significantly by 150 per cent from 2016-17 to 2022-23.[19] In line with its commitment to deal with the issue of climate change, India advocated for greater adaptation finance at the 30th Conference of the Parties (COP30) held in November 2025.[20]

[18] The Climate Change Performance Index Report 2026 published by Germanwatch on November 18, 2025 evaluates and compares the climate protection performance of 63 countries and the European Union (EU).

[19] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2192347&reg=3&lang=2.

[20] According to the United Nations Environment Programme (UNEP) Adaptation Gap Report 2025, there is a wide adaptation finance gap with developing countries requiring US$ 310-365 billion annually by 2035, while the current flows stand at only US$ 26 billion.

Table III.5: High Frequency Indicators for Services Remained Strong

Indicator	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
PMI services	58.4	59.3	56.5	59.0	58.5	58.7	58.8	60.4	60.5	62.9	60.9	58.9	59.8
International air passenger traffic	10.7	9.0	11.1	7.7	6.8	13.0	5.0	3.4	5.5	7.7	7.3	9.7	9.2
Domestic air cargo	0.3	4.3	6.9	-2.5	4.9	16.6	2.3	2.6	4.8	7.1	2.8	-2.3	
International air cargo	16.1	10.5	7.1	-6.3	3.3	8.6	6.8	-1.2	4.2	4.5	2.3	-2.3	
Port cargo traffic	-5.0	3.4	7.6	3.6	13.3	7.0	4.3	5.6	4.0	2.5	11.5	11.9	14.6
Retail commercial vehicle sales	-9.3	-5.2	8.2	-8.6	2.7	-1.0	-3.7	6.6	0.2	8.6	2.7	21.1	19.9
Hotel occupancy	11.1	-0.2	1.2	0.6	1.9	7.2	-2.8	-0.3	-2.4	-3.2	-0.6	0.0	
Steel consumption	9.5	5.2	10.9	10.9	13.6	6.0	8.1	9.3	7.3	10.0	8.9	4.7	7.1
Cement production	13.1	10.3	14.3	10.7	12.2	6.3	9.7	8.2	11.6	5.4	5.0	5.3	

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

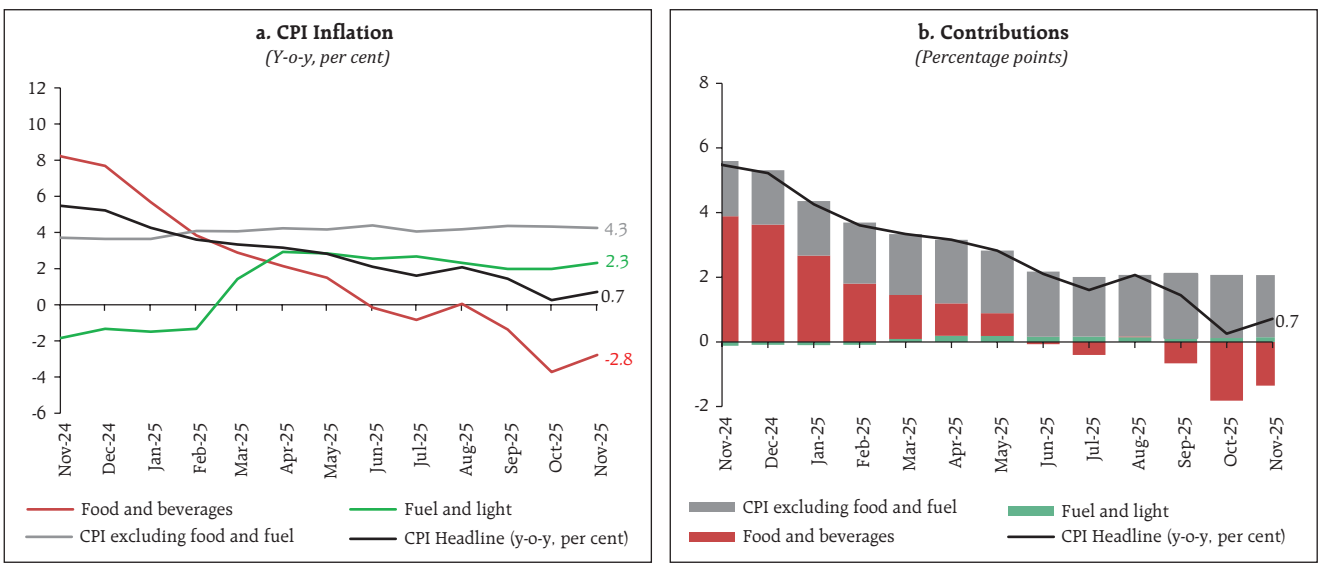
Notes: 1. The y-o-y growth (in per cent) has been calculated for all indicators (except for PMI).
2. The heatmap translates the data range for each indicator into a colour gradient scheme with red denoting the lowest values and green corresponding to the highest values of the respective data series.
3. The heatmap is applied to data from April 2023 to the latest month for which data is available.
4. The data on international air passenger traffic for November 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; Joint Plant Committee; Office of Economic Adviser; and S&P Global.

Inflation

Headline inflation[21] edged up in November to 0.7 per cent, driven by a lower rate of deflation in food prices, after reaching an all-time low of 0.3 per cent in October (Chart III.9).[22]

Chart III.9: Food and Fuel Propelled the Rise in Headline Inflation

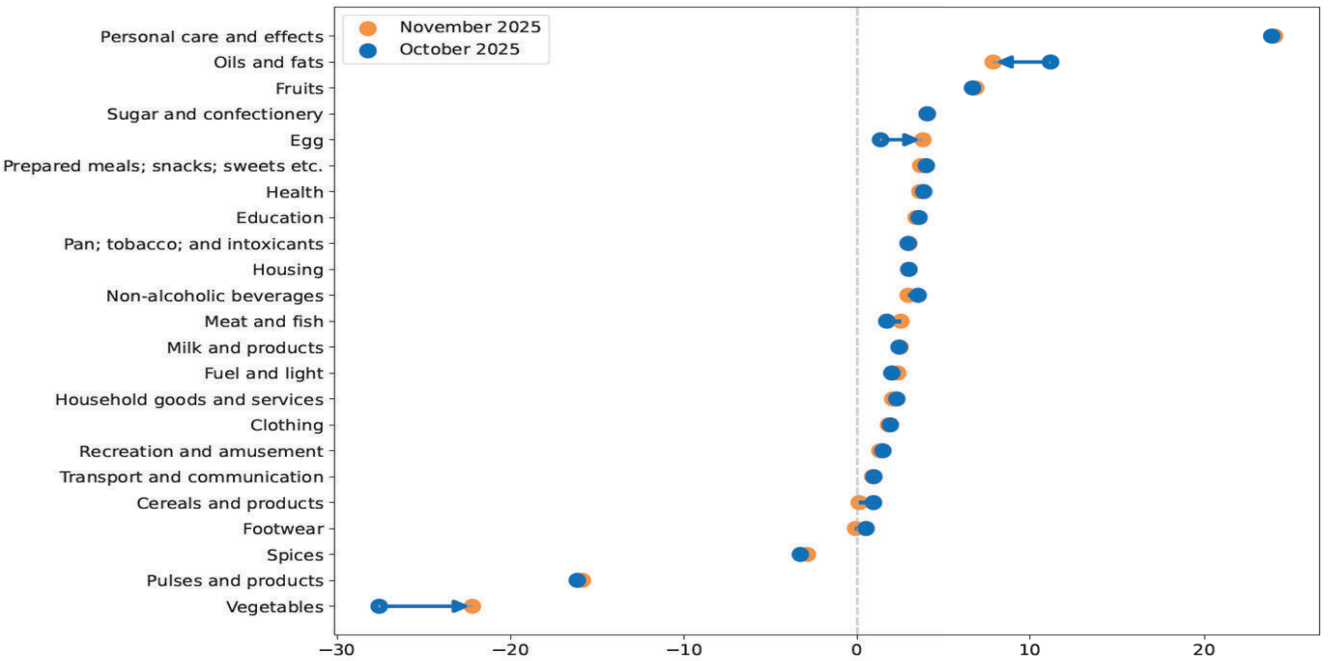


Sources: National Statistical Office (NSO); and RBI staff calculations.

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

[22] The increase in inflation by about 45 bps was on account of a momentum effect of around 30 bps and unfavourable base effect of around 15 bps. The positive momentum was primarily driven by food and fuel prices.

Chart III.10: Key Driver of Increase in Inflation: Easing Deflation in Vegetables



Sources: NSO; and RBI staff estimates.

Food prices remained in deflation for the third consecutive month, although the pace of deflation moderated.[23] Within food group, prices declined for vegetables, pulses and spices on a year-on-year basis. Inflation in sub-groups such as cereals, oils and fats, prepared meals and non-alcoholic beverages moderated, while that in meat and fish, eggs, milk and products, and fruits edged up (Chart III.10).

Fuel and light inflation picked up to 2.3 per cent in November from 2.0 per cent in October. This was driven by kerosene PDS prices which came out of deflation after seven months. Inflation continued to remain elevated for LPG.

Core (*i.e.*, CPI excluding food and fuel) inflation remained stable at 4.3 per cent in November, the same as in October. Inflation moderated within clothing and footwear, health, recreation and amusement, education and household goods and services subgroups while inflation in pan, tobacco and intoxicants, and personal care and effects subgroups increased. Excluding precious metals, core inflation was at 2.4 per cent.

Inflation in both urban and rural areas edged up in November with the latter moving out of deflation.[24] Across states/UTs, inflation varied between (-) 4.2 per cent to 8.3 per cent, with the majority of states continuing to record inflation below 2 per cent. Overall, inflationary pressures were subdued across states/UTs. However, 25 out of 37 states/UTs recorded an uptick in inflation (Chart III.11).

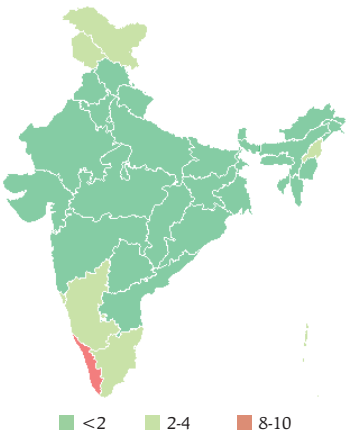
High-frequency food price data for December so far (up to 19th) point to a pick-up in cereal prices. Among pulses, gram prices moderated, while *tur/arhar* dal prices increased. Prices of moong remained steady. Within edible oils, the prices of sunflower oil and groundnut oil increased. Mustard oil prices were flat. Tomato and onion prices picked up while potato prices eased (Chart III.12).

[23] Food deflation moderated to 2.8 per cent in November from 3.7 per cent in the previous month.

[24] Inflation in urban and rural areas was at 1.4 per cent and 0.1 per cent, respectively.

Chart III.11: Generalised Increase in Inflation across States in November

(Y-o-y, per cent)



Inflation Range	Number of States/UTs
<2	27
2-4	8
4-6	0
6-8	0
8-10	2

Inflation Trend	Number of States/UTs
Decline or Stable	12
Increase	25

Notes: 1. Map is for illustrative purposes only.
2. Kerala and Lakshadweep experienced inflation above 8 per cent.
Sources: NSO; and RBI Staff estimates.

Table III.6: Petroleum Products Prices

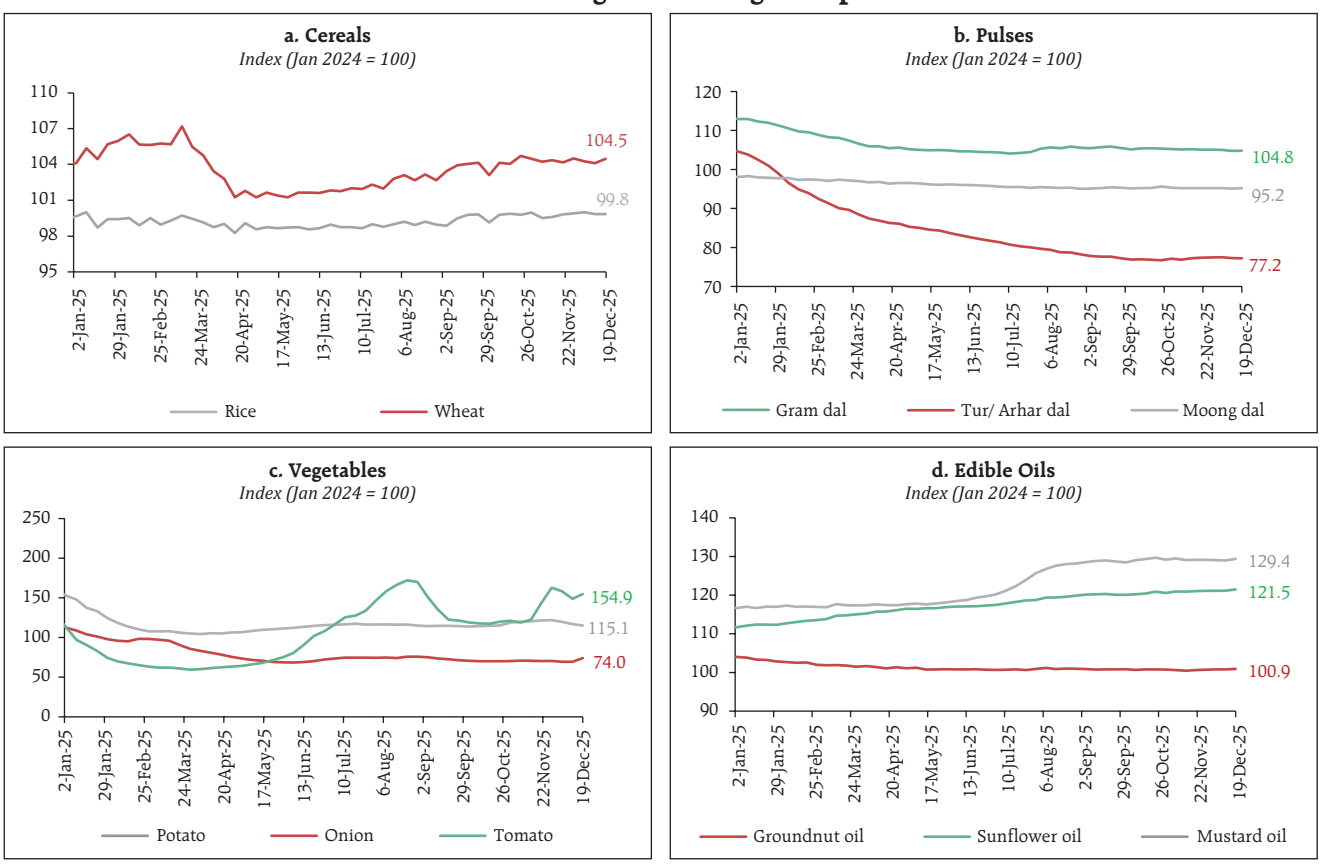
Item	Unit	Domestic Prices			Month-over-month *(Per cent)*	
		Dec-24	Nov-25	Dec-25 ^	Nov-25	Dec-25 ^
Petrol	₹/litre	101.02	101.12	101.13	0.00	0.01
Diesel	₹/litre	90.48	90.53	90.53	0.00	0.00
Kerosene (subsidised)	₹/litre	44.75	45.91	48.64	1.24	5.95
LPG (non-subsidised)	₹/cylinder	813.3	863.3	863.3	0.0	0.0

^ : For the period December 1-19, 2025.
Note: 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 calculations.

Retail selling prices of petrol, diesel and LPG remained unchanged in December while subsidised kerosene prices increased (up to 19th) [Table III.6].

In November, manufacturing PMI recorded a moderation in the rate of expansion of both input and

Chart III.12: Food Prices Registered Marginal Uptick in December



Note: Data pertain to weekly averages.
Sources: Department of Consumer Affairs, GoI; and RBI staff estimates.

Chart III.13: Pace of Input and Output Price Expansion Eased for both Manufacturing and Services Firms

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

output prices. Benign inflation during the month kept input cost pressures low for firms, also limiting hikes to selling prices to maintain competitive pricing by firms in global markets. For services PMI also, deceleration continued in both input prices and selling prices as a result of the receding cost pressures and firms' efforts to secure new business (Chart III.13).

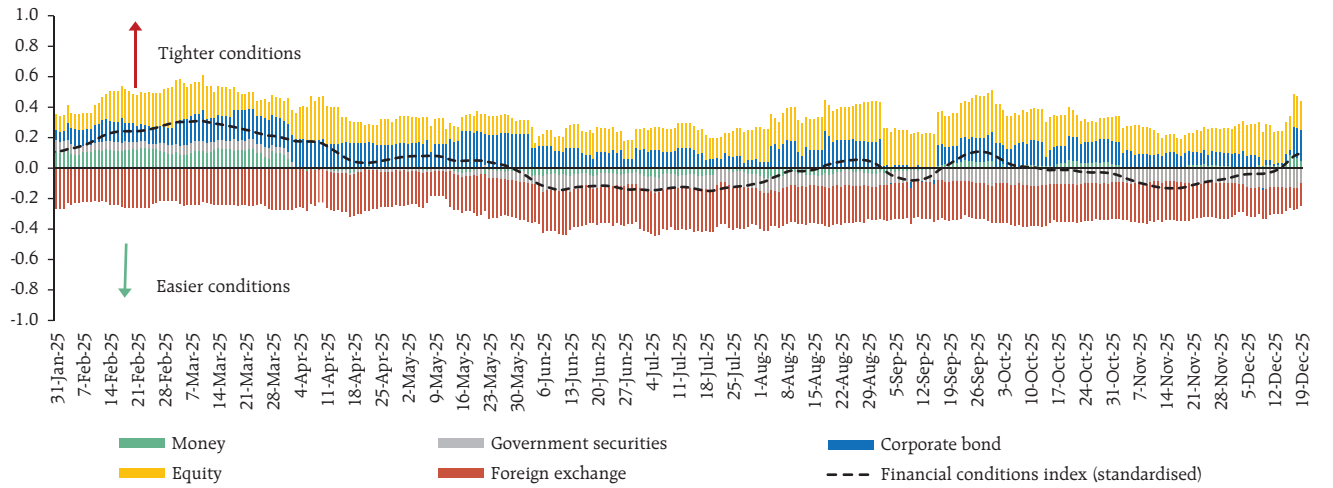
IV. Financial Conditions

Overall financial conditions continued to remain benign *albeit* with tightening across market segments except G-sec market since the second half of November (Chart IV.1).

Banking system liquidity remained largely in surplus during the second half of November

Chart IV.1: Benign Daily Financial Conditions Index

(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. [25]
Source: RBI staff estimates.

[25] For detailed methodology see https://rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=23451

and December (up to 19th). Temporary increases in government cash balances due to GST related payments and an increase in currency-in-circulation led to some decline in system liquidity during the second half of November. The last tranche of CRR reduction, effective November 29, 2025 improved liquidity conditions till mid-December. System liquidity turned into deficit in the second half of December (up to 19th) on account of buildup in government cash balances due to advance tax payments. To offset the transient liquidity tightness, the Reserve Bank conducted variable rate repo auctions. With the aim of injecting durable liquidity into the system, the Reserve Bank conducted open market operation (OMO) purchases of government securities amounting to ₹1 lakh crore and 3-year USD/INR Buy/Sell swaps of USD 5 billion in December.[26]

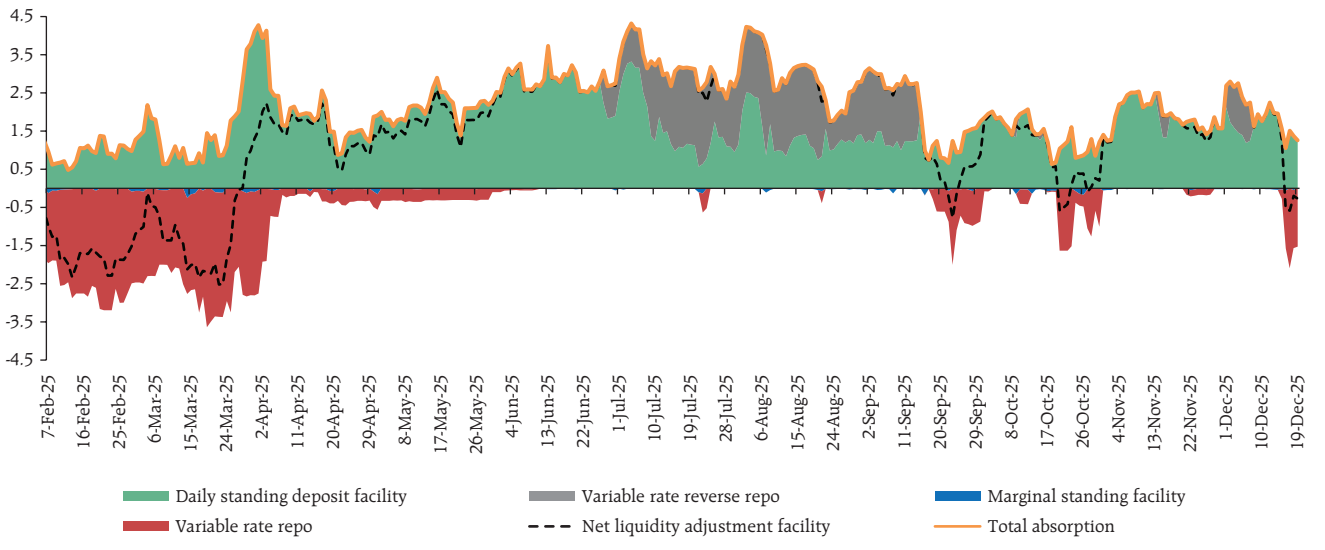
Overall, average net absorption under the liquidity adjustment facility increased to ₹1.63 lakh crore during November 16 – December 19 from ₹1.2 lakh crore in the preceding one-month period (Chart IV.2). With an improvement in the overall liquidity conditions in the first half of December, 3-day VRRRs of varying maturities were conducted to absorb surplus liquidity from the banking system. Average balances under the standing deposit facility remained marginally higher, and banks' recourse to the marginal standing facility remained unchanged.[27]

Money Market

The weighted average call rate (WACR) remained broadly aligned with the policy repo rate in November, despite some temporary liquidity squeezes during the latter half of November. The WACR hovered within the policy corridor as liquidity conditions improved since the beginning of December with some hardening witnessed in second half of December due to liquidity tightness. The spread of WACR over the policy repo rate, on average, remained unchanged during November 16 – December 19, compared with the

Chart IV.2: Comfortable Liquidity Conditions

(₹ lakh crore)



Source: RBI.

[26] OMO purchase auctions were conducted on December 11 and December 18 in two equal tranches for an amount of ₹50,000 crore each. Three-year USD/INR Buy Sell swap auction was conducted on December 16, 2025.

[27] Average balances under the standing deposit facility increased modestly to ₹1.64 lakh crore during November 16 to December 19, 2025 from ₹1.56 lakh crore in the preceding one-month period. Borrowings from the marginal standing facility averaged ₹0.02 lakh crore during this period.

preceding one-month period (Chart IV.3a). Overnight rates in the collateralised segments – as measured by the secured overnight rupee rate – moved in tandem with the uncollateralised rate. Yields on three-month treasury bills moderated, reflecting the policy repo rate cut and improved liquidity conditions. At the same time, interest rates on certificates of deposit and 3-month commercial papers issued by NBFCs remained broadly stable (Chart IV.3b). The average risk premium in the money market (the spread between the yields on 3-month commercial paper and 91-day treasury bill) recorded an uptick.[28]

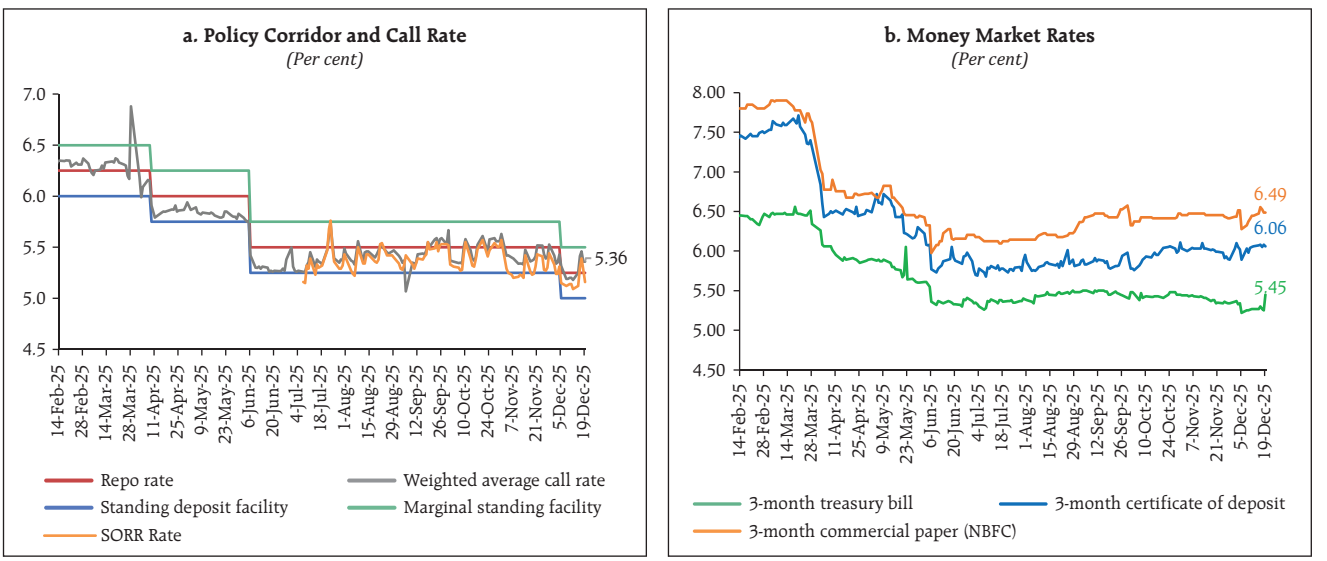
Government Securities (G-Sec) Market

In the fixed income segment, the G-sec yields softened on the day of the announcement of the policy rate cut and the Reserve Bank's liquidity augmenting measures. Thereafter, the yields hardened amidst market perceptions of end of current easing cycle. The yields have, however, moderated marginally after the RBI's OMO purchases of government securities on December 11 and 18, 2025.[29] Compared to a month ago, the yield curve (as on December 19) shifted upwards, especially in the middle of the curve. The term spread (difference between the yields of 10-year G-sec and 91-day treasury bill) inched up marginally during the period (Charts IV.4a and IV.4b).[30]

Corporate Bond Market

Corporate bond yields and their spreads generally witnessed mixed trends across rating spectrum and tenors (Table IV.1). New corporate bond issuances increased marginally in October. On a cumulative basis, total issuances remained higher in the current financial year so far than the same period last year.[31]

Chart IV.3: Money Market Rates Remained Broadly Stable



Sources: RBI; and Bloomberg.

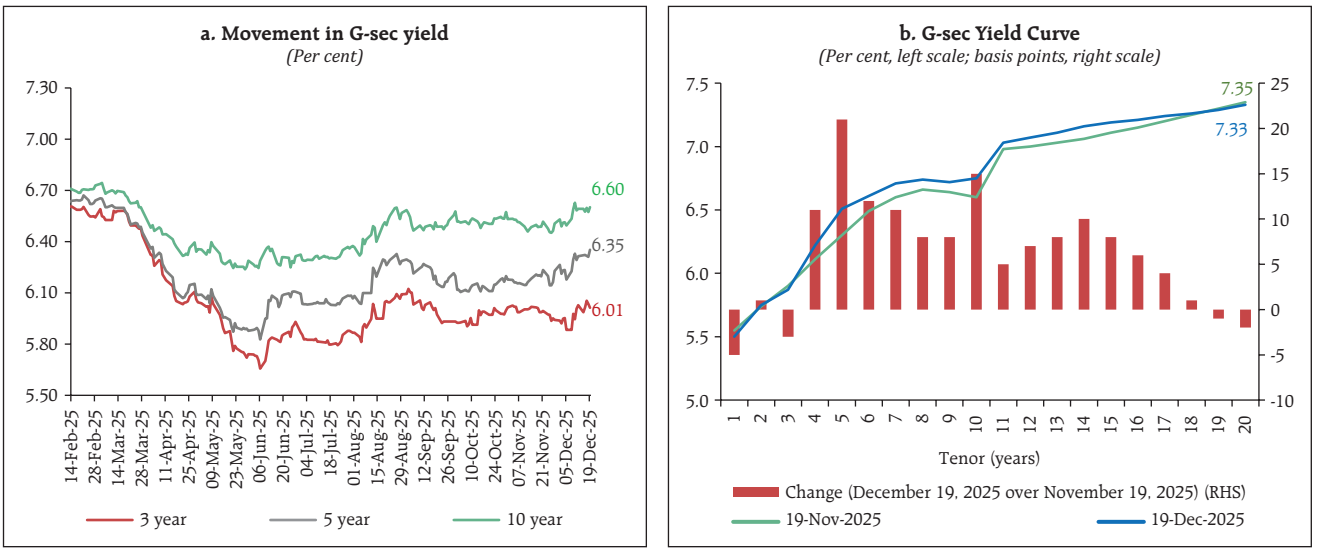
[28] Increased to 112 bps during the period from November 16 to December 19, 2025, from 101 bps in the preceding one-month period.

[29] The yield on the 10-year benchmark G-sec (6.48 per cent GS 2035) rose to a peak of 6.63 per cent on December 10, before easing to 6.57 per cent on December 18 following the RBI's OMO purchase of government securities, compared with 6.49 per cent on November 14.

[30] The average term spread between the 10-year G-sec and 91-day treasury bill increased by 13 bps during November 16 to December 19 as compared to the period from October 16 to November 15.

[31] Increased to ₹0.79 lakh crore in October 2025, compared to ₹0.74 lakh crore in September 2025. On a cumulative basis (April to October), it stood at ₹5.5 lakh crore in 2025-26, up from ₹5.4 lakh crore in the corresponding period of the previous year.

Chart IV.4: Stabilising G-Sec Yields



Sources: Bloomberg; and RBI staff calculations.

Money and Credit

During November and December so far (up to 12th), growth in reserve money (adjusted for CRR) increased in tandem with the growth in currency in circulation.[32] The pickup in currency in circulation was propelled by the ongoing seasonal demand, which is typically experienced in the third quarter of every financial year. Money supply (M3) also expanded at a sequentially higher pace on the back of aggregate deposits and currency with the public (Chart IV.5).[33]

With the cumulative reduction of 100 basis points in cash reserve ratio (CRR), phased in from September 5, banks' reserve-deposit ratio declined over the past three months, resulting in a higher money multiplier[34] (Chart IV.6).

Table IV.1: Corporate Bond Yields and Spreads Generally Softened

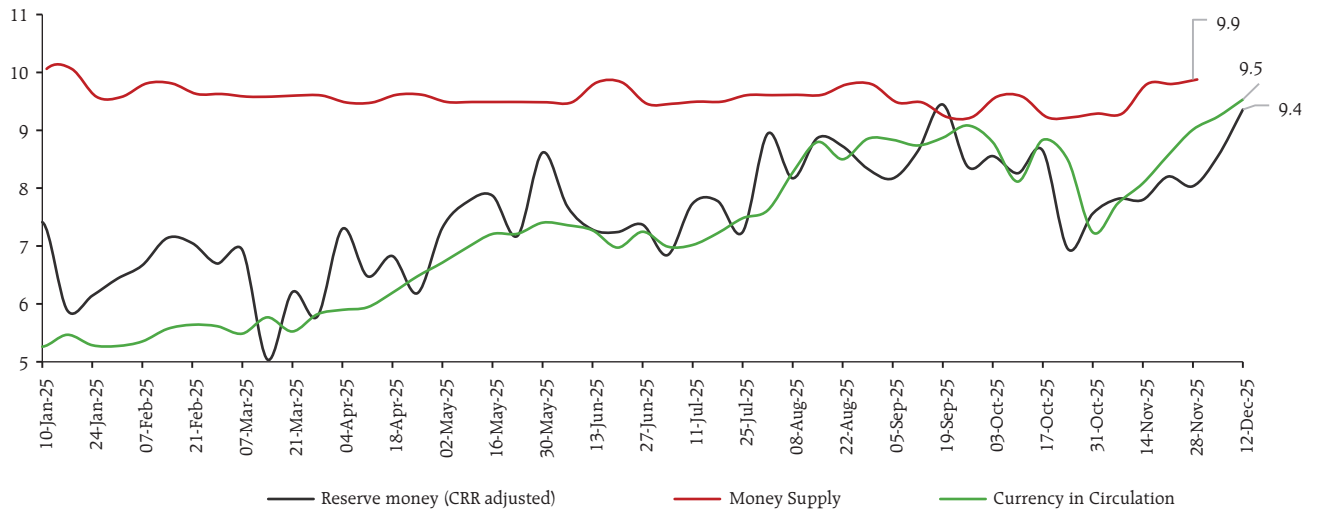
Instrument	Interest Rates *(Per cent)*			Spread *(bps)* (Over Corresponding Risk-free Rate)		
	October 16, 2025 – November 17, 2025	November 18, 2025 – December 17, 2025	Variation *(bps)*	October 16, 2025 – November 17, 2025	November 18, 2025 – December 17, 2025	Variation
1	2	3	(4 = 3-2)	5	6	(7 = 6-5)
(i) AAA (1-year)	6.70	6.85	15	107	127	20
(ii) AAA (3-year)	7.03	7.03	0	105	109	4
(iii) AAA (5-year)	7.22	7.18	-4	87	77	-10
(iv) AA (3-year)	8.10	8.03	-7	211	209	-2
(v) BBB- (3-year)	11.79	11.68	-11	574	574	0

Note: Yields and spreads are computed as averages for the respective periods.
Source: FIMMDA.

[32] Reserve money (adjusted for the first-round impact of changes in the cash reserve ratio) and currency in circulation grew by 9.4 per cent and 9.5 per cent as on December 12, 2025, respectively, up from 6.3 per cent and 6.1 per cent, respectively, a year ago.
[33] Money supply grew by 9.9 per cent as on November 28, 2025 as compared to 9.7 per cent a year ago.
[34] Money multiplier is defined as the ratio of money supply to reserve money.

Chart IV.5: Growth in Reserve Money and Money Supply (M3) Picked Up

(Y-o-y, per cent)



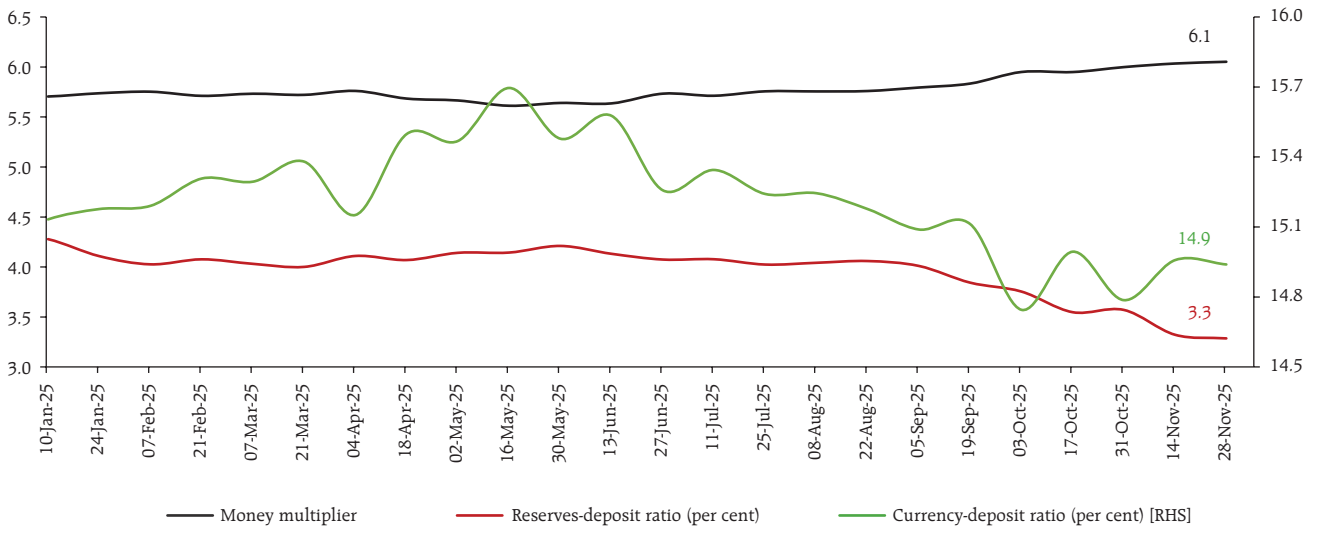
Source: RBI.

Credit growth in scheduled commercial banks (SCBs) sustained its pace during November (up to 28th) [Chart IV.7].[35] Bank deposits, on the other hand, registered a significant pickup in growth. Consequently, the wedge between credit and deposit growth narrowed from 1.5 percentage points in end-October to 1.3 percentage points in end-November.

During 2025-26 so far (up to November 28), the total flow of financial resources to the commercial sector remained strong, bolstered by robust greater non-bank intermediation. Non-bank sources – corporate bond issuances and foreign direct investment to India – showed a marked increase in the year so far (Table IV.2a). As on November 28, the

Chart IV.6: Sustained Increase in Money Multiplier

(Ratio, per cent)

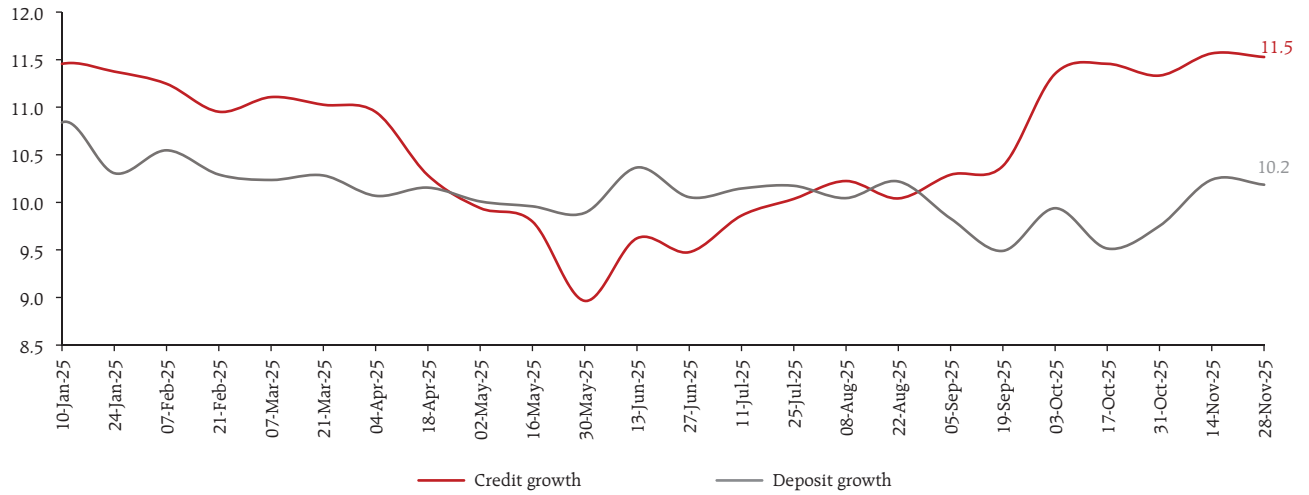


Source: RBI.

[35] SCBs' credit and deposit growth stood at 11.5 per cent and 10.2 per cent, respectively, as on November 28, 2025.

Chart IV.7: Credit Expansion Steady, Deposit Growth Increased

(Y-o-y, per cent)



Note: SCBs' 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.

total outstanding credit to the commercial sector rose by 13.2 per cent, with non-bank sources registering a growth of 17.0 per cent (Table IV.2b).

Bank credit growth strengthened across key sectors in October, namely, industry, services, and personal loans (Chart IV.8).[36] The pick-up in industrial credit growth was driven by robust growth in credit to micro, small and medium enterprises (MSMEs). The credit to the services sector recorded buoyant double-digit growth, driven by a steep rise in banks' lending to NBFCs. An uptick in personal loans growth came from housing and vehicle loans. Notably, loans against gold jewellery have surged and continued to record triple-digit growth rates since February 2025. The sharp expansion may be attributed to a surge in

Table IV.2a: Flow of Financial Resources to the Commercial Sector

(₹ crore)

Source	April-March		Up to November 28	
	2023-24	2024-25	2024-25	2025-26 P
A. Non-Food Bank Credit	**21,40,243**	**17,98,321**	**10,48,619**	**12,40,071**
B. Non-Bank Sources (B1+B2)	**12,63,721**	**17,10,457**	**7,86,083**	**10,16,620**
B1. Domestic Sources	10,20,302	13,85,609	5,85,742	7,48,761
B2. Foreign Sources	2,43,419	3,24,848	2,00,341	2,67,859
C. Total Flow of Resources (A+B)	**34,03,964**	**35,08,778**	**18,34,702**	**22,56,691**

P: Provisional.
Note: For detailed notes, please refer to Current Statistics Table No: 18(a).
Sources: RBI; SEBI; and AIFIs.

Table IV.2b: Outstanding Credit to the Commercial Sector

(₹ crore; Figures in parentheses are y-o-y percentage changes)

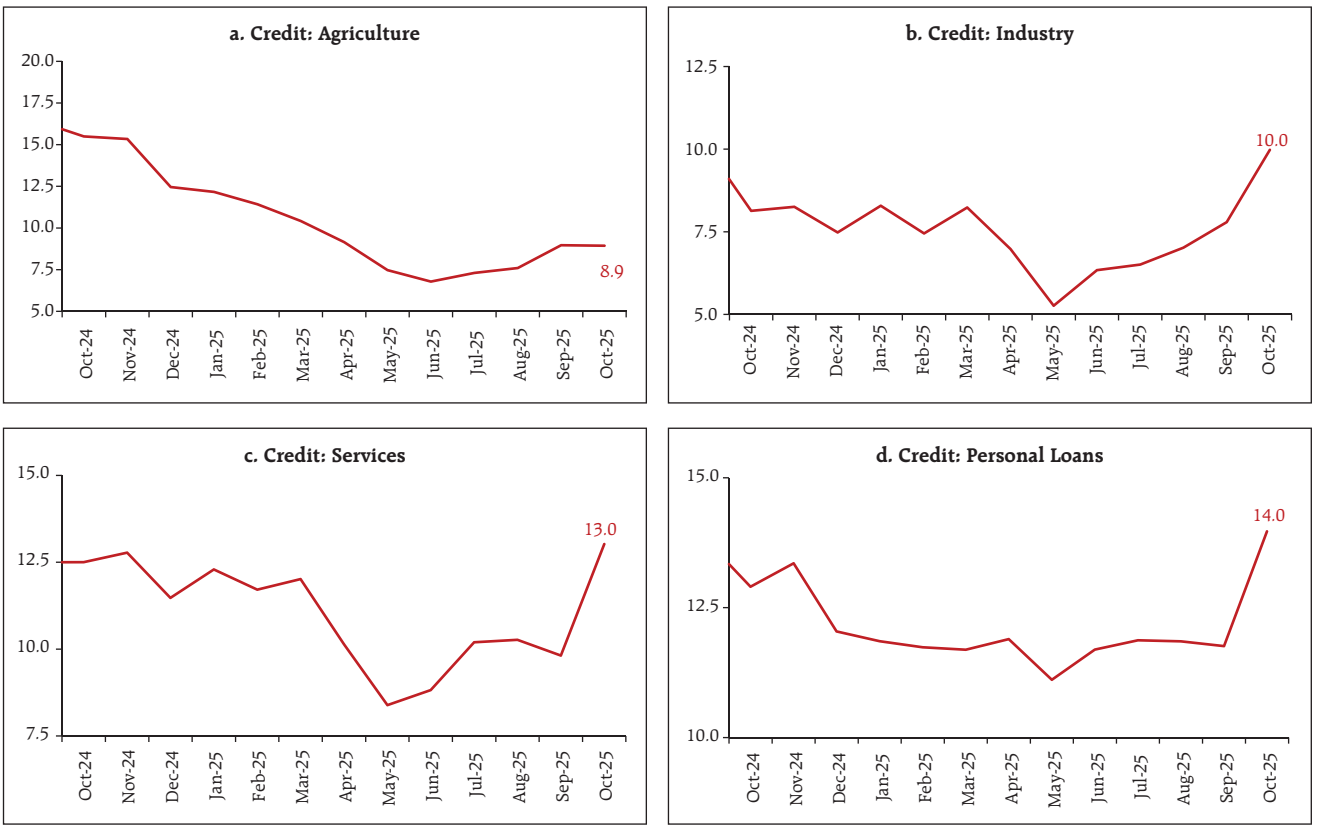
Source	At End-March		As on November 28	
	2024	2025	2024	2025 P
A. Non-Food Bank Credit	**1,64,09,083 (20.2)**	**1,82,07,441 (11.0)**	**1,74,57,702 (10.6)**	**1,94,47,512 (11.4)**
B. Non-Bank Sources (B1+B2)	**77,56,314 (4.2)**	**88,85,434 (14.6)**	**81,96,473 (12.2)**	**95,90,566 (17.0)**
B1. Domestic Sources	56,59,037 (4.9)	66,37,411 (17.3)	60,08,758 (15.6)	71,98,292 (19.8)
B2. Foreign Sources	20,97,277 (2.4)	22,48,023 (7.2)	21,87,714 (3.8)	23,92,274 (9.4)
C. Total Credit (A+B)	**2,41,65,397 (14.5)**	**2,70,92,875 (12.1)**	**2,56,54,175 (11.1)**	**2,90,38,078 (13.2)**

P: Provisional.
Note: For detailed notes, please refer to Current Statistics Table No: 18(b).
Sources: RBI; SEBI; and AIFIs.

[36] 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. Data includes the impact of the merger of a non-bank with a bank.

Chart IV.8: Bank Credit Growth Strengthened across Key Sectors

(Y-o-y, per cent)



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

gold prices. Despite the high growth rate, the share of gold loans in overall non-food credit remains relatively low, *albeit* with a rise over last year.[37]

Deposit and Lending Rates

In response to the cumulative 100 basis points reduction in the policy repo rate during February – October 2025, banks have reduced their external benchmark-based lending rates on fresh loans linked to repo rate by the same magnitude. The weighted average lending rates on both fresh and outstanding rupee loans also eased during this period. On the deposit side, banks reduced interest rates on fresh term deposits significantly. The pass-through to the interest rates of outstanding deposits was gradual, reflecting the effect of longer tenor of term deposits at fixed rates (Table IV.3).

The decline in the weighted average lending rate on fresh and outstanding rupee loans was higher in the case of private banks relative to public sector banks (Chart IV.9). On the deposit side, transmission was higher for public sector banks compared to private banks in case of fresh term deposits.

Equity Markets

Indian equity markets witnessed a rebound in the first half of November and exhibited bi-directional movements thereafter. While healthy

[37] The share of gold loans in the overall non-food credit was 1.8 per cent in October 2025, relative to 0.9 per cent in October 2024. Share of gold loans in personal loans was 5.2 per cent in October 2025.

Table IV.3: Transmission to Banks' Deposit and Lending Rates

(Basis points)

Period	Repo Rate	Term Deposit Rates		Lending Rates				
		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	182	191	115
Easing Phase Feb 2025 to Oct* 2025	-100	-105	-32	-100	-50	-69	-78	-63

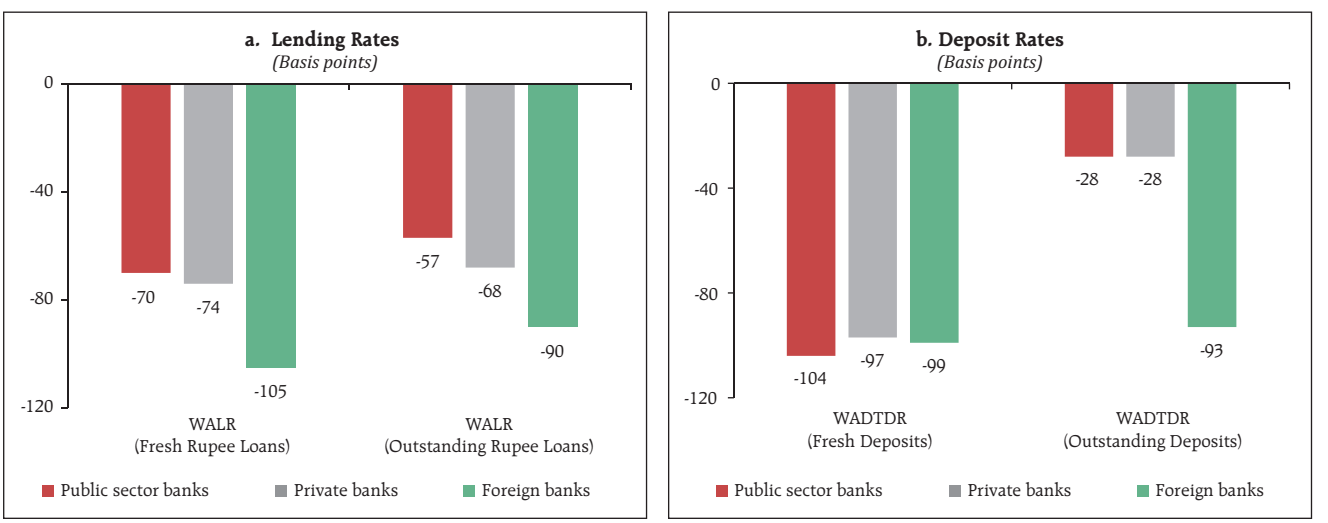
*: Data on MCLR as in November 2025. #: Calculated at January 2025 weights.
WALR: Weighted average lending rate; WADTDR: Weighted average domestic term deposit rate.
MCLR: Marginal cost of funds-based lending rate; EBLR: External benchmark-based lending rate.
Note: Data on EBLR pertain to 32 domestic banks.
Source: RBI.

corporate results for Q2:2025-26 and policy rate cut by the Reserve Bank and US Fed supported equity markets, muted foreign portfolio flows primarily due to uncertainty surrounding the India-US trade deal and negative global cues from concerns on artificial intelligence stock valuations weighed on market sentiments. Domestic institutional investors (DIIs) remained net buyers in equity markets, while foreign portfolio investors (FPIs) turned net sellers (Chart IV.10).

