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MONETARY POLICY STATEMENT
(FEBRUARY 5~7) 2024~25

Governor's Statement

*Governor's Statement**

Sanjay Malhotra

The Monetary Policy Committee (MPC) met on 5th, 6th and 7th of this month. You are aware that the Governor's Statement after the MPC meeting contains not only the resolution of the MPC with regard to the policy rate and stance but also other announcements and measures, which have a bearing on the monetary and regulatory policies. The MPC resolution is of course of interest to a large number of people from various walks of life, as it impacts the lives of virtually all citizens of the country. The resolution also provides the rationale and the thought process of the MPC, and is of relevance to businesses, economists, academicians and the finance world. Apart from these MPC related announcements, the Governor's statement has become an important medium for the Reserve Bank to highlight its priorities on which it would like the regulated entities to focus their energies on. It is an opportunity to point out areas of concern and challenges for the stakeholders to address their attention to. It is an occasion for the Reserve Bank to articulate its views on critical areas of interest. I will continue with this practice of a detailed statement.

Before I come to the resolution of the MPC, allow me a moment to reflect on the experience of flexible inflation targeting (FIT) framework, introduced in the year 2016 and reviewed in 2021. I believe that it has served the Indian economy well over these years, including the challenging period since the pandemic. The average inflation has been lower post the introduction of FIT. Moreover, CPI inflation has mostly stayed aligned with the target, barring a few occasions of breaching the upper tolerance band since its inception. We will continue to improve the macroeconomic outcomes in the best interest of the economy using the flexibility embedded in the framework while responding to the evolving growth-inflation dynamics. Moreover, we will strive to

further refine the building blocks of this framework by making advances in the use of new data, improving nowcasting and forecasting of key macroeconomic variables and developing more robust models.

On the regulatory front, I would like to mention, especially in the context of some of the proposed regulatory changes pertaining to liquidity coverage ratio (LCR), expected credit loss (ECL) framework for provisioning by banks, and the prudential norms governing projects under implementation, that we will continue to strengthen, rationalise and refine the prudential and conduct-related regulatory framework in the overall interest of the economy. The interest of the economy demands financial stability and consumer protection. Our mandate is to enhance both of them. At the same time, economic interest also warrants increasing efficiency, which too is our duty. We recognise that just like there are no free lunches, regulation to enhance stability and consumer protection too is not devoid of costs. There are trade-offs between stability and efficiency. We will keep this trade-off in mind while formulating regulations. It will be our attempt to strike the right balance, keeping in view the benefits and costs of each and every regulation. I also want to reassure all stakeholders that we will continue the consultative process in regulation-making. The suggestions of stakeholders are valuable and we will give serious consideration to them before taking any major decision. We will also ensure that the implementation of such regulations is smooth; we will give sufficient time for transition and where regulations have major implications, the implementation will be done in a phased manner.

The global economic backdrop remains challenging. The global economy is growing below the historical average¹ even though high frequency indicators suggest resilience² along with continued

¹ According to the World Economic Outlook update, IMF (January 2025), global growth is projected at 3.3 per cent both in 2025 and 2026, below the historical (2000-19) average of 3.7 per cent.

² The global composite PMI at 51.8 in January 2025 remained in the expansion zone even as services sector activity eased. The global manufacturing PMI at 50.1 also returned to the expansion zone after six months of contraction.

* Governor's Statement - February 7, 2025.

expansion in trade.³ Progress on global disinflation is stalling, hindered by services price inflation.

With receding expectations on the size and pace of rate cuts in the US, the US dollar has strengthened and bond yields have hardened. Emerging Market Economies (EMEs) have witnessed large capital outflows, leading to sharp depreciation of their currencies and tightening of financial conditions. Divergent trajectories of monetary policy across advanced economies, lingering geopolitical tensions and elevated trade and policy uncertainties have exacerbated financial market volatility. Such an uncertain global environment has posed difficult policy trade-offs for EMEs.

The Indian economy, though continuing to remain strong and resilient, also did not remain immune to these global headwinds, with the Indian Rupee coming under depreciation pressure in the recent months.⁴ At the Reserve Bank, we have been employing all tools at our disposal to face the multi-pronged challenges.

Decisions of the Monetary Policy Committee (MPC)

In this backdrop, the MPC, after a detailed assessment of the evolving macroeconomic and financial developments and the economic outlook, decided unanimously to reduce the policy repo rate by 25 basis points from 6.50 per cent to 6.25 per cent. Consequently, the standing deposit facility (SDF) rate shall be 6.00 per cent and the marginal standing facility (MSF) rate and the Bank Rate shall be 6.50 per cent. The MPC also decided unanimously to continue with the neutral stance and remain unambiguously focussed on a durable alignment of inflation with the target, while supporting growth.

I shall state the rationale for the decision in brief. The MPC noted that inflation has declined. Supported

by a favourable outlook on food and continuing transmission of past monetary policy actions, it is expected to further moderate in 2025-26, gradually aligning with the target. The MPC also noted that though growth is expected to recover from the low of Q2 of 2024-25, it is much below that of last year. These growth-inflation dynamics open up policy space for the MPC to support growth, while remaining focussed on aligning inflation with the target. Accordingly, the MPC decided to reduce the policy repo rate by 25 basis points to 6.25 per cent.

At the same time, excessive volatility in global financial markets and continued uncertainties about global trade policies coupled with adverse weather events pose risks to the growth and inflation outlook. This calls for the MPC to remain watchful. Accordingly, it decided to continue with a neutral stance. This will provide MPC the flexibility to respond to the evolving macroeconomic environment.

Assessment of Growth and Inflation

Growth

As per the first advance estimates, real GDP growth for the current year is estimated at 6.4 per cent, a softer expansion after a robust 8.2 per cent growth last year.⁵ Going forward, economic activity is expected to improve in the coming year. Agricultural activity remains upbeat on the back of healthy reservoir levels⁶ and bright *rabi* prospects.⁷ Manufacturing activity is expected to recover gradually in the second

³ World merchandise trade volume grew by 3.6 per cent (y-o-y) in November as per CPB Netherlands, World Trade Monitor.

⁴ The Indian rupee (INR) depreciated by 3.2 per cent against the US dollar since November 6, 2024, the day the presidential election results were announced in the US, largely mirroring the 2.4 per cent appreciation in the dollar index during the same period.

⁵ GVA of mining and quarrying, manufacturing, and electricity, gas and water supply is estimated to expand by 2.9 per cent, 5.3 per cent, and 6.8 per cent, respectively in 2024-25. Gross fixed capital formation (GFCF), the dominant component of real investment, is estimated to expand by 6.4 per cent as against 9.0 per cent growth in the last year. Private final consumption expenditure (PFCE) is estimated to grow at a robust pace of 7.3 per cent in 2024-25 vis-à-vis 4.0 per cent in the previous year. GVA of agriculture and allied activities accelerated to 3.8 per cent in 2024-25 from 1.4 per cent in the previous year. During April-December 2024, wholesale two-wheeler sales recorded 11.6 per cent growth. Work demand under MGNREGA contracted by 9.2 per cent during April-January 2024-25.

⁶ All-India water storage in 155 major reservoirs stands at 64 per cent of the total capacity as of January 30, 2025, as against 52 per cent a year ago and decadal average of 55 per cent.

⁷ As on January 31, 2025, *rabi* sowing has surpassed last year's level as well as normal sowing acreage by 1.5 per cent and 4.1 per cent, respectively.

half of this year and beyond.⁸ Early corporate results for Q3 indicate a mild recovery in the manufacturing sector.⁹ Mining and electricity are rebounding from monsoon related disruptions in Q2. Business expectations remain upbeat, as evidenced from the PMI manufacturing future output index.¹⁰ Services sector activity continues to be resilient.¹¹ PMI services, however, declined from its recent peak.¹²

On the demand side, rural demand continues to be on an uptrend, while urban consumption remains subdued with high frequency indicators providing mixed signals.¹³ Going forward, improving employment conditions,¹⁴ tax relief in the Union Budget, and moderating inflation,¹⁵ together with healthy agricultural activity bode well for household consumption. Government consumption expenditure is expected to remain modest.¹⁶ Higher capacity utilisation levels,¹⁷ robust business expectations¹⁸ and government policy support augur well for growth in

⁸ Manufacturing GVA growth decelerated in Q2:2024-25 on account of subdued results of petroleum products, iron and steel, and cement companies.

⁹ Operating profit of 393 listed private manufacturing companies expanded modestly by 0.9 per cent (y-o-y) during Q3:2024-25 as against a contraction of 5.4 per cent observed in Q2:2024-25.

¹⁰ PMI Manufacturing Future Output Index in January 2025 expanded to 65.1 from 62.5 in December 2024. Future Output Index has hovered above 60.0 since April 2023.

¹¹ E-way bills increased by 17.6 per cent in December 2024. GST revenues at ₹1.96 lakh crore rose by 12.3 per cent and toll collections expanded by 14.8 per cent during January 2025. Petroleum products consumption expanded by 2.1 per cent in December 2024. Aggregate bank credit and deposits registered growth of 12.5 per cent and 10.6 per cent, respectively, as on January 24, 2025.

¹² PMI services for January 2025 moderated to 56.5 from 59.3 in December 2024.

¹³ Domestic air passengers traffic rose by 10.8 per cent in December 2024 and 14.2 per cent in January 2025 so far.

¹⁴ According to quarterly periodic labour force survey (PLFS), urban unemployment rate dipped to 6.4 per cent in Q2:2024-25 from 6.6 per cent in the same quarter last year.

¹⁵ Combined consumer price index-based inflation moderated to 5.2 per cent in December 2024 from 6.2 per cent in October 2024.

¹⁶ Central government revenue expenditure (net of interest payments and subsidies) is budgeted to grow at 5.0 per cent in 2025-26 as against 7.9 per cent growth in 2024-25 (Revised Estimates).

¹⁷ As per the quarterly order books, inventories, and capacity utilisation (OBICUS) survey of the RBI, seasonally adjusted capacity utilisation (CU) of the manufacturing sector at 74.7 per cent in Q2:2024-25 is above the long-term average of 73.8 per cent.

¹⁸ As per the Industrial Outlook Survey (IOS) of RBI, manufacturing firms assessed marginal improvement in demand conditions in Q3:2024-25. Further, firms expect marginal improvement in Q4:2024-25 and significant improvement in H1:2025-26.

fixed investment.¹⁹ Continued buoyancy in services exports will support growth.²⁰ Global headwinds, however, continue to impart uncertainty to the outlook and pose downward risks. Taking all these factors into consideration, real GDP growth for the next year is projected at 6.7 per cent with Q1 at 6.7 per cent; Q2 at 7.0 per cent; Q3 at 6.5 per cent; and Q4 at 6.5 per cent. The risks are evenly balanced.

Inflation

Headline inflation, after moving above the upper tolerance band in October, has since registered a sequential moderation in November and December.²¹ Going ahead, food inflation pressures, absent any supply side shocks, should see a significant softening due to good *kharif* production,²² winter-easing in vegetable prices²³ and favourable *rabi* crop prospects. Core inflation is expected to rise but remain moderate. Rising uncertainty in global financial markets coupled with continuing volatility in energy prices and adverse weather events presents upside risks to the inflation trajectory.²⁴ Taking all these factors into consideration, CPI inflation for the current financial year is projected at 4.8 per cent with Q4 at 4.4 per cent. Assuming a normal monsoon, CPI inflation for the financial year 2025-26 is projected at 4.2 per cent with Q1 at 4.5 per cent; Q2 at 4.0 per cent; Q3 at 3.8 per cent; and Q4 at 4.2 per cent. The risks are evenly balanced.

¹⁹ As per the Union Budget 2025-26, the central government's capex is budgeted to expand by 10.1 per cent during 2025-26. Effective capital expenditure (including grants-in-aid to state governments for capital expenditure) is budgeted to grow at 17.4 per cent during the financial year.

²⁰ During April-December 2024, services export expanded by 13.3 per cent as compared with 5.1 per cent recorded in the same period previous year.

²¹ The CPI headline inflation moderated by 98 basis points between October and December 2024.

²² As per the first advance estimates of *kharif* production for 2024-25 released on November 5, 2024, rice production is expected to increase by 5.9 per cent, while *tur* and *moong* dal production is expected to be higher by 2.5 per cent and 19.8 per cent, respectively in 2024-25, compared to 2023-24.

²³ High frequency food price data from Department of Consumer Affairs (DCA) points to a significant month-on-month correction in prices of tomatoes, onions, and potatoes in January 2025.

²⁴ Indian basket crude oil prices registered a month-on-month decline of around (-) 2.8 per cent in November 2024, while it increased marginally by 0.4 per cent in December. In January 2025, Indian basket crude oil prices at US\$ 80 per barrel registered an increase of 9.4 per cent over December 2024.

External Sector

Coming to the external sector, India's current account deficit (CAD) moderated from 1.3 per cent of GDP in Q2 of last year to 1.2 per cent in Q2 of this year.²⁵ According to the World Bank, India, with an estimated inflow of 129.1 billion US dollars, continues to remain the largest recipient of remittances globally in 2024.²⁶ The CAD for this year is expected to remain well within the sustainable level. As on 31st January this year, India's foreign exchange reserves stood at 630.6 billion US dollars, providing an import cover of over 10 months.²⁷ Overall, India's external sector remains resilient as key indicators stay robust.²⁸

I would like to mention here that the Reserve Bank's exchange rate policy has remained consistent over the years. Our stated objective is to maintain orderliness and stability, without compromising market efficiency. Accordingly, our interventions in the forex market focus on smoothening excessive and disruptive volatility rather than targeting any specific exchange rate level or band. The exchange rate of the Indian Rupee is determined by market forces.

Liquidity and Financial Market Conditions

After remaining in surplus from July to November 2024, system liquidity – as measured by the average net position under the liquidity adjustment facility (LAF) – turned into deficit during December 2024 and January 2025. The drainage of liquidity is mainly attributed to advance tax payments in December 2024, capital outflows, forex operations and a significant pickup in currency in circulation in January this year.

It has been observed that some banks are reluctant to onlend in the uncollateralised call money market; instead, they are passively parking funds with

the Reserve Bank. We urge the banks to actively trade among themselves in the uncollateralised call money market to make it deeper and vibrant for better signal extraction from the weighted average call money rate (WACR).

The Reserve Bank is committed to provide sufficient system liquidity. We have taken a number of steps in this regard.²⁹ We will continue to monitor the evolving liquidity and financial market conditions and proactively take appropriate measures to ensure orderly liquidity conditions.

Financial Stability

The system-level financial parameters for Scheduled Commercial Banks (SCBs) continue to be healthy.³⁰ The Credit Deposit Ratio (CD ratio) for the banking system at the end of January 2025 was at 80.8 per cent, broadly similar to that on 30th September, 2024. Bank liquidity buffers are sufficient. Though the net interest margin (NIM) moderated, return on assets (RoA) and return on equity (RoE) are robust. The system-level parameters for NBFCs too are healthy.³¹

The Reserve Bank has been observing Financial Literacy Week annually since 2016 to enhance financial education. Last year, the campaign focused on empowering young adults. This year, recognising the critical and multifaceted role of women in society,

²⁹ These included daily Variable Rate Repo auctions from 16th January 2025 and purchase of government securities of 58,835 crore rupees through open market operations (OMOs) in January. In addition, a package of measures was announced on 27th January 2025 to inject durable liquidity through OMOs, forex buy-sell swap and a 56-day variable rate repo to be conducted later today.

³⁰ SCB Parameters: The outstanding credit and deposit on a y-o-y basis increased by 11.4 per cent and 10.3 per cent respectively as of January 24, 2025. The system-level CRAR of 16.7 per cent in September 2024 was well above the regulatory minimum level. GNPA ratio at 2.5 per cent in September 2024 improved by 72 bps over September 2023. SMA-2 Ratio was 0.8 per cent in September 2024. LCR was 128.6 per cent as of September 2024. RoA was 1.4 per cent and RoE was 14.6 per cent in September 2024. The NIM was 3.5 per cent in September 2024 *vis-à-vis* 3.7 per cent in September 2023.

³¹ NBFC Parameters: Total CRAR of NBFCs is 26.5 per cent and Tier I CRAR is 24.4 per cent, as on 30th, September 2024. GNPA ratio improved from 2.9 per cent in September 2023 to 2.6 per cent in September 2024. The RoA improved from 2.9 per cent in September 2023 to 3.2 per cent in September 2024. YoY growth in advances was 16.4 per cent in September 2024 as compared to 22.5 per cent in September 2023.

²⁵ India's current account deficit (CAD) moderated marginally to US\$ 11.2 billion (1.2 per cent of GDP) in Q2:2024-25 from US\$ 11.3 billion (1.3 per cent of GDP) in Q2:2023-24.

²⁶ <https://blogs.worldbank.org/en/peoplemove/in-2024--remittance-flows-to-low-and-middle-income-countries-ar>

²⁷ Based on actual merchandise imports (on a BoP basis) during the four quarters period (Q3:2023-24 to Q2:2024-25).

²⁸ India's external debt to GDP ratio stood at 19.4 per cent at end-September 2024 (18.8 per cent at end-June 2024), while the net international investment position (IIP) moderated to (-) 9.6 per cent of GDP at end-September 2024 from (-) 10.3 per cent of GDP at end-June 2024.

the campaign will emphasise on women's role in financial decision-making and household budgeting. I urge all banks to actively participate in the campaign on the theme "Financial Literacy: Women's Prosperity", starting from 24th of this month.

Additional Measures

I shall now announce certain additional measures. Necessary directions and circulars for their implementation shall be issued separately.

Digital security

First, the rapid digitalisation of financial services has brought convenience and efficiency but has also increased exposure to cyber threats and digital risks, which are getting sophisticated day by day. The surge in digital frauds is a matter of concern, warranting action by all stakeholders.

The Reserve Bank has been taking various measures to enhance digital security in the banking and payments system. Introduction of Additional Factor of Authentication (AFA) for domestic digital payments is one such measure. It is proposed to extend AFA to online international digital payments made to offshore merchants, who are enabled for such authentication.

Second, the Reserve Bank shall implement the 'bank.in' exclusive Internet Domain for Indian banks. Registration of this domain name will commence from April this year. This will help avoid banking frauds. This will be followed by the 'fin.in' domain for the financial sector.

Banks and NBFCs must continuously improve preventive and detective controls to mitigate cyber risks. They must develop robust incident response and recovery mechanisms, reinforced through periodic testing, for operational resilience.

Introduction of forward contracts in Government Securities

Third, over the past few years, we have expanded the suite of interest rate derivative products available

to market participants to manage their interest rate risks. We shall now include forward contracts in Government securities to this suite. This would facilitate long-term investors such as insurance funds to manage their interest rate risk across interest rate cycles. It will also enable efficient pricing of derivatives that use Government securities as underlying instruments.

Access of SEBI-registered non-bank brokers to NDS-OM

Fourth, to enhance access of retail investors to government securities, the Reserve Bank shall expand the access of NDS-OM, the electronic trading platform for secondary market transactions in government securities, to non-bank brokers registered with SEBI.

Review of trading and settlement timings across various market segments

Fifth, in view of the various developments in financial markets and market infrastructure over the past few years, we shall set up a working group with representation from various stakeholders to undertake a comprehensive review of trading and settlement timing of markets regulated by the Reserve Bank. The Group shall submit its report by 30th April of this year.

Concluding Remarks

To conclude, considering the existing growth-inflation dynamics, the MPC, while continuing with the neutral stance, felt that a less restrictive monetary policy is more appropriate at the current juncture. The MPC will take a decision in each of its future meetings based on a fresh assessment of the macroeconomic outlook.

We are committed to conduct monetary policy and take such measures, as appropriate, which are timely, carefully calibrated and clearly communicated, to facilitate conducive macroeconomic conditions that reinforce price stability, sustained economic growth and financial stability.

Thank you. Namaskar and Jai Hind.

*Monetary Policy Statement, 2024-25 Resolution of the Monetary Policy Committee (MPC) February 5 to 7, 2025**

Monetary Policy Decisions

The Monetary Policy Committee (MPC) held its 53rd meeting from February 5 to 7, 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. Rajiv Ranjan, and Shri M. Rajeshwar Rao attended the meeting. After assessing the current and evolving macroeconomic situation, the MPC unanimously decided to:

- reduce the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points to 6.25 per cent with immediate effect; consequently, the standing deposit facility (SDF) rate shall stand adjusted to 6.00 per cent and the marginal standing facility (MSF) rate and the Bank Rate to 6.50 per cent;
- continue with the neutral monetary policy stance and remain unambiguously focussed on a durable alignment of inflation with the target, while supporting growth.

These decisions are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

Growth and Inflation Outlook

The global economy is growing below the historical average even though high frequency indicators suggest resilience amidst continued expansion in world trade.

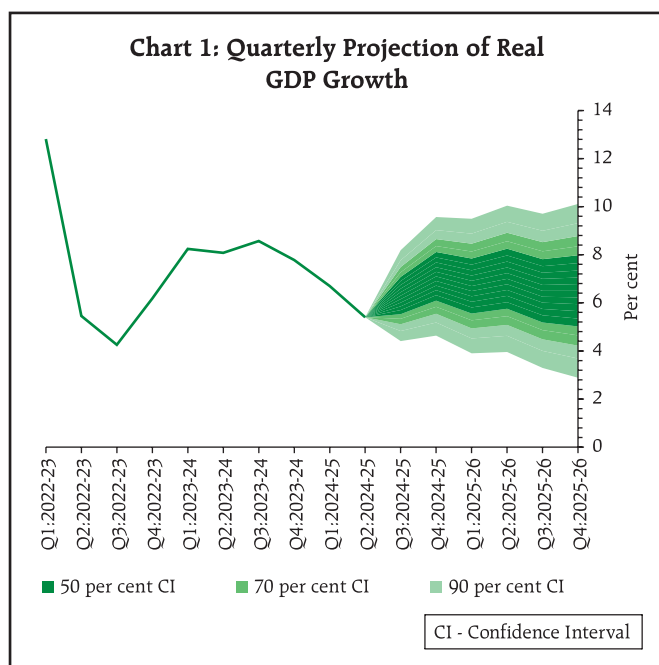
The world economic landscape remains challenging with slower pace of disinflation, lingering geopolitical tensions and policy uncertainties. The strong dollar, *inter alia*, continues to strain emerging market currencies and enhance volatility in financial markets.

On the domestic front, as per the First Advance Estimates (FAE), real gross domestic product (GDP) is estimated to grow at 6.4 per cent (y-o-y) in 2024-25 supported by a recovery in private consumption. On the supply side, growth is supported by the services sector and a recovery in agriculture sector, while tepid industrial growth is a drag.

Looking ahead, healthy *rabi* prospects and an expected recovery in industrial activity should support economic growth in 2025-26. Among the key drivers on the demand side, household consumption is expected to remain robust aided by the tax relief in the Union Budget 2025-26. Fixed investment is expected to recover, supported by higher capacity utilisation levels, healthy balance sheets of financial institutions and corporates, and Government's continued emphasis on capital expenditure. This is corroborated by positive business sentiments highlighted in the Reserve Bank's enterprise surveys and PMIs. Resilient services exports will continue to support growth. However, headwinds from geo-political tensions, protectionist trade policies, volatility in international commodity prices and financial market uncertainties, continue to pose downside risks to the outlook. Taking all these factors into consideration, real GDP growth for 2025-26 is projected at 6.7 per cent with Q1 at 6.7 per cent; Q2 at 7.0 per cent; and Q3 and Q4 at 6.5 per cent each (Chart 1). The risks are evenly balanced.

Headline inflation softened sequentially in November-December 2024 from its recent peak of 6.2 per cent in October. The moderation in food inflation, as vegetable price inflation came off from its October high, drove the decline in headline inflation. Core inflation remained subdued across goods and services

* Released on February 7, 2025.

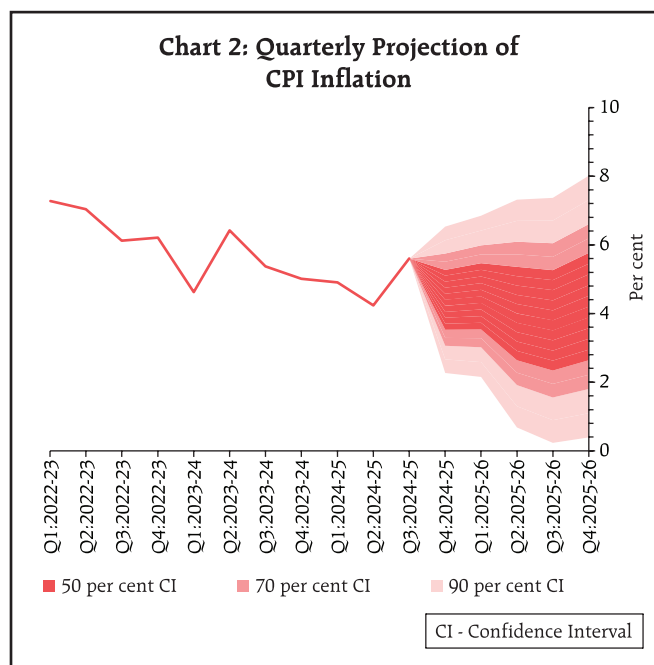


components and the fuel group continued to be in deflation.

Going ahead, food inflation pressures, absent any supply side shock, should see a significant softening due to good *kharif* production, winter-easing in vegetable prices and favourable *rabi* crop prospects. Core inflation is expected to rise but remain moderate. Continued uncertainty in global financial markets coupled with volatility in energy prices and adverse weather events presents upside risks to the inflation trajectory. Taking all these factors into consideration, CPI inflation for 2024-25 is projected at 4.8 per cent with Q4 at 4.4 per cent. Assuming a normal monsoon next year, CPI inflation for 2025-26 is projected at 4.2 per cent with Q1 at 4.5 per cent; Q2 at 4.0 per cent; Q3 at 3.8 per cent; and Q4 at 4.2 per cent (Chart 2). The risks are evenly balanced.

Rationale for Monetary Policy Decisions

The MPC noted that inflation has declined. Supported by a favourable outlook on food and continuing transmission of past monetary policy



actions, it is expected to further moderate in 2025-26, gradually aligning with the target. The MPC also noted that though growth is expected to recover from the low of Q2:2024-25, it is much below that of last year. These growth-inflation dynamics open up policy space for the MPC to support growth, while remaining focussed on aligning inflation with the target. Accordingly, the MPC unanimously voted to reduce the policy repo rate by 25 basis points to 6.25 per cent.

At the same time, excessive volatility in global financial markets and continued uncertainties about global trade policies coupled with adverse weather events pose risks to the growth and inflation outlook. This calls for the MPC to remain watchful. Accordingly, the MPC unanimously voted to continue with a neutral stance. This will provide MPC the flexibility to respond to the evolving macroeconomic environment.

The minutes of the MPC's meeting will be published on February 21, 2025.

The next meeting of the MPC is scheduled during April 7 to 9, 2025.

Statement on Developmental and Regulatory Policies

This Statement sets out various developmental and regulatory policy measures relating to (i) Financial Markets; (ii) Cybersecurity ; and (iii) Payment Systems.

I. Financial Markets

1. Introduction of forward contracts in Government securities

Over the past few years, the Reserve Bank has been expanding the suite of interest rate derivative products available to market participants to manage their interest rate risks. In addition to Interest Rate Swaps, products such as Interest Rate Options, Interest Rate Futures, Interest Rate Swaptions, Forward Rate Agreements, etc. are available to market participants. We have been receiving feedback about the need to allow forward contracts in Government securities to enable further market development. Such forward contracts will enable long-term investors such as insurance funds to manage their interest rate risk across interest rate cycles. They will also enable efficient pricing of derivatives that use bonds as underlying instruments. Draft directions in this regard were issued in December 2023. The final directions, taking into account the public feedback, will be issued shortly.

2. Access of SEBI-registered non-bank brokers to NDS-OM

The Negotiated Dealing System – Order Matching (NDS-OM) is an electronic trading platform for secondary market transactions in government securities. Access to NDS-OM is, at present, available to regulated entities and to the clients of banks and standalone primary dealers. With a view to widening access, it has been decided that non-bank brokers registered with SEBI can directly access NDS-OM, on behalf of their clients. These brokers may access NDS-

OM subject to the regulations and conditions laid down by the Reserve Bank in this regard. Necessary instructions are being issued separately.

3. Comprehensive review of trading and settlement timings across various market segments

Synchronized and complimentary market and settlement timings across various financial market segments can facilitate benefits of efficient price discovery and optimization of the liquidity requirements. Over the last few years, there have been several developments including increased electronification of trading, availability of forex and certain interest rate derivative markets on a 24X5 basis, increased participation of non-residents in domestic financial markets and availability of payment systems on a 24X7 basis. Accordingly, it has been decided to set up a working group with representation from various stakeholders to undertake a comprehensive review of trading and settlement timing of financial markets regulated by the Reserve Bank. The Group is expected to submit its report by April 30, 2025.

II. Cybersecurity

4. Enhancing Trust in the Financial Sector through 'bank.in' and 'fin.in' domains

Increased instances of fraud in digital payments are a significant concern. To combat the same, the Reserve Bank of India (RBI) is introducing the 'bank.in' exclusive Internet Domain for Indian banks. This initiative aims to reduce cyber security threats and malicious activities like phishing; and, streamline secure financial services, thereby enhancing trust in digital banking and payment services. The Institute for Development and Research in Banking' Technology (IDRBT) will act as the exclusive registrar. The actual registrations will commence from April 2025. Detailed guidelines for banks will be issued separately. Going forward, it is planned to have an exclusive domain viz., "fin.in" for other non-bank entities in the financial sector.

III. Payment Systems

5. Enabling Additional Factor of authentication in cross-border Card Not Present transactions

Introduction of Additional Factor of Authentication (AFA) for digital payments has enhanced the safety of transactions which, in turn, provided confidence to customers to adopt digital payments. This requirement, however, is mandatory for domestic transactions only.

In order to provide a similar level of safety for online international transactions using cards issued in India, it is proposed to enable AFA for international card not present (online) transactions as well. This will provide an additional layer of security in cases where the overseas merchant is enabled for AFA. Draft circular will be issued shortly for feedback from stakeholders.

SPEECHES

Challenges in Liability Management: Maintaining the Balance
M. Rajeshwar Rao

*Challenges in Liability Management: Maintaining the Balance**

M. Rajeshwar Rao

At the outset, I would like to thank the organisers for inviting me to this 17th edition of the Mint BFSI Summit & Awards. I am delighted to get this opportunity to engage with you during this event. As a regulator for banks and non-banking financial companies (NBFCs), I thought this could be an occasion to reflect on a less debated area for the regulated entities - their liabilities management and the challenges. In flagging the mismatch between deposit and credit growth, Governor Das had previously drawn our attention to the rising challenge in this area. So, I thought of wading in with a few thoughts for your consideration.

Introduction

The core function of banking involves accepting deposits, which are usually short-term, and funding loans, which generally have longer maturities. Maturity transformation is thus an inherent feature of financial intermediation and banks are strongly exposed to the associated risks. As a result, strategic management of assets and liabilities is crucial to optimise profitability, improve liquidity and protect the bank against various risks. Historically, regulatory frameworks, including the Basel I and II, placed a greater emphasis on the asset side of the balance sheet, focusing on credit risk management and capital adequacy. This focus arises from the belief that credit defaults and asset deterioration pose the main threats to a bank's solvency. Liquidity and funding risks, primarily stemming from liabilities, were largely viewed as an issue that banks could manage themselves without requiring any regulatory oversight and intervention.

* Keynote address delivered by Shri M. Rajeshwar Rao, Deputy Governor at Mint Annual BFSI Summit & Awards 2025 on January 17, 2025 at Mumbai. Inputs provided by Akhilesh Gokhale, Tony Mammen and Shashank Srivastava are gratefully acknowledged.

The Global Financial Crisis (GFC) of 2008, during which banks faced vulnerabilities on both sides of the balance sheet, challenged this approach resulting in profound changes to the banking sector's regulatory framework. During the crisis, many banks experienced liquidity crisis leading to insolvencies despite adherence to capital requirements, highlighting the fragility of funding structures reliant on short-term liabilities. This underscored the systemic importance of liquidity management and the need for regulatory oversight beyond asset-side vulnerabilities. The policy response was a paradigm shift that led to prescribing comprehensive global liquidity standards *viz.* Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) which targeted short-term and medium-term liquidity resilience.

It is now well understood that liability management is crucial not only for the stability and solvency of a regulated entity (RE) but is also as a key factor influencing its return on capital and growth trajectory. From the earnings perspective, the spread on interest earned on loans and the cost of funds determines the bank's net income and profitability¹. The cost of liabilities thus has a direct impact on Net Interest Margins (NIMs) and earnings ratios. For instance, the share of current and savings account (CASA) deposits in total deposits, the mix of retail versus wholesale funding and the duration of liabilities play a key role in determining the funding cost and, therefore, profitability of banks. Further, the stability of funding is the key to resilience during any crisis. In this context, let me dwell briefly on the evolution of liability management in India, changing trends in liability structure, entity-specific challenges, and regulatory expectations.

Evolution of ALM in India

As you all are aware, Indian banking underwent a strategic transformation with the broader economic reforms of the 1990s. The deregulation of interest rates and greater global integration made the risks encountered by financial institutions more complex

¹ The other main driver of profits is the provision requirement which is dependent on the asset quality.

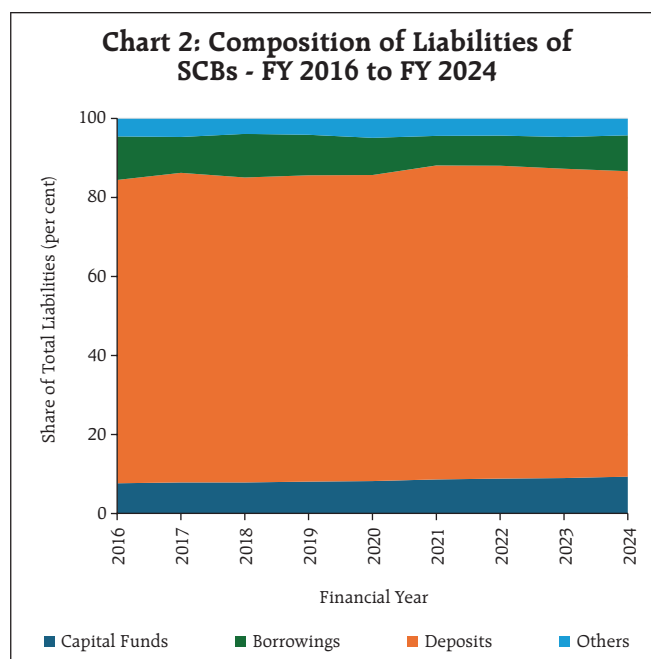
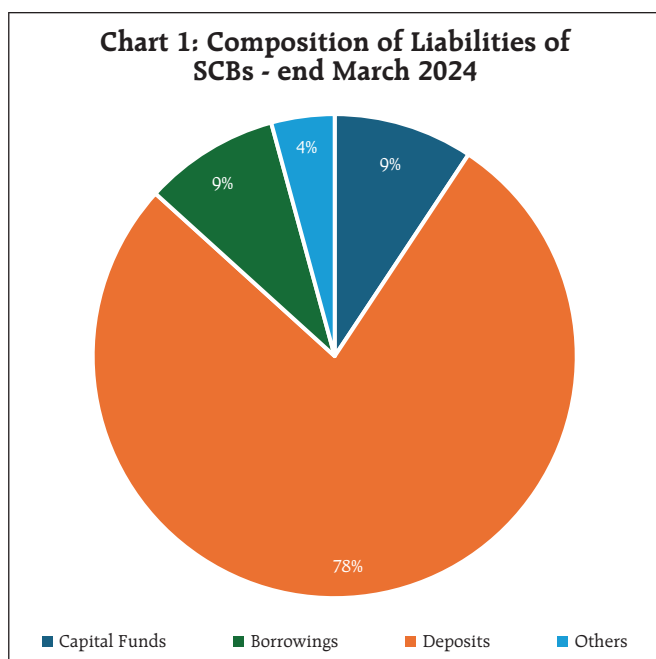
and significant, requiring strategic management. Accordingly, the guidelines on Asset-Liability Management (ALM) for financial institutions were first issued in February 1999 with further additions in late 2000s, covering the interest rate and liquidity risks along with prudential limits and disclosure framework.

The Indian Prudential Framework incorporated the Basel Committee on Banking Supervision (BCBS) Principles for Sound Liquidity Risk Management in 2012, followed by the adoption of two minimum standards for funding liquidity viz. LCR and NSFR. Recognizing that the LCR calibrations overlooked intraday liquidity and the increasing interdependencies within the financial system could lead to liquidity disruptions affecting payment and settlement processes, guidelines for monitoring intraday liquidity were introduced. To mitigate the concentration risk and to curtail systemic implications of uncontrolled liability of larger banks, the Reserve Bank had very early on put in place limits on Inter-Bank Liabilities (IBL) for commercial banks (2007) and

interbank deposit limits for urban cooperative banks (UCBs) (2009). Scheduled Commercial Banks (SCBs) (excluding small finance banks, payments banks and regional rural banks) have been permitted to set Board approved limits for borrowing in Call and Notice Money Markets, within the prudential limits for IBL. Such liability-based concentration limits are unique to India and reflect the Reserve Bank's early cognizance of these risks.

Liability Structure and Growth

Deposits continue to be the primary source of funds for SCBs, amounting to ₹217 lakh crore, which represented 77 per cent of total liabilities at the end of FY 2024. In contrast, capital funds (i.e., capital, reserves & surplus) and borrowings, each constituted around 9 per cent of liabilities². The comparison of data between FY 2016 to FY 2024 indicates that the deposits have grown at an annual rate³ of around 10 per cent, aligning with the overall balance sheet growth, and their contribution to total liabilities has remained stable at around 77 per cent (Charts 1 and 2⁴). Meanwhile, borrowings have grown



² Borrowings include *inter alia* borrowings from RBI, other banks, institutions and agencies, capital instruments (Perpetual Debt Instruments and Tier 2 debt), and other bonds and debentures. The remaining liabilities (4.2 per cent) are composed of other liabilities and provisions.

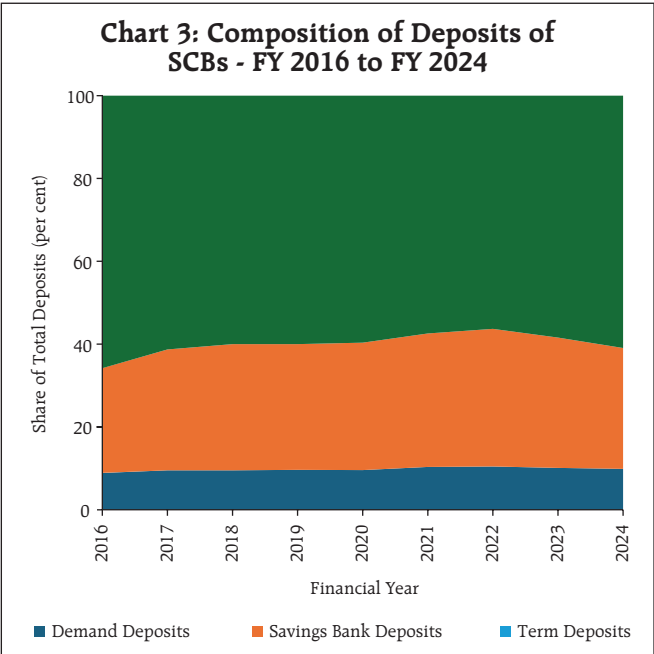
³ Cumulative Annual Growth Rate (CAGR).

⁴ Source: RBI Reports on Trend and Progress of Banking in India, 2016 to 2024.

at a slower rate of 7 per cent as a result of which its share in total liabilities has decline from 11 per cent to 9 percent. On the other hand, Capital Funds have grown at close to 13 per cent and its share has increased progressively from 7.6 per cent to 9.3 per cent, indicating the deleveraging of banks' balance sheets, boosted by higher profitability and capital raising efforts.

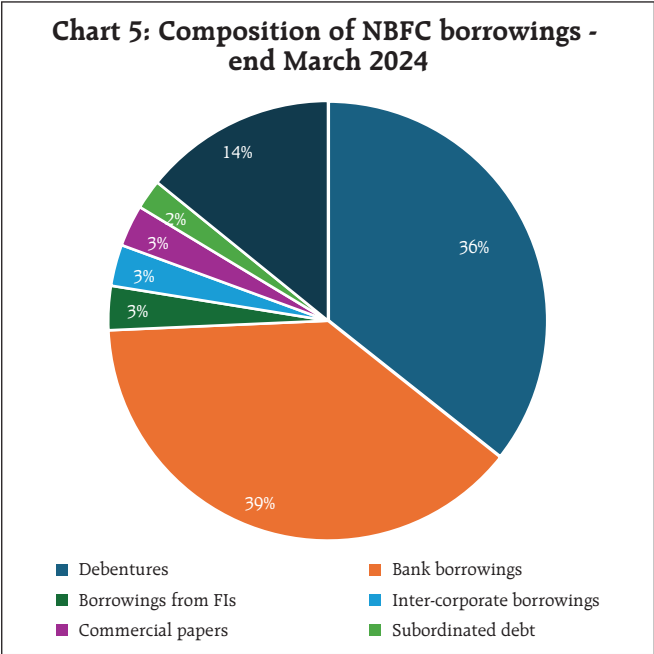
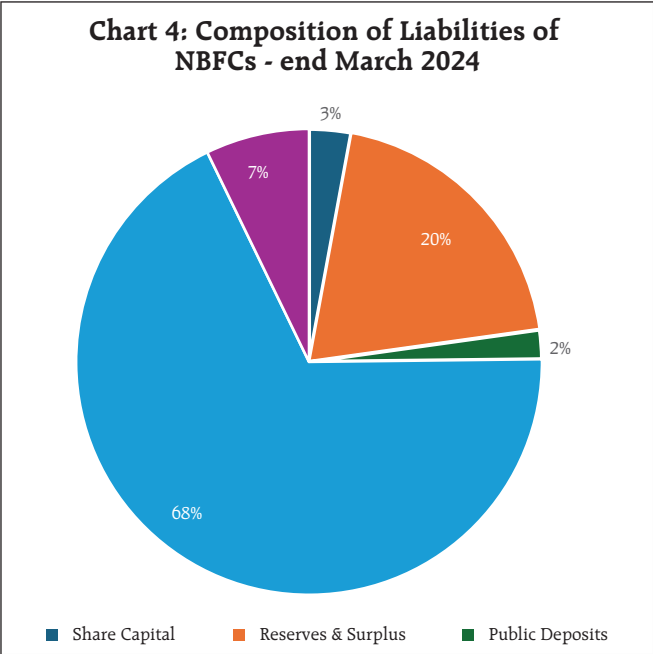
Maturity wise, during the same period, the contribution of term deposits has declined from 65.8 per cent of total deposits to 60.9 per while the shares of savings and current account deposits have increased from 25.3 per cent and 8.9 per cent to 29.2 per cent and 9.9 per cent, respectively. Consequently, CASA ratio has improved from 34.2 per cent to 39.1 per cent. This trend may have contributed to the improvement in Net Interest Margins (NIMs) of SCBs, which has increased from 2.6 per cent in FY 2015-16 to 3.3 per cent in FY 2023-24 (Chart 3⁵).

Apart from deposits, banks raise liabilities in the form of debt capital instruments such as Additional Tier 1 (AT1) bonds and Tier 2 bonds. Furthermore, banks are permitted to issue domestic Long-Term Bonds to finance infrastructure and affordable



housing loans and can also raise funds in overseas markets under the ECB route.

For Non-Banking Financial Companies (NBFCs), borrowings are a significant source of funding, amounting to ₹34.46 lakh crore or 68 per cent of total liabilities as at end-March 2024. Within borrowings, debentures and borrowings from banks are the main contributors (Charts 4 and 5⁶). This makes NBFC's



⁵ Source: RBI Reports on Trend and Progress of Banking in India, 2016 to 2024.

⁶ Source: RBI Report on Trend and Progress of Banking in India 2023-24.

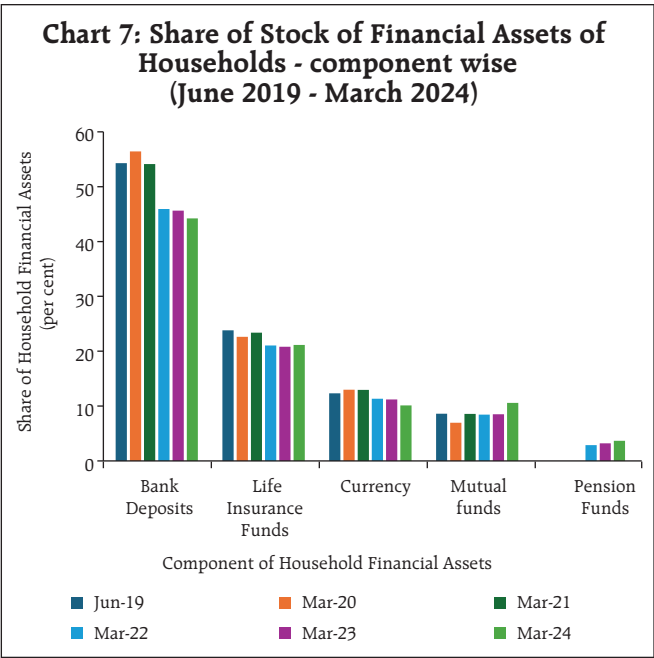
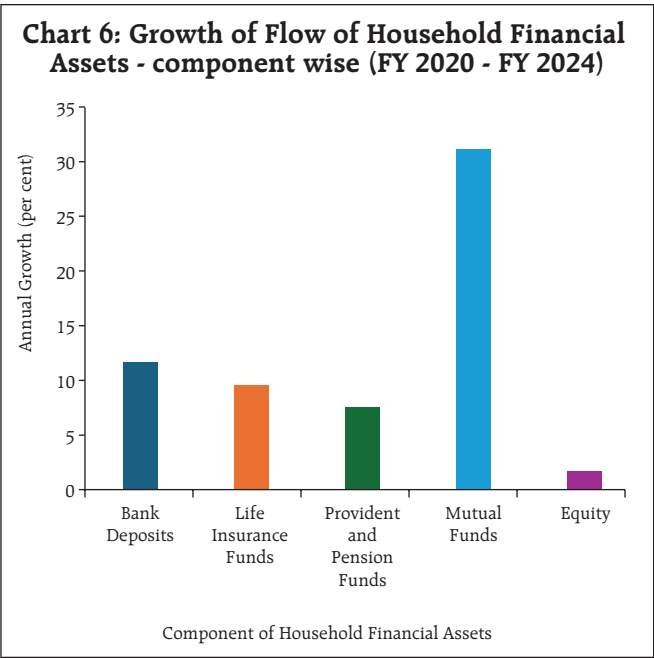
liabilities more market-driven and sensitive to interest rate changes compared to banks.

Changing Trends and Challenges

Banks are at the forefront of providing credit to productive sectors of the economy by channelizing household savings, which currently comprise approximately two-thirds of India's gross savings. Recent trends indicate a shift in household preference to financial assets for saving purposes leading to movement of these savings beyond traditional bank deposits towards capital market assets (Charts 6 and 7⁷). This shift is driven by several factors, including targeted efforts to deepen the financial sector, the growth of digital public infrastructure that offers convenient and frictionless access to capital markets, changing investment preferences due to demographic shifts, increased financial awareness, and the recent period of sustained high returns yielded by equity markets. Additionally, the rise of alternative

asset classes, search for higher yields and portfolio diversification have further fuelled this trend. Over the past decade⁸, the number of subscribers and the assets under management (AUM) of mutual funds, pension and provident funds, and insurers have risen significantly, a trend likely to accentuate further. While this trend may not alter the aggregate funding available for banks, it may change the character of deposits having implications on cost of funds and margins for banks.

Although CASA deposits have improved over the longer term as previously mentioned, there has been a recent shift, with share of CASA deposits declining and that of term deposits, especially in higher interest rate buckets, increasing⁹. This has implications for bank NIMs and profitability. Lately, banks have also increased their reliance on short term funding through Certificates of Deposits (CDs) and the average CD outstanding had reached levels last seen in 2012¹⁰. Banks must, however, take cognizance of the fact that



⁷ Source: RBI Quarterly Data Release on Household Financial Savings, RBI Staff Calculations. Note: (i) Charts 6 and 7 include select components of household financial assets; (ii) Chart 6 provides the CAGR of Flow of Household Financial Assets.

⁸ For example, the mutual fund industry's AUM has grown from ₹10 trillion in 2014 to ₹66.93 trillion as on December 31, 2024, more than 6-fold increase in 10 years. The total number of accounts/folios as on December 31, 2024 stood at 22.50 crore. [Source: Association of Mutual Funds of India (AMFI) website].

⁹ Term deposits formed 82 per cent of incremental deposits mobilised in H1:2024- 25. Source: RBI Financial Stability Report December 2024.

¹⁰ Average CDs outstanding in FY 2023-24 was ₹4.18 lakh crore. Source: RBI Database on Indian Economy (DBIE), RBI Staff Calculations.

the higher reliance on short term liabilities can have its own repercussions if market conditions deteriorate.

Banks adopt distinct liability sourcing strategies based on their competitive strengths, market positioning, and business priorities. Large banks with an extensive branch network may have access to low-cost, stable retail deposits. While the banks with a more pronounced urban presence may target affluent customer segments, offering high-value deposit products tailored to high-net-worth individuals (HNIs) and corporate clients. Additionally, some banks with advanced technology stacks leverage digital platforms to enhance customer acquisition and streamline liability sourcing, providing a competitive edge in attracting both retail and corporate deposits. On the other hand, differentiated banks are seen to have a higher reliance on inter-bank deposits and wholesale funding. This diversity in funding profiles presents unique challenges in ALM, as each business strategy introduces its own complexities in managing liquidity, cost of funds, and risk alignment.

'Institutionalisation' of deposits, which I referred to earlier, will bring along specific challenges for the ALM for banks. A reduced reliance on retail deposits, coupled with a greater share of funding from institutional sources will likely result in increased funding costs, which in turn negatively affects profitability. The quest to maintain the margins can lead to eventual transmission of increased funding cost to interest rate on loans. This would either constrain growth of loan book or may force the lenders to dilute the underwriting standards and lend to riskier borrowers to maintain earnings ratios. Banks must stay alert to the risks of certain practices that may seem less evident during strong economic growth but could lead to serious consequences during economic downturns. Banks heavily reliant on wholesale funding are more vulnerable to rollover risks and outflows in times of economic stress. Therefore, effective liability management is crucial for mitigating these risks.

Another issue pertains to deposit growth of certain banks not keeping pace with their loan growth, which has raised regulatory concerns about the risks associated with higher dependency on wholesale funding for credit disbursement. Such imbalances are viewed as indicators of potential structural liquidity vulnerabilities. While regulators monitor these trends as a macroeconomic gauge to assess systemic risks in the banking sector, it is crucial to recognise that for individual banks these indicators alone are insufficient to fully capture liquidity risk. From a short-term liquidity perspective, tools like the LCR offer a more nuanced view by considering factors such as deposit stability, depositor behaviour, and the dynamics between retail and wholesale funding. The relationship between these indicators is multifaceted and often contradictory, making it essential to avoid relying on any single measure in isolation and necessitating a holistic assessment of the ALM profile of banks.

Contrary to banks, the liability profile of NBFCs¹¹ is shaped by their primary activities, regulatory requirements, and the types of assets they finance. Historically, crises have demonstrated that NBFCs' over-reliance on short-term funding to support long-duration assets, such as infrastructure and housing loans, can result in significant liquidity constraints, deterioration in investor confidence, and credit rating downgrades, thereby constricting their ability to access capital markets. Consequently, NBFCs became heavily dependent upon bank funding, both direct lending and banks' subscriptions to debentures & Commercial Papers (CPs), leading to funding concentration. Recognizing the increasing dependency of NBFCs on bank borrowings, the RBI increased the risk weights of bank exposures to NBFCs by 25 percentage points in November 2023 which has helped in moderating the YoY growth in bank borrowings by NBFCs. To offset

¹¹ NBFCs regulated by the Reserve Bank are a group of heterogeneous financial entities operating with diverse business strategies viz. investment credit, infrastructure finance, micro-finance, factoring, core investment, housing finance, non-operative financial holding, account aggregator, peer-to-peer lending, and primary dealing activities.

this, NBFCs have increased funding through CPs¹² and non-convertible debentures (NCDs)¹³.

While accessing international markets can reduce NBFCs' reliance on the domestic banking system and provide a broader range of funding options, it also exposes them to additional risks, particularly unhedged currency exposures, which can lead to volatility in funding costs and potential liquidity strains due to exchange rate fluctuations. NBFCs should integrate forex hedging into their ALM framework and closely monitor currency exposure to mitigate funding cost volatility. The liquidity transformation of assets through securitization to free up resources for on-lending can also serve as an important tool to improve the ALM structure.

Regulatory Expectations

Now, let me flag a few key issues that are being extensively debated globally on the ALM practices employed by banks and NBFCs and the regulatory expectations on these issues.

First, the rise of innovative products and technologies in banking has enhanced consumer flexibility in accessing funds & managing cash flows, significantly transforming customer behaviour. Further, the evolving dynamics of information dissemination through traditional and social media can profoundly influence customer behaviour, potentially escalating and amplifying a crisis. These factors present heightened challenges and banks need to be watchful and carefully review their modelling assumptions on stability of deposits and customer behaviour to better predict deposit retention, withdrawal patterns, pre-payments, and interest rate sensitivities.

Second, the Liability-Driven Investment (LDI) crisis in the UK demonstrated the inherent

vulnerabilities in highly interconnected financial structure, where the failure of one segment can precipitate cascading liquidity challenges across multiple sectors. Traditional liability management models, often based on historical data, may not adequately capture the risks posed by unprecedented market conditions. Consequently, regulated entities must develop more sophisticated stress-testing methodologies that evaluate their ability to withstand extreme scenarios, including those that involve the amplification of shocks across interconnected financial networks.

The final point is the importance of contingency funding plans (CFPs). In general, REs must have formal CFPs commensurate with their complexity, risk profile, scope of operations and their role in the financial system. Among others, it must clearly articulate the available potential contingency funding sources and the amount of funds that can be derived from these sources. It is important to note that the lender of last resort (LOLR) function of central banks is regarded as (implicit) insurance for banks against liquidity shocks that money market participants are unwilling or unable to absorb. The value of this insurance increases with banks' exposure to liquidity risk, which increases moral hazard. Banks need to recognize that, to address this moral hazard, the central banks retain discretion to decide whether to extend emergency liquidity assistance to specific institutions. This assistance is intended as a safety net for the entire financial system through judicious use of public funds and is often accompanied by supervisory intervention and conditionalities. Therefore, the LOLR function should not be regarded as a routine component of contingency funding.

As far as NBFCs are concerned, while they play a key role in enhancing access to credit and supporting economic growth, their activities also involve a significant amount of maturity, liquidity, and credit transformation. Most NBFCs, unlike banks, do not have access to public deposits, as the regulatory approach over the years has been to disincentivise

¹² Outstanding CPs for NBFCs have increased by 26.2 per cent in FY 2023-24 (Source: RBI Report on Trend and Progress of Banking in India 2023-24).

¹³ Outstanding unsecured debentures for NBFCs have increased by 16.2 per cent in FY 2023-24 (Source: RBI Report on Trend and Progress of Banking in India 2023-24).

the deposit taking activities of the NBFCs. Compared to the more stable retail sources of funding available to banks given their access to official backstops and their deposit franchises, NBFCs will continue to be dependent on banks and capital markets for their funding. It is imperative for NBFCs to diversify their funding sources while optimizing borrowing costs and mitigating associated risks for a sustainable growth path.

Conclusion

Today, we collectively aspire for a '*Viksit Bharat*' by 2047, the centenary of our independence. This ambition demands consistent and sustainable economic growth combined with a systemic capacity for resilience. In order to achieve the ambitious economic growth target under this vision, the financial assets and bank assets would need to achieve a consistent and high paced growth over the next

two decades, which would require a corresponding increase in liabilities and capital for the financial sector. This brings forth the need to address some of the emerging challenges as customer behaviour and preferences are undergoing profound changes while global ecosystems and external factors such as third-party dependencies and technology shifts are growing increasingly complex, reshaping the business landscape. Collectively, these dynamics are creating a challenging environment for REs who would need to recalibrate their approach and business strategies. This is not just about managing risks but also seizing opportunities to optimize funding structures, enhance stability, and support economic growth. The road to a "Viksit Bharat" by 2047 will depend significantly on how well the financial system adapts to these trends and manages the complexities of resource raising and liability management.

Thank you.

ARTICLES

State of the Economy

Union Budget 2025-26: An Assessment

Quality of Public Expenditure and its Socio-economic Impact in India

Dynamics of Agriculture Supply Chain: Insights from Pan India
Survey during Rabi Marketing Season

State of the Economy*

The global economy continues to grow at a steady but moderate pace, with divergent outlook across countries amid rapidly evolving political and technological landscapes. Financial markets remain on edge on the slowing pace of disinflation and the potential impact of tariffs. Emerging market economies (EMEs) are witnessing selling pressures from foreign portfolio investors (FPIs) and currency depreciation engendered by a strong US dollar. In India, high frequency indicators point towards a sequential pick-up in momentum of economic activity during H2:2024-25, which is likely to sustain moving forward. The Union Budget 2025-26 prudently balances fiscal consolidation and growth objectives by continued focus on capex alongside measures to boost household incomes and consumption. Retail inflation moderated to a five-month low in January, mainly due to a sharp decline in vegetable prices.

Introduction

The global economy is exhibiting steady growth amidst evolving political and technological landscapes, both of which have taken the centre stage in policy discourse during 2025 so far. The International Monetary Fund (IMF), in its January 2025 update of the World Economic Outlook (WEO), projected the global economy to grow by 3.3 per cent in 2025, close to that of 3.2 per cent in 2024, but below the average of 3.7 per cent witnessed during the first two decades of the 21st century. The growth outlook varies widely across economies - a stronger growth in the United States (US) is expected to offset the weakness

in other advanced economies (AEs). For emerging market economies (EMEs), growth in 2025 is expected to broadly match that of 2024. The global growth and trade outlook, however, faces downside risks from the evolving US tariffs, the timing and magnitude of which remain highly uncertain. The US trade policy uncertainty has spiked to levels last seen during the 2019 episode of US-China trade war and restrictive trade policies and fragmentation could lead to a long-term shift in global trade patterns rather than a short-term disruption, and upward pressures on consumer and business costs.¹

Global financial markets have been on a precipice, with every incoming information generating sharp gyrations. US equity markets rallied following the change in US administration and healthy corporate earnings.² The launch of R1 by DeepSeek³, however, generated shockwaves that wiped off US\$ 1 trillion from the equity valuations on a single day (January 27, 2025). Sovereign bond yields continue to exhibit two-way movements. The US dollar index surged following the tariff announcements, triggering capital outflows from emerging markets and intensifying currency pressures. Concerted policy actions would be needed to foster a more congenial external environment, enhance macroeconomic stability, reduce structural constraints, and address the effects of climate change to avoid a risk of many low-income countries not being able to catch-up to middle income status by 2050.⁴

Global consumer price inflation (CPI) declined in 2024 to 5.7 per cent (100 bps lower than a year

* This article has been prepared by Rekha Misra, G. V. Nadhanael, Rajni Dahiya, Durga G, Arpita Agarwal, Harshita Keshan, Ramesh Gupta, Harendra Behera, Neelima KM, Satyarth Singh, Alice Sebastian, Ettem Abhignu Yadav, Harshita Yadav, Siddharth Arya, Satyendra Kumar, Archana Dilip, Agamani Saha, Dibyarka Chaule, Sritama Ray, Shivam, Khushi Sinha, Kartikey Bhargav, Yuvraj Kashyap, Nikhil Prakash Kose, Ashish Khobragade, Dilpreet Sharma and Avnish Kumar. Views expressed in this article are those of the authors and do not represent the views of the Reserve Bank of India.

¹ World Economic Forum, Chief Economists' Outlook, January 2025; Peterson Institute for International Economics, "Trump's threatened tariffs projected to damage economies of the US, Canada, Mexico, and China", February 17, 2025; Financial Times, "Threat of Trump tariffs adds to global economic uncertainty, IMF warns", January 11, 2025.

² US benchmark S&P 500 index rose by 5.0 per cent during January 10-25, 2025.

³ R1, is a large language model (LLM), developed by DeepSeek, a Chinese artificial intelligence (AI) company at a radically lower cost using much less computing power than existing LLMs.

⁴ Global Economic Prospects, World Bank, January 2025.

back).⁵ The decline was more pronounced in the case of AEs, although the more recent prints have shown an increase in inflation in major AEs, with services inflation proving to be obdurate. Diverging inflation and growth outcomes are also reflected in monetary policy actions —the US holding rates steady, the UK and the euro area opting for a cut, and Japan raising its rate. The potential impact of trade conflicts on currency and financial markets further confounds the choices policymakers face.

In this challenging and increasingly uncertain global environment, the Indian economy is poised to sustain its position as the fastest growing major economy during 2025-26 as per the estimates of major multilateral agencies.⁶ High frequency indicators show that the economy is on a path of recovery during H2:2024-25 from the loss of momentum witnessed in H1. Industrial activity has recorded an improvement over the previous quarter, as reflected in the Purchasing Managers' Index (PMI) in January. Pick-up in tractor sales growth, and fuel consumption, and sustained growth in air passenger traffic also point to a recovery in overall momentum. Rural demand continues to hold up, buoyed by increasing farm incomes. In rural areas, sales of fast-moving consumer good (FMCG) companies grew by 9.9 per cent in Q3:2024-25, much higher than 5.7 per cent in Q2. Urban demand also exhibited a recovery with 5 per cent growth in Q3, being nearly double of 2.6 per cent in the previous quarter.⁷ The enterprise surveys conducted by the Reserve Bank corroborate this assessment (Annex 1). Listed non-government non-financial companies recorded acceleration in sales growth during Q3 as per early results. On a sequential basis, operating profit margins have also turned out to be higher in line with improved sales growth.

⁵ IMF WEO January 2025 update.

⁶ IMF projects India to grow at 6.5 per cent during 2025 (WEO, January 2025), while World Bank pegs India's growth at 6.7 per cent (GEP, January 2025).

⁷ NielsenIQ India FMCG quarterly snapshot- Q4 2024.

Investment intentions of the private sector remained stable, with the total cost of projects sanctioned by banks/financial institutions (FIs) at close to ₹ one lakh crore in Q3:2024-25. External commercial borrowings (ECBs) and Initial Public Offerings (IPOs) for capex purposes also recorded an uptick during Q3.

The Union Budget 2025-26 has placed thrust on boosting consumption while maintaining the quality of expenditure, with effective capital expenditure/GDP ratio budgeted to improve to 4.3 per cent in 2025-26 from 4.1 per cent in 2024-25 (RE).

Uncertainty surrounding global trade and geopolitical landscape have had a bearing on domestic equity markets. The benchmark and broader markets declined on account of selling pressures from foreign portfolio investors (FPIs) as sentiments remained weak. The Indian rupee has depreciated in line with other emerging economies, weighed down by the strength of US dollar. Strong macroeconomic fundamentals, along with improvements in various measures of external sector vulnerability, have helped India tide over the ongoing wave of global uncertainty.

Headline CPI inflation moderated to a five-month low of 4.3 per cent in January 2025 as food prices, especially those of vegetables, recorded a sharp decline driven by the arrival of winter crops in the market. Core (CPI excluding food and fuel) inflation has exhibited a gradual increase since May 2024 but remains below 4 per cent.

In the bimonthly monetary policy meeting of February 2025, the Monetary Policy Committee (MPC) of the Reserve Bank reduced the policy repo rate by 25 bps to 6.25 per cent as growth-inflation dynamics opened up policy space to support growth, while remaining focussed on aligning inflation with the target. The MPC noted that excessive volatility in global financial markets and continued uncertainties about global trade policies, coupled with adverse

weather events, pose risks to the growth and inflation outlook. Accordingly, the MPC voted to continue with a neutral stance, which provides the flexibility to respond to evolving macroeconomic conditions.








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. An assessment of domestic macroeconomic conditions is set out in Section III. Section IV encapsulates financial conditions in India, while the last Section sets out the conclusions.

II. Global Setting

The global economy continues to grow at a steady but moderate pace, although growth outlook diverges significantly across countries. In its January 2025 World Economic Outlook (WEO) update, the International Monetary Fund (IMF) revised the growth forecast for 2025 to 3.3 per cent, up by 10 basis points (bps) *vis-à-vis* the October WEO outlook, while retaining the global growth forecast for 2026 at 3.3 per cent. A broadly similar assessment is shared by the World Bank in its latest Global Economic Prospects (GEP) [Table II.1].

Table II.1: GDP Growth Projections for 2025 – Select AEs and EMEs

(Per cent)

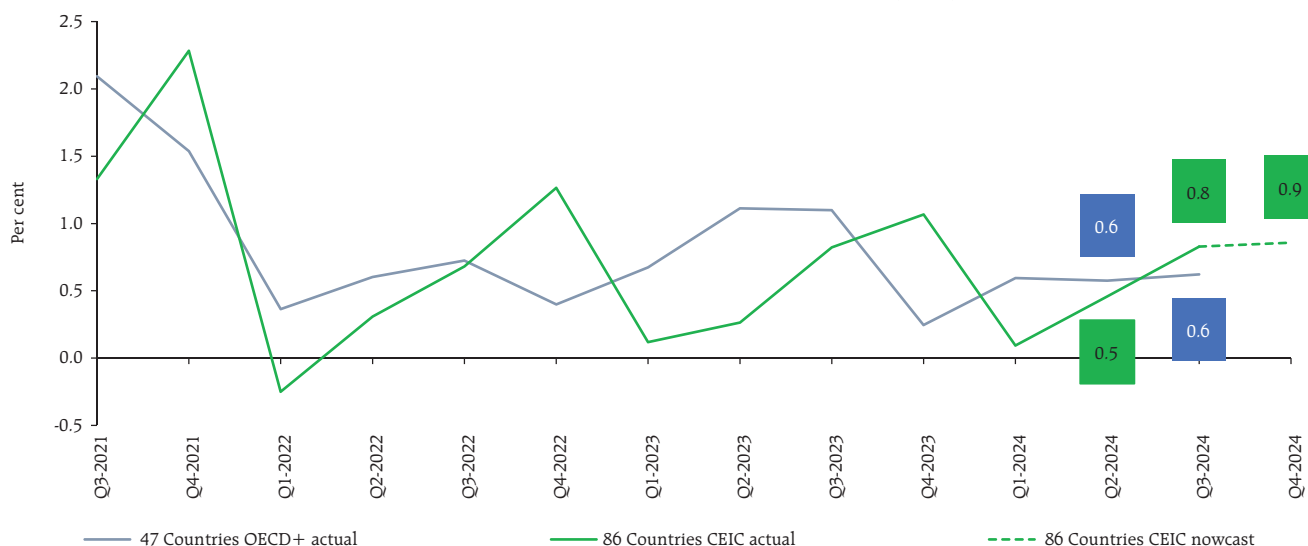
Country	IMF		World Bank	
	Jan 2025 (Latest)	Oct 2024 (Previous)	Jan 2025 (Latest)	Jun 2024 (Previous)
 World*	3.3	3.2	3.2	3.2
Advanced Economies				
 US	2.7	2.2	2.3	1.8
 UK	1.6	1.5	-	-
 Euro area	1.0	1.2	1.0	1.4
 Japan	1.1	1.1	1.2	1.0
Emerging Market Economies				
 Brazil	2.2	2.2	2.2	2.2
 Russia	1.4	1.3	1.6	1.4
 India#	6.5	6.5	6.7	6.7
 China	4.6	4.5	4.5	4.1
 South Africa	1.5	1.5	1.8	1.3

Note: *: PPP weighted. #: India's data is on a fiscal year basis.

Sources: IMF; and World Bank.

Our model-based nowcast of global GDP indicates a marginal acceleration in global growth momentum in Q4:2024 (Chart II.1).

Chart II.1: Global GDP Growth Nowcast (Q-o-Q)



Sources: CEIC; OECD; and RBI staff estimates.

Global supply chain pressures moderated in January 2025 (Chart II.2a). The geopolitical risk indicator experienced a sharp spike in mid-January 2025, driven by both increased global trade protectionism and tensions in the Middle East. However, it subsequently declined following the Gaza ceasefire deal between Israel and Hamas (Chart II.2b). The Baltic Dry Index fell to a 23-month low at the end of January 2025 — its lowest level since February 2023 — as freight rates declined across all vessel segments ahead of the traditionally slow Lunar New Year period in Asia. Concomitantly, shipping costs moderated in January 2025 (Chart II.2c and II.2d).

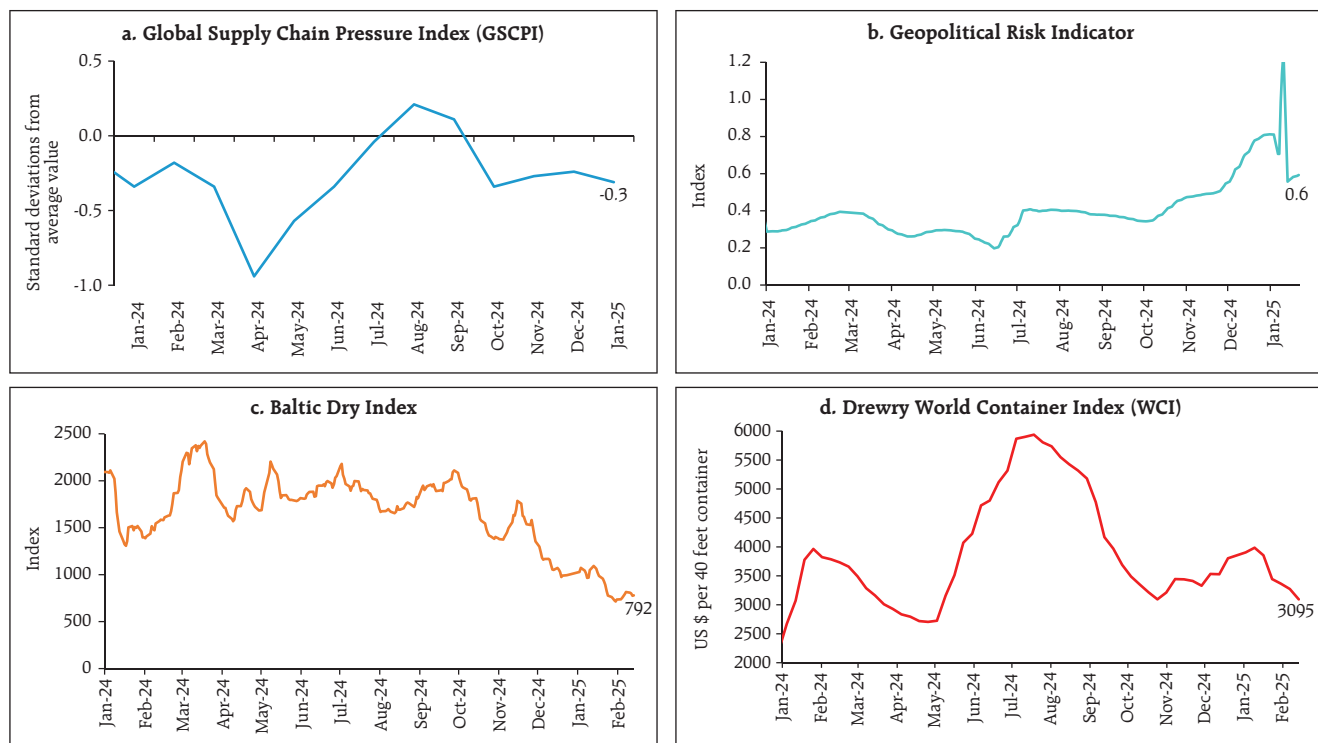
Consumer sentiments worsened in the US, the UK, Japan and major EMEs, while it improved in the Euro area in January 2025 (Chart II.3a and II.3b).

Financial conditions eased in major AEs but among EMEs, they tightened in China and Brazil (Chart II.3c and II.3d).

The global composite purchasing managers' index (PMI) moderated to a 12-month low in January 2025, as the upturn in the manufacturing sector was offset by a deceleration in the service sector business activity growth (Chart II.4). While the global manufacturing PMI returned to expansionary territory, reaching a 7-month high, the global services PMI declined to a 13-month low due to slower new business growth.

In January 2025, trade policy uncertainty reached the highest level since the onset of the pandemic (Chart II.5), primarily driven by concerns of new trade restrictions, tariff increases, and tighter immigration policies following the change in the US administration

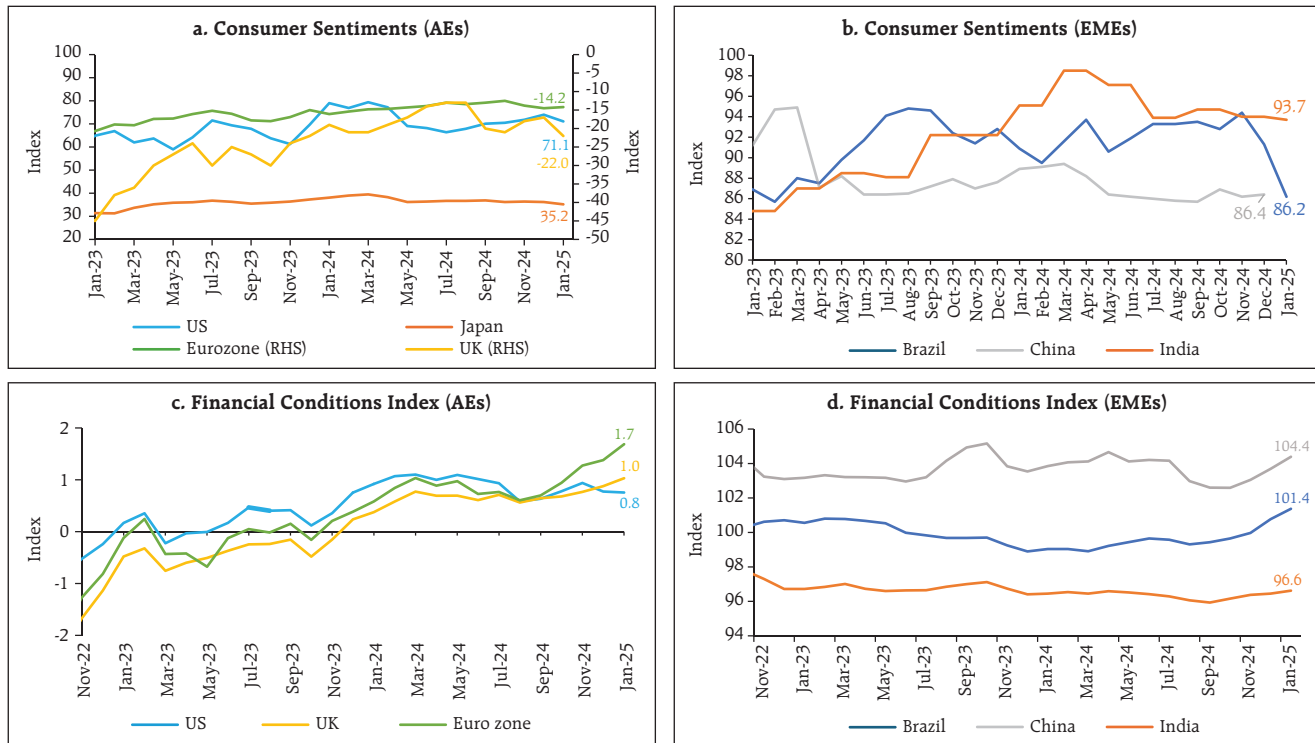
Chart II.2: Trends in Global Supply Chain Pressures and Geopolitical Risks



Notes:

1. GSCPI reflects data on transportation costs and manufacturing indicators.
2. The Baltic Dry Index provides a benchmark for the price of moving major raw materials by sea and consists of three sub-indices that measure different sizes of dry bulk carriers.
3. The WCI assessed weekly by Drewry reports actual spot container freight rates for major east west trade routes. The composite represents a weighted average of the 8 shipping routes by volume and is reported in USD per 40-foot container.

Sources: Federal Reserve Bank of New York; BlackRock Investment Institute, January 2025; and Bloomberg.

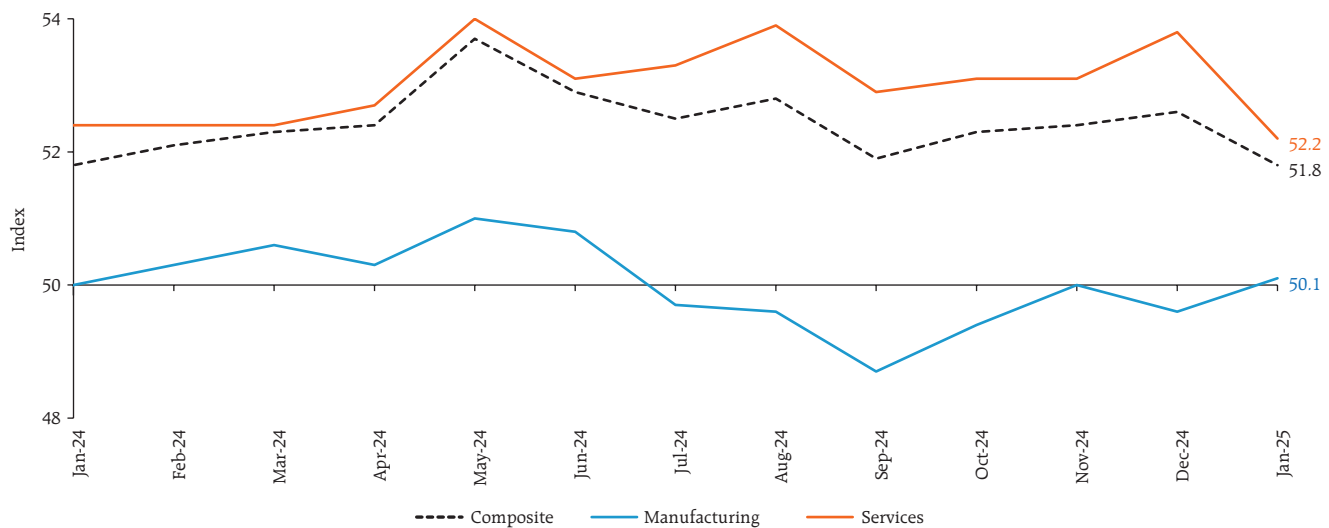
Chart II.3: Consumer Sentiment and Financial Conditions

Notes: 1. Japan: A score above 50 indicates consumer optimism, below 50 shows lack of consumer confidence and 50 indicates neutrality.
 2. Euro zone and UK: -100 indicate extreme lack of confidence, 0 denotes neutrality while 100 indicates extreme confidence.
 3. India and US: Higher the index value, higher is the consumer confidence.
 4. For financial condition index (pertaining to EMEs constructed by Goldman Sachs), a reading below 100 is accommodative and *vice versa*. As for the AEs, the index constructed by Bloomberg is a z-score where a positive value indicates accommodative/easy financial conditions and *vice versa*.

Source: Bloomberg.

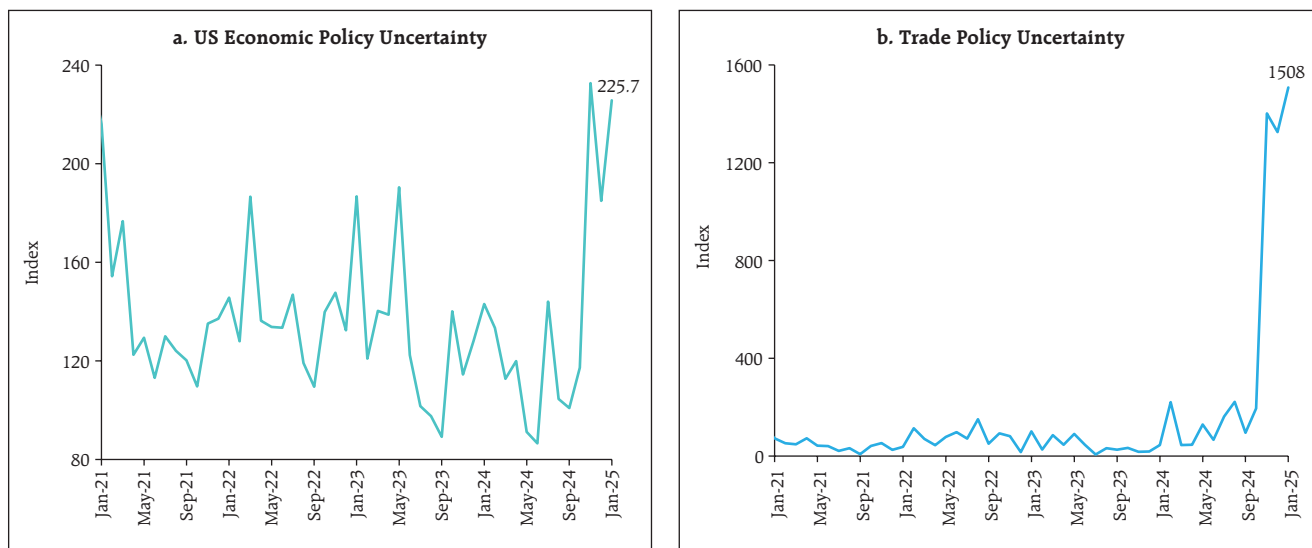
and potential retaliatory measures from key trading partners.

The IMF has revised the world trade volume (goods and services) growth downwards by 20 bps

Chart II.4: Global Purchasing Managers' Index (PMI)

Note: A level of 50 corresponds to no change in activity and a reading above 50 denotes expansion and *vice versa*.