External Sources of Finance

During April-October 2025, FDI remained higher than last year both in gross and net terms. Gross inward FDI remained steady in October with Singapore, Mauritius and the US accounting for more than 70 per cent of total FDI inflows (Chart IV.11a). The highest recipients (around 60 per cent) of FDI inflows were the financial services sector, followed by manufacturing, electricity, and communication services. However, net FDI was

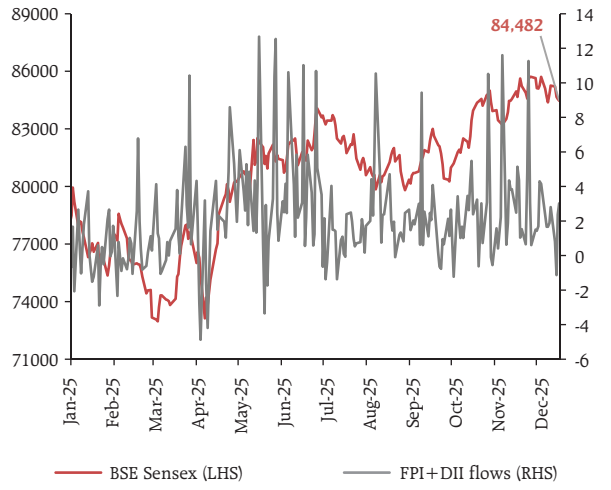
Chart IV.9: Transmission across Bank Groups (February - October 2025)



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

Chart IV.10: Sustained Capital Flows to Domestic Equity Markets

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



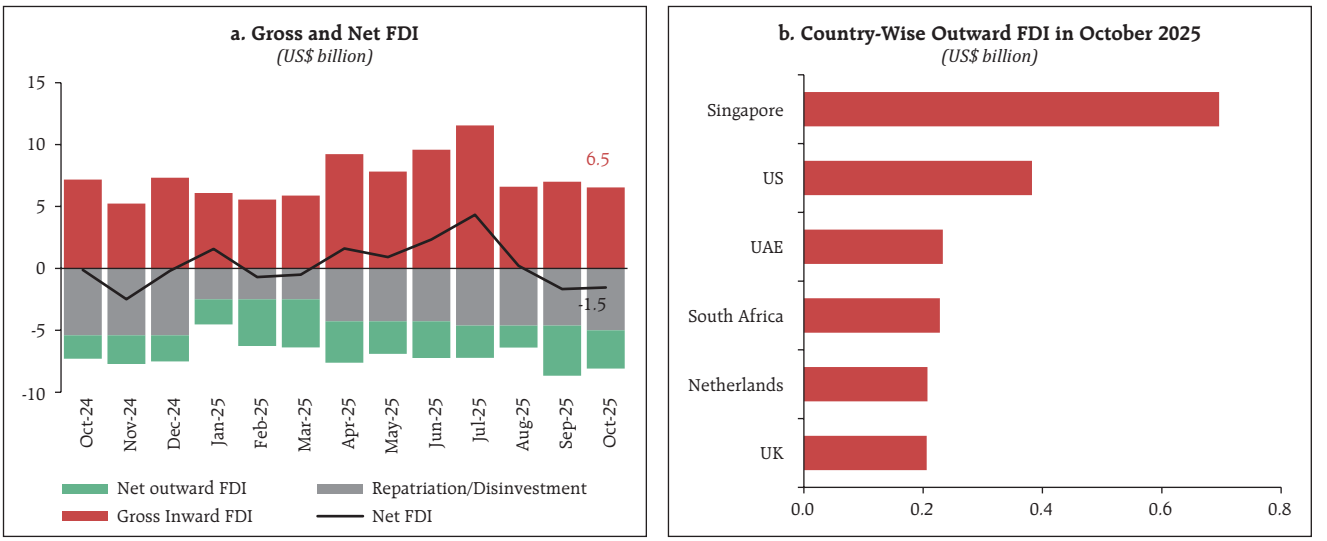
Sources: Bloomberg; BSE; and NSE.

negative in October, mainly due to high repatriation and outward FDI. The key destinations for outward FDI were Singapore, followed by the US and the UAE, together accounting for more than half of total outward FDI (Chart IV.11b). Sector specific breakdown suggests that around 90 per cent of outward FDI was in financial, insurance, and business services, followed by wholesale, retail trade and manufacturing.

During 2025-26 so far (up to December 18), net FPI registered outflows, driven by equity segment.[38] FPI flows turned negative in December following inflows in the previous two months (Chart IV.12). The uncertainty surrounding India-US trade deal and investors' caution around high domestic valuations kept net FPI flows to India muted in recent months.

The registrations of external commercial borrowings (ECBs) moderated during April–October 2025, reflecting a slowdown in offshore fund raising activity.[39] Net inflows from ECBs also stood lower than last year (Chart IV.13). A significant portion[40] of the ECBs was mobilised for capital expenditure purpose.

Chart IV:11: Steady Gross Foreign Direct Investment Inflows



Source: RBI.

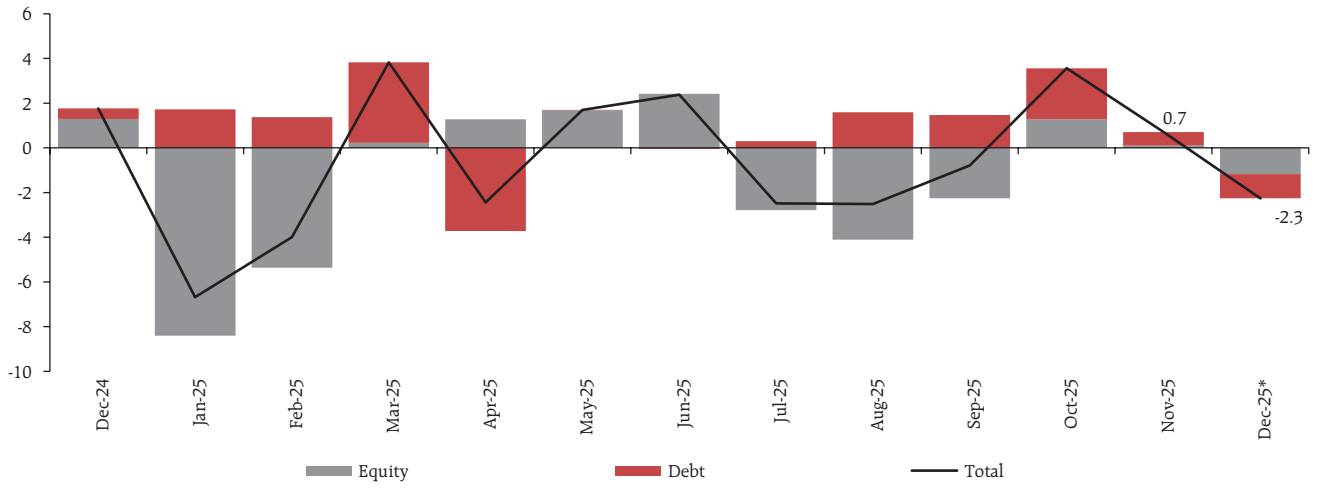
[38] Net FPI outflows to the tune of US$ 2.1 billion during 2025–26 so far (up to December 18).

[39] The registrations of external commercial borrowings moderated to US$ 20.7 billion during April–October 2025, from US$ 30.9 billion in the corresponding period a year ago.

[40] around 45 per cent.

Chart IV.12: Foreign Portfolio Investment Flows Declined in December

(US$ billion)

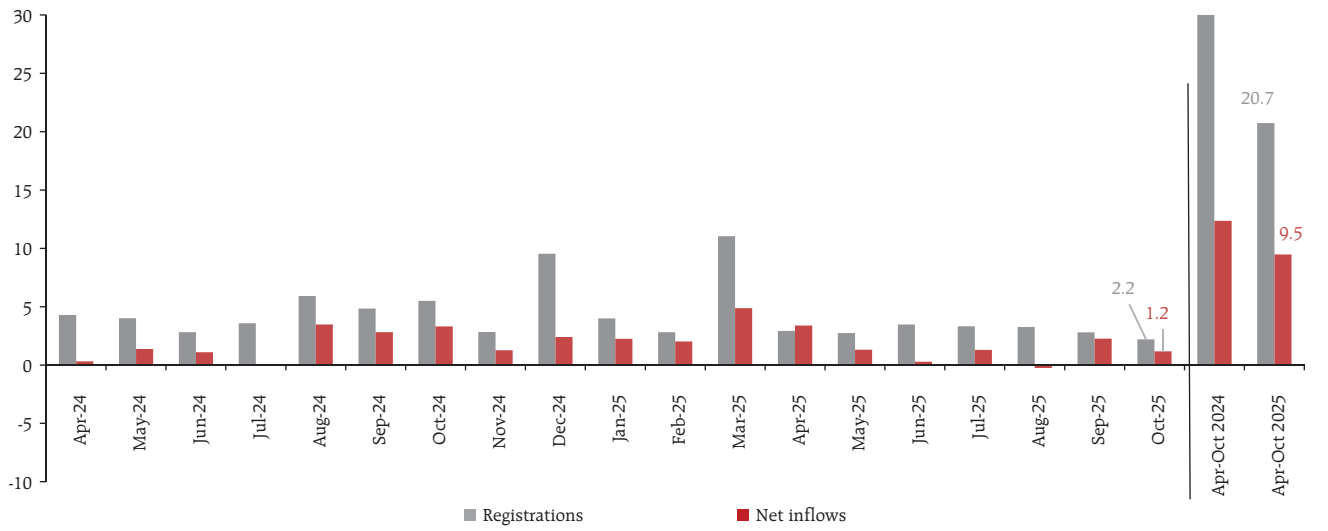


*: Data up to December 18.
Note: Debt includes investments under the hybrid instruments.
Source: National Securities Depository Limited (NSDL).

India's current account deficit moderated in Q2:2025-26 over the same period last year, supported by a lower merchandise trade deficit, robust services exports and strong remittance receipts (Chart IV.14). However, net capital inflows fell short of current account financing requirements, leading to a depletion in foreign exchange reserves.[41] Nonetheless, India's foreign exchange reserves remain adequate, providing a cover for more than 11 months of goods imports and a cover for more than 92 per cent of the external debt outstanding (Chart IV.15).[42]

Chart IV.13: External Commercial Borrowings - Registrations and Flows

(US$ billion)



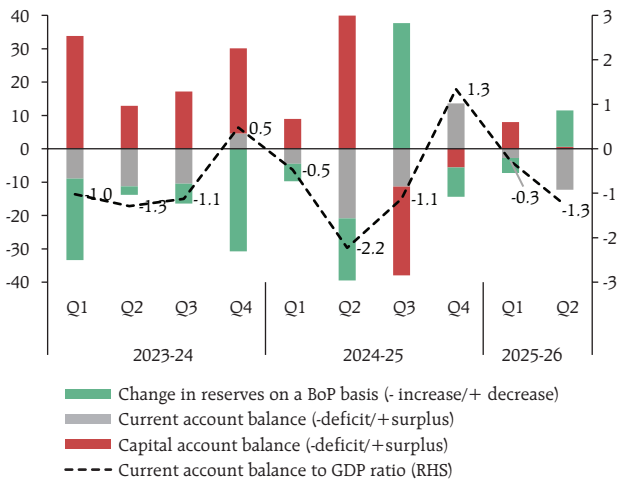
Source: RBI.

[41] There was a depletion of US$ 10.9 billion from the foreign exchange reserves (on a BoP basis) in Q2:2025-26 as against an accretion of US$ 18.6 billion in Q2:2024-25.

[42] As on December 12,2025, the import cover for goods and services was around nine months.

Chart IV.14: India's Current Account Deficit Moderated

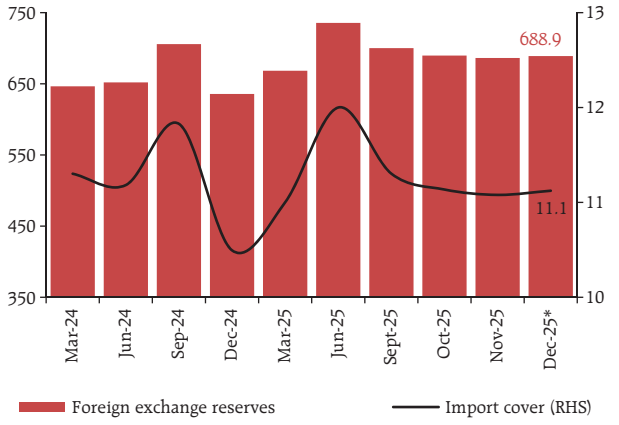
(US$ billion, left scale; per cent, right scale)



Source: RBI.

Chart IV.15: India's Foreign Exchange Reserves Adequate

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



*: As on December 12, 2025.

Note: The import cover data is based on annualised merchandise imports as per the balance of payments statistics.

Source: RBI.

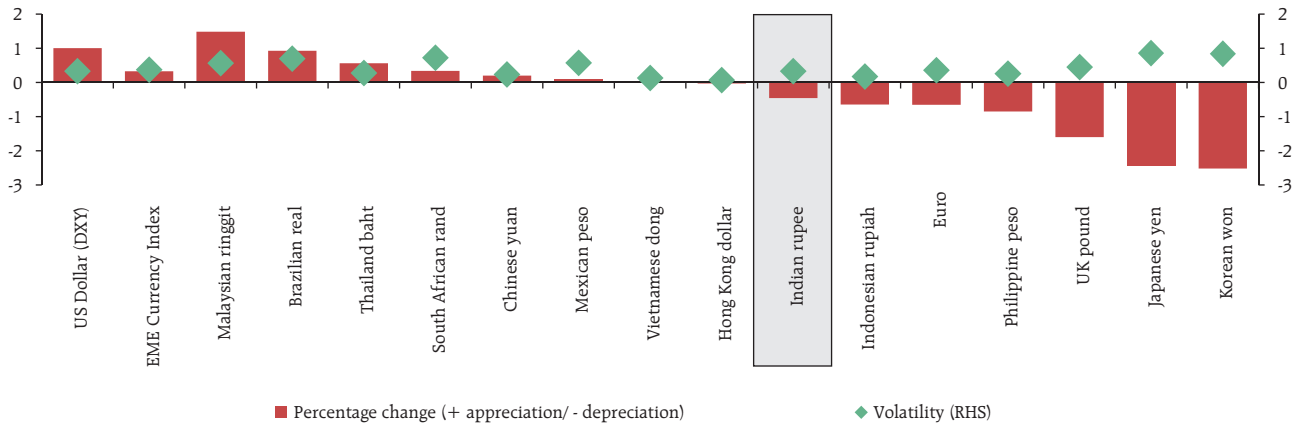
Foreign Exchange Market

The Indian rupee (INR) depreciated against the US dollar in November, pressured by the strengthening of the US dollar, muted foreign portfolio flows, and uncertainty surrounding the India-US trade deal (Chart IV.16). The volatility of INR, as measured by the coefficient of variation, moderated in November from a month ago and remained relatively lower than most major currencies. In December so far (up to 19), the INR depreciated by 0.8 per cent over its end-November level.

In real effective terms, the Indian rupee remained stable in November, as depreciation of the INR in nominal effective terms was offset by higher prices in India *vis-à-vis* its major trading partners (Chart IV.17).

Chart IV.16: Movements in Major Currencies against the US Dollar in November

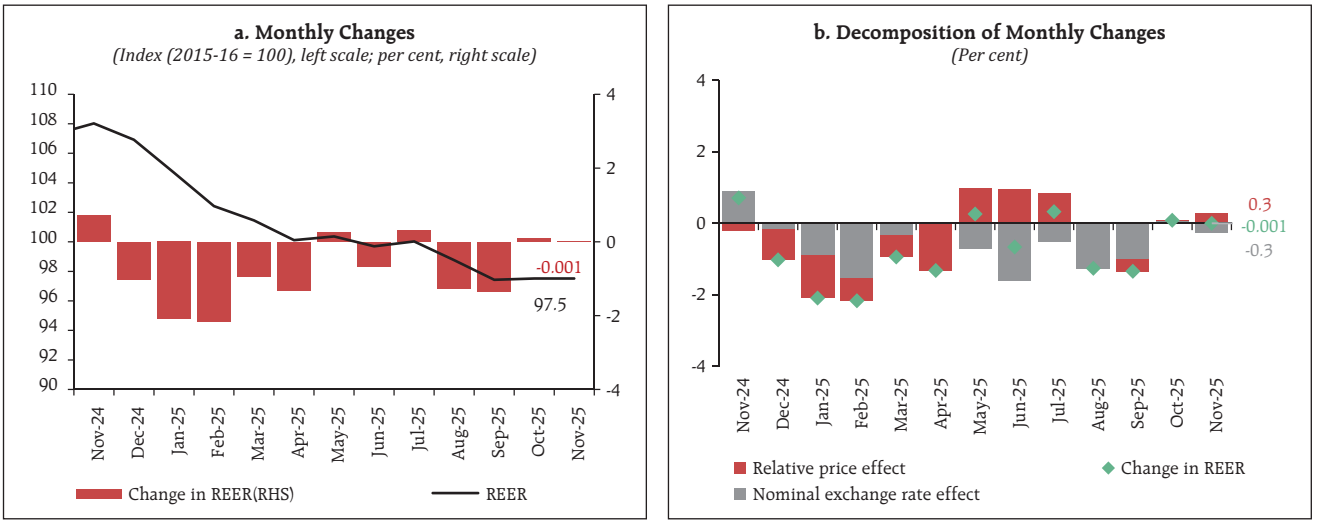
(Per cent, m-o-m, left scale; per cent, right scale)



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 November 2025.

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

Chart IV.17: Movements in the 40-Currency Real Effective Exchange Rate



Note: Positive change indicates an appreciation of the nominal and real exchange rate and negative change indicates a depreciation.
Source: RBI.

V. Conclusion

The year 2025 brought about an unprecedented shift in global trade policies, marked by a move towards bilateral renegotiations on tariffs and terms of trade. Its ripple effects on global trade flows and supply chains are still unfolding. This has led to heightened global uncertainties and concerns about the prospects for global growth. Equity markets, on the other hand, remained ebullient during much of the year on Big Tech optimism, though concerns about high valuations have, of late, given rise to some risk-off sentiments in the equity markets. Portfolio flows to emerging markets are also witnessing a slowdown in recent months.

The Indian economy was not fully immune to the external sector headwinds. Coordinated fiscal, monetary and regulatory policies have helped to build resilience over the year. Bolstered by strong domestic demand, the economic growth has been robust.[43] Benign inflation outlook provided adequate space for monetary policy to support growth.[44] Continued focus on macroeconomic fundamentals and economic reforms should help unlock efficiencies and productivity gains to firmly keep the economy on the high-growth trajectory amidst a fast-changing global environment.

[43] The Monetary Policy Committee (MPC) resolution of December 5, 2025, revised upward the growth projections for 2025-26 by 50 basis points to 7.3 per cent from 6.8 per cent projected at the time of the October bi-monthly review.

[44] The CPI inflation projection for 2025-26 was revised downward by 60 basis points to 2.0 per cent in the December MPC meeting from the earlier projection of 2.6 per cent.

Annex

Table A1: Real Gross Domestic Product (GDP) Growth

(Y-o-y, per cent)

Components	Share in 2024-25 (Per cent)	Weighted Contribution in 2024-25 (Percentage points)	2024-25				2025-26	
			Q1	Q2	Q3	Q4	Q1	Q2
I. Total Consumption Expenditure	**65.6**	**4.3**	**7.0**	**6.1**	**8.3**	**4.7**	**7.1**	**6.5**
Private	56.5	4.0	8.3	6.4	8.1	6.0	7.0	7.9
Government	9.1	0.2	-0.3	4.3	9.3	-1.8	7.4	-2.7
II. Gross Capital Formation	**36.8**	**2.5**	**6.2**	**7.7**	**4.9**	**7.8**	**7.3**	**5.1**
Fixed investment	33.7	2.4	6.7	6.7	5.2	9.4	7.8	7.3
III. Net Exports	**-0.9**	**2.3**						
Exports	21.6	1.4	8.3	3.0	10.8	3.9	6.3	5.6
Imports	22.5	-0.9	-1.6	1.0	-2.1	-12.7	10.9	12.8
GDP	**100.0**	**6.5**	**6.5**	**5.6**	**6.4**	**7.4**	**7.8**	**8.2**

Note: Components may not add up to total due to other remaining items.
Sources: NSO.

Table A2: Real Gross Value Added (GVA) Growth

(Y-o-y, per cent)

Sectors	Share in 2024-25 (Per cent)	Weighted Contribution in 2024-25 (Percentage points)	2024-25				2025-26	
			Q1	Q2	Q3	Q4	Q1	Q2
I. Agriculture and allied activities	**14.4**	**0.7**	**1.5**	**4.1**	**6.6**	**5.4**	**3.7**	**3.5**
II. Industry	**21.5**	**1.0**	**7.8**	**2.1**	**3.5**	**4.7**	**5.8**	**7.9**
Mining and quarrying	2.0	0.1	6.6	-0.4	1.3	2.5	-3.1	-0.04
Manufacturing	17.2	0.8	7.6	2.2	3.6	4.8	7.7	9.1
Electricity, gas, water supply and other utility services	2.4	0.1	10.2	3.0	5.1	5.4	0.5	4.4
III. Services	**64.1**	**4.8**	**7.2**	**7.4**	**7.5**	**7.9**	**9.0**	**9.0**
Construction	9.1	0.8	10.1	8.4	7.9	10.8	7.6	7.2
Trade, hotels, transport, communication, and services related to broadcasting	18.5	1.1	5.4	6.1	6.7	6.0	8.6	7.4
Financial, real estate and professional services	23.8	1.7	6.6	7.2	7.1	7.8	9.5	10.2
Public administration, defence and other services	12.7	1.1	9.0	8.9	8.9	8.7	9.8	9.7
GVA at basic prices	**100.0**	**6.4**	**6.5**	**5.8**	**6.5**	**6.8**	**7.6**	**8.1**

Sources: NSO; and RBI staff calculations.

Government Finances 2025-26: A Half-Yearly Review

by Amrita Basu, Akash Raj, Harshita Yadav, Debapriya Saha, Aayushi Khandelwal, Anoop K Suresh, Shromona Ganguly and Atri Mukherjee ^

The fiscal position of the Centre and States remained resilient during H1:2025-26. Their receipts were broadly in line with trends observed during H1: 2024-25. Both the Centre and States have demonstrated commitment to prudent fiscal management through containment of revenue expenditure, while maintaining capital expenditure. This has resulted in improvement in the quality of expenditure for the Centre as well as States, which bodes well for medium-term growth prospects and fiscal consolidation.

Introduction

The Union Budget 2025–26 reaffirmed the Government's commitment to fiscal discipline while fostering inclusive, long-term economic growth in line with the vision of *Viksit Bharat.* Under the four engines of growth - agriculture, MSMEs, investment, and exports, the Budget contained several measures balancing the socio-economic needs with the long-term structural transformation of the economy. Continuing the thrust on infrastructure development, the Budget 2025-26 provisioned ₹11.2 lakh crore (3.1 per cent of GDP) for capital expenditure. Similarly, the effective capital expenditure[1] was budgeted at 4.3 per cent of GDP for 2025-26, higher than 4.0 per cent of GDP as per the revised estimates (RE) for 2024-25.

Further, towards incentivising States' capital spending, allocation under the scheme 'Special Assistance to States for Capital Investment' was enhanced from the previous year[2]. The revenue expenditure of the Centre was budgeted to increase marginally from 10.9 per cent of GDP in 2024-25 (provisional accounts, PA) to 11.0 per cent of GDP in 2025-26 (budget estimates, BE). Overall, the Union Budget aimed at fiscal consolidation, in line with the medium-term target to bring the gross fiscal deficit (GFD) below 4.5 per cent of the GDP by 2025-26[3].

Recognising the importance of analysing sub-annual public finances for efficient fiscal and macro-economic outcomes, this article presents a synoptic view of the half yearly fiscal position for the Centre as well as States. During H1:2025-26, Centre's GFD stood at 36.5 per cent of BE in comparison with 29.4 per cent of BE in H1:2024-25, mainly attributable to robust growth in capital expenditure. On the receipts side, higher collections through non-tax sources and non-debt capital receipts helped in offsetting the moderation of tax revenue for the Centre. In the case of States, the GFD stood at 37.6 per cent of their BE in H1:2025-26, marginally higher than its level recorded during H1:2024-25, mainly attributable to sluggish growth in their revenue receipts. On the expenditure front, States sustained the pace of their revenue expenditure while capital expenditure recorded a marginal growth[4,5].

^ This article is prepared under the overall guidance of Smt. Sangeeta Das. The authors are working in the Department of Economic and Policy Research of the Reserve Bank of India. Views expressed in this article are of the authors and do not represent the views of the Reserve Bank of India.

[1] Effective capital expenditure is the sum of capital expenditure and the grants-in-aid for creation of capital assets. For 2024-25, the latest data available on effective capital expenditure is the revised estimates.

[2] The allocation for the scheme 'Special Assistance to States for Capital Investment' was enhanced from ₹1.25 lakh crore in 2024-25 (RE) to ₹1.5 lakh crore in 2025-26 (BE).

[3] As announced in the Union Budget, 2021-22.

[4] The data pertains to 23 States for which the data for April-September 2025 are available. GFD-GDP ratio is estimated using GSDP data for the same 23 States.

[5] Detailed statements on half yearly and quarterly financial position of the Centre as well as the States are provided in Appendix Tables (I to IV).

The rest of the article is structured as follows: Section II analyses the receipt and expenditure of the Centre and States (at a quarterly frequency) during H1:2025-26. Section III deals with the outcomes in terms of deficit indicators and their financing for the Centre as well as States. Section IV presents estimates on General government (Centre *plus* States) finances for H1:2025-26. Section V sets out the concluding observations.

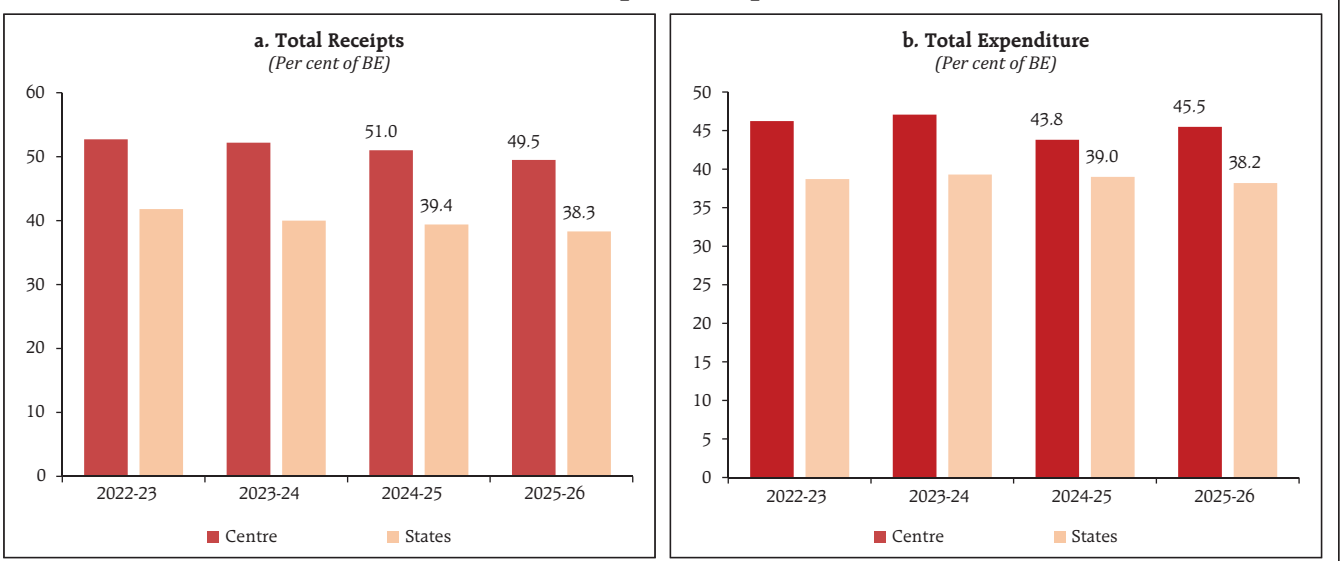
II. Fiscal Outcome in Q1 and Q2

During H1:2025-26, the Central government collected nearly 50 per cent of its total budgeted receipts, slightly below the collections in the past year. On a year-on-year (y-o-y) basis, total receipts during H1:2025-26 rose by 5.7 per cent. The Centre's total expenditure was contained below 50 per cent of the BE in H1:2025-26, in line with the pattern observed during the past three years (Chart 1a and b). States' total receipts as per cent of BE witnessed moderation in comparison to the previous year (Chart 1a). This was attributable to contraction in grants from Centre[6] and slower growth in States' goods and services tax (SGST). On the expenditure side, States have expended 38.2 per cent of their budgeted outlay during H1:2025-26, remaining aligned with their past spending patterns (Chart 1b).

a. Receipts

The Centre's total receipts (*i.e.*, 'total non-debt receipts') comprise revenue receipts and non-debt capital receipts. During H1:2025-26, the total non-debt receipts of the Central government stood at 49.5 per cent of BE, with the revenue receipts and non-debt capital receipts attaining 49.6 per cent and 45.8 per cent, respectively, of their budgeted target. Primarily on account of lower growth in tax receipts, the Centre's receipts (as per cent of BE) during H1:2025-26 stood marginally below the corresponding figure attained during H1:2024-25. During Q1:2025-26, the y-o-y growth in revenue receipts was slower than that of Q1:2024-25, which was partially offset by the strong growth of non-debt capital receipts[7]. However, in Q2:2025-26, both revenue receipts and non-debt

Chart 1: Total Receipts and Expenditure in H1

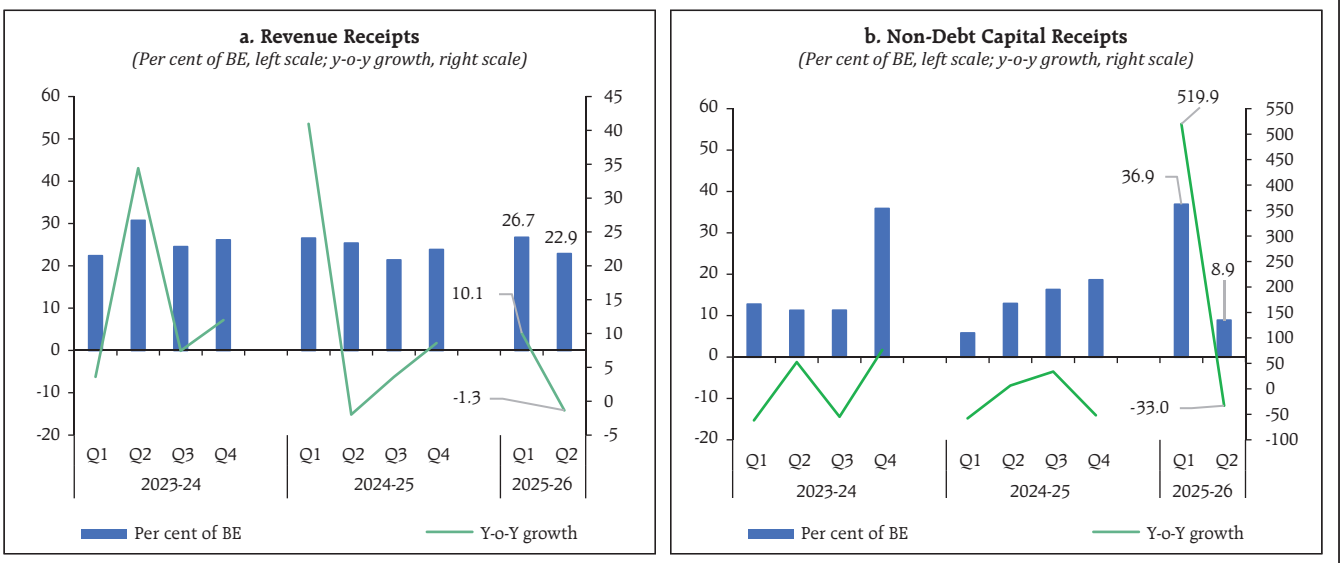


Sources: Controller General of Accounts (CGA); Comptroller and Auditor General (CAG); and Union Budget Documents.

[6] Grants from the Centre continued to decline partly due to tapering of Finance Commission grants.

[7] Non-debt capital receipts include recoveries of loans and advances and miscellaneous capital receipts (*viz.*, disinvestment and other receipts).

Chart 2: Quarterly Breakup of Centre's Non-Debt Receipts

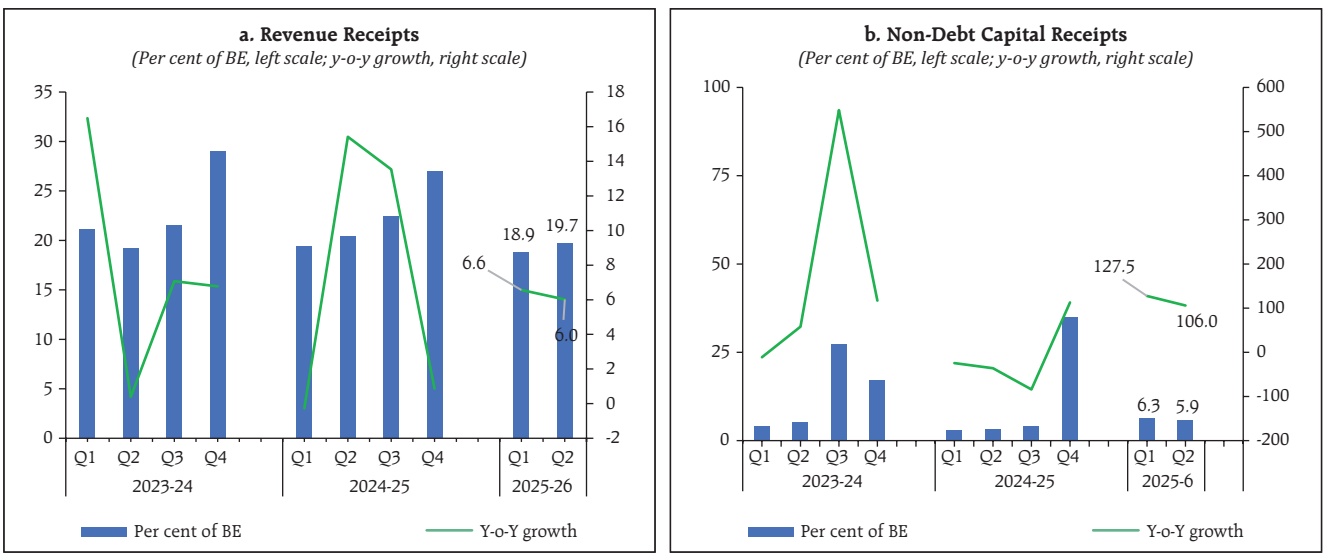


Sources: CGA; and Union Budget documents.

capital receipts recorded contraction on y-o-y basis (Chart 2a and b).

States' revenue receipts posted modest growth of 6.3 per cent in H1:2025-26, partly due to the weak momentum in SGST collections (Chart 3a). Tax revenue, which accounts for more than two-third of revenue receipts exhibited a growth of 7.3 per cent and 11.1 per cent in Q1:2025-26 and Q2:2025-26, respectively. At the same time, States' non-debt capital receipts[8] registered robust growth in both the quarters (Chart 3b).

Chart 3: Quarterly Breakup of States' Receipts



Sources: CAG; and Budget documents of State governments.

[8] Non-debt capital receipts of States comprise recoveries of loans and advances disbursed by them to subordinate/ parastatal entities and other miscellaneous capital receipts.

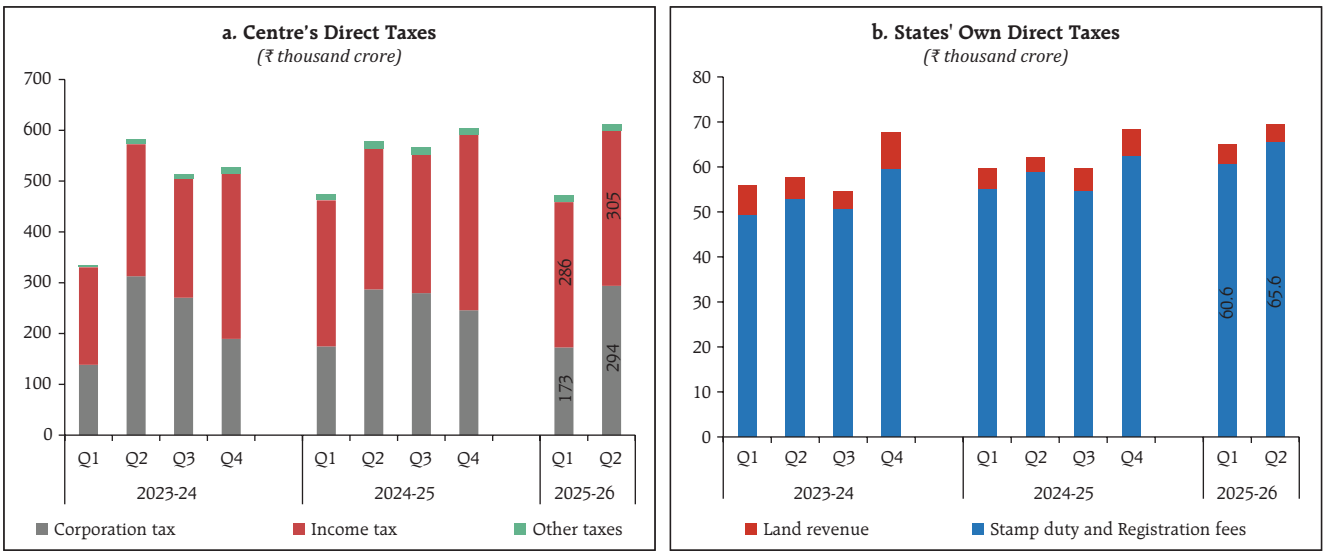
The Centre's direct tax collections grew by 3.0 per cent on y-o-y basis in H1:2025-26, primarily led by an increase of 4.7 per cent in income tax collections while corporate tax collections registered a growth of 1.1 per cent. Similar to the pattern witnessed in H1:2024-25, income tax collections exceeded the corporate tax collections in H1:2025-26, reflecting, *inter alia*, measures towards improving taxpayers' compliance and broadening the tax base[9] (Chart 4a). States' own direct tax collection (comprising land revenue and receipts from stamp duty and registration fees) registered a steady growth driven largely by robust collections from stamp duty (Chart 4b).

The Centre's indirect tax collections grew by 2.6 per cent (y-o-y) in H1:2025-26[10]. This was mainly attributed to growth in GST and excise duties, while revenue from customs declined. In particular, robust GST collections (y-o-y growth of 16.1 per cent) contributed to double-digit growth of 11.3 per cent in total indirect taxes in Q1:2025-26. However, revenue collection contracted on a y-o-y basis across all indirect tax categories in Q2:2025-26, except union excise duties. Overall, in H1:2025-26, the Centre could collect 44.6 per cent of its budgeted indirect taxes as compared to 46.6 per cent during H1:2024-25.

The gross GST collections (Centre *plus* States) in H1:2025-26 amounted to ₹ 11.9 lakh crore, registering a y-o-y growth of 9.8 per cent (9.5 per cent growth recorded in H1:2024-25), with average monthly collections of ₹2.1 lakh crore and ₹1.9 lakh crore in Q1:2025-26 and Q2:2025-26, respectively (Chart 5). GST revenues continue to draw support from reforms in digital integration, eased compliance processes and rate rationalisation measures undertaken since its inception in 2017 (Box A).

In the case of States, the moderation in growth of tax revenues primarily reflected the impact of one-time negative settlement of SGST in April 2025 on collection of States' GST (SGST) (Chart 6a)[11].

Chart 4: Quarterly Direct Tax Collections



Sources: CGA; and CAG.

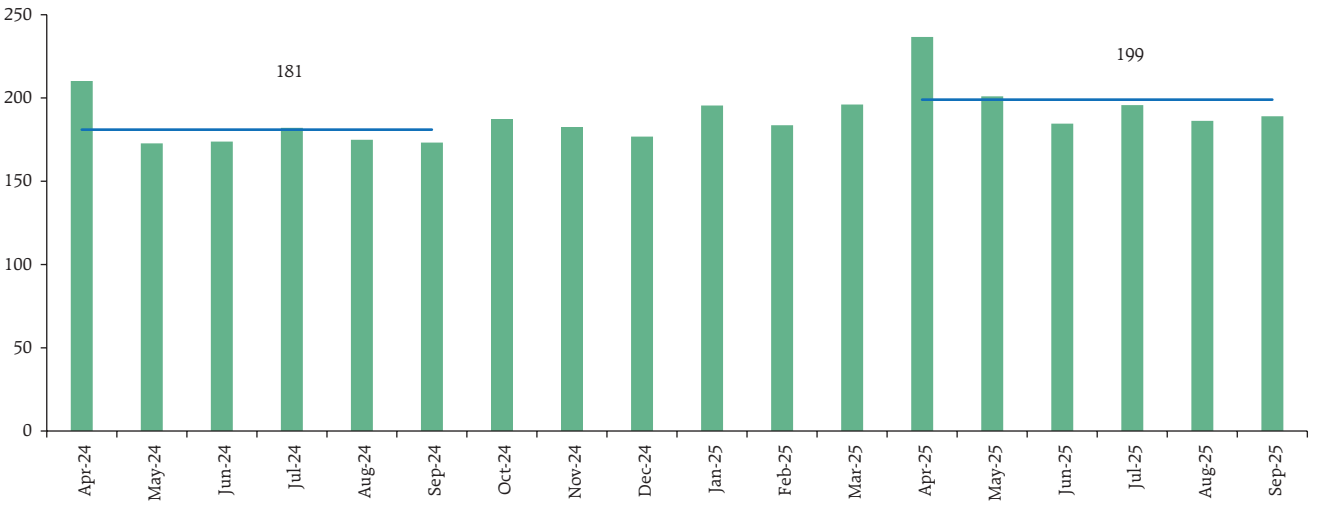
[9] https://www.pib.gov.in/PressNoteDetails.aspx?id=154926&NoteId=154926&ModuleId=3

[10] During H1:2024-25. Centre's indirect tax collections grew by 8.4 per cent over H1:2023-24.

[11] States' GST is the sum of GST revenues of the States/UTs and their share in IGST. During April 2025, ₹23,000 crore was settled to clear an old IGST shortfall, resulting in a decline in GST revenue for the States.

Chart 5: Gross GST Collections (Centre *plus* States)

(₹ thousand crore)



Note: The blue line represents the average monthly GST collections in H1:2024-25 and H1:2025-26.
Sources: Press Information Bureau (PIB); and GST Website.

Box A: Tracing Eight Years of GST Reforms in India

The goods and services tax (GST), rolled out on July 1, 2017, pan India, had replaced multiple taxes such as central value added tax, central sales tax, state sales tax and octroi. Eight years since its launch, GST has firmly established itself as simpler and more transparent framework, with recent evidence indicating its progressive distributional impact (Mukherjee, 2025). The consistent rise in revenue collections and a growing base of over 1.5 crore active taxpayers stand as testimony to its success. Average monthly GST collections have depicted an increasing trend over the years and stood at ₹1.98 lakh crore for the period April-October 2025, up from ₹1.82 lakh crore attained during April-October 2024. Net GST collections (gross GST collections *less* refunds) are largely in consonance with the trend in gross GST collections (Chart A.1 and A.2).

Since its inception, the GST framework has been continuously evolving towards establishing a streamlined and comprehensive digital infrastructure; enhancing ease of compliance for taxpayers; augmenting a transparent and efficient federal structure; ensuring adherence to reforms by various stakeholders and addressing issues of inverted duty structure[12] through rate rationalisation measures.

The introduction of a single indirect tax system under GST marked a major digital transformation in India's tax administration by streamlining compliance and creating the foundation for integration of multiple government databases [through the establishment of goods and services tax network (GSTN), the central digital backbone of India's indirect tax ecosystem]. Through the common portal, GSTN supports taxpayers' registration, return filing, payments, and other compliances. The GSTN is a shared infrastructure between the Centre and States which aids transparency in tax collections, thereby promoting fiscal federalism (Government of India, 2019).

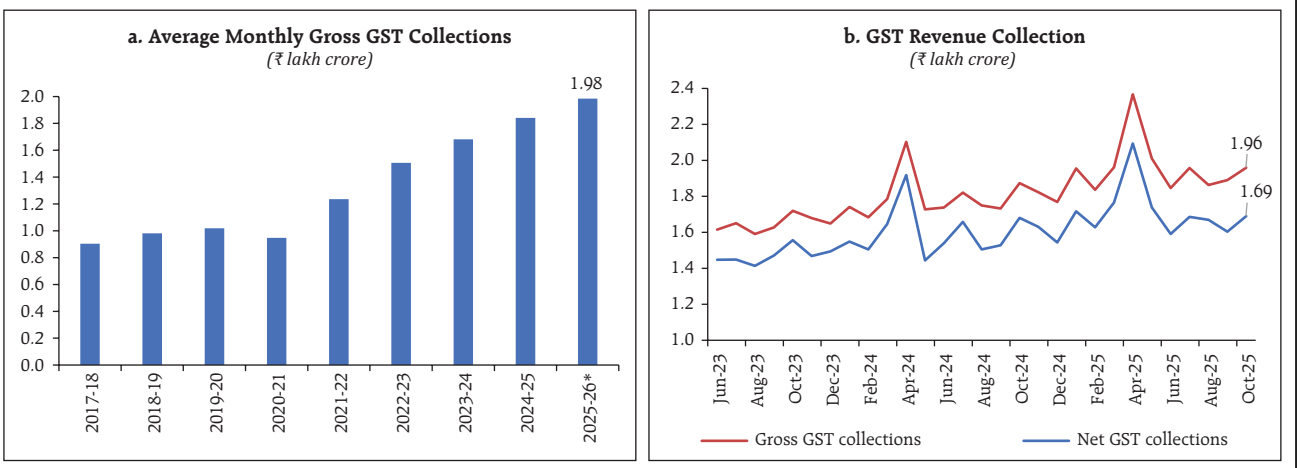
The e-way bill[13] system, introduced in 2018, significantly improved ease of doing business by enabling smooth inter-state and intra-state movement of goods, and reducing check-post paperwork. Subsequently, in September 2019, the GST Council approved the introduction of

(Contd.)

[12] Inverted duty structure refers to the situation where the tax on output is lower than tax on inputs, resulting in accumulation of unutilised input tax credit (ITC), which may have implication on working capital and liquidity of firms. GST law allows refund of accumulated ITC due to inverted duty structure under Section 54 (3) of the CGST Act, 2017, except certain specific cases.

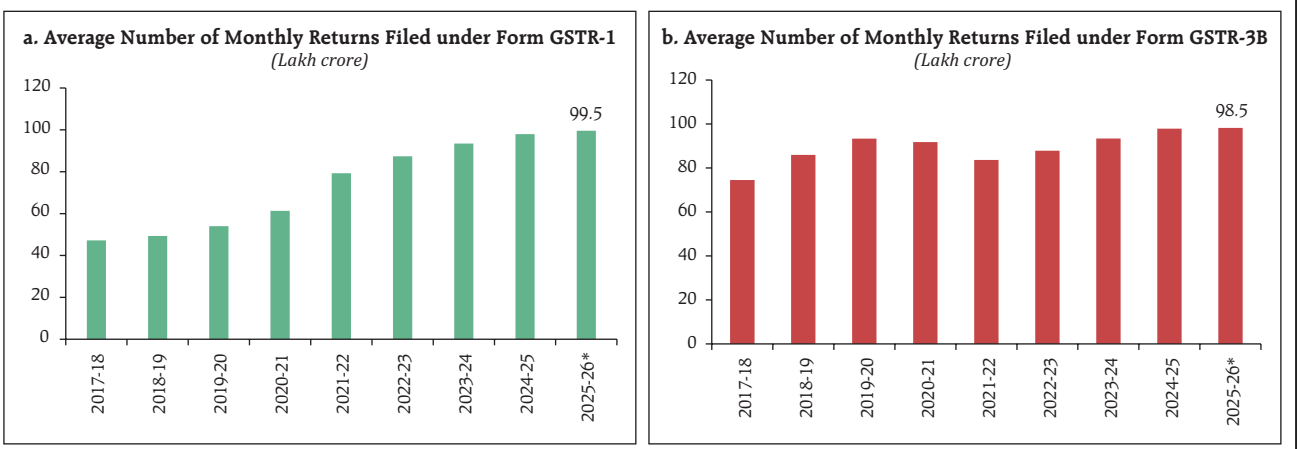
[13] E-way bill is a compliance mechanism wherein, by way of a digital interface the person causing the movement of goods (with a consignment value of more than ₹50,000) uploads the relevant information prior to the commencement of movement of goods. An e-way bill consists of details such as name of consignor, consignee, transporter, the point of origin of the movement of goods and its destination.

Chart A.1: Trends in GST Collections



*: For 2025-26, data pertains to the period April-October 2025.
Note: Net GST collections refer to gross GST collections *less* refunds.
Source: GST Statistics, Government of India, States and Union Territories.

Chart A.2: Trends in GST Returns Filed



*: For 2025-26, data pertains to the period April-October 2025.
Notes: 1. Form GSTR-1 is a monthly statement furnished by taxpayers containing details of outward supplies of goods and services or both.
2. Form GSTR-3B is a simplified summary return for taxpayers to declare their summary GST liabilities for a particular tax period and discharge these liabilities.
Source: GST Statistics, Government of India, States and Union Territories.

e-invoicing[14], initially applicable to businesses with an annual aggregate turnover of ₹500 crore and above. The threshold has since been reduced to ₹5 crore, making the system more comprehensive. The introduction of e-invoicing has automated and simplified compliance as data from registered invoices is now auto-populated into GST returns such as form GSTR-3B. Furthermore, the system is integrated with the e-way bill portal, enabling faster and more accurate generation of e-way bills.