Source: S&P Global.

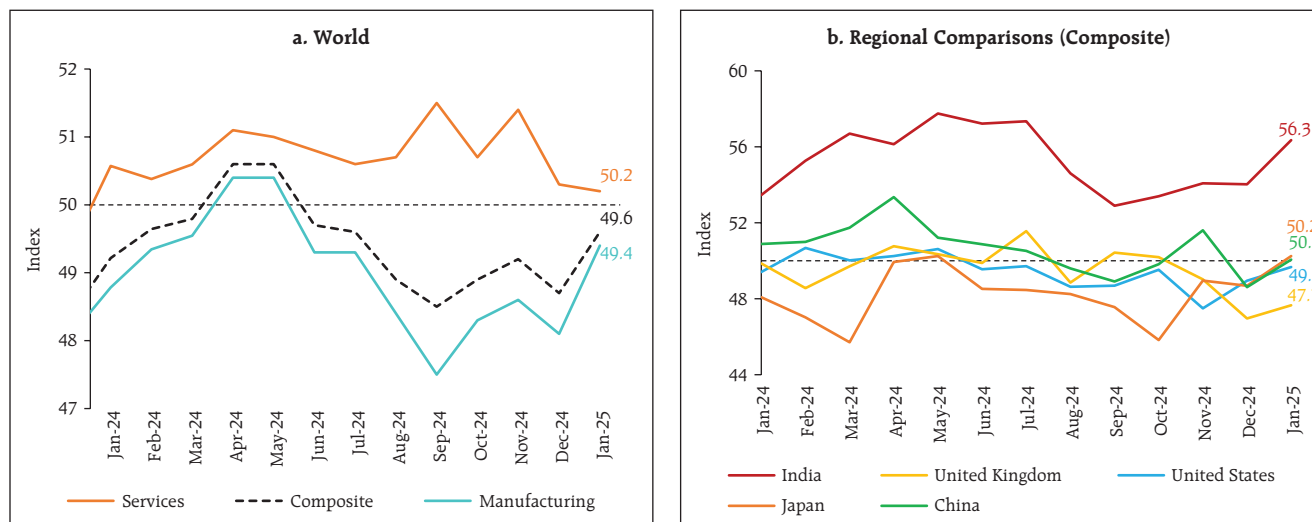
Chart II.5: Policy Uncertainty Index

Sources: NY Fed Fred Database; and Baker, Bloom, and Davis (2016).

for 2025 to 3.2 per cent and by 10 bps for 2026 to 3.3 per cent.⁸ The composite PMI for new export orders remained in contractionary territory in January 2025, despite a sequential pick-up driven by an increase in manufacturing export orders that offset the decline in services export orders. Export indices for Japan, India, and China recorded expansion, while those of

the US and the UK witnessed contraction (Chart II.6a and II.6b).

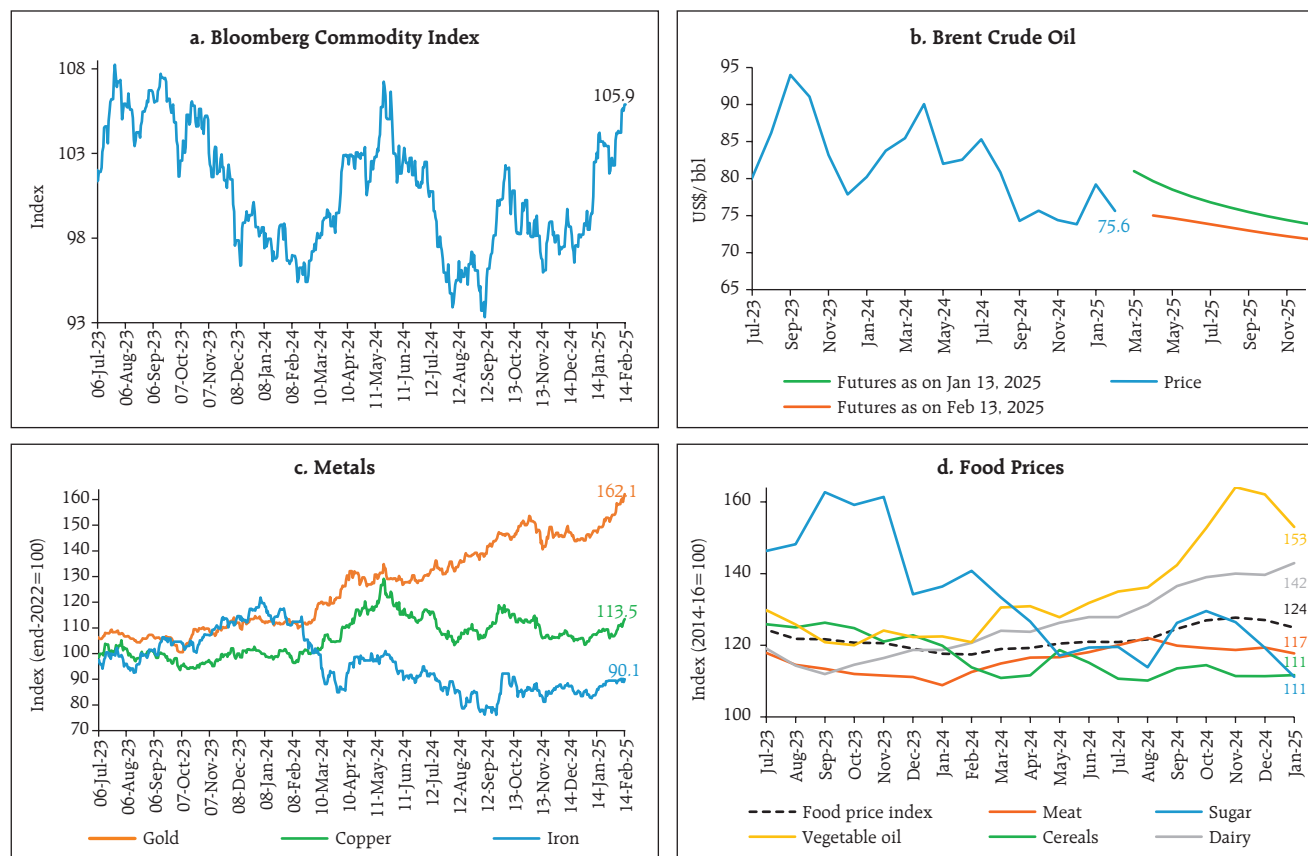
Global commodity prices generally increased in January as reflected in the Bloomberg commodity index, which recorded a m-o-m increase of 3.6 per cent (Chart II.7a). Crude oil prices increased by 7.2 per

Chart II.6: Global PMI: New Export Orders

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

Source: S&P Global.

⁸ IMF WEO January 2025 update.

Chart II.7: Commodity and Food Prices

Sources: Bloomberg; World Bank Pink Sheet; and FAO.

cent (m-o-m) in January amidst fresh US sanctions on Russia's energy sector and cold weather pushing up demand (Chart II.7b). Base metal prices also increased in January, after China, the world's largest consumer of base metals, indicated additional stimulus measures to boost their economy. Precious metals, particularly gold prices, recorded sharp increases in January, supported by safe-haven demand amidst increased geo-economic and trade uncertainties (Chart II.7c). Food prices measured by the FAO's food price index declined by (-) 1.6 per cent in January 2025, primarily driven by decrease in the prices of sugar, vegetable oil and meat partially offset by increases in prices of dairy and cereals (Chart II.7d).

In the US, CPI inflation increased to 3.0 per cent (y-o-y) in January from 2.9 per cent in December.

Inflation, in terms of the personal consumption expenditure (PCE) deflator also increased to 2.6 per cent in December from 2.4 per cent in November. Headline inflation in the Euro area accelerated to 2.5 per cent in January from 2.4 per cent in December. Inflation in Japan (CPI excluding fresh food) increased to 3.0 per cent in December, while in the UK it inched lower by 10 bps to 2.5 per cent (Chart II.8a). Among EMEs, CPI inflation in China rose to a five month high of 0.5 per cent in January; Russia and South Africa also witnessed an increase in inflation in December while in Brazil, it declined to 4.6 per cent in January (Chart II.8b). Core inflation remained steady in the Euro area in January 2025, but edged up marginally in the US. Services inflation decreased in both the US and the Euro area but remains elevated (Chart II.8c and II.8d).

Chart II.8: Inflation - AEs and EMEs

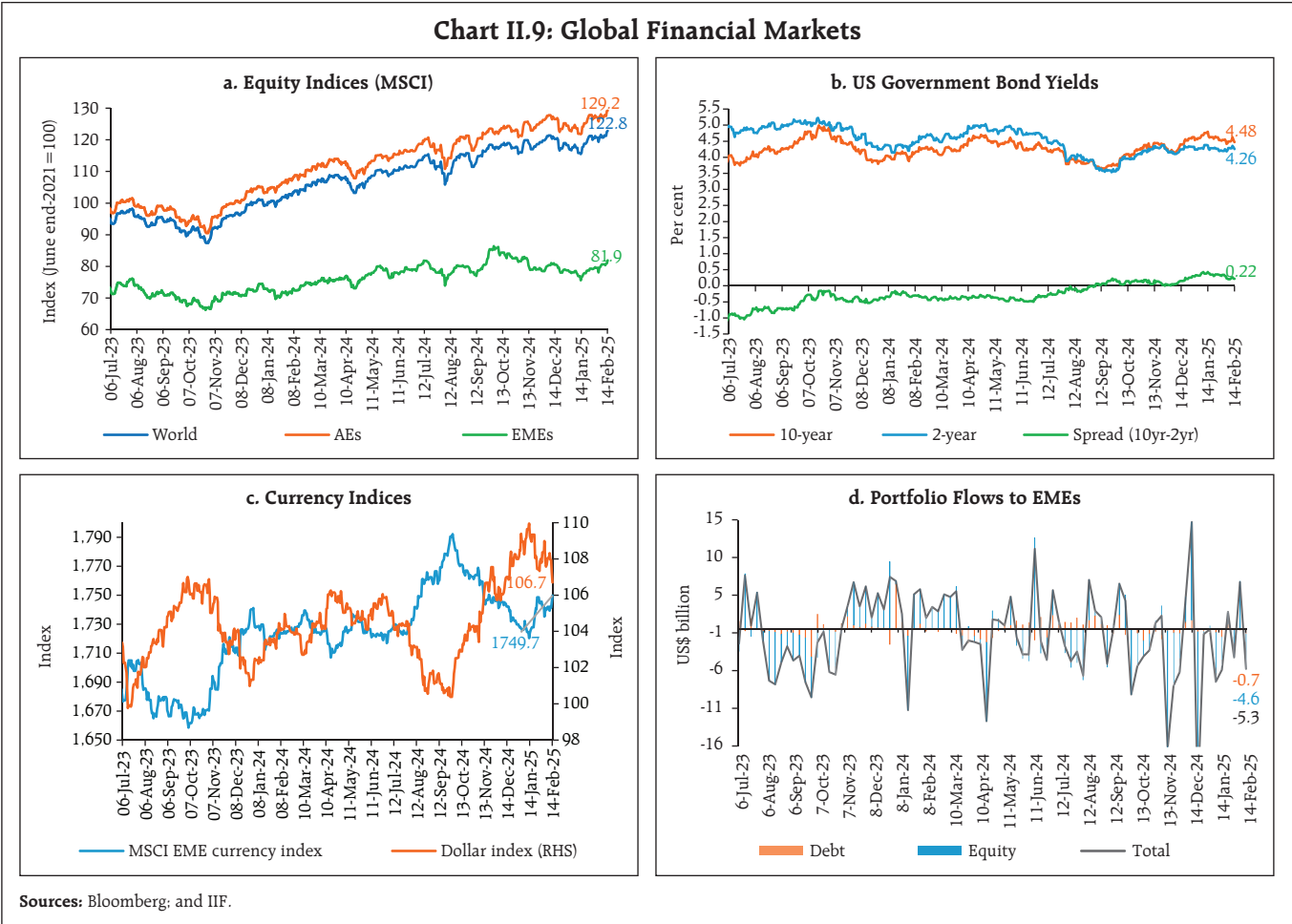


Sources: Bloomberg, and OECD.

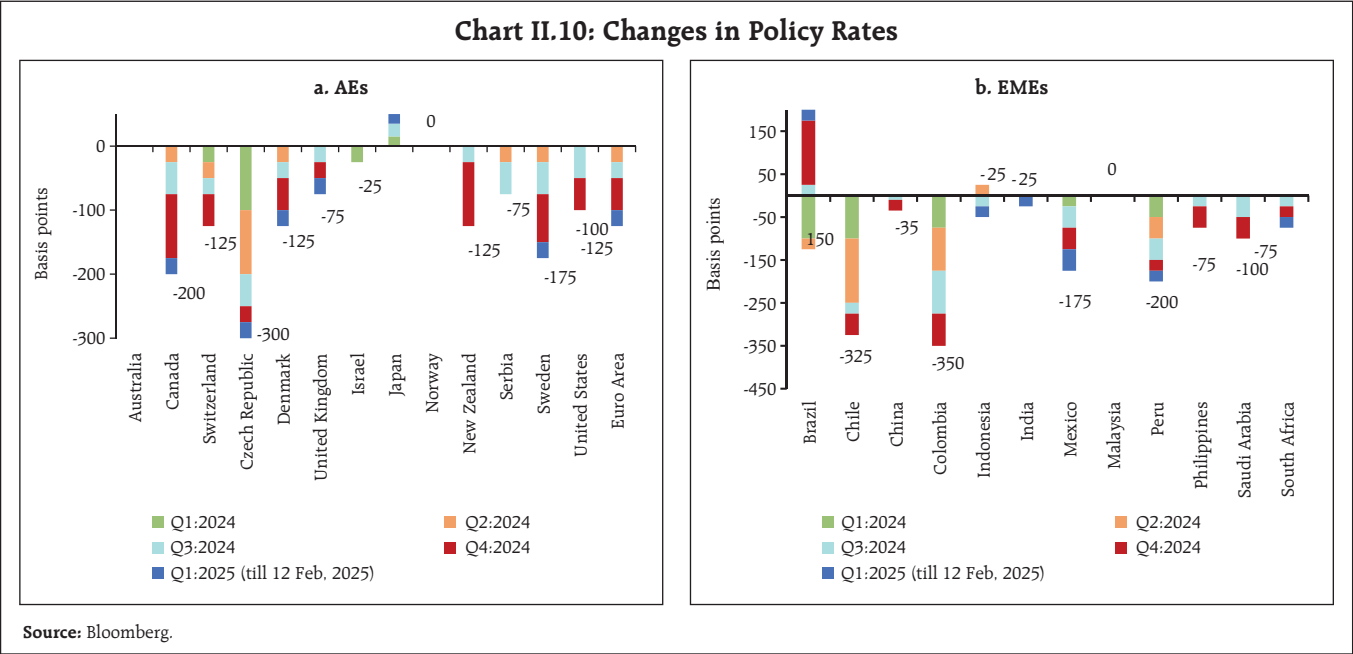
The Morgan Stanley Capital International (MSCI) world equity index surged by 3.3 per cent (m-o-m) in January, with greater gains in AE equity markets over those in EMEs even as volatility remained high on account of policy uncertainty (Chart II.9a). Yields on the US government securities hardened in the first fortnight of January as data releases such as strong retail sales and industrial production prints amidst low unemployment indicated underlying strength in the US economy. Yields softened in the second half, as inflation data releases and Federal Open Market Committee (FOMC) statement helped ease uncertainty. Yields again moved higher in February on higher than expected CPI inflation (Chart II.9b). The US dollar index (DXY) appreciated in the first half of January but gave up some of its gains subsequently. DXY remained volatile, responding to

announcements of trade policy measures by the new US administration. The MSCI currency index for EMEs mirrored movements in DXY with a depreciating bias as capital outflows, particularly in the equity segment, exerted downward pressure (Chart II.9c and II.9d).

Divergent macroeconomic conditions are reflected in monetary policy actions across countries. Among AE central banks, the US, South Korea and Norway kept their policy rates unchanged. In contrast, the Euro area, Canada, and Sweden cut their policy rates by 25 bps in January while the UK and Czech Republic lowered their key rates by 25 bps in February (Chart II.10a). Japan, however, hiked its policy rate by 25 bps. Among EME central banks, China, Chile, Hungary, Columbia, Malaysia, Philippines and Peru maintained their policy rates. South Africa and Indonesia lowered their policy rates by 25 bps in January 2025 while



Mexico and India cut their benchmark rates by 50 bps and 25 bps, respectively, in February. Brazil, on the other hand, hiked it by 100 bps in January (Chart II.10b).



III. Domestic Developments

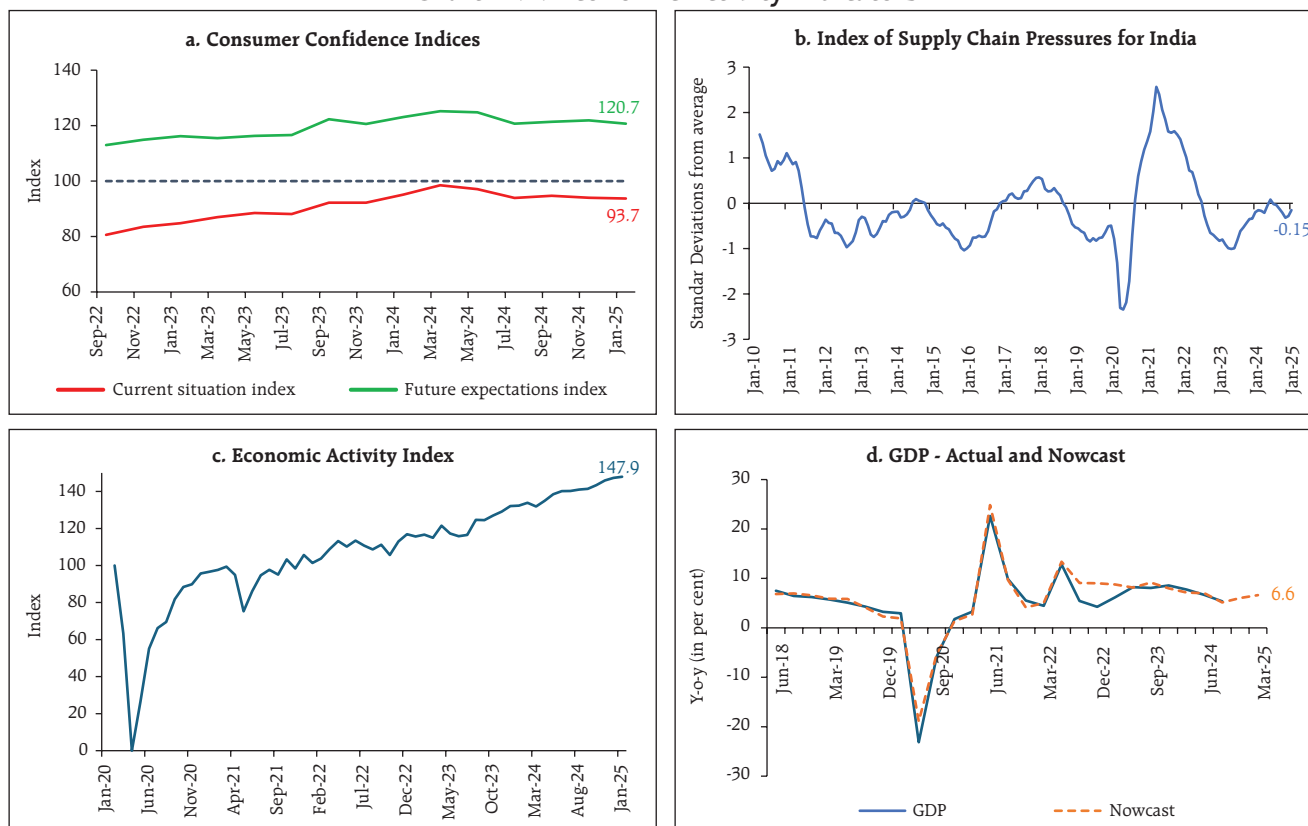
The Indian economy is regaining its growth momentum driven by recovery in consumption demand and overall investment. As per the latest RBI survey in January 2025, consumer confidence remains upbeat with the future expectations index (FEI) remaining firmly in optimistic territory *albeit* a slight sequential moderation although the current situation index (CSI), remained in pessimistic territory (Chart III.1a). Supply chain pressures remained below historical average levels, despite a marginal uptick in January (Chart III.1b). The economic activity index, constructed by extracting the common trend underlying twenty-seven high frequency indicators, indicates that activity sustained its pace in January and the GDP nowcast for Q4:2024-25 is placed at 6.6 per cent (Chart III.1c and Chart III.1d).

Aggregate Demand

High frequency indicators suggest that aggregate demand is recovering from the slowdown witnessed in H1. E-way bills growth accelerated to 23.1 per cent in January (Chart III.2a). Toll collections recorded strong growth both in volume and value terms (Chart III.2b).

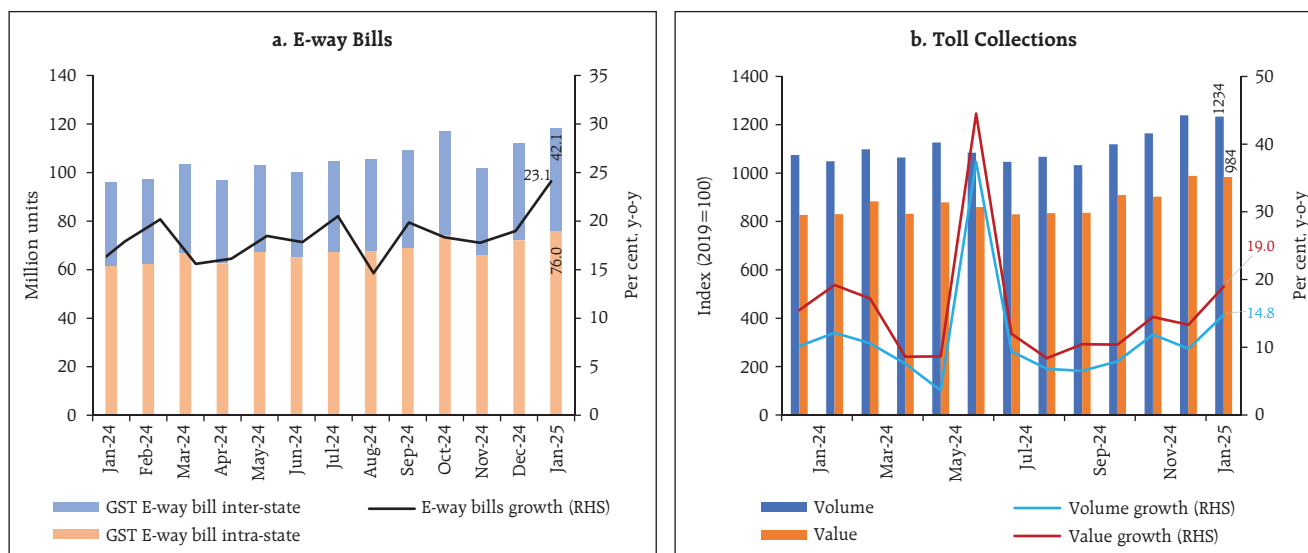
Wholesale automobile sales experienced a turnaround in January, registering a growth of 2.5 per cent y-o-y, following two months of contraction (Chart III.3a). The two-wheeler segment saw a recovery, primarily driven by a surge in scooter sales although motorcycle sales contracted for the third consecutive month (Chart III.3b). Tractor sales recorded double digit growth for the second consecutive month. Vehicle registrations recorded an expansion in January,

Chart III.1: Economic Activity Indicators



Notes: 1. The economic activity index (EAI) is constructed by extracting the common trend underlying twenty-seven high frequency indicators of economic activity using a Dynamic Factor Model. EAI is scaled to 100 in February 2020 and 0 in April 2020, the worst affected month due to mobility restrictions.
2. For GDP Nowcast, implicit number is available from first advance estimates (FAE).

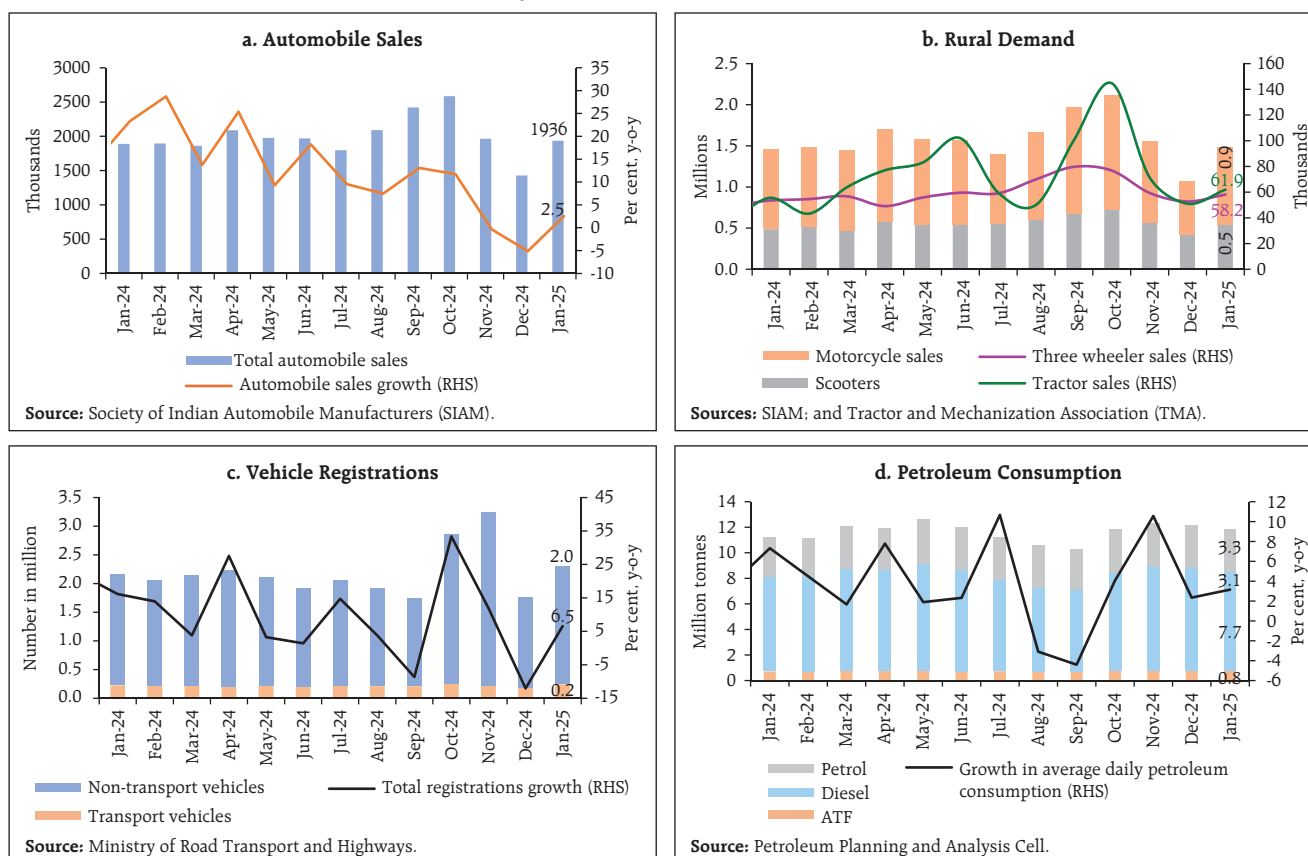
Sources: National Statistical Office (NSO); and RBI staff estimates.

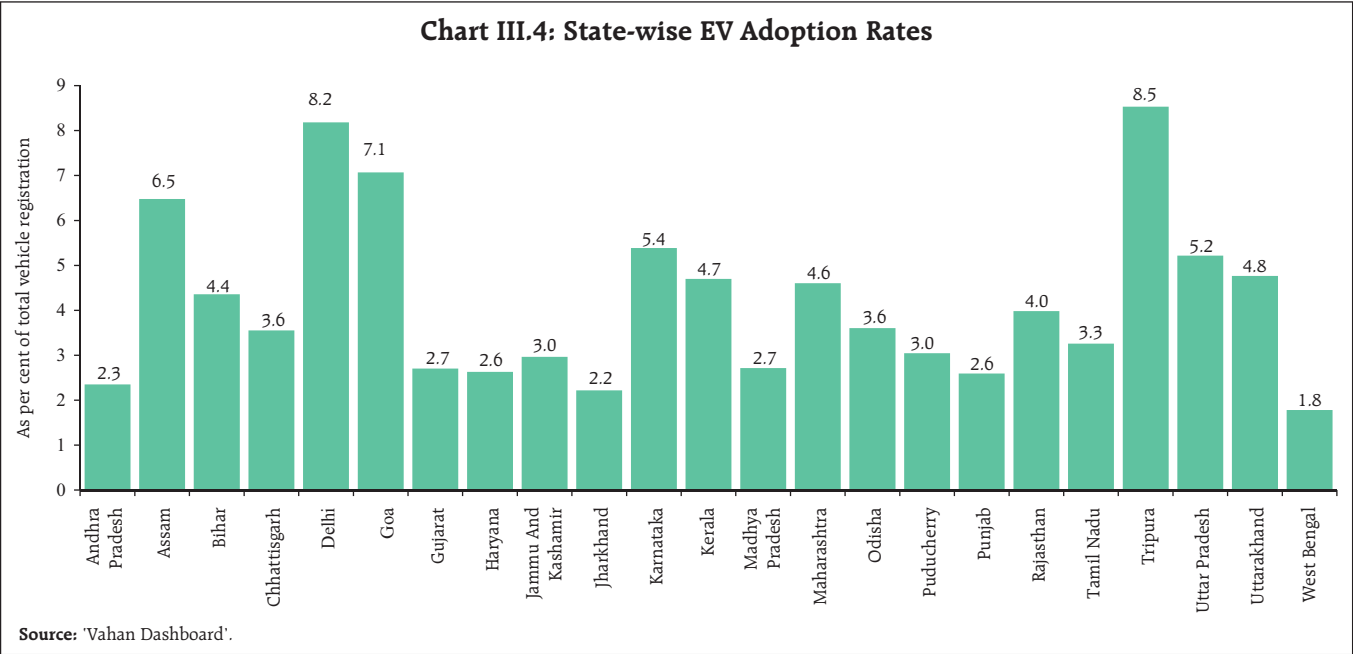
Chart III.2: E-way Bills and Toll Collections

Sources: GSTN; and RBI.

driven by an increase in both non-transport and transport vehicles segments (Chart III.3c). Petroleum

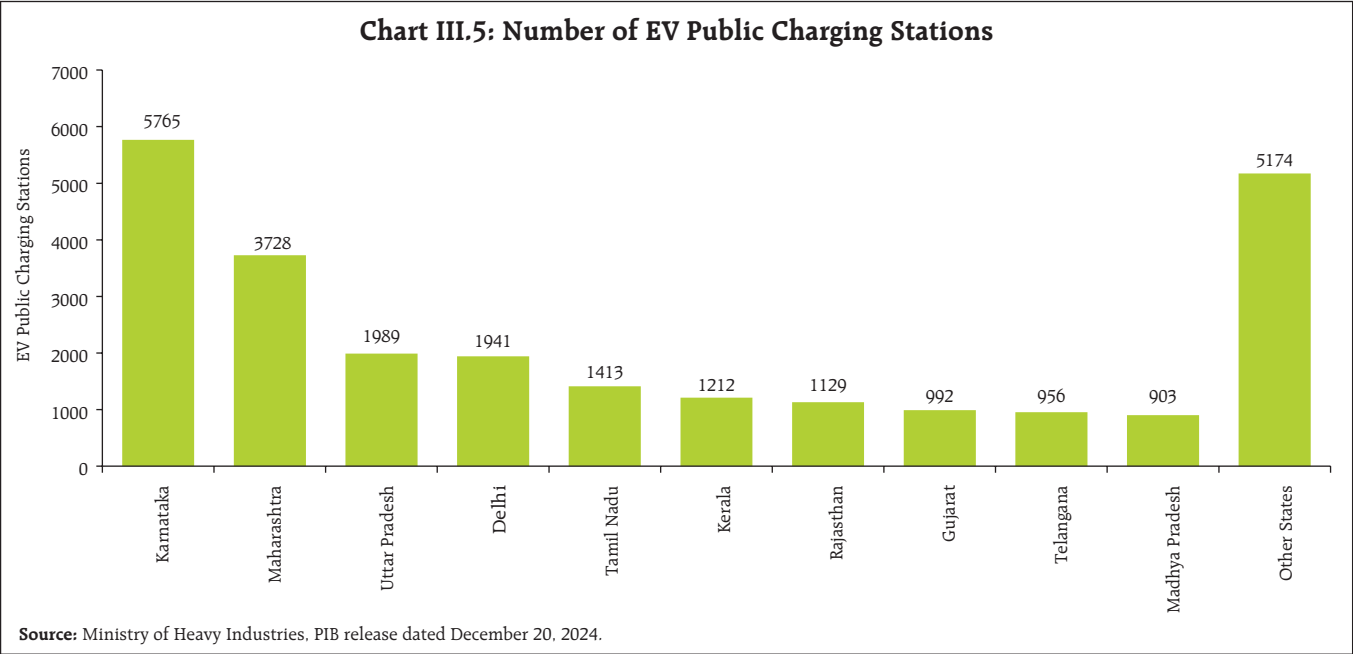
consumption expanded by 3.1 per cent (y-o-y) in January (Chart III.3d).

Chart III.3: Automobile Sector Indicators



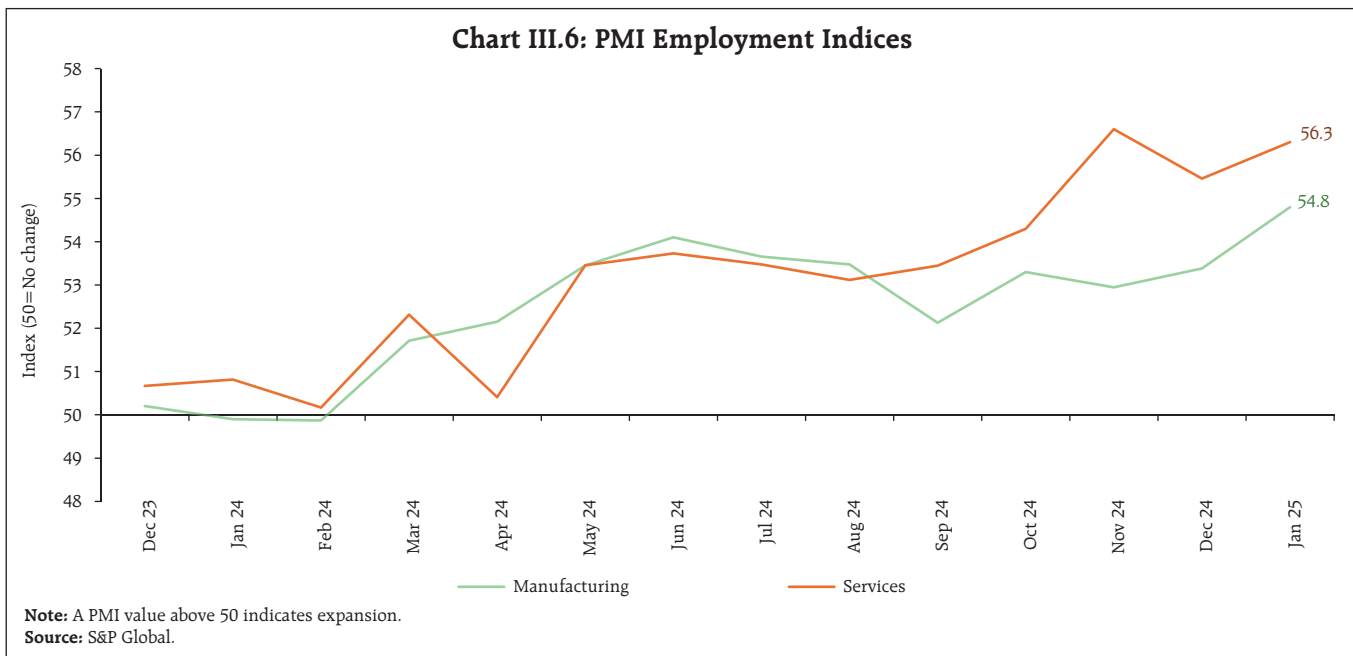
India has seen a growing adoption of electric vehicles (EVs) in the past few years. In 2024, the share of EVs in total vehicle registrations increased to more than 7 per cent from less than 2 per cent in 2021. States/UTs such as Assam, Delhi, Goa, Karnataka, and Tripura have seen relatively higher EV adoption rates⁹ (Chart III.4).

The PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) scheme launched in September 2024 aims to incentivise the adoption of EVs and has made provision for the development of Electric Vehicle Public Charging Stations (EVPCS)¹⁰. As of December 2024, Karnataka had the highest EVPCS, followed by Maharashtra and Uttar Pradesh (Chart III.5).



⁹ Adoption rates are calculated by dividing total EVs registration with total vehicle registration in the corresponding state for the period from January 2019 to February 2025.

¹⁰ An outlay of ₹10,900 crore for a two-year period was provided, out of which ₹2,000 crore has been kept for EVPCS.

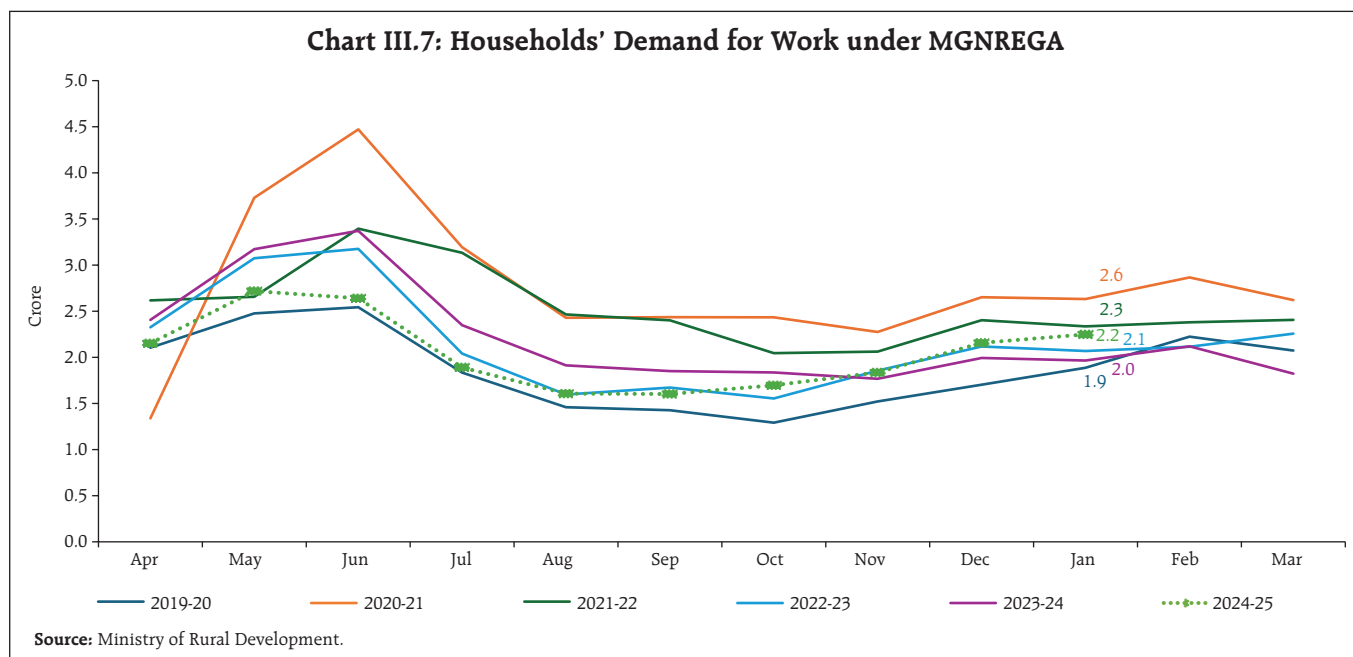


In January 2025, employment in the organised manufacturing sector grew at a record pace since the PMI survey's inception, while job creation in the services sector was also among the strongest in the series¹¹ (Chart III.6).