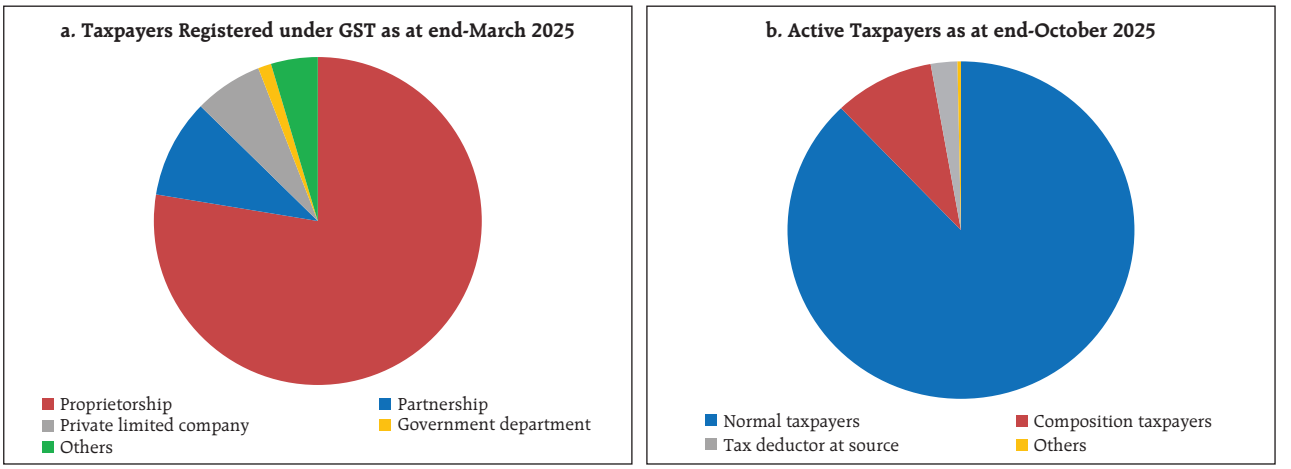
Beyond these, within system improvements, GSTN also connects with other government platforms for specified purposes. For instance, the Indian customs electronic gateway (ICEGATE) and GST systems exchange data necessary for processes such as input tax credit on imports and refund on exports. Similarly, the *Udyam* registration[15] portal for micro, small and medium enterprises (MSMEs) draws on PAN/GST linked databases

(Contd.)

[14] E-invoicing involves reporting details of specified GST documents to a government notified portal and obtaining a reference number.

[15] The *Udyam* registration is an optional registration mechanism for MSMEs. It supports MSMEs in availing the benefits of schemes of the Ministry of MSME such as credit guarantee scheme, public procurement policy, and additional edge in government tenders and protection against delayed payments, and in availing priority sector lending [Registration of Micro, Small and Medium Enterprises (MSMEs) in India, 2020-22, Ministry of MSME, GoI].

Chart A.3: Type-wise GST Registrations



Notes: 1. Others in chart 3a include limited liability partnership, society/club/trust/AOP, local authority, public limited company and hindu undivided family.
2. Other taxpayers in chart 3b include input service distributors, casual taxpayers, tax collector at source, and non-resident taxpayers
Source: GST Statistics, Government of India, States and Union Territories.

making it easier for enterprises to access government schemes. These digital linkages have reduced data gaps, streamlined coordination between tax and trade systems, and strengthened transparency.

Out of 1.5 crore registered taxpayers under GST[16], 77.6 per cent are proprietorships, reflecting predominance of small businesses in the tax base and underscoring the need for simplified compliance mechanisms (Chart A.3a). Ease of compliance for small taxpayers is a key reform undertaken through the GST framework, paving the way for taxpayer-friendly formalisation of the economy. The GST composition scheme was introduced with the objective of easing the compliance burden on small taxpayers by allowing them to file GST returns based on annual turnover rather than individual transactions[17]. These composition taxpayers constitute about 9.3 per cent of total registered taxpayers under GST as on end-October 2025 (Chart A.3b). Around 6.2 per cent of total composition taxpayers were from the special category States[18]. Excluding the special category States, number of composition taxpayer, as per cent of total taxpayers was highest in Andhra Pradesh (19.9 per cent), followed by Chhattisgarh (15.8 per cent), Bihar and Uttar Pradesh (15.5 per cent in each case). Cross-country experience suggests that simplified tax regimes, when designed carefully, can potentially reduce compliance costs for small enterprises (Engelschalk and Loeprick, 2015).

Over the past eight years, continuous efforts have been made to strengthen the tax system through periodic review of rates by the GST Council for addressing issues such as inverted duty structure, and to ensure due compliance by various stakeholders[19]. A key milestone in this direction was the reforms announced in September 2025, following the recommendations of the 56th GST Council meeting, which marked a shift from a four-slab rate structure[20] to a simplified two-slab GST framework[21]. The reforms aim to reduce costs for consumers, ease compliance for traders and enhance competitiveness for Indian businesses. Going forward, the resultant rationalisation of GST rates is expected to stimulate demand and support economic activity.

(Contd.)

[16] As on March 31, 2025.
[17] The scheme is optional. It essentially provides for a turnover tax regime for small taxpayers, with facility for filing of return on an annual basis along with quarterly payment of tax. Under this scheme, a registered taxable person, whose aggregate annual turnover has not exceeded ₹1.5 crore in case of goods (₹75 lakh in case of Uttarakhand and 7 North Eastern States) in the previous financial year, may opt for this scheme. For service providers, the turnover ceiling is ₹50 lakh in the preceding financial year.
[18] As defined in Section 22, CGST Act, 2017.
[19] Recent measures to improve compliance include establishment of Goods and Services Appellate Tribunal, nationwide drives against fake registrations by the Centre and State tax authorities in 2023 and 2024 and the introduction of auto-populated, non-editable Form-3B to ensure accurate matching of liability with outward supplies.
[20] Broadly consisting of four slabs, *viz.*, 5,12, 18 and 28 per cent.
[21] Broadly consisting of two-slabs, *viz.*, 5 and 18 per cent, along with a special rate of 40 per cent on certain sin and luxury goods.

To sum up, India's GST framework has evolved as a dynamic and adaptive system, responding to the needs of its key stakeholders, *viz.*, the Centre, States, businesses, and consumers. The reform journey continues with focus on simplification, transparency, and efficiency, aligning the structure progressively with international best practices while preserving the spirit of fiscal cooperation between the Centre and States.

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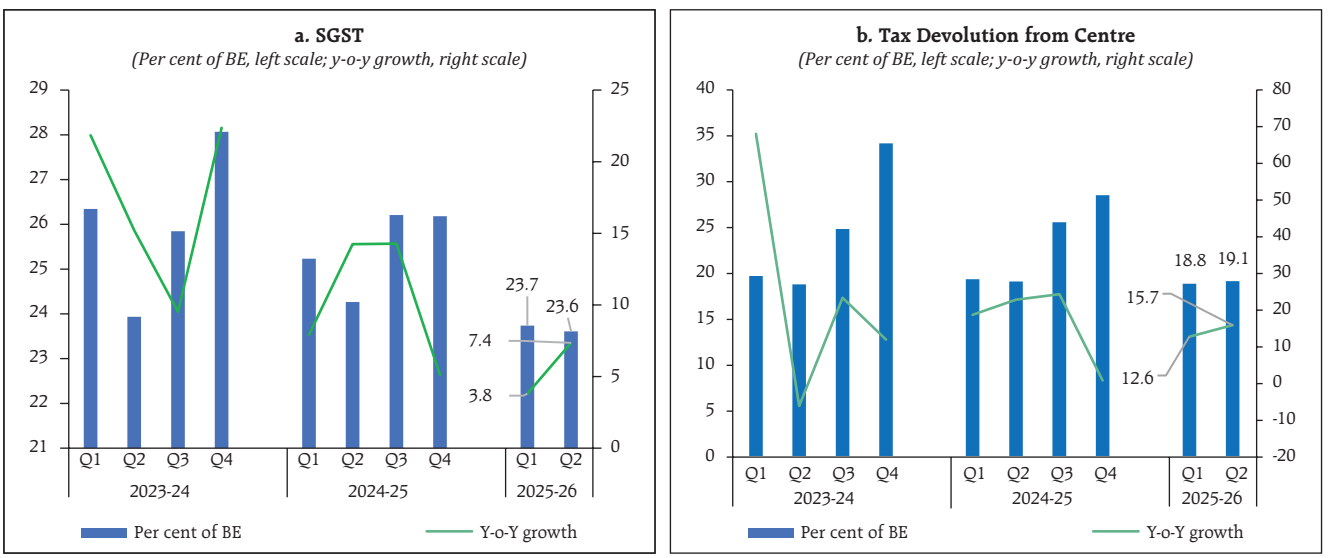
In H1:2025-26, the assignment to States (*i.e.*, tax devolution from the Centre to States) recorded a growth of 14.2 per cent over the corresponding period of the previous year (Chart 6b).

During H1:2025-26, on the back of higher surplus transfer from the Reserve Bank, the Centre's receipts from non-tax revenue sources recorded strong growth which helped in offsetting the moderation in tax receipts. During Q1:2025-26 and Q2:2025-26, non-tax revenue recorded a y-o-y growth of 33.2 per cent and 20.5 per cent, respectively. The non-debt capital receipts[22] recorded robust growth in H1:2025-26 (Chart 7).

b. Expenditure

In 2025-26, the total expenditure of the Central government is budgeted to grow by 8.8 per cent over 2024-25 (PA) with revenue expenditure and capital expenditure growth budgeted at 9.5 per cent and 6.6 per cent, respectively. In H1:2025-26, revenue

Chart 6: Quarterly Performance of SGST and Tax Devolution from Centre

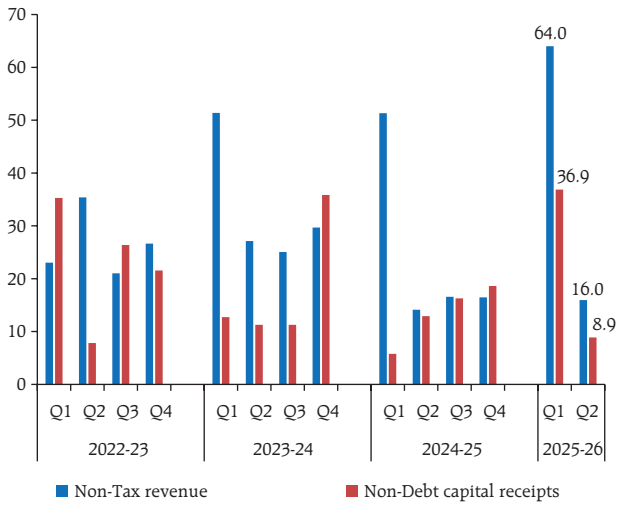


Source: CAG.

[22] Including disinvestment receipts.

Chart 7: Non-Tax Revenue and Non-Debt Capital Receipts of the Centre

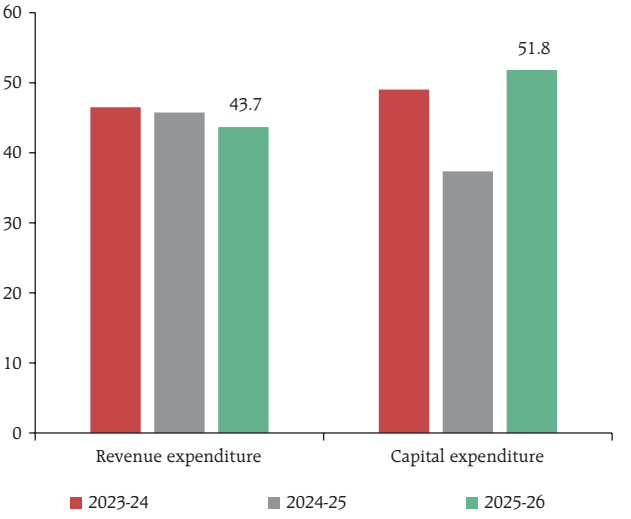
(Per cent of BE)



Sources: CGA; and Union Budget documents.

Chart 8: Expenditure Trends of Centre in H1

(Per cent of BE)



Sources: CGA; and Union Budget documents.

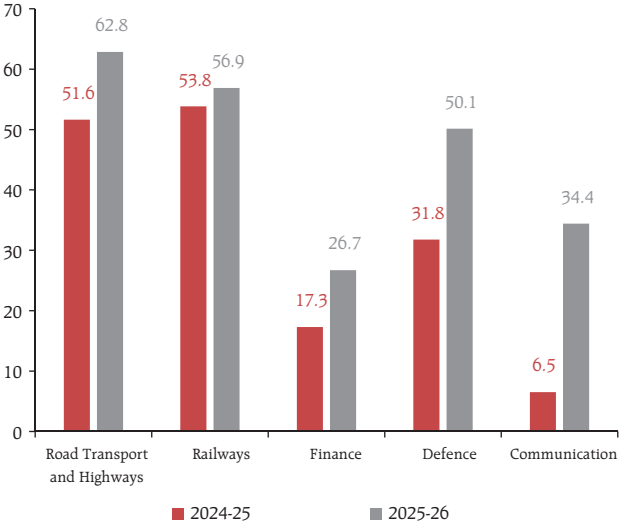
expenditure as per cent of BE stood lower than the corresponding period of the previous year, on account of decline in food subsidies. Capital expenditure as per cent of BE was significantly higher than the previous year[23], led by growth in loans and advances as well as capital outlay[24] (Chart 8).

Capital expenditure of the top 5 ministries, which together comprise nearly 90 per cent of the total budgeted capital expenditure of the Centre for 2025-26, stood at 49.3 per cent of their BE during H1:2025-26, higher than 37.1 per cent of BE during H1:2024-25 (Chart 9). The Ministry of Road Transport and Highways, and Ministry of Railways which together comprise 46.8 per cent of the total budgeted capital expenditure of the Centre for 2025-26 have registered a y-o-y growth of 21.7 per cent and 5.6 per cent, respectively, in H1:2025-26.

The Union government had also proposed the first batch of supplementary demand for grants for 2025-26 during the winter session of parliament which involves a net cash outgo of ₹41,455 crore. Going forward, in comparison to H2:2024-25, the growth in total expenditure in H2:2025-26 is likely to be moderate, as the Centre aims to adhere to its budgeted deficit target for 2025-26. During H2:2025-26, the growth in revenue expenditure is expected to be higher than the growth recorded in H1:2025-26 to

Chart 9: Capital Expenditure of Key Ministries in H1

(Per cent of BE)



Sources: CGA; and Union Budget documents.

[23] Lower capital expenditure as per cent of budget estimates during H1:2024-25 was mainly attributable to the imposition of model code of conduct (in Q1:2024-25) in view of general elections and heavy monsoon rains (in Q2: 2024-25).

[24] Capital outlay is capital expenditure *less* loans and advances.

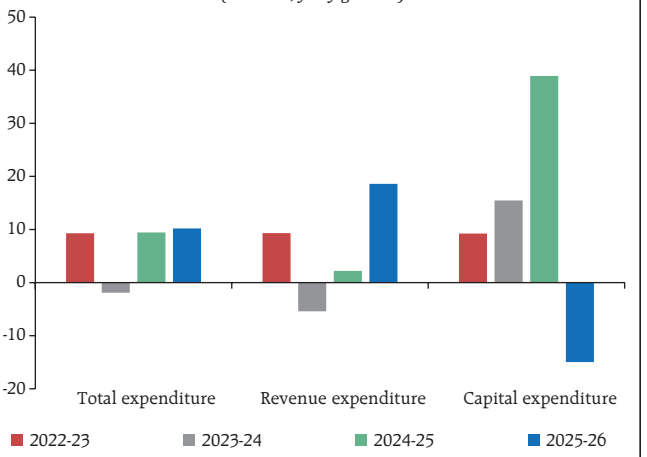
meet the budgeted revenue expenditure target for 2025-26. Since the major portion of budgeted capex for 2024-25 was undertaken during H2:2024-25, the capex growth during H2:2025-26 is likely to slow down on a year-on-year basis reflecting the base effect (Chart 10).

The outgo of the Central government on major subsidies, comprising food, fuel and fertilisers stood at 52.8 per cent of BE in H1:2025-26 as compared to 56.3 per cent of BE in H1:2024-25. This decline in major subsidies is primarily attributable to contraction in food subsidy. Fertiliser subsidy stood at 63.9 per cent of its budgeted amount in H1:2025-26 due to, *inter alia*, rising international prices of urea and nutrient based subsidy[25]. Petroleum subsidy, primarily comprising subsidy spending under the *Pradhan Mantri Ujjwala Yojana*[26] stood at 55.5 per cent of its budgeted amount during H1:2025-26 (Chart 11).

States' revenue expenditure remained healthy with y-o-y growth in H1:2025-26 (Chart 12a). Keeping in line with the spending behaviour of the previous year, States have exhausted 40.6 per cent of their budgeted revenue expenditure in H1:2025-26. Meanwhile, capital expenditure grew at 5.5 per cent during H1:2025-26, witnessing strong growth

Chart 10: Expenditure Growth of Centre in H2

(Per cent, y-o-y growth)

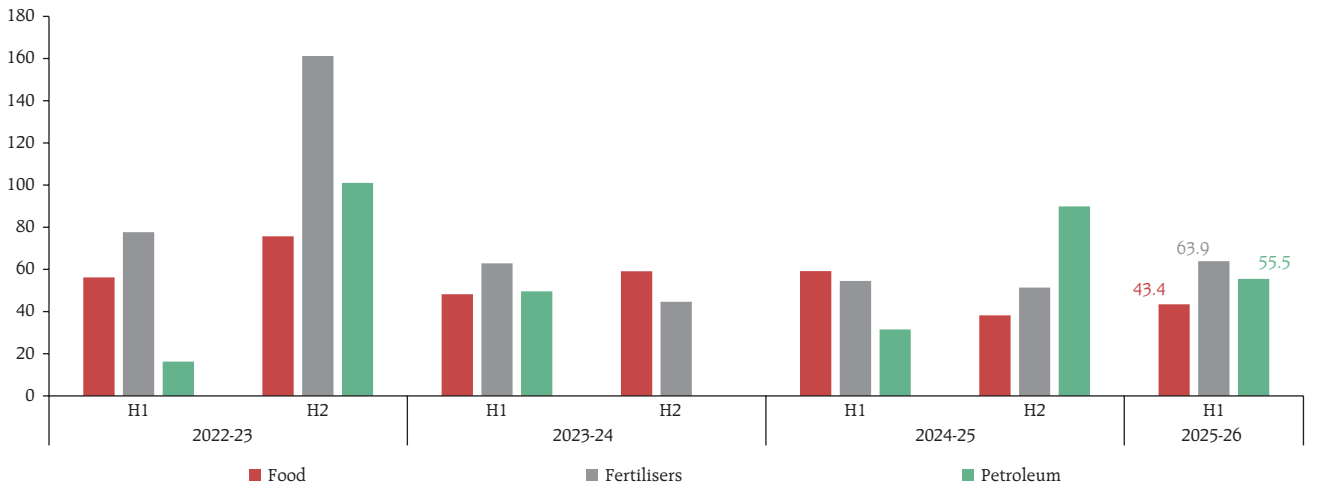


Note: Expenditure growth for H2:2025-26 is the implied growth rate based on actuals up to September 2025 and the budget estimates for 2025-26 *plus* expenditure proposals in the first supplementary demand for grants announced in December 2025.

Sources: CGA; Union Budget documents; and RBI staff estimates.

Chart 11: Half-yearly Expenditure on Major Subsidies by the Central Government

(Per cent of BE)



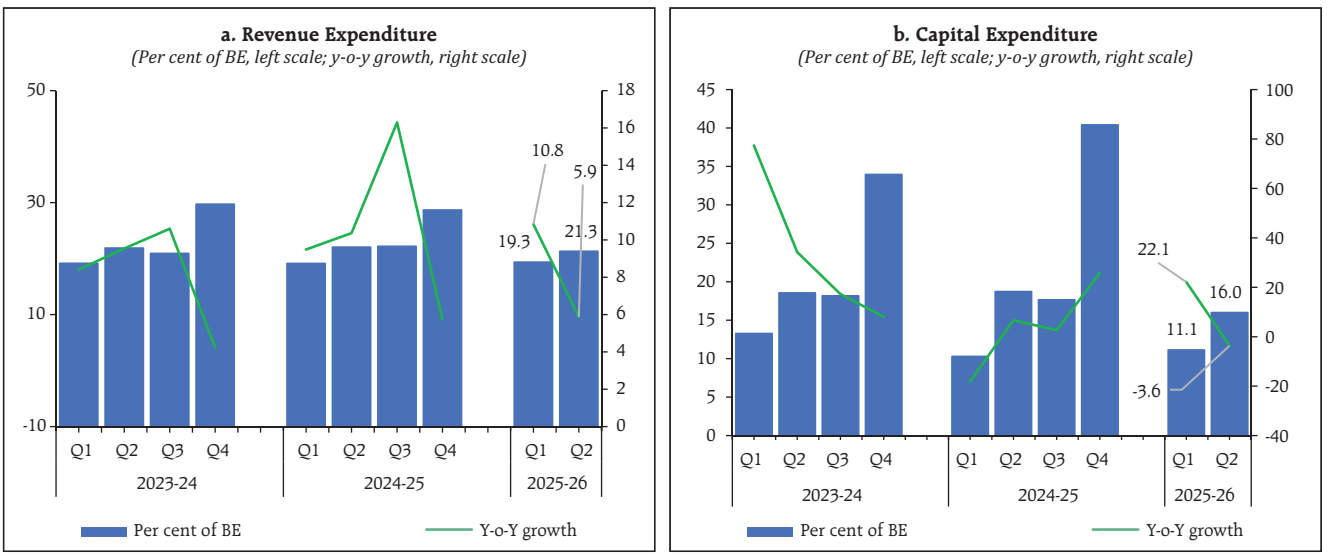
Note: In H2:2023-24, petroleum subsidy amounted to 492.7 per cent of the budgeted figures for 2023-24 on account of provisioning of higher LPG subsidy to *Pradhan Mantri Ujjwala Yojana* beneficiaries. Being an outlier, the petroleum subsidy figures for H2:2023-24 has not been depicted in the chart.

Sources: CGA; and Union Budget documents.

[25] Monthly Bulletin, Department of Fertilisers, September 2025.

[26] *Pradhan Mantri Ujjwala Yojana* was announced on May 1, 2016, to provide subsidised liquified petroleum gas (LPG) connections to eligible households to help them switch from traditional cooking methods to LPG which is a cleaner fuel.

Chart 12: Quarterly Expenditure of State Governments



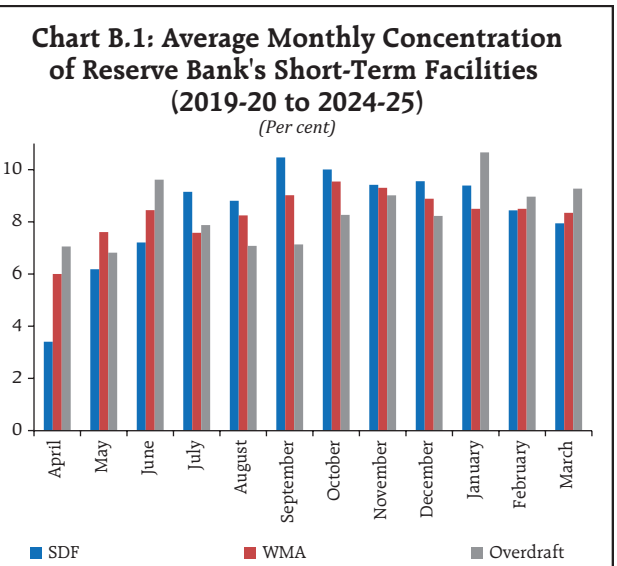
Sources: CAG; and Budget documents of State governments.

in Q1 on account of a lower base, while registering a contraction in Q2 (Chart 12b). Going forward, capital expenditure is likely to gather momentum, through Centre's interest free loan scheme for capital investment and the typical year-end spending concentration (Box B).

Box B: Seasonal Concentration of Fiscal Aggregates across Subnational Governments

The seasonal concentration of fiscal aggregates is a central aspect of cash flow management across Indian States, often shaping their short-term borrowing needs. When the timing of revenue receipts and expenditure commitments diverges, States face temporary gaps that must be bridged to maintain payment continuity. Accordingly, States rely on their intermediate treasury balances before turning to Reserve Bank of India's liquidity facilities[27], namely the special drawing facility (SDF), ways and means advances (WMA), and overdraft (OD). Between 2019-20 to 2024-25, there has been a steady rise in SDF usage till September. WMA usage peaks in October ahead of festive quarter, while Overdraft usage gathers pace in January-March, aligning with early stages of the year-end spending cycle, when expenditures typically record their year-end peak (Chart B.1).

Chart B.1: Average Monthly Concentration of Reserve Bank's Short-Term Facilities (2019-20 to 2024-25)

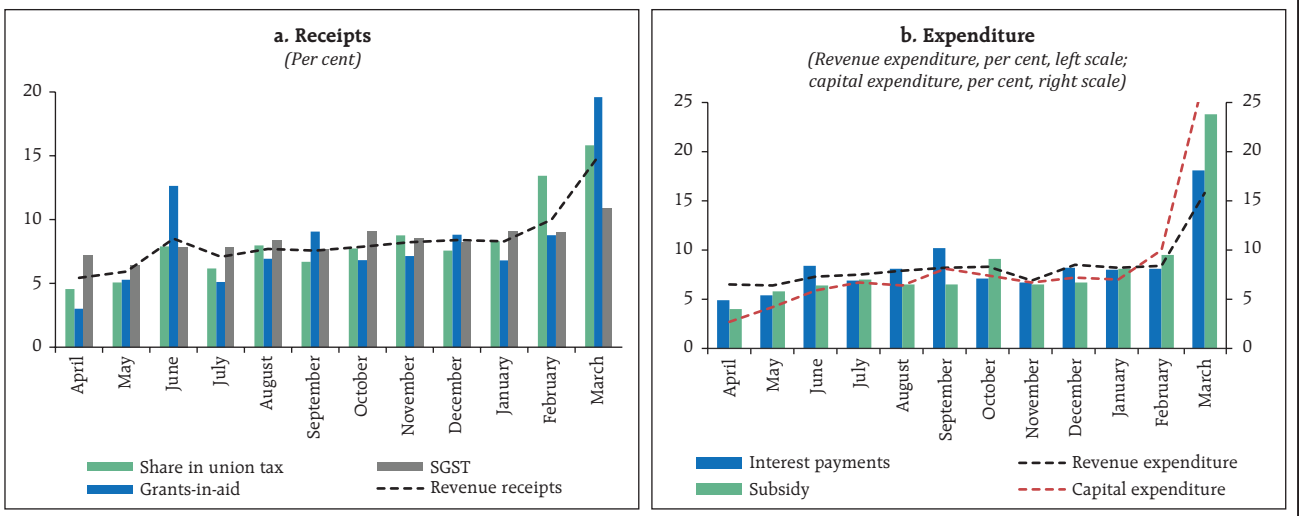


Source: RBI staff estimates.

(Contd.)

[27] SDF allows States to access funds linked to their quantum of investments in instruments such as the consolidated sinking fund (CSF), guarantee redemption fund (GRF) and against investments in government security (G-sec)/auction treasury bills (ATB). WMA provides temporary advances to smooth routine cash-flow gaps, while OD, which carries a penal rate above the repo rate, is invoked only when WMA limits are exceeded and indicates sharper cash stress.

Chart B.2. Average Monthly Concentration in Components of Receipts and Expenditure (2019-20 to 2024-25)



Source: RBI staff estimates.

To analyse how the mismatch between receipts and expenditure shapes States' short-term liquidity needs, monthly concentration of States' revenue receipts along with its major components such as tax devolution, States' goods and services tax (SGST) and grants from the Centre are considered for the period 2019-2025 (Chart B.2a). The overall pattern reveals a clear year-end concentration in aggregate receipts, reflecting the influence of both administrative and cyclical factors. Within components, the tax devolution from the Centre peaks in March, coinciding with the year-end settlement of Central tax devolution and advance tax inflow. This arises because Centre's corporate tax and income tax collections are themselves clustered around advance payment schedule and finalisation of accounts (Srivastava and Trehan, 2018; Srivastava *et al.*, 2025). Grants-in-aid record a distinct local peak[28] in June, followed by milder peaks in September and December, and a pronounced year-end surge in March, reflecting the typical bunching of scheme-related transfers. In contrast, SGST collections, being closely linked to consumption and economic activity, show relatively stable inflows with mild festive-season peaks.

The month-wise expenditure pattern of States displays a distinct back-loaded concentration (Chart B.2b) with revenue expenditure remaining relatively stable, as a large part of it is committed in nature. In April and May, overall spending activity remains subdued as observed across various States. From June onwards, expenditure begins to pick up. State government expenditure witness year-end surge in February and March when departments expedite project execution, following the flow of funds from schemes under Grants and departments also clear pending bills to avoid lapse of funds. The sharp bunching of spending in these final months, especially in capital expenditure, intensifies liquidity pressures, often compelling States to rely on short-term borrowing. With regular cheaper borrowing facilities such as SDF and WMA nearing exhaustion, several States resort to overdraft mechanisms to bridge temporary cash gaps. This reinforces the need for smoother intra-year expenditure calibration to reduce reliance on temporary borrowing facilities.

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[28] A local peak is a month where the concentration is higher than the months immediately before and after it.

III. Fiscal Deficit and its Financing

Central Government

a. Fiscal Deficit

The Central government budgeted for a GFD of 4.4 per cent of GDP in 2025-26 as compared with 4.8 per cent in 2024-25 (PA), in line with the glide path to achieve medium term GFD target of below 4.5 per cent of GDP by 2025-26. While GFD-GDP ratio in Q1:2025-26 was higher than the corresponding quarter of the previous year, the trend reversed in Q2:2025-26. During H1:2025-26, the GFD of the Central government stood at 36.5 per cent of the BE, higher than 29.4 per cent recorded during H1:2024-25, reflecting higher growth in Centre's capital expenditure (Chart 13a and b).

b. Financing of GFD

In H1:2025-26 (up to September 26, 2025), the Central government completed 48.2 per cent of the budgeted net market borrowings for 2025-26 (as against 43.9 per cent in the corresponding period last year), which financed a major chunk of its GFD.

State Government

a. Fiscal Deficit

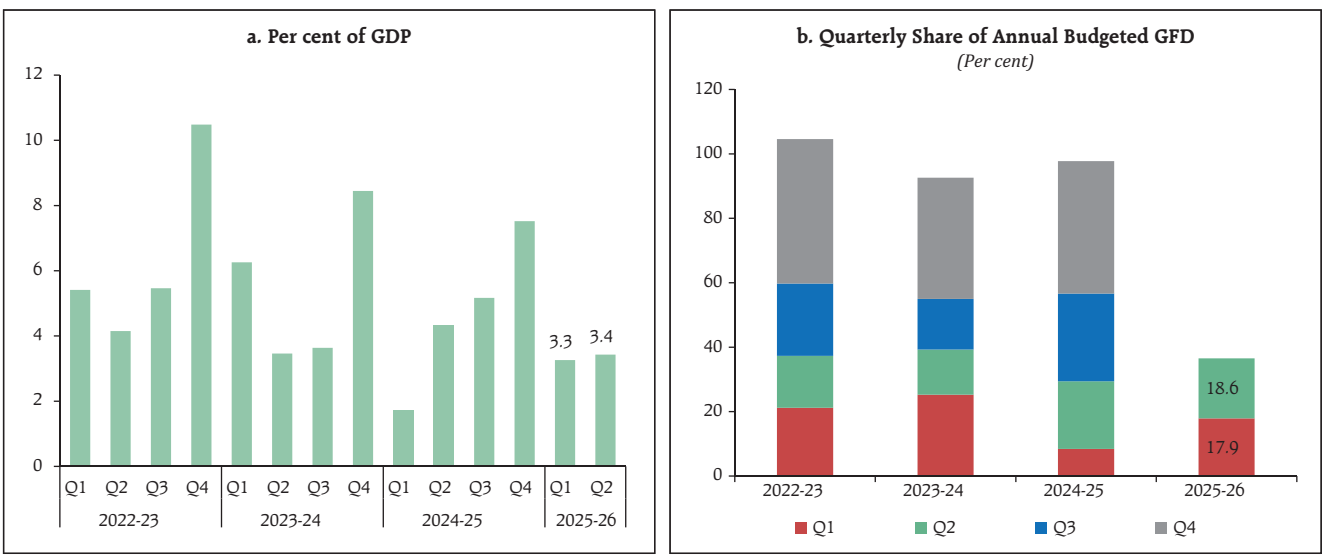
States budgeted a consolidated GFD of 3.3 per cent of GDP for 2025-26, lower than 3.5 per cent in 2024-25 (RE). States have exhausted a marginally higher proportion of their budgeted GFD in Q1:2025-26 and Q2:2025-26, respectively, as compared to Q1 and Q2 of 2024-25. Correspondingly, the fiscal space available to States for H2:2025-26 has slightly reduced to 62.4 per cent of their budgeted GFD, as against 62.9 per cent available during H2:2024-25 (Chart 14a and b).

b. Financing of GFD

States' net market borrowings during H1:2025-26 registered a growth of 22.3 per cent over the corresponding period of the previous year. During this period, States utilised 35.9 per cent of their budgeted net market borrowings, up from 32.1 per cent in the same period of 2024-25. Seventeen States utilised a higher proportion of their budgeted net borrowings as compared to the corresponding period of the previous year (Chart 15a and b). Gross market borrowings increased by 21.0 per cent over the previous year, representing 37.5 per cent of the budgeted amount.

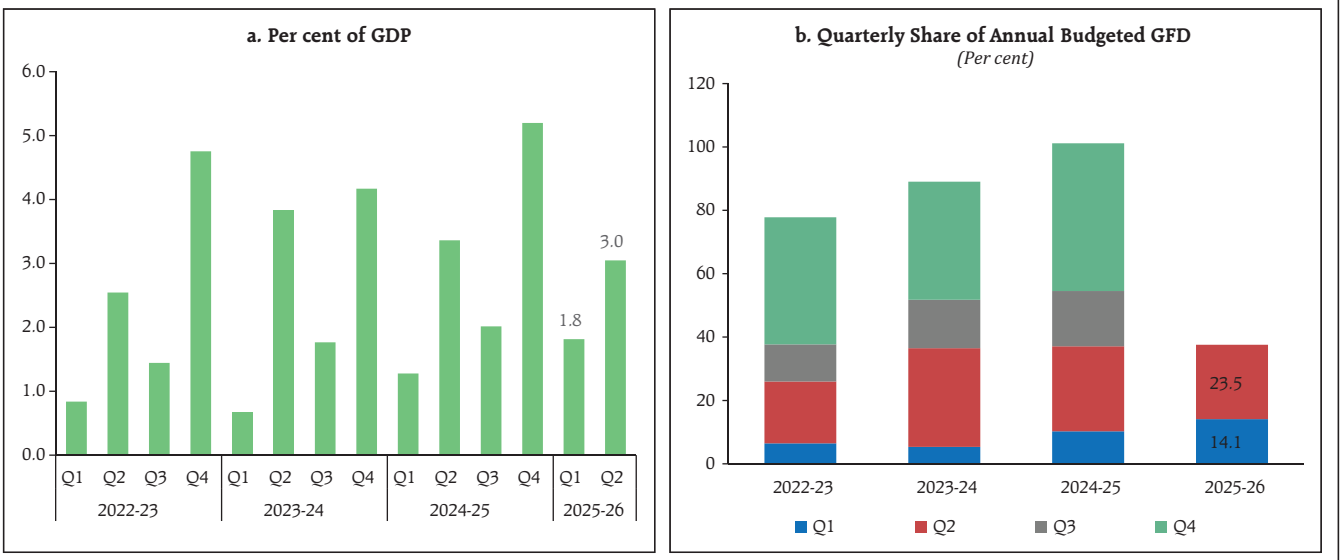
The financial accommodation availed by States through various facilities provided by the Reserve Bank increased by 52.7 per cent in H1:2025-26 over

Chart 13: Centre's Gross Fiscal Deficit



Sources: CGA; and Union Budget Documents.

Chart 14: States' Gross Fiscal Deficit



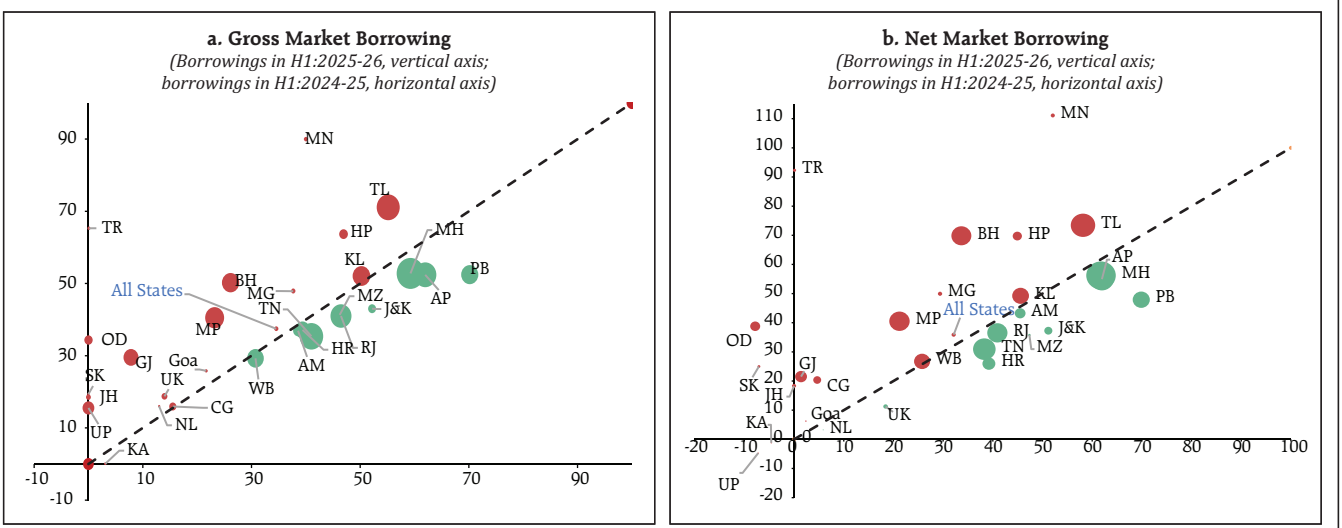
Sources: CAG; and Budget documents of State governments.

the corresponding period of the previous year. The ways and means advances (WMA) limits were revised effective from July 1, 2024. The aggregate WMA limit for States/UTs now stands at ₹60,118 crore, an increase of 27.9 per cent over the earlier limit of ₹47,010 crore. States utilised 8.1 per cent of the permissible WMA limit in Q1:2025-26 and 10.6 per cent in Q2:2025-26. The average utilisation by States under all the three facilities *viz.*, special drawing facility, ways and means advances and overdraft rose during H1:2025-26 over the corresponding period of the previous year (Chart 16a and b).

Quality of Expenditure – Centre and States

The revenue expenditure to capital outlay (RECO) ratio of the Centre declined to 3.7 in H1:2025-26 from

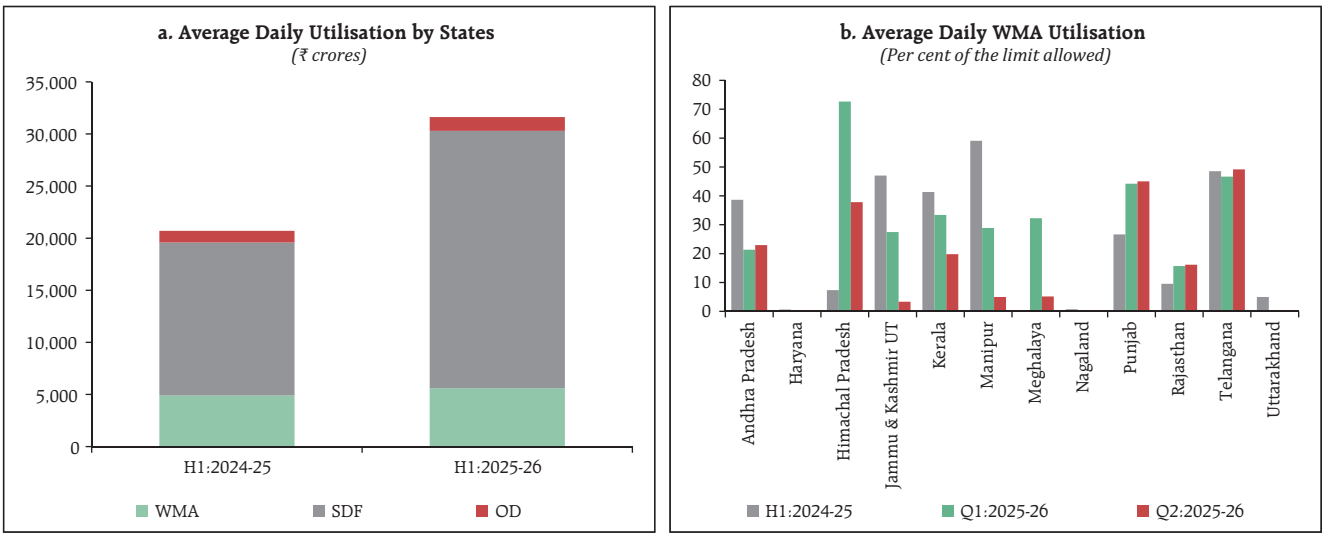
Chart 15: State/UT-wise Market Borrowings



Notes: 1. Size of bubble corresponds to the share of the State in H1:2025-26 market borrowing.
2. The 45-degree line corresponds to no change.

Sources: RBI; and Budget documents of States/UTs.

Chart 16: Financial Accommodation availed by the States Under Various Facilities with the Reserve Bank



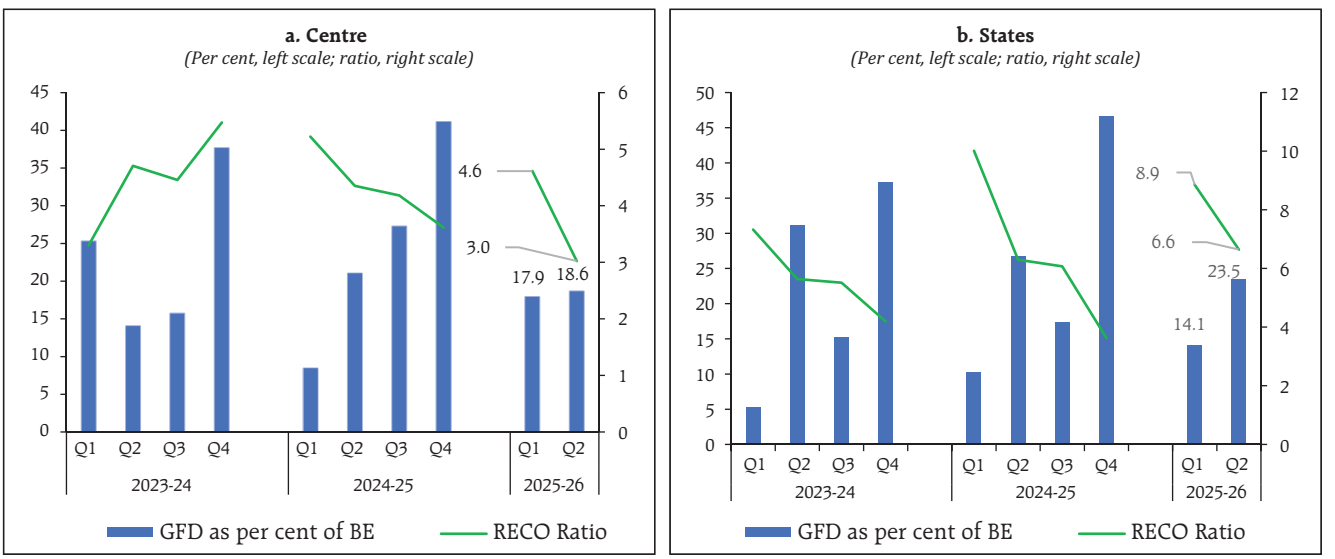
Sources: Various issues of RBI Bulletin; and RBI staff estimates.

4.7, a year ago (*i.e.*, in H1:2024-25), lowest in more than a decade[29], reflecting the continued impetus of the government in improving the quality of its expenditure (Chart 17a). Similarly, in the case of States, the expenditure quality has been improving as reflected in declining RECO ratio in H1:2025-26 compared to the previous year (Chart 17b).

IV. General Government Finances

In continuation of the effort to provide timely fiscal data on the general government, the quarterly fiscal position of the general government has been compiled till Q2:2025-26. In Q1:2025-26, the increase in combined expenditure of the Centre and States, mainly on account of higher growth

Chart 17: Gross Fiscal Deficit and Quality of Expenditure



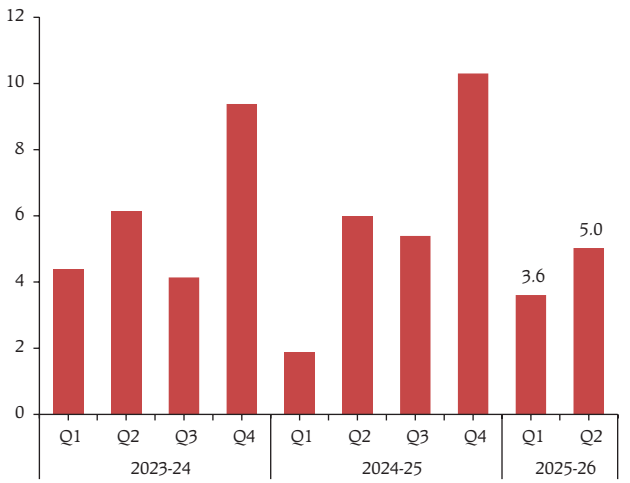
Sources: CGA; CAG; and Budget documents of the Centre and States.

[29] A lower RECO ratio implies improvement in the quality of expenditure for the government.

in capital expenditure, resulted in an uptick of GFD. However, in Q2:2025-26, the GFD as percent of GDP moderated on a y-o-y basis, primarily attributable to the containment of revenue expenditure (Chart 18).

Chart 18: General Government Gross Fiscal Deficit

(Per cent of GDP)



Note: For all the quarters depicted in the chart, the combined GFD-GDP ratio is for Centre plus 23 States.
Source: RBI staff estimates.

V. Conclusion

During H1:2025-26, moderation in tax receipts was partially offset by robust non-tax revenue as well as non-debt capital receipts of the Centre. Overall, the Centre has collected almost half of its budgeted revenue in H1:2025-26 while containing its expenditure to less than half of the budget estimates for 2025-26. This augurs well for the Centre to meet its GFD target of 4.4 per cent of GDP for 2025-26. In the case of States, their GFD as a per cent of BE during H1:2025-26 was only marginally higher than that of H1:2024-25 mainly attributable to lower growth in their revenue receipts. On the expenditure front, the States sustained their revenue expenditure while maintaining capex. Going forward, States need to maintain their capex momentum alongside fiscal consolidation to ensure overall stability.

Appendix Tables

Table I: Budgetary Position of the Central Government during April-September

Item	(₹ thousand crore)				(Per cent)			
	Actuals: H1		Budget Estimates (BE)		Per cent of BE		Y-o-Y Growth	
	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Revenue Receipts	**1,622.4**	**1,695.4**	**3,129.2**	**3,420.4**	**51.8**	**49.6**	**16.1**	**4.5**
(i) Net Tax Revenue	1,265.2	1,229.4	2,583.5	2,837.4	49.0	43.3	9.0	-2.8
(ii) Non-Tax Revenue	357.2	466.1	545.7	583.0	65.5	79.9	50.9	30.5
(iii) Interest Receipts	20.4	18.0	38.2	47.7	53.3	37.7	17.6	-11.5
2. Non-Debt Capital Receipts	**14.6**	**34.8**	**78.0**	**76.0**	**18.7**	**45.8**	**-27.6**	**138.1**
(i) Recovery of Loans	11.4	11.4	28.0	29.0	40.8	39.1	-13.5	-0.7
(ii) Miscellaneous Capital Receipts	3.2	23.4	50.0	47.0	6.3	49.8	-54.4	639.4
3. Total Receipts (1+2)	**1,637.0**	**1,730.2**	**3,207.2**	**3,496.4**	**51.0**	**49.5**	**15.5**	**5.7**
4. Revenue Expenditure	**1,696.5**	**1,722.6**	**3,709.4**	**3,944.3**	**45.7**	**43.7**	**4.2**	**1.5**
(i) Interest Payments	515.0	578.2	1,162.9	1,276.3	44.3	45.3	6.3	12.3
5. Capital Expenditure	**415.0**	**580.7**	**1,111.1**	**1,121.1**	**37.3**	**51.8**	**-15.4**	**40.0**
(i) Loans and Advances	55.4	118.9	192.4	225.8	28.8	52.6	-25.9	114.6
(ii) Capital Outlay	359.6	461.9	918.7	895.2	39.1	51.6	-13.5	28.5
6. Total Expenditure (4 + 5)	**2,111.5**	**2,303.3**	**4,820.5**	**5,065.3**	**43.8**	**45.5**	**-0.4**	**9.1**
7. Revenue Deficit (4 - 1)	**74.2**	**27.1**	**580.2**	**523.8**	**12.8**	**5.2**	**-68.0**	**-63.4**
8. Fiscal Deficit (6 - 3)	**474.5**	**573.1**	**1,613.3**	**1,568.9**	**29.4**	**36.5**	**-32.4**	**20.8**
9. Gross Primary Deficit {8 - 4(i)}	**-40.5**	**-5.1**	**450.4**	**292.6**	**-9.0**	**-1.7**	**-118.6**	**87.5**

Note: Negative primary deficit indicates primary surplus.
Sources: Controller General of Accounts; and Union Budget Documents.