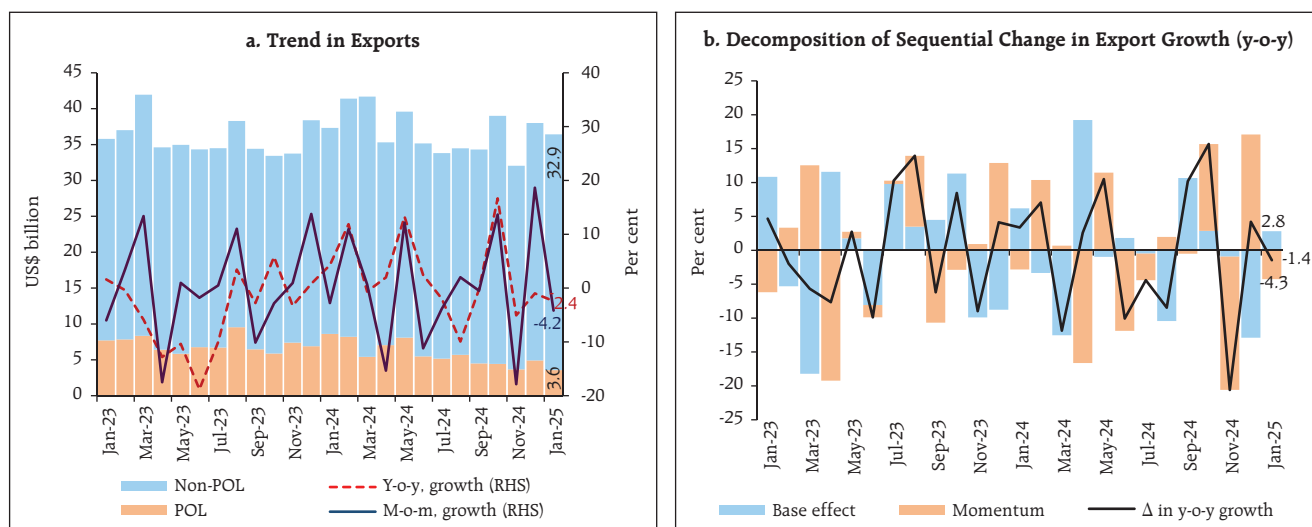
The demand for work under the Mahatma Gandhi National Rural Employment Guarantee Scheme

(MGNREGS) rose for the third consecutive month in January 2025 by 14.4 per cent (y-o-y) as *rabi* sowing came to close (Chart III.7).

India's merchandise exports at US\$ 36.4 billion contracted by 2.4 per cent (y-o-y) in January 2025, mainly due to a decline in oil exports (Chart III.8).



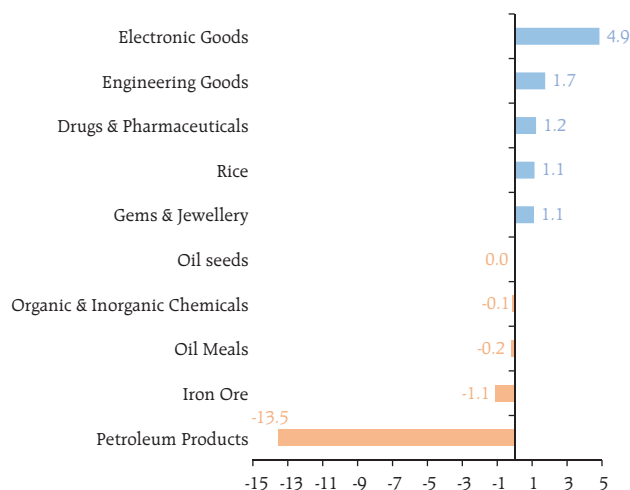
¹¹ The survey began in 2005.

Chart III.8: India's Merchandise Exports

Note: POL: Petroleum, oil and lubricants.

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

The contraction remained contained in a few product groups as exports of only 5 out of 30 major commodities (accounting for 27.6 per cent of export basket) declined on y-o-y basis. Among the major groups, petroleum products and iron ore contributed negatively, while electronic goods, engineering goods, and drugs and pharmaceuticals lent support (Chart III.9).

Chart III.9: India's Merchandise Exports – Relative Contribution
(January 2025 over January 2024)

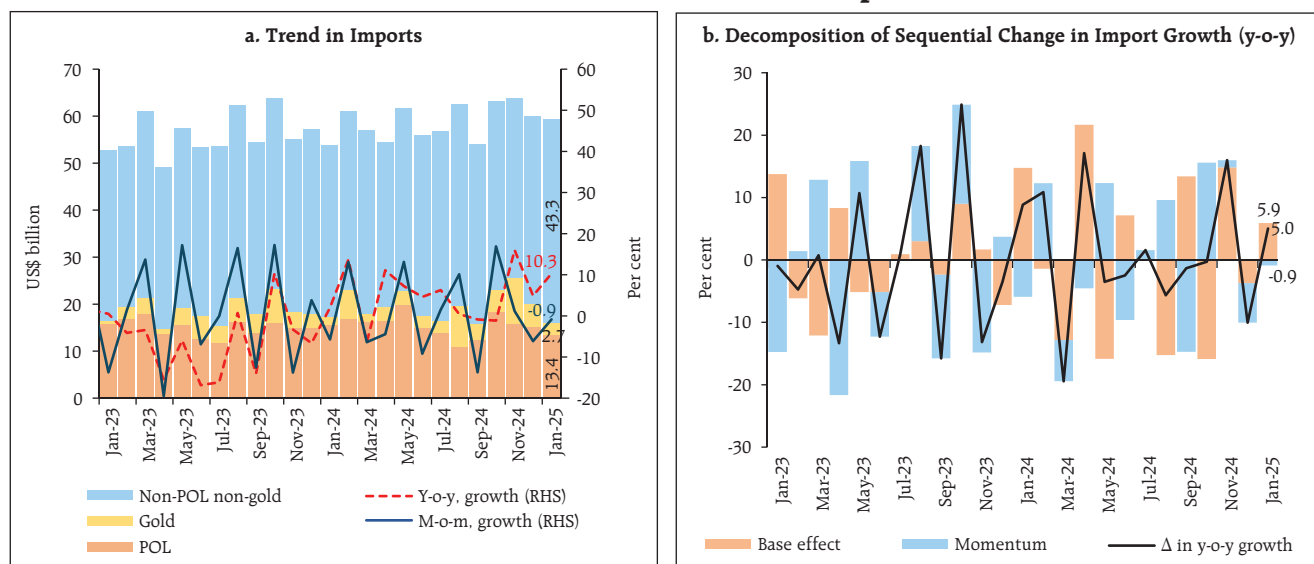
Sources: PIB; and RBI staff estimates.

During April-January 2024-25, India's merchandise exports expanded by 1.4 per cent to US\$ 358.9 billion, primarily led by engineering goods, electronic goods, rice, and drugs and pharmaceuticals, while petroleum products, gems and jewellery and iron ore dragged exports down.

Exports to 10 out of 20 major destinations expanded in January 2025. During April-January 2024-25, exports to 15 out of 20 major destinations expanded, with the US, the UAE and the Netherlands being the top three export destinations.

Merchandise imports at US\$ 59.4 billion increased by 10.3 per cent (y-o-y) in January (Chart III.10). Out of 30 major commodities, 26 commodities (accounting for 59.7 per cent of import basket) registered an expansion on y-o-y basis.

Electronic goods, electrical and non-electrical machinery and gold were the major groups which contributed positively, while petroleum, crude and products and pearls, precious and semi-precious stones were the major groups that contributed negatively (Chart III.11).

Chart III.10: India's Merchandise Imports

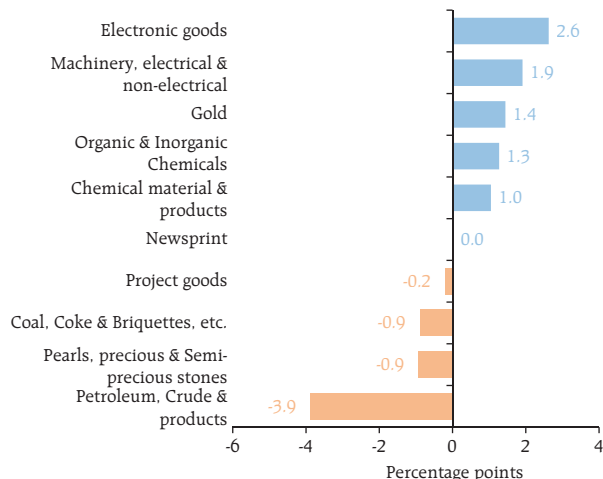
Sources: PIB; DGCIS; and RBI staff estimates.

During April-January 2024-25, India's merchandise imports at US\$ 609.1 billion increased by 7.4 per cent (y-o-y), mainly led by gold, petroleum, crude and products and electronic goods, while imports of coal, coke and briquettes, etc., pearls, precious and semi-precious stones and iron and steel fell.

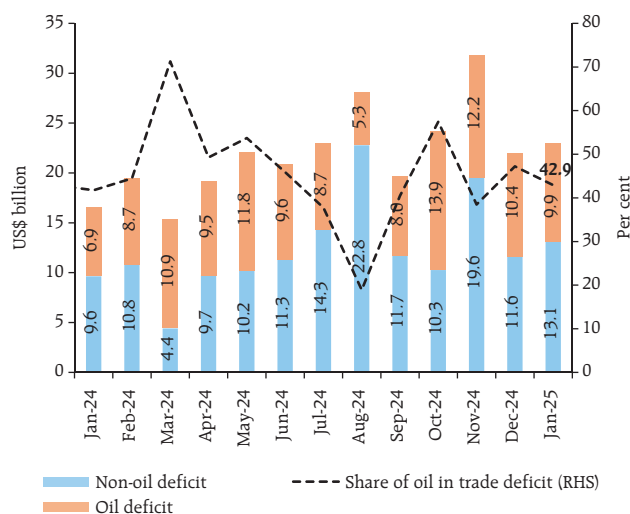
Imports from 13 out of 20 major source countries expanded in January, and imports from 15 out of 20

major source countries expanded during April-January 2024-25. Import from major source countries, viz., China, Russia, and the UAE recorded a growth during April-January 2024-25.

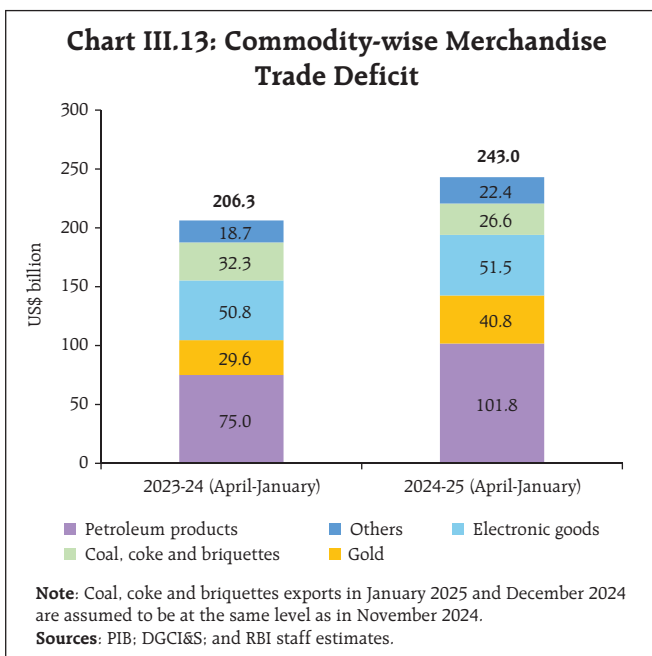
Merchandise trade deficit widened to US\$ 23.0 billion in January 2025 from US\$ 16.6 billion in January 2024. Both oil and non-oil deficit turned out to be higher in January as compared with a year ago (Chart III.12). The share of oil deficit in overall trade

Chart III.11: India's Merchandise Imports – Relative Contribution (January 2025 over January 2024)

Sources: PIB; and RBI staff estimates.

Chart III.12: Decomposition of India's Merchandise Trade Deficit

Sources: PIB; and DGCIS.



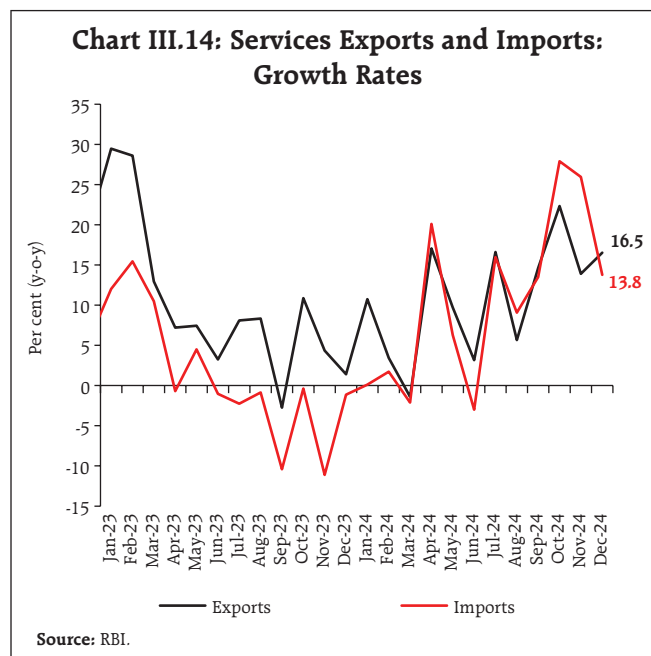
deficit was 42.9 per cent in January as compared with 41.8 per cent a year ago.

During April-January 2024-25, India's merchandise trade deficit widened to US\$ 243.0 billion from US\$ 206.3 billion a year ago. Petroleum products were the largest source of deficit, followed by electronic goods and gold (Chart III.13).

During December 2024, services exports robustly grew by 16.5 per cent (y-o-y) to US\$ 36.9 billion while services imports expanded by 16.5 per cent (y-o-y) to US\$ 17.8 billion (Chart III.14). Net services export earnings rose by 19.2 per cent (y-o-y) to an all-time high of US\$ 19.1 billion during the month.

During April-December 2024, the gross fiscal deficit (GFD) and revenue deficit (RD) in absolute terms were lower than the corresponding period of the previous year¹²; while they were higher as per cent of the revised estimates (RE). The gross primary deficit remained lower than the corresponding period of the previous year, both in absolute terms and as per cent of RE (Chart III.15a and 15b).

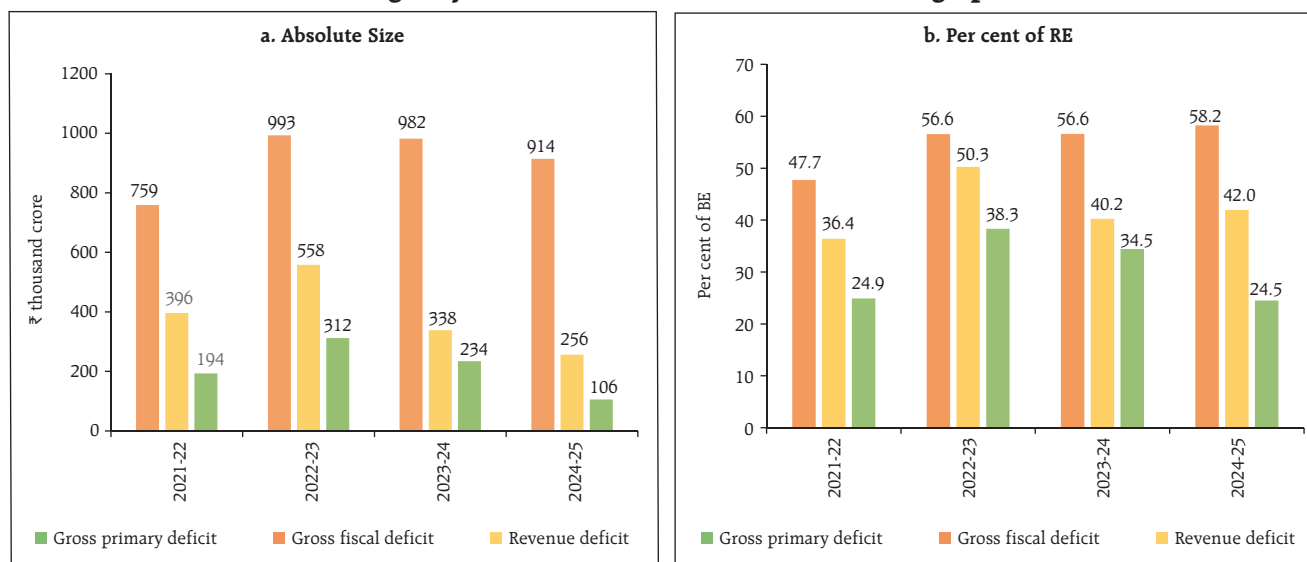
¹² According to the Controller General of Accounts (CGA).



Amongst expenditure components, revenue expenditure recorded a y-o-y growth of 7.0 per cent in April-December 2024 in comparison to 2.3 per cent growth during the corresponding period of the previous year. Driven by food and petroleum subsidies, the expenditure outgo on major subsidies recorded a growth of 10.9 per cent, in comparison to a contraction of 21.0 per cent during the corresponding period of the previous year. Revenue expenditure net of interest payments and subsidies grew by 5.6 per cent (y-o-y) as compared with 4.5 per cent a year ago.

Capital expenditure recovered in November and December 2024¹³, taking the y-o-y growth rate to 1.7 per cent during April-December 2024 (Chart III.16a). Among the top six ministries, which together account for around 95 per cent of the budgeted capital expenditure for 2024-25, Road Transport and Highways, Railways, Finance, and Housing and Urban Affairs registered expansion on a y-o-y basis while Defence, and Communications registered a

¹³ On a y-o-y basis, capital expenditure registered an expansion of 21.3 per cent and 95.3 per cent during November and December 2024, respectively.

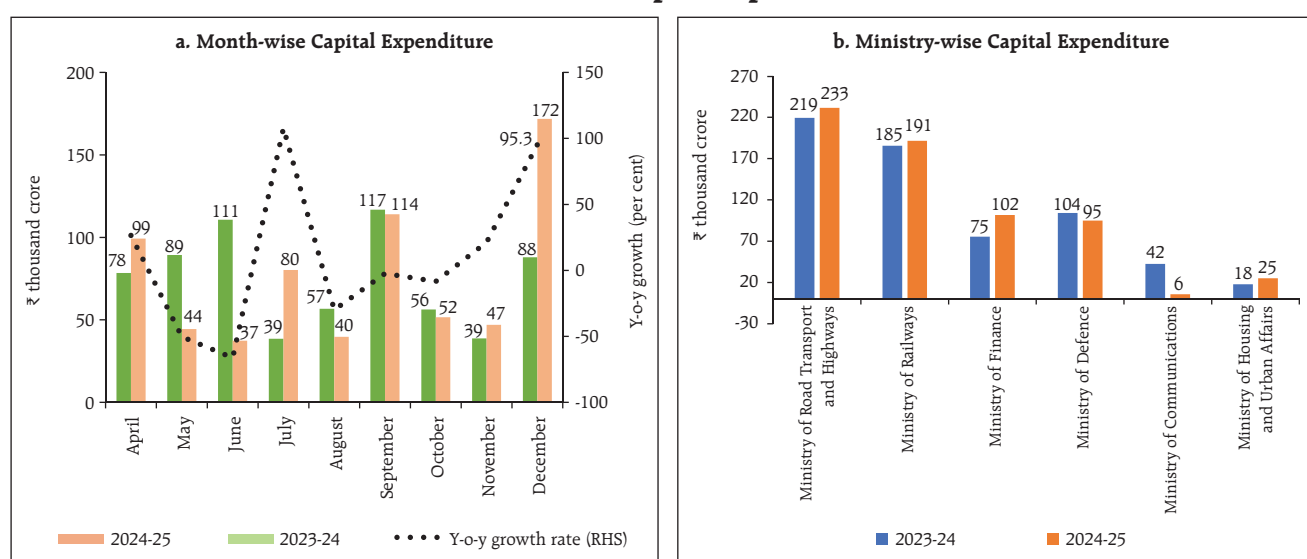
Chart III.15: Budgetary Deficit of Central Government during April-December

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

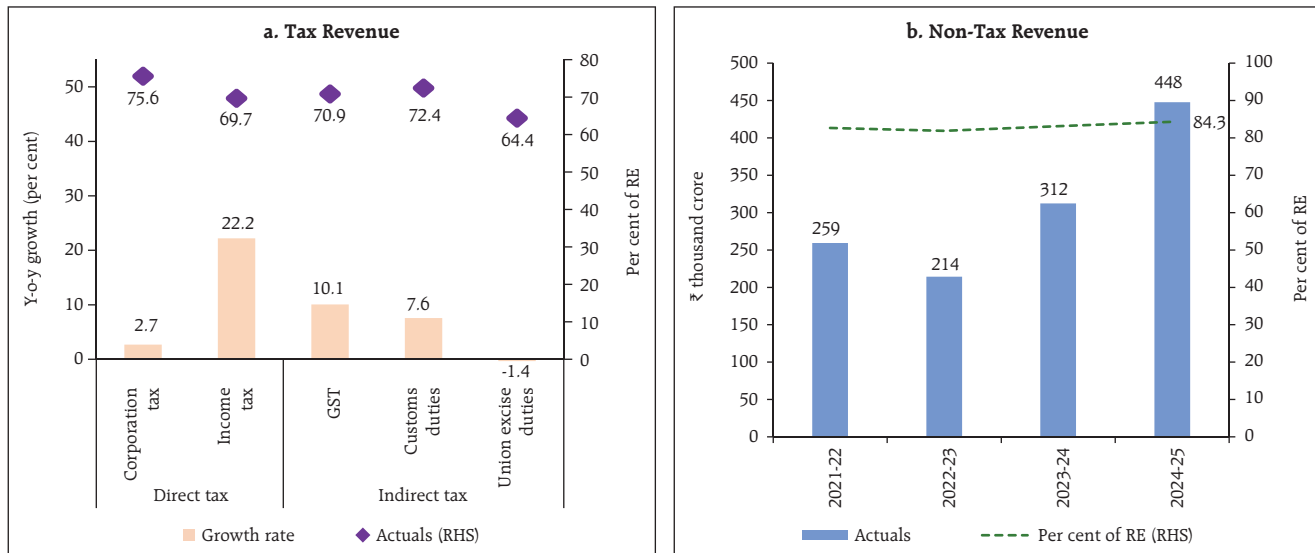
contraction (Chart III.16b). Overall, the growth in total expenditure stood at 5.8 per cent during April-December 2024 *vis-à-vis* 8.4 per cent during the corresponding period of the previous year.

Gross tax revenues of the Central government grew by 10.8 per cent (y-o-y) in April-December 2024, primarily driven by income tax, goods and services

tax (GST), and custom duties (Chart III.17a). Non-tax revenue attained 84.3 per cent of RE, attributable to the surplus transfer of ₹2.11 lakh crore from the Reserve Bank (Chart III.17b). Non-debt capital receipts, however, contracted due to decline in both recovery of loans and disinvestment receipts. The net tax revenue of the Union government increased

Chart III.16: Capital Expenditure

Source: CGA.

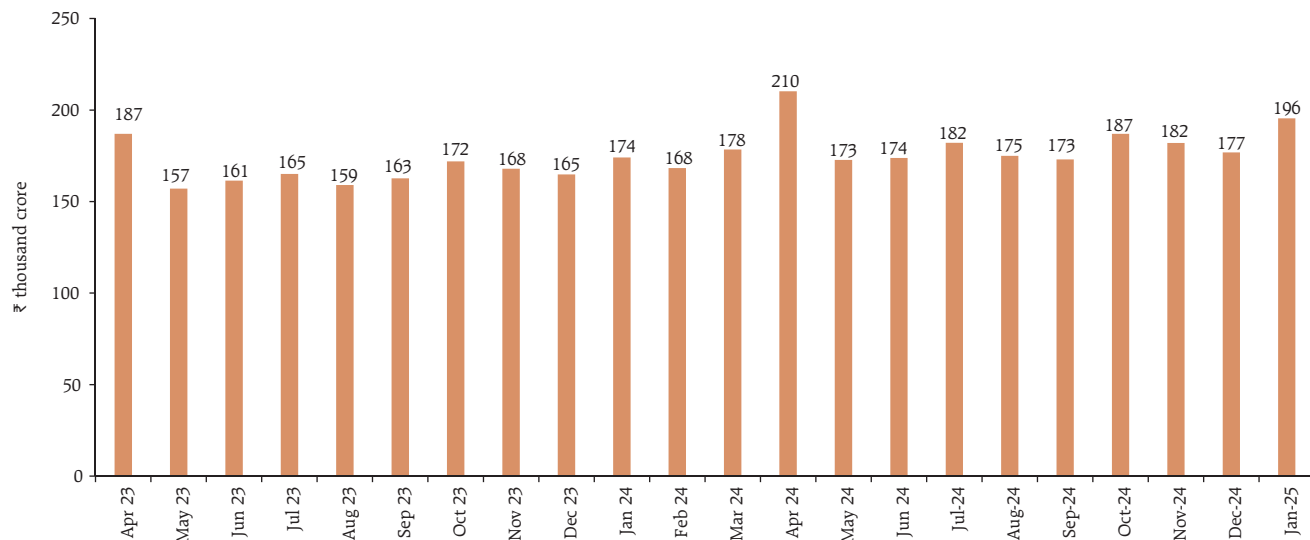
Chart III.17: Revenue Receipts of the Central Government during April-December

Source: CGA.

by 6.5 per cent during April-December 2024. Overall, the total receipts expanded by 11.9 per cent over the corresponding period of the previous year.

GST collections (Centre *plus* States) grew by 12.3 per cent (y-o-y) in January 2025 to reach ₹1.96 lakh crore (Chart III.18). The collection from domestic

transactions¹⁴ grew by 10.0 per cent (y-o-y), while that on imports grew by 19.8 per cent. With tax refund for January 2025 growing by 23.9 per cent, the net GST collections rose by 10.9 per cent to ₹1.72 lakh crore. The cumulative gross GST collections for April-January 2024-25 were 9.4 per cent higher than the corresponding period a year ago.

Chart III.18: GST Collection

Sources: Press Information Bureau (PIB); and GST Portal.

¹⁴ Collection from domestic transactions accounted for 75.3 per cent of the gross GST collection during January 2025.

The Union Budget 2025-26, announced on February 1, 2025, reaffirmed the government's commitment towards fiscal consolidation, with GFD placed at 4.4 per cent of GDP in 2025-26 (BE), below 4.8 per cent of GDP in 2024-25 (RE). The proposed consolidation is sought to be achieved through retrenchment of revenue expenditure to 11.0 per cent of GDP (*vis-à-vis* 11.4 per cent in 2024-25 RE), maintaining capital expenditure at 3.1 per cent of GDP (with effective capital expenditure higher at 4.3 per cent of GDP)¹⁵ while boosting gross tax revenues to 12.0 per cent of GDP (*vis-à-vis* 11.9 per cent in 2024-25 RE). From 2026-27 to 2030-31, the Union government endeavours to keep fiscal deficit each year such that its debt is on declining path to attain a debt to GDP level of about 50 ± 1 per cent by March 31, 2031.

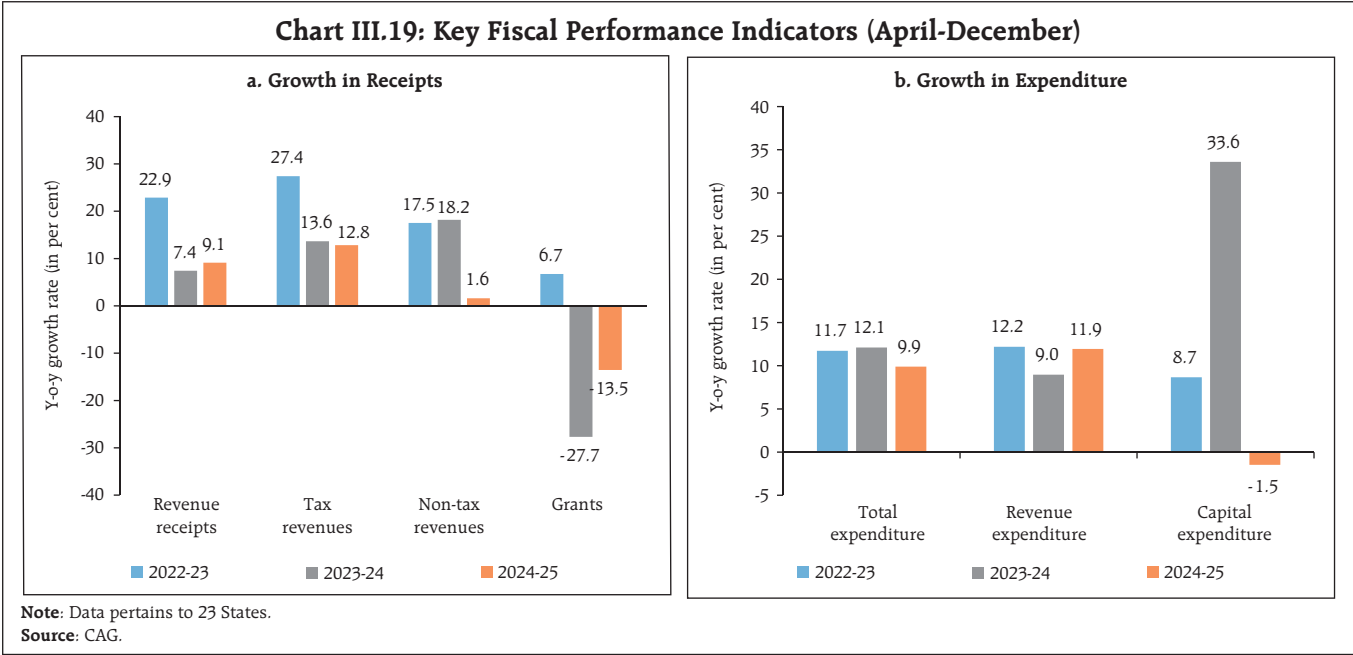
As per provisional accounts, States' key deficit indicators as per cent of the budget estimates (BE) during April-December 2024 are higher than last year's level (Table III.1).

Table III.1: States' Fiscal Indicators (April-December)

(per cent of BE)			
Deficit Indicators	2022-23	2023-24	2024-25
Revenue deficit	4.2	52.3	98.3
Gross fiscal deficit	39.9	52.1	54.8
Primary deficit	15.0	39.9	44.9

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

States' revenue receipts increased by 9.1 per cent, largely driven by higher tax revenues, even though grants from the Union government contracted (Chart III.19a). Growth in States' GST (SGST) and State excise moderated slightly, while Sales Tax/VAT saw a positive turnaround compared to last year. States' revenue expenditure recorded a double-digit growth, while capital expenditure declined during this period (Chart III.19b). Accordingly, the RECO¹⁶ ratio climbed up to 7.0 in April-December 2024, from 6.0 in the same period last year.



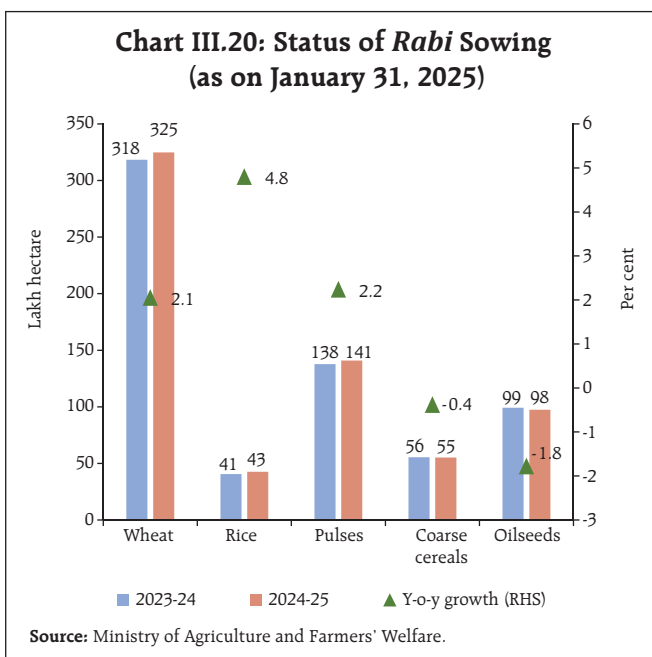
¹⁵ Effective capital expenditure is capital expenditure *plus* grants-in-aid for creation of capital assets.
¹⁶ Revenue expenditure to capital outlay.

Aggregate Supply

Area sown during *rabi* season 2024-25 stood at 661 lakh hectares, 1.5 per cent higher as compared to last year. Area under wheat, which accounts for nearly half of the area sown under normal *rabi* area, grew by 2.1 per cent (Chart III.20). The expansion in pulses sowing was mainly driven by higher area under gram.

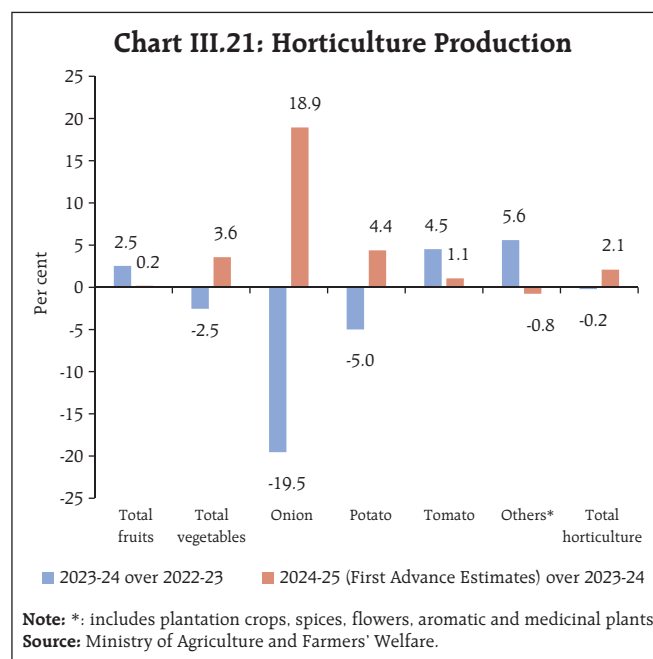
As per the first advance estimates, the production of horticultural crops during 2024-25 is placed at 362.1 million tonnes, 2.1 per cent higher than the final estimates of 2023-24. The y-o-y increase was driven by higher production of onion and potato (Chart III.21).

The Union Budget 2025-26 has focused on important areas such as enhancing productivity and sustainability in agriculture and improving agricultural infrastructure. It announced the launch of 'Prime Minister *Dhan-Dhaanya Krishi Yojana*' in 100 low productivity districts to enhance their agricultural productivity, improve irrigation facilities, augment post-harvest storage and facilitate availability of long-term and short-term credit for around 1.7 crore farmers. It also announced the launch of a 6-year "Mission for *Aatmanirbharta* in Pulses" with special focus on *tur*, *urad* and *masoor*.

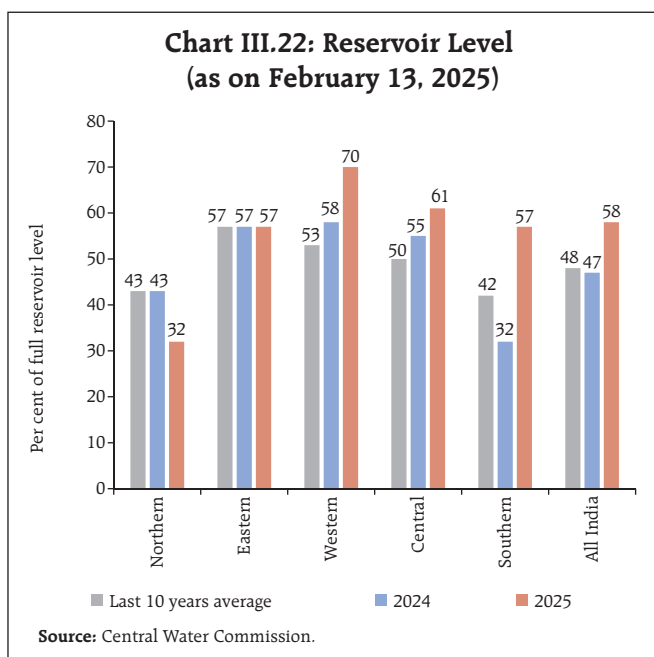


The reservoir level (based on 155 major reservoirs) remains in a comfortable position at 58 per cent of the total reservoir capacity (as of February 13, 2025), which is higher than the previous year as well as the decadal average levels (Chart III.22). Comfortable reservoir position allays some of the concerns for *rabi* crops stemming from low winter rainfall (January-March) in the country¹⁷.

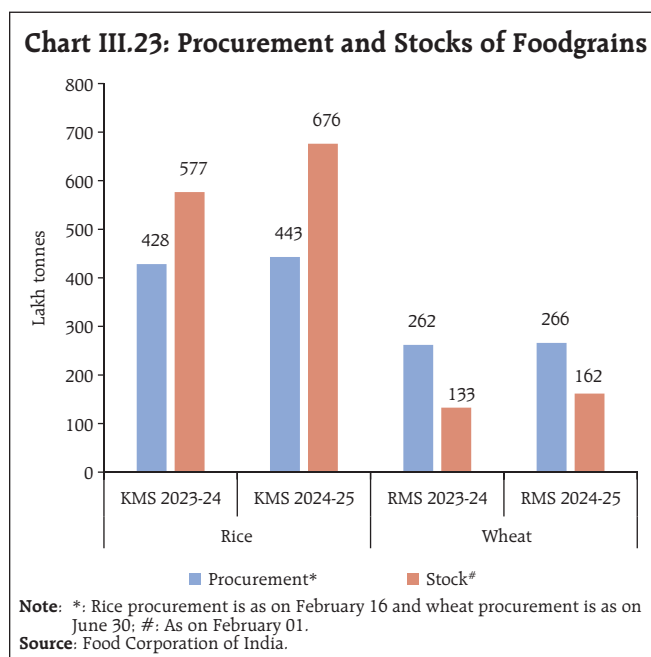
As on February 01, 2025, the stock of rice held by the Food Corporation of India (FCI) stood at 676 lakh tonnes - nine times the buffer requirements. The government reduced the reserve price of rice under the open market sales scheme (OMSS) to ₹2,250 from ₹2,800 per quintal for sale to state governments and ethanol distilleries. Wheat stock at 162 lakh tonnes is 22 per cent higher than last year and is in line with the buffer norms. Rice procurement during the current marketing season at 443 lakh tonnes (as on February 16, 2025) is 3.4 per cent higher than last year (Chart III.23).



¹⁷ Winter rainfall was 70 per cent below the long period average as of February 12, 2025.

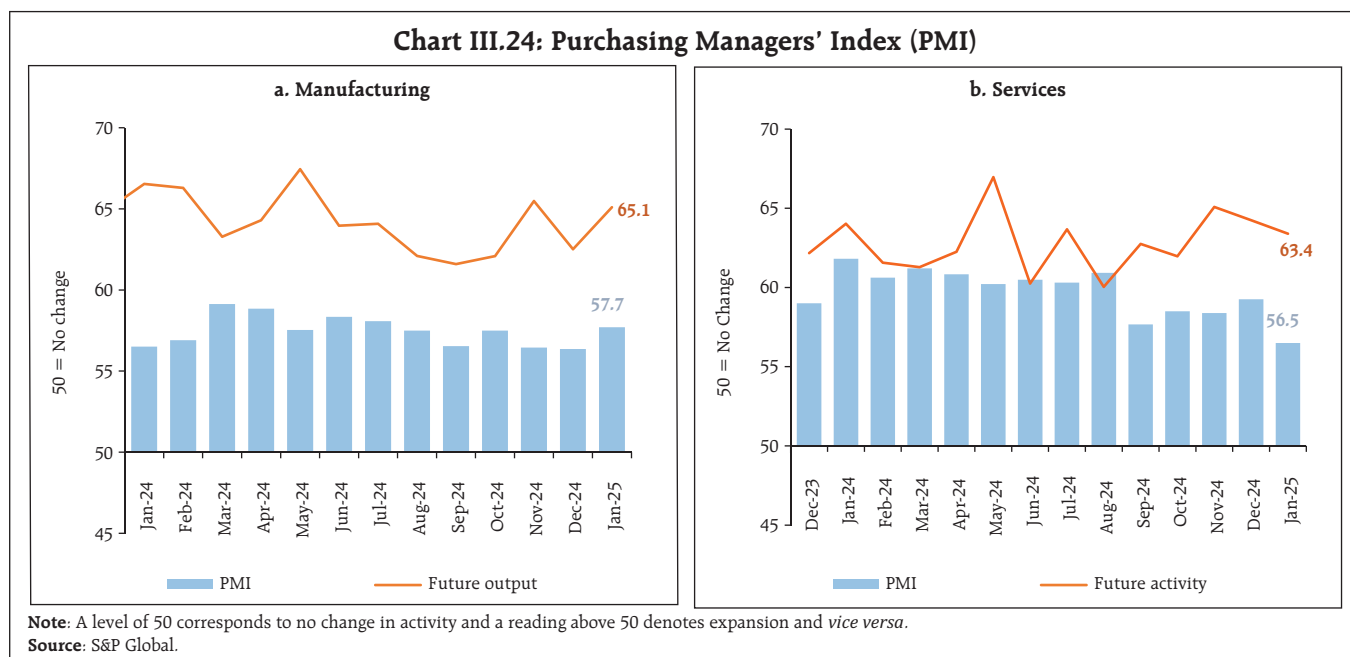


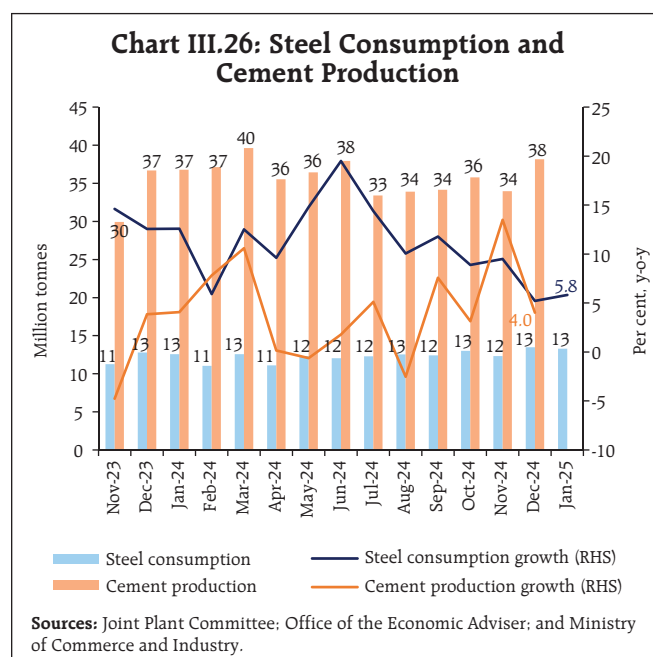
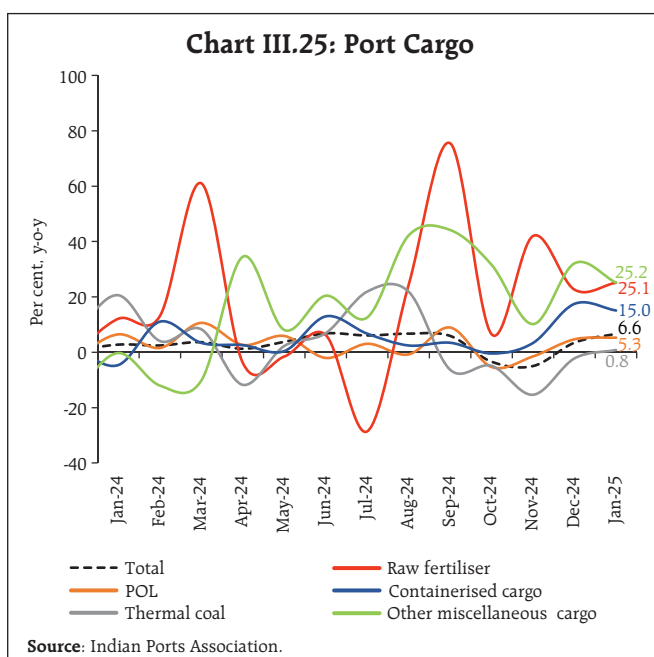
India's manufacturing PMI reached a six-month high in January, driven by new orders (domestic and export) and employment (Chart III.24a). The services PMI, however, moderated due to a slowdown in new business activity (Chart III.24b). Business expectations for manufacturing improved, while future output assessments for services dropped to a three-month low.



Port traffic increased from 3.4 per cent in December 2024 to 6.6 per cent in January 2025, driven by fertilisers, containerised cargo, and other miscellaneous cargo (Chart III.25).

In the construction sector, steel consumption growth accelerated to 5.8 per cent (y-o-y) in January while the cement production levels reached a nine-month high, growing by 4.0 per cent in December (Chart III.26).





Available high frequency indicators for the services sector reflect resilience in economic activity

with most indicators showing improvement in y-o-y growth (Table III.2).

Table III.2: High Frequency Indicators-Services

(y-o-y, per cent)

Sector	Indicator	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Urban demand	Passenger Vehicles Sales	9.5	8.9	1.2	4.3	4.9	-2.0	-1.6	-0.4	1.1	4.4	11.4	3.5
	Two-Wheeler Sales	34.6	15.3	30.8	10.1	21.3	12.5	9.3	15.8	14.2	-1.1	-8.8	2.1
Rural demand	Three-Wheeler Sales	8.3	4.3	14.5	14.4	12.3	5.1	8.0	6.7	-0.7	-1.3	3.5	7.7
	Tractor Sales	-30.6	-23.1	-3.0	0.0	3.6	1.6	-5.8	3.7	22.4	-1.3	14.0	11.4
Trade, hotels, transport, communication	Commercial Vehicles Sales	-3.8			3.5			-10.9			1.3		
	Railway Freight Traffic	10.1	8.6	1.4	3.7	10.1	4.5	0.0					
	Port Cargo Traffic	2.1	2.7	1.3	3.8	6.8	5.9	6.7	5.8	-3.4	-4.9	3.4	6.6
	Domestic Air Cargo Traffic	11.5	8.7	0.3	10.3	10.3	8.8	0.6	14.0	8.9	0.3	4.3	
	International Air Cargo Traffic	30.2	22.5	16.2	19.2	19.6	24.4	20.7	20.5	18.4	16.1	10.5	
	Domestic Air Passenger Traffic *	5.8	4.7	3.8	5.9	6.9	7.6	6.7	7.4	9.6	13.8	10.8	14.1
	International Air Passenger Traffic *	19.3	15.0	16.8	19.6	11.3	8.8	11.1	11.2	10.3	10.7	9.0	9.8
	GST E-way Bills (Total)	18.9	13.9	14.5	17.0	16.3	19.2	12.9	18.5	16.9	16.3	17.6	23.1
	GST E-way Bills (Intra State)	21.1	15.8	17.3	18.9	16.4	19.0	13.1	19.0	18.3	5.4	17.9	23.3
	GST E-way Bills (Inter State)	15.0	10.7	9.6	13.6	16.3	19.6	12.5	17.7	14.4	44.1	17.1	22.8
	Hotel occupancy	1.8	2.7	-1.4	-2.6	-3.1	3.6	0.7	2.1	-5.3	11.1	-0.2	
	Average revenue per room	7.8	6.7	4.8	1.8	2.8	7.6	5.2	3.5	4.8	10.7	8.9	
	Tourist Arrivals	15.8	8.0	7.7	0.3	9.0	-1.3	-4.2	0.4	-1.4			
Construction	Steel Consumption	7.0	12.5	9.6	15.9	19.5	14.4	10.0	11.8	8.9	9.5	5.2	5.8
	Cement Production	7.8	10.6	0.2	-0.6	1.8	5.1	-2.5	7.6	3.1	13.5	4.0	
PMI Index#	Services	60.6	61.2	60.8	60.2	60.5	60.3	60.9	57.7	58.5	58.4	59.3	56.5

<< Contraction ----- Expansion >>

Note: #: Data in levels. *: December 2024 data are based on the monthly average of daily figures. The Heat-map is constructed for each indicator for the period July-2021 till date.

Sources: SIAM; Ministry of Railways; Tractor and Mechanisation Association; Indian Ports Association; Office of Economic Adviser; GSTN; Airports Authority of India; HVS Anarock; Ministry of Tourism; Joint Plant Committee; and IHS Markit.

Inflation

Headline inflation, as measured by y-o-y changes in the all-India consumer price index (CPI)¹⁸, declined to a five-month low of 4.3 per cent in January 2025 from 5.2 per cent in December 2024 (Chart III.27). The 90 bps decline in inflation was on account of a negative price momentum of around 100 bps (m-o-m), partially offset by an adverse base effect of around 10 bps. The food group recorded a negative momentum of around 240 bps during the month, while that in fuel and core (excluding food and fuel) groups was positive at 40 and 30 bps, respectively.

Food inflation decelerated to 5.7 per cent in January from 7.7 per cent (y-o-y) in December. In terms of sub-groups, inflation moderated in cereals, eggs, vegetables, and pulses, but picked up in oils and fats, fruits, sugar and confectionary, non-alcoholic beverages, and prepared meals. Inflation remained steady in meat and fish, and milk and products while deflation in spices narrowed (Chart III.28).

Fuel and light deflation was (-)1.4 per cent in January as compared with (-) 1.3 per cent in

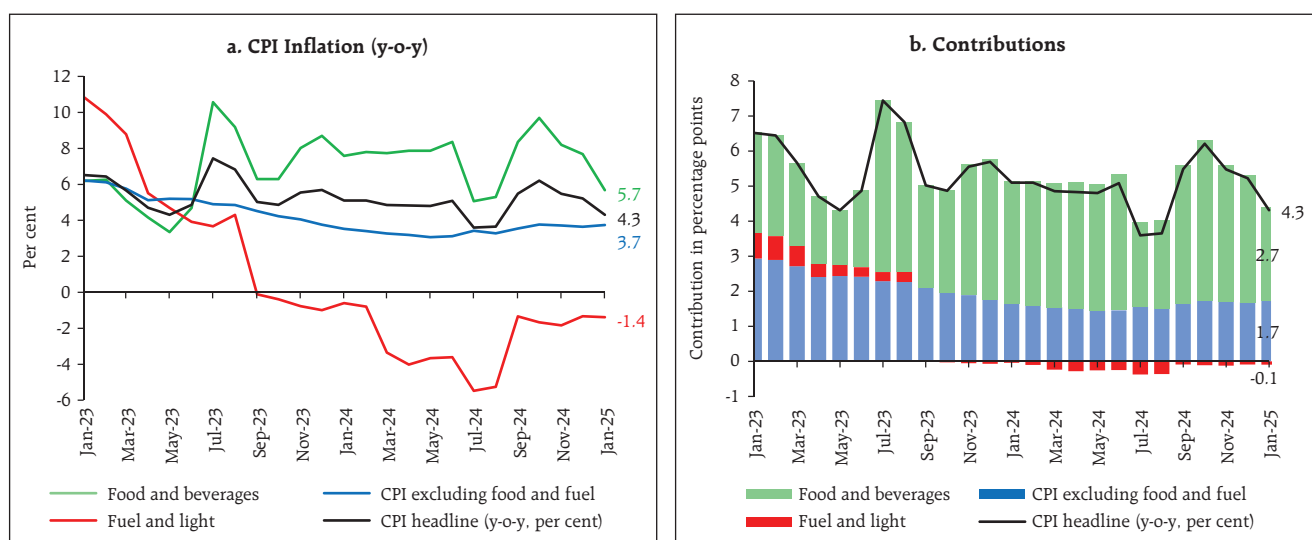
December, mainly on account of a higher rate of decline in kerosene prices while deflation in LPG prices remained steady. Electricity prices, however, recorded an increase in inflation.

Core inflation increased to 3.7 per cent in January 2025 from 3.6 per cent in December. Among the sub-groups, inflation edged up in housing, household goods and services, transport and communication, and personal care and effects subgroups; it remained steady in clothing and footwear, and health; and moderated in pan, tobacco and intoxicants, recreation and amusement, and education (Chart III.29).

In terms of regional distribution, rural and urban inflation was at 4.6 per cent and 3.9 per cent, respectively, in January 2025. At the state level, inflation rates ranged from 2.0 to 7.4 per cent. Majority of the states recorded inflation less than 6 per cent (Chart III.30).

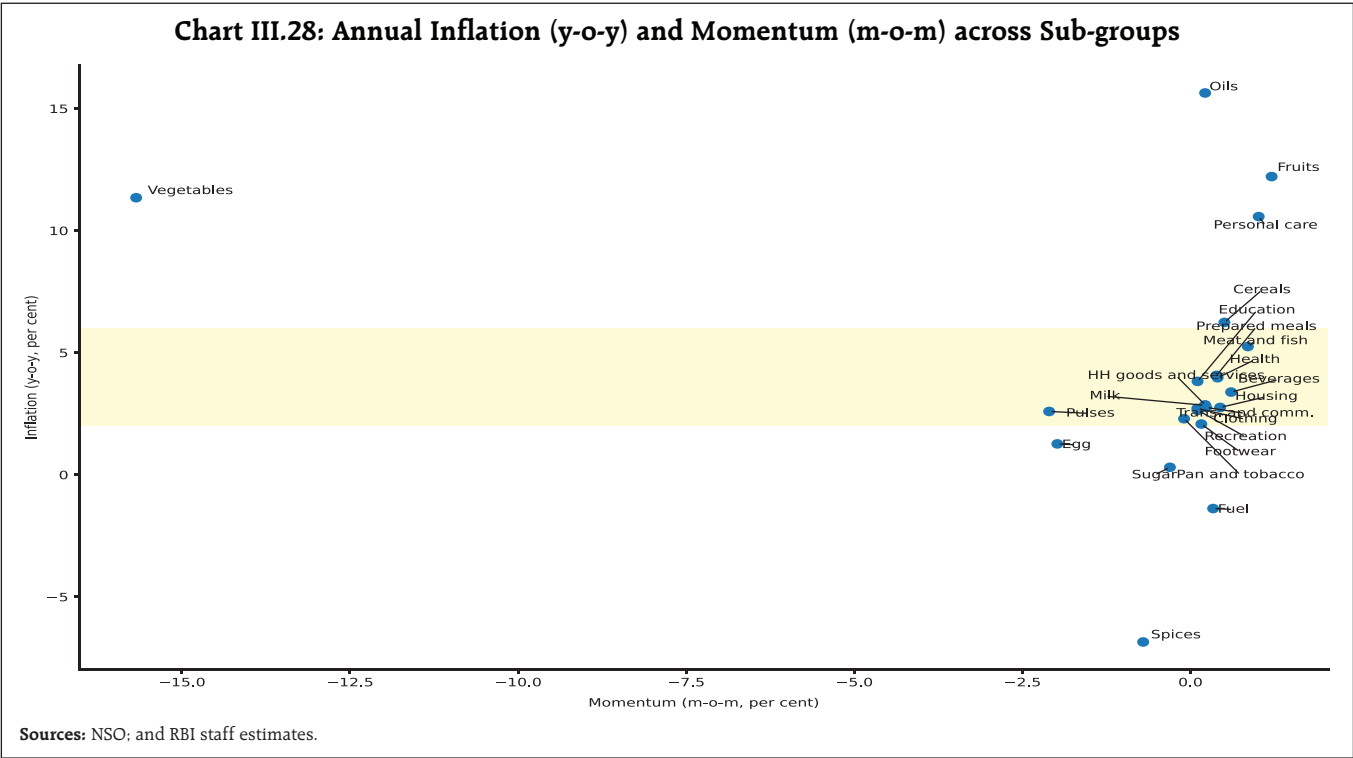
High frequency food price data for February so far (up to 14th) show that rice prices remained largely unchanged, while wheat prices continued to edge up. Edible oil prices firmed up further while pulses

Chart III.27: Trends and Drivers of CPI Inflation



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

¹⁸ As per the provisional data released by the National Statistical Office (NSO) on February 12, 2025.



prices recorded a broad-based moderation. Prices of key vegetables including potato, onion and tomato continued their correction (Chart III.31).

Retail selling prices of petrol, diesel and LPG remained unchanged in February thus far (up to 14th) while kerosene prices increased (Table III.3).

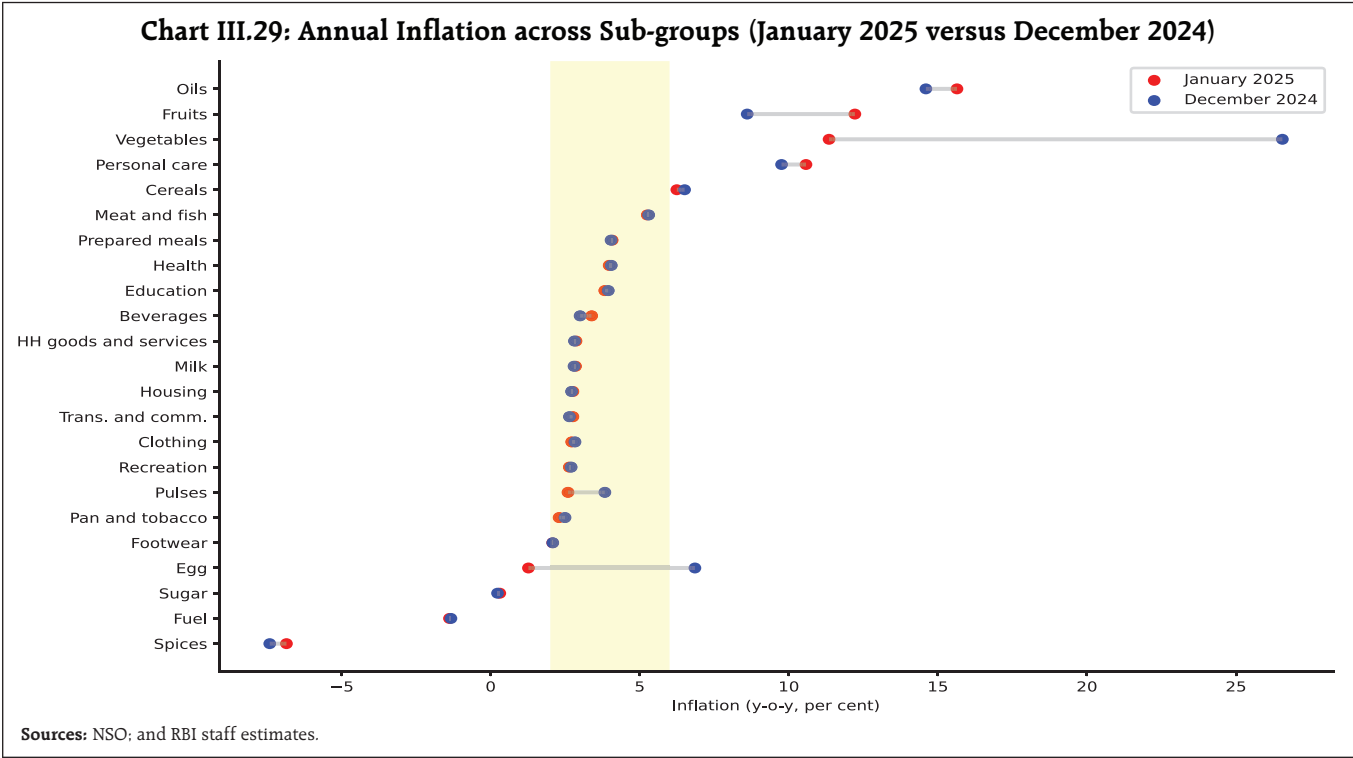
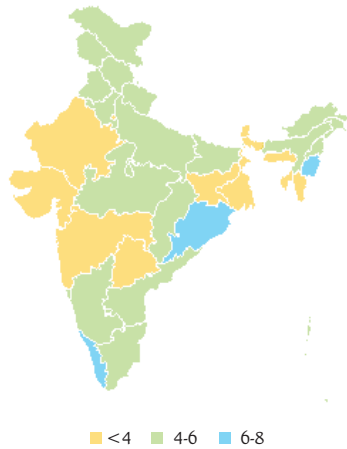


Chart III.30: Spatial Distribution of Inflation
January 2025
(CPI-Combined, y-o-y), (per cent)



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

As per the PMIs, input costs softened in January for the manufacturing sector but rose for the services

Table III.3: Petroleum Products Prices

Item	Unit	Domestic Prices			Month-over-month (per cent)	
		Dec-24	Jan-25	Feb-25 ^	Jan-25	Feb-25 ^
Petrol	₹/litre	101.02	101.02	101.02	0.0	0.0
Diesel	₹/litre	90.48	90.48	90.48	0.0	0.0
Kerosene (subsidised)	₹/litre	44.75	43.93	46.37	-1.8	5.6
LPG (non-subsidised)	₹/cylinder	813.25	813.25	813.25	0.0	0.0

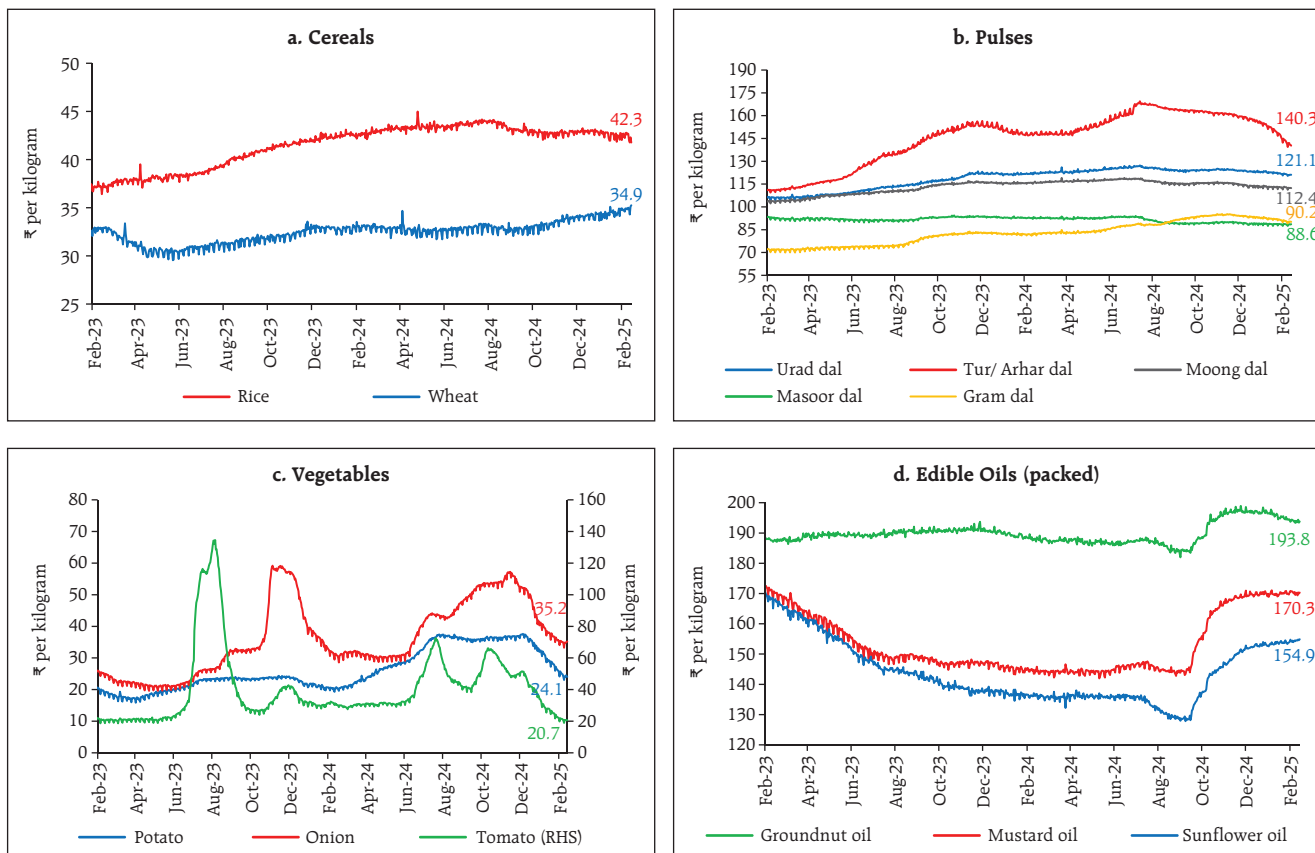
Notes: 1. ^ : For the period February 1-14, 2025.

2. Other than kerosene, prices represent the average Indian Oil Corporation Limited (IOCL) prices in four major metros (Delhi, Kolkata, Mumbai and Chennai). For kerosene, prices denote the average of the subsidised prices in Kolkata, Mumbai and Chennai.

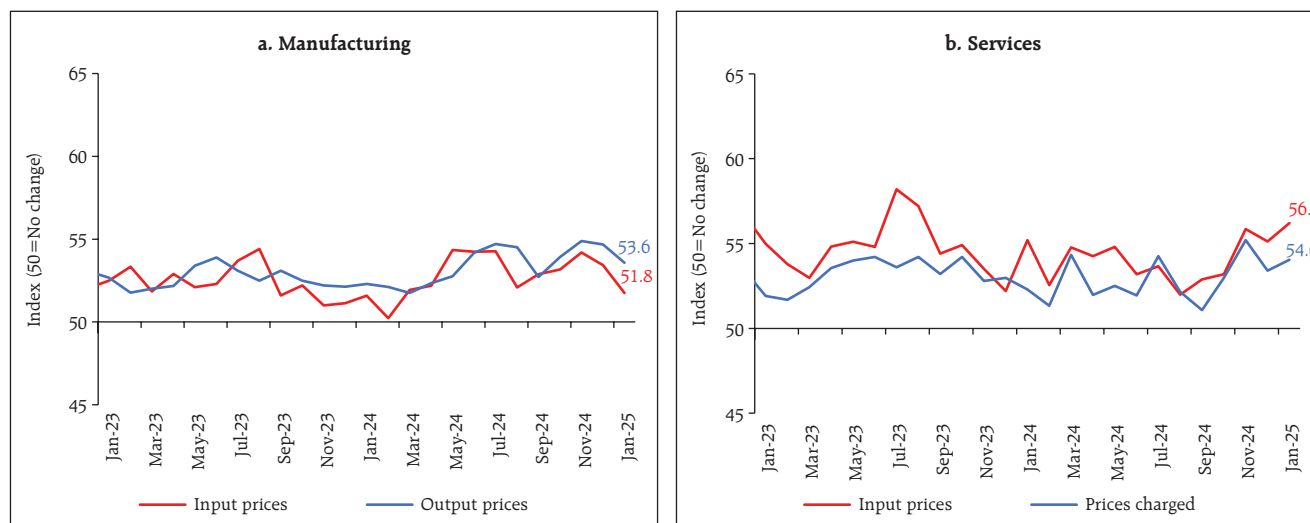
Sources: IOCL; Petroleum Planning and Analysis Cell (PPAC); and RBI staff estimates.

sector. Selling price pressures moderated across manufacturing firms but increased for services firms (Chart III.32).

Chart III.31: DCA Essential Commodity Prices



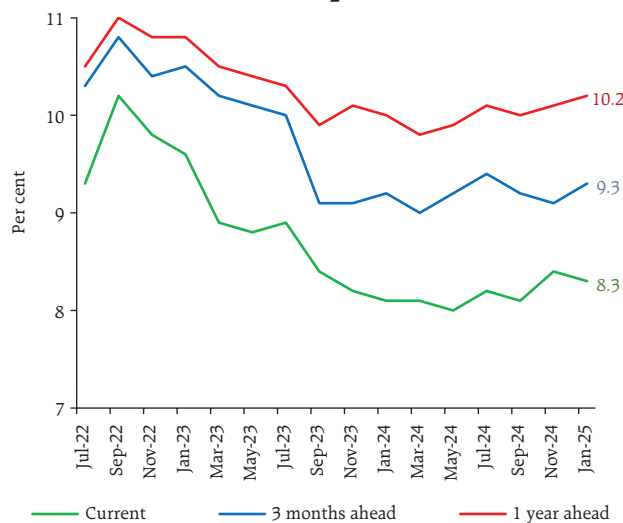
Sources: Department of Consumer Affairs, GoI; and RBI staff estimates.

Chart III.32: PMI: Input and Output Prices

Note: A level of 50 corresponds to no change in activity and a reading above 50 denotes expansion and *vice versa*.

Source: S&P.

Households' perception of current inflation moderated by 10 bps and stood at 8.3 per cent in the January 2025 round of RBI's inflation expectations survey. Their inflation expectations for the next three months and one year, however, increased by 20 bps and 10 bps, respectively, over the previous round (Chart III.33).

Chart III.33: Households' Median Inflation Expectations

Source: Inflation Expectations Survey of Households, RBI.

IV. Financial Conditions

System liquidity has turned into deficit since mid-December 2024 due to build-up in government cash balances driven by the usual quarter-end advance tax outflows, monthly GST payments, capital outflows and currency leakage. To assure market participants of the availability of sufficient liquidity on a day-to-day basis, the Reserve Bank introduced daily variable rate repo (VRR) auctions effective January 16, 2025. In addition, one main 14-day VRR operation was conducted on January 24, 2025. Taking cognisance of the liquidity tightness, the Reserve Bank announced a slew of measures – open market operations, USD/INR buy/sell swap and longer-term VRR - on January 27, 2025 to meet the durable liquidity requirements of the banking system. The open market purchase auction of government securities (G-secs) on January 30 and February 13, and the USD/INR buy/sell swap on January 31 together injected liquidity to the tune of approximately ₹1.04 lakh crore. Besides, the Reserve Bank's purchases of G-secs through the Negotiated Dealing System – Order Matching segment (NDS-OM) during January injected durable liquidity of around

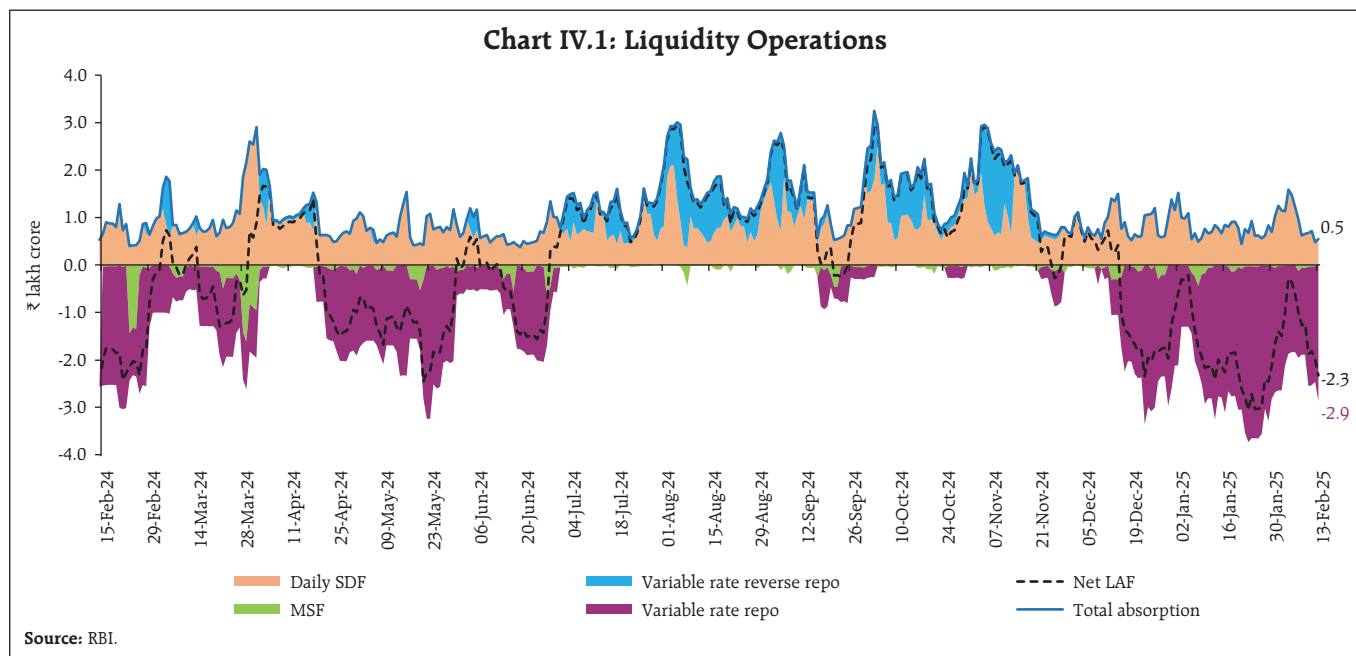
₹0.39 lakh crore in the system. The Reserve Bank conducted a 56-day VRR auction for a notified amount of ₹50,000 crore on February 7, 2025, followed by a 49-day VRR auction for a notified amount of ₹75,000 crore on February 14, 2025. In addition, one OMO purchase auction of Government of India securities for an aggregate amount of ₹40,000 crore is also scheduled on February 20, 2025.

Overall, the average daily net injection under the liquidity adjustment facility (LAF) stood at ₹1.92 lakh crore during January 16 to February 13, 2025 as compared to the average net injection of ₹1.6 lakh crore recorded during December 16, 2024 to January 15, 2025 (Chart IV.1). Consequent to the various liquidity measures taken by the Reserve Bank and the pick up in government spending, liquidity tightness somewhat moderated in early February. Banks' placement of funds under the standing deposit facility (SDF) averaged ₹0.84 lakh crore during January 16 to February 13, 2025, higher relative to the previous month. The co-existence of deficit liquidity conditions and funds deployed under the SDF is indicative of

skewed distribution of liquidity in the banking system and behavioral aspects such as select banks' reluctance to onlend in the uncollateralised call money market.¹⁹

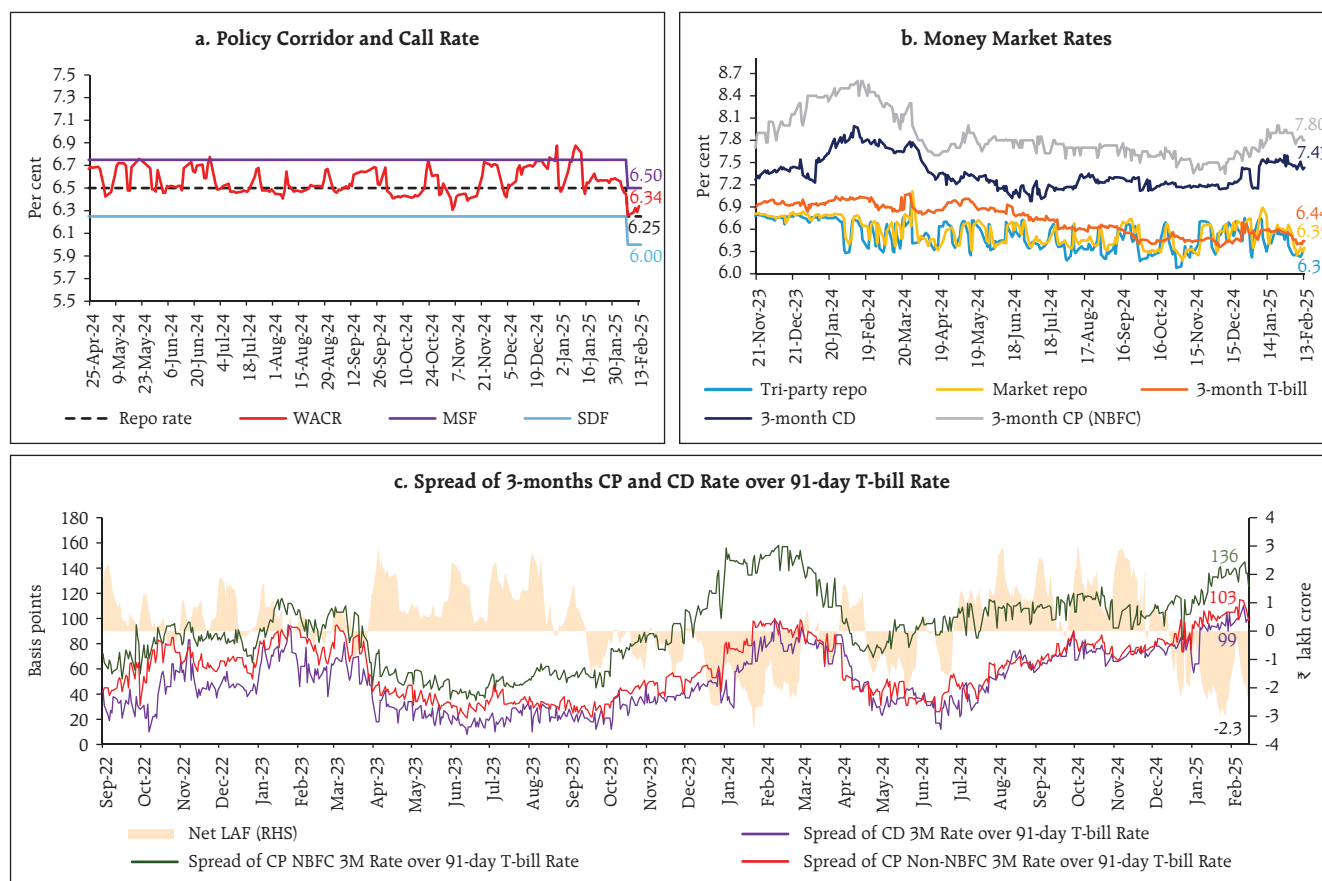
The weighted average call rate (WACR) – the operating target of monetary policy – moderated since mid-January with the introduction of daily VRR and the repo rate rate cut on February 7. It averaged 6.49 per cent during January 16 to February 13, 2025 as compared to 6.69 per cent during December 16, 2024 to January 15, 2025 (Chart IV.2a).

Across the term money market segment, interest rates on 3-month certificates of deposit (CDs) and 3-month commercial paper (CP) issued by non-banking financial companies (NBFCs) averaged 7.49 per cent and 7.88 per cent, respectively, during January 16 – February 13, 2025, up from 7.35 per cent and 7.68 per cent, respectively, during December 15, 2024 – January 15, 2025. The average yield on 91-day T-bill remained marginally moderated to 6.51 per cent during January 16 – February 13, 2025 from 6.54 per cent during December 15, 2024 – January 15, 2025 (Chart IV.2b).



¹⁹ Monetary Policy Statement 2024-25, Governor Statement, February 7, 2025.

Chart IV.2: Policy Corridor and Money Market Rates



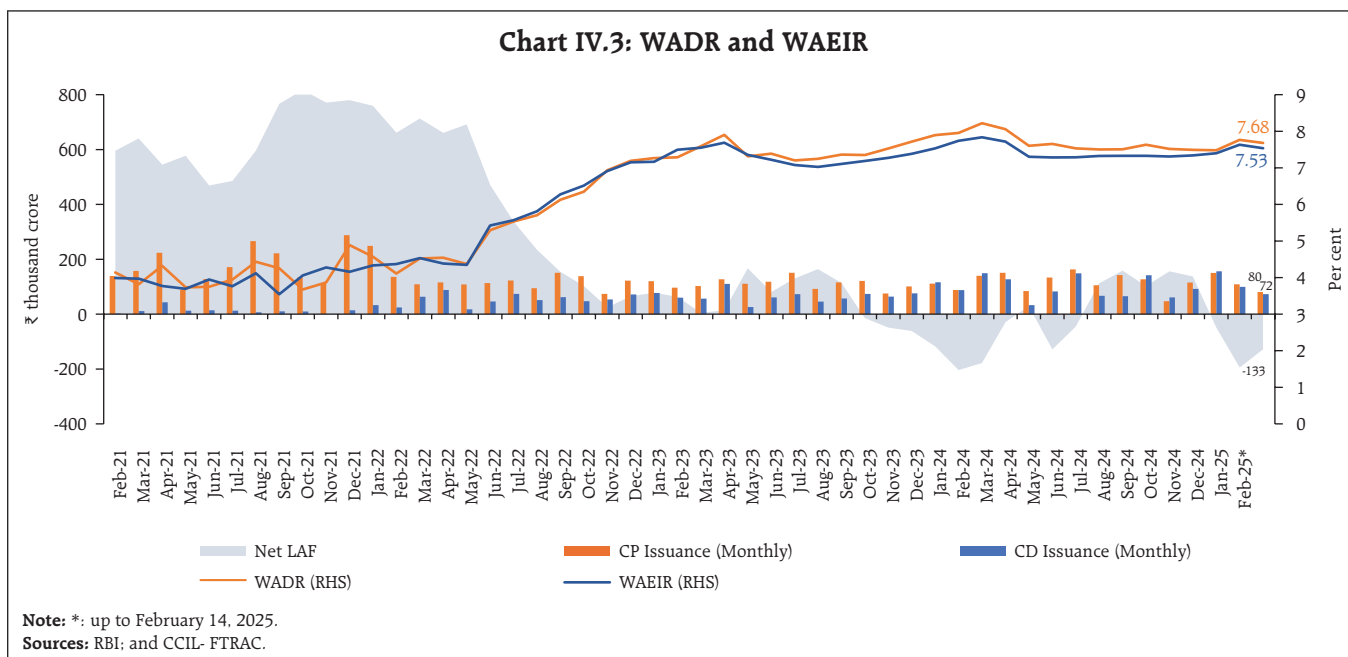
Sources: RBI; CCIL; and Bloomberg.

The spread of 3-month CPs (NBFC) rate over the 91-day T-bill rate was lower during January 18 - February 14, 2025 as compared to the corresponding period of the previous year. On the other hand, the spread of the 3-month CD rate over the 91-day T-bill rate edged up (Chart IV.2c).

The weighted average discount rate (WADR) of CPs during January 18 - February 14, 2025 remained lower than the levels recorded a year ago (Chart IV.3). Similar trend was observed for the weighted average effective interest rate (WAEIR) of CDs. WAEIR was lower at 7.58 per cent during January 18 - February 14, 2025 as compared with 7.86 per cent a year ago as the gap between credit and deposit growth narrowed.

In the primary market, issuances of CDs grew by 43.9 per cent (y-o-y) to ₹9.57 lakh crore during April 2024 to February 2025 (up to February 7) from ₹6.66 lakh crore in the corresponding period of the previous year (Chart IV.4). Similarly, CP issuances stood at ₹12.44 lakh crore during 2024-25 (up to January), up from ₹10.84 lakh crore during the corresponding period of the previous year.