Table II: Quarterly Position of the Central Government Finances

Item	(₹ thousand crore)				(Per cent)					
	Actuals				Per cent of Budget Estimates				Y-o-Y Growth	
	Q1		Q2		Q1		Q2		2025-26	
	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	Q1	Q2
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1. Revenue Receipts	**829.7**	**913.4**	**792.7**	**782.1**	**26.5**	**26.7**	**25.3**	**22.9**	**10.1**	**-1.3**
(i) Net Tax Revenue	549.6	540.3	715.5	689.1	21.3	19.0	27.7	24.3	-1.7	-3.7
(ii) Non-Tax Revenue	280.0	373.1	77.2	93.0	51.3	64.0	14.1	16.0	33.2	20.5
(iii) Interest Receipts	11.7	9.7	8.6	8.3	30.6	20.3	22.6	17.4	-17.2	-3.8
2. Non-Debt Capital Receipts	**4.5**	**28.0**	**10.1**	**6.8**	**5.8**	**36.9**	**12.9**	**8.9**	**519.9**	**-33.0**
(i) Recovery of Loans	4.5	5.4	6.9	6.0	16.1	18.6	24.7	20.5	19.5	-13.9
(ii) Miscellaneous Capital Receipts	0.0	22.6	3.2	0.8	0.0	48.1	6.3	1.7	5,65,475.0	-74.9
3. Total Receipts (1+2)	**834.2**	**941.4**	**802.8**	**788.8**	**26.0**	**26.9**	**25.0**	**22.6**	**12.9**	**-1.7**
4. Revenue Expenditure	**788.9**	**947.0**	**907.7**	**775.6**	**21.3**	**24.0**	**24.5**	**19.7**	**20.0**	**-14.6**
(i) Interest Payments	264.1	386.0	251.0	192.1	22.7	30.2	21.6	15.1	46.2	-23.4
5. Capital Expenditure	**181.1**	**275.1**	**233.9**	**305.6**	**16.3**	**24.5**	**21.1**	**27.3**	**52.0**	**30.7**
(i) Loans and Advances	30.0	69.8	25.4	49.0	15.6	30.9	13.2	21.7	132.7	93.2
(ii) Capital Outlay	151.0	205.3	208.5	256.6	16.4	22.9	22.7	28.7	35.9	23.0
6. Total Expenditure (4 + 5)	**969.9**	**1,222.1**	**1,141.6**	**1081.2**	**20.1**	**24.1**	**23.7**	**21.3**	**26.0**	**-5.3**
7. Revenue Deficit (4 - 1)	**-40.8**	**33.6**	**115.0**	**-6.5**	**-7.0**	**6.4**	**19.8**	**-1.2**	**182.4**	**-105.6**
8. Fiscal Deficit (6 - 3)	**135.7**	**280.7**	**338.8**	**292.4**	**8.4**	**17.9**	**21.0**	**18.6**	**106.9**	**-13.7**
9. Gross Primary Deficit {8 - 4(i)}	**-128.3**	**-105.3**	**87.8**	**100.2**	**-28.5**	**-36.0**	**19.5**	**34.3**	**17.9**	**14.1**

Note: Negative revenue deficit and primary deficit indicate revenue surplus and primary surplus, respectively.
Sources: Controller General of Accounts; and Union Budget Documents.

Table III: Budgetary Position of the State Governments during April-September 2025

Item	(₹ thousand crore)				(Per cent)			
	Actuals: H1		Budget Estimates		Per cent of BE		Y-o-Y Growth	
	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Revenue Receipts	**1,682.8**	**1,788.5**	**4,231.3**	**4,636.0**	**39.8**	**38.6**	**7.2**	**6.3**
1.1. Tax Revenue	1,395.3	1,523.6	3,244.7	3,605.8	43.0	42.3	12.1	9.2
1.2. Non-Tax Revenue	123.3	133.7	372.1	411.1	33.1	32.5	-7.5	8.4
1.3. Grants-in-aid and Contributions	164.2	131.3	614.6	619.1	26.7	21.2	-14.2	-20.1
2. Non-Debt Capital Receipts	**2.8**	**6.0**	**43.7**	**48.9**	**6.3**	**12.2**	**-30.9**	**116.6**
2.1. Recovery of Loans and Advances	2.7	5.9	20.6	24.0	13.1	24.7	-26.0	119.9
2.2. Other Miscellaneous Capital Receipts	0.1	0.0	23.1	24.9	0.3	0.2	-82.1	-27.9
3. Total Receipts	**1,685.6**	**1,794.5**	**4,275.1**	**4,684.9**	**39.4**	**38.3**	**7.1**	**6.5**
4. Revenue Expenditure	**1,780.1**	**1,925.8**	**4,326.4**	**4,740.2**	**41.1**	**40.6**	**10.0**	**8.2**
4.1 Interest Payments	230.6	257.9	527.8	586.1	43.7	44.0	11.8	11.8
5. Capital Expenditure	**269.9**	**284.7**	**931.3**	**1,051.4**	**29.0**	**27.1**	**-3.7**	**5.5**
5.1 Capital Outlay	233.9	255.4	850.9	972.2	27.5	26.3	-8.7	9.2
6. Total Expenditure	**2,050.1**	**2,210.5**	**5,257.7**	**5,791.6**	**39.0**	**38.2**	**7.9**	**7.8**
7. Revenue Deficit (4-1)	**97.3**	**137.3**	**95.0**	**104.2**	**102.4**	**131.7**	**98.2**	**41.0**
8. Fiscal Deficit (6-3)	**364.5**	**416.0**	**982.6**	**1,106.7**	**37.1**	**37.6**	**12.1**	**14.1**
9. Gross Primary Deficit (8 - 4.1)	**133.9**	**158.1**	**454.8**	**520.6**	**29.4**	**30.4**	**12.4**	**18.1**

Note: Data Pertains to 23 States.
Source: Comptroller and Auditor General of India.

Table IV: Quarterly Position of State Government Finances

Item	(₹ thousand crore)				(Per cent)					
	Actuals				Per cent of BE				Y-o-Y Growth	
	Q1		Q2		Q1		Q2		2025-26	
	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	Q1	Q2
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1. Revenue Receipts	**820.4**	**874.3**	**862.4**	**914.2**	**19.4**	**18.9**	**20.4**	**19.7**	**6.6**	**6.0**
1.1. Tax Revenue	701.2	752.5	694.0	771.0	21.6	20.9	21.4	21.4	7.3	11.1
1.2. Non-Tax Revenue	62.2	64.9	61.1	68.8	16.7	15.8	16.4	16.7	4.4	12.5
1.3. Grants-in-aid and Contributions	57.0	56.8	107.2	74.5	9.3	9.2	17.4	12.0	-0.4	-30.5
2. Non-Debt Capital Receipts	**1.4**	**3.1**	**1.4**	**2.9**	**3.1**	**6.3**	**3.2**	**5.9**	**127.5**	**106.0**
2.1. Recovery of Loans and Advances	1.3	3.1	1.4	2.9	6.4	12.7	6.6	11.9	130.4	109.8
2.2. Other Miscellaneous Capital Receipts	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	-6.8	-45.6
3. Total Receipts	**821.8**	**877.4**	**863.8**	**917.1**	**19.2**	**18.7**	**20.2**	**19.6**	**6.8**	**6.2**
4. Revenue Expenditure	**827.1**	**916.8**	**953.0**	**1,009.0**	**19.1**	**19.3**	**22.0**	**21.3**	**10.8**	**5.9**
4.1 Interest Payments	101.0	106.3	129.7	151.5	19.1	18.1	24.6	25.9	5.3	16.9
5. Capital Expenditure	**95.7**	**116.8**	**174.3**	**167.9**	**10.3**	**11.1**	**18.7**	**16.0**	**22.1**	**-3.6**
5.1. Capital Outlay	82.6	103.5	151.3	151.8	9.7	10.6	17.8	15.6	25.3	0.3
6. Total Expenditure	**922.8**	**1,033.6**	**1127.3**	**1,176.9**	**17.6**	**17.8**	**21.4**	**20.3**	**12.0**	**4.4**
7. Revenue Deficit	**6.7**	**42.5**	**90.7**	**94.8**	**7.0**	**40.8**	**95.4**	**91.0**	**537.4**	**4.5**
8. Fiscal Deficit (6-3)	**101.0**	**156.2**	**263.5**	**259.8**	**10.3**	**14.1**	**26.8**	**23.5**	**54.7**	**-1.4**
9. Gross Primary Deficit (8 - 4.1)	**0.0**	**49.9**	**133.9**	**108.3**	**0.0**	**9.6**	**29.4**	**20.8**	**-**	**-19.1**

Note: Data pertains to 23 States.
Source: Comptroller and Auditor General of India.

Composite Leading Indicator for GVA-Manufacturing for India

by Anirban Sanyal, Shivangee Misra and Sanjay Singh ^

This paper develops a quarterly Composite Leading Indicator (CLI) for GVA–Manufacturing using a two-stage procedure that combines systematic variable selection with subsequent aggregation. The indicator set—comprising commodity prices, survey-based expectations, industrial credit flows, and global variables—is identified through multiple validation techniques and then incorporated into machine-learning models, notably Random Forest and XGBoost. The resulting CLI exhibits a stronger leading property, yielding a cross-correlation of 0.86 at a one-quarter lead, compared with 0.72 contemporaneously. Its turning points consistently precede those of manufacturing GVA by one quarter, highlighting its usefulness for short-term monitoring and forecasting.

Introduction

Business cycle leading indicators are a vital component of macroeconomic surveillance, offering timely insights into emerging shifts in economic momentum. In particular, the leading business cycle indicators enable the identification of prospective turning points in the business cycle of the reference series, thereby providing early signals on evolving economic conditions. Against this backdrop, this article introduces a new leading indicator designed to track the real gross value added (GVA) growth of the manufacturing sector in India.

Business cycle analysis has a long intellectual lineage, tracing its roots to the seminal contributions of Burns and Mitchell (1946) and the later empirical refinements of Stock and Watson (1989). Subsequent research by Moore (1982) and Zarnowitz & Boschan (1975) underscored the importance of cyclical synchronisation across economic indicators, setting the stage for systematic development of leading business cycle indicators across advanced and emerging economies. International experience highlights considerable heterogeneity: in Italy, monetary and financial variables have been found to lead domestic cycles by 12–16 months, with international cycles exhibiting a high degree of co-movement (Altissimo et al., 2000); for Turkey, a leading indicator index was constructed from nine key economic series spanning imports, monetary aggregates, and fiscal expenditures (Murutoglu, 1999). Many such indicators draw on business and consumer survey data, with evidence—such as Finland's industry survey—demonstrating strong correlations between forward-looking expectations and subsequent industrial production (Penna Urrila, 2001). Collectively, composite leading indicators have proven useful in anticipating turning points in reference series, thereby strengthening short-term forecasting and policy assessment (Altissimo et al., 2000; Murutoglu, 1999).

In the Indian context, Roy and Biswas (2012) developed a composite leading indicator (CLI) for the Index of Industrial Production (IIP), employing both growth-cycle and growth-rate-cycle approaches to track turning points in overall industrial activity. That indicator, constructed for the 2004–05 base, served as a timely gauge of cyclical dynamics of industrial growth in India at the time. Since then, however, the role of IIP in national accounts has diminished, and the index itself has undergone a base revision to 2011–12. Given the centrality of the manufacturing sector in gross value added (GVA) and the need for more robust high-frequency cyclical assessment, this article proposes a composite leading indicator for GVA-manufacturing at a quarterly frequency.

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The construction of the CLI for GVA–manufacturing in this study follows a structured two-step framework, supported by a range of cross-validation techniques. In the first stage, potential leading variables are identified on the basis of their signal strength vis-à-vis the reference series, complemented by a machine-learning-based kitchen-sink approach to further refine the selection. The cyclical characteristics of the shortlisted indicators are subsequently examined through wavelet analysis to ensure robustness of their leading properties. In the second stage, these selected variables are combined using multiple aggregation methods to derive the composite indicator. The resulting CLI encompasses indicators reflecting cost pressures, external demand, policy uncertainty, and credit flows to industry, and the proposed CLI exhibits a lead of one quarter over the growth rate cycle of GVA manufacturing.

Rest of the article is organised as follows – Section II provides background and current practice of CLI. The empirical framework is noted in Section III. Section IV documents the data sources and frequency. Empirical findings are listed in Section V. Within empirical findings, the variables selected through various approaches are mentioned, followed by the findings of the wavelet analysis. Later, CLI is constructed using the selected variables through various aggregation approaches. The validation of the leading property of each CLI is assessed through turning point analysis. Lastly, the findings are summarised in the concluding remarks in Section VI.

II. Literature Review and Current Practice of Composite Leading Indicator

The construction of the leading indicator is guided by the requirement that it attain its turning points—both peaks and troughs—ahead of the coincident index, which captures contemporaneous economic conditions. This property underpins its usefulness in forecasting near-term fluctuations and supports forward-looking decision-making. As such, the leading indicator provides policymakers, financial analysts, investors, and firms with a systematic means of anticipating shifts in macroeconomic momentum. When used in conjunction with the coincident index, the leading economic indicator enhances the monitoring architecture for the Indian economy and delivers early warning signals of prospective expansions or contractions in activity (Dua and Banerji, 1999).

The analytical foundations of this approach trace back to Mintz's (1969, 1972 and 1974) development of the growth-cycle methodology for identifying cyclical turning points. Earlier work by Burns and Mitchell (1967) established the empirical significance of coincident and leading indicators for business-cycle analysis. Building on these contributions, Klein and Moore (1985) advanced the study of economic cycles at the National Bureau of Economic Research, setting the precedent for modern indicator-based monitoring systems.

Among the existing studies for India, Chitre (1982) documents substantial synchronicity among a wide range of Indian macroeconomic indicators around their long-run trends using a growth-cycle framework. His analysis spans non-agricultural net national product, industrial output, capital formation, monetary aggregates, and bank credit, among others, from which fifteen variables were ultimately selected to construct a composite index intended to proxy aggregate economic activity. The study identifies five distinct growth cycles for the Indian economy between 1951 and 1975. Using annual data from 1950 to 1985, Hatekar (1993) similarly identifies turning points in major macroeconomic aggregates and examines their comovement patterns within a growth-cycle perspective. Dua and Banerji (1999), applying the traditional NBER methodology, derived both classical business cycles and growth-rate

cycles for India and develop a composite leading index drawing on indicators from the monetary, construction, and corporate sectors. Expanding the empirical base, Chitre (2001) analyzes 94 monthly series for 1951–1982, and derived a reference cycle from eleven indicators using diffusion indexes, composite indexes, and principal components methods.

This paper is closely related to Roy and Biswas (2012) which proposes a CLI for the Index of Industrial Production using eight high-frequency indicators (HFIs) (Table 1). To account for differences in scale across the HFIs and the IIP, the authors apply a cumulative density function transformation prior to aggregation. Lead–lag relationships are assessed through cross-correlation analysis between each candidate series and the reference series. Following indicator selection, the target series (IIP) is regressed on lagged values of the individual indicators; the resulting adjusted R^2 values—interpreted as the share of variation in the target explained by each indicator and its lags—serve as a metric of leading performance. These adjusted R^2 values are subsequently employed as weights in the construction of the composite index.

III. Empirical Framework

The CLI for GVA-Manufacturing, proposed in this article has been constructed in two phases. In the first phase, the HFIs are selected using various variable selection methods. The selected indicators are aggregated to derive CLI in the phase 2. The variable selection is carried out through signal extractions where the leading property of each variable is tested individually and in a collective manner. The signal strength of each HFI is validated using cross correlation analysis, regression estimates using ordinary least squares (OLS), quantile regression, mutual information criteria and dynamic time warping (DTW). Using the kitchen sink approach the information on the leading properties of multiple indicators is assessed through recursive feature eliminations (RFE) with k-nearest neighbour (k-NN), random forest and XGBoost approach. Further, different sets of HFIs are generated from the common variables selected by various methods. Lastly, HFIs having high wavelet coherence are selected as additional group of the selected variables. Additionally, indicators appearing in at least one criteria are taken together as separate sets of variables through various combinations to improve the information contents. A brief discussion of the methods used for variable selection is provided in Annex I.

Table 1: Indicators Used in CLI for Industry

Sr. No.	Indicator	Weight
1	Commercial Motor Vehicle Production	11.4
2	Dollar/Rupee Exchange Rate (Monthly Average)	13.3
3	Monetary Aggregate M1	19.7
4	Non-Oil Imports	10.8
5	Railway Freight	6.3
6	BSE SENSEX Index	15.8
7	Steel Production	18.0
8	CP Spread	4.8

Source: Roy and Biswas (2012).

The aggregation of the selected indicators is conducted through various methods, namely, simple average, weighted average with various choices of weights and dynamic factor models (DFMs). The weighted average approach is developed using inverse standard deviations and correlation as weights. DFM is employed to extract the common signal strength from the selected variables. Lastly, the CLI is smoothened using HP filter to remove the irregular variations in the data. The lambda value in the HP filter (lambda=4) is selected based on the cross-validation technique used by Grehmann and Yetman (2018). Lastly, the performance of the proposed CLI is carried out using cross-correlation, coherence and turn-around point analysis proposed by Bry and Boschan (1971) and later, modified for quarterly data by Harding & Pagan (2012).

IV. Data Used

The high frequency economic indicators which are likely to influence the economic activities with a lead period, are selected from major dimensions, namely, i) Domestic demand condition; ii) Domestic industrial production; iii) Domestic price conditions; iv) Foreign trade; v) Employment condition; (vi) Trade, transport and other services indicators; (vii) Public finance and payment Indicators; (viii) Exchange rate; (ix) Global commodity price; (x) Policy uncertainty; (xi) Forward looking survey – Industrial Outlook Survey and PMI Manufacturing; (xiii) Cost of borrowing proxy; and (xiv) Global economic indicators. The variables are transformed into year-on-year (y-o-y) growth except for the borrowing cost (i.e. interest rate) proxy, policy uncertainty and exchange rate. The interest rate proxies, and policy uncertainties are used in level values. Exchange rates are transformed into quarter-on-quarter (q-o-q) annualized growth rate. The detailed list of the HFIs considered within each segment is provided in Annex II.

The data used for this analysis spans from April 2013 to December 2024. As the reference series (*i.e.*, GVA-manufacturing) is available at quarterly interval, the variable selection is carried out at quarterly frequency and the CLI is also calculated at quarterly frequency.

V. Empirical Findings

V.1 Variable Selection

The correlation analysis of the HFIs show very high negative correlation of global commodity prices with GVA manufacturing. Within commodity prices, crude oil prices affect the manufacturing growth with lag of 1 – 2 quarters. IMF all commodity prices (excluding gold) also drags manufacturing growth with a lag of 1 - 2 quarters. Merchandise imports moderate manufacturing growth in 1-2 quarter lag, while non-oil exports improve growth in the manufacturing sector with a lag of one quarter. Among the global variables, US non-farm payroll employment has positive correlation with GVA manufacturing with one quarter lead (Table 2).

Table 2: Cross Correlation Estimates of GVA-Manufacturing Growth with Top 10 HFIs

Variable	Pearson	Kendall	Spearman
IMF Crude Oil Price (-2)	-0.48	-0.40	-0.53
IMF industrial Input (-2)	-0.50	-0.39	-0.56
IMF All Commodity Price (-2)	-0.48	-0.38	-0.53
IMF All (Excl. Gold) Commodity Price (-2)	-0.48	-0.38	-0.54
Non-oil exports (-1)	0.49	0.38	0.54
Real Credit to Industry (-2)	0.47	0.37	0.51
IMF Metal Prices (-2)	-0.41	-0.37	-0.49
Merchandize Imports (-2)	-0.44	-0.35	-0.52
US Non-farm Payroll Employment SA (-1)	0.34	0.43	0.57
WPI Industrial Raw Material (-2)	-0.42	-0.33	-0.45

Note: The number indicated in the parentheses indicate the lags of the variables, measured in quarters.
Source: Authors' calculation.

The variable selection using regression estimates is carried out using OLS regression and quantile regression (for median). The regression includes the lagged value of GVA - manufacturing as additional regressor to knock out any time persistent effects in the data generating process of GVA - manufacturing. The regression coefficient attached to the HFI is extracted if the coefficient estimate is statistically significant at 10 per cent level of significance.[1]

The regression estimates show similar effects of commodity prices on GVA – manufacturing growth. Railway freight and petroleum consumption appear to have significant positive relation with GVA - manufacturing. Non-food credit and real credit to industry also improves the manufacturing growth with a lead of 2 quarters. The borrowing cost proxy, namely, G-Sec 10-year yield and treasury bill rate increases the borrowing burden and

[1] The standard errors of the quantile regression are asymptotic standard error.

Table 3: Regression Coefficients of GVA - Manufacturing with HFIs

Variable	OLS Regression	Quantile Regression (Median)
Indian Basket Crude Oil Price (-1)	-1.40	-0.54
WPI Manufacturing (-1)	-1.03	-0.45
Railway Freight Traffic (-2)	1.03	0.31
Petroleum Consumption (-1)	0.86	0.26
Real Credit to Industry (-2)	0.67	0.23
Real Non-food Credit (-2)	0.62	0.22
G-Sec 10 Yrs Yield (-2)	-0.98	-1.10
T-Bill 91 Days Rate (-1)	-1.05	-0.94
WPI Headline (-1)	0.64	-0.29
Merchandize Imports (-2)	-0.43	-0.48

Note: The number indicated in the parentheses indicate the lags of the variables, measured in quarters.
Source: Authors' calculation.

thereby, moderates the manufacturing growth. Merchandise imports also moderate the manufacturing growth (Table 3).

Lastly, the variable selection using mutual information, cosine similarity and (L1 and L2) distance measure[2] filters capacity utilization, outlook of raw material cost, PMI manufacturing index and its components, trade - transport indicators, borrowing cost proxy and commodity prices (Table 4).

The variables selected from the signal strength of the individual HFIs ignores the interactions among HFIs. For that, all variables are used simultaneously in a single framework (with different lags) to identify the suitable variables. This kitchen-sink approach uses three broad methods to identify the important variables – recursive feature elimination (RFE), random forest (RF) and XGBoost. Apart from the commodity prices, global indicators and policy uncertainties are selected as leading variables of GVA - manufacturing growth. Real non-food credit and credit to industry are selected in RFE and Random Forest. The domestic

[2] L1 (or Manhattan) distance is the absolute deviation between two vectors whereas L2 (or Mahalanobis) distance is the square root of the sum of square deviation between two vectors.

Table 4: Variables Selected in Other Criteria

Variable	Cosine	DTW	MI
Backlogs of Work(-2)	1	0	0
IOS Cost of Raw Material Expectation (-1)	0	1	0
IOS Cost of Raw Material Expectation (-2)	0	1	0
Indian Basket Crude Oil Price (-2)	0	0	1
CU (-1)	1	1	0
CU (-2)	0	1	0
PMI Employment (-1)	0	0	1
PMI Employment(-2)	1	0	0
PMI Future Output_(-1)	0	1	0
PMI Future Output(-2)	1	1	0
G-sec 10Yrs Yield (-1)	1	0	0
G-sec 10Yrs Yield (-2)	1	0	0
IMF Industrial Input (-1)	0	0	1
IMF Industrial Input (-2)	0	0	1
PMI Input Prices (-1)	0	1	0
PMI Input Prices (-2)	0	1	0
PMI New Export Orders (-2)	1	1	0
PMI New Orders (-1)	1	1	0
PMI New Orders (-2)	0	1	0
PMI Output Prices (-2)	1	0	0
PMI Output (-1)	1	1	0
PMI Output (-2)	0	1	0
Petroleum Consumption (-1)	0	0	1
PMI Index (-1)	1	1	0
PMI Index (-2)	1	1	0
Railway Freight Traffic (-2)	0	0	1
Real Non-food Credit (-1)	0	0	1
Real Non-food Credit(-2)	0	0	1
UPI Payments (-1)	0	1	0
UPI Payments (-2)	0	1	0
WPI Headline (-1)	0	0	1
WPI Headline (-2)	0	0	1
WPI Manufactured Products (-1)	0	0	1
WPI Manufactured Products (-2)	0	0	1

Note: 1. '0' indicates not selected and 1 stands for selected.
2. The number indicated in the parentheses indicate the lags of the variables.
Source: Authors' calculations.

economic indicators and borrowing cost proxies are also filtered (Table 5).

V.2 Cross Validation of the Business Cycle Properties of Selected HFI

Combining the variables selected through various methods provides a comprehensive list of HFIs having some leading information about GVA-manufacturing growth. The information content of

Table 5: Variables Selected in RFE, RF and XGBoost

Variables	Lead in Quarters
Method = RFE	
US Non-farm Payroll Employment (SA)	1
International Air Passenger Traffic	2
European EPU	2
Real Non-food Credit	1
IOS Cost of Raw Material (Expectation)	1
T-Bill 91 Days Yield	2
IMF All (Excl. Gold) Commodity Prices	1
Method = Random Forest	
Real Credit to Industry	1
Global EPU	1
Cement Production	1
G-Sec 10 Years Yield	2
USA EPU	1
WPI Headline	2
Commercial Motor Vehicle Sales	1
India EPU	1
Method = XGBoost	
International Cargo Traffic	1
Global EPU	1
WCMR	1
Exports to Emerging and Developing Asia	2
Domestic Air Passenger Traffic	1
WPI Manufacturing	1
High Speed Diesel	1
US Non-farm Payroll Data	1
IIP Consumer Durables	1
IIP Consumer Non-durables	1

Source: Authors' calculations

the selected HFIs is verified using wavelet analysis. The cross-wavelet analysis provides the degree of coherence between the HFIs and the benchmark series (*i.e.*, GVA-manufacturing).[3]

The wavelet coherence estimates shows that GVA manufacturing growth shows high coherence with eight core industries, merchandise exports, IIP use-based classifications, employment from US Non-farm payroll, Indian basket crude oil price, cement production and US IIP (Table 6).

Table 6: Coherence from Cross Wavelet Analysis

Series	Coherence Period (in quarters)	Coherence
Eight Core: Overall	2	0.78
Merchandise Export	2	0.75
IIP Intermediate goods	2	0.73
IIP Primary goods	2	0.73
US Non-farm Payroll (SA)	2	0.68
IIP Infrastructure/ construction goods	2	0.64
Indian Basket Crude Oil Price	2	0.59
Cement Production	2	0.59
WPI IRM	2	0.59
US IIP	2	0.59

Source: Authors' calculations

The wavelet coherence plot also confirms the leading property of these indicators with GVA-manufacturing in 1-2 quarter lead. This common set of indicators having high coherence, are also selected as separate set of variables (along with various other subsets of variables from the previous selections) in the variable selection set (Annex III). A short description of interpretation of the wavelet charts is provided in Annex IV.

a. Composite Leading Indicator

The CLI is constructed using the selected HFIs from different methods. For each selection of HFI, CLI is constructed using simple average, weighted average and DFM. Following this approach, 48 different CLI are constructed and the performance of each CLI is validated using cross-correlation and turnaround point analysis for quarterly data. The cross-correlation is checked with lead of 1 quarter and 2 quarters. The cross-correlation results shows that variables selected from Random Forest - XGBoost and combined using inverse standard deviation weights, provide the highest tracking at 1-2 quarter lead. CLI from random forest also provide a better tracking than others (Table 7). The detailed list of cross-correlation estimates is provided in Annex V.

[3] Here, the leading property is not directly sought from the cross-spectrum due to limitation of the length of time series data. The data used for this analysis, spans from Q1: 2013-14 till Q3: 2024-25 which includes disruptions due to COVID pandemic. The lack of business cycle coverage in the selected data, may lead to overfitting of wavelets and may lead to biased estimate of phase difference. Hence, the coherence measure is used in this context.

Table 7: Cross Correlation of Selected CLIs with GVA Manufacturing

Variable Selection	CLI Construction	Lag = 1		Lag = 2	
		Full Sample	Excluding COVID	Full Sample	Excluding COVID
RF-XG Boost	Simple Average	0.39	0.29	0.16	0.37
RF-XG Boost	Weighted Average - SD	**0.86**	**0.85**	**0.59**	**0.71**
RF-XG Boost	Weighted Average - Correlation	0.40	0.23	0.17	0.31
RF-XG Boost	Dynamic Factor Model (2) factors)	0.27	0.39	0.00	0.42
RF-XG Boost	Dynamic Factor Model (1) factor)	0.46	0.05	0.16	0.09
RF	Simple Average	**0.62**	**0.64**	0.34	**0.61**
RF	Weighted Average - SD	**0.74**	**0.78**	**0.61**	**0.73**
RF	Weighted Average - Correlation	**0.59**	**0.66**	0.28	**0.61**
RF	Dynamic Factor Model (2) factors)	0.07	0.34	0.29	0.32
RF	Dynamic Factor Model (1) factor)	0.07	**0.51**	0.26	0.50
RF-Spearman	Simple Average	**0.64**	**0.77**	**0.54**	**0.74**
RF-Spearman	Weighted Average - SD	**0.56**	**0.73**	**0.64**	**0.68**
RF-Spearman	Weighted Average - Correlation	**0.58**	**0.76**	**0.50**	**0.75**
RF-Spearman	Dynamic Factor Model (2) factors)	0.06	**0.52**	0.24	**0.50**
RF-Spearman	Dynamic Factor Model (1) factor)	0.05	0.48	0.28	0.49
RF-Quantile	Simple Average	**0.66**	**0.69**	0.39	**0.65**
RF-Quantile	Weighted Average - SD	**0.66**	**0.75**	**0.69**	**0.67**
RF-Quantile	Weighted Average - Correlation	**0.70**	**0.72**	0.44	**0.69**
RF-Quantile	Dynamic Factor Model (2) factors)	0.07	0.32	0.24	0.24
RF-Quantile	Dynamic Factor Model (1) factor)	0.08	**0.54**	0.23	0.47
Coherence	Simple Average	0.46	**0.68**	**0.51**	**0.65**
Coherence	Weighted Average - SD	0.49	**0.68**	**0.55**	**0.61**
Coherence	Weighted Average - Correlation	0.39	**0.66**	0.48	**0.63**
Coherence	Dynamic Factor Model (2) factors)	0.12	**0.51**	0.32	**0.54**
Coherence	Dynamic Factor Model (1) factor)	0.08	0.47	0.32	0.50

Note: • Highlighted cells have correlation higher than 50 per cent.
• The numbers within parentheses indicate number of factors used in DFM.
Source: Authors' calculations

Next, the turnaround point analysis was carried out on the proposed CLI and the reference series using Harding & Pagan (2002) approach. The turnaround points of CLI are mapped with the reference series to track the leading property. CLI based on Random Forest with XGBoost has one quarter lead, whereas the Random Forest has lead of average one to two quarters (Table 8).

Lastly, the time series plot of the proposed CLI and reference series establish the leading properties of the CLI visually except for the COVID period. The economic disruption during COVID pandemic led to broad based slowdown in Indian economy followed by a gradual recovery. The extent of recovery varied across segments which weakened the leading property of CLI during the recent pandemic period (Chart 1).

Following the derivation, CLI is proposed using variables selected from Random Forest - XGBoost criteria and aggregating those using inverse standard deviation as weights. The selected variables are listed in Table 9.

Table 8: Leading property of CLI

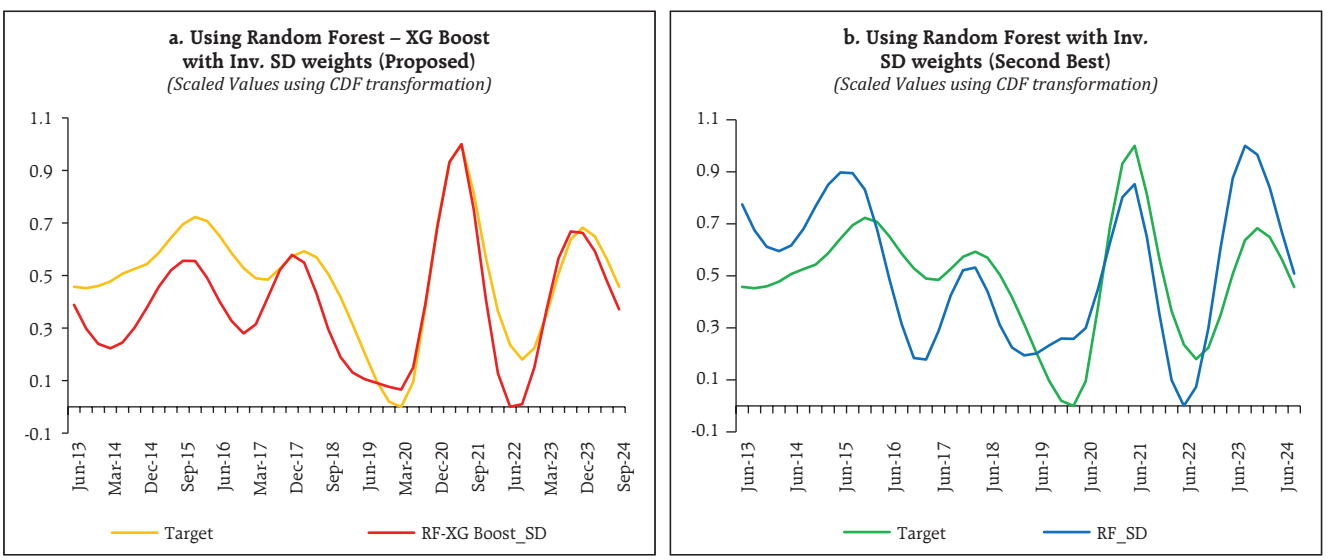
Variable Selection	CLI Construction	Peak	Trough
Random Forest - XGBoost	Weighted Average - SD	2015.50	2016.75
Random Forest - XGBoost	Weighted Average - SD	2017.75	2020.00
Random Forest - XGBoost	Weighted Average - SD	2021.25	2022.25
Random Forest - XGBoost	Weighted Average - SD	2023.50	
Random Forest	Weighted Average - SD	2015.25	2017.00
Random Forest	Weighted Average - SD	2018.00	2019.00
Random Forest	Weighted Average - SD	2021.25	2022.25
Random Forest	Weighted Average - SD	2023.50	
Reference Series			
Reference Series	GVA Manufacturing	2015.75	2017.25
	GVA Manufacturing	2018.00	2020.00
	GVA Manufacturing	2021.25	2022.50
	GVA Manufacturing	2023.75	

Note: 1. Green shaded CLI is the proposed one and white shaded CLI is the next best one.
2. The timeline of peaks and troughs are provided in fractions. YYYY.00 represents Q1 of year YYYY, YY.25 is Q2 of YYYY, YY.50 is Q3 of YYYY and YY.75 is for Q4 of YYYY. All years are financial years.

Source: Authors' calculations.

It may be mentioned that the business cycle exhibits long-term pattern which evolves over time. For business cycle analysis using quarterly data, it is generally recommended to have a time series length of at least 30 to 50 years (*i.e.*, 120 to 200 quarterly observations). This duration allows for the identification of multiple complete business cycles, which typically last between 5 to 10 years (OECD, 2008; Canova, 1998). A longer time series also helps in improving the reliability of statistical methods used in trend-cycle decomposition, filtering techniques (e.g., HP filter), and econometric modelling. In this analysis, 12 years data is used for deriving the leading indicator of GVA-manufacturing which is

Chart 1: CLI and Reference Series



Sources: : Authors' calculations.

Table 9: Variables selected in Random Forest and Mutual Information

Cement Production	WPI Headline
Commercial Motor Vehicle Sales	WPI Manufacturing
IIP Consumer Durable	G-Sec 10 Years Yield
IIP Consumer Non-durable	WCMR
High Speed Diesel	IMF All (Excl. Gold) Commodity Prices
International Air Cargo	Exports to Emerging and Developing Asia
Domestic Air Passenger Traffic	US Non-farm Payroll Employment
Real Credit to Industry	Global EPU
India EPU	

reasonable but may not be sufficient to study longer cycles, particularly due to the presence of COVID-19 led disruptions. The post pandemic data spans for two years which is insufficient to understand any changes in the data generating process of the economic variables. Following the data limitations and disruptions due to the COVID pandemic, it is recommended to revisit the construction of CLI at regular interval with better data availability.

VI. Concluding Remarks

This paper proposed a composite leading indicator for tracking the growth rate cycle of GVA Manufacturing using various high frequency indicators. Among the high frequency indicators, commodity prices, use-based classification of IIP, forward looking survey-based indicators, credit disbursed to industry, policy uncertainty and global commodity prices appeared to possess leading property on GVA manufacturing growth.

The CLI constructed using random forest and XGBoost exhibits the highest tracking power with cross correlation of 86 per cent at lag of one quarter (contrary to 72 per cent contemporaneous correlation). The turnaround points of the constructed CLI leads the GVA-manufacturing turnaround points by one quarter. The leading property of the proposed CLI shows robustness in the pre-COVID period and post-pandemic recovery period.

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Annex I : Methods used for Variable Selection

Cross-Correlation:

Cross-correlation analysis is a statistical technique used to measure the relationship between two time series at different lags, helping to identify lead-lag relationships and synchronicity between variables. In business cycle analysis, it is often employed to examine how economic indicators move in relation to the overall cycle, determining whether they are leading, coincident, or lagging indicators (Stock and Watson, 1999). A high cross-correlation at a positive lag suggests that one variable tends to lead the other, while a strong correlation at zero lag indicates simultaneous movement. This method is widely used in macroeconomic research to assess the predictive power of economic indicators and understand transmission mechanisms across sectors.

Regression Analysis

Regression analysis using Ordinary Least Squares (OLS) is a fundamental statistical method for estimating relationships between dependent and independent variables in economic and financial research. OLS minimizes the sum of squared residuals to derive the best-fitting linear equation, making it widely used for business cycle analysis, forecasting, and policy evaluation (Greene, 2012).

Quantile Regression

Quantile regression is an econometric technique that extends traditional Ordinary Least Squares (OLS) regression by estimating the conditional relationship between variables at different points of the outcome distribution (Koenker and Bassett, 1978). Unlike OLS, which models the mean effect, quantile regression provides a more comprehensive view of the data by capturing heterogeneous effects across quantiles. This is particularly useful in business cycle analysis, where economic relationships may vary during recessions and expansions.

Cosine Similarity

Cosine similarity is a metric used to measure the similarity between two non-zero vectors by computing the cosine of the angle between them. It is widely applied in text analysis, machine learning, and economic research to compare patterns in high-dimensional data. Unlike Euclidean distance, cosine similarity focuses on the direction rather than the magnitude of vectors, making it useful for comparing time series with different scales. In business cycle analysis, it can be employed to assess the similarity of economic indicators or compare the cyclical patterns of different countries over time. A value close to 1 indicates high similarity, while a value near 0 suggests no correlation (Huang, 2008).

Mutual Information

Mutual information (MI) is an information-theoretic measure that quantifies the dependency between two random variables by capturing both linear and nonlinear relationships (Cover and Thomas, 2006). Unlike correlation, which only detects linear dependencies, MI assesses the reduction in uncertainty about one variable given knowledge of another. In business cycle analysis, MI can be used to evaluate the strength of associations between macroeconomic indicators, such as GDP growth and inflation, across different economic conditions.

Dynamic Time Warping

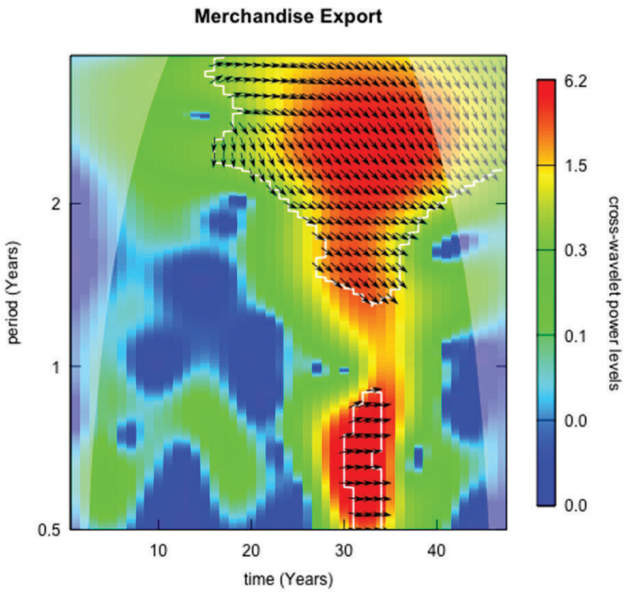
Dynamic Time Warping (DTW) is an algorithm used to measure the similarity between two time series by allowing non-linear distortions in the time axis (Berndt and Clifford, 1994). Unlike traditional distance metrics, such as Euclidean distance, DTW aligns sequences of different lengths or with temporal shifts by finding an optimal warping path that minimizes the cumulative distance between corresponding points. This makes it particularly useful in business cycle analysis, where economic indicators may exhibit phase shifts or different speeds of fluctuation across countries or industries.

Annex II : List of HFI Considered for CLI

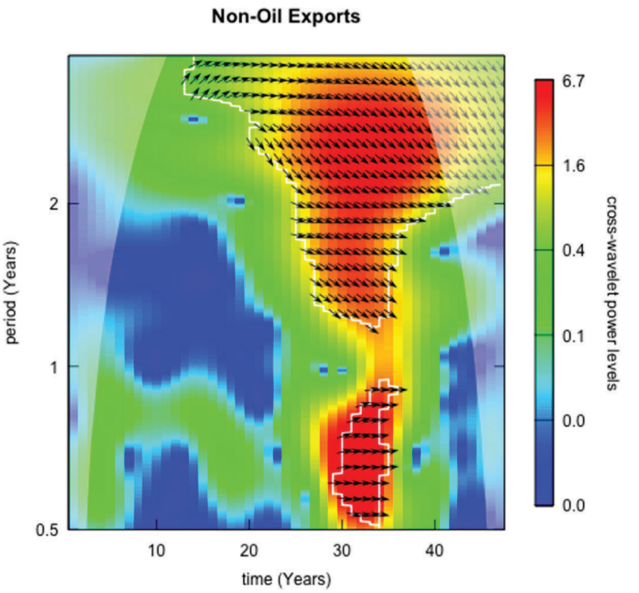
IIP Data
IIP Manufacturing
IIP Headline Index
IIP Primary Goods
IIP Capital Goods
IIP Intermediate Goods
IIP Infrastructure Goods
IIP Consumer Durables
IIP Consumer Non-durables
Global Trade
Exports to Emerging and Developing Asia
Exports to Europe
US Non-farm payroll Data
US IIP
China IIP
External Trade
Merchandize Exports
Merchandize Imports
Non-oil non-gold imports
Non-oil exports
Export of services
Import of services
Import of Capital Goods
Employment Condition
CMIE Labour Force Participation - All India
CMIE Labour Force Participation - Urban
CMIE Labour Force Participation - Rural
CMIE Unemployment Rate - All India
CMIE Unemployment Rate - Urban
CMIE Unemployment Rate - Rural
CMIE Employment Rate - All India
CMIE Employment Rate - Urban
CMIE Employment Rate - Rural
NAUKRI Job Speak Index
MGNREGA Work Demand
Payment and Public Finance
RTGS Payments
UPI Payments
E-Way Bills
GST Collection
Revenue Expenditure (less interest payments and subsidy) of Central Government
Fertiliser Sales
Exchange Rate
REER
NEER
INR - USD Exchange Rate
Global Commodity Price
IMF All Commodity Prices
IMF Commodity prices excluding Gold
IMF Commodity Price of Industrial Raw Material
IMF Commodity Price of Metals
IMF Commodity Price of Base Metals
IMF Commodity Price of Fuel
IMF Commodity Price of Crude Oil
IMF Commodity Price of Coal
World Bank Price - Aluminium
World Bank Price - Iron
World Bank Price - Copper
World Bank Price - Lead
World Bank Price - Tin
World Bank Price - Nickel
World Bank Price - Zinc
Indian Basket Crude Oil Price
WTI Crude Oil Price
Brent Crude Oil Price
Dubai Crude Oil Price
PMI Data
PMI Index
PMI Output
PMI New Orders
PMI Employments
PMI Supplier Delivery Time
PMI Stock of Purchase
PMI Input Prices
PMI Quantity of Purchase
PMI Stocks of Finished Goods
PMI New Export Orders
PMI Output Prices
PMI Backlog of Work
PMI Future Output
Eight Core Headline
Coal Production
Crude Oil Production
Natural Gas Production
Petroleum Products production
Fertilizers production
Steel Production
Cement Production
Electricity Production

Domestic Price Condition
WPI Headline Index
WPI Food Prices
WPI Primary Articles
WPI Fuel and Power
WPI Manufactured Items
WPI Industrial Raw Material
CPI Headline
CPI Index excluding Food, Fuel and Beverages
Consumption Indicators
Finished Steel Consumption
Petroleum Consumption
High Speed Diesel Consumption
Motor Spirit Consumption
Aviation Turbine Fuel Consumption
Trade, Transport and Demand Indicators
Domestic Air Passenger Traffic
International Air Passenger Traffic
Domestic Air Cargo
International Air Cargo
Railway Freight
Port Traffic
Passenger Vehicle Sales (Wholesale)
Passenger Vehicle Sales (Wholesale) - LMV
Two Wheeler Sales (Wholesale)
Two Wheeler Sales (Retail)
Three Wheeler Sales (Domestic)
Tractor Sales
Electricity Demand
Policy Uncertainty
Global Policy Uncertainty
India Policy Uncertainty
USA Policy Uncertainty - Three factor model
USA Policy Uncertainty - Newspaper Based
Chine Policy Uncertainty
European Union Policy Uncertainty - Newspaper
Germany Policy Uncertainty -
Italy Policy Uncertainty -
UK Policy Uncertainty -
France Policy Uncertainty -
Spain Policy Uncertainty -
PE Ratio of listed companies
Realized volatility of BSE Companies
IOS and OBICUS Data
Industrial Outlook Survey - Production (Expectation)
Industrial Outlook Survey - Order Book (Expectation)
Industrial Outlook Survey - Capacity Utilization (Expectation)
Industrial Outlook Survey - Exports (Expectation)
Industrial Outlook Survey - Imports (Expectation)
Industrial Outlook Survey - Inventory of Raw Material (Expectation)
Industrial Outlook Survey - Inventory of Finished Goods (Expectation)
Industrial Outlook Survey - Employment (Expectation)
Industrial Outlook Survey - Financial Condition (Expectation)
Industrial Outlook Survey - Cost of Finance (Expectation)
Industrial Outlook Survey - Cost of Raw Material (Expectation)
Industrial Outlook Survey - Selling Price (Expectation)
Industrial Outlook Survey - Profit Margin (Expectation)
Industrial Outlook Survey - Overall Business Condition
Capacity Utilization
Cost of Borrowing Proxy
Weighted Average Call Money Rate
91 days T-Bill Rate
G-Sec 10 Years Yield

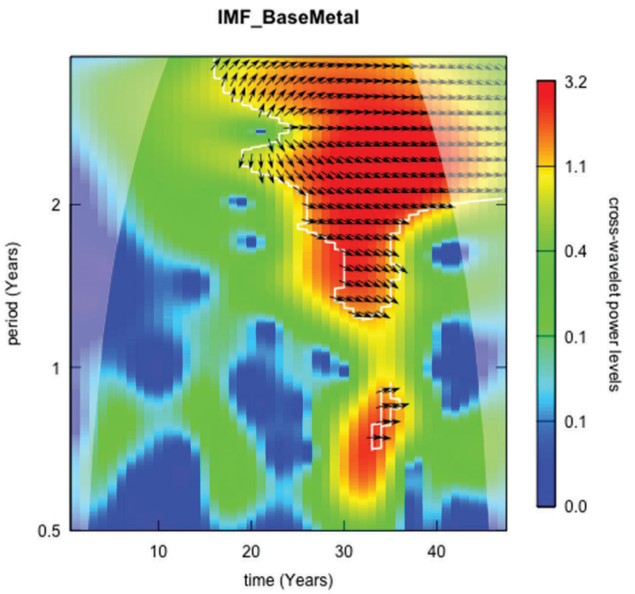
Annex III: Wavelet Coherence



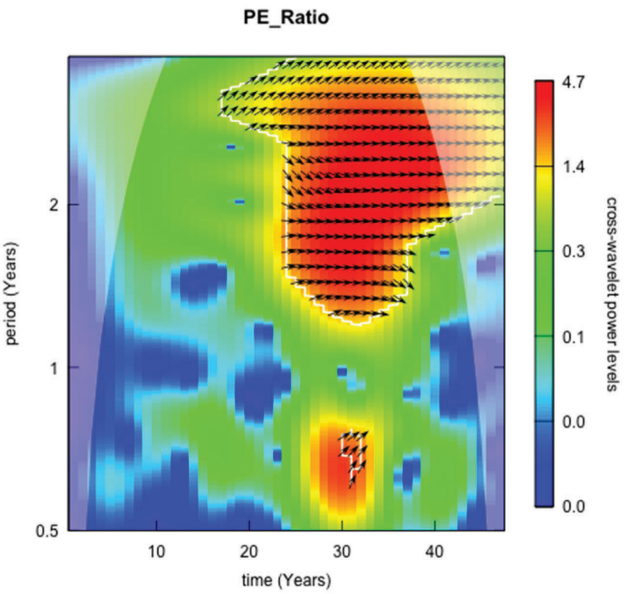
Source: Authors' calculations



Source: Authors' calculations



Source: Authors' calculations

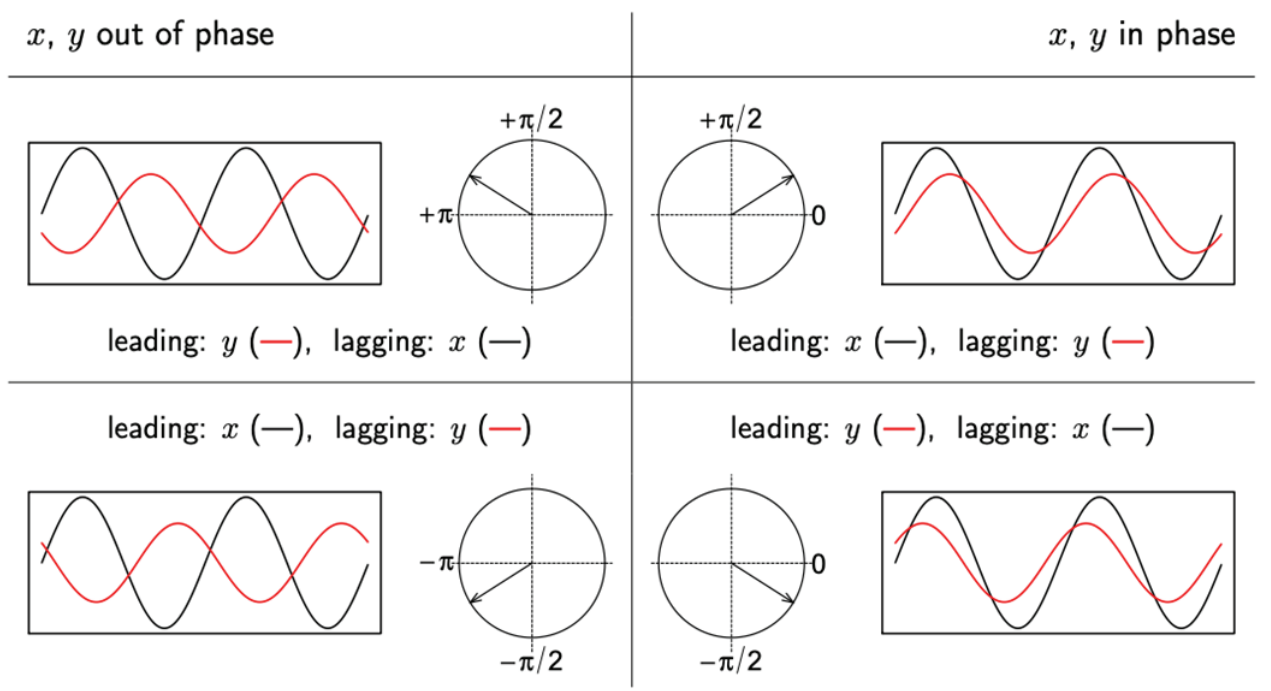


Source: Authors' calculations

Annex IV : Interpretation of Wavelet Charts

Wavelet charts, or wavelet power spectra, are used to analyze signals in both time and frequency domains simultaneously. They help in detecting transient features, periodicities, and localized frequency variations in data. The x-axis of the wavelet charts plots the time whereas the y-axis shows the different periodicities. The wavelet charts plot the phase differences between two series which help to identify the business cycle leading – lagging properties between two economic indicators. The direction of arrows in the phase diagram indicates the relationship between the economic indicators (Chart A2).