The yield on the 10-year G-sec benchmark moderated to 6.75 per cent on February 13, 2025 from 6.85 per cent on January 15, 2025. This moderation was in line with the softening US treasury yields, a decline in crude oil prices, and RBI's liquidity injection operations (Chart IV.5a). The yield curve shifted downwards across the tenor. Between January 16 and



February 13, 2025, the average term spread (10-year G-sec yield minus 91-day T-bills yield) narrowed to 24 bps from 27 bps in the previous month (Chart IV.5b).

The spread of the 10-year Indian G-sec yield over the 10-year US bond fell to 217 bps as on February 14, 2025 from 314 bps in mid-September and 286 bps a year ago. The volatility of yields in the Indian

bond market further eased and remained low relative to US treasuries amidst positive sentiments on fiscal consolidation following the announcement of the Union Budget and from inclusion of Indian government bonds in global indices (Chart IV.6).

Corporate bonds issuances at ₹7.25 lakh crore were higher during 2024-25 (up to December) than ₹6.09

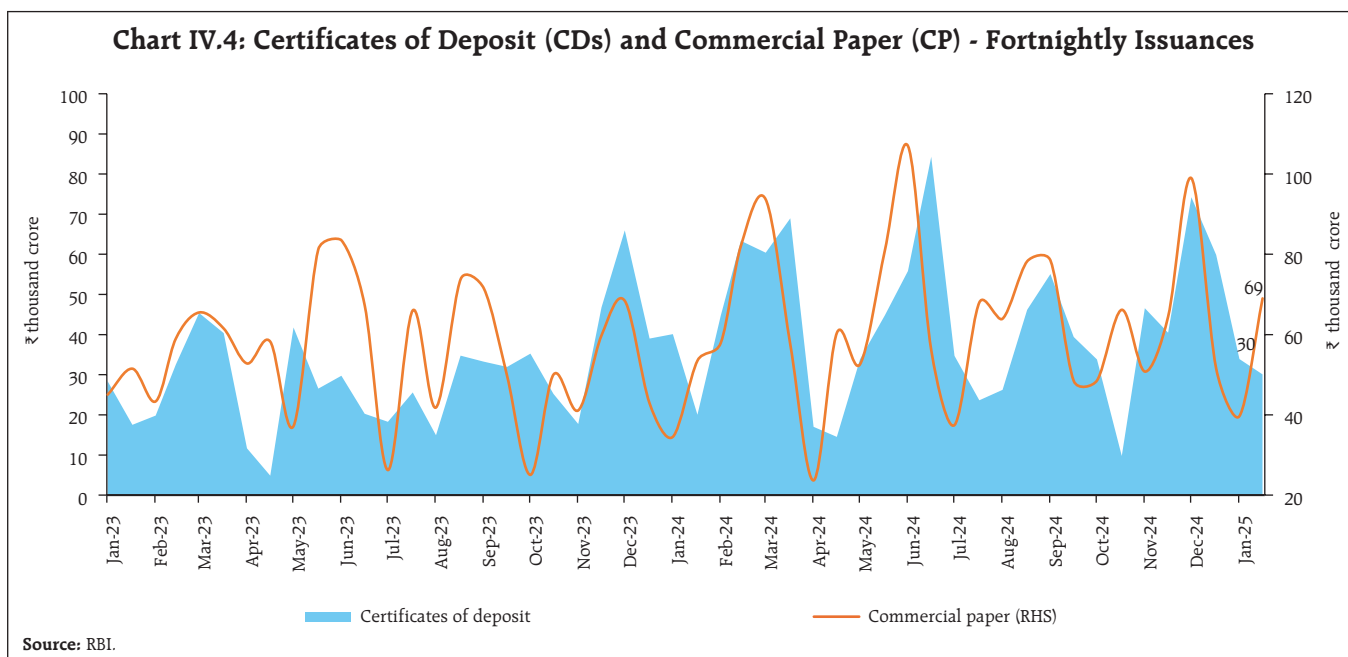
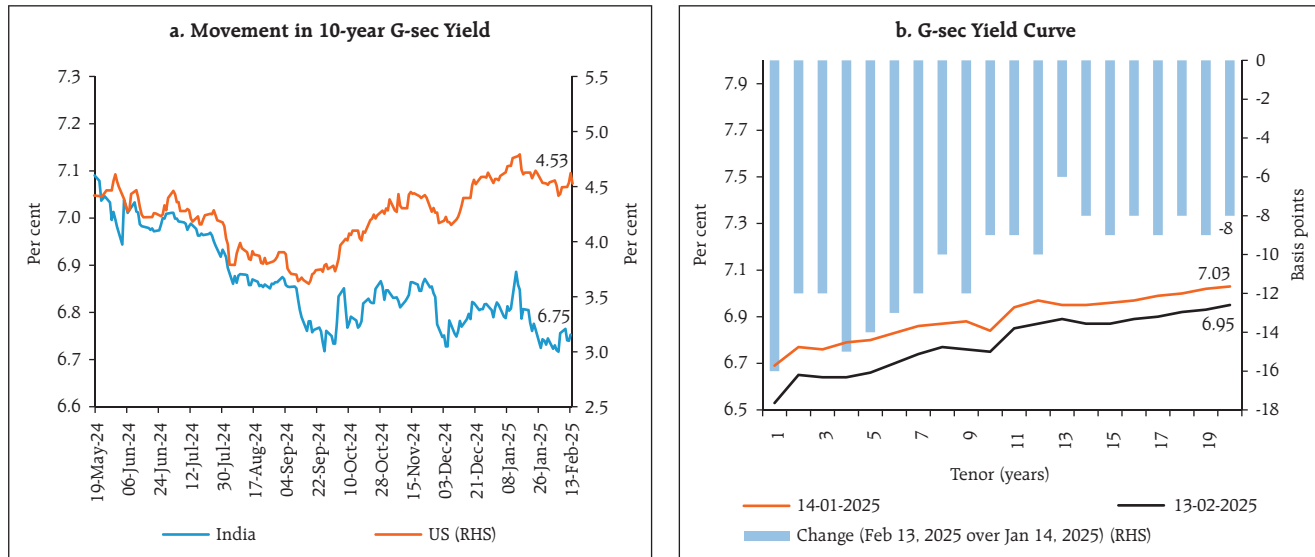


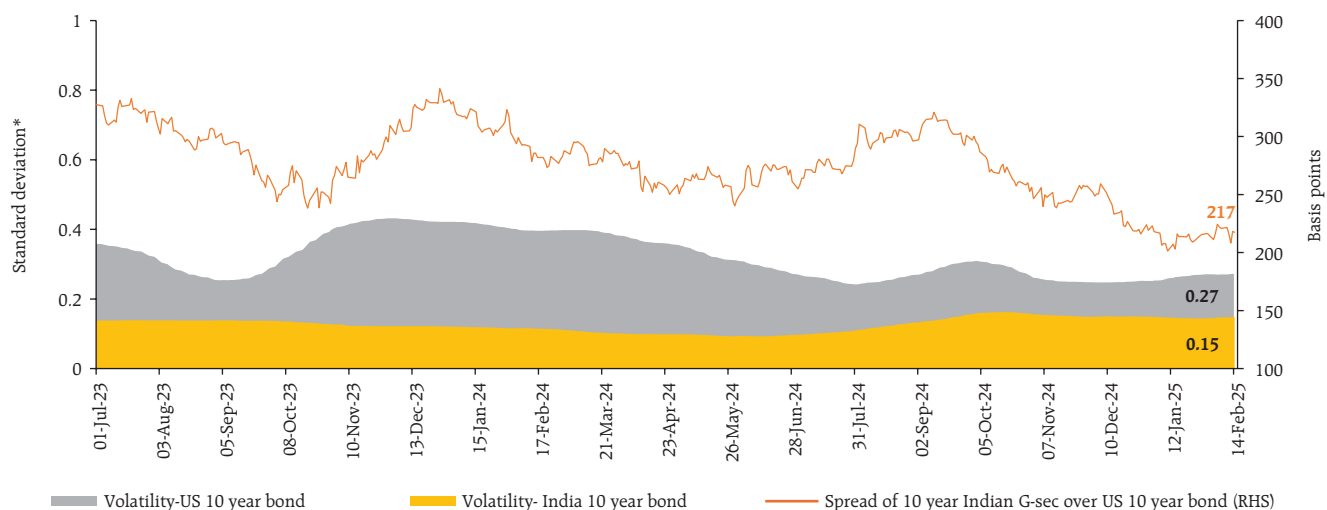
Chart IV.5: Developments in the G-sec Market

Sources: Bloomberg; CCIL; and RBI staff estimates.

lakh crore a year ago. Corporate bond yields generally softened across ratings and tenor spectrums while the corresponding risk premia showed mixed trend, during January 16 – February 13, 2025 (Table IV.1).

Reserve money (RM), excluding the first-round impact of change in the cash reserve ratio (CRR),

recorded a growth of 6.5 per cent (y-o-y) as on February 7, 2025 (5.9 per cent a year ago) [Chart IV.7]. Growth in currency in circulation (CiC), the largest component of RM, stood at 5.3 per cent (y-o-y) as on February 7, 2025 as compared with 3.7 per cent a year ago.

Chart IV.6 : Volatility and Spread-Bond Market

Note: *: 12-months rolling standard deviation.

Sources: Bloomberg; and RBI staff calculations.

Table IV.1: Financial Markets - Rates and Spread

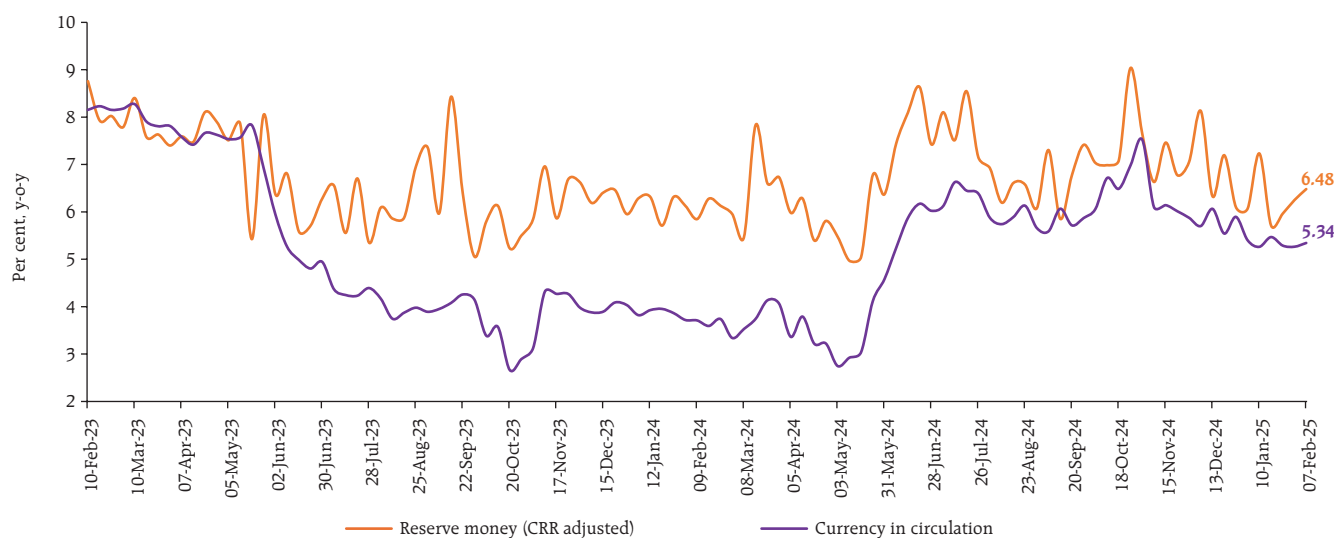
Instrument	Interest Rates (per cent)			Spread (basis points)		
				(Over Corresponding Risk-free Rate)		
	Dec 16, 2024 – Jan 15, 2025	Jan 16, 2025 – Feb 13, 2025	Variation (basis points)	Dec 16, 2024 – Jan 15, 2025	Jan 16, 2025 – Feb 10, 2025	Variation
1	2	3	(4 = 3-2)	5	6	(7 = 6-5)
Corporate Bonds						
(i) AAA (1-year)	7.88	7.88	0	112	117	5
(ii) AAA (3-year)	7.74	7.65	-9	92	91	-1
(iii) AAA (5-year)	7.62	7.50	-12	76	74	-1
(iv) AA (3-year)	8.51	8.44	-7	169	170	1
(v) BBB- (3-year)	12.18	12.11	-7	535	538	3

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

Sources: FIMMDA.

Money supply (M_3) rose by 9.6 per cent (y-o-y) as on January 24, 2025 (11.0 per cent a year ago).²⁰ Aggregate deposits with banks, accounting for around 86 per cent of M_3 , increased by 10.2 per cent (12.0 per cent a year ago). Scheduled commercial banks' (SCBs') credit growth was 12.5 per cent as on January 24, 2025 (16.1 per cent a year ago) [Chart IV.8].

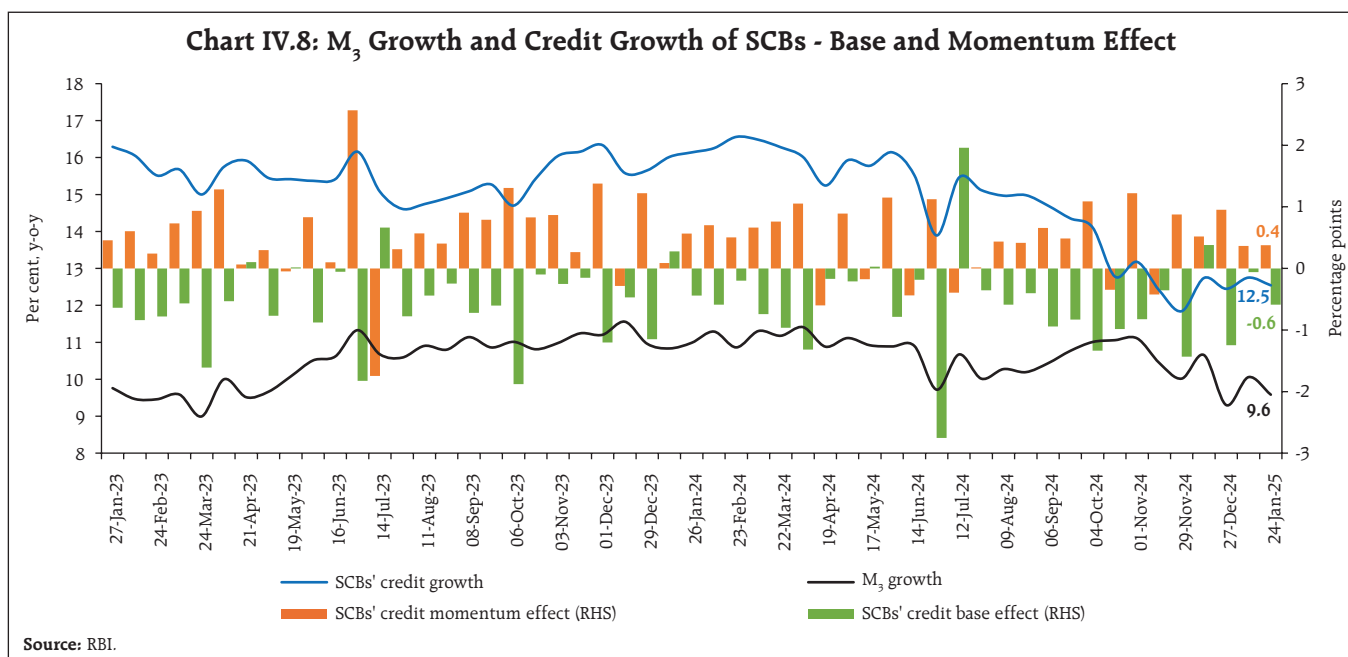
SCBs' deposit growth (excluding the impact of the merger) was at 10.6 per cent as on January 24, 2025, up from 10.2 per cent as at end-December 2024, supported by positive momentum and favourable base effect witnessed in the first fortnight of January 2025 (Chart IV.9).

Chart IV.7: Reserve Money and Currency in Circulation

Note: Latest data for reserve money pertain to February 7, 2025.

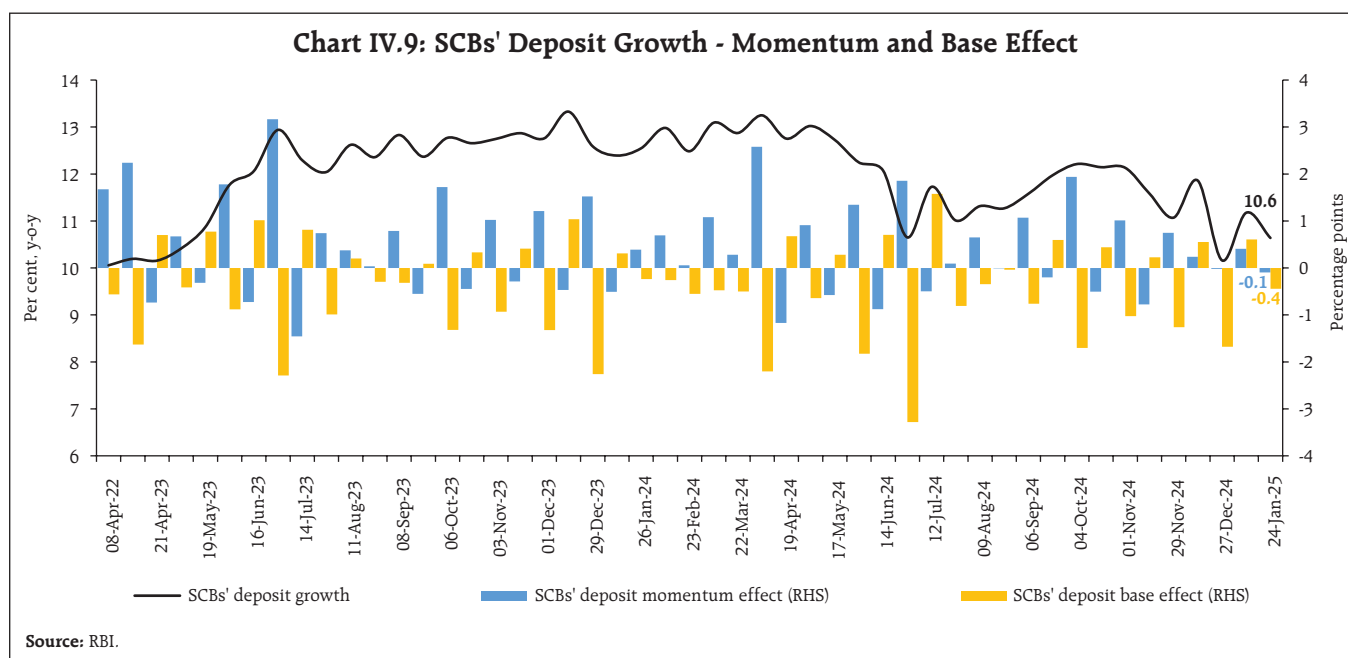
Source: RBI.

²⁰ Excluding the impact of the merger of a non-bank with a bank (with effect from July 1, 2023).

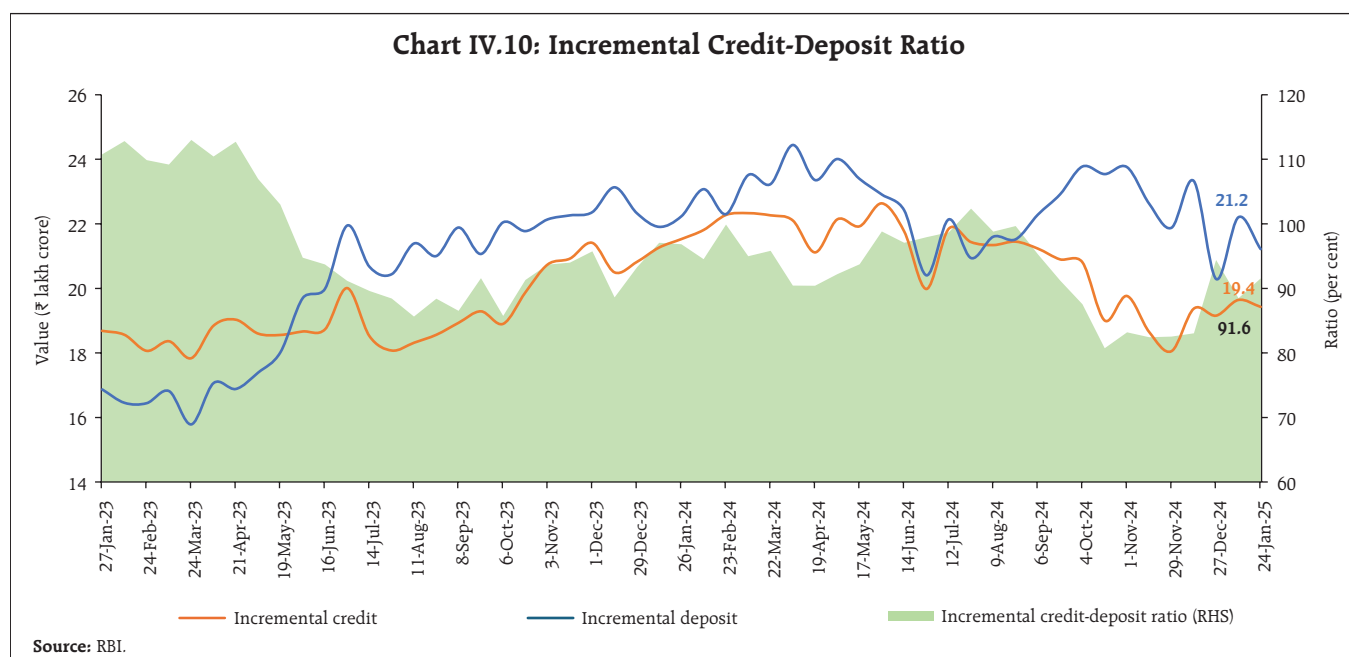


SCBs' incremental credit-deposit ratio increased to 91.6 per cent as on January 24, 2025 from 80.7 per cent as at end-October 2024 (Chart IV.10).

With faster adjustments in rates, the external benchmark-based lending rate (EBLR)²¹ system has quickened the pace of monetary policy transmission



²¹ The Reserve Bank mandated that all scheduled commercial banks (excluding regional rural banks and small finance banks) should link all new floating rate personal or retail loans and floating rate loans to micro and small enterprises (MSEs) to an external benchmark, viz., the policy repo rate or 3-month T-bill rate or 6-month T-bill rate or any other benchmark market interest rate published by Financial Benchmarks India Private Ltd. (FBIL) effective October 1, 2019. The directive was extended to medium enterprises effective April 1, 2020.



(RBI, 2023)²². In the bi-monthly policy of February 2025, the policy repo rate was reduced by 25 bps to 6.25 per cent. Accordingly, banks have started adjusting their repo-linked lending rates downward. The marginal cost of funds-based lending rate (MCLR) that have a longer reset period and are referenced to the deposit rates, are expected to get adjusted with a lag. In response to the 250 bps policy rate hike during May 2022 to January 2025, the 1 year-median MCLR of SCBs had increased by 178 bps. Consequently, the weighted average lending rates (WALRs) on fresh

and outstanding rupee loans of SCBs increased by 174 bps and 115 bps, respectively, during May 2022 to December 2024 (Table IV.2). On the deposit side, the weighted average domestic term deposit rates (WADTDRs) on fresh and outstanding deposit increased by 254 bps and 197 bps, respectively, during the same period.

Transmission across bank groups indicates that the increase in the WALR on fresh rupee loans was higher for public sector banks (PSBs) *vis-à-vis* private banks (PVBs). In the case of outstanding loans,

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

(Variation in basis points)

Period	Repo Rate	Term Deposit Rates		Lending Rates			
		WADTDR-Fresh Deposits	WADTDR-Outstanding Deposits	EBLR	1-Yr. MCLR (Median)	WALR - Fresh Rupee Loans	WALR-Outstanding Rupee Loans
Easing Phase Feb 2019 to Mar 2022	-250	-259	-188	-250	-155	-232	-150
Tightening Period May 2022 to Dec* 2024	+250	254	197	250	178	174	115

Notes: Data on EBLR pertain to 32 domestic banks.

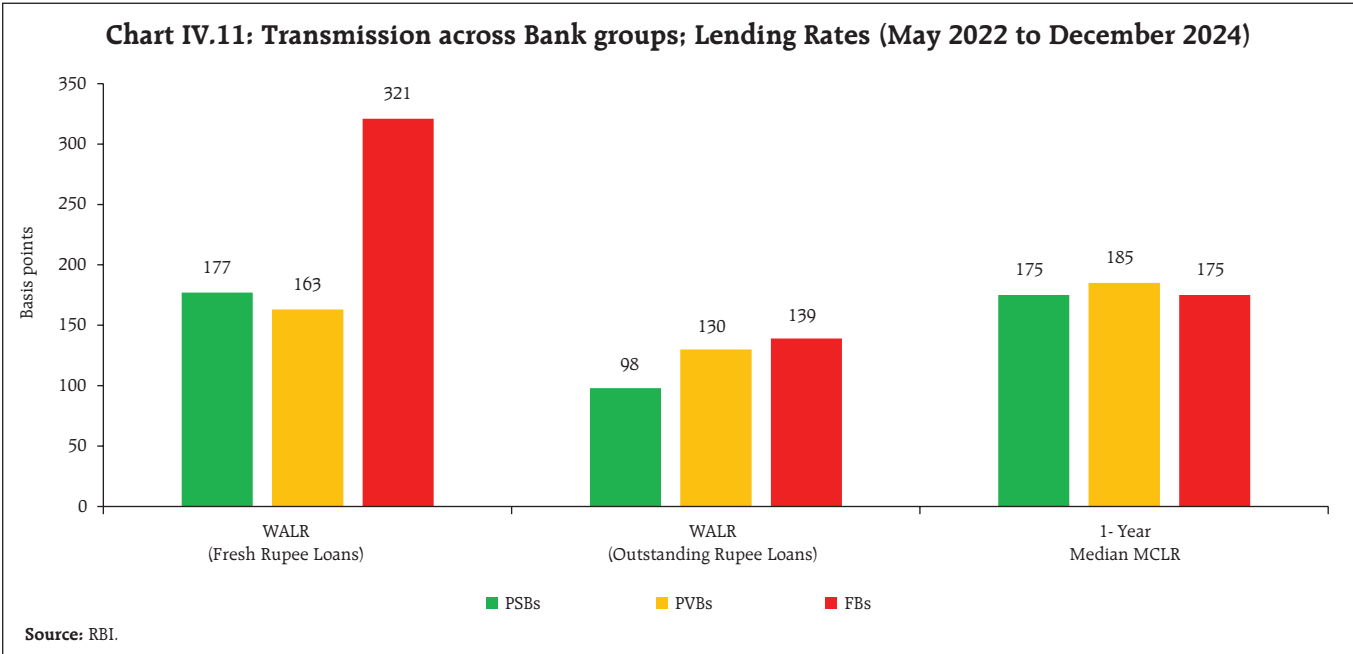
*: Data on EBLR and MCLR pertain to January 2025.

WALR: Weighted Average Lending Rate; WADTDR: Weighted Average Domestic Term Deposit Rate;

MCLR: Marginal Cost of Funds-based Lending Rate; EBLR: External Benchmark-based Lending Rate.

Source: RBI.

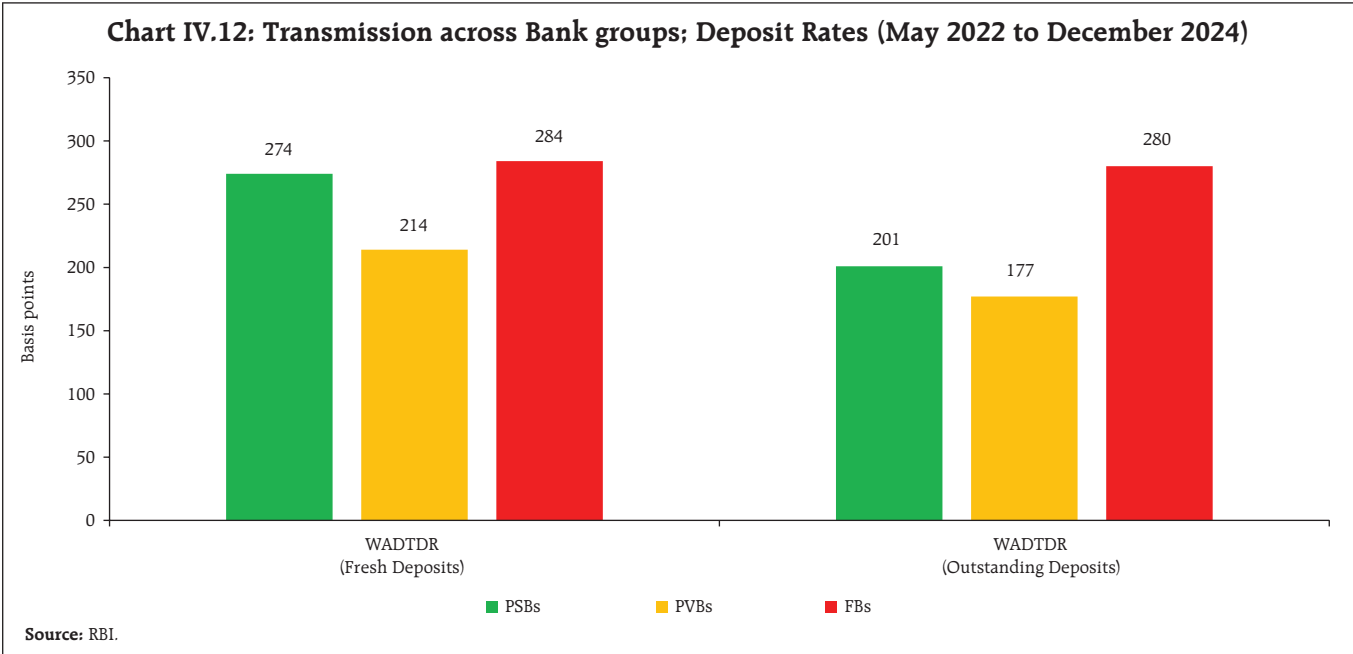
²² Kashyap, Y., et al., (2023). Monetary Policy Transmission in India: Recent Dynamics, Reserve Bank of India Bulletin, November- 2023, https://www.rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=22192



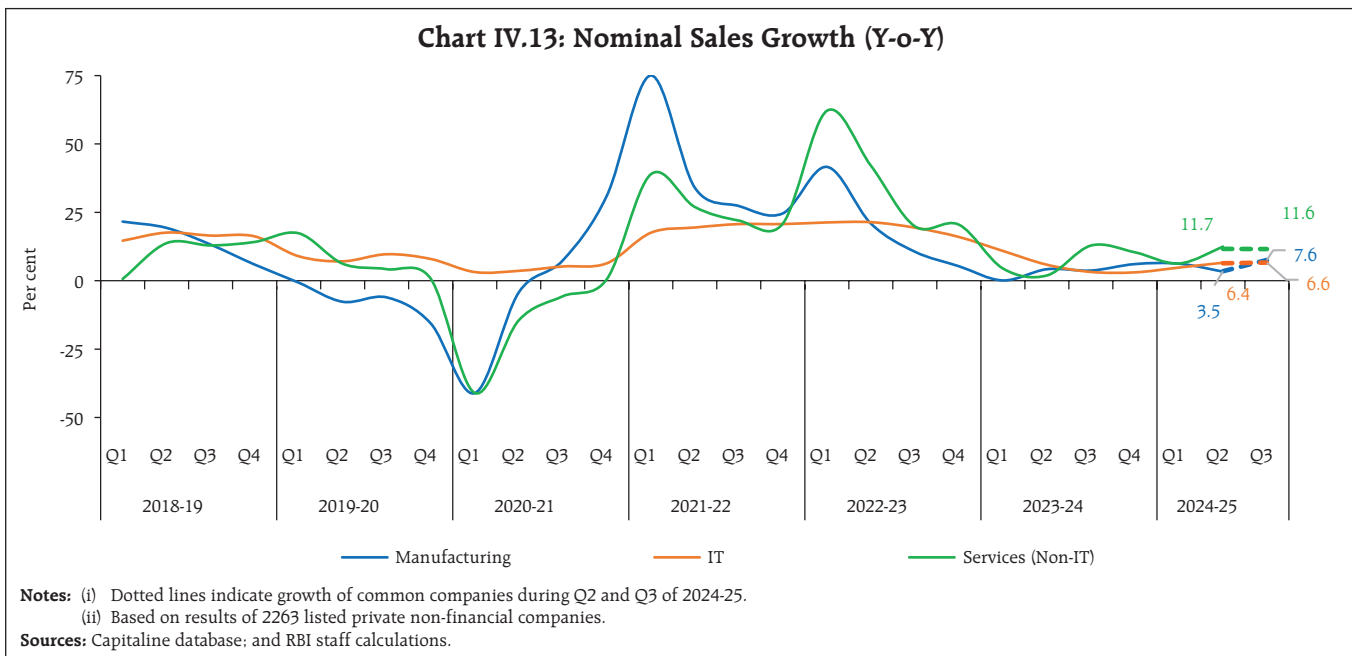
however, the transmission in PSBs was (Chart IV.11) lower. In deposits, transmission to WADTDRs of both fresh and outstanding deposits was higher for PSBs as compared to PVBs during May 2022 and December 2024 (Chart IV.12).

Based on the results of listed non-government non-financial companies²³, sales grew by 7.9 per

cent (y-o-y) during Q3:2024-25, up from 5.4 per cent in the previous quarter. Sales of listed private manufacturing companies increased by 7.6 per cent (y-o-y) during Q3:2024-25 as compared to 3.5 per cent during the previous quarter (Chart IV.13). Automobiles, chemicals, food and electrical machinery industries, which together accounted for about 41 per cent share

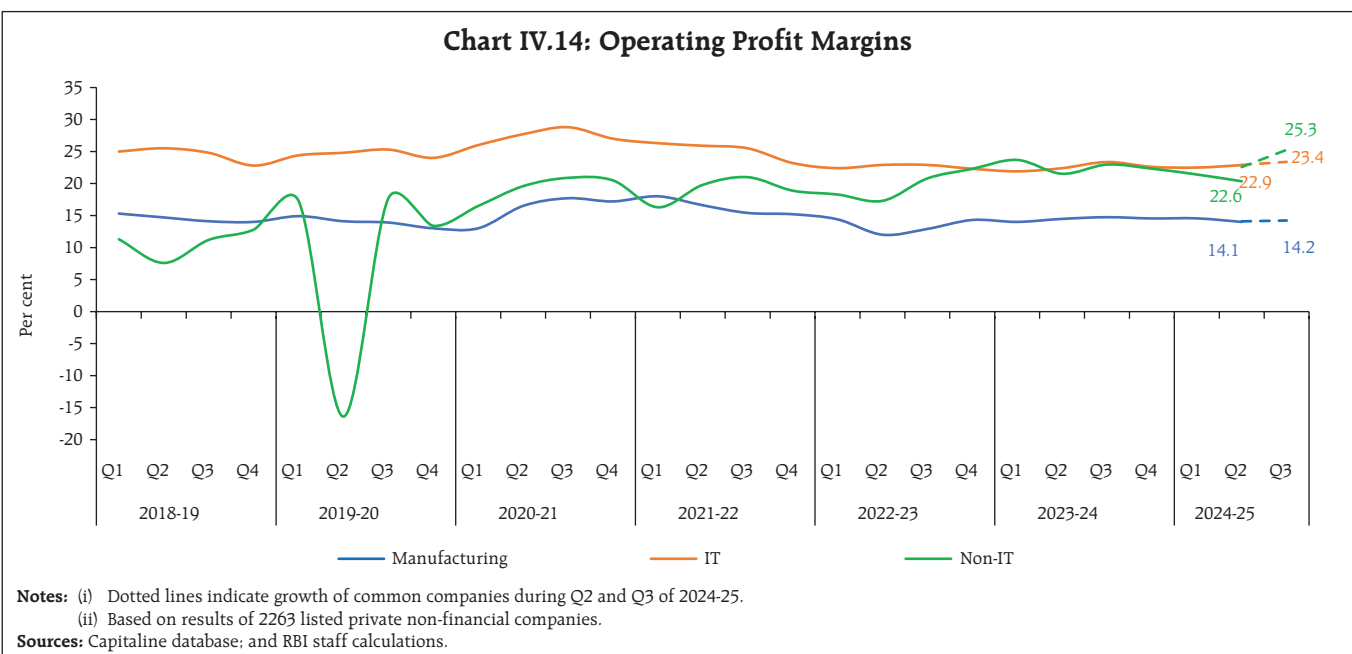


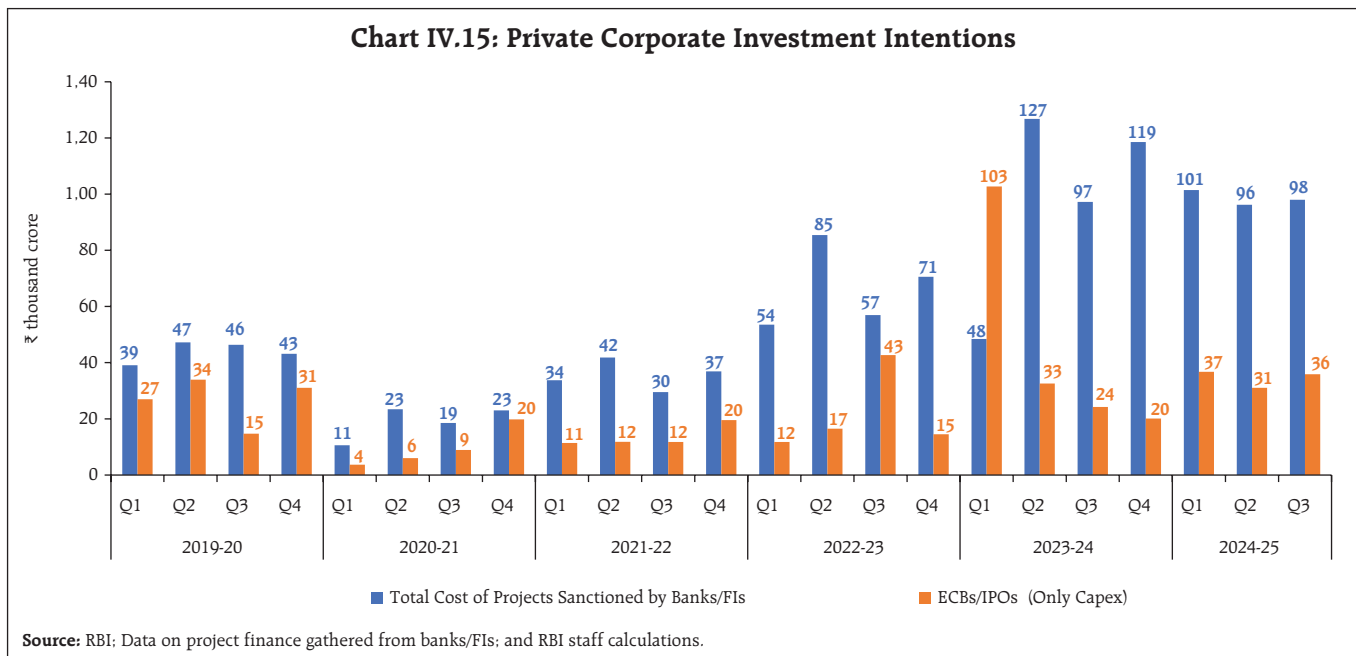
²³ Based on 2263 listed non-government non-financial (NGNF) companies.



in total sales of the manufacturing sector, mainly contributed to manufacturing sales growth during Q3. Among the major industries, sales of petroleum, iron and steel and cement industries, however, contracted during Q3. Performance of non-IT services sector remained upbeat as indicated by the double digit sales growth. Sales growth of IT companies also inched up further but remained low during Q3:2024-25.

Despite rise in input costs and other expenses, the operating profits of manufacturing companies rose on a y-o-y as well as sequential basis during Q3:2024-25. Consequently, operating profit margin improved marginally during Q3 in comparison to the previous quarter. Within the services sector, the operating profit margins improved for both IT as well as non-IT service sector companies during Q3:2024-25, in line with their sustained sales growth (Chart IV.14).