Chart A2: Phase difference and Interpretation



Source: Rosch and Schmidbauer (2018).

Annex V : Cross Correlation Estimates

Variable Selection	CLI Construction	Lag = 1		Lag = 2	
		Full Sample	Excluding COVID	Full Sample	Excluding COVID
RFE	Simple Average	0.08	0.43	0.24	0.31
RFE	Weighted Average - SD	0.20	0.42	0.37	0.30
RFE	Weighted Average - Correlation	0.10	0.43	0.26	0.32
RFE	Dynamic Factor Model (2 factors)	0.06	0.34	0.20	0.24
RFE	Dynamic Factor Model (1 factor)	0.06	0.51	0.24	0.48
RF	Simple Average	0.62	0.64	0.34	0.61
RF	Weighted Average - SD	0.74	0.78	0.61	0.73
RF	Weighted Average - Correlation	0.59	0.66	0.28	0.61
RF	Dynamic Factor Model (2 factors)	0.07	0.34	0.29	0.32
RF	Dynamic Factor Model (1 factor)	0.07	0.51	0.26	0.50
XG Boost	Simple Average	0.41	0.20	0.17	0.29
XG Boost	Weighted Average - SD	0.63	0.44	0.35	0.30
XG Boost	Weighted Average - Correlation	0.41	0.18	0.17	0.27
XG Boost	Dynamic Factor Model (2 factors)	0.42	0.15	0.15	0.27
XG Boost	Dynamic Factor Model (1 factor)	0.46	0.07	0.17	0.08
Pearson	Simple Average	0.50	0.53	0.54	0.43
Pearson	Weighted Average - SD	0.53	0.43	0.49	0.26
Pearson	Weighted Average - Correlation	0.44	0.52	0.51	0.44
Pearson	Dynamic Factor Model (2 factors)	0.02	0.44	0.19	0.49
Pearson	Dynamic Factor Model (1 factor)	0.08	0.47	0.32	0.50
Kendall	Simple Average	0.15	0.53	0.35	0.51
Kendall	Weighted Average - SD	0.25	0.55	0.45	0.51
Kendall	Weighted Average - Correlation	0.16	0.53	0.35	0.50
Kendall	Dynamic Factor Model (2 factors)	0.23	0.57	0.38	0.50
Kendall	Dynamic Factor Model (1 factor)	0.06	0.51	0.26	0.50
Spearman	Simple Average	0.12	0.53	0.34	0.54
Spearman	Weighted Average - SD	0.26	0.60	0.45	0.56
Spearman	Weighted Average - Correlation	0.28	0.62	0.46	0.60
Spearman	Dynamic Factor Model (2 factors)	0.07	0.44	0.33	0.48
Spearman	Dynamic Factor Model (1 factor)	0.06	0.48	0.29	0.49
Quantile	Simple Average	0.22	0.39	0.40	0.30
Quantile	Weighted Average - SD	0.20	0.12	0.32	0.06
Quantile	Weighted Average - Correlation	0.21	0.48	0.40	0.38
Quantile	Dynamic Factor Model (2 factors)	0.02	0.14	0.11	0.19
Quantile	Dynamic Factor Model (1 factor)	0.03	0.52	0.04	0.53
MI	Simple Average	0.66	0.59	0.54	0.55
MI	Weighted Average - SD	0.29	0.53	0.30	0.50
MI	Weighted Average - Correlation	0.29	0.52	0.41	0.53

Variable Selection	CLI Construction	Lag = 1		Lag = 2	
		Full Sample	Excluding COVID	Full Sample	Excluding COVID
MI	Dynamic Factor Model (2 factors)	0.15	0.40	0.20	0.38
MI	Dynamic Factor Model (1 factor)	0.09	0.56	0.24	0.49
Cosine	Simple Average	0.22	0.00	0.14	0.05
Cosine	Weighted Average - SD	0.20	0.06	0.15	0.03
Cosine	Weighted Average - Correlation	0.18	0.01	0.07	0.06
Cosine	Dynamic Factor Model (2 factors)	0.07	0.07	0.09	0.12
Cosine	Dynamic Factor Model (1 factor)	0.08	0.06	0.08	0.03
DTW	Simple Average	0.15	0.26	0.17	0.30
DTW	Weighted Average - SD	0.38	0.21	0.38	0.33
DTW	Weighted Average - Correlation	0.15	0.26	0.17	0.30
DTW	Dynamic Factor Model (2 factors)	0.15	0.02	0.01	0.07
DTW	Dynamic Factor Model (1 factor)	0.10	0.06	0.05	0.02
Union	Simple Average	0.14	0.26	0.17	0.30
Union	Weighted Average - SD	0.67	0.74	0.67	0.65
Union	Weighted Average - Correlation	0.14	0.26	0.17	0.30
Union	Dynamic Factor Model (2 factors)	0.07	0.55	0.21	0.55
Union	Dynamic Factor Model (1 factor)	0.08	0.47	0.32	0.50
RFE-RF	Simple Average	0.43	0.62	0.42	0.50
RFE-RF	Weighted Average - SD	0.58	0.70	0.61	0.57
RFE-RF	Weighted Average - Correlation	0.67	0.67	0.50	0.58
RFE-RF	Dynamic Factor Model (2 factors)	0.05	0.51	0.19	0.46
RFE-RF	Dynamic Factor Model (1 factor)	0.07	0.51	0.25	0.49
RFE-XG Boost	Simple Average	0.38	0.29	0.15	0.32
RFE-XG Boost	Weighted Average - SD	0.53	0.54	0.53	0.38
RFE-XG Boost	Weighted Average - Correlation	0.39	0.26	0.16	0.31
RFE-XG Boost	Dynamic Factor Model (2 factors)	0.01	0.47	0.20	0.41
RFE-XG Boost	Dynamic Factor Model (1 factor)	0.12	0.20	0.17	0.12
RFE-Spearman	Simple Average	0.10	0.51	0.29	0.42
RFE-Spearman	Weighted Average - SD	0.25	0.58	0.45	0.50
RFE-Spearman	Weighted Average - Correlation	0.11	0.54	0.31	0.49
RFE-Spearman	Dynamic Factor Model (2 factors)	0.14	0.43	0.40	0.36
RFE-Spearman	Dynamic Factor Model (1 factor)	0.06	0.51	0.25	0.49
RFE-Quantile	Simple Average	0.08	0.44	0.26	0.32
RFE-Quantile	Weighted Average - SD	0.26	0.46	0.45	0.35
RFE-Quantile	Weighted Average - Correlation	0.10	0.43	0.28	0.32
RFE-Quantile	Dynamic Factor Model (2 factors)	0.07	0.31	0.24	0.24
RFE-Quantile	Dynamic Factor Model (1 factor)	0.08	0.54	0.23	0.47
RFE-MI	Simple Average	0.23	0.52	0.36	0.41
RFE-MI	Weighted Average - SD	0.30	0.58	0.41	0.50
RFE-MI	Weighted Average - Correlation	0.33	0.55	0.44	0.46

Variable Selection	CLI Construction	Lag = 1		Lag = 2	
		Full Sample	Excluding COVID	Full Sample	Excluding COVID
RFE-MI	Dynamic Factor Model (2 factors)	0.09	0.48	0.15	0.42
RFE-MI	Dynamic Factor Model (1 factor)	0.08	0.54	0.24	0.49
RFE-Cosine	Simple Average	0.10	0.44	0.27	0.33
RFE-Cosine	Weighted Average - SD	0.34	0.29	0.46	0.25
RFE-Cosine	Weighted Average - Correlation	0.14	0.46	0.30	0.36
RFE-Cosine	Dynamic Factor Model (2 factors)	0.08	0.05	0.08	0.01
RFE-Cosine	Dynamic Factor Model (1 factor)	0.08	0.06	0.08	0.03
RF-XG Boost	Simple Average	0.39	0.29	0.16	0.37
RF-XG Boost	Weighted Average - SD	0.86	0.85	0.59	0.71
RF-XG Boost	Weighted Average - Correlation	0.40	0.23	0.17	0.31
RF-XG Boost	Dynamic Factor Model (2 factors)	0.27	0.39	0.00	0.42
RF-XG Boost	Dynamic Factor Model (1 factor)	0.46	0.05	0.16	0.09
RF-Spearman	Simple Average	0.64	0.77	0.54	0.74
RF-Spearman	Weighted Average - SD	0.56	0.73	0.64	0.68
RF-Spearman	Weighted Average - Correlation	0.58	0.76	0.50	0.75
RF-Spearman	Dynamic Factor Model (2 factors)	0.06	0.52	0.24	0.50
RF-Spearman	Dynamic Factor Model (1 factor)	0.05	0.48	0.28	0.49
RF-Quantile	Simple Average	0.66	0.69	0.39	0.65
RF-Quantile	Weighted Average - SD	0.66	0.75	0.69	0.67
RF-Quantile	Weighted Average - Correlation	0.70	0.72	0.44	0.69
RF-Quantile	Dynamic Factor Model (2 factors)	0.07	0.32	0.24	0.24
RF-Quantile	Dynamic Factor Model (1 factor)	0.08	0.54	0.23	0.47
RF-MI	Simple Average	0.73	0.74	0.45	0.69
RF-MI	Weighted Average - SD	0.55	0.65	0.44	0.60
RF-MI	Weighted Average - Correlation	0.68	0.68	0.36	0.64
RF-MI	Dynamic Factor Model (2 factors)	0.10	0.47	0.24	0.47
RF-MI	Dynamic Factor Model (1 factor)	0.07	0.52	0.26	0.50
RF-Cosine	Simple Average	0.62	0.62	0.34	0.59
RF-Cosine	Weighted Average - SD	0.55	0.43	0.44	0.45
RF-Cosine	Weighted Average - Correlation	0.52	0.48	0.21	0.47
RF-Cosine	Dynamic Factor Model (2 factors)	0.09	0.00	0.04	0.04
RF-Cosine	Dynamic Factor Model (1 factor)	0.08	0.06	0.08	0.03
XG Boost-Spearman	Simple Average	0.39	0.26	0.16	0.34
XG Boost-Spearman	Weighted Average - SD	0.63	0.76	0.66	0.70
XG Boost-Spearman	Weighted Average - Correlation	0.38	0.32	0.14	0.39
XG Boost-Spearman	Dynamic Factor Model (2 factors)	0.10	0.52	0.30	0.52

Variable Selection	CLI Construction	Lag = 1		Lag = 2	
		Full Sample	Excluding COVID	Full Sample	Excluding COVID
XG Boost-Spearman	Dynamic Factor Model (1 factor)	0.04	0.47	0.28	0.49
XG Boost-Quantile	Simple Average	0.40	0.20	0.17	0.29
XG Boost-Quantile	Weighted Average - SD	0.49	0.33	0.41	0.22
XG Boost-Quantile	Weighted Average - Correlation	0.41	0.19	0.17	0.27
XG Boost-Quantile	Dynamic Factor Model (2 factors)	0.29	0.19	0.03	0.26
XG Boost-Quantile	Dynamic Factor Model (1 factor)	0.46	0.06	0.17	0.08
XG Boost-MI	Simple Average	0.40	0.24	0.16	0.32
XG Boost-MI	Weighted Average - SD	0.56	0.58	0.47	0.54
XG Boost-MI	Weighted Average - Correlation	0.40	0.24	0.16	0.32
XG Boost-MI	Dynamic Factor Model (2 factors)	0.30	0.07	0.04	0.13
XG Boost-MI	Dynamic Factor Model (1 factor)	0.03	0.49	0.24	0.48
XG Boost-Cosine	Simple Average	0.40	0.20	0.17	0.29
XG Boost-Cosine	Weighted Average - SD	0.42	0.12	0.26	0.10
XG Boost-Cosine	Weighted Average - Correlation	0.41	0.17	0.17	0.26
XG Boost-Cosine	Dynamic Factor Model (2 factors)	0.38	0.04	0.09	0.05
XG Boost-Cosine	Dynamic Factor Model (1 factor)	0.08	0.06	0.08	0.03
Spearman-Quantile	Simple Average	0.13	0.54	0.36	0.53
Spearman-Quantile	Weighted Average - SD	0.30	0.50	0.50	0.44
Spearman-Quantile	Weighted Average - Correlation	0.28	0.61	0.48	0.57
Spearman-Quantile	Dynamic Factor Model (2 factors)	0.08	0.39	0.25	0.31
Spearman-Quantile	Dynamic Factor Model (1 factor)	0.08	0.54	0.23	0.47
Spearman-MI	Simple Average	0.56	0.59	0.57	0.57
Spearman-MI	Weighted Average - SD	0.43	0.56	0.49	0.54
Spearman-MI	Weighted Average - Correlation	0.66	0.57	0.57	0.55
Spearman-MI	Dynamic Factor Model (2 factors)	0.10	0.43	0.28	0.47
Spearman-MI	Dynamic Factor Model (1 factor)	0.06	0.48	0.29	0.49
Spearman-Cosine	Simple Average	0.16	0.52	0.37	0.54
Spearman-Cosine	Weighted Average - SD	0.34	0.44	0.51	0.45

Variable Selection	CLI Construction	Lag = 1		Lag = 2	
		Full Sample	Excluding COVID	Full Sample	Excluding COVID
Spearman-Cosine	Weighted Average - Correlation	0.15	0.54	0.38	0.54
Spearman-Cosine	Dynamic Factor Model (2 factors)	0.09	0.42	0.27	0.46
Spearman-Cosine	Dynamic Factor Model (1 factor)	0.06	0.48	0.29	0.49
Quantile-MI	Simple Average	0.66	0.60	0.57	0.55
Quantile-MI	Weighted Average - SD	0.40	0.44	0.47	0.40
Quantile-MI	Weighted Average - Correlation	0.40	0.47	0.43	0.45
Quantile-MI	Dynamic Factor Model (2 factors)	0.07	0.30	0.24	0.22
Quantile-MI	Dynamic Factor Model (1 factor)	0.08	0.54	0.23	0.47
Quantile-Cosine	Simple Average	0.31	0.20	0.31	0.24
Quantile-Cosine	Weighted Average - SD	0.31	0.13	0.34	0.15
Quantile-Cosine	Weighted Average - Correlation	0.32	0.12	0.31	0.19
Quantile-Cosine	Dynamic Factor Model (2 factors)	0.08	0.21	0.04	0.26
Quantile-Cosine	Dynamic Factor Model (1 factor)	0.03	0.52	0.04	0.53
MI-Cosine	Simple Average	0.66	0.56	0.55	0.54
MI-Cosine	Weighted Average - SD	0.36	0.40	0.39	0.40
MI-Cosine	Weighted Average - Correlation	0.59	0.41	0.44	0.44
MI-Cosine	Dynamic Factor Model (2 factors)	0.12	0.05	0.01	0.07
MI-Cosine	Dynamic Factor Model (1 factor)	0.09	0.06	0.06	0.02
Coherence	Simple Average	0.46	0.68	0.51	0.65
Coherence	Weighted Average - SD	0.49	0.68	0.55	0.61
Coherence	Weighted Average - Correlation	0.39	0.66	0.48	0.63
Coherence	Dynamic Factor Model (2 factors)	0.12	0.51	0.32	0.54
Coherence	Dynamic Factor Model (1 factor)	0.08	0.47	0.32	0.50

Note:
- *Highlighted cells have correlation higher than 50 per cent.*
- *The numbers within parentheses indicate number of factors used in DFM.*

Source: Authors' calculations.

Decoding Safe Asset Volatility Amid Geopolitical Risks Using Neural Networks

by Ankon Ghosh, Bipul Ghosh and Sandhya Kuruganti ^

The heightened influence of geopolitical tensions on asset market dynamics raises important questions on how safe haven assets respond to changing geopolitical risk and whether nonlinear models offer superior volatility forecasts, making the issue both topical and policy relevant. We find that while crude oil price volatility is acutely sensitive to such shocks, gold price volatility remains consistently stable. Silver and US Treasury securities exhibit intermediate behaviour, reflecting mixed properties of industrial exposure and flight-to-safety demand. The analysis further shows that neural network based models, particularly nonlinear frameworks incorporating country specific geopolitical risk indices, outperform traditional econometric models in forecasting volatility. These results indicate that safe haven assets react heterogeneously to geopolitical stress and that nonlinear amplification effects are economically meaningful. Hence, investors and policymakers need to recognise asset specific risk transmission channels and avoid overreliance on linear frameworks.

Introduction

Since the Global Financial Crisis (GFC) of 2007-2008, the concept of safe haven assets has attracted scholarly and practitioner interest, as market participants increasingly seek shelter during periods of elevated uncertainty. A safe haven asset is typically characterised as one that either retains or appreciates in value amidst market turmoil, thereby positioning itself as a compelling investment choice during episodes of economic and financial stress. These assets are generally highly liquid and benefit from persistent and stable demand factors that contribute to their enduring relevance and resilience against obsolescence or substitution.

Building on this foundational understanding, a substantial body of research has evaluated the historical performance of various safe haven assets during significant global disruptions, such as the GFC and the Covid-19 pandemic. However, most of this literature adopts a retrospective lens, assessing asset performance on a post-facto basis. In contrast, this study adopts a forward-looking perspective by forecasting the volatility of widely acknowledged safe haven assets and quantifying their relative sensitivity to external shocks, with a particular emphasis on geopolitical risk.

Among the various exogenous forces influencing markets, geopolitical tensions have emerged as potent volatility drivers. Events such as terrorism and international conflicts carry substantial implications for asset price dynamics. The conflicts between Russia and Ukraine since February 2022, as well as persistent unrest in the Middle East, have exemplified significant market disruptions arising from geopolitical instability.

The Global Financial Stability Report (GFSR) dated April 2025 identifies two principal transmission mechanisms through which geopolitical risk affects asset volatility, namely the economic and market sentiment channels. According to the GFSR, prices of key commodities including safe haven assets typically rise in response to geopolitical shocks, while US Treasury yields tend to fall, reflecting a flight-to-safety response.

Prior studies, including those by Apergis *et al.* (2017) and Gkillas *et al.* (2018), corroborate

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the predictive value of geopolitical risk indicators in explaining volatility patterns.

Building upon these insights, the present study incorporates geopolitical risk into asset volatility forecasting models by employing the news-based Geopolitical Risk Index (GPR) developed by Caldara and Iacoviello (2022). The analysis focuses on four widely recognised safe haven assets – gold, silver, crude oil and US Treasury securities.

Against this backdrop, the study addresses three key questions: how safe haven assets respond to geopolitical risk, whether nonlinear neural-network models provide superior volatility forecasts compared with linear econometric benchmarks and how sensitive each asset is to escalating geopolitical tensions. In brief, the study finds that gold remains the most stable asset, crude oil exhibits pronounced sensitivity, silver and US Treasuries display intermediate behaviour and neural-network models consistently outperform traditional approaches. These results demonstrate that safe haven assets exhibit heterogeneous volatility responses and that incorporating geopolitical risk within nonlinear frameworks significantly enhances forecast accuracy.

Furthermore, the study simulates the dynamic responses of these assets to escalating levels of geopolitical risk, highlighting their relative sensitivity to such shocks. By doing so, the study contributes a practical framework that enables investors to evaluate and select safe haven assets tailored to their risk preferences and investment objectives.

The remainder of this paper is organised as follows. Section II provides a historical overview of safe haven assets and discusses key stylised facts pertaining to their behaviour. Section III surveys the relevant literature. Section IV outlines the data employed in the analysis. Section V describes the methodological framework and presents the empirical findings. Section VI concludes the study.

II. Historical Overview and Stylised Facts on Safe Haven Assets

In this section, we trace the historical development of safe haven assets and highlight the stylised facts that underscore their behaviour through recent geopolitical crises.

Historical Overview of Safe Haven Assets

The concept of safe haven assets has evolved significantly over time, with gold, silver, crude oil and US Treasury securities emerging as primary instruments sought during episodes of economic or geopolitical turbulence for their stability and low risk characteristics. Among these, gold and silver have served as mediums of exchange and store of value across ancient and modern civilisations, prized for their intrinsic worth, scarcity and durability.

As financial systems matured, early instruments such as goldsmith-issued bills of exchange gradually gave way to more sophisticated forms of credit and government-backed securities. The industrial revolution and the expansion of global trade further heightened the need for assets that could preserve value and ensure liquidity in times of stress. During periods of systemic disruption such as the World War I and the 1929 stock market crash, gold and sovereign bonds played a critical role in maintaining market confidence and financial stability.

Crude oil, although not traditionally viewed as a monetary safe haven, rose to strategic importance during the 20th century. The World War I – marked a turning point, as oil became indispensable to military logistics and industrial production, thereby elevating its economic status. In the 1970s, a series of geopolitical shocks, particularly conflicts in the Middle East, disrupted global oil supplies, leading to dramatic price spikes and cementing oil's role as a crisis responsive commodity. This behavioural pattern among investors persists today, as evidenced

by sharp surges in crude oil prices during the Russia - Ukraine conflict in 2022.

The 21st century has been characterised by recurring financial crises and escalating geopolitical instability, reinforcing the relevance of safe haven assets in both institutional and retail investment portfolios. Events such as the GFC and recent military conflicts in the Middle East have led to pronounced increase in the value of traditional safe haven assets, notably gold, silver and crude oil. Central banks and sovereign institutions continue to hold these assets as part of their risk management and macroprudential frameworks, while individual investors seek them to hedge against uncertainty and systemic shocks.

As market volatility becomes an enduring feature of the global financial landscape, the identification and comparative evaluation of effective safe haven assets have become critical components of strategic asset allocation and portfolio resilience.

Stylised Facts on Safe Haven Assets

Safe haven assets preserve or increase in value during episodes of financial instability and geopolitical unrest. They are typically liquid, low risk and sought after in times of crisis. Historical price trajectories and volatility responses reveal several key stylised facts that underscore their distinct behaviours under stress.

Price Dynamics of Safe Haven Assets

Gold continues to serve as the archetypal safe haven asset. Its long run price trend reveals strong upward momentum with sharp surges during the early 1980s, the GFC and the Covid-19 pandemic (Chart 1). The recent rally in 2022-25 further reflects investors' response to systematic uncertainty and global tensions. Gold's reputation as a hedge against inflation and a store of value makes it attractive to central banks and institutional investors.

Chart 1: Gold Price

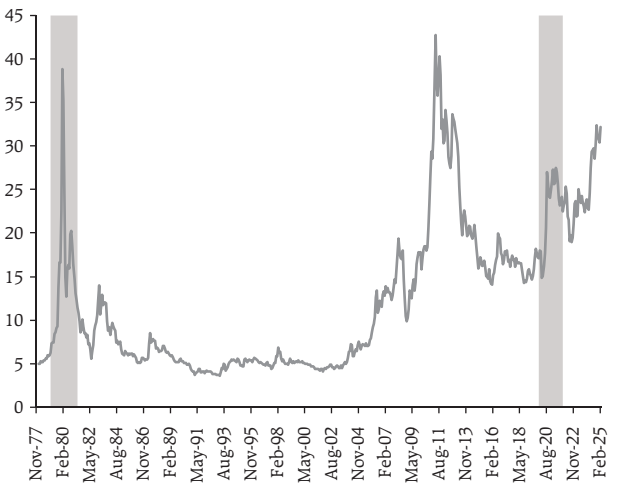
(USD per troy ounce)

Note: Shaded regions denote major events, from left to right – GFC, COVID-19, Israel Gaza Conflict.
Source: World Gold Council.

Silver, although more volatile, shares many of gold's safe haven characteristics. As seen in Chart 2, silver experienced dramatic spikes during the 1980 Hunt Brothers crisis, the 2010-11 commodity boom and periods of pandemic-related supply disruptions. Its industrial utility, especially in renewable energy, adds a demand channel that amplifies its price volatility during geopolitical shocks.

Chart 2: Silver Price

(USD per troy ounce)



Note: Shaded regions denote major events, from left to right – Hunt Brothers Crisis, COVID-19.
Source: World Bank "The Pink Sheet".

Chart 3: Crude Oil Price

(USD per barrel)

Note: Shaded regions denote major events, from left to right – Gulf War, GFC, Russia – Ukraine conflict.
Source: World Bank "The Pink Sheet".

Chart 4: US Treasury Security Yield

(Per cent)

Note: Shaded regions denote major events, from left to right – GFC, COVID-19.
Source: Federal Bank of St. Louis.

Crude oil reflects a different behavioural pattern. It is highly sensitive to global supply chains, making it more vulnerable to geopolitical disruptions than demand side contractions. Sharp volatility around the Gulf War, the GFC, and the Russia-Ukraine conflict is clearly visible (Chart 3). While not a conventional safe haven, crude oil is often used to hedge inflationary risk stemming from supply shocks.

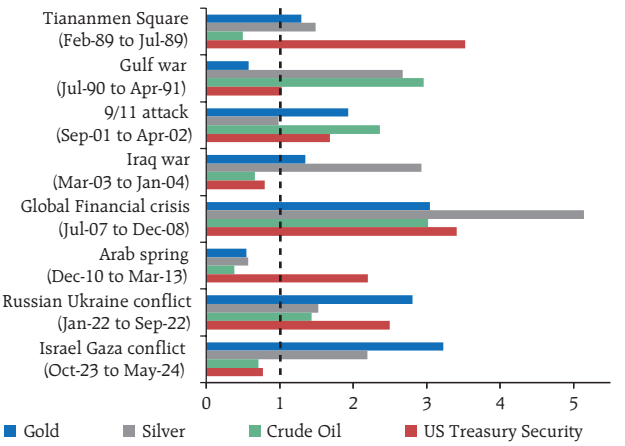
US Treasury securities (10 year treasury bill) conversely, exhibit classic countercyclical safe haven properties. Their yields have trended downward over the long term, with steep declines during major crises, reflecting heightened demand amid flight-to-safety behaviour (Chart 4). Their deep liquidity and sovereign backing make them the most widely accepted risk free asset.

Volatility Response to Geopolitical Events

Geopolitical shocks frequently lead to sharp increases in asset price volatility. This is evident in the ratio of the coefficient of variation (CV) of asset prices during major geopolitical events relative to the pre-event period, where a ratio above 1 denotes heightened volatility (Chart 5). The results highlight distinct patterns across events and asset classes. The GFC triggered a broad based surge in volatility, with silver experiencing the most pronounced increase. Events such as the Gulf War and the Russia-Ukraine conflict disproportionately affected crude oil, reflecting heightened supply side risk and geopolitical sanctions.

Chart 5: Jump in Coefficient of Variation for Safe Haven Assets during Geopolitical Events

(Ratio of CV during event over CV before event)



Note: For each event, ratio of Coefficient of Variation (CV), calculated for the duration of the event over the CV calculated for period preceding the event is reported. A value of this ratio over 1 denotes jump in volatility for the assets.
Source: Authors' Calculations.

Meanwhile, the Israel-Gaza conflict produced significant spikes in the CV of gold and silver, suggesting, in particular, their sensitive to instability in Middle East. In contrast, US Treasuries showed the most pronounced volatility response during the Tiananmen Square protests and the Arab Spring, indicating their exposure to global sentiment and shifts in risk appetite. These findings underscore how different safe haven assets respond uniquely to the nature and geography of geopolitical events.

Conditional Volatility from GARCH Models

To further assess asset responses to geopolitical shocks, we estimate monthly conditional volatilities using GARCH models for recent high impact events (Table 1). Conditional volatility, a forward looking metric, captures how markets anticipate future fluctuations based on past variability. The results reveal sharp spikes in volatility for most assets' price, with crude oil and US Treasuries exhibiting over threefold increases during the Russia-Ukraine conflict, reflecting heightened uncertainty surrounding energy supply and safe asset demand.

Table 1: Conditional Volatility during Geopolitical Events

Event	Asset	Conditional Volatility	
		Minimum	Maximum
Russia Ukraine conflict	Crude oil	0.008	0.026
	Gold	0.001	0.001
	Silver	0.003	0.007
	US Treasury security	0.008	0.028
Israel Gaza conflict	Crude oil	0.003	0.008
	Gold	0.001	0.002
	Silver	0.002	0.006
	US Treasury security	0.003	0.008
US Election	Crude oil	0.002	0.007
	Gold	0.001	0.002
	Silver	0.002	0.006
	US Treasury security	0.002	0.005

Source: Authors' Calculations.

Silver also registered significant amplification in volatility across three analysed events, due to its dual role as a hedging instrument and industrial input.

In contrast, gold demonstrated remarkable stability, with only modest increases in conditional volatility even during acute geopolitical stress. This subdued reaction reinforces gold's reputation as a reliable safe haven, offering consistency- when other asset classes are more reactive. These differentiated volatility responses highlight the importance of asset specific characteristics in risk management and portfolio construction during a crisis.

III. Reviewed Literature

The complex and evolving relationship between geopolitical risk and the price volatility of safe haven assets is well documented in the recent literature. Gupta *et al.* (2024) show that incorporating country specific geopolitical risk (GPR) data into machine learning models significantly improves forecasts of gold price volatility. Similarly, Gkillas *et al.* (2018) examine the nonlinear influence of geopolitical uncertainty on volatility spikes in the Dow Jones Industrial Average, finding that the persistence and magnitude of these shocks vary by event and time horizon. Building on these insights, this study employs artificial neural networks (ANNs) to flexibly capture such nonlinear dynamics.

The oil market shows particular sensitivity to geopolitical tensions. Liu *et al.* (2020) quantify the impact of extreme geopolitical events on oil prices, underscoring the need for robust risk mitigation. Jiao *et al.* (2021) identify supply side disruptions and political instability as the main channels through which geopolitical risk affects oil market dynamics. These findings highlight the need to systematically assess how safe haven assets respond to geopolitical developments.

Kundu *et al.* (2023) examine the price dynamics of gold in the Indian context. The authors establish

that volatility of returns for gold declines during heightened period of risk. In such periods, risk tolerance reduces among investors and a flight to safe haven commodity like gold is generally observed.

IV. Data

Whereas earlier studies often focused on individual assets using traditional econometric models, this paper applies a comparative framework across multiple safe haven assets using neural networks. Asset price volatility under evolving geopolitical conditions is analysed, capturing intricate, nonlinear relationships with improved accuracy. Unlike Gupta *et al.* (2024), who use both aggregate and all country level geopolitical risk (GPR) indices, the approach followed in this paper relies on relevant country specific GPR data aligned with each asset's supply-demand structure. A simulation analysis is used to evaluate volatility responses to geopolitical shocks. This integrated framework supports forward looking, evidence-based decision making by investors and policymakers navigating a climate of protracted geopolitical uncertainty.

To capture geopolitical uncertainty, the GPR developed by Caldara and Iacoviello (2022) is employed. This index quantifies both global and country specific geopolitical risks using newspaper based metrics at a monthly frequency. The methodology identifies the frequency and context of geopolitical terms in major news publications, measuring both the intensity and salience of geopolitical tensions. Notably, the country specific GPR covers 44 countries across multiple regions, enabling a nuanced understanding of how geopolitics affect asset level volatility. This refined measure enhances our ability to assess the transmission of geopolitical risk across diverse financial markets.

Four safe haven assets – gold, silver, crude oil and US Treasury securities are considered for the analysis. Gold prices on a monthly frequency (USD per troy ounce), are obtained from the World Gold Council. Silver prices (USD per troy ounce) and crude oil prices (USD per barrel) are sourced from the World Bank's Pink Sheet database. US Treasury yields, specifically the 10-year constant maturity yields, are retrieved from the Federal Reserve Bank of St. Louis and converted into monthly averages.

The empirical analysis covers the period from January 1978 to February 2025. The selection of 1978 as the starting point is motivated by both historical context and data stability. It immediately precedes major geopolitical disruptions such as the Iranian Revolution and the Soviet invasion of Afghanistan in 1979, allowing the model to capture asset behaviour before and after these shocks. Furthermore, this date lies sufficiently beyond the collapse of the Bretton Woods system (1971) and the OPEC oil embargo (1973), by which time commodity and financial markets had largely adjusted to the new regime of flexible exchange rates and market-driven pricing. Starting in 1978 thus ensures a long, stable sample that reflects mature post–Bretton Woods dynamics and historically significant levels of safe-asset valuation.

For robustness, three recursive sub-samples are constructed, each beginning in January 1978. The first sample ends in September 2021, while the second and third samples expand sequentially by 12 month intervals. For each sample, we generate 12 months ahead forecasts of asset price volatility, which are benchmarked against volatility estimates from a GARCH (1,1) model. This recursive forecast structure enables a rigorous evaluation of model performance under changing geopolitical conditions.

V. Methodology and Results

This section establishes the methodological framework of the study and presents the findings from the study.

Methodology

The methodological framework, consisting of GARCH-based conditional volatility estimation, neural-network and econometric forecasting models and a structured simulation of geopolitical risk scenarios, is designed to directly answer the research questions posed in the Introduction.

This study estimates conditional volatility for each safe haven asset using a GARCH (1,1) model. The resulting conditional volatility series serves as the target variable for forecasting. Detailed volatility estimates and model diagnostics are provided in the Annexure. Conditional volatility is preferred over realised volatility in this context, as it is better suited for monthly frequency data and effectively captures the time-varying and persistent nature of financial market volatility.

Two separate forecasting frameworks are considered: (i) forecasting volatility using the past values of the volatility series; and (ii) framework 1 augmented by a set of exogenous variables. For these two cases, the traditional econometric benchmarks are first established - an autoregressive (AR) model for the univariate case and an autoregressive integrated moving average with exogenous variables (ARIMAX) model for the multivariate case.

Subsequently, the nonlinear autoregressive (NAR) and nonlinear autoregressive with exogenous inputs (NARX) models are implemented for the respective forecasting scenarios. These models are advanced forms of Artificial Neural Networks (ANNs), well suited for capturing nonlinear and dynamic patterns in time series data.[1]

[1] ANNs are inspired by the structure and functioning of the human brain, consisting of multiple interconnected layers made up of processing units called neurons. Each neuron receives input, applies a transformation using an activation function and passes the result forward to the next layer. A standard ANN architecture comprises input, hidden and output layers, and is trained through iterative adjustments of the connection weights to minimise prediction error using backpropagation.

The Nonlinear Autoregressive (NAR) model, whose foundations were introduced by Narendra and Parthasarathy (1990), extends artificial neural networks (ANNs) to time series forecasting by capturing nonlinear dependencies that traditional linear models fail to account for. It models future values as a nonlinear function of past observations:

$$y_t = h(y_{t-1}, y_{t-2}, \ldots, y_{t-d}) + e_t \quad (1)$$

where, d is the number of lags, $h(.)$ is the ANN, y is the input volatility series and e_t accounts for random noise.

Building on the NAR framework, the NARX model enhances forecasting accuracy by incorporating external predictors. It estimates volatility as a function of both lagged values of the volatility series and lagged values of exogenous variables specifically, country specific geopolitical risk indices (GPR):

$$y_t = h(y_{t-1}, y_{t-2}, \ldots, y_{t-l}, x_{1,t-1}, x_{1,t-2}, \ldots, x_{1,t-d}, \ldots x_{c,t-1}, x_{c,t-2}, \ldots, x_{c,t-d}) + e_t \quad (2)$$

where, 'y_t' is the volatility time series and 'y_{t-1}', 'y_{t-2}', …. , 'y_{t-1}' are the 'l' lags of volatility series. '$x_{c,t-1}$', '$x_{c,t-2}$', …, '$x_{c,t-d}$' are the 'd' lags of geopolitical risk index specific to c^{th} country, $h(.)$ is the underlying ANN and 'e_t' accounts for random noise.

These models are selected for their ability to model complex, nonlinear interactions and to effectively handle high dimensional data, making them well suited for capturing the dynamics of geopolitical shocks in financial markets. For the NARX model, asset specific set of exogenous variables drawn from country specific GPR indices is constructed, as outlined in Table 2. Countries are selected based on

Table 2: Exogenous Variables for NARX Model

Asset	Variables
Gold	GPR specific to US, China & Russia
Silver	GPR specific to US, China, India & Japan
Crude oil	GPR specific to Egypt, Israel, Russia, US & China
US Treasury security	GPR specific to China, US; GPR index, GPR Threat index and GPR Act index

Source: Authors' Calculations.

their significance in the global supply and demand chain of the respective asset, and from this set, only those for which GPR data is available are included in the empirical framework. The GPR specific to United States is included as an exogenous variable for all four assets; due to its dominant role in the global market.

The NARX model is trained on the latest recursive sample, comprising data from January 1978 to September 2023, and is used to forecast monthly volatility up to March 2025 in a recursive manner. Starting in October 2023, a one-step-ahead forecast is generated, the predicted volatility is put back into the model and the country specific GPR inputs are updated at each step to produce the next forecast.

To assess each asset's sensitivity to geopolitical risk, a simulation exercise is conducted by varying the US specific GPR index across four scenarios – low, medium, high and extreme – based on the historical distribution of risk. The first three correspond to observed levels of geopolitical stress, while the extreme scenario simulates unobserved risk conditions. This is operationalised by inflating the historical median and maximum of the US specific GPR by 50 per cent, then randomly drawing GPR values within this inflated range to generate a synthetic extreme scenario.

This simulation enables the evaluation of how volatility in each asset responds to escalating geopolitical tensions. The results offer valuable insights for market participants and policymakers, supporting the selection of appropriate safe haven assets in alignment with individual risk tolerance and investment strategies.

Results

This section presents the results of the forecasting models and the simulation exercise assessing the sensitivity of safe haven assets to geopolitical risk. It begins with conditional volatility estimates from the fitted GARCH models, which form the foundation for both forecasting and simulation. Asset specific volatilities are shown in Charts 6 to 9.

Gold exhibits episodic volatility spikes during major crises such as the Asian Financial Crisis (1997-98), the GFC and the Covid-19 pandemic (2020-21). Despite these episodes, its overall volatility remains moderate, reaffirming gold's role as a stable hedge (Chart 6). Silver, by contrast, displays a more erratic pattern, with sharper and more frequent spikes; particularly in the early 1980s, post-2008, and during the European debt crisis, reflecting its dual nature as both a precious and an industrial metal (Chart 7).

Crude oil shows the most pronounced volatility, with peaks during the 1986 price collapse, the Gulf War, the GFC and the Russia-Ukraine conflict, driven by geopolitical tensions, supply disruptions and OPEC decisions (Chart 8). US Treasury yields, though typically stable, exhibit noticeable spikes during the GFC, the 2013 taper tantrum and the 2020 pandemic, reflecting shifts in global risk sentiment and expectations around monetary policy (Chart 9).

Overall, the analysis confirms that volatility dynamics are asset specific, shaped by both structural traits and external shocks. These GARCH based series provide the foundation for evaluating forecast models, linear (AR, ARIMAX) and nonlinear (NAR, NARX), as well as the geopolitical sensitivity simulations discussed in the next section.

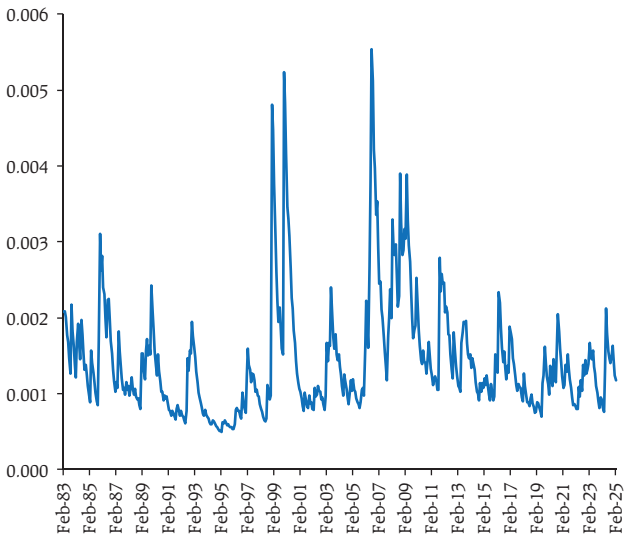
Volatility Forecasts

To evaluate model effectiveness, Root Mean Squared Errors (RMSE) of each model are compared using a relative performance metric:

$$1 - \frac{\text{RMSE(Model A)}}{\text{RMSE(Model B)}}$$

Chart 6: Estimated Volatility of Gold Price

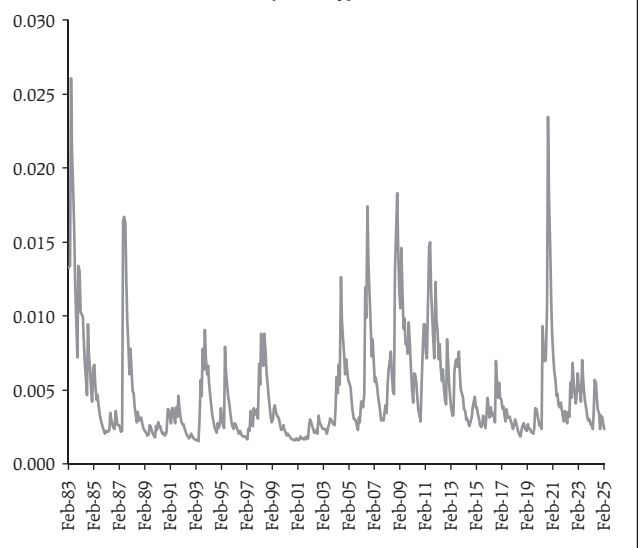
(Volatility)



Source: Authors' calculations.

Chart 7: Estimated Volatility of Silver Price

(Volatility)



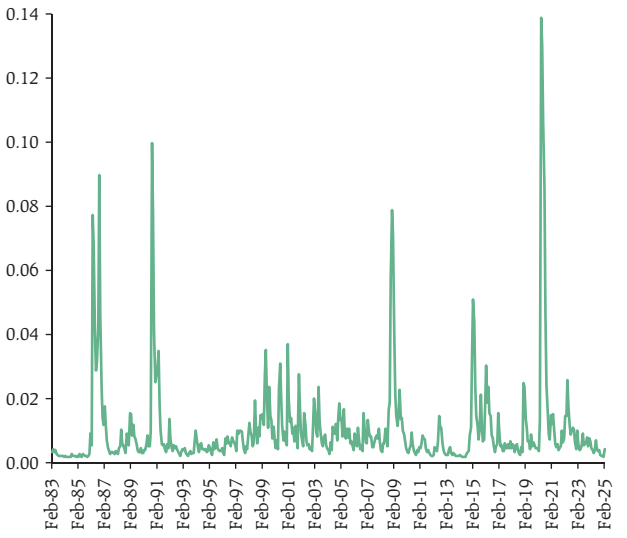
Source: Authors' calculations.

A positive value indicates Model A outperforms Model B, while a negative value implies the opposite. The results confirm the predictive strength of neural networks over traditional benchmarks (Table 3). Additionally, the forecasted volatilities are compared from the NARX model (trained on data from January 1978 to September 2023) with actual volatilities up to February 2025 (Chart 10).

A key observation is the consistent outperformance of neural networks. Except for one instance involving gold, the NAR model performs better than the AR model across most assets and samples, reflecting its strength in capturing complex, nonlinear relationships (Chart 10). Similarly, the NARX model consistently surpasses ARIMAX, even though both use the same set of exogenous

Chart 8: Estimated Volatility of Crude Oil Price

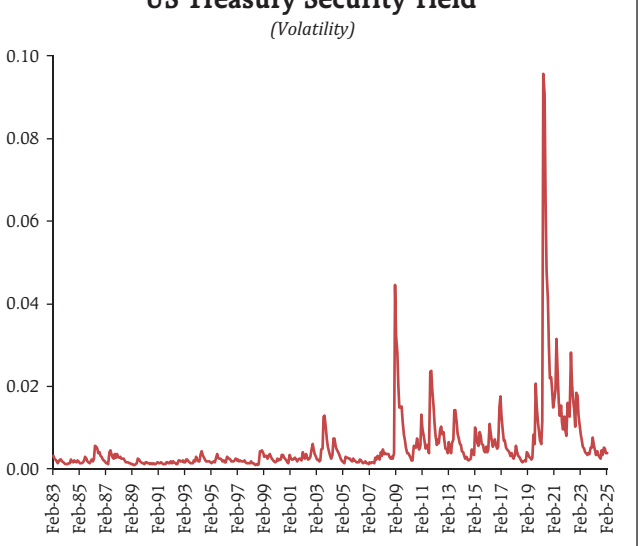
(Volatility)



Source: Authors' calculations.

Chart 9: Estimated Volatility of US Treasury Security Yield

(Volatility)



Source: Authors' calculations.

Chart 10: Volatility Forecast

Source: Authors' calculations.

variables. This shows that neural networks can better learn and exploit the lagged and nonlinear effects of geopolitical risk compared with traditional econometric approaches.

Table 3: Comparison of Model Performance Comparison Metric

Sample	Asset	NAR vs AR	NARX vs ARIMAX
January 1978 - September 2021	Gold	0.27	0.88
	Silver	0.76	0.65
	Crude oil	0.28	0.39
	US Treasury security	0.34	0.37
January 1978 - September 2022	Gold	0.48	0.90
	Silver	0.39	0.67
	Crude oil	0.55	0.81
	US Treasury security	0.19	0.65
January 1978 - September 2023	Gold	-0.18	0.64
	Silver	0.71	0.76
	Crude oil	0.70	0.85
	US Treasury security	0.33	0.75

Notes: 1. For each pairing of sample and asset, four models are built.
2. For the comparison metrics, in the first column NAR (Model A) is compared with AR (Model B).
3. For the comparison metrics, in the second column NARX (Model A) is compared with ARIMAX (Model B).

Source: Authors' calculations.

The improvement is especially notable when moving from ARIMAX to NARX , underscoring the added predictive value of GPR data when used within a neural framework. Together, these results highlight the effectiveness of neural networks in improving forecast accuracy and integrating geopolitical signals, offering practical value to policymakers, investors, and risk managers operating in uncertain macro-financial conditions.

The deviation in silver price volatility highlights the diverse behaviour of safe assets under changing geopolitical conditions. Unlike crude oil, and US Treasuries, which respond more predictably to geopolitical shocks, silver's volatility reflects its dual role as both a safe-haven and an industrial metal. Its

sensitivity to industrial demand and macroeconomic cycles leads to regime shifts that linear models often miss. This reinforces that safe-haven assets do not react uniformly to global risks, and adaptive nonlinear models like neural networks are better suited to capture and forecast such complex, asset-specific dynamics.

Volatility Simulation

Each asset responds differently to changes in geopolitical risk. To quantify this responsiveness, we compute a sensitivity metric that captures how volatility changes in response to variations in the GPR. Using the NARX model developed in the forecasting stage, asset volatilities across five GPR levels are simulated. These levels are – observed, low, medium, high, and extreme (Chart 11).