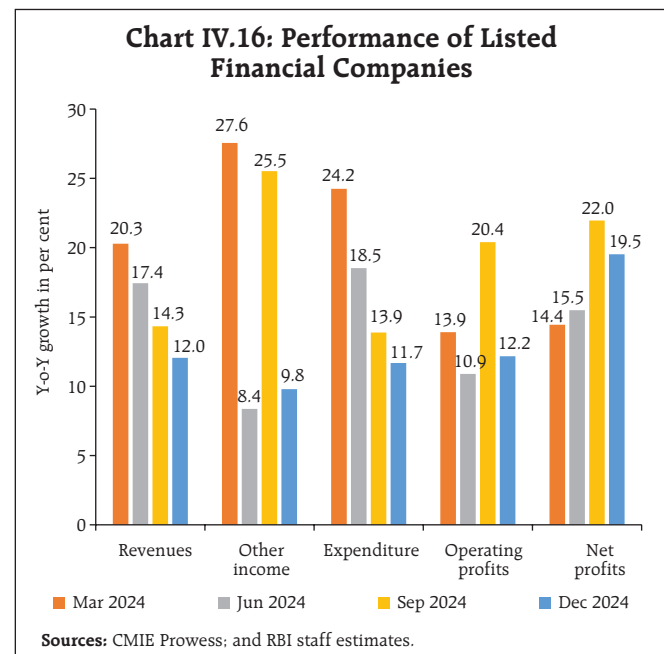


Project finance data collected from select banks and financial institutes (FIs) indicate that during Q3:2024-25, total cost of projects sanctioned by banks/FIs at around ₹97,996 crore were marginally higher than ₹96,226 in the previous quarter. About 70 per cent of intended investment was concentrated in 'power', 'metals' and 'road and bridges' industries. Funds raised through ECBs and IPOs for capex purpose stood at ₹35,893 crore during Q3:2024-25 as compared to ₹31,027 crore in the previous quarter (Chart IV.15).

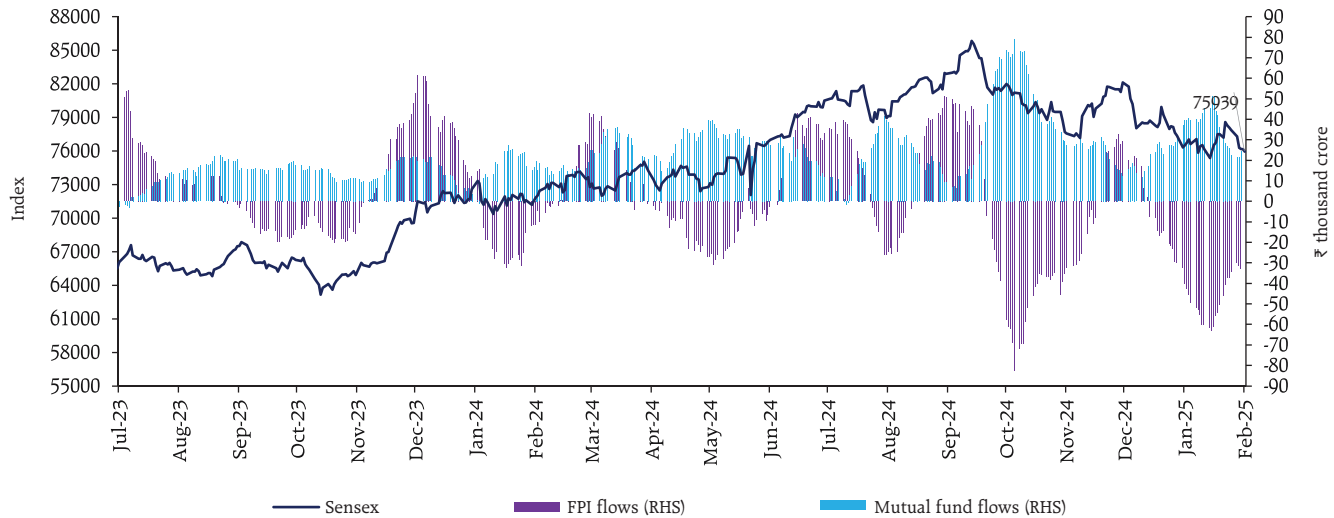
During Q3:2024-25, the Indian listed banking and financial sector companies²⁴ experienced a moderation in their top-line growth (Chart IV.16). Revenues, which primarily include interest income in the case of banks, exhibited double-digit growth for banking and financial sector companies, notwithstanding some moderation over the previous quarter. Growth of other income, which includes income from fees, commissions, profit and loss from investments, etc. slowed down in comparison to the previous quarter. Expenditure growth was slower than the revenue

growth amid a moderation in salary growth. Further, decline in provisioning costs resulted in net profits growing at a faster rate than operating profits.

During January - February 2025 so far, the Indian equity markets registered moderate losses, with the BSE Sensex decreasing by 1 per cent (since January 15) to close at 75,939 on February 14, 2025 (Chart IV.17).



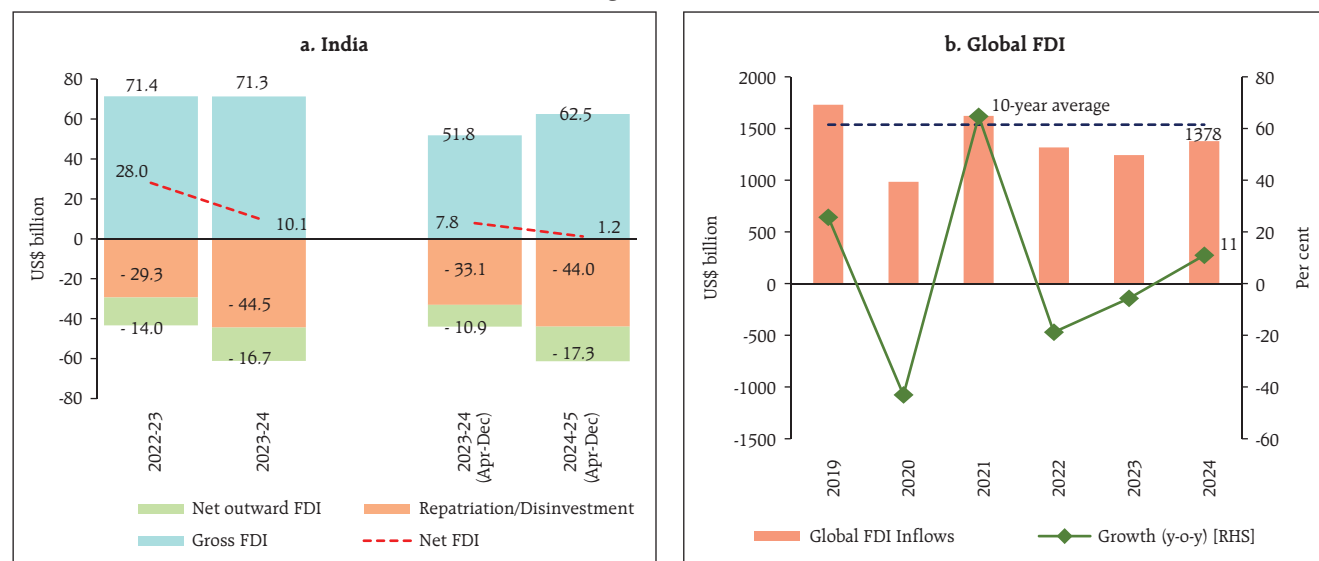
²⁴ Based on a sample of 328 companies constituting around 81 per cent of the total market capitalisation of listed banking and financial sector companies.

Chart IV.17: BSE Sensex and Institutional Flows

The broader market indices underperformed the benchmark, with the BSE Midcap and BSE Smallcap indices declining by 8.3 per cent and 11.9 per cent, respectively, during the same period. In the second half of January, markets declined initially as investors assessed corporate earnings releases for Q3:2024-25 and uncertainties regarding the US outlook. The benchmark registered a sharp turnaround in the last week of January amid the announcement of measures

by the Reserve Bank of India to boost the liquidity in the banking system and favourable cues from global markets. The markets remained rangebound thereafter, with positive cues from budget tax proposal on consumption before declining amid sustained FPI sell-offs.

Gross inward foreign direct investment (FDI) rose by 20.6 per cent (y-o-y) to US\$ 62.5 billion during April-December 2024 (Chart IV.18a). Among sectors,

Chart IV.18: Foreign Direct Investment Flows

manufacturing, financial services, electricity and other energy, and communication services received more than 60 per cent of the gross equity inflows. Singapore, Mauritius, the UAE, the Netherlands, and the US, were the top investment sources, accounting for more than 75 per cent of the flows during the period. Net inward FDI (*i.e.*, gross inward FDI adjusted for repatriation) moderated slightly to US\$ 18.5 billion during April-December 2024 from US\$ 18.8 billion a year ago, reflecting a rise in repatriation. In 2024, global FDI rose by 11 per cent on a y-o-y basis but stayed below its 10-year average for the third straight year (Chart IV.18b).

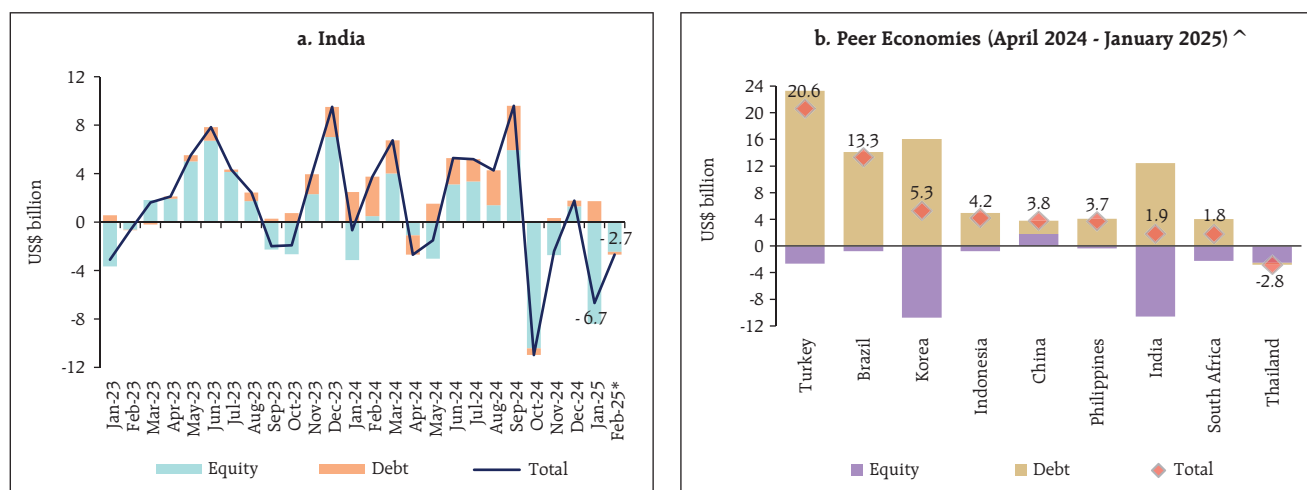
FPI flows turned negative in January 2025, reflecting heightened global uncertainties. Net FPI outflows worth US\$ 6.7 billion were recorded with equity outflows of US\$ 8.4 billion amidst rising risk-off sentiments among investors (Chart IV.19a). The debt segment, however, showed signs of revival, with net inflows of US\$ 1.7 billion, the highest since October 2024. On January 31, 2025, the Bloomberg Index Services included Indian government bonds in

its Bloomberg Emerging Market (EM) Local Currency index, inducing more than US\$ 1.0 billion inflow in the debt segment. During 2024-25 (April-January), debt inflows in India remained strong as compared to peer economies, cushioning the effect of equity sell-offs (Chart IV.19b). In February 2025 (up to February 13), the outpour continued with net FPI outflows amounting to US\$ 2.7 billion.

Net inflows under non-resident deposits (NRD) rose to US\$ 13.3 billion during April-December 2024 from US\$ 9.3 billion a year ago, with inflows in all three accounts, namely, Non-Resident (External) Rupee Accounts [NR(E)RA], Non-Resident Ordinary (NRO) and Foreign Currency Non-Resident (Banks) [FCNR(B)] accounts. During April-December 2024, net external commercial borrowing (ECB) inflows stood at US\$ 15.6 billion during April-December 2024, nearly three times the inflows recorded in the same period of the previous year (Chart IV.20).

Of the total ECBs registered during April-December 2024, more than 40 per cent were intended to be used for capital expenditure purposes. Further, the period also witnessed a substantial increase in refinancing of

Chart IV.19: Net Portfolio Investments

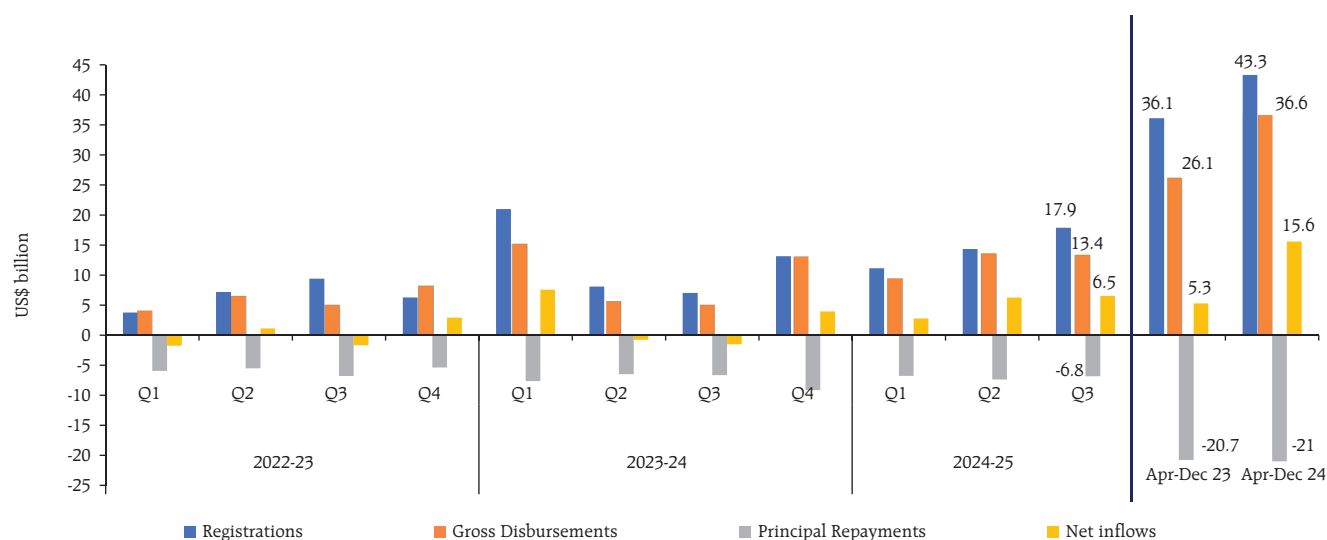


Notes: 1. Debt also includes investments under the hybrid instruments.

2. *: Data up to February 13.

3. ^: Data for India and equity flows to other countries are up to January 2025 while debt flows for other countries is up to December 2024.

Sources: National Securities Depository Limited (NSDL); and Institute of International Finance.

Chart IV.20: External Commercial Borrowings - Registrations and Flows

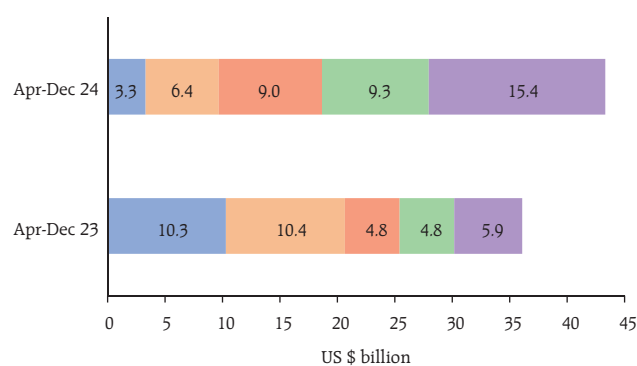
Source: Form ECB, RBI.

ECB/rupee loans in comparison with the previous year (Chart IV.21).

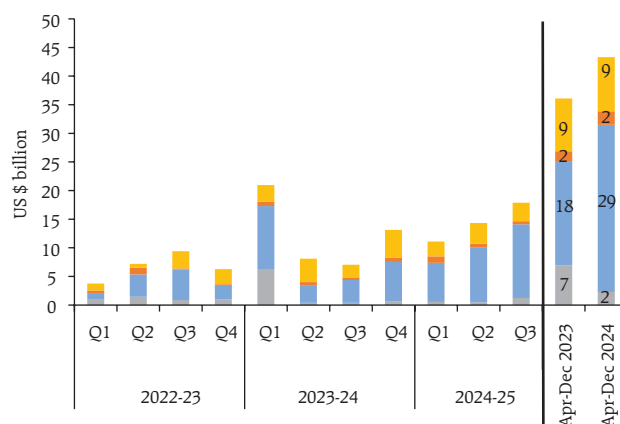
During April-December 2024, the share of effectively hedged ECBs, viz., explicitly hedged loans, rupee denominated loans and loans from foreign parents increased to 78.1 per cent from 61.6 per cent over the same period of the previous year (Chart IV.22).

This considerably aids in offsetting the interest and exchange rate sensitivity of such exposures.

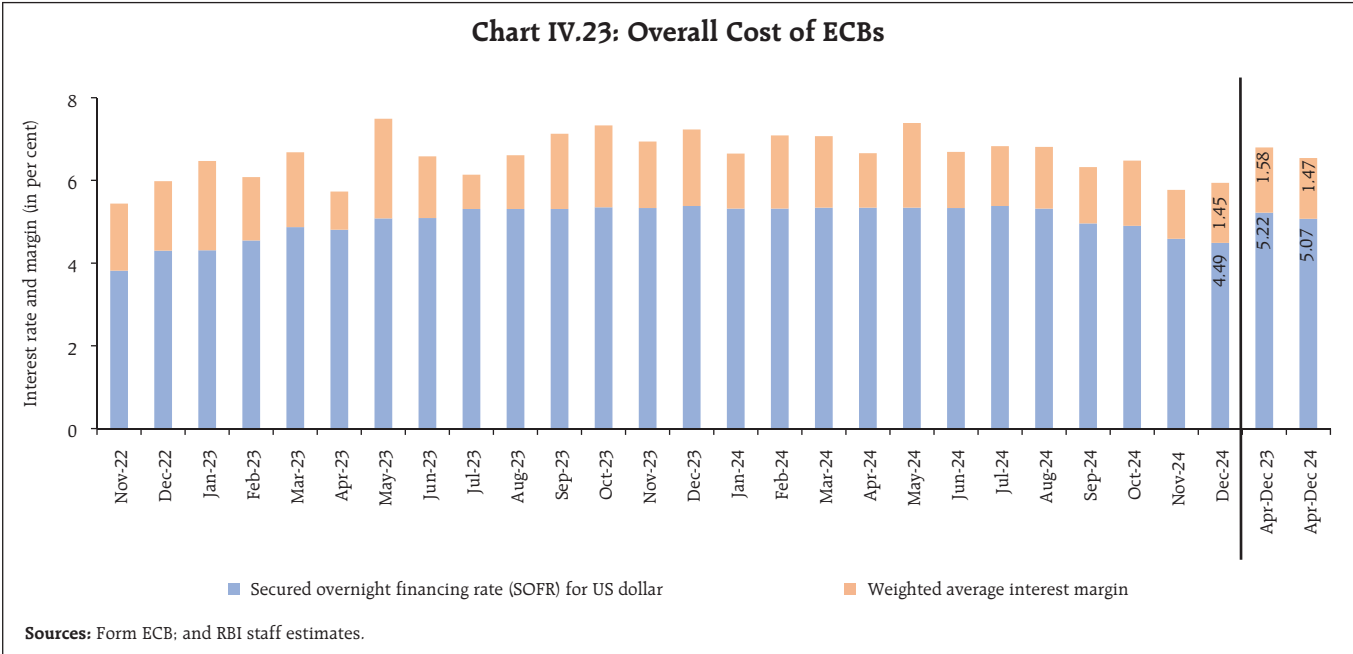
Since March 2024, global benchmark interest rates such as the secured overnight financing rate (SOFR) have declined up to 85 bps, reducing the overall cost of ECB by 25 bps during April - December 2024 (Chart IV.23).

Chart IV.21: End-use of the Registered ECBs

Source: Form ECB, RBI.

Chart IV.22: ECB Agreements - Hedging Position

Source: Form ECB, RBI.



A rising US dollar and FPI outflows from EMEs amidst growing global uncertainties exerted significant pressure on EME currencies during January 2025. The Indian rupee (INR) depreciated by 1.5 per cent (m-o-m) in January, in line with movements in most major currencies (Chart IV.24). In an environment

of heightened global market turbulence, the INR exhibited relatively low volatility.

In terms of the 40-currency real effective exchange rate (REER), the INR depreciated by 2.2 per cent (m-o-m) in January 2025, due to depreciation of the

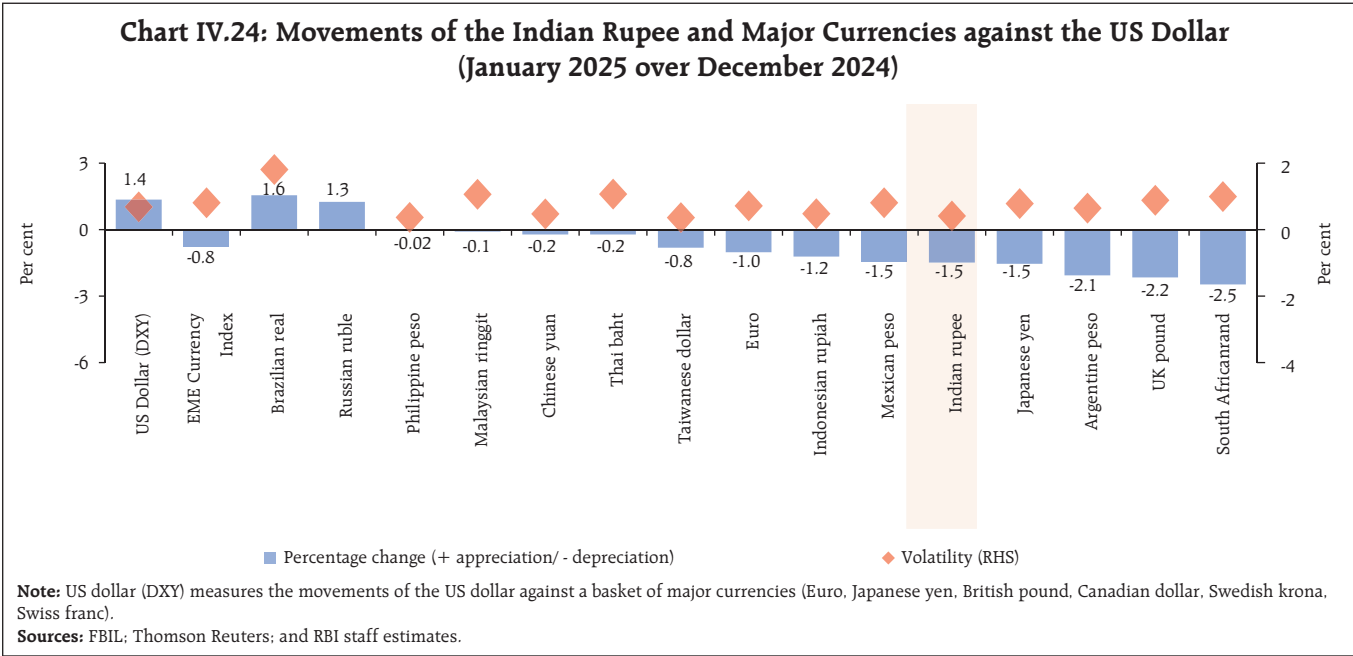
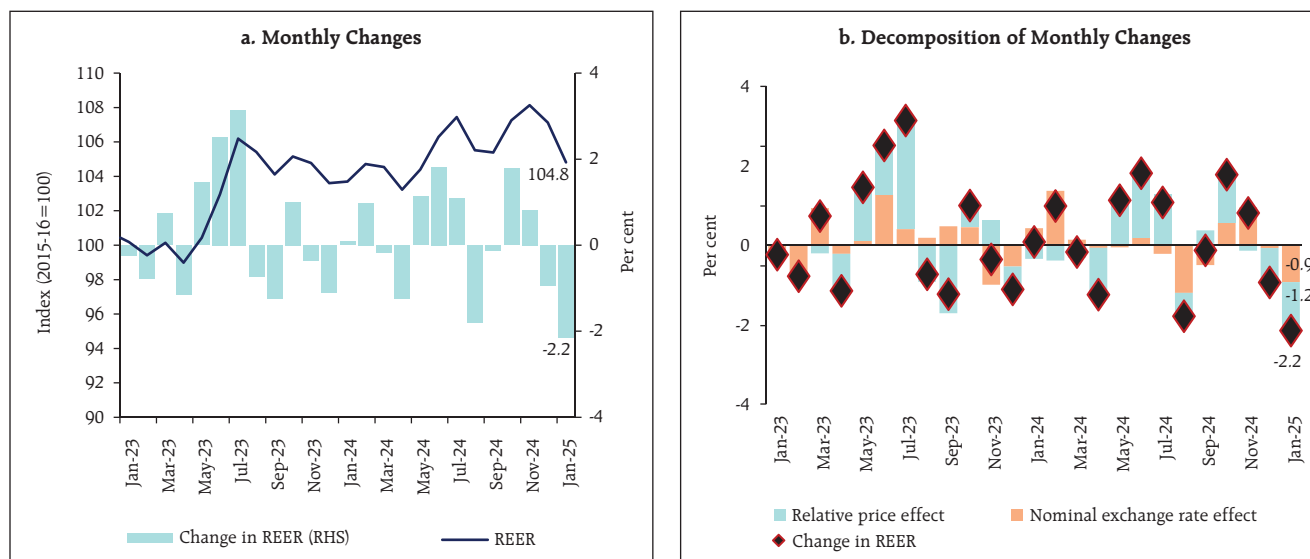


Chart IV.25: Movements in the 40-Currency Real Effective Exchange Rate

Source: RBI.

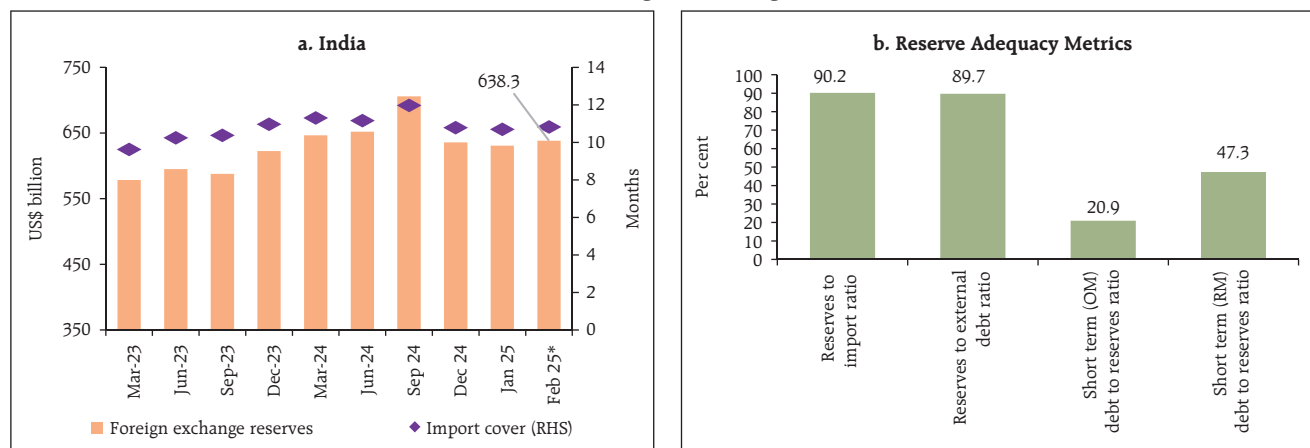
INR in nominal effective terms and negative relative price differentials (Chart IV.25).

As on February 7, 2025, India's foreign exchange reserves stood at US\$ 638.3 billion, providing a cover for 10.8 months of imports and 89.7 per cent of external debt outstanding at end-September 2024 (Chart IV.26a). The foreign exchange reserves remained at

sustainable levels based on various reserve adequacy metrics (Chart IV.26b).

Payment Systems

The Reserve Bank of India - Digital Payment Index reached 465.3 in September 2024, reflecting the growing penetration of digitalisation in the country.²⁵ In January 2025, digital transactions sustained

Chart IV.26: Foreign Exchange Reserves

Notes: 1. *: Data for February 7.

2. The import cover data for December 2024, January and February 2025 is based on annualised merchandise imports for the quarter ending September 2024 as per the balance of payments statistics.

3. OM: Original Maturity; RM: Residual Maturity. The reserve adequacy metrics have been calculated using the latest available reserves data and annualised merchandise imports and external debt for September 2024.

Sources: RBI; and RBI staff estimates.

²⁵ RBI Press Release, January 29, 2025. "RBI – Digital Payments Index for September 2024".

Table IV.3: Growth in Select Payment Systems

(y-o-y in per cent)

Payment Modes	Transaction Volume				Transaction Value			
	Dec-23	Dec-24	Jan-24	Jan-25	Dec-23	Dec-24	Jan-24	Jan-25
RTGS	7.1	13.8	13.1	16.1	15.7	20.6	17.1	19.1
NEFT	37.5	24.5	43.4	24.5	13.0	13.2	19.8	14.3
UPI	53.5	39.2	51.8	39.3	42.2	27.5	41.7	27.5
IMPS	2.7	-11.6	7.2	-12.7	17.2	5.5	18.6	7.1
NACH	10.9	28.2	22.8	17.2	4.6	27.6	21.5	22.5
NETC	13.0	9.8	10.2	14.8	18.6	13.3	15.5	19.0
BBPS	25.7	95.4	24.6	97.4	77.4	260.0	75.4	276.4

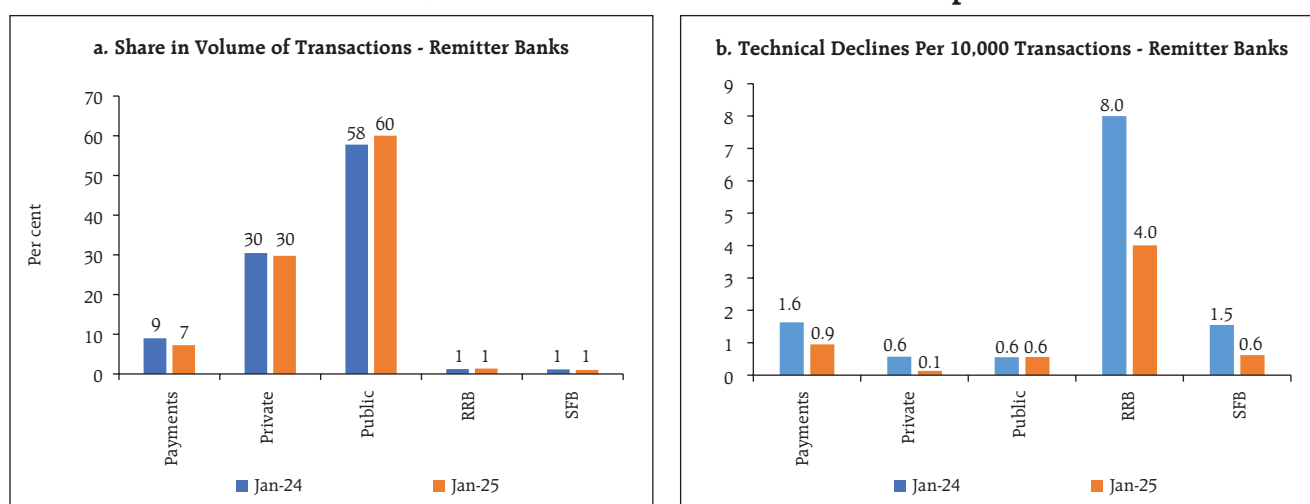
Note: RTGS: Real Time Gross Settlement, NEFT: National Electronic Funds Transfer, UPI: Unified Payments Interface, IMPS: Immediate Payment Service, NACH: National Automated Clearing House, NETC: National Electronic Toll Collection, BBPS: Bharat Bill Payment System.

Source: RBI.

broad-based growth momentum across payment modes, *albeit* with some moderation in growth in the retail payment segments (Table IV.3).

There was an increase in the share of PSBs in volume of transactions (from remitter bank side) during January 2025 as compared with the levels recorded

a year ago (Chart IV.27a). The number of technical declines²⁶ per 10,000 UPI transactions reduced across most bank categories in January 2025 compared to January 2024²⁷, reflecting enhanced efficiency of banks' systems despite higher transaction volumes. The performance, however, remained uneven across bank groups (Chart IV.27b).

Chart IV.27: Trends in UPI Transactions - Bank Group-wise

Notes: Public: Public Sector Banks; Private: Private Sector Banks; SFB: Small Finance Banks; RRB: Regional Rural Banks; PAYMENT: Payment Banks. Figures are based on volume of transactions reported for Top 50 Members by National Payments Corporation of India (NPCI).

Sources: NPCI; and RBI staff estimates.

²⁶ Transaction decline due to technical reasons, such as unavailability of systems and network issues on bank or NPCI side.

²⁷ For public sector banks as remitter banks, TD rate marginally went up from 0.55 to 0.56. For Payment banks as beneficiary banks, TD rate went up from 0.12 to 0.81.

Card tokenisation and its use is on the rise, with 98 per cent of e-commerce transactions being processed without using actual card data.²⁸ In its Statement on Developmental and Regulatory Policies of February 7, 2025, the Reserve Bank proposed to enable Additional Factor of Authentication (AFA) for international card not present (online) transactions to provide an additional layer of security for online international transactions using cards issued in India.²⁹ The Reserve Bank is also introducing 'bank.in' – an exclusive internet domain for Indian banks to reduce cyber security threats and malicious activities like phishing, while streamlining secure financial services. To further prevent online and other frauds, the Reserve Bank has issued regulatory prescriptions and institutional safeguards for its Regulated Entities, including the use of a mobile number revocation list, development of standard operating procedures and dedicated numbering series for transactional and promotional calls.³⁰ The Reserve Bank has also decided to amend the instructions under the Framework for imposing monetary penalties and compounding offences under the Payment and Settlement Systems Act, 2007.³¹ As of January 31, 2025, two entities have successfully completed the test phase under the 'On Tap' application facility for the theme 'Retail Payments' of the Regulatory Sandbox in January, 2025.³²

V. Conclusion

The near-term outlook of the global economy is being shaped by trade-related policies of major economies amidst slowing pace of disinflation. There

are concerns that these policies could stoke inflation, engender tighter financial conditions, and heighten market turbulence. A strong dollar, driven by U.S. economic resilience and trade policy pivots, could exacerbate capital outflows from emerging economies, push risk premiums higher, and intensify external vulnerabilities. The "last mile" of disinflation may become more challenging in such an environment, potentially requiring central banks to recalibrate policies.

In India, economic activity momentum is poised to be sustained, strong rural demand is expected to receive a further fillip from the robust performance of the agriculture sector. Urban demand is also poised for a recovery, tracking decline in inflation as well as a boost to disposable incomes from the sizeable income tax relief announced in the Union Budget 2025-26. The Budget measures to fuel four engines of growth – agriculture, MSMEs, investment and exports – are expected to boost medium-term growth prospects of the Indian economy. The Union Budget prudently balances fiscal consolidation and growth objectives by continued focus on capex alongside measures to support consumption while providing a clear roadmap for debt consolidation. Domestic demand is also expected to benefit from the repo rate cut by the MPC in its meeting on February 7, 2025.

Robust *kharif* production and better *rabi* sowing, coupled with higher reservoir levels and seasonal winter correction in vegetable prices, augur well for food inflation going forward. While core inflation remains muted, uncertainty in global financial markets, volatility in energy prices and adverse weather events present upside risks to the inflation trajectory.³³

²⁸ RBI, 2025. *Payment System Report, December 2024*.

²⁹ RBI Press Releases, February 07, 2025.

³⁰ RBI Notifications, January 17, 2025. *Prevention of financial frauds perpetrated using voice calls and SMS – Regulatory Prescriptions and Institutional Safeguards*.

³¹ RBI Notifications, January 30, 2025. *Framework for imposing monetary penalty and compounding of offences under the Payment and Settlement Systems Act, 2007*.

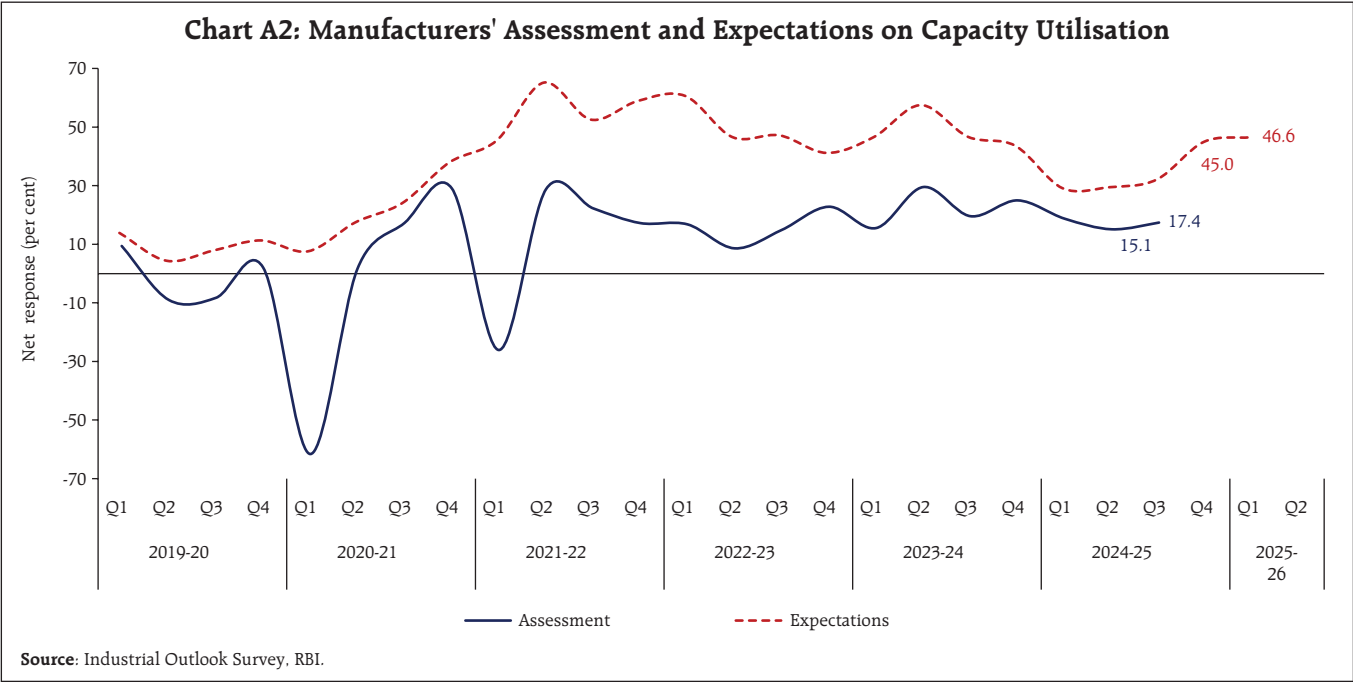
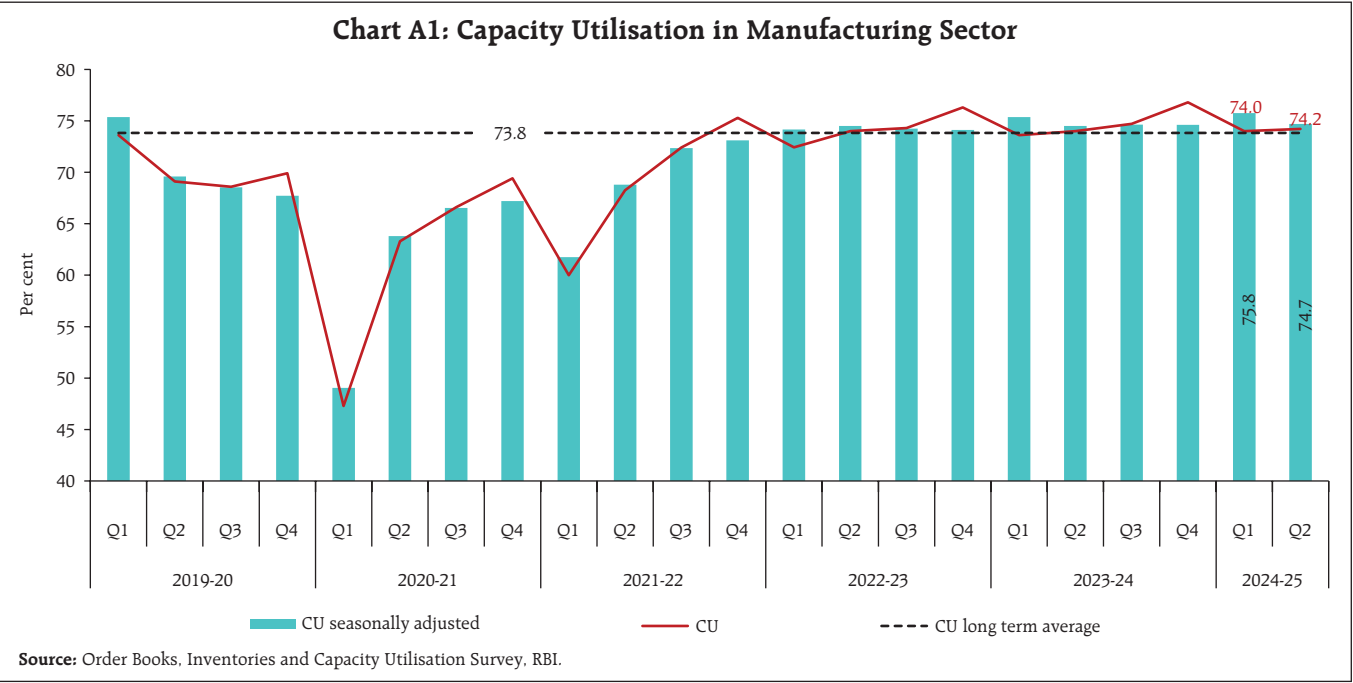
³² RBI Press Release, January 29, 2025. *Regulatory Sandbox: On Tap application on theme 'Retail Payments' – Completion of Test Phase*.