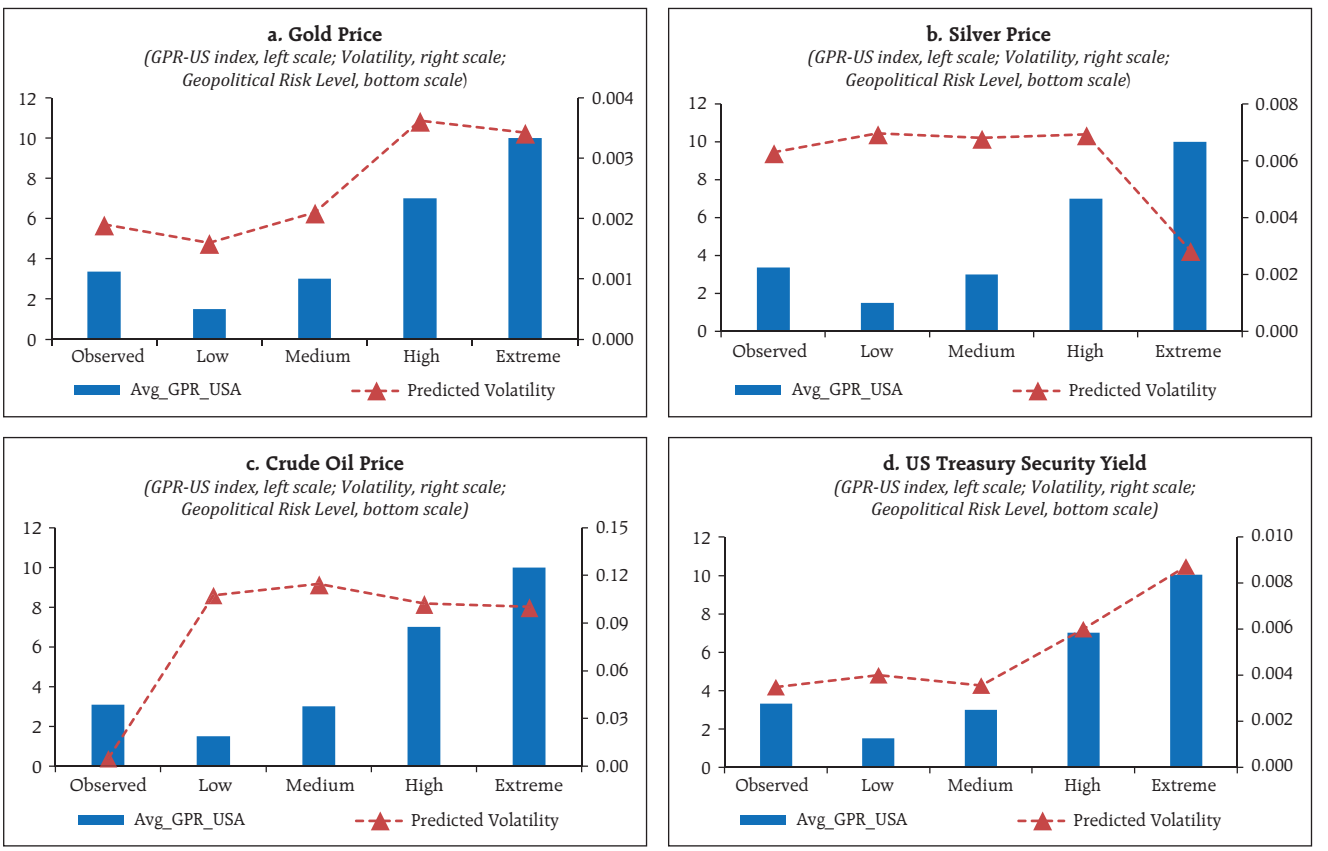
The sensitivity metric is calculated as:

$$\frac{1}{n}\sum_{i>j}\frac{abs(VOL_i - VOL_j)}{abs(avg\_GPR_i - avg\_GPR_j)}$$

where, n is the number of risk levels, VOLi represents the volatility forecast from the simulation at i^{th} risk level, and avg_GPRi denotes the average of the GPR index specific to US from the simulation at i^{th} risk level over all the lags as required by the model for each asset. Based on this metric, gold exhibits the lowest sensitivity to GPR changes. Using gold as the base, we derive a relative sensitivity index for all assets (Table 4), where higher values indicate greater responsiveness to geopolitical stress.

Among the assets, crude oil emerges as most sensitive to geopolitical shocks. Its price volatility rises sharply with increased GPR, reflecting

Chart 11: Volatility Simulation for March 2025



Note: "Observed" denotes the volatility forecast corresponding to the actual GPR-USA index available.
Source: Authors' calculations.

Table 4: Relative Sensitivity of Assets under Simulation for March 2025 (Relative to Gold)

Asset	Relative Sensitivity
Gold	1.00
Silver	1.92
US Treasury security	2.31
Crude oil	10.92

Source: Authors' calculations.

exposure to supply disruptions, regional conflicts and sanctions, highlighting its vulnerability to geopolitical instability. In contrast, gold shows minimal sensitivity, reaffirming its role as a safe haven. Investors often shift to gold during global uncertainty, which stabilises its volatility across risk regimes and supports its continued use in hedging strategies during crises.

Silver exhibits intermediate sensitivity. As both a precious metal and an industrial input, its volatility responds to investor sentiment and geopolitical effects on industrial demand, placing its sensitivity between gold and crude oil. In contrast, US Treasury securities show a steady rise in volatility as geopolitical risk increases[2]. This reflects flight to safety behaviour, where demand driven price changes lower yields but generate moderate market volatility due to shifting capital flows.

Overall, the simulation results reveal clear heterogeneity in the response of safe haven assets to geopolitical risk. Crude oil is highly reactive, gold remains stable, while silver and Treasuries occupy intermediate positions. These findings offer valuable guidance for portfolio diversification, risk management and policy formulation amid growing geopolitical uncertainty.

VI. Conclusion

This study highlights the complex relationship between geopolitical risk and the volatility of safe haven assets, providing actionable insights for risk managers, policymakers and investors. Using a simulation-based sensitivity framework, the response of four major asset class – gold, silver, crude oil and US Treasury securities – to escalating geopolitical tensions is analysed. The results offer a clearer understanding of asset behaviour under episodes of uncertainty and summarise the key results emerging from the analysis.

The findings show that crude oil is most sensitive to geopolitical shocks, consistent with its exposure to supply disruptions and regional conflicts. In contrast, gold remains the most stable, reaffirming its traditional role as a safe haven asset. Silver lies in between; more volatile than gold due to industrial demand exposure, but less sensitive than oil. US Treasury securities exhibit a steady rise in volatility with increasing geopolitical risk, reflecting their role as a flight-to-safety asset during global stress and confirming the heterogenous volatility response across assets.

Importantly, the study also demonstrates the forecasting superiority of neural network models, particularly the nonlinear neural network architecture. The empirical assessment highlights the nonlinear, time dependent effects of geopolitical risk on asset price volatility. By incorporating country specific geopolitical risk indices, the nonlinear autoregressive neural network model with exogenous inputs consistently outperforms traditional econometric benchmarks, thus offering a more reliable tool for volatility forecasting in volatile macro-financial conditions and reinforcing the central result that nonlinear approaches outperform linear models in geopolitical stress environments.

[2] Similar steady rise in price volatility is observed for gold as well, although the magnitude of change is less as compared to that for US Treasury securities yield.

Annexure

This section provides additional details on the volatility estimation methodology.

Volatility estimates from GARCH

Monthly log returns on asset prices (or yields) are used to estimate conditional volatility via GARCH models. ACF/PACF plots guide lag selection, while ADF, KPSS, and Engle's ARCH tests confirm stationarity and heteroscedasticity (Table 5). Final GARCH model parameters for each asset are reported in Table 6.

Table 5: Statistical Tests

Asset	Test	Test Statistic	P-Value	Result
Gold	ADF	-12.83	0.001	Stationary
	KPSS	0.17	0.100	Stationary
	Engle's ARCH	20.06	0.000	Conditional Heteroscedasticity
Silver	ADF	-13.06	0.001	Stationary
	KPSS	0.07	0.100	Stationary
	Engle's ARCH	65.83	0.000	Conditional Heteroscedasticity
Crude oil	ADF	-12.88	0.001	Stationary
	KPSS	0.04	0.100	Stationary
	Engle's ARCH	84.68	0.000	Conditional Heteroscedasticity
US Treasury security	ADF	-12.00	0.001	Stationary
	KPSS	0.07	0.100	Stationary
	Engle's ARCH	31.18	0.000	Conditional Heteroscedasticity

Note: Significance level of all tests are 5 Per cent.
Source: Authors' calculations.

Table 6: Parameter Estimates from GARCH Models

Asset	Parameter	Value	Standard Error	t Statistic	P-Value
Gold	Constant	0.00008	0.000023	3.6358	0.00028
	GARCH{1}	0.80708	0.027795	29.037	0.00000
	ARCH{1}	0.15318	0.022013	6.9588	0.00000
Silver	Constant	0.00038	0.000091	4.1533	0.00003
	GARCH{1}	0.73466	0.045191	16.2569	0.00000
	ARCH{1}	0.21311	0.044073	4.8355	0.00000
Crude oil	Constant	0.00088	0.000195	4.4927	0.00001
	GARCH{1}	0.49786	0.040391	12.3259	0.00000
	ARCH{1}	0.50214	0.049362	10.1727	0.00000
US Treasury security	Constant	0.00021	0.000058	3.6589	0.00025
	GARCH{1}	0.70876	0.032924	21.527	0.00000
	ARCH{1}	0.29124	0.030584	9.5223	0.00000

Source: Authors' calculations

Reference

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CURRENT STATISTICS

Contents

Notes: .. = Not available.

– = Nil/Negligible.

P = Preliminary/Provisional. PR = Partially Revised.

No. 1: Select Economic Indicators

Item	2024-25	2024-25		2025-26	
		Q1	Q2	Q1	Q2
	1	2	3	4	5
1 Real Sector (% Change)					
1.1 GVA at Basic Prices	6.4	6.5	5.8	7.6	8.1
1.1.1 Agriculture	4.6	1.5	4.1	3.7	3.5
1.1.2 Industry	4.5	7.8	2.1	5.8	7.9
1.1.3 Services	7.5	7.2	7.4	9.0	9.0
1.1a Final Consumption Expenditure	6.5	7.0	6.1	7.1	6.5
1.1b Gross Fixed Capital Formation	7.1	6.7	6.7	7.8	7.3
	2024-25	2024		2025	
		Sep.	Oct.	Sep.	Oct.
	1	2	3	4	5
1.2 Index of Industrial Production	4.0	3.2	3.7	4.6	0.4
2 Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	10.3	10.4	11.5	9.4	9.8
2.1.2 Credit #	11.0	12.3	11.8	10.8	11.3
2.1.2.1 Non-food Credit #	11.0	12.4	11.8	10.7	11.1
2.1.3 Investment in Govt. Securities	9.7	6.8	8.1	6.5	5.1
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	4.3	6.0	9.0	4.5	2.0
2.2.2 Broad Money (M3)	9.4	10.4	10.7	9.2	10.3
3 Ratios (%)					
3.1 Cash Reserve Ratio	4.00	4.50	4.50	3.75	3.50
3.2 Statutory Liquidity Ratio	18.00	18.00	18.00	18.00	18.00
3.3 Cash-Deposit Ratio	4.3	5.1	5.2	4.1	3.8
3.4 Credit-Deposit Ratio	80.8	79.2	79.4	80.2	80.2
3.5 Incremental Credit-Deposit Ratio #	86.1	61.6	66.2	69.0	72.1
3.6 Investment-Deposit Ratio	29.7	29.6	29.9	28.8	28.5
3.7 Incremental Investment-Deposit Ratio	28.1	26.2	30.6	13.2	12.0
4 Interest Rates (%)					
4.1 Policy Repo Rate	6.25	6.50	6.50	5.50	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	5.25	5.25
4.4 Marginal Standing Facility (MSF) Rate	6.50	6.75	6.75	5.75	5.75
4.5 Bank Rate	6.50	6.75	6.75	5.75	5.75
4.6 Base Rate	9.10/10.40	9.10/10.40	9.10/10.40	8.50/10.30	8.35/10.00
4.7 MCLR (Overnight)	8.15/8.45	8.15/8.45	8.15/8.45	7.80/8.00	7.80/8.00
4.8 Term Deposit Rate >1 Year	6.00/7.25	6.00/7.25	6.00/7.25	5.85/6.60	5.85/6.60
4.9 Savings Deposit Rate	2.70/3.00	2.70/3.00	2.70/3.00	2.50/2.50	2.50/2.50
4.10 Call Money Rate (Weighted Average)	6.35	6.61	6.63	5.57	5.58
4.11 91-Day Treasury Bill (Primary) Yield	6.52	6.65	6.51	5.47	5.46
4.12 182-Day Treasury Bill (Primary) Yield	6.52	6.72	6.64	5.58	5.60
4.13 364-Day Treasury Bill (Primary) Yield	6.47	6.70	6.60	5.61	5.58
4.14 10-Year G-Sec Par Yield (FBIL)	6.62	6.78	6.81	6.61	6.50
5 Reference Rate and Forward Premia					
5.1 INR-US$ Spot Rate (Rs. Per Foreign Currency)	85.58	83.67	84.08	88.72	88.72
5.2 INR-Euro Spot Rate (Rs. Per Foreign Currency)	92.32	93.46	90.96	103.62	102.67
5.3 Forward Premia of US$ 1-month (%)	3.12	1.65	1.49	2.19	1.94
3-month (%)	2.56	1.74	1.69	2.17	1.98
6-month (%)	2.28	2.11	2.01	2.23	2.14
6 Inflation (%)					
6.1 All India Consumer Price Index	4.6	5.5	6.2	1.4	0.3
6.2 Consumer Price Index for Industrial Workers	3.39	4.2	4.4	2.8	2.2
6.3 Wholesale Price Index	2.3	1.9	2.8	0.2	-1.2
6.3.1 Primary Articles	5.2	6.5	8.3	-3.1	-6.2
6.3.2 Fuel and Power	-1.3	-3.9	-4.3	-2.6	-2.6
6.3.3 Manufactured Products	1.7	1.1	1.8	2.3	1.5
7 Foreign Trade (% Change)					
7.1 Imports	6.9	8.3	3.2	18.0	16.9
7.2 Exports	0.1	-1.0	16.6	6.2	-11.9

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).
Data include the impact of merger of a non-bank with a bank w.e.f. July 1, 2023.
*: As per Press Release No. 2022-2023/41 dated April 08, 2022.

No. 2: RBI - Liabilities and Assets *

(₹ Crore)

Item	As on the Last Friday/ Friday						
	2024-25	2024	2025				
		Nov.	Oct. 31	Nov. 07	Nov. 14	Nov. 21	Nov. 28
	1	2	3	4	5	6	7
1 Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	3683836	3511550	3780994	3803571	3810583	3822597	3827317
1.1.2 Notes held in Banking Department	11	14	12	11	16	13	16
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	**3683847**	**3511564**	**3781006**	**3803582**	**3810599**	**3822610**	**3827333**
1.2 Assets							
1.2.1 Gold	235379	200142	320090	319088	336117	330350	335390
1.2.2 Foreign Securities	3448129	3311092	3460480	3484132	3474192	3492063	3491411
1.2.3 Rupee Coin	340	330	436	362	289	197	531
1.2.4 Government of India Rupee Securities	-	-	-	-	-	-	-
2 Banking Department							
2.1 Liabilities							
2.1.1 Deposits	1709285	1441830	1542156	1507764	1515124	1500969	1416438
2.1.1.1 Central Government	100	101	100	100	100	100	100
2.1.1.2 Market Stabilisation Scheme	-	-		-	-	-	-
2.1.1.3 State Governments	42	42	42	42	42	43	42
2.1.1.4 Scheduled Commercial Banks	943060	1023815	842947	770670	782080	781205	778275
2.1.1.5 Scheduled State Co-operative Banks	7776	8311	7077	6721	6753	6691	6733
2.1.1.6 Non-Scheduled State Co-operative Banks	5963	5297	4612	4556	4717	4449	4586
2.1.1.7 Other Banks	46963	50545	43820	40117	39668	39828	40059
2.1.1.8 Others	593085	232464	481530	513339	499939	492222	417108
2.1.1.9 Financial Institution Outside India	112296	121255	162026	172219	181825	176433	169535
2.1.2 Other Liabilities	2150508	1914051	2574393	2562492	2620935	2635356	2670951
2.1/2.2 Total Liabilities or Assets	**3859793**	**3355881**	**4116549**	**4070257**	**4136059**	**4136324**	**4087389**
2.2 Assets							
2.2.1 Notes and Coins	11	14	12	11	16	13	16
2.2.2 Balances Held Abroad	1413591	1532888	1581443	1529194	1544929	1552434	1520068
2.2.3 Loans and Advances							
2.2.3.1 Central Government	-	-	-	-	-	-	-
2.2.3.2 State Governments	26284	16465	20016	36937	31808	27060	18966
2.2.3.3 Scheduled Commercial Banks	251984	21293	5489	916	2158	15485	2144
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	8428	11539	9154	8167	9612	9659
2.2.3.9 Financial Institution Outside India	111768	120491	162524	172524	182380	176434	169769
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	-	-	-	-	-	-	-
2.2.4.2 Government Treasury Bills	-	-	-	-	-	-	-
2.2.5 Investments	1560630	1272720	1732352	1720286	1734003	1733052	1734211
2.2.6 Other Assets	459101	383580	603174	601235	632598	622234	632557
2.2.6.1 Gold	429510	365807	582971	581146	612161	601658	610837

* 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
Oct. 1, 2025	-	-	7370	-	651	184677	-	-	-	-176656
Oct. 2, 2025	-	-	-	-	204	181620	-	-	-	-181416
Oct. 3, 2025	-	-	-	-	1512	201622	153	-	-	-199957
Oct. 4, 2025	-	-	-	-	313	178791	-	-	-	-178478
Oct. 5, 2025	-	-	-	-	157	160593	-	-	-	-160436
Oct. 6, 2025	-	-	-	-	1158	169737	-768	-	-	-169347
Oct. 7, 2025	-	-	-	-	1430	158517	-719	-	-	-157806
Oct. 8, 2025	-	-	-	-	1231	139538	-4	-	-	-138311
Oct. 9, 2025	-	-	-	46860	15771	133799	0	-	-	-164888
Oct. 10, 2025	-	-	37929	-	2783	194925	1176	-	-	-153037
Oct. 11, 2025	-	-	-	-	1780	165273	-	-	-	-163493
Oct. 12, 2025	-	-	-	-	2367	171513	-	-	-	-169146
Oct. 13, 2025	-	-	-	-	14585	154542	-	-	-	-139957
Oct. 14, 2025	-	-	-	-	3164	140996	-	-	-	-137832
Oct. 15, 2025	-	-	-	16285	2357	126237	-240	-	-	-140405
Oct. 16, 2025	-	-	-	-	3956	139276	498	-	-	-134822
Oct. 17, 2025	-	-	2750	-	7783	120474	585	-	-	-109356
Oct. 18, 2025	-	-	-	-	5530	61374	-	-	-	-55844
Oct. 19, 2025	-	-	-	-	5942	61891	-	-	-	-55949
Oct. 20, 2025	-	-	163113	-	424	104425	-	-	-	59112
Oct. 21, 2025	-	-	-	-	397	109627	-	-	-	-109230
Oct. 22, 2025	-	-	-	-	85	119420	-	-	-	-119335
Oct. 23, 2025	-	-	475	-	431	160431	-	-	-	-159525
Oct. 24, 2025	-	-	30750	-	7026	79899	-	-	-	-42123
Oct. 25, 2025	-	-	-	-	14304	78878	-	-	-	-64574
Oct. 26, 2025	-	-	-	-	16390	82049	-	-	-	-65659
Oct. 27, 2025	-	-	101810	-	3040	95046	-	-	-	9804
Oct. 28, 2025	-	-	125521	-	529	129424	-	-	-	-3374
Oct. 29, 2025	-	-	58512	-	615	85235	460	-	-	-25648
Oct. 30, 2025	-	-	100012	-	624	120630	1	-	-	-19993
Oct. 31, 2025	-	-	-	-	5489	140138	-	-	-	-134649

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

i) Operations in onshore / offshore OTC segment

Item	2024-25	2024	2025	
		Oct.	Sep.	Oct.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1-1.2)	-34511	-9275	-7910	-11877
1.1 Purchase (+)	364200	27503	2200	17685
1.2 Sale (–)	398711	36778	10110	29562
2 ₹ equivalent at contract rate (₹ Crores)	-291233	-77969	-69884	-104818
3 Cumulative (over end-March) (US $ Million)	-34511	-728	-21702	-33579
(₹ Crore)	-291233	-7023	-191488	-296306
4 Outstanding Net Forward Sales (-)/ Purchase (+) at the end of month (US $ Million)	-84345	-49180	-59405	-63605

ii) Operations in currency futures segment

Item	2024-25	2024	2025	
		Oct.	Sep.	Oct.
	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	2531	1311	2274
1.2 Sale (–)	31415	2531	1311	2274
2 Outstanding Net Currency Futures Sales (-)/ Purchase (+) at the end of month (US $ Million)	0	-3229	-1605	-1447

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

Item	As on October 31 , 2025		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	0	17060	-17060
2. More than 1 month and upto 3 months	0	19760	-19760
3. More than 3 months and upto 1 year	0	610	-610
4. More than 1 year	0	26175	-26175
Total (1+2+3+4)	**0**	**63605**	**-63605**

No. 5: RBI's Standing Facilities

(₹ Crore)

Item	As on the Last Reporting Fortnights							
	2024-25	2024	2025					
		Nov. 29	Jun. 27	Jul. 25	Aug. 22	Sep. 19	Oct. 31	Nov. 28
	1	2	3	4	5	6	7	8
1 MSF	9961	18513	1065	1906	1818	310	5489	2144
2 Export Credit Refinance for Scheduled Banks								
2.1 Limit	-	-	-	-	-	-	-	-
2.2 Outstanding	-	-	-	-	-	-	-	-
3 Liquidity Facility for PDs								
3.1 Limit	9900	9900	14900	14900	14900	14900	14900	14900
3.2 Outstanding	9517	8428	7010	10299	10985	10319	11518	9637
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	26941	8075	12205	12803	10629	17007	11781

No. 6: Money Stock Measures

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fortnights of the month/ reporting Fortnights				
	2024-25	2024	2025		
		Oct. 18	Oct. 03	Oct. 17	Oct. 31
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	3630751	3415233	3698492	3729092	3720545
1.1 Notes in Circulation	3687816	3483562	3761894	3790325	3780994
1.2 Circulation of Rupee Coin	35889	34090	38121	38121	38488
1.3 Circulation of Small Coins	743	743	743	743	743
1.4 Cash on Hand with Banks	93696	103162	102266	100096	99680
2 Deposit Money of the Public	2953329	2786278	3330428	3233822	3360984
2.1 Demand Deposits with Banks	2840023	2687986	3216575	3118912	3245815
2.2 'Other' Deposits with Reserve Bank	113307	98292	113853	114910	115169
3 M1 (1 + 2)	**6584081**	**6201510**	**7028920**	**6962914**	**7081529**
4 Post Office Saving Bank Deposits	212331	200909	212331	212331	212331
5 M2 (3 + 4)	**6796412**	**6402419**	**7241251**	**7175245**	**7293860**
6 Time Deposits with Banks	**20702508**	**20087772**	**21866350**	**21751523**	**21915977**
7 M3 (3 + 6)	**27286589**	**26289282**	**28895269**	**28714438**	**28997506**
8 Total Post Office Deposits	1443555	1386751	1443555	1443555	1443555
9 M4 (7 + 8)	28730144	27676033	30338824	30157993	30441061

No. 7 : Sources of Money Stock (M_3)

(₹ Crore)

Sources	Outstanding as on March 31/last reporting Fortnights of the month/reporting Fortnights				
	2024-25	2024	2025		
		Oct. 18	Oct. 03	Oct. 17	Oct. 31
	1	2	3	4	5
1 Net Bank Credit to Government	**8510825**	**7925482**	**8734167**	**8693936**	**8739870**
1.1 RBI's net credit to Government (1.1.1–1.1.2)	1508105	1132433	1538514	1491026	1529911
1.1.1 Claims on Government	1591591	1336185	1757512	1765985	1750740
1.1.1.1 Central Government	1558903	1312788	1735375	1735890	1730724
1.1.1.2 State Governments	32688	23398	22137	30095	20016
1.1.2 Government deposits with RBI	83485	203752	218998	274959	220829
1.1.2.1 Central Government	83443	203710	218955	274916	220786
1.1.2.2 State Governments	42	42	43	42	42
1.2 Other Banks' Credit to Government	7002720	6793050	7195653	7202910	7209958
2 Bank Credit to Commercial Sector	**19068129**	**18005269**	**20068221**	**20023678**	**20203749**
2.1 RBI's credit to commercial sector	38246	9175	12613	14936	13603
2.2 Other banks' credit to commercial sector	19029883	17996094	20055608	20008742	20190146
2.2.1 Bank credit by commercial banks	18243972	17237674	19261332	19212429	19393655
2.2.2 Bank credit by co-operative banks	766659	737425	773813	775269	776084
2.2.3 Investments by commercial and co-operative banks in other securities	19252	20994	20463	21044	20407
3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	**6148527**	**5992868**	**6622726**	**6589610**	**6532531**
3.1 RBIs net foreign exchange assets (3.1.1 - 3.1.2)	5550947	5630470	6035678	6002562	5945483
3.1.1 Gross foreign assets	5550956	5630473	6035678	6002564	5945482
3.1.2 Foreign liabilities	9	3	0	2	0
3.2 Other banks' net foreign exchange assets	597580	362398	587048	587048	587048
4 Government's Currency Liabilities to the Public	**36632**	**34833**	**38864**	**38864**	**39231**
5 Banking Sector's Net Non-monetary Liabilities	**6477524**	**5669170**	**6568708**	**6631649**	**6517874**
5.1 Net non-monetary liabilities of RBI	2147427	1926618	2569200	2609138	2559728
5.2 Net non-monetary liabilities of other banks (residual)	4330098	3742552	3999508	4022511	3958146
M_3(1+2+3+4–5)	**27286589**	**26289282**	**28895269**	**28714438**	**28997506**

No. 8: Monetary Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fortnights of the month/reporting Fortnights				
	2024-25	2024	2025		
		Oct. 18	Oct. 03	Oct. 17	Oct. 31
	1	2	3	4	5
Monetary Aggregates					
NM_1 (1.1+1.2.1+1.3)	6584081	6201510	7028920	6962914	7081529
NM_2 (NM_1 + 1.2.2.1)	15768688	15117666	16730466	16613637	16803647
NM_3 (NM_2 +1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	27909568	26880587	29443842	29269762	29532475
1 Components					
1.1 Currency with the Public	3630751	3415233	3698492	3729092	3720545
1.2 Aggregate Deposits of Residents	23250261	22501665	24775567	24564962	24850520
1.2.1 Demand Deposits	2840023	2687986	3216575	3118912	3245815
1.2.2 Time Deposits of Residents	20410239	19813679	21558992	21446050	21604705
1.2.2.1 Short-term Time Deposits	9184607	8916155	9701546	9650722	9722117
1.2.2.1.1 Certificates of Deposits (CDs)	527375	1138455	503933	508803	470625
1.2.2.2 Long-term Time Deposits	11225631	10897523	11857446	11795327	11882588
1.3 'Other' Deposits with RBI	113307	98292	113853	114910	115169
1.4 Call/Term Funding from Financial Institutions	915248	865397	855930	860798	846241
2 Sources					
2.1 Domestic Credit	28802443	27114284	30048946	29999579	30220503
2.1.1 Net Bank Credit to the Government	8510825	7925482	8734167	8693936	8739870
2.1.1.1 Net RBI credit to the Government	1508105	1132433	1538514	1491026	1529911
2.1.1.2 Credit to the Government by the Banking System	7002720	6793050	7195653	7202910	7209958
2.1.2 Bank Credit to the Commercial Sector	20291618	19188801	21314780	21305643	21480633
2.1.2.1 RBI Credit to the Commercial Sector	38246	9175	12613	14936	13603
2.1.2.2 Credit to the Commercial Sector by the Banking System	20253372	19179626	21302166	21290707	21467030
2.1.2.2.1 Other Investments (Non-SLR Securities)	1208294	1171485	1228317	1265649	1257601
2.2 Government's Currency Liabilities to the Public	36632	34833	38864	38864	39231
2.3 Net Foreign Exchange Assets of the Banking Sector	5605462	5495204	6185610	6066521	6054269
2.3.1 Net Foreign Exchange Assets of the RBI	5550947	5630470	6035678	6002562	5945483
2.3.2 Net Foreign Currency Assets of the Banking System	54514	-135266	149932	63959	108786
2.4 Capital Account	4481192	4450085	5375020	5383253	5349171
2.5 Other items (net)	2053777	1313649	1454558	1451948	1432356

No. 9: Liquidity Aggregates

(₹ Crore)

Aggregates	2024-25	2024	2025		
		Oct.	Aug.	Sep.	Oct.
	1	2	3	4	5
1 NM_3	**27896780**	**26880587**	**28871731**	**28906851**	**29532475**
2 Postal Deposits	756787	732774	798148	812817	812817
3 L_1 (1 + 2)	**28653567**	**27613361**	**29669879**	**29719668**	**30345292**
4 Liabilities of Financial Institutions	95148	68842	116169	116595	123930
4.1 Term Money Borrowings	10	31	5	5	5
4.2 Certificates of Deposit	80810	55520	100855	101105	108215
4.3 Term Deposits	14328	13291	15310	15485	15711
5 L_2 (3 + 4)	**28748715**	**27682202**	**29786048**	**29836262**	**30469222**
6 Public Deposits with Non-Banking Financial Companies	121178	..	..	131730	..
7 L_3 (5 + 6)	**28869893**	**..**	**..**	**29967993**	**..**

Note : Figures in the columns might not add up to the total due to rounding off of numbers.

No. 10: Reserve Bank of India Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fortnights of the month/reporting Fortnights				
	2024-25	2024	2025		
		Oct. 18	Oct. 3	Oct. 17	Oct. 31
	1	2	3	4	5
1 Components					
1.1 Currency in Circulation	3724448	3518394	3800758	3829188	3820225
1.2 Bankers' Deposits with the RBI	991488	1047801	941748	882417	898457
1.2.1 Scheduled Commercial Banks	926001	984541	883596	827461	842947
1.3 'Other' Deposits with the RBI	113307	98292	113853	114910	115169
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	4829243	4664487	4856359	4826515	4833851
2 Sources					
2.1 RBI's Domestic Credit	1389090	925802	1351017	1394227	1408865
2.1.1 Net RBI credit to the Government	1508105	1132433	1538514	1491026	1529911
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	1109078	1516420	1460973	1509938
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	1312480	1734994	1735337	1730288
2.1.1.1.3.1 Central Government Securities	1558574	1312480	1734994	1735337	1730288
2.1.1.1.4 Rupee Coins	329	308	381	553	436
2.1.1.1.5 Deposits of the Central Government	83443	203710	218955	274916	220786
2.1.1.2 Net RBI credit to State Governments	32646	23355	22094	30053	19974
2.1.2 RBI's Claims on Banks	-157261	-215806	-200110	-111735	-134649
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	-157261	-215806	-200110	-111735	-134649
2.1.3 RBI's Credit to Commercial Sector	38246	9175	12613	14936	13603
2.1.3.1 Loans and Advances to Primary Dealers	9182	7223	10529	11058	11518
2.1.3.2 Loans and Advances to NABARD	-	-	-	-	-
2.2 Government's Currency Liabilities to the Public	36632	34833	38864	38864	39231
2.3 Net Foreign Exchange Assets of the RBI	5550947	5630470	6035678	6002562	5945483
2.3.1 Gold	668162	567032	876896	954886	903062
2.3.2 Foreign Currency Assets	4882794	5063441	5158782	5047677	5042421
2.4 Capital Account	1875114	1868537	2418756	2415361	2379213
2.5 Other Items (net)	272313	58081	150444	193777	180515

No. 11: Reserve Money - Components and Sources

(₹ Crore)

Item	2024-25	Outstanding as on March 31/last Fridays of the month/Fridays					
		2024	2025				
		Oct. 25	Oct. 3	Oct. 10	Oct. 17	Oct. 24	Oct. 31
	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	4738791	4856359	4810686	4826515	4826831	4833851
1 Components							
1.1 Currency in Circulation	3724448	3534780	3800758	3809041	3829188	3834849	3820225
1.2 Bankers' Deposits with RBI	991488	1107212	941748	887906	882417	878170	898457
1.3 'Other' Deposits with RBI	113307	96799	113853	113739	114910	113812	115169
2 Sources							
2.1 Net Reserve Bank Credit to Government	1508105	1060149	1538514	1461246	1491026	1434476	1529911
2.2 Reserve Bank Credit to Banks	-157261	-57604	-200110	-154373	-111735	-44622	-134649
2.3 Reserve Bank Credit to Commercial Sector	38246	10761	12613	12459	14936	15641	13603
2.4 Net Foreign Exchange Assets of RBI	5550947	5605308	6035678	6011205	6002562	5933939	5945483
2.5 Government's Currency Liabilities to the Public	36632	35180	38864	38864	38864	38864	39231
2.6 Net Non- Monetary Liabilities of RBI	2147427	1915002	2569200	2558715	2609138	2551467	2559728

No. 12: Commercial Bank Survey

(₹ Crore)

Item	Outstanding as on last reporting Fortnights of the month/ reporting Fortnights of the month				
	2024-25	2024	2025		
		Oct. 18	Oct. 3	Oct. 17	Oct. 31
	1	2	3	4	5
1 Components					
1.1 Aggregate Deposits of Residents	22288331	21534239	23791283	23577819	23864485
1.1.1 Demand Deposits	2698049	2544608	3071596	2973698	3100947
1.1.2 Time Deposits of Residents	19590283	18989631	20719688	20604121	20763538
1.1.2.1 Short-term Time Deposits	8815627	8545334	9323859	9271855	9343592
1.1.2.1.1 Certificates of Deposits (CDs)	527375	1138455	503933	508803	470625
1.1.2.2 Long-term Time Deposits	10774655	10444297	11395828	11332267	11419946
1.2 Call/Term Funding from Financial Institutions	915248	865397	855930	860798	846241
2 Sources					
2.1 Domestic Credit	26156690	24903515	27375469	27370769	27551750
2.1.1 Credit to the Government	6697298	6490267	6875701	6884459	6889415
2.1.2 Credit to the Commercial Sector	19459392	18413248	20499768	20486310	20662335
2.1.2.1 Bank Credit	18243972	17237674	19261332	19212429	19393655
2.1.2.1.1 Non-food Credit	18207441	17219020	19218673	19159939	19323284
2.1.2.2 Net Credit to Primary Dealers	15458	12311	18505	16580	19546
2.1.2.3 Investments in Other Approved Securities	630	741	577	615	495
2.1.2.4 Other Investments (in non-SLR Securities)	1199332	1162522	1219354	1256686	1248639
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1-2.2.2-2.2.3)	54514	-135266	149932	63959	108786
2.2.1 Foreign Currency Assets	529621	312870	597784	514163	563826
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	292270	274093	307357	305474	311272
2.2.3 Overseas Foreign Currency Borrowings	182837	174043	140495	144730	143768
2.3 Net Bank Reserves (2.3.1+2.3.2-2.3.3)	791777	1291615	1173785	1026944	1065159
2.3.1 Balances with the RBI	882415	984541	883596	827461	842947
2.3.2 Cash in Hand	81874	91269	90080	87747	87563
2.3.3 Loans and Advances from the RBI	172512	-215806	-200110	-111735	-134649
2.4 Capital Account	2581908	2557377	2932094	2943722	2945787
2.5 Other items (net) (2.1+2.2+2.3-2.4-1.1-1.2)	1217493	1102851	1119880	1079333	1069182
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	878795	776573	906345	947686	938999
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	118268	120447	102888	94449	97709

No. 13: Scheduled Commercial Banks' Investments

(₹ Crore)

Item	As on March 21, 2025	2024	2025		
		Oct. 18	Sep. 19	Oct. 17	Oct. 31
	1	2	3	4	5
1 SLR Securities	6697928	6491008	6846281	6885074	6889910
2 Other Government Securities (Non-SLR)	165500	158905	161725	163000	163460
3 Commercial Paper	63163	63415	74766	69682	64138
4 Shares issued by					
4.1 PSUs	13874	14003	15049	15350	15125
4.2 Private Corporate Sector	95984	96676	99999	100886	100197
4.3 Others	7664	7515	7440	7508	7507
5 Bonds/Debentures issued by					
5.1 PSUs	130308	119242	134665	131208	129333
5.2 Private Corporate Sector	248138	232143	249218	252590	251222
5.3 Others	150000	148322	165211	175594	175725
6 Instruments issued by					
6.1 Mutual funds	119867	137472	142908	139967	138228
6.2 Financial institutions	204865	185401	204084	200903	203705

Note: Data against column Nos. (1), (2) & (3) are Final and for column Nos. (4) & (5) data are Provisional.
Data include the impact of merger of a non-bank with a bank w.e.f. July 1, 2023.

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

(₹ Crore)

Item	As on the Last Reporting Fortnights (in case of March)/ Last Fortnights							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2024-25	2024	2025		2024-25	2024	2025	
		Oct.	Sep.	Oct.		Oct.	Sep.	Oct.
	1	2	3	4	5	6	7	8
Number of Reporting Banks	208	208	196	196	135	135	121	121
1 Liabilities to the Banking System	**458011**	**461959**	**465871**	**444760**	**451305**	**456793**	**457666**	**437163**
1.1 Demand and Time Deposits from Banks	315675	299445	348667	331729	309414	294684	341020	324592
1.2 Borrowings from Banks	112027	138138	86883	85106	111976	138074	86864	85106
1.3 Other Demand and Time Liabilities	30310	24377	30320	27926	29916	24034	29783	27465
2 Liabilities to Others	**25053097**	**24168976**	**26255947**	**26628147**	**24557481**	**23695315**	**25739212**	**26104765**
2.1 Aggregate Deposits	23055487	22268274	24277740	24679611	22580601	21811286	23781174	24175757
2.1.1 Demand	2748263	2576598	3081919	3151638	2698049	2527554	3032021	3100947
2.1.2 Time	20307224	19691676	21195821	21527972	19882552	19283733	20749153	21074810
2.2 Borrowings	920568	922304	868196	850802	915248	917220	863308	846241
2.3 Other Demand and Time Liabilities	1077042	978397	1110011	1097733	1061632	966808	1094730	1082768
3 Borrowings from Reserve Bank	**311466**	**30948**	**84836**	**5489**	**311466**	**30948**	**84836**	**5489**
3.1 Against Usance Bills /Promissory Notes	-	-	-	-	-	-	-	-
3.2 Others	311466	30948	84836	5489	311466	30948	84836	5489
4 Cash in Hand and Balances with Reserve Bank	985044	1156513	1001948	950304	964289	1133410	981473	930510
4.1 Cash in Hand	84399	93424	86480	90383	81874	90430	83965	87563
4.2 Balances with Reserve Bank	900645	1063089	915468	859921	882415	1042981	897509	842947
5 Assets with the Banking System	**432645**	**415954**	**458289**	**448553**	**348496**	**347173**	**367869**	**359000**
5.1 Balances with Other Banks	273720	267325	314423	312351	215801	214836	251766	246578
5.1.1 In Current Account	13239	11859	22907	19796	10619	8521	20472	16006
5.1.2 In Other Accounts	260481	255466	291516	292555	205182	206314	231293	230572
5.2 Money at Call and Short Notice	44772	31346	39992	32904	25838	18904	18667	15790
5.3 Advances to Banks	43856	47217	31135	33545	39504	46589	30082	32719
5.4 Other Assets	70296	70066	72739	69753	67353	66845	67354	63913
6 Investment	**6850574**	**6666871**	**7023056**	**7058968**	**6697928**	**6514977**	**6855716**	**6889910**
6.1 Government Securities	6842024	6657864	7013124	7049263	6697298	6513979	6855258	6889415
6.2 Other Approved Securities	8550	9007	9932	9705	630	998	458	495
7 Bank Credit	**18708286**	**17768822**	**19546159**	**19876054**	**18243972**	**17315981**	**19072256**	**19393655**
7a Food Credit	87145	72843	95969	122345	36531	22204	43995	70371
7.1 Loans, Cash-credits and Overdrafts	18370704	17451631	19188757	19510008	17909851	17002083	18716640	19029403
7.2 Inland Bills-Purchased	76523	69489	81825	86157	74963	67977	81591	85941
7.3 Inland Bills-Discounted	222320	209055	239707	244557	221059	207905	238721	243556
7.4 Foreign Bills-Purchased	15357	15841	13237	12904	15122	15597	13036	12717
7.5 Foreign Bills-Discounted	23382	22807	22632	22428	22977	22419	22268	22039

Note: Data in column Nos. (4) & (8) are Provisional
Data include the impact of merger of a non-bank with a bank w.e.f. July 1, 2023.

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
		Oct. 18	Sep. 19	Oct. 31	2025-26	2025
	1	2	3	4	%	%
I. Bank Credit (II + III)	**18243972**	**17419532**	**18902934**	**19390500**	**6.3**	**11.3**
II. Food Credit	**36531**	**30055**	**45284**	**70371**	**92.6**	**134.1**
III. Non-food Credit	**18207441**	**17389477**	**18857649**	**19320128**	**6.1**	**11.1**
1. Agriculture & Allied Activities	**2287060**	**2205579**	**2361595**	**2402610**	**5.1**	**8.9**
2. Industry (Micro and Small, Medium and Large)	**3985660**	**3812250**	**4136178**	**4192700**	**5.2**	**10.0**
2.1 Micro and Small	798473	757113	924702	953572	19.4	25.9
2.2 Medium	363245	338367	385991	398071	9.6	17.6
2.3 Large	2823942	2716770	2825485	2841057	0.6	4.6
3. Services	**5093565**	**4729329**	**5144227**	**5345246**	**4.9**	**13.0**
3.1 Transport Operators	261575	249128	270335	275525	5.3	10.6
3.2 Computer Software	32915	30581	37978	39584	20.3	29.4
3.3 Tourism, Hotels & Restaurants	83366	80012	88240	91529	9.8	14.4
3.4 Shipping	7304	7782	9585	9959	36.3	28.0
3.5 Aviation	46072	46200	46332	47560	3.2	2.9
3.6 Professional Services	195957	186260	195597	200511	2.3	7.7
3.7 Trade	1184550	1078651	1196397	1227077	3.6	13.8
3.7.1. Wholesale Trade[1]	646099	570094	638058	655867	1.5	15.0
3.7.2 Retail Trade	538451	508557	558339	571210	6.1	12.3
3.8 Commercial Real Estate	523264	499115	564592	569245	8.8	14.1
3.9 Non-Banking Financial Companies (NBFCs)[2] of which,	1635102	1535999	1588698	1703567	4.2	10.9
3.9.1 Housing Finance Companies (HFCs)	323182	321159	324982	332125	2.8	3.4
3.9.2 Public Financial Institutions (PFIs)	228678	198419	205393	247504	8.2	24.7
3.10 Other Services[3]	1123459	1015601	1146472	1180689	5.1	16.3
4. Personal Loans	**5971696**	**5664806**	**6273708**	**6455946**	**8.1**	**14.0**
4.1 Consumer Durables	23201	23415	22110	23646	1.9	1.0
4.2 Housing	3010477	2871841	3132868	3187475	5.9	11.0
4.3 Advances against Fixed Deposits	141842	127906	143924	150287	6.0	17.5
4.4 Advances to Individuals against share & bonds	10080	9060	9835	10006	-0.7	10.4
4.5 Credit Card Outstanding	284366	281392	281823	303073	6.6	7.7
4.6 Education	137456	130308	147176	149442	8.7	14.7
4.7 Vehicle Loans	622793	601970	646242	677349	8.8	12.5
4.8 Loan against gold jewellery[4]	206284	147724	315684	337580	63.6	128.5
4.9 Other Personal Loans	1535197	1471189	1574047	1617089	5.3	9.9
5. Priority Sector (Memo)						
(i) Agriculture & Allied Activities[5]	2287794	2200716	2327799	2437756	6.6	10.8
(ii) Micro & Small Enterprises[6]	2239409	2077001	2520121	2613611	16.7	25.8
(iii) Medium Enterprises[7]	601451	557808	627019	649366	8.0	16.4
(iv) Housing	746651	752218	974644	997896	33.6	32.7
(v) Education Loans	62826	62673	70834	74071	17.9	18.2
(vi) Renewable Energy	10325	7122	14842	10836	5.0	52.1
(vii) Social Infrastructure	1316	1122	939	921	-30.0	-17.9
(viii) Export Credit	12479	12239	11755	11533	-7.6	-5.8
(ix) Others	49552	58049	43467	41409	-16.4	-28.7
(x) Weaker Sections including net PSLC- SF/MF	1864606	1788692	1873464	1946670	4.4	8.8

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. Bank credit, Food credit and Non-food credit given for the period October 18, 2024 pertains to November 1, 2024.

(2) Data since July 28, 2023 include the impact of the merger of a non-bank with a bank.

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 PSLC.

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
		Oct. 18	Sep. 19	Oct. 31	2025-26	2025
	1	2	3	4	%	%
2 Industries (2.1 to 2.19)	3985660	3812250	4136178	4192700	5.2	10.0
2.1 Mining & Quarrying (incl. Coal)	56818	50177	59384	61980	9.1	23.5
2.2 Food Processing	219525	190279	207237	209696	-4.5	10.2
2.2.1 Sugar	28522	17191	16861	15165	-46.8	-11.8
2.2.2 Edible Oils & Vanaspati	20927	17331	19696	21111	0.9	21.8
2.2.3 Tea	5084	6429	5110	5115	0.6	-20.4
2.2.4 Others	164992	149328	165570	168304	2.0	12.7
2.3 Beverage & Tobacco	35515	31288	38050	35394	-0.3	13.1
2.4 Textiles	277267	256861	275090	280339	1.1	9.1
2.4.1 Cotton Textiles	107495	93127	97466	100513	-6.5	7.9
2.4.2 Jute Textiles	4288	4254	4708	4843	12.9	13.9
2.4.3 Man-Made Textiles	49186	47848	49881	50247	2.2	5.0
2.4.4 Other Textiles	116298	111632	123035	124736	7.3	11.7
2.5 Leather & Leather Products	12980	12639	13441	13327	2.7	5.4
2.6 Wood & Wood Products	27826	25320	28366	29080	4.5	14.8
2.7 Paper & Paper Products	52848	50090	54707	55870	5.7	11.5
2.8 Petroleum, Coal Products & Nuclear Fuels	154179	152974	185288	170576	10.6	11.5
2.9 Chemicals & Chemical Products	267815	259944	285196	291749	8.9	12.2
2.9.1 Fertiliser	32011	31511	31450	31699	-1.0	0.6
2.9.2 Drugs & Pharmaceuticals	88524	88282	91265	93054	5.1	5.4
2.9.3 Petro Chemicals	28797	27852	34840	36166	25.6	29.9
2.9.4 Others	118482	112299	127640	130830	10.4	16.5
2.10 Rubber, Plastic & their Products	103465	95675	105424	106769	3.2	11.6
2.11 Glass & Glassware	13443	12483	13782	13553	0.8	8.6
2.12 Cement & Cement Products	59753	60805	60968	62009	3.8	2.0
2.13 Basic Metal & Metal Product	433501	422884	461069	478319	10.3	13.1
2.13.1 Iron & Steel	300156	300264	312584	324416	8.1	8.0
2.13.2 Other Metal & Metal Product	133345	122621	148485	153903	15.4	25.5
2.14 All Engineering	240136	219696	267361	274831	14.4	25.1
2.14.1 Electronics	52863	50261	63242	61010	15.4	21.4
2.14.2 Others	187273	169435	204118	213821	14.2	26.2
2.15 Vehicles, Vehicle Parts & Transport Equipment	119450	113926	129500	127057	6.4	11.5
2.16 Gems & Jewellery	85814	92541	100437	102059	18.9	10.3
2.17 Construction	160037	147046	157658	162317	1.4	10.4
2.18 Infrastructure	1364369	1329328	1395706	1391028	2.0	4.6
2.18.1 Power	692160	653291	728187	743940	7.5	13.9
2.18.2 Telecommunications	123850	126896	109843	110034	-11.2	-13.3
2.18.3 Roads	334147	339979	348310	337545	1.0	-0.7
2.18.4 Airports	9156	8117	7761	5953	-35.0	-26.7
2.18.5 Ports	5916	5823	7847	7588	28.3	30.3
2.18.6 Railways	13415	11071	9894	7197	-46.3	-35.0
2.18.7 Other Infrastructure	185726	184150	183864	178770	-3.7	-2.9
2.19 Other Industries	300921	288294	297512	326746	8.6	13.3

Note: (1) Data since July 28, 2023 include the impact of the merger of a non-bank with a bank.

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

(₹ Crore)

Item	As on Reporting Day								
	2024-25	2024	2025						
		Sep. 27	Jul. 25	Aug. 08	Aug. 22	Aug. 29	Sep. 05	Sep. 19	Sep. 26
	1	2	3	4	5	6	7	8	9
Number of Reporting Banks	34	34	34	34	34	34	34	34	34
1 Aggregate Deposits (2.1.1.2+2.2.1.2)	**146871.0**	**133236.7**	**146816.8**	**149137.5**	**146904.8**	**146892.1**	**147446.2**	**151034.0**	**148551.8**
2 Demand and Time Liabilities									
2.1 Demand Liabilities	**29215.6**	**27646.4**	**26588.4**	**26595.4**	**26751.4**	**27698.5**	**27979.4**	**27597.3**	**27650.6**
2.1.1 Deposits									
2.1.1.1 Inter-Bank	9022.9	7743.1	7217.4	7296.8	7221.0	7278.0	7647.1	7310.3	7368.7
2.1.1.2 Others	14063.9	13473.1	13008.8	13510.1	13379.0	13202.4	13658.7	13625.5	13622.1
2.1.2 Borrowings from Banks	700.0	179.9	760.2	54.0	271.4	829.1	456.2	792.5	608.7
2.1.3 Other Demand Liabilities	5428.9	6250.3	5602.1	5734.4	5880.1	6389.0	6217.4	5869.0	6051.0
2.2 Time Liabilities	**201100.7**	**181476.5**	**198088.7**	**199385.4**	**199285.7**	**197195.3**	**197317.4**	**201723.4**	**200770.1**
2.2.1 Deposits									
2.2.1.1 Inter-Bank	66874.3	59406.1	62813.5	62249.7	62174.4	62001.7	61996.9	62785.7	61947.2
2.2.1.2 Others	132807.1	119763.6	133808.0	135627.4	133525.8	133689.6	133787.5	137408.6	134929.7
2.2.2 Borrowings from Banks	643.9	1143.3	614.7	614.7	2738.9	611.7	611.7	611.2	611.2
2.2.3 Other Time Liabilities	775.4	1163.5	852.5	893.6	846.5	892.2	921.3	917.9	3282.0
3 Borrowing from Reserve Bank	699.5		944.5	1153.0	1143.0	1144.5	1054.4	999.5	1039.5
4 Borrowings from a notified bank / Government	126928.5	87696.9	114530.1	113046.3	114575.4	112260.4	113516.6	115950.8	116165.0
4.1 Demand	53459.8	23412.8	50687.4	50570.5	51208.4	49982.9	49983.0	52968.9	52721.9
4.2 Time	73468.7	64284.1	63842.7	62475.8	63367.0	62277.5	63533.6	62981.9	63443.0
5 Cash in Hand and Balances with Reserve Bank	**13390.9**	**12368.8**	**12394.2**	**11984.9**	**11467.2**	**11065.3**	**11724.6**	**11915.4**	**11251.0**
5.1 Cash in Hand	1052.1	780.9	807.2	833.6	747.0	437.3	780.3	944.9	785.4
5.2 Balance with Reserve Bank	12338.8	11587.9	11587.0	11151.3	10720.1	10628.0	10944.3	10970.6	10465.7
6 Balances with Other Banks in Current Account	**1656.3**	**1658.2**	**1180.3**	**1048.6**	**908.6**	**981.1**	**1038.2**	**1071.2**	**1372.6**
7 Investments in Government Securities	**77220.1**	**73488.7**	**83374.4**	**84320.6**	**85538.8**	**86245.8**	**86480.7**	**86633.1**	**85526.0**
8 Money at Call and Short Notice	**26531.1**	**15615.3**	**20692.8**	**21553.9**	**21350.7**	**20842.1**	**21095.5**	**23026.6**	**24402.8**
9 Bank Credit (10.1+11)	**174828.8**	**138973.3**	**170198.2**	**170459.0**	**171092.8**	**170084.7**	**171363.2**	**171716.7**	**171610.0**
10 Advances									
10.1 Loans, Cash-Credits and Overdrafts	**174590.4**	**138795.8**	**169936.2**	**170193.2**	**170854.0**	**169841.2**	**171115.2**	**171600.4**	**171489.2**
10.2 Due from Banks	124607.6	143516.4	116943.7	116598.0	116930.7	118007.5	118549.0	120618.4	120950.7
11 Bills Purchased and Discounted	238.4	177.5	261.9	265.8	238.8	243.5	248.0	116.3	120.8

No. 18 (a): Flow of Financial Resources to Commercial Sector in India

(₹ Crore)

Source	April-March		Up to November 28	
	2023-24	2024-25	2024-25	2025-26 P
1	2	3	4	5
1 Non-Food Bank Credit	**21,40,243**	**17,98,321**	**10,48,619**	**12,40,071**
2 Non-Bank Sources (2.1+2.2)	**12,63,721**	**17,10,457**	**7,86,083**	**10,16,620**
2.1 Domestic Sources	**10,20,302**	**13,85,609**	**5,85,742**	**7,48,761**
2.1.1 Equity Issuances by Non-Financial Entities	1,35,008	3,81,161	2,25,409	1,77,782
2.1.2 Corporate Bond Issuances by Non-Financial Entities	1,67,374	1,97,795	46,489	2,60,963
2.1.3 Hybrid Instruments (REITs/ InvITs) by Non-Financial Entities	39,024	31,442	10,611	10,098
2.1.4 Commercial Paper Issuances by Non-Financial Entities	19,712	18,819	73,382	75,932
2.1.5 Credit by Housing Finance Companies (Net of Bank Borrowings)	1,41,816	1,34,852	-20,202	-1,776
2.1.6 Credit by RBI-regulated All India Financial Institutions	73,386	99,501	9,903	-26,576
2.1.7 Credit by Non-Banking Financial Companies (Net of Bank Borrowings)	4,43,982	5,22,037	2,40,150	2,52,338
2.2 Foreign Sources	**2,43,419**	**3,24,848**	**2,00,341**	**2,67,859**
2.2.1 External Commercial Borrowings by Non-Financial Entities	27,916	19,201	7,066	26,454
2.2.2 ADR/GDR by Non-Financial Entities	0	0	0	0
2.2.3 Short-term Credit from Abroad	-6,741	58,859	63,150	24,960
2.2.4 Foreign Direct Investment to India	2,22,244	2,46,788	1,30,126	2,16,445
3 Total Flow of Resources (1+2)	**34,03,964**	**35,08,778**	**18,34,702**	**22,56,691**

P: Provisional.

The coverage of data for columns 4 and 5 from Sources No.:

2.1.1, 2.1.2, 2.1.3, 2.1.5, 2.1.6, 2.2.1 and 2.2.2: Up to October.

2.1.7, 2.2.3 and 2.2.4: Up to September.

Notes: i) Non-food bank credit pertains to scheduled commercial banks (SCBs) and excludes credit extended by co-operative banks.

ii) Credit extended by banks, NBFCs and HFCs is inclusive of personal loans.

iii) Data on all items are presented on net basis, except equity and hybrid instruments which are on gross basis.

iv) All India Financial Institutions (AIFIs) include National Bank for Agriculture and Rural Development (NABARD), National Housing Bank (NHB), Small Industries Development Bank of India (SIDBI), Export-Import Bank of India (EXIM Bank), and National Bank for Financing Infrastructure and Development (NaBFID). Credit extended by AIFIs excludes refinancing to SCBs, NBFCs, and HFCs, and direct loans to domestic and foreign governments/institutions.

v) Data pertaining to HDFC Limited, which merged with HDFC Bank effective from July 1, 2023, is included under credit by Housing Finance Companies prior to its merger while it is included under bank credit post-merger.

vi) Data on credit by Housing Finance Companies (HFCs) and Non-Banking Financial Companies (NBFCs) has been adjusted for the conversion of some HFCs into NBFCs.

Sources: RBI; SEBI; AIFIs; and RBI staff estimates.

No. 18 (b): Outstanding Credit to Commercial Sector in India

Source	(₹ crore)						Percentage Variation			
	At End-March			As on November 28			At End-March		As on November 28	
	2023	2024	2025	2023	2024	2025 P	2024 over 2023	2025 over 2024	2024 over 2023	2025 over 2024 P
1	2	3	4	5	6	7	8	9	10	11
1 Non-Food Bank Credit	**1,36,55,330**	**1,64,09,083**	**1,82,07,441**	**1,57,83,763**	**1,74,57,702**	**1,94,47,512**	**20.2**	**11.0**	**10.6**	**11.4**
2 Non-Bank Sources (2.1+2.2)	**74,43,091**	**77,56,314**	**88,85,434**	**73,03,121**	**81,96,473**	**95,90,566**	**4.2**	**14.6**	**12.2**	**17.0**
2.1 Domestic Sources	**53,95,038**	**56,59,037**	**66,37,411**	**51,96,143**	**60,08,758**	**71,98,292**	**4.9**	**17.3**	**15.6**	**19.8**
2.1.1 Corporate Bond Issuances by Non-Financial Entities	16,58,140	18,25,514	20,23,310	16,81,580	18,72,003	22,84,273	10.1	10.8	11.3	22.0
2.1.2 Commercial Paper Issuances by Non-Financial Entities	89,816	1,09,528	1,28,347	1,19,666	1,82,909	2,04,279	21.9	17.2	52.8	11.7
2.1.3 Credit by Housing Finance Companies (Net of Bank Borrowings)	10,39,420	5,98,965	6,27,125	5,77,200	5,78,763	6,25,350	-42.4	4.7	0.3	8.0
2.1.4 Credit by RBI-regulated All India Financial Institutions	3,51,224	4,24,610	5,24,111	3,25,303	4,34,513	4,97,535	20.9	23.4	33.6	14.5
2.1.5 Credit by Non-Banking Financial Companies (Net of Bank Borrowings)	22,56,439	27,00,421	33,34,518	24,92,394	29,40,571	35,86,856	19.7	23.5	18.0	22.0
2.2 Foreign Sources	**20,48,053**	**20,97,277**	**22,48,023**	**21,06,978**	**21,87,714**	**23,92,274**	**2.4**	**7.2**	**3.8**	**9.4**
2.2.1 External Commercial Borrowings by Non-Financial Entities	10,29,403	10,71,240	11,33,592	10,74,240	10,93,328	12,10,664	4.1	5.8	1.8	10.7
2.2.2 Short-term Credit from Abroad	10,18,650	10,26,037	11,14,432	10,32,738	10,94,386	11,81,610	0.7	8.6	6.0	8.0
3 Total Credit (1+2)	**2,10,98,421**	**2,41,65,397**	**2,70,92,875**	**2,30,86,884**	**2,56,54,175**	**2,90,38,078**	**14.5**	**12.1**	**11.1**	**13.2**

P: Provisional.

The coverage of data for columns 5, 6 and 7 from Sources No.:

2.1.1, 2.1.3, 2.1.4 and 2.2.1: As at end-October.

2.1.5 and 2.2.2: As at end-September.

Notes: i) Non-food bank credit pertains to scheduled commercial banks (SCBs) and excludes credit extended by co-operative banks. Including credit extended by co-operative banks (viz., urban co-operative banks, state co-operative banks, and district central co-operative banks), non-food bank credit at end-March 2023 and 2024 stood at ₹1,46,22,252 crore and ₹1,74,63,724 crore, respectively. Accordingly, total outstanding credit at end-March 2023 and 2024 stood at ₹2,20,65,343 crore and ₹2,52,20,038 crore, respectively.

ii) Data on non-bank sources excludes issuances of equities and hybrid instruments under domestic sources and foreign direct investment in equities under foreign sources.

iii) In case of corporate bonds, the outstanding data for end-March 2024 and 2025 are based on SEBI's new series of data on bonds issued by financial and non-financial corporations. The outstanding data for end-March 2023 is worked out by adjusting the flow of 2023-24 from outstanding data for end-March 2024.

iv) Flows based on outstanding data may not tally with the flows provided in Table 1 due to:

(a) Merger of HDFC Limited with HDFC Bank on July 1, 2023;

(b) Conversion of some Housing Finance Companies into Non-Banking Financial Companies; and

(c) Valuation effect in case of foreign sources.

v) Data is exclusive of current and non-current trade payables representing domestic liabilities in case of non-financial non-government public and private limited companies as data are not available.

Sources: RBI; SEBI; AIFIs; and RBI staff estimates.

No. 19: Consumer Price Index (Base: 2012=100)

Group/Sub group	2024-25			Rural			Urban			Combined		
	Rural	Urban	Combined	Nov.24	Oct.25	Nov.25 (P)	Nov.24	Oct.25	Nov.25 (P)	Nov.24	Oct.25	Nov.25 (P)
	1	2	3	4	5	6	7	8	9	10	11	12
1 Food and beverages	**198.6**	**205.3**	**201.1**	**206.2**	**198.8**	**199.7**	**212.3**	**206.4**	**207.5**	**208.4**	**201.6**	**202.6**
1.1 Cereals and products	195.0	193.7	194.6	198.1	197.2	197.4	195.5	197.9	197.8	197.3	197.4	197.5
1.2 Meat and fish	222.3	231.9	225.7	220.9	224.2	225.2	229.8	236.5	237.7	224.0	228.5	229.6
1.3 Egg	192.8	197.5	194.6	199.3	196.6	207.5	204.8	201.8	211.5	201.4	198.6	209.0
1.4 Milk and products	186.3	187.0	186.6	187.1	190.9	191.1	187.8	193.3	193.6	187.4	191.8	192.0
1.5 Oils and fats	175.4	165.5	171.8	186.8	202.4	202.4	172.8	185.0	185.0	181.7	196.0	196.0
1.6 Fruits	188.3	194.2	191.0	190.7	208.4	205.7	193.7	205.9	204.8	192.1	207.2	205.3
1.7 Vegetables	222.1	269.6	238.2	260.0	196.6	201.3	315.4	240.4	247.2	278.8	211.5	216.9
1.8 Pulses and products	208.0	213.5	209.8	214.5	180.4	180.4	219.4	184.4	184.9	216.2	181.7	181.9
1.9 Sugar and confectionery	130.4	132.6	131.2	131.1	136.8	136.6	133.2	138.0	138.2	131.8	137.2	137.1
1.10 Spices	228.5	223.9	227.0	229.9	221.3	222.3	224.4	219.3	219.8	228.1	220.6	221.5
1.11 Non-alcoholic beverages	185.2	173.9	180.5	186.0	191.2	191.0	174.7	180.8	180.5	181.3	186.9	186.6
1.12 Prepared meals, snacks, sweets	199.4	209.7	204.2	200.5	207.2	207.5	210.8	218.8	219.0	205.3	212.6	212.8
2 Pan, tobacco and intoxicants	**207.3**	**212.6**	**208.7**	**208.1**	**213.6**	**213.9**	**212.1**	**219.3**	**219.7**	**209.2**	**215.1**	**215.4**
3 Clothing and footwear	**197.9**	**186.7**	**193.5**	**199.0**	**201.4**	**201.7**	**187.4**	**190.8**	**190.7**	**194.4**	**197.2**	**197.3**
3.1 Clothing	198.8	188.8	194.9	199.9	202.6	203.0	189.6	193.5	193.5	195.8	199.0	199.3
3.2 Footwear	192.7	174.7	185.2	193.4	194.0	193.4	175.5	175.7	175.2	186.0	186.4	185.8
4 Housing	--	**181.5**	**181.5**	--	--	--	**183.0**	**188.1**	**188.4**	**183.0**	**188.1**	**188.4**
5 Fuel and light	**181.2**	**169.7**	**176.9**	**180.8**	**183.8**	**184.4**	**169.6**	**174.5**	**174.6**	**176.6**	**180.3**	**180.7**
6 Miscellaneous	**189.3**	**180.7**	**185.1**	**190.4**	**201.4**	**201.7**	**181.8**	**191.0**	**191.3**	**186.2**	**196.4**	**196.7**
6.1 Household goods and services	185.7	177.1	181.6	186.4	189.0	189.3	178.0	182.4	182.5	182.4	185.9	186.1
6.2 Health	198.4	193.2	196.4	199.3	206.2	206.5	194.0	200.9	201.0	197.3	204.2	204.4
6.3 Transport and communication	175.5	164.8	169.9	176.6	178.2	178.4	165.7	166.9	167.0	170.9	172.3	172.4
6.4 Recreation and amusement	180.1	175.5	177.5	181.0	182.9	183.1	176.4	178.7	178.8	178.4	180.5	180.7
6.5 Education	190.8	186.2	188.1	192.0	197.6	197.7	187.8	194.8	194.7	189.5	196.0	195.9
6.6 Personal care and effects	204.3	206.2	205.1	206.0	254.9	255.9	207.7	255.7	257.2	206.7	255.2	256.4
General Index (All Groups)	**194.9**	**190.0**	**192.6**	**199.4**	**199.0**	**199.6**	**193.2**	**195.4**	**195.9**	**196.5**	**197.3**	**197.9**

Source: National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India.
P: Provisional

No. 20: Other Consumer Price Indices

Item	Base Year	Linking Factor	2024-25	2024	2025	
				Oct.	Sep.	Oct.
	1	2	3	4	5	6
1 Consumer Price Index for Industrial Workers	2016	2.88	142.6	144.5	147.3	147.7
2 Consumer Price Index for Agricultural Labourers	2019	9.69	-	1315.0	136.2	136.4
3 Consumer Price Index for Rural Labourers	2019	9.78	-	1326.0	136.4	136.5

Source: Labour Bureau, Ministry of Labour and Employment, Government of India.
CPI-AL and RL indices for 2024 (Base Year 2019) are calculated using the published inflation rates.

No. 21: Monthly Average Price of Gold and Silver in Mumbai

Item	2024-25	2024	2025	
		Oct.	Sep.	Oct.
	1	2	3	4
1 Standard Gold (₹ per 10 grams)	75842	76713	109591	121908
2 Silver (₹ per kilogram)	89131	93352	129257	155904

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

No. 22: Wholesale Price Index

(Base: 2011-12 = 100)

Commodities	Weight	2024-25	2024	2025		
			Nov.	Sep.	Oct.(P)	Nov.(P)
	1	2	3	4	5	6
1 ALL COMMODITIES	**100.000**	**154.9**	**156.4**	**155.0**	**154.8**	**155.9**
1.1 PRIMARY ARTICLES	**22.618**	**192.5**	**197.9**	**189.4**	**188.2**	**192.1**
1.1.1 FOOD ARTICLES	**15.256**	**205.3**	**213.7**	**200.0**	**199.8**	**204.8**
1.1.1.1 Food Grains (Cereals+Pulses)	3.462	210.1	214.7	204.5	204.4	205.3
1.1.1.2 Fruits & Vegetables	3.475	241.4	271.9	219.2	216.7	234.5
1.1.1.3 Milk	4.440	185.8	185.2	191.0	191.2	191.4
1.1.1.4 Eggs, Meat & Fish	2.402	173.4	173.1	175.3	174.0	176.7
1.1.1.5 Condiments & Spices	0.529	232.7	244.3	202.1	206.2	210.8
1.1.1.6 Other Food Articles	0.948	213.6	216.8	216.3	223.0	224.5
1.1.2 NON-FOOD ARTICLES	**4.119**	**161.7**	**162.8**	**168.1**	**164.4**	**166.5**
1.1.2.1 Fibres	0.839	161.4	159.4	169.2	168.0	163.6
1.1.2.2 Oil Seeds	1.115	181.5	185.6	202.5	196.8	203.3
1.1.2.3 Other non-food Articles	1.960	138.7	140.1	140.1	139.5	138.6
1.1.2.4 Floriculture	0.204	277.4	270.0	244.5	212.1	244.9
1.1.3 MINERALS	**0.833**	**229.0**	**229.4**	**242.5**	**242.4**	**253.3**
1.1.3.1 Metallic Minerals	0.648	219.2	219.8	236.1	235.8	248.5
1.1.3.2 Other Minerals	0.185	263.4	263.2	265.0	265.7	270.2
1.1.4 CRUDE PETROLEUM & NATURAL GAS	**2.410**	**151.3**	**146.7**	**140.5**	**136.2**	**134.0**
1.2 FUEL & POWER	**13.152**	**150.0**	**149.9**	**143.4**	**145.0**	**146.5**
1.2.1 COAL	**2.138**	**135.6**	**135.5**	**136.1**	**136.1**	**136.1**
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	230.9	208.5	209.0	209.0
1.2.2 MINERAL OILS	**7.950**	**156.2**	**154.0**	**148.7**	**149.7**	**148.7**
1.2.3 ELECTRICITY	**3.064**	**144.1**	**149.4**	**134.9**	**138.8**	**148.1**
1.3 MANUFACTURED PRODUCTS	**64.231**	**142.6**	**143.1**	**145.2**	**145.1**	**145.0**
1.3.1 MANUFACTURE OF FOOD PRODUCTS	**9.122**	**172.0**	**177.5**	**178.9**	**179.0**	**178.6**
1.3.1.1 Processing and Preserving of meat	0.134	155.7	154.1	158.3	158.7	157.9
1.3.1.2 Processing and Preserving of fish, Crustaceans, Molluscs and products thereof	0.204	144.9	148.9	148.5	151.4	150.4
1.3.1.3 Processing and Preserving of fruit and Vegetables	0.138	132.6	132.7	135.1	135.5	134.4
1.3.1.4 Vegetable and Animal oils and Fats	2.643	168.5	183.2	186.9	186.8	185.7
1.3.1.5 Dairy products	1.165	180.8	182.0	185.1	185.9	187.6
1.3.1.6 Grain mill products	2.010	186.9	190.4	186.5	185.5	184.7
1.3.1.7 Starches and Starch products	0.110	167.0	169.0	150.8	149.6	148.4
1.3.1.8 Bakery products	0.215	170.5	173.1	176.9	177.2	177.0
1.3.1.9 Sugar, Molasses & honey	1.163	139.1	138.1	143.8	144.4	144.6
1.3.1.10 Cocoa, Chocolate and Sugar confectionery	0.175	160.6	160.6	176.8	174.4	175.5
1.3.1.11 Macaroni, Noodles, Couscous and Similar farinaceous products	0.026	156.7	158.1	159.9	161.2	163.9
1.3.1.12 Tea & Coffee products	0.371	190.7	190.2	189.1	189.9	188.5
1.3.1.13 Processed condiments & salt	0.163	192.6	194.5	189.3	188.7	190.7
1.3.1.14 Processed ready to eat food	0.024	152.7	152.8	156.4	156.4	155.7
1.3.1.15 Health supplements	0.225	185.1	192.0	189.6	192.4	190.5
1.3.1.16 Prepared animal feeds	0.356	204.1	205.6	204.4	205.3	204.3
1.3.2 MANUFACTURE OF BEVERAGES	**0.909**	**134.1**	**134.7**	**135.7**	**135.9**	**135.7**
1.3.2.1 Wines & spirits	0.408	136.0	137.1	139.6	139.4	138.7
1.3.2.2 Malt liquors and Malt	0.225	138.7	139.1	140.6	140.7	140.6
1.3.2.3 Soft drinks; Production of mineral waters and Other bottled waters	0.275	127.5	127.7	125.9	126.6	127.3
1.3.3 MANUFACTURE OF TOBACCO PRODUCTS	**0.514**	**177.8**	**177.0**	**181.3**	**181.6**	**181.4**
1.3.3.1 Tobacco products	0.514	177.8	177.0	181.3	181.6	181.4

No. 22: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2024-25	2024	2025		
			Nov.	Sep.	Oct.(P)	Nov.(P)
	1	2	3	4	5	6
1.3.4 MANUFACTURE OF TEXTILES	**4.881**	**136.3**	**136.1**	**138.2**	**138.5**	**138.7**
1.3.4.1 Preparation and Spinning of textile fibres	2.582	121.4	120.8	120.4	120.2	119.8
1.3.4.2 Weaving & Finishing of textiles	1.509	158.3	158.7	164.8	165.5	167.0
1.3.4.3 Knitted and Crocheted fabrics	0.193	124.0	122.7	126.7	127.9	125.9
1.3.4.4 Made-up textile articles, Except apparel	0.299	160.4	159.7	160.7	161.0	161.8
1.3.4.5 Cordage, Rope, Twine and Netting	0.098	142.7	143.2	162.9	164.3	165.3
1.3.4.6 Other textiles	0.201	134.9	136.8	133.9	134.4	133.8
1.3.5 MANUFACTURE OF WEARING APPAREL	**0.814**	**153.4**	**153.7**	**156.1**	**156.5**	**157.1**
1.3.5.1 Manufacture of Wearing Apparel (woven), Except fur Apparel	0.593	150.9	151.0	153.9	154.8	154.9
1.3.5.2 Knitted and Crocheted apparel	0.221	160.1	161.2	162.0	161.0	162.8
1.3.6 MANUFACTURE OF LEATHER AND RELATED PRODUCTS	**0.535**	**125.3**	**125.8**	**127.4**	**127.3**	**127.4**
1.3.6.1 Tanning and Dressing of leather; Dressing and Dyeing of fur	0.142	106.1	108.1	109.3	108.7	108.8
1.3.6.2 Luggage, HandbAgs, Saddlery and Harness	0.075	142.5	142.6	142.7	142.9	143.2
1.3.6.3 Footwear	0.318	129.7	129.8	131.8	131.9	131.9
1.3.7 MANUFACTURE OF WOOD AND PRODUCTS OF WOOD AND CORK	**0.772**	**149.2**	**148.5**	**150.2**	**151.1**	**151.0**
1.3.7.1 Saw milling and Planing of wood	0.124	141.1	142.9	141.3	143.3	142.3
1.3.7.2 Veneer sheets; Manufacture of plywood, Laminboard, Particle board and Other panels and Boards	0.493	148.6	147.2	149.5	150.3	150.4
1.3.7.3 Builder's carpentry and Joinery	0.036	215.3	214.2	215.3	215.4	213.9
1.3.7.4 Wooden containers	0.119	140.6	139.8	142.7	143.4	143.9
1.3.8 MANUFACTURE OF PAPER AND PAPER PRODUCTS	**1.113**	**139.2**	**138.5**	**140.2**	**140.3**	**140.5**
1.3.8.1 Pulp, Paper and Paperboard	0.493	144.6	143.4	144.3	145.0	145.6
1.3.8.2 Corrugated paper and Paperboard and Containers of paper and Paperboard	0.314	147.3	148.5	150.2	149.9	149.9
1.3.8.3 Other articles of paper and Paperboard	0.306	122.4	120.2	123.4	122.7	122.7
1.3.9 PRINTING AND REPRODUCTION OF RECORDED MEDIA	**0.676**	**187.3**	**186.7**	**190.7**	**190.1**	**189.9**
1.3.9.1 Printing	0.676	187.3	186.7	190.7	190.1	189.9
1.3.10 MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS	**6.465**	**136.5**	**136.4**	**137.0**	**136.8**	**136.5**
1.3.10.1 Basic chemicals	1.433	138.6	138.6	141.1	141.2	140.6
1.3.10.2 Fertilizers and Nitrogen compounds	1.485	143.1	143.5	143.0	143.2	143.5
1.3.10.3 Plastic and Synthetic rubber in primary form	1.001	133.6	133.2	134.4	132.8	132.0
1.3.10.4 Pesticides and Other agrochemical products	0.454	128.8	129.3	130.8	132.1	130.6
1.3.10.5 Paints, Varnishes and Similar coatings, Printing ink and Mastics	0.491	139.5	138.5	138.3	137.9	138.0
1.3.10.6 Soap and Detergents, Cleaning and Polishing preparations, Perfumes and Toilet preparations	0.612	139.7	139.9	142.2	142.1	142.2
1.3.10.7 Other chemical products	0.692	135.4	135.3	132.5	132.3	132.7
1.3.10.8 Man-made fibres	0.296	104.9	103.0	102.7	102.1	100.9
1.3.11 MANUFACTURE OF PHARMACEUTICALS, MEDICINAL CHEMICAL AND BOTANICAL PRODUCTS	**1.993**	**144.3**	**144.1**	**145.9**	**146.2**	**146.1**
1.3.11.1 Pharmaceuticals, Medicinal chemical and Botanical products	1.993	144.3	144.1	145.9	146.2	146.1
1.3.12 MANUFACTURE OF RUBBER AND PLASTICS PRODUCTS	**2.299**	**129.0**	**128.6**	**129.1**	**128.9**	**128.5**
1.3.12.1 Rubber Tyres and Tubes; Retreading and Rebuilding of Rubber Tyres	0.609	115.6	116.7	114.7	114.6	113.8
1.3.12.2 Other Rubber Products	0.272	112.1	111.7	113.3	112.6	112.9
1.3.12.3 Plastics products	1.418	138.1	137.0	138.3	138.2	137.8
1.3.13 MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS	**3.202**	**131.5**	**131.4**	**133.3**	**133.0**	**132.2**
1.3.13.1 Glass and Glass products	0.295	163.2	162.1	162.7	162.8	163.2
1.3.13.2 Refractory products	0.223	121.6	123.5	124.0	123.4	124.5
1.3.13.3 Clay Building Materials	0.121	124.4	127.5	134.8	133.9	134.1
1.3.13.4 Other Porcelain and Ceramic Products	0.222	124.6	124.6	125.6	126.1	126.1
1.3.13.5 Cement, Lime and Plaster	1.645	130.4	130.1	132.6	132.0	130.2

No. 22: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2024-25	2024	2025		
			Nov.	Sep.	Oct.(P)	Nov.(P)
	1	2	3	4	5	6
1.3.13.6 Articles of Concrete, Cement and Plaster	0.292	139.2	139.6	139.3	139.9	138.8
1.3.13.7 Cutting, Shaping and Finishing of Stone	0.234	134.4	135.2	139.3	140.0	140.2
1.3.13.8 Other Non-Metallic Mineral Products	0.169	95.2	93.7	91.9	91.6	92.7
1.3.14 MANUFACTURE OF BASIC METALS	**9.646**	**139.7**	**138.6**	**137.7**	**137.1**	**136.9**
1.3.14.1 Inputs into steel making	1.411	133.6	132.1	132.4	131.6	131.3
1.3.14.2 Metallic Iron	0.653	141.8	138.7	127.6	126.4	126.1
1.3.14.3 Mild Steel - Semi Finished Steel	1.274	117.9	117.5	115.4	114.6	114.1
1.3.14.4 Mild Steel -Long Products	1.081	140.4	140.2	135.6	134.4	133.8
1.3.14.5 Mild Steel - Flat products	1.144	134.2	131.9	130.6	129.2	127.4
1.3.14.6 Alloy steel other than Stainless Steel- Shapes	0.067	135.4	133.7	127.7	126.3	124.3
1.3.14.7 Stainless Steel - Semi Finished	0.924	131.1	126.8	122.7	118.4	118.8
1.3.14.8 Pipes & tubes	0.205	164.7	163.5	161.9	162.1	161.2
1.3.14.9 Non-ferrous metals incl. precious metals	1.693	157.4	157.7	164.9	167.7	169.2
1.3.14.10 Castings	0.925	144.9	145.4	143.5	143.7	144.1
1.3.14.11 Forgings of steel	0.271	172.2	172.8	176.3	173.7	173.5
1.3.15 MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT	**3.155**	**136.0**	**135.3**	**137.0**	**137.0**	**136.0**
1.3.15.1 Structural Metal Products	1.031	130.8	129.3	131.9	130.7	129.7
1.3.15.2 Tanks, Reservoirs and Containers of Metal	0.660	149.5	146.9	149.8	152.6	149.8
1.3.15.3 Steam generators, Except Central Heating Hot Water Boilers	0.145	109.8	111.3	113.5	113.8	113.1
1.3.15.4 Forging, Pressing, Stamping and Roll-Forming of Metal; Powder Metallurgy	0.383	138.0	141.5	132.8	131.6	132.1
1.3.15.5 Cutlery, Hand Tools and General Hardware	0.208	102.0	102.2	104.8	104.2	104.4
1.3.15.6 Other Fabricated Metal Products	0.728	144.9	144.3	148.5	148.6	147.9
1.3.16 MANUFACTURE OF COMPUTER, ELECTRONIC AND OPTICAL PRODUCTS	**2.009**	**121.5**	**121.3**	**121.9**	**122.5**	**121.4**
1.3.16.1 Electronic Components	0.402	117.9	117.3	120.3	120.8	121.1
1.3.16.2 Computers and Peripheral Equipment	0.336	134.2	133.6	129.7	129.7	129.7
1.3.16.3 Communication Equipment	0.310	146.0	145.9	147.2	147.6	147.6
1.3.16.4 Consumer Electronics	0.641	101.1	100.2	99.6	100.6	97.2
1.3.16.5 Measuring, Testing, Navigating and Control equipment	0.181	119.9	120.9	126.6	126.8	127.8
1.3.16.6 Watches and Clocks	0.076	167.9	172.7	175.2	175.0	175.0
1.3.16.7 Irradiation, Electromedical and Electrotherapeutic equipment	0.055	114.4	115.2	114.1	118.4	114.7
1.3.16.8 Optical instruments and Photographic equipment	0.008	107.4	108.7	117.9	117.9	118.8
1.3.17 MANUFACTURE OF ELECTRICAL EQUIPMENT	**2.930**	**133.7**	**133.8**	**135.4**	**135.8**	**136.0**
1.3.17.1 Electric motors, Generators, Transformers and Electricity distribution and Control apparatus	1.298	132.3	132.5	133.3	133.5	133.2
1.3.17.2 Batteries and Accumulators	0.236	141.3	141.7	145.2	144.8	145.5
1.3.17.3 Fibre optic cables for data transmission or live transmission of images	0.133	118.6	117.5	116.3	117.3	117.3
1.3.17.4 Other electronic and Electric wires and Cables	0.428	154.4	154.5	160.8	162.5	163.8
1.3.17.5 Wiring devices, Electric lighting & display equipment	0.263	118.4	117.8	118.5	118.6	118.6
1.3.17.6 Domestic appliances	0.366	131.8	131.8	131.3	131.5	131.9
1.3.17.7 Other electrical equipment	0.206	123.4	124.8	126.5	126.0	126.7
1.3.18 MANUFACTURE OF MACHINERY AND EQUIPMENT	**4.789**	**130.8**	**130.5**	**132.4**	**132.6**	**133.0**
1.3.18.1 Engines and Turbines, Except aircraft, Vehicle and Two wheeler engines	0.638	132.8	133.6	137.3	138.2	138.6
1.3.18.2 Fluid power equipment	0.162	134.5	134.6	134.7	134.7	135.2
1.3.18.3 Other pumps, Compressors, Taps and Valves	0.552	118.5	118.7	120.6	120.7	121.0
1.3.18.4 Bearings, Gears, Gearing and Driving elements	0.340	128.5	128.1	130.4	131.0	131.9
1.3.18.5 Ovens, Furnaces and Furnace burners	0.008	86.6	86.5	88.2	87.5	88.4
1.3.18.6 Lifting and Handling equipment	0.285	130.0	130.0	130.5	131.0	131.9

No. 22: Wholesale Price Index (Concld.)

(Base: 2011-12 = 100)

Commodities	Weight	2024-25	2024	2025		
			Nov.	Sep.	Oct.(P)	Nov.(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	142.8	140.7	140.9	142.8
1.3.18.9 Agricultural and Forestry machinery	0.833	145.5	145.6	146.0	145.5	145.9
1.3.18.10 Metal-forming machinery and Machine tools	0.224	123.2	123.1	127.4	127.6	127.4
1.3.18.11 Machinery for mining, Quarrying and Construction	0.371	89.8	89.5	92.9	93.0	93.4
1.3.18.12 Machinery for food, Beverage and Tobacco processing	0.228	126.1	126.0	126.4	126.4	126.8
1.3.18.13 Machinery for textile, Apparel and Leather production	0.192	141.4	138.2	146.9	147.4	143.8
1.3.18.14 Other special-purpose machinery	0.468	144.9	144.3	147.7	147.6	147.6
1.3.18.15 Renewable electricity generating equipment	0.046	69.2	68.6	69.3	69.3	69.3
1.3.19 MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	**4.969**	**129.9**	**129.4**	**130.8**	**130.4**	**130.4**
1.3.19.1 Motor vehicles	2.600	130.6	129.7	131.2	130.3	130.1
1.3.19.2 Parts and Accessories for motor vehicles	2.368	129.1	129.0	130.4	130.5	130.8
1.3.20 MANUFACTURE OF OTHER TRANSPORT EQUIPMENT	**1.648**	**145.2**	**145.7**	**152.1**	**152.1**	**151.7**
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	107.8	110.0	110.7	110.7
1.3.20.3 Motor cycles	1.302	146.0	147.0	153.4	153.3	152.9
1.3.20.4 Bicycles and Invalid carriages	0.117	134.9	133.3	137.8	137.8	138.0
1.3.20.5 Other transport equipment	0.002	163.2	162.9	165.9	166.5	167.0
1.3.21 MANUFACTURE OF FURNITURE	**0.727**	**160.3**	**162.9**	**164.1**	**164.5**	**164.1**
1.3.21.1 Furniture	0.727	160.3	162.9	164.1	164.5	164.1
1.3.22 OTHER MANUFACTURING	**1.064**	**183.8**	**183.8**	**236.6**	**236.2**	**240.7**
1.3.22.1 Jewellery and Related articles	0.996	185.4	185.3	241.5	241.0	245.8
1.3.22.2 Musical instruments	0.001	201.9	205.2	198.3	205.4	206.3
1.3.22.3 Sports goods	0.012	164.9	167.8	172.7	172.7	173.0
1.3.22.4 Games and Toys	0.005	163.1	163.6	165.8	166.8	168.9
1.3.22.5 Medical and Dental instruments and Supplies	0.049	158.6	158.6	160.9	162.1	162.1
2 FOOD INDEX	**24.378**	**192.9**	**200.2**	**192.1**	**192.0**	**195.0**

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

No. 23: Index of Industrial Production (Base:2011-12=100)

Industry	Weight	2023-24	2024-25	April-October		October	
				2024-25	2025-26	2024	2025
	1	2	3	4	5	6	7
General Index	100.00	146.7	152.6	149.5	153.6	150.3	150.9
1 Sectoral Classification							
1.1 Mining	14.37	128.9	132.8	123.7	121.4	128.5	126.2
1.2 Manufacturing	77.63	144.7	150.6	147.4	153.2	148.4	151.1
1.3 Electricity	7.99	198.3	208.6	215.9	215.8	207.8	193.4
2 Use-Based Classification							
2.1 Primary Goods	34.05	147.7	153.5	150.3	150.4	149.8	148.9
2.2 Capital Goods	8.22	106.6	112.6	108.4	115.8	109.2	111.8
2.3 Intermediate Goods	17.22	157.3	164.0	161.7	169.4	165.0	166.5
2.4 Infrastructure/ Construction Goods	12.34	176.3	188.2	182.8	198.4	184.2	197.2
2.5 Consumer Durables	12.84	118.6	128.0	128.0	133.2	129.8	129.2
2.6 Consumer Non-Durables	15.33	153.7	151.4	147.3	144.1	146.4	139.9

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

Government Accounts and Treasury Bills

No. 24: Union Government Accounts at a Glance

(₹ Crore)

Item	Financial Year	April – October			
	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**	**1763380**	**1704267**	**51.6**	**54.5**
1.1 Tax Revenue (Net)	2837409	1274301	1304973	44.9	50.5
1.2 Non-Tax Revenue	583000	489079	399294	83.9	73.2
2 Non Debt Capital Receipt	**76000**	**37095**	**18807**	**48.8**	**24.1**
2.1 Recovery of Loans	29000	13392	13275	46.2	47.4
2.2 Other Receipts	47000	23703	5532	50.4	11.1
3 Total Receipts (excluding borrowings) (1+2)	**3496409**	**1800475**	**1723074**	**51.5**	**53.7**
4 Revenue Expenditure of which :	3944255	2007876	2007353	50.9	54.1
4.1 Interest Payments	1276338	673715	596347	52.8	51.3
5 Capital Expenditure	1121090	617743	466545	55.1	42.0
6 Total Expenditure (4+5)	**5065345**	**2625619**	**2473898**	**51.8**	**51.3**
7 Revenue Deficit (4-1)	**523846**	**244496**	**303086**	**46.7**	**52.2**
8 Fiscal Deficit (6-3)	**1568936**	**825144**	**750824**	**52.6**	**46.5**
9 Gross Primary Deficit (8-4.1)	**292598**	**151429**	**154477**	**51.8**	**34.3**

Source: Controller General of Accounts (CGA), Ministry of Finance, Government of India and Union Budget 2025-26.

No. 25: Treasury Bills – Ownership Pattern

(₹ Crore)

Item	2024-25	2024	2025					
		Nov. 1	Sep. 26	Oct. 3	Oct. 10	Oct. 17	Oct. 24	Oct. 31
	1	2	3	4	5	6	7	8
1 91-day								
1.1 Banks	26554	3961	11815	10660	11602	10319	9715	9157
1.2 Primary Dealers	25258	12580	19755	23671	20571	20971	21139	20086
1.3 State Governments	40315	94833	73862	72886	74186	76186	83886	86636
1.4 Others	115688	79259	108330	103569	103727	102610	101046	99657
2 182-day								
2.1 Banks	44887	39229	54592	55121	53652	55590	53119	52288
2.2 Primary Dealers	62218	31156	41109	36101	42238	37158	40008	38487
2.3 State Governments	11078	12339	17780	17780	17780	20230	18930	17930
2.4 Others	104994	80115	67199	72678	69009	73151	73773	77025
3 364-day								
3.1 Banks	72304	76754	69483	70539	67256	67296	70652	73818
3.2 Primary Dealers	86939	116452	74274	76499	78714	79774	78381	73811
3.3 State Governments	37389	35195	48138	45266	45951	44695	45103	45149
3.4 Others	162757	171795	167943	164662	167429	166331	164366	165772
4 14-day Intermediate								
4.1 Banks								
4.2 Primary Dealers								
4.3 State Governments	188072	120316	121170	164213	220800	174282	184194	178061
4.4 Others	572	173	1252	1252	542	1614	1709	1058
Total Treasury Bills (Excluding 14 day Intermediate T Bills) #	790381	753667	754280	749432	752117	754311	760120	759815

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. 26: 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										
Oct. 1	7000	83	19830	216	34	6984	216	7200	98.65	5.4881
Oct. 8	7000	99	23183	7119	35	6981	7119	14100	98.67	5.4251
Oct. 15	7000	107	23593	9416	53	6985	9416	16400	98.66	5.4350
Oct. 23	7000	85	20721	12810	36	6990	12810	19800	98.66	5.4593
Oct. 29	7000	93	25518	19027	46	6973	19027	26000	98.66	5.4580
182-day Treasury Bills										
2025-26										
Oct. 1	6000	78	15191	7	33	5993	7	6000	97.29	5.5899
Oct. 8	6000	77	26065	6	21	5994	6	6000	97.31	5.5460
Oct. 15	6000	76	15621	2460	44	5990	2460	8450	97.31	5.5473
Oct. 23	6000	66	22023	2507	36	5993	2507	8500	97.29	5.5863
Oct. 29	6000	69	13005	612	42	5988	612	6600	97.28	5.5990
364-day Treasury Bills										
2025-26										
Oct. 1	6000	88	22247	22	24	5984	22	6005	94.71	5.5999
Oct. 8	6000	125	28392	4197	27	5977	4197	10174	94.76	5.5494
Oct. 15	6000	100	24783	1329	44	5915	1329	7244	94.76	5.5490
Oct. 23	6000	80	21410	760	45	5990	760	6750	94.73	5.5790
Oct. 29	6000	112	19585	737	60	5988	737	6725	94.73	5.5813

Financial Markets

No. 27: Daily Call Money Rates

(Per cent per annum)

As on	Range of Rates	Weighted Average Rates
	Borrowings/ Lendings	Borrowings/ Lendings
	1	2
October 01 ,2025	4.75-5.45	5.37
October 03 ,2025	4.75-5.45	5.36
October 04 ,2025	4.75-5.24	5.02
October 06 ,2025	4.75-5.40	5.34
October 07 ,2025	4.85-5.40	5.35
October 08 ,2025	4.75-5.40	5.34
October 09 ,2025	4.75-6.00	5.51
October 10 ,2025	4.75-5.75	5.58
October 13 ,2025	4.75-5.60	5.47
October 14 ,2025	4.85-5.50	5.39
October 15 ,2025	4.75-5.60	5.37
October 16 ,2025	4.85-6.10	5.40
October 17 ,2025	4.85-5.98	5.52
October 18 ,2025	4.85-5.50	5.04
October 20 ,2025	4.50-5.68	5.61
October 23 ,2025	4.40-5.60	5.45
October 24 ,2025	4.85-6.00	5.58
October 27 ,2025	4.85-5.75	5.58
October 28 ,2025	4.85-5.68	5.56
October 29 ,2025	4.85-5.80	5.56
October 30 ,2025	4.85-5.70	5.56
October 31 ,2025	4.75-5.75	5.63
November 01 ,2025	4.85-5.60	5.12
November 03 ,2025	4.70-5.60	5.42
November 04 ,2025	4.75-5.55	5.42
November 06 ,2025	4.80-5.50	5.40
November 07 ,2025	4.85-5.45	5.39
November 10 ,2025	4.75-5.45	5.34
November 11 ,2025	4.85-5.60	5.34
November 12 ,2025	4.80-5.40	5.34
November 13 ,2025	4.85-5.40	5.33
November 14 ,2025	4.50-5.60	5.47
November 15 ,2025	4.80-5.40	5.01

Note: Includes Notice Money.

No. 28: Certificates of Deposit

Item	2024	2025			
	Nov. 29	Oct. 17	Oct. 31	Nov. 14	Nov. 28
	1	2	3	4	5
1 Amount Outstanding (₹ Crore)	491658.72	502668.21	514877.08	534617.43	570508.16
1.1 Issued during the fortnight (₹ Crore)	40434.94	24607.72	24530.39	54948.90	77875.33
2 Rate of Interest (per cent)	6.98-7.60	5.50-6.40	5.76-6.46	5.50-6.63	5.50-6.87

No. 29: Commercial Paper

Item	2024	2025			
	Nov. 30	Oct. 15	Oct. 31	Nov. 15	Nov. 30
	1	2	3	4	5
1 Amount Outstanding (₹ Crore)	445122.05	495678.60	479629.50	501658.00	501649.20
1.1 Reported during the fortnight (₹ Crore)	64504.65	30794.65	52397.55	66525.85	69177.70
2 Rate of Interest (per cent)	7.00-12.61	5.71-12.49	5.79-14.93	5.86-9.71	5.79-11.49

No. 30: Average Daily Turnover in Select Financial Markets

(₹ Crore)

Item	2024-25	2024	2025					
		Nov. 1	Sep. 26	Oct. 3	Oct. 10	Oct. 17	Oct. 24	Oct. 31
	1	2	3	4	5	6	7	8
1 Call Money	18990	16124	31298	21716	27723	29553	23253	27641
2 Notice Money	2506	1374	656	10024	1246	5964	362	7214
3 Term Money	941	685	1038	1907	1768	1380	1461	1782
4 Triparty Repo	692068	781433	738792	856666	683446	855476	631977	896945
5 Market Repo	578912	567993	681777	823769	742310	814505	630603	789909
6 Repo in Corporate Bond	5212	3420	15960	16112	17407	13715	12710	14800
7 Forex (US $ million)	131877	98958	140364	141439	147461	140094	100069	139519
8 Govt. of India Dated Securities	56065	91164	131047	154006	138118	144369	98294	86389
9 State Govt. Securities	3971	4998	7932	9646	7187	6868	5131	6943
10 Treasury Bills								
10.1 91-Day	2514	3709	4180	8047	6762	3808	5008	3238
10.2 182-Day	2218	6064	1619	4363	5017	4708	2208	2813
10.3 364-Day	1854	3736	3423	4773	2658	3460	3543	4047
10.4 Cash Management Bills		0	0	0	0	0	0	0
11 Total Govt. Securities (8+9+10)	66622	109670	148202	180835	159742	163214	114184	103429
11.1 RBI	1715	111	1619	561	410	1106	636	609

No. 31: New Capital Issues by Non-Government Public Limited Companies

(Amount in ₹ Crore)

Security & Type of Issue	2024-25		2024-25 (Apr.-Oct.)		2025-26 (Apr.-Oct.) *		Oct. 2024		Oct. 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**	**302**	**121633**	**320**	**128515**	**47**	**35653**	**63**	**42833**
1.1 Public	322	190478	215	109257	239	112956	29	34983	52	41783
1.2 Rights	142	19712	87	12376	81	15559	18	670	11	1050
2 Public Issue of Bonds/ Debentures	**43**	**8149**	**25**	**5526**	**25**	**6113**	**4**	**670**	**3**	**834**
3 Total (1+2)	**507**	**218339**	**327**	**127159**	**345**	**134628**	**51**	**36323**	**66**	**43667**
3.1 Public	365	198627	240	114783	264	119069	33	35653	55	42617
3.2 Rights	142	19712	87	12376	81	15559	18	670	11	1050

* : Data is Provisional

Note : 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.

External Sector

No. 32: Foreign Trade

Item	Unit	2024-25	2024	2025				
			Oct.	Jun.	Jul.	Aug.	Sep.	Oct.
		1	2	3	4	5	6	7
1 Exports	₹ Crore	3703412	327573	300410	318973	304579	319642	303746
	US $ Million	437705	38983	34971	37041	34802	36190	34354
1.1 Oil	₹ Crore	535157	37085	38272	35754	36703	42117	34790
	US $ Million	63383	4413	4455	4152	4194	4769	3935
1.2 Non-oil	₹ Crore	3168255	290488	262138	283219	267876	277526	268957
	US $ Million	374321	34570	30515	32889	30608	31422	30419
2 Imports	₹ Crore	6089909	546776	464625	558752	542401	612051	672503
	US $ Million	720241	65070	54087	64885	61976	69297	76061
2.1 Oil	₹ Crore	1570226	158683	118531	134077	116081	123944	130802
	US $ Million	185779	18884	13798	15570	13264	14033	14794
2.2 Non-oil	₹ Crore	4519683	388093	346094	424676	426320	488107	541701
	US $ Million	534462	46185	40289	49315	48712	55264	61267
3 Trade Balance	₹ Crore	-2386497	-219203	-164214	-239779	-237822	-292408	-368757
	US $ Million	-282537	-26086	-19116	-27844	-27174	-33107	-41707
3.1 Oil	₹ Crore	-1035069	-121597	-80258	-98323	-79378	-81827	-96012
	US $ Million	-122396	-14471	-9343	-11418	-9070	-9265	-10859
3.2 Non-oil	₹ Crore	-1351428	-97606	-83956	-141456	-158444	-210581	-272745
	US $ Million	-160141	-11616	-9773	-16427	-18104	-23842	-30848

Note: Data in the table are provisional.
Source: Directorate General of Commercial Intelligence and Statistics.

No. 33: Foreign Exchange Reserves

Item	Unit	2024	2025					
		Dec. 06	Oct. 24	Oct. 31	Nov. 07	Nov. 14	Nov. 21	Nov. 28
		1	2	3	4	5	6	7
1 Total Reserves	**₹ Crore**	**5546163**	**6108299**	**6123031**	**6091683**	**6146082**	**6155363**	**6137575**
	US $ Million	**654857**	**695355**	**689733**	**687034**	**692576**	**688104**	**686227**
1.1 Foreign Currency Assets	₹ Crore	4790434	4976853	5012117	4984258	4989889	5015105	4982046
	US $ Million	565623	566548	564591	562137	562290	560600	557031
1.2 Gold	₹ Crore	566898	927080	903062	900234	948278	932008	946227
	US $ Million	66936	105536	101726	101531	106857	104182	105795
	Volume (Metric Tonnes)	876.18	880.18	880.18	880.18	880.18	880.18	880.18
1.3 SDRs	SDRs Million	13705	13709	13709	13709	13712	13712	13712
	₹ Crore	152713	163953	165514	164862	165502	166088	166610
	US $ Million	18031	18664	18644	18594	18650	18566	18628
1.4 Reserve Tranche Position in IMF	₹ Crore	36118	40412	42338	42329	42413	42162	42692
	US $ Million	4266	4608	4772	4772	4779	4757	4772

* 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. 34: Non-Resident Deposits

(US $ Million)

Scheme	Outstanding				Flows	
	2024-25	2024	2025		2024-25	2025-26
		Oct.	Sep.	Oct. (P)	Apr.-Oct.	Apr.-Oct.(P)
	1	2	3	4	5	6
1 NRI Deposits	**164677**	**162693**	**165928**	**168178**	**11897**	**8324**
1.1 FCNR(B)	32809	31871	33500	34398	6138	1589
1.2 NR(E)RA	100733	100873	100278	100988	3090	3918
1.3 NRO	31135	29949	32150	32792	2669	2817

P: Provisional.

No. 35: Foreign Investment Inflows

(US $ Million)

Item	2024-25	2024-25	2025-26 (P)	2024 (P)	2025 (P)	
		Apr.-Oct.	Apr.-Oct.	Oct.	Sep.	Oct.
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1-1.1.2)	**959**	**3274**	**6198**	**-129**	**-1664**	**-1545**
1.1.1 Direct Investment to India (1.1.1.1-1.1.1.2)	**29130**	**17336**	**26666**	**1764**	**2390**	**1542**
1.1.1.1 Gross Inflows/Gross Investments	**80615**	**50536**	**58323**	**7170**	**7003**	**6538**
1.1.1.1.1 Equity	50993	34554	40671	4307	4408	3880
1.1.1.1.1.1 Government	2208	529	1550	149	32	5
1.1.1.1.1.2 RBI	34686	24148	28736	3524	3520	2527
1.1.1.1.1.3 Acquisition of shares	13124	9337	8477	550	582	1051
1.1.1.1.1.4 Equity capital of unincorporated bodies	975	542	1909	85	274	298
1.1.1.1.2 Reinvested earnings	22759	12638	14125	1978	2024	2208
1.1.1.1.3 Other capital	6863	3344	3528	884	570	450
1.1.1.2 Repatriation/Disinvestment	**51486**	**33200**	**31658**	**5406**	**4613**	**4996**
1.1.1.2.1 Equity	49525	31902	30104	5212	4422	4761
1.1.1.2.2 Other capital	1960	1298	1554	194	191	235
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**	**14062**	**20467**	**1892**	**4054**	**3087**
1.1.2.1 Equity capital	16945	8296	12004	985	2746	1825
1.1.2.2 Reinvested Earnings	6846	3994	4439	571	634	634
1.1.2.3 Other Capital	7955	3772	5530	641	935	733
1.1.2.4 Repatriation/Disinvestment	3575	2000	1505	304	262	105
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3-1.2.4)	**3564**	**9868**	**-718**	**-10927**	**-621**	**3421**
1.2.1 GDRs/ADRs	-	-	-	-	-	-
1.2.2 FPIs	3283	9765	573	-10948	-528	3561
1.2.3 Offshore funds and others	-	-	-	-	-	-
1.2.4 Portfolio investment by India	-281	-103	1291	-21	93	140
1 Foreign Investment Inflows	**4523**	**13142**	**5480**	**-11055**	**-2285**	**1876**

P: Provisional

No. 36: Outward Remittances under the Liberalised Remittance Scheme (LRS) for Resident Individuals

(US $ Million)

Item	2024-25	2024	2025		
		Oct.	Aug.	Sep.	Oct.
	1	2	3	4	5
1 Outward Remittances under the LRS	**29563.12**	**2408.01**	**2642.91**	**2782.34**	**2364.45**
1.1 Deposit	705.26	39.06	42.75	50.75	47.16
1.2 Purchase of immovable property	322.82	24.96	36.02	42.44	44.64
1.3 Investment in equity/debt	1698.94	149.34	152.18	278.80	273.09
1.4 Gift	2938.69	216.30	190.43	195.09	197.53
1.5 Donations	11.81	0.66	0.78	0.64	0.87
1.6 Travel	16964.57	1454.66	1618.81	1664.82	1352.59
1.7 Maintenance of close relatives	3722.03	283.75	272.05	273.65	273.86
1.8 Medical Treatment	81.19	8.49	3.99	4.18	5.04
1.9 Studies Abroad	2918.91	221.18	319.17	264.34	163.26
1.10 Others	198.90	9.62	6.73	7.63	6.40

No. 37: Indices of Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER) of the Indian Rupee

Item	2023-24	2024-25	2024	2025	
			Nov	Oct	Nov
	1	2	3	4	5
40-Currency Basket (Base: 2015-16=100)					
1 Trade-Weighted					
1.1 NEER	90.75	91.01	91.68	84.58	84.35
1.2 REER	103.71	105.24	108.03	97.51	97.51
2 Export-Weighted					
2.1 NEER	93.13	93.52	94.16	86.47	86.27
2.2 REER	101.22	102.34	104.92	94.60	94.68
6-Currency Basket (Trade-weighted)					
1 Base : 2015-16 =100					
1.1 NEER	83.62	82.38	82.78	76.59	76.51
1.2 REER	101.66	102.72	105.40	95.83	96.12
2 Base : 2022-23 =100					
2.1 NEER	97.31	95.87	96.34	89.13	89.04
2.2 REER	99.86	100.90	103.53	94.13	94.42

Note: Data for 2024-25 and 2025-26 so far is provisional.

No. 38: External Commercial Borrowings (ECBs) – Registrations

(Amount in US $ Million)

Item	2024-25	2024	2025	
		Oct.	Sep.	Oct.
	1	2	3	4
1 Automatic Route				
1.1 Number	1328	135	127	79
1.2 Amount	47800	5029	2393	1915
2 Approval Route				
2.1 Number	51	1	1	2
2.2 Amount	13384	470	406	291
3 Total (1+2)				
3.1 Number	1379	136	128	81
3.2 Amount	61184	5499	2799	2206
4 Weighted Average Maturity (in years)	5.05	6.70	5.00	5.10
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over alternative reference rate (ARR) for Floating Rate Loans@	1.48	1.58	1.27	2.11
5.2 Interest rate range for Fixed Rate Loans	0.00-11.67	0.00-11.00	0.00-10.00	0.00-10.63
Borrower Category				
I. Corporate Manufacturing	13900	926	1097	762
II. Corporate-Infrastructure	15462	2941	377	418
a.) Transport	614	200	215	0
b.) Energy	6900	1449	3	243
c.) Water and Sanitation	28	1	0	0
d.) Communication	13	0	0	0
e.) Social and Commercial Infrastructure	184	63	0	0
f.) Exploration,Mining and Refinery	5356	850	100	175
g.) Other Sub-Sectors	2367	378	59	0
III. Corporate Service-Sector	3226	86	273	150
IV. Other Entities	1026	0	0	0
a.) units in SEZ	26	0	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	1436	1051	831
a). NBFC- IFC/AFC	12389	285	528	191
b). NBFC-MFI	459	120	67	0
c). NBFC-Others	13470	1031	456	640
VIII. Non-Government Organization (NGO)	0	0	0	0
IX. Micro Finance Institution (MFI)	0	0	0	0
X. Others	1252	110	1	45

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. 39: India's Overall Balance of Payments

(US$ Million)

Item	Jul-Sep 2024			Jul-Sep 2025 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance Of Payments (1+2+3)	**563182**	**544568**	**18614**	**640815**	**651732**	**-10917**
1 Current Account (1.1+ 1.2)	**245798**	**266660**	**-20862**	**266736**	**279046**	**-12310**
1.1 Merchandise	**100645**	**189176**	**-88530**	**109397**	**196840**	**-87443**
1.2 Invisibles (1.2.1+1.2.2+1.2.3)	**145153**	**77485**	**67668**	**157339**	**82206**	**75133**
1.2.1 Services	93406	48945	44461	101622	50734	50888
1.2.1.1 Travel	7635	9367	-1732	6813	9457	-2645
1.2.1.2 Transportation	8668	9188	-520	7768	8726	-958
1.2.1.3 Insurance	885	786	100	964	724	240
1.2.1.4 G.n.i.e.	147	316	-169	154	306	-152
1.2.1.5 Miscellaneous	76070	29288	46782	85923	31520	54402
1.2.1.5.1 Software Services	44164	4539	39624	49523	5640	43883
1.2.1.5.2 Business Services	25176	15548	9628	29471	16129	13342
1.2.1.5.3 Financial Services	2190	1265	926	1816	615	1200
1.2.1.5.4 Communication Services	519	497	21	732	548	184
1.2.2 Transfers	35275	2875	32400	39041	2603	36438
1.2.2.1 Official	28	311	-283	35	225	-190
1.2.2.2 Private	35247	2564	32683	39006	2378	36628
1.2.3 Income	16472	25665	-9193	16677	28870	-12193
1.2.3.1 Investment Income	14477	24643	-10166	14518	27759	-13241
1.2.3.2 Compensation of Employees	1995	1023	972	2159	1111	1048
2 Capital Account (2.1+2.2+2.3+2.4+2.5)	**317384**	**277459**	**39924**	**373261**	**372686**	**575**
2.1 Foreign Investment (2.1.1+2.1.2)	**203245**	**186216**	**17029**	**161520**	**164391**	**-2871**
2.1.1 Foreign Direct Investment	21137	23958	-2821	25940	23065	2876
2.1.1.1 In India	20589	15622	4967	25155	13839	11317
2.1.1.1.1 Equity	13846	15016	-1171	17373	13265	4107
2.1.1.1.2 Reinvested Earnings	5435		5435	6073		6073
2.1.1.1.3 Other Capital	1309	606	702	1709	573	1136
2.1.1.2 Abroad	548	8336	-7788	785	9226	-8441
2.1.1.2.1 Equity	548	4583	-4035	785	5373	-4588
2.1.1.2.2 Reinvested Earnings	0	1712	-1712	0	1902	-1902
2.1.1.2.3 Other Capital	0	2041	-2041	0	1951	-1951
2.1.2 Portfolio Investment	182108	162258	19850	135580	141327	-5747
2.1.2.1 In India	181433	161618	19815	134786	140255	-5468
2.1.2.1.1 FIIs	181433	161618	19815	134786	140255	-5468
2.1.2.1.1.1 Equity	160273	149590	10683	113496	122643	-9147
2.1.2.1.1.2 Debt	21160	12028	9132	21290	17612	3678
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.2.2 Abroad	675	640	35	794	1072	-279
2.2 Loans (2.2.1+2.2.2+2.2.3)	**40856**	**31392**	**9464**	**167163**	**163783**	**3379**
2.2.1 External Assistance	3726	1577	2148	2182	1695	486
2.2.1.1 By India	6	26	-20	6	11	-5
2.2.1.2 To India	3720	1551	2168	2176	1685	491
2.2.2 Commercial Borrowings	17481	15485	1995	147344	147389	-45
2.2.2.1 By India	5059	8028	-2969	140445	142094	-1649
2.2.2.2 To India	12421	7457	4964	6899	5295	1604
2.2.3 Short Term to India	19650	14330	5320	17638	14699	2938
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	15107	14330	777	15831	14699	1132
2.2.3.2 Suppliers' Credit up to 180 days	4543	0	4543	1807	0	1807
2.3 Banking Capital (2.3.1+2.3.2)	**52432**	**46345**	**6087**	**34260**	**32370**	**1891**
2.3.1 Commercial Banks	52112	46345	5767	34260	32317	1943
2.3.1.1 Assets	17627	18853	-1226	10699	7986	2714
2.3.1.2 Liabilities	34485	27492	6993	23561	24332	-771
2.3.1.2.1 Non-Resident Deposits	28921	22753	6167	23330	20876	2454
2.3.2 Others	319	0	319	0	52	-52
2.4 Rupee Debt Service	**0**	**2**	**-2**	**0**	**1**	**-1**
2.5 Other Capital	**20850**	**13504**	**7346**	**10318**	**12140**	**-1822**
3 Errors & Omissions	**0**	**448**	**-448**	**818**	**0**	**818**
4 Monetary Movements (4.1+ 4.2)	**0**	**18614**	**-18614**	**10917**	**0**	**10917**
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	0	18614	-18614	10917	0	10917

Note: P: Preliminary.

No. 40: India's Overall Balance of Payments

(₹ Crore)

Item	Jul-Sep 2024			Jul-Sep 2025 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance Of Payments (1+2+3)	**4717571**	**4561652**	**155919**	**5595501**	**5690827**	**-95326**
1 Current Account (1.1+ 1.2)	**2058962**	**2233718**	**-174756**	**2329098**	**2436589**	**-107491**
1.1 Merchandise	**843069**	**1584657**	**-741588**	**955235**	**1718776**	**-763542**
1.2 Invisibles (1.2.1+1.2.2+1.2.3)	**1215892**	**649061**	**566832**	**1373864**	**717813**	**656050**
1.2.1 Services	782427	409991	372436	887346	443000	444345
1.2.1.1 Travel	63958	78464	-14506	59486	82579	-23093
1.2.1.2 Transportation	72610	76965	-4355	67832	76194	-8362
1.2.1.3 Insurance	7417	6581	836	8416	6323	2093
1.2.1.4 G.n.i.e.	1228	2643	-1415	1348	2675	-1326
1.2.1.5 Miscellaneous	637214	245338	391875	750263	275229	475034
1.2.1.5.1 Software Services	369945	38026	331920	432424	49247	383177
1.2.1.5.2 Business Services	210894	130244	80650	257337	140839	116498
1.2.1.5.3 Financial Services	18349	10595	7754	15855	5374	10482
1.2.1.5.4 Communication Services	4345	4167	177	6394	4787	1607
1.2.2 Transfers	295485	24079	271406	340897	22726	318171
1.2.2.1 Official	232	2601	-2369	304	1964	-1660
1.2.2.2 Private	295252	21478	273775	340593	20762	319831
1.2.3 Income	137980	214990	-77010	145621	252086	-106466
1.2.3.1 Investment Income	121268	206423	-85155	126769	242388	-115619
1.2.3.2 Compensation of Employees	16712	8568	8145	18851	9698	9153
2 Capital Account (2.1+2.2+2.3+2.4+2.5)	**2658609**	**2324178**	**334431**	**3259261**	**3254238**	**5024**
2.1 Foreign Investment (2.1.1+2.1.2)	**1702512**	**1559865**	**142647**	**1410371**	**1435441**	**-25070**
2.1.1 Foreign Direct Investment	177057	200687	-23630	226507	201396	25112
2.1.1.1 In India	172466	130862	41604	219652	120836	98816
2.1.1.1.1 Equity	115979	125784	-9805	151696	115832	35864
2.1.1.1.2 Reinvested Earnings	45525	0	45525	53031	0	53031
2.1.1.1.3 Other Capital	10961	5078	5884	14926	5004	9922
2.1.1.2 Abroad	4591	69825	-65234	6855	80560	-73705
2.1.1.2.1 Equity	4591	38393	-33802	6855	46915	-40060
2.1.1.2.2 Reinvested Earnings	0	14337	-14337	0	16612	-16612
2.1.1.2.3 Other Capital	0	17095	-17095	0	17033	-17033
2.1.2 Portfolio Investment	1525455	1359178	166277	1183864	1234045	-50181
2.1.2.1 In India	1519799	1353816	165984	1176935	1224684	-47749
2.1.2.1.1 FIIs	1519799	1353816	165984	1176935	1224684	-47749
2.1.2.1.1.1 Equity	1342550	1253064	89486	991031	1070898	-79866
2.1.2.1.1.2 Debt	177250	100752	76498	185903	153786	32117
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.2.2 Abroad	5656	5363	293	6929	9361	-2432
2.2 Loans (2.2.1+2.2.2+2.2.3)	**342239**	**262961**	**79279**	**1459640**	**1430132**	**29508**
2.2.1 External Assistance	31210	13212	17997	19050	14804	4246
2.2.1.1 By India	52	217	-166	52	94	-42
2.2.1.2 To India	31158	12995	18163	18998	14710	4288
2.2.2 Commercial Borrowings	146429	129714	16715	1286582	1286978	-396
2.2.2.1 By India	42379	67249	-24870	1226344	1240743	-14399
2.2.2.2 To India	104050	62465	41585	60238	46235	14003
2.2.3 Short Term to India	164601	120034	44566	154008	128350	25658
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	126546	120034	6511	138232	128350	9882
2.2.3.2 Suppliers' Credit up to 180 days	38055	0	38055	15776	0	15776
2.3 Banking Capital (2.3.1+2.3.2)	**439202**	**388217**	**50985**	**299155**	**282647**	**16508**
2.3.1 Commercial Banks	436527	388217	48311	299155	282190	16965
2.3.1.1 Assets	147657	157925	-10268	93424	69730	23694
2.3.1.2 Liabilities	288870	230292	58579	205730	212460	-6729
2.3.1.2.1 Non-Resident Deposits	242259	190597	51662	203712	182285	21427
2.3.2 Others	2675	0	2675	0	457	-457
2.4 Rupee Debt Service	**0**	**15**	**-15**	**0**	**13**	**-13**
2.5 Other Capital	**174656**	**113120**	**61536**	**90095**	**106005**	**-15909**
3 Errors & Omissions	**0**	**3756**	**-3756**	**7142**	**0**	**7142**
4 Monetary Movements (4.1+ 4.2)	**0**	**155919**	**-155919**	**95326**	**0**	**95326**
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	0	155919	-155919	95326	0	95326

Note: P: Preliminary.

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

(US$ Million)

Item	Jul-Sep 2024			Jul-Sep 2025 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**245798**	**266630**	**-20832**	**266735**	**279027**	**-12292**
1.A Goods and Services (1.A.a+1.A.b)	**194051**	**238120**	**-44069**	**211018**	**247574**	**-36555**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**100645**	**189176**	**-88530**	**109397**	**196840**	**-87443**
1.A.a.1 General merchandise on a BOP basis	100660	168484	-67825	109128	177811	-68683
1.A.a.2 Net exports of goods under merchanting	-14	0	-14	268	0	268
1.A.a.3 Nonmonetary gold		20691	-20691		19029	-19029
1.A.b Services (1.A.b.1 to 1.A.b.13)	**93406**	**48945**	**44461**	**101622**	**50734**	**50888**
1.A.b.1 Manufacturing services on physical inputs owned by others	276	20	256	193	29	164
1.A.b.2 Maintenance and repair services n.i.e.	90	263	-172	102	359	-258
1.A.b.3 Transport	8668	9188	-520	7768	8726	-958
1.A.b.4 Travel	7635	9367	-1732	6813	9457	-2645
1.A.b.5 Construction	1263	951	312	1317	959	358
1.A.b.6 Insurance and pension services	885	786	100	964	724	240
1.A.b.7 Financial services	2190	1265	926	1816	615	1200
1.A.b.8 Charges for the use of intellectual property n.i.e.	448	3877	-3428	423	4493	-4070
1.A.b.9 Telecommunications, computer, and information services	44772	5333	39439	50359	6398	43961
1.A.b.10 Other business services	25176	15548	9628	29471	16129	13342
1.A.b.11 Personal, cultural, and recreational services	1107	1794	-688	1363	1591	-228
1.A.b.12 Government goods and services n.i.e.	147	316	-169	154	306	-152
1.A.b.13 Others n.i.e.	747	238	509	879	945	-66
1.B Primary Income (1.B.1 to 1.B.3)	**16472**	**25665**	**-9193**	**16677**	**28870**	**-12193**
1.B.1 Compensation of employees	1995	1023	972	2159	1111	1048
1.B.2 Investment income	13047	24205	-11158	12257	26432	-14174
1.B.2.1 Direct investment	2923	12884	-9961	2965	15098	-12133
1.B.2.2 Portfolio investment	78	4152	-4074	103	4444	-4341
1.B.2.3 Other investment	1168	6945	-5778	1106	6723	-5617
1.B.2.4 Reserve assets	8878	223	8655	8084	168	7916
1.B.3 Other primary income	1430	438	992	2261	1327	933
1.C Secondary Income (1.C.1+1.C.2)	**35275**	**2844**	**32430**	**39040**	**2584**	**36456**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	35247	2564	32683	39006	2378	36628
1.C.1.1 Personal transfers (Current transfers between resident and/non-resident households)	34422	1803	32619	38157	1748	36410
1.C.1.2 Other current transfers	826	761	64	848	630	218
1.C.2 General government	27	280	-253	34	206	-172
2 Capital Account (2.1+2.2)	**186**	**197**	**-11**	**213**	**370**	**-157**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	7	68	-61	25	268	-242
2.2 Capital transfers	179	129	50	188	103	86
3 Financial Account (3.1 to 3.5)	**317198**	**295906**	**21292**	**383966**	**372334**	**11631**
3.1 Direct Investment (3.1A+3.1B)	**21137**	**23958**	**-2821**	**25940**	**23065**	**2876**
3.1.A Direct Investment in India	20589	15622	4967	25155	13839	11317
3.1.A.1 Equity and investment fund shares	19280	15016	4264	23446	13265	10180
3.1.A.1.1 Equity other than reinvestment of earnings	13846	15016	-1171	17373	13265	4107
3.1.A.1.2 Reinvestment of earnings	5435		5435	6073		6073
3.1.A.2 Debt instruments	1309	606	702	1709	573	1136
3.1.A.2.1 Direct investor in direct investment enterprises	1309	606	702	1709	573	1136
3.1.B Direct Investment by India	548	8336	-7788	785	9226	-8441
3.1.B.1 Equity and investment fund shares	548	6295	-5747	785	7275	-6490
3.1.B.1.1 Equity other than reinvestment of earnings	548	4583	-4035	785	5373	-4588
3.1.B.1.2 Reinvestment of earnings		1712	-1712		1902	-1902
3.1.B.2 Debt instruments	0	2041	-2041	0	1951	-1951
3.1.B.2.1 Direct investor in direct investment enterprises		2041	-2041		1951	-1951
3.2 Portfolio Investment	**182108**	**162258**	**19850**	**135580**	**141327**	**-5747**
3.2.A Portfolio Investment in India	181433	161618	19815	134786	140255	-5468
3.2.1 Equity and investment fund shares	160273	149590	10683	113496	122643	-9147
3.2.2 Debt securities	21160	12028	9132	21290	17612	3678
3.2.B Portfolio Investment by India	675	640	35	794	1072	-279
3.3 Financial derivatives (other than reserves) and employee stock options	**6359**	**11892**	**-5533**	**5820**	**9441**	**-3621**
3.4 Other investment	**107594**	**79185**	**28409**	**205708**	**198502**	**7206**
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	29240	22753	6487	23330	20928	2402
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	319	0	319	0	52	-52
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	28921	22753	6167	23330	20876	2454
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)	44398	40654	3744	160456	160526	-70
3.4.3.A Loans to India	39333	32600	6733	20005	18421	1584
3.4.3.B Loans by India	5065	8054	-2989	140451	142105	-1654
3.4.4 Insurance, pension, and standardized guarantee schemes	47	3	44	45	65	-21
3.4.5 Trade credit and advances	19650	14330	5320	17638	14699	2938
3.4.6 Other accounts receivable/payable - other	14259	1444	12814	4241	2284	1957
3.4.7 Special drawing rights	0		0	0		0
3.5 Reserve assets	**0**	**18614**	**-18614**	**10917**	**0**	**10917**
3.5.1 Monetary gold			0			0
3.5.2 Special drawing rights n.a.		0	0		0	0
3.5.3 Reserve position in the IMF n.a.			0			0
3.5.4 Other reserve assets (Foreign Currency Assets)	0	18614	-18614	10917	0	10917
4 Total assets/liabilities	**317198**	**295906**	**21292**	**383966**	**372334**	**11631**
4.1 Equity and investment fund shares	187183	183437	3746	144385	153761	-9376
4.2 Debt instruments	115757	92412	23345	224422	216289	8134
4.3 Other financial assets and liabilities	14259	20058	-5799	15158	2284	12874
5 Net errors and omissions	**0**	**448**	**-448**	**818**	**0**	**818**

Note: P: Preliminary.

No. 42: Standard Presentation of BoP in India as per BPM6

(₹ Crore)

Item	Jul-Sep 2024			Jul-Sep 2025 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**2058959**	**2233464**	**-174505**	**2329091**	**2436427**	**-107336**
1.A Goods and Services (1.A.a+1.A.b)	**1625497**	**1994649**	**-369152**	**1842580**	**2161777**	**-319196**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**843069**	**1584657**	**-741588**	**955235**	**1718776**	**-763542**
1.A.a.1 General merchandise on a BOP basis	843190	1411333	-568142	952892	1552621	-599729
1.A.a.2 Net exports of goods under merchanting	-121	0	-121	2342	0	2342
1.A.a.3 Nonmonetary gold	0	173325	-173325	0	166155	-166155
1.A.b Services (1.A.b.1 to 1.A.b.13)	**782427**	**409991**	**372436**	**887346**	**443000**	**444345**
1.A.b.1 Manufacturing services on physical inputs owned by others	2316	169	2147	1683	253	1430
1.A.b.2 Maintenance and repair services n.i.e.	755	2199	-1444	890	3139	-2249
1.A.b.3 Transport	72610	76965	-4355	67832	76194	-8362
1.A.b.4 Travel	63958	78464	-14506	59486	82579	-23093
1.A.b.5 Construction	10580	7963	2616	11499	8374	3125
1.A.b.6 Insurance and pension services	7417	6581	836	8416	6323	2093
1.A.b.7 Financial services	18349	10595	7754	15855	5374	10482
1.A.b.8 Charges for the use of intellectual property n.i.e.	3754	32473	-28719	3693	39235	-35543
1.A.b.9 Telecommunications, computer, and information services	375037	44672	330366	439727	55864	383863
1.A.b.10 Other business services	210894	130244	80650	257337	140839	116498
1.A.b.11 Personal, cultural, and recreational services	9269	15029	-5760	11899	13895	-1995
1.A.b.12 Government goods and services n.i.e.	1228	2643	-1415	1348	2675	-1326
1.A.b.13 Others n.i.e.	6260	1994	4266	7679	8256	-577
1.B Primary Income (1.B.1 to 1.B.3)	**137980**	**214990**	**-77010**	**145621**	**252086**	**-106466**
1.B.1 Compensation of employees	16712	8568	8145	18851	9698	9153
1.B.2 Investment income	109290	202753	-93463	107030	230798	-123768
1.B.2.1 Direct investment	24485	107928	-83443	25888	131832	-105944
1.B.2.2 Portfolio investment	653	34776	-34123	901	38803	-37902
1.B.2.3 Other investment	9783	58180	-48396	9655	58701	-49046
1.B.2.4 Reserve assets	74369	1870	72499	70587	1463	69124
1.B.3 Other primary income	11978	3669	8309	19739	11590	8149
1.C Secondary Income (1.C.1+1.C.2)	**295482**	**23825**	**271657**	**340890**	**22564**	**318327**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	295252	21478	273775	340593	20762	319831
1.C.1.1 Personal transfers (Current transfers between resident and/non-resident households)	288337	15102	273235	333185	15259	317926
1.C.1.2 Other current transfers	6915	6376	539	7408	5503	1905
1.C.2 General government	230	2347	-2117	297	1801	-1504
2 Capital Account (2.1+2.2)	**1558**	**1649**	**-91**	**1863**	**3233**	**-1370**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	57	570	-513	220	2338	-2117
2.2 Capital transfers	1501	1079	422	1642	895	747
3 Financial Account (3.1 to 3.5)	**2657054**	**2478702**	**178352**	**3352732**	**3251167**	**101565**
3.1 Direct Investment (3.1A+3.1B)	**177057**	**200687**	**-23630**	**226507**	**201396**	**25112**
3.1.A Direct Investment in India	172466	130862	41604	219652	120836	98816
3.1.A.1 Equity and investment fund shares	161505	125784	35720	204726	115832	88894
3.1.A.1.1 Equity other than reinvestment of earnings	115979	125784	-9805	151696	115832	35864
3.1.A.1.2 Reinvestment of earnings	45525	0	45525	53031	0	53031
3.1.A.2 Debt instruments	10961	5078	5884	14926	5004	9922
3.1.A.2.1 Direct investor in direct investment enterprises	10961	5078	5884	14926	5004	9922
3.1.B Direct Investment by India	4591	69825	-65234	6855	80560	-73705
3.1.B.1 Equity and investment fund shares	4591	52730	-48139	6855	63527	-56672
3.1.B.1.1 Equity other than reinvestment of earnings	4591	38393	-33802	6855	46915	-40060
3.1.B.1.2 Reinvestment of earnings	0	14337	-14337	0	16612	-16612
3.1.B.2 Debt instruments	0	17095	-17095	0	17033	-17033
3.1.B.2.1 Direct investor in direct investment enterprises	0	17095	-17095	0	17033	-17033
3.2 Portfolio Investment	**1525455**	**1359178**	**166277**	**1183864**	**1234045**	**-50181**
3.2.A Portfolio Investment in India	1519799	1353816	165984	1176935	1224684	-47749
3.2.1 Equity and investment fund shares	1342550	1253064	89486	991031	1070898	-79866
3.2.2 Debt securities	177250	100752	76498	185903	153786	32117
3.2.B Portfolio Investment by India	5656	5363	293	6929	9361	-2432
3.3 Financial derivatives (other than reserves) and employee stock options	**53269**	**99618**	**-46349**	**50820**	**82434**	**-31614**
3.4 Other investment	**901273**	**663300**	**237973**	**1796215**	**1733292**	**62922**
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	244933	190597	54337	203712	182742	20971
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	2675	0	2675	0	457	-457
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	242259	190597	51662	203712	182285	21427
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)	371907	340546	31361	1401074	1401687	-613
3.4.3.A Loans to India	329476	273079	56397	174678	160850	13828
3.4.3.B Loans by India	42431	67467	-25036	1226396	1240837	-14441
3.4.4 Insurance, pension, and standardized guarantee schemes	393	25	368	389	569	-180
3.4.5 Trade credit and advances	164601	120034	44566	154008	128350	25658
3.4.6 Other accounts receivable/payable - other	119439	12098	107341	37031	19945	17086
3.4.7 Special drawing rights	0	0	0	0	0	0
3.5 Reserve assets	**0**	**155919**	**-155919**	**95326**	**0**	**95326**
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	155919	-155919	95326	0	95326
4 Total assets/liabilities	**2657054**	**2478702**	**178352**	**3352732**	**3251167**	**101565**
4.1 Equity and investment fund shares	1567963	1536583	31380	1260751	1342621	-81870
4.2 Debt instruments	969652	774102	195550	1959624	1888601	71023
4.3 Other financial assets and liabilities	119439	168016	-48578	132357	19945	112412
5 Net errors and omissions	**0**	**3756**	**-3756**	**7142**	**0**	**7142**

Note: P: Preliminary.

No. 43: India's International Investment Position

(US$ Million)

Item	As on Financial Year/Quarter End							
	2024-25		2024		2025			
			Jun.		Mar.		Jun.	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	1	2	3	4	5	6	7	8
1. Direct investment Abroad/in India	270441	556903	246653	552829	270441	556903	278867	571227
1.1 Equity Capital*	173559	521931	156635	520605	173559	521931	179580	535378
1.2 Other Capital	96882	34972	90018	32224	96882	34972	99287	35849
2. Portfolio investment	15426	272042	12410	277347	15426	272042	16305	272544
2.1 Equity	10391	141938	10665	160898	10391	141938	13111	147392
2.2 Debt	5034	130104	1745	116449	5034	130104	3193	125152
3. Other investment	186700	641155	140909	588623	186700	641155	195426	657723
3.1 Trade credit	33422	131164	32822	125907	33422	131164	33782	131887
3.2 Loan	25891	250109	20803	224491	25891	250109	24464	259789
3.3 Currency and Deposits	79332	167598	57747	160628	79332	167598	82528	171749
3.4 Other Assets/Liabilities	48055	92285	29537	77597	48055	92285	54651	94298
4. Reserves	668326		651997		668326		698118	
5. Total Assets/ Liabilities	1140893	1470099	1051969	1418799	1140893	1470099	1188715	1501494
6. Net IIP (Assets - Liabilities)	-329206		-366830		-329206		-312779	

Note: * Equity capital includes share of investment funds and reinvested earnings.

Payment and Settlement Systems

No. 44: 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	
		Oct.	Sep.	Oct.		Oct.	Sep.	Oct.
	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	3.59	4.95	4.25	296218030	25730864	30270023	30434601
1.1 Govt. Securities Clearing (1.1.1 to 1.1.3)	17.87	1.69	1.75	1.63	185733719	16664120	18003263	18365111
1.1.1 Outright	10.56	1.04	1.04	0.95	16056018	1626397	1499643	1439939
1.1.2 Repo	4.72	0.41	0.48	0.46	77286611	6573748	7926471	8365990
1.1.3 Tri-party Repo	2.58	0.23	0.23	0.23	92391091	8463975	8577149	8559182
1.2 Forex Clearing	28.06	1.74	3.11	2.51	100639565	8046345	11417001	11161871
1.3 Rupee Derivatives @	1.46	0.16	0.09	0.11	9844746	1020399	849759	907620
B. Payment Systems								
I Financial Market Infrastructures (FMIs)	-	-	-	-	-	-	-	-
1 Credit Transfers - RTGS (1.1 to 1.2)	3024.55	267.92	280.83	296.76	201387682	17070975	19836942	18732702
1.1 Customer Transactions	3010.32	266.69	279.64	295.56	181153129	15418778	18220475	17108666
1.2 Interbank Transactions	14.23	1.23	1.19	1.20	20234553	1652197	1616467	1624036
II Retail								
2 Credit Transfers - Retail (2.1 to 2.6)	2061014.91	185187.17	213074.92	224318.23	79881976	7358283	7543380	7851867
2.1 AePS (Fund Transfers) @	3.64	0.31	0.26	0.27	190	17	12	12
2.2 APBS $	32964.43	4021.91	2542.90	2745.64	554034	69157	41746	43353
2.3 IMPS	56249.68	4668.23	3943.79	4035.88	7139110	629382	596847	641964
2.4 NACH Cr $	16938.86	1463.68	1850.43	1736.26	1670223	157479	149729	165141
2.5 NEFT	96198.05	9183.38	8403.21	8790.97	44461464	4152428	4265310	4273608
2.6 UPI @	1858660.25	165849.66	196334.33	207009.21	26056955	2349821	2489737	2727791
2.6.1 of which USSD @	17.24	1.64	0.94	1.14	185	18	10	13
3 Debit Transfers and Direct Debits (3.1 to 3.3)	21659.95	1871.73	1926.97	1964.66	2208583	189818	222919	223881
3.1 BHIM Aadhaar Pay @	230.08	24.54	18.90	20.58	6907	773	591	661
3.2 NACH Dr $	19762.28	1710.21	1786.47	1812.26	2199327	188844	222164	223048
3.3 NETC (linked to bank account) @	1667.59	136.98	121.60	131.82	2349	202	164	172
4 Card Payments (4.1 to 4.2)	63861.15	5759.31	5999.80	6279.14	2605110	248619	253483	256373
4.1 Credit Cards (4.1.1 to 4.1.2)	47740.76	4332.14	4952.41	5182.90	2109197	201789	216707	214230
4.1.1 PoS based $	24571.10	2196.73	2416.15	2609.42	795022	79293	72544	88357
4.1.2 Others $	23169.66	2135.41	2536.26	2573.48	1314175	122496	144163	125873
4.2 Debit Cards (4.2.1 to 4.2.1)	16120.39	1427.17	1047.39	1096.25	495914	46830	36776	42143
4.2.1 PoS based $	11980.33	1060.17	777.56	828.79	332556	32091	22773	29104
4.2.2 Others $	4140.06	367.00	269.83	267.46	163358	14738	14003	13039
5 Prepaid Payment Instruments (5.1 to 5.2)	70254.08	5977.88	8551.51	8939.26	216751	20419	22637	24227
5.1 Wallets	52898.40	4425.20	6871.58	7281.56	154066	13074	17183	18515
5.2 Cards (5.2.1 to 5.2.2)	17355.68	1552.68	1679.93	1657.70	62686	7345	5454	5712
5.2.1 PoS based $	8240.14	718.88	688.72	649.16	11512	981	1092	1274
5.2.2 Others $	9115.54	833.81	991.22	1008.54	51174	6365	4362	4437
6 Paper-based Instruments (6.1 to 6.2)	6095.38	546.98	464.86	452.12	7113350	624057	570467	574554
6.1 CTS (NPCI Managed)	6095.38	546.98	464.86	452.12	7113350	624057	570467	574554
6.2 Others	0.00	–	–	–	–	–	–	–
Total - Retail Payments (2+3+4+5+6)	2222885.46	199343.07	230018.06	241953.42	92025771	8441196	8612885	8930903
Total Payments (1+2+3+4+5+6)	2225910.01	199610.99	230298.89	242250.18	293413453	25512171	28449827	27663605
Total Digital Payments (1+2+3+4+5)	2219814.63	199064.01	229834.03	241798.06	286300103	24888114	27879360	27089051

PART II - Payment Modes and Channels

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2024-25	2024	2025		FY 2024-25	2024	2025	
		Oct.	Sep.	Oct.		Oct.	Sep.	Oct.
	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	154876.80	181008.61	190876.05	39206221	3532243	3618114	3928496
1.1 Intra-bank $	110801.96	9126.58	10469.49	10981.41	7207439	657333	633733	687557
1.2 Inter-bank $	1646174.95	145750.22	170539.12	179894.64	31998782	2874910	2984381	3240939
2 Internet Payments (Netbanking / Internet Browser Based) @ (2.1 to 2.2)	47478.09	4259.90	3755.37	3803.42	131858133	11281098	13654298	13199799
2.1 Intra-bank @	13056.37	1152.19	853.80	872.08	69086996	5801815	7091903	6840494
2.2 Inter-bank @	34421.72	3107.71	2901.57	2931.34	62771136	5479282	6562395	6359305
B. ATMs								
3 Cash Withdrawal at ATMs $ (3.1 to 3.3)	60308.11	5545.04	4395.48	4661.98	3063077	285506	230952	251643
3.1 Using Credit Cards $	97.25	8.32	6.69	7.12	5084	444	369	404
3.2 Using Debit Cards $	59965.70	5515.23	4370.90	4636.34	3046987	284076	229713	250321
3.3 Using Pre-paid Cards $	245.16	21.49	17.89	18.53	11005	985	870	917
4 Cash Withdrawal at PoS $ (4.1 to 4.2)	3.58	0.29	0.12	0.15	37	3	2	2
4.1 Using Debit Cards $	3.33	0.28	0.10	0.13	35	3	1	2
4.2 Using Pre-paid Cards $	0.25	0.01	0.02	0.02	3	0	0	0
5 Cash Withrawal at Micro ATMs @	11640.55	1227.30	1034.96	1084.34	296622	31480	26356	29379
5.1 AePS @	11640.55	1227.30	1034.96	1084.34	296622	31480	26356	29379

PART III - Payment Infrastructures (Lakh)

System	As on March 2025	2024	2025	
		Oct.	Sep.	Oct.
	1	2	3	4
Payment System Infrastructures				
1 Number of Cards (1.1 to 1.2)	11006.97	10878.00	11381.99	11411.69
1.1 Credit Cards	1098.85	1068.90	1133.90	1140.18
1.2 Debit Cards	9908.12	9809.11	10248.09	10271.50
2 Number of PPIs @ (2.1 to 2.2)	13401.46	15503.38	16180.40	17710.95
2.1 Wallets @	8678.44	11439.31	11478.95	12993.66
2.2 Cards @	4723.02	4064.07	4701.45	4717.28
3 Number of ATMs (3.1 to 3.2)	2.56	2.56	2.49	2.50
3.1 Bank owned ATMs $	2.20	2.21	2.12	2.13
3.2 White Label ATMs $	0.36	0.35	0.37	0.37
4 Number of Micro ATMs @	14.82	14.51	14.60	14.65
5 Number of PoS Terminals	110.98	95.09	121.24	123.17
6 Bharat QR @	67.18	64.31	60.95	60.73
7 UPI QR *	6579.30	6168.52	7090.66	7175.25

@: 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

Note: 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. 45: 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. 46 : Ownership Pattern of Central and State Governments Securities

(Per cent)

Central Government Dated Securities					
Category	2024		2025		
	Sep.	Dec.	Mar.	Jun.	Sep.
	1	2	3	4	5
(A) Total (in ₹. Crore)	**11271589**	**11422728**	**11642652**	**11854200**	**12137000**
1 Commercial Banks	37.55	37.98	36.18	35.28	35.43
2 Co-operative Banks	1.35	1.36	1.29	1.29	1.32
3 Non-Bank PDs	0.77	0.65	0.76	0.59	0.60
4 Insurance Companies	25.95	26.14	25.81	25.95	25.81
5 Mutual Funds	3.14	3.11	2.68	2.46	2.77
6 Provident Funds	4.25	4.25	4.24	4.35	4.45
7 Pension Funds	4.86	5.05	4.91	4.96	4.90
8 Financial Institutions	0.63	0.64	0.71	0.74	0.76
9 Corporates	1.60	1.45	1.49	1.26	1.25
10 Foreign Portfolio Investors	2.80	2.81	3.12	2.80	2.97
11 RBI	11.16	10.55	12.78	14.21	13.54
12 Others	5.92	6.01	6.01	6.13	6.22
12.1 State Governments	2.19	2.21	2.25	2.29	2.37

State Governments Securities					
Category	2024		2025		
	Sep.	Dec.	Mar.	Jun.	Sep.
	1	2	3	4	5
(B) Total (in ₹. Crore)	**5909490**	**6055711**	**6399564**	**6524417**	**6721556**
1 Commercial Banks	34.39	35.11	35.40	35.54	35.00
2 Co-operative Banks	3.29	3.22	3.08	3.02	3.06
3 Non-Bank PDs	0.60	0.53	0.61	0.60	0.65
4 Insurance Companies	25.56	25.16	24.07	24.12	24.12
5 Mutual Funds	1.93	1.89	1.93	1.84	2.16
6 Provident Funds	23.02	22.90	23.60	23.72	23.65
7 Pension Funds	4.87	4.82	5.07	4.96	5.10
8 Financial Institutions	1.57	1.58	1.48	1.59	1.61
9 Corporates	1.95	1.97	2.05	1.93	1.93
10 Foreign Portfolio Investors	0.04	0.03	0.05	0.02	0.02
11 RBI	0.60	0.58	0.55	0.54	0.53
12 Others	2.18	2.19	2.10	2.12	2.17
12.1 State Governments	0.26	0.26	0.25	0.25	0.27

Treasury Bills					
Category	2024		2025		
	Sep.	Dec.	Mar.	Jun.	Sep.
	1	2	3	4	5
(C) Total (in ₹. Crore)	**747242**	**760045**	**790381**	**784059**	**754280**
1 Commercial Banks	44.74	40.45	46.58	42.87	39.45
2 Co-operative Banks	1.58	1.22	2.17	1.80	1.58
3 Non-Bank PDs	2.28	1.41	2.09	1.10	2.03
4 Insurance Companies	5.26	4.73	4.23	4.07	4.26
5 Mutual Funds	15.06	15.41	16.15	15.72	17.60
6 Provident Funds	0.26	0.04	0.20	0.09	0.07
7 Pension Funds	0.00	0.00	0.02	0.00	0.00
8 Financial Institutions	6.36	6.77	7.73	6.31	6.34
9 Corporates	4.66	4.56	4.50	3.77	3.80
10 Foreign Portfolio Investors	0.15	0.12	0.09	0.02	0.01
11 RBI	0.00	0.00	0.00	0.00	0.00
12 Others	19.65	25.29	16.23	24.26	24.85
12.1 State Governments	14.95	20.11	11.23	18.34	18.53

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. 47: 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. 48: Financial Accommodation Availed by State Governments under various Facilities

(₹ Crore)

Sr. No	State/Union Territory	During October-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	6932.04	31	1894.93	26	1684.23	9
2	Arunachal Pradesh	-	-	-	-	-	-
3	Assam	-	-	-	-	-	-
4	Bihar	-	-	-	-	-	-
5	Chhattisgarh	-	-	-	-	-	-
6	Goa	-	-	-	-	-	-
7	Gujarat	-	-	-	-	-	-
8	Haryana	1061.91	24	692.70	1	-	-
9	Himachal Pradesh	-	-	571.66	24	76.50	2
10	Jammu & Kashmir UT	36.79	9	381.36	8	-	-
11	Jharkhand	-	-	-	-	-	-
12	Karnataka	-	-	-	-	-	-
13	Kerala	975.57	9	456.75	3	-	-
14	Madhya Pradesh	-	-	-	-	-	-
15	Maharashtra	-	-	-	-	-	-
16	Manipur	-	-	-	-	-	-
17	Meghalaya	204.03	18	-	-	-	-
18	Mizoram	-	-	-	-	-	-
19	Nagaland	33.54	1	-	-	-	-
20	Odisha	-	-	-	-	-	-
21	Puducherry	-	-	-	-	-	-
22	Punjab	5441.34	31	983.80	19	-	-
23	Rajasthan	3042.44	12	651.85	6	-	-
24	Tamil Nadu	-	-	-	-	-	-
25	Telangana	4711.92	31	508.75	14	-	-
26	Tripura	-	-	-	-	-	-
27	Uttar Pradesh	-	-	-	-	-	-
28	Uttarakhand	462.75	31	-	-	-	-
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. 49: Investments by State Governments

(₹ Crore)

Sr. No	State/Union Territory	As on end of October 2025			
		Consolidated Sinking Fund (CSF)	Guarantee Redemption Fund (GRF)	Government Securities	Auction Treasury Bills (ATBs)
	1	2	3	4	5
1	Andhra Pradesh	12201	1202	0	0
2	Arunachal Pradesh	3101	8	0	8000
3	Assam	8176	95	0	0
4	Bihar	15088	993	0	16000
5	Chhattisgarh	8667	1008	0	12676
6	Goa	1183	482	0	0
7	Gujarat	16075	702	0	2500
8	Haryana	2747	1798	0	0
9	Himachal Pradesh	-	-	0	0
10	Jammu & Kashmir UT	56	55	0	0
11	Jharkhand	3154	-	0	0
12	Karnataka	21322	1761	0	41160
13	Kerala	3396	0	0	0
14	Madhya Pradesh	-	1342	0	1500
15	Maharashtra	73818	3246	0	0
16	Manipur	73	148	0	0
17	Meghalaya	1341	114	0	0
18	Mizoram	531	84	0	0
19	Nagaland	1997	49	0	0
20	Odisha	19216	2157	0	21260
21	Puducherry	611	-	0	2350
22	Punjab	10585	978	0	0
23	Rajasthan	2960	1457	0	5550
24	Tamil Nadu	3625	-	0	4718
25	Telangana	8321	1826	0	0
26	Tripura	1387	31	0	0
27	Uttarakhand	5965	321	0	0
28	Uttar Pradesh	22769	5539	0	25000
29	West Bengal	15061	1139	0	9000
	Total	**263427**	**26536**	**0**	**149715**

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. 50: Market Borrowings of State Governments

(₹ Crore)

Sr. No.	State	2023-24		2024-25		2025-26						Total amount raised, so far in 2025-26	
						August		September		October			
		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	5000	3800	5000	4000	3900	2400	46072	35572
2	Arunachal Pradesh	902	672	1010	704	-	-	-	-	-	-	-	-130
3	Assam	18500	16000	19000	13850	1104	1104	2300	1800	-	-500	8304	6354
4	Bihar	47612	29910	47546	30890	6000	6000	14000	11922	5500	4000	31500	27922
5	Chhattisgarh	32000	26213	24500	16913	-	-	500	500	2000	-	6470	3770
6	Goa	2550	1560	1050	250	300	200	200	-	200	200	1000	300
7	Gujarat	30500	11947	38200	16280	3500	2500	3000	700	3000	700	22500	9140
8	Haryana	47500	28364	49500	31710	3000	2000	3500	1500	6000	6000	25500	15970
9	Himachal Pradesh	8072	5856	7359	4725	1500	1000	-	-200	200	-300	6619	4769
10	Jammu & Kashmir UT	16337	13904	13170	11416	1100	650	700	700	1000	860	6405	4815
11	Jharkhand	1000	-2505	3500	-2005	-	-	2000	2000	-	-500	2000	500
12	Karnataka	81000	63003	92025	71525	-	-	-	-	-	-3000	-	-4000
13	Kerala	42438	26638	53666	37966	4988	1988	5000	5000	2000	500	28988	17488
14	Madhya Pradesh	38500	26264	63400	47206	8800	7300	7000	5000	8200	8200	39077	33077
15	Maharashtra	110000	79738	123000	90917	12000	9000	8500	5500	19000	16000	85000	68000
16	Manipur	1426	1076	1500	1037	-	-	350	350	-	-	1350	1000
17	Meghalaya	1364	912	1882	997	300	-	500	500	-	-360	1650	770
18	Mizoram	901	641	1169	939	100	100	150	90	110	110	585	450
19	Nagaland	2551	2016	1550	950	-	-	400	250	-	-	400	50
20	Odisha	0	-4658	20780	17780	2000	2000	1000	1000	1000	1000	7000	7000
21	Puducherry	1100	475	1600	880	-	-	350	350	-	-125	550	225
22	Punjab	42386	29517	40828	32466	1500	-	2933	1521	4000	2500	29233	20079
23	Rajasthan	73624	49718	75185	49479	6000	5000	3000	500	10000	7980	48100	32518
24	Sikkim	1916	1701	1951	1621	-	-	500	500	500	500	1000	1000
25	Tamil Nadu	113001	75970	123625	89894	8000	5600	9000	7500	11000	6525	59300	37175
26	Telangana	49618	39385	56209	42199	8000	7200	12000	10800	5000	3798	50900	39550
27	Tripura	0	-550	0	-150	-	-	-	-	-	-	800	600
28	Uttar Pradesh	97650	85335	45000	23185	3000	2000	-	-2000	5500	1524	17500	-709
29	Uttarakhand	6300	3800	10400	8000	-	-500	-	-500	1500	1250	4500	2500
30	West Bengal	69910	48910	76500	54600	5500	4000	5500	4000	1500	500	25500	16000
	Grand Total	1007058	717140	1073310	753345	81692	60942	87383	63283	91110	59763	557802	381755

- : 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. 51 (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. 51 (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. 51 (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. 51 (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. 51 (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. 51 (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.
1.1: Notes in Circulation include CBDC-Retail (R) and CBDC-Wholesale (W).
1.4: Cash on Hand with Banks includes CBDC-W.
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. 25

Primary Dealers (PDs) include banks undertaking PD business.

Table No. 31

Exclude private placement and offer for sale.

1: Exclude bonus shares.

2: Include cumulative convertible preference shares and equi-preference shares.

Table No. 33

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. 35

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. 36

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

Table No. 37

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. 38

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

Table Nos. 39, 40, 41 & 42

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

Table No. 44

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. 46

(-) 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. 47

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. 48

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. 49

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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5. Report on Currency and Finance 2023-24	₹575 per copy (over the counter) ₹625 per copy (inclusive of postal charges)	US$ 22 per copy (inclusive of air mail courier charges)
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 - October 2025	Included in RBI Bulletin October 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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