³³ Monetary Policy Statement, 2024-25. Resolution of the Monetary Policy Committee, February 5-7, 2025.

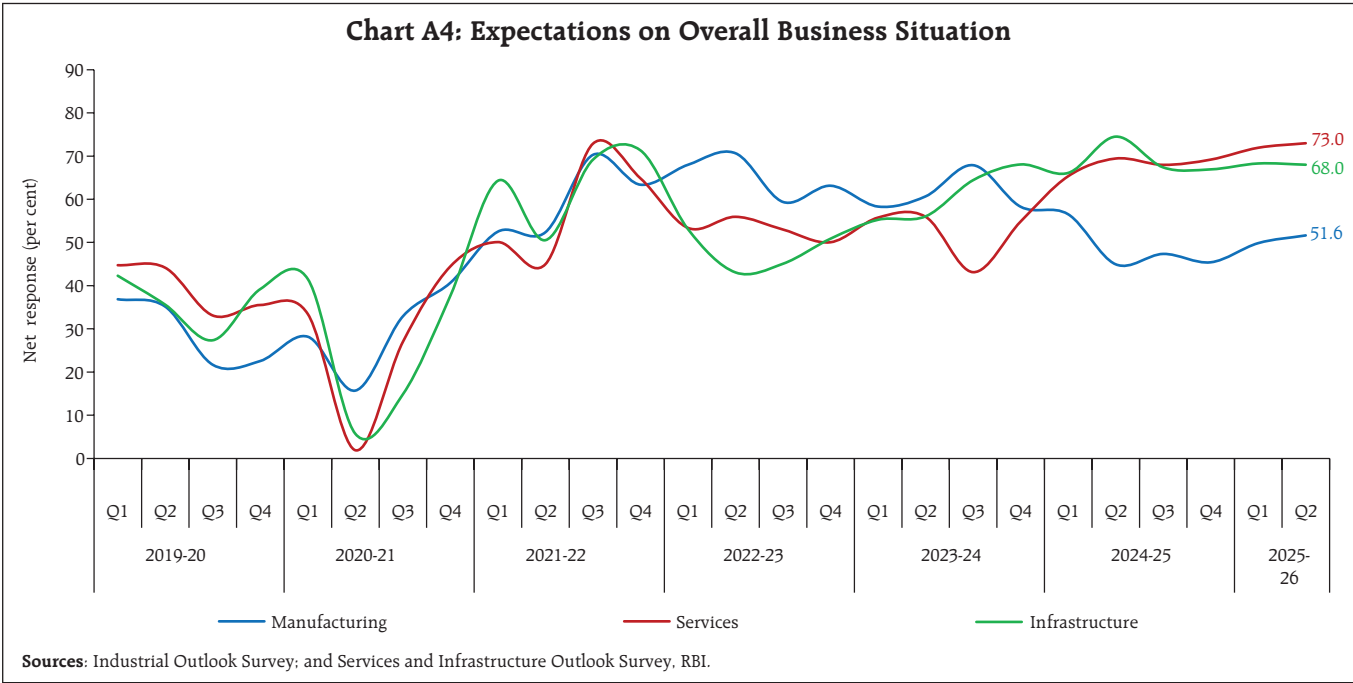
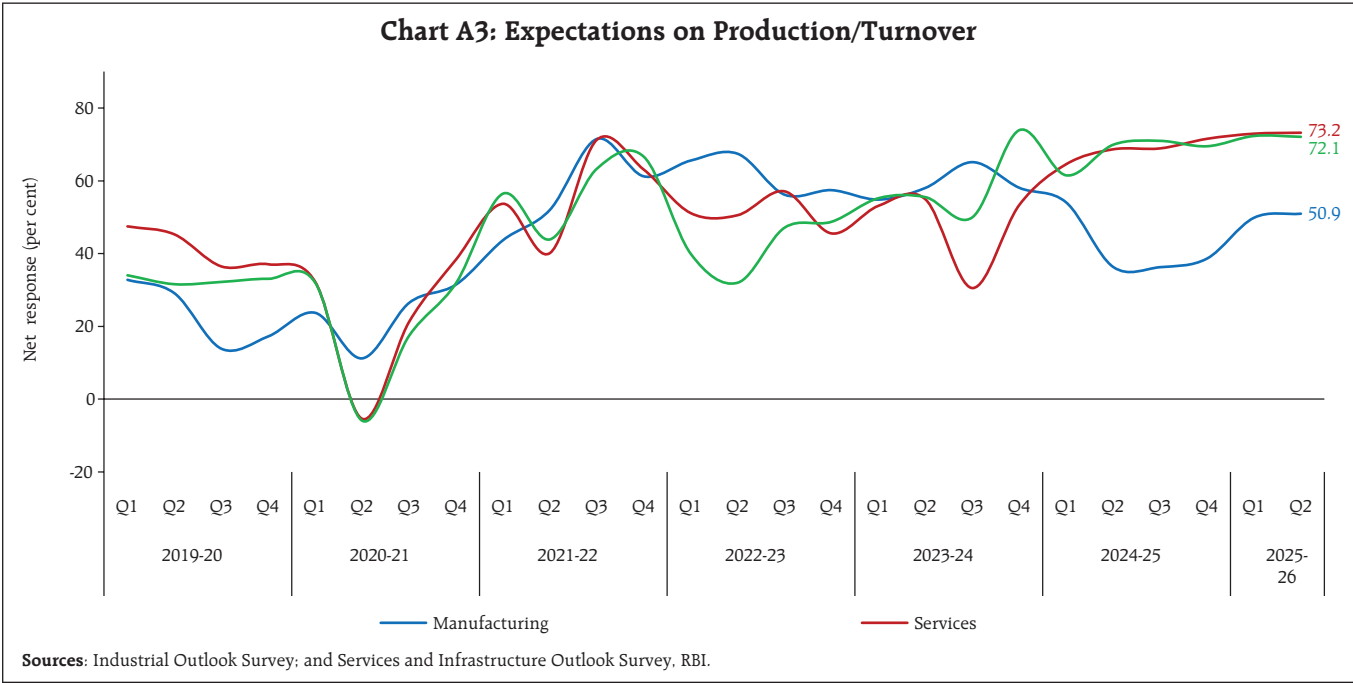
Annex I

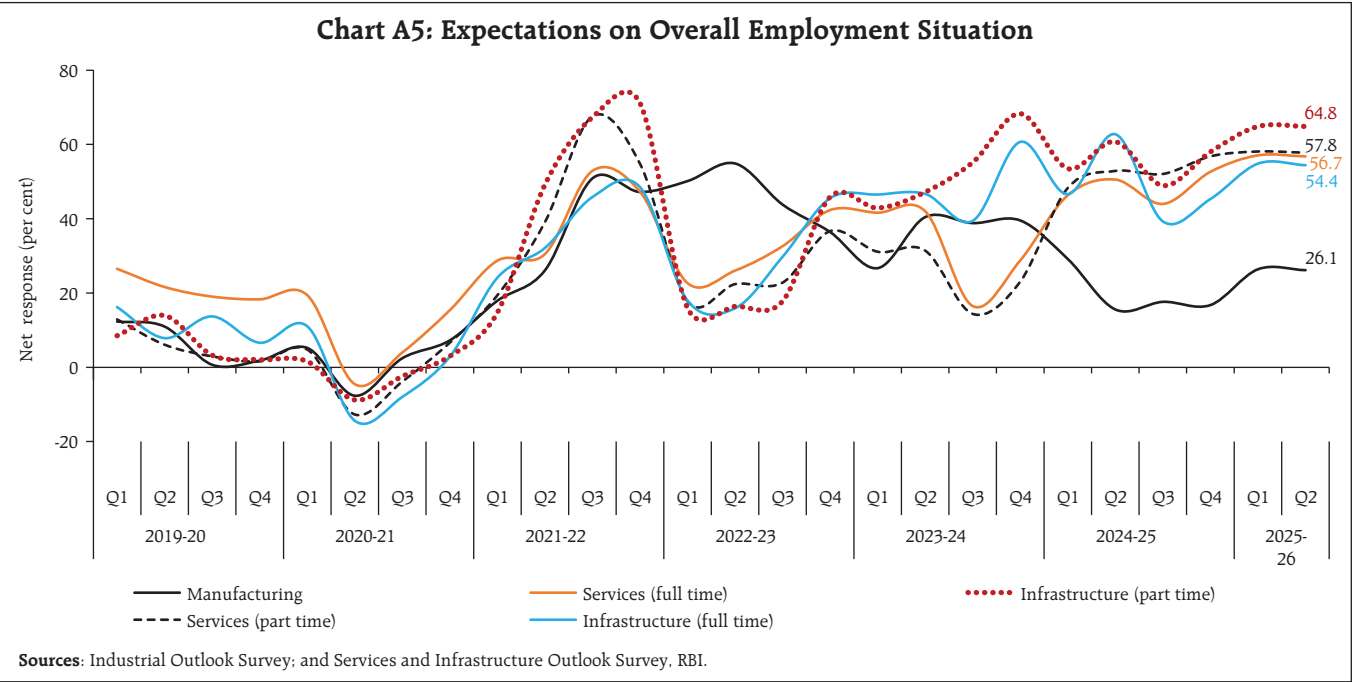
Major Takeaways from the RBI's Enterprise Surveys

Capacity utilisation (CU) in the manufacturing sector increased marginally to 74.2 per cent in Q2:2024-25 from 74.0 per cent in the previous quarter. The seasonally adjusted CU, however, declined by 110 basis points from the previous quarter to 74.7 per cent. Manufacturers maintained a positive outlook on CU in the ensuing quarters (Charts A1 and A2).

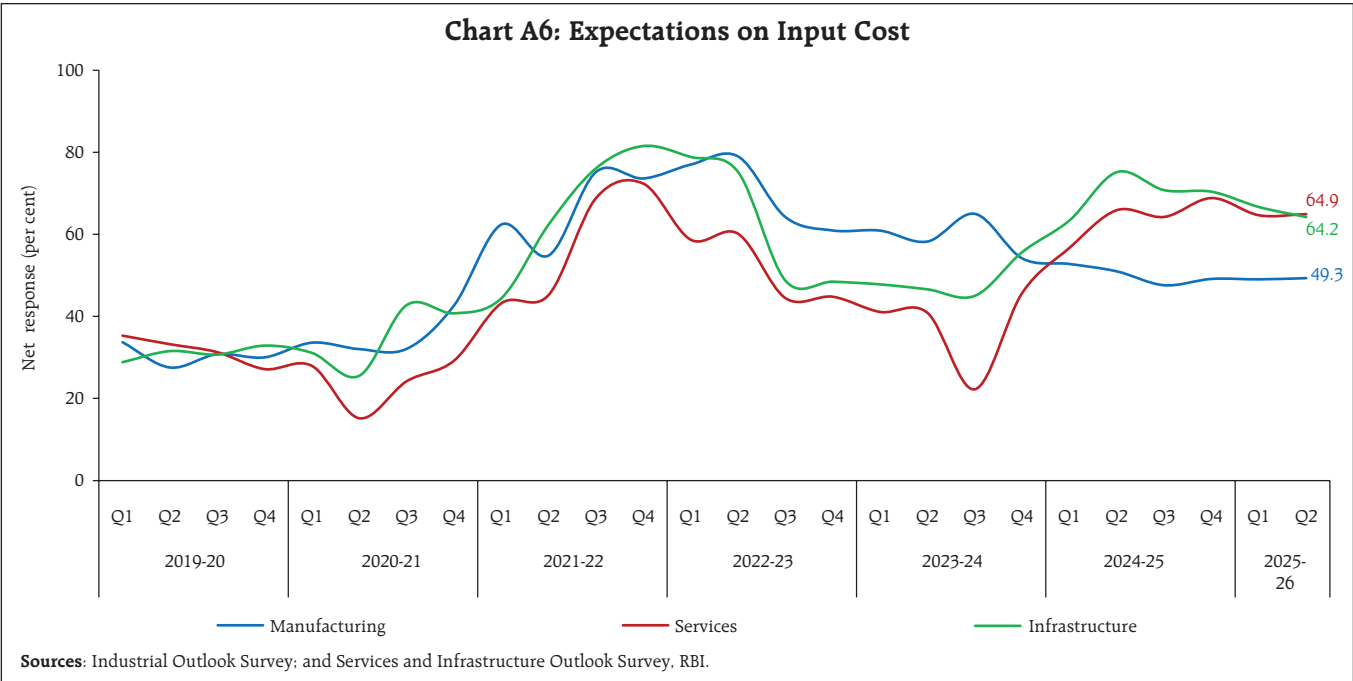


All major sectors remain optimistic on production/turnover and the overall business situation till Q2:2025-26 (Charts A3 and A4). Employment situation is in sync with demand conditions (Chart A5).

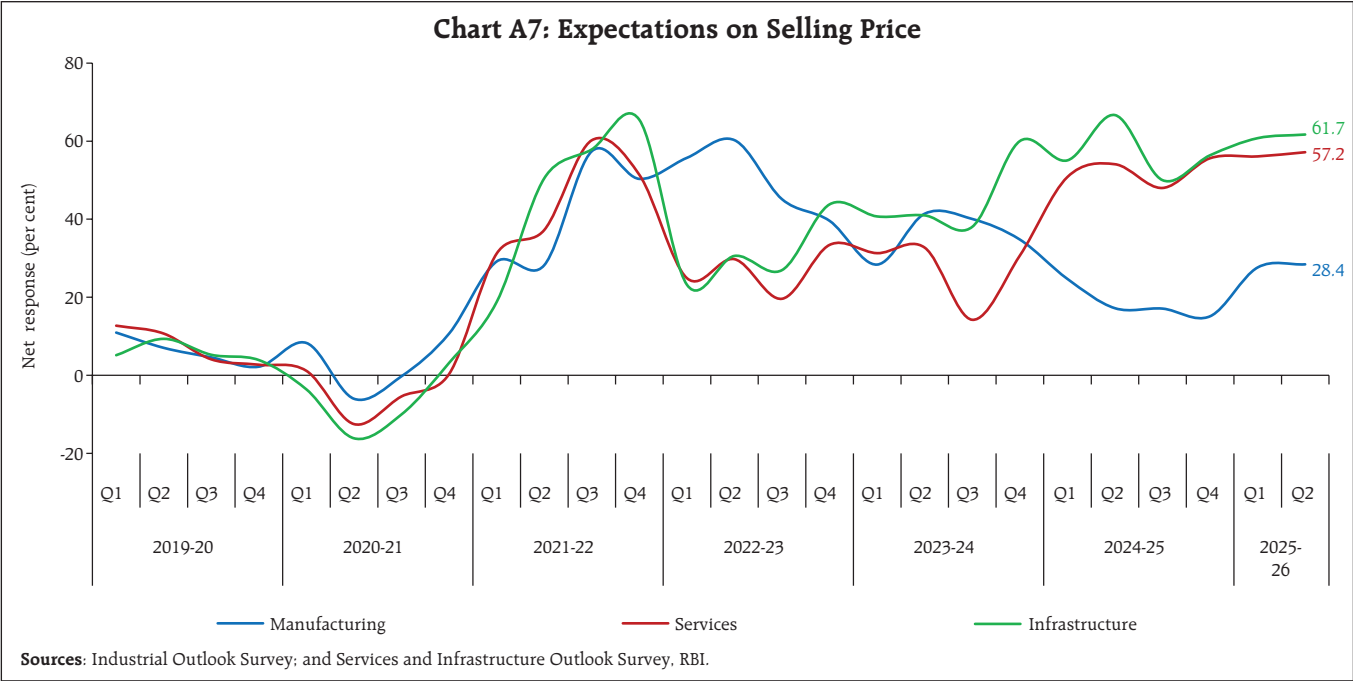




High input cost pressures are likely to persist across the major sectors (Chart A6).



The pace of increase in selling prices and profit margins are expected to slow down for the manufacturing sector in Q4:2024-25. Higher growth in selling prices and profit margins is expected for the services and infrastructure sectors in Q4:2024-25 (Chart A7).



Union Budget 2025-26: An Assessment

by Akash Raj, Harshita Yadav,
Kovuri Akash Yadav, Aayushi Khandelwal,
Anoop K Suresh, and Samir Ranjan Behera ^

The Union Budget 2025–26 reaffirms the Government’s commitment to fiscal discipline while fostering inclusive, long-term economic growth in line with the vision of ‘Viksit Bharat’. The Budget announced several measures under four engines of growth – agriculture, MSMEs, investment, and exports. The Government continued with its focus on capex alongside measures to support consumption. With a fiscal deficit target of 4.4 per cent of GDP, the Budget prudently balances fiscal consolidation and growth objectives.

Introduction

The Union Budget 2025–26 focuses on accelerating growth, securing inclusive development, invigorating private sector investments, uplifting household sentiments, and enhancing the spending power of India’s rising middle class. Four principal drivers – agriculture, micro, small and medium enterprises (MSMEs), investment, and exports – are envisaged to propel growth, with innovation and reform acting as the vital catalysts. The Budget presents a balanced focus on immediate socio-economic relief and long-term structural transformation. It underscores the deployment of targeted measures across ten thematic areas, ranging from agricultural productivity and rural prosperity to the modernisation of urban infrastructure and the strengthening of energy security. The Budget articulates a reform agenda spanning six domains - taxation, power, urban development, mining, financial sector, and regulatory

frameworks - to enhance overall factor productivity and ensure a more efficient allocation of resources in the economy.

On the direct tax front, the Budget proposes tax relief of ₹1 lakh crore focused on middle-class taxpayers, which is expected to bolster household disposable incomes, and stimulate consumption, savings, and investment. In the realm of indirect taxation, revised customs duties target tariff simplification and address duty inversions.

On the expenditure side, the Budget 2025-26 earmarks ₹11.2 lakh crore (3.1 per cent of GDP) for capital expenditure, continuing the impetus observed in the previous fiscal years. Similarly, the effective capital expenditure is budgeted to increase to 4.3 per cent of GDP in 2025-26 from 4.1 per cent of GDP in 2024-25 (RE). Revenue expenditure is projected to fall from 11.4 per cent of GDP in 2024-25 (RE) to 11.0 per cent in 2025-26 (BE). To further encourage State governments to augment their own capital spending, the 'Special Assistance as Loans to States for Capital Expenditure' has been extended with a provision of ₹1.5 lakh crore.

The Union Budget balances growth imperatives with fiscal prudence by targeting gross fiscal deficit (GFD) at 4.4 per cent of GDP in 2025-26 (BE), down from the revised estimates (RE) of 4.8 per cent in 2024-25, adhering to its objective of bringing the GFD below 4.5 per cent of GDP by 2025-26. From 2026-27 onwards, the Government aims to maintain the fiscal deficit on a trajectory that ensures a declining public debt-to-GDP ratio, reaching around 50 per cent by March 2031.

Against this backdrop, the rest of the article is divided into eight sections. Section II is a discussion of the underlying drivers of fiscal deficit, followed by analyses of revenue and expenditure trends in Sections III and IV, respectively. Section V outlines the Government’s outstanding debt position, while Section VI focuses on the major sources of fiscal

^ The authors are thankful to Smt. Rekha Misra for her overall guidance in preparing this article. The authors are from the Department of Economic and Policy Research of the Reserve Bank of India. The views expressed in this article are those of the authors and do not necessarily represent the views of the Reserve Bank of India.

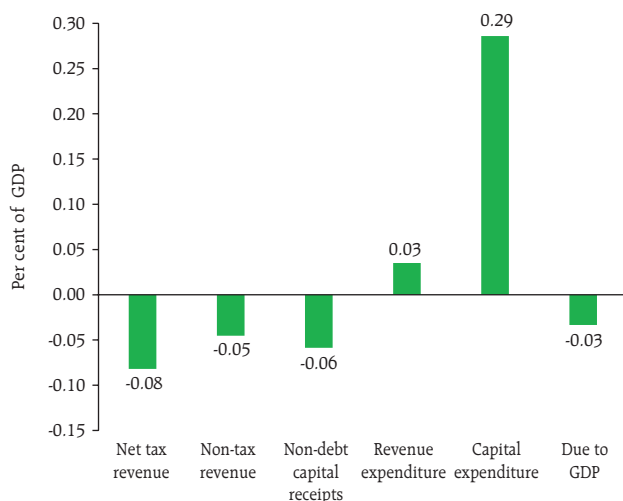
deficit financing. Section VII examines the transfer of resources to States whereas Section VIII puts forth the concluding observations.

II. Fiscal Deficit – The Underlying Dynamics

As against the budgeted GFD of 4.9 per cent of GDP for 2024-25, the revised estimates are placed at 4.8 per cent. The 10-basis point consolidation is primarily attributable to lower than budgeted capital expenditure (Chart 1).

The GFD for 2025-26 (BE) is set at 4.4 per cent of the GDP.¹ The envisaged consolidation of 45 basis points for 2025-26 (BE) *vis-à-vis* 2024-25 (RE) is sought to be achieved through containment of revenue expenditure at 11.0 per cent of GDP [from 11.4 per cent in 2024-25 (RE)] and maintaining capital expenditure at 3.1 per cent of GDP, while aiming to augment gross tax revenues to 12.0 per cent of GDP (from 11.9 per cent of GDP in RE for 2024-25) [Table 1]. The revenue expenditure - capital outlay (RE-CO) ratio – a summary indicator of the quality of expenditure - is retained at 4.4 in 2025-26 (BE).

Chart 1: Contribution to Attainment of Fiscal Deficit Target in 2024-25 (RE) *vis-à-vis* 2024-25 (BE)



Sources: Union budget documents; and RBI staff estimates.

¹ The Union Budget has projected GDP for 2025-26 at ₹356,97,923 crore which is 10.1 per cent over the first advance estimates (FAE) for 2024-25 of ₹324,11,406 crore released by the Ministry of Statistics & Programme Implementation (MoSPI) on January 7, 2025.

Table 1: Key Fiscal Indicators²

(Per cent of GDP)

Item	2023-24	2024-25		2025-26
	Actuals	BE	RE	BE
1	2	3	4	5
1. Fiscal Deficit	5.6	4.9	4.8	4.4
2. Primary Deficit	2.0	1.4	1.3	0.8
3. Revenue Deficit	2.6	1.8	1.9	1.5
4. Effective Revenue Deficit	1.6	0.6	1.0	0.3
5. Gross Tax Revenue	11.7	11.8	11.9	12.0
6. Non-Tax Revenue	1.4	1.7	1.6	1.6
7. Revenue Expenditure	11.8	11.4	11.4	11.0
8. Capital Expenditure	3.2	3.4	3.1	3.1
<i>of which:</i>				
(i) Capital Outlay	2.7	2.8	2.6	2.5
9. Effective Capital Expenditure	4.2	4.6	4.1	4.3
10. Debt	58.7	56.8	57.1	56.0

Notes: 1. Effective revenue deficit is the difference between revenue deficit and grants-in-aid for creation of capital assets.
2. Capital outlay is capital expenditure *less* loans and advances.
3. Effective capital expenditure is capital expenditure *plus* grants-in-aid for creation of capital assets.
4. BE refers to budget estimates, RE refers to revised estimates.

Sources: Union budget documents; and RBI staff estimates.

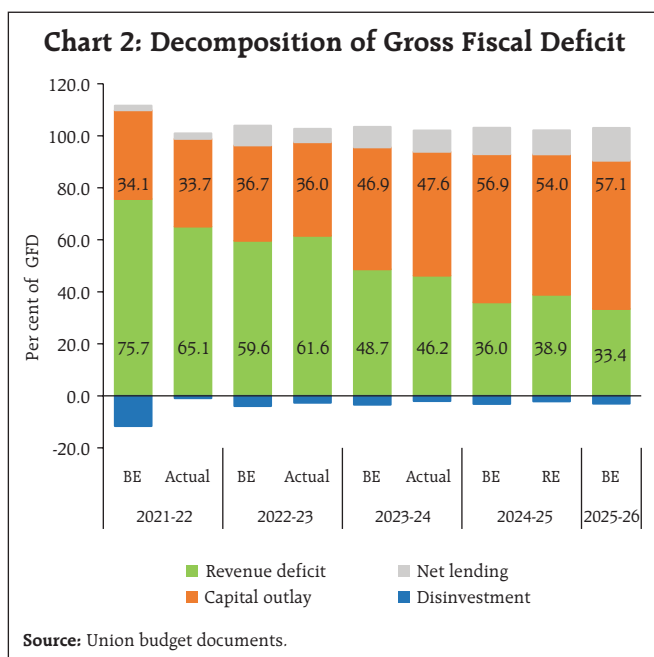
Decomposition of GFD

The share of GFD appropriated by revenue deficit (RD) declined from an average of around 65.7 per cent during 2018-19 to 2023-24, to 38.9 per cent in 2024-25 (RE), is budgeted to fall further to 33.4 per cent in 2025-26. Concomitantly, the share of growth-inducing capital outlay in GFD has risen to 54.0 per cent in 2024-25 (RE) and is expected to reach 57.1 per cent in 2025-26 (BE), from an average of around 35.2 per cent over 2018-19 to 2023-24 (Chart 2).

III. Receipts

Total non-debt receipts recorded a growth of 12.8 per cent in 2024-25 (RE) and stood at 9.7 per cent of the GDP. The robust growth in tax revenue, higher surplus transfers from the Reserve Bank, and improved dividend income from public sector banks and financial institutions supported the improved performance of receipts in 2024-25 (RE) *vis-à-vis* 2023-24. For 2025-26 (BE), the government expects

² For details, please refer to Annex I.

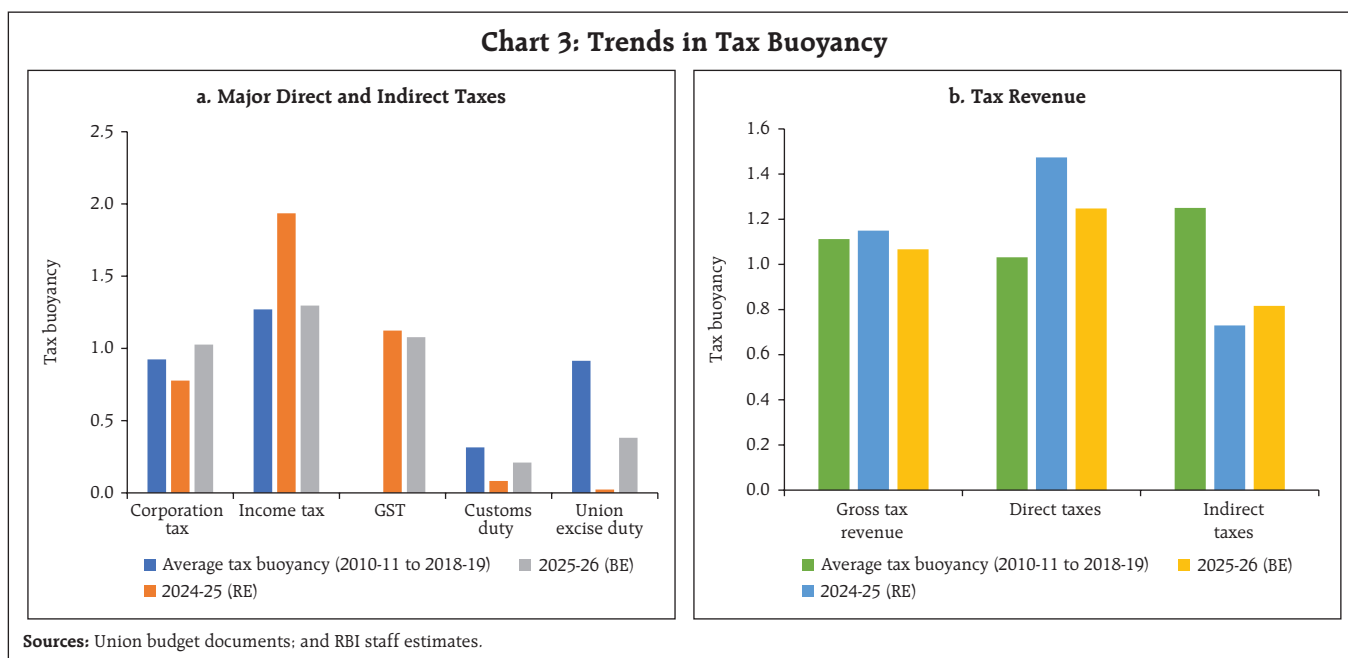


the non-debt receipts to maintain their momentum, growing from 9.7 per cent of GDP in 2024-25 (RE) to 9.8 per cent of GDP in 2025-26 (BE). Gross tax revenue is budgeted to grow by 10.8 per cent in 2025-26, along with a 9.8 per cent increase in non-tax revenue. With devolution to the States budgeted to grow by 10.5 per cent *vis-à-vis* 2024-25 (RE), net tax revenue is expected to increase by 11.0 per cent in 2025-26 (BE).

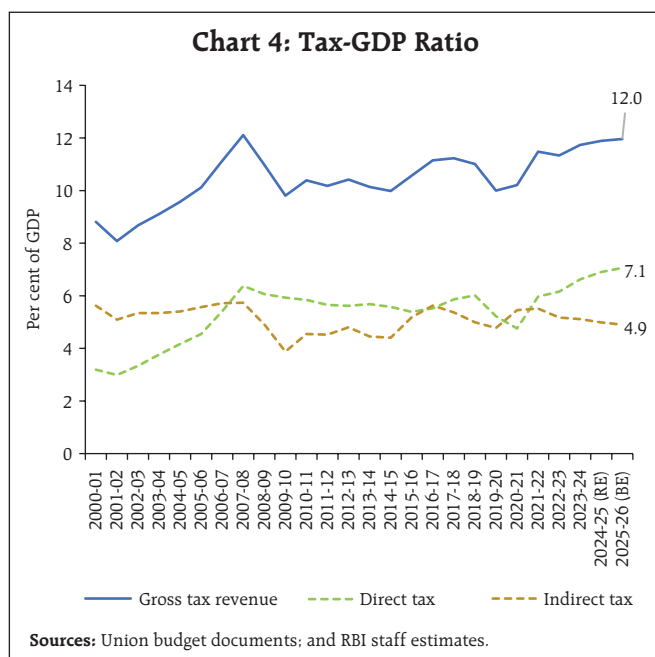
Tax Revenues

Gross tax revenue recorded a growth of 11.2 per cent in 2024-25 (RE) over 2023-24, driven by income tax and GST collections. For 2025-26, the government has budgeted a 10.8 per cent growth in gross tax revenue, with the tax buoyancy remaining broadly in line with the average during 2010-11 to 2018-19. The buoyancy of the direct taxes is placed lower at 1.25 in 2025-26 (BE) compared to 1.47 in 2024-25 (RE) reflecting income tax relief, while that of indirect taxes is expected to recover to 0.82 in 2025-26 (BE) from 0.73 in 2024-25 (RE) on the back of gains in customs and excise duties (Chart 3a and b).

The gross tax-GDP ratio is budgeted to increase to 12.0 per cent in 2025-26, the highest post 2007-08 (Chart 4). The Budget has raised the tax-free income limit from ₹7 lakh to ₹12 lakh under the new tax regime. Moreover, tax slabs have been revised across all income brackets. The tax relief is expected to enhance disposable incomes and provide a boost to household consumption and investments. The total revenue foregone on account of various measures is estimated at around ₹1 lakh crore in direct taxes and ₹2,600 crore in indirect taxes.³



³ As mentioned in the Union Budget 2025-26 speech of the Finance Minister.



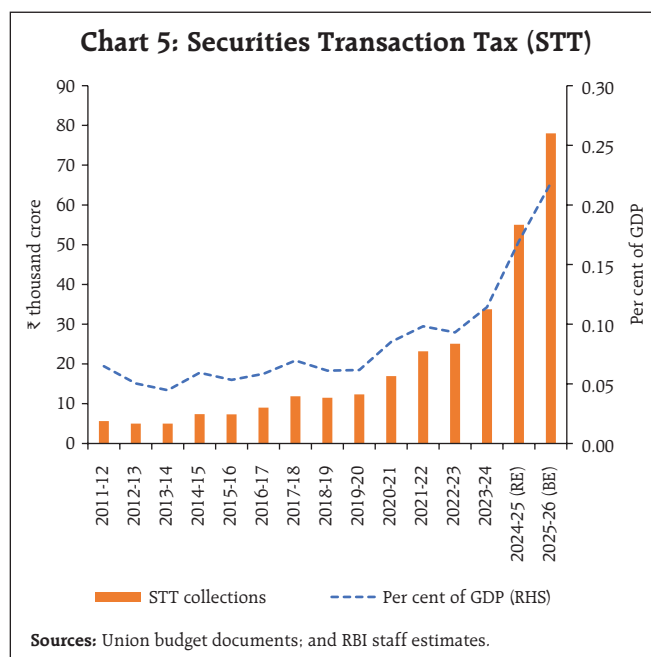
Direct Taxes

With a growth of 14.4 per cent, direct taxes in 2024-25 (RE) surpassed the budget estimates by ₹30,000 crore. Income tax revenues with a growth of 18.8 per cent offset the shortfall of ₹40,000 crore in corporate tax collections compared to the BE. During 2024-25 (RE), the securities transaction tax outperformed its BE of ₹37,000 crore by 48.6 per cent; it is budgeted to further increase by 41.8 per cent in 2025-26 (BE) [Chart 5].

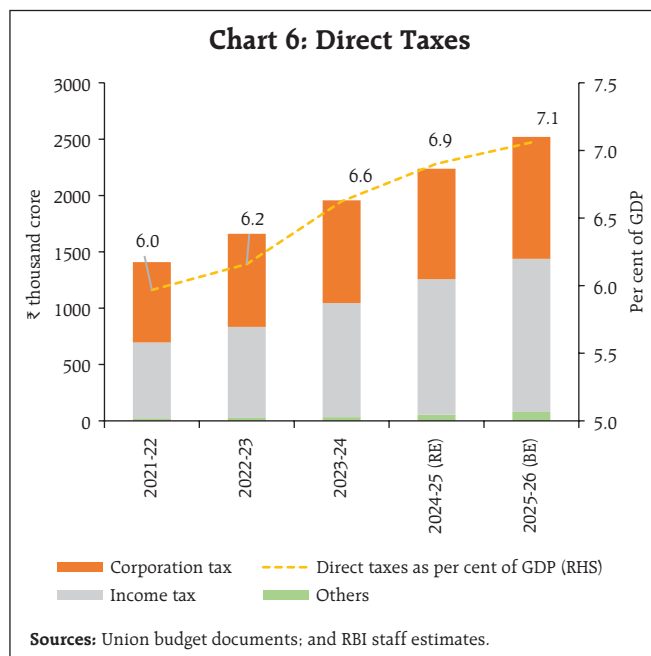
For 2025-26 (BE), direct tax revenues are expected to grow by 12.7 per cent, with growth in income and corporate tax at 13.1 per cent and 10.4 per cent, respectively (Chart 6). The Budget has announced various simplification and rationalisation measures aimed at promoting compliance and broadening the tax base.

Indirect Taxes

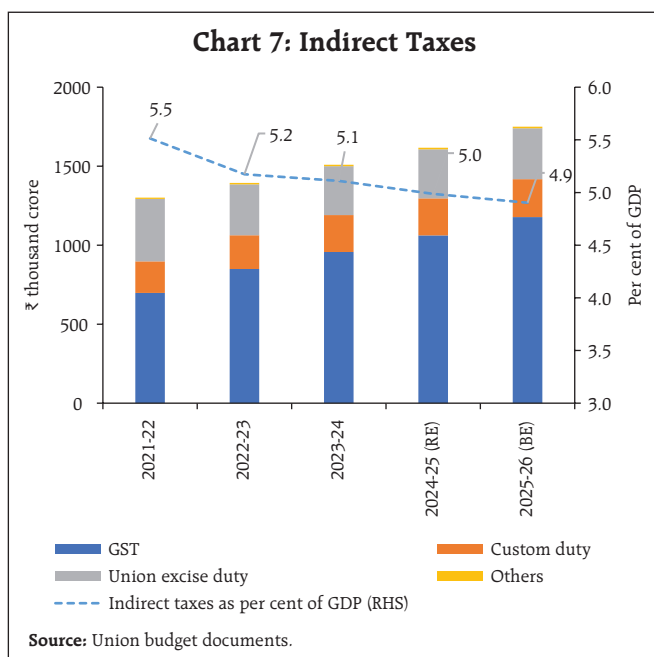
Indirect tax revenues rose by 7.1 per cent in 2024-25 (RE) but were below the budgeted amount, primarily on account of ₹14,000 crore shortfall in union excise duties.⁴ The GST collections were in



line with the budget estimates. In 2025-26 (BE), the growth in the indirect tax collections is budgeted at 8.3 per cent, with GST, customs, and excise collections growth at 10.9 per cent, 2.1 per cent, and 3.9 per cent, respectively (Chart 7).

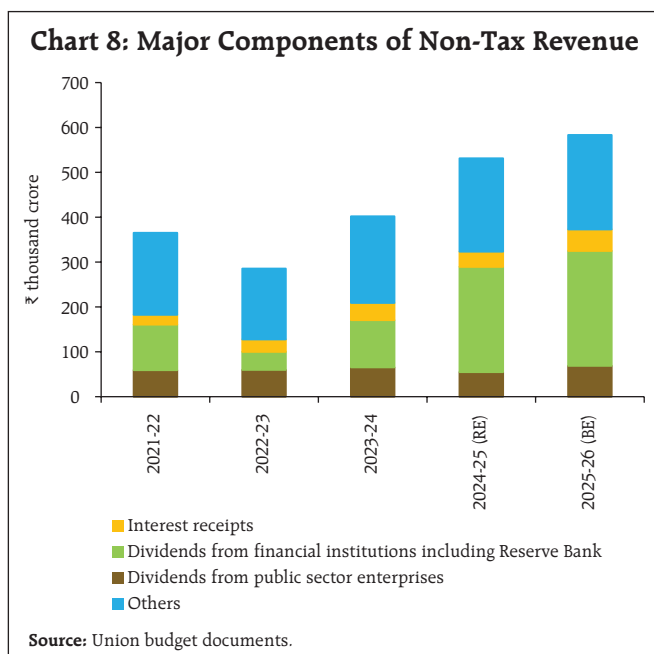


⁴ The moderation in union excise duties was led by a shortfall of ₹7,460 crore under special additional excise duties (SAED). In July 2022, the Union government introduced a SAED on production of crude oil and export of petrol, diesel and aviation turbine fuel. As per the notification issued by the Ministry of Finance, the same was rescinded in December 2024 (Source: Union Budget 2025-26; Petroleum Planning and Analysis Cell; and Central Board of Indirect Taxes & Customs).



Non-Tax Revenue

Supported by the higher surplus transfer from the Reserve Bank, non-tax revenue recorded a growth of 32.2 per cent in 2024-25 (RE). For 2025-26 (BE), the non-tax revenue growth is placed at 9.8 per cent, led by 25.5 per cent growth in dividends and profits from public sector enterprises (PSEs), and 9.3 per cent from the Reserve Bank, public sector banks and financial institutions (Chart 8).



Non-Debt Capital Receipts

Non-debt capital receipts in 2024-25 (RE) fell short of BE by ₹19,000 crore, primarily due to lower disinvestment receipts. In 2025-26 (BE), non-debt capital receipts are budgeted to grow by 28.8 per cent, with the disinvestment target of ₹47,000 crore (Chart 9).

IV. Expenditure

Total expenditure of the Union government recorded a growth of 6.1 per cent in 2024-25 (RE), and it was ₹1.04 lakh crore below the BE mainly due to the underutilisation of allocated capital expenditure (Table 2). The revenue expenditure, in contrast, was in line with the budget estimates and posted a growth of 5.8 per cent in 2024-25 (RE). For 2025-26 (BE), total expenditure is budgeted to rise by 7.4 per cent, reaching 14.2 per cent of GDP. Capital expenditure is expected to recover with a growth of 10.1 per cent. Additionally, effective capital expenditure is budgeted to register a growth of 17.4 per cent in 2025-26 *vis-à-vis* 5.2 per cent growth in 2024-25 (RE) on account of 42.4 per cent growth in grants-in-aid for creation of capital assets. The Budget maintains the allocation of ₹1.5 lakh crore for the 'Scheme for Special Assistance to States for Capital Expenditure', in 2025-26 (BE) as in 2024-25 (BE). Revenue expenditure is budgeted to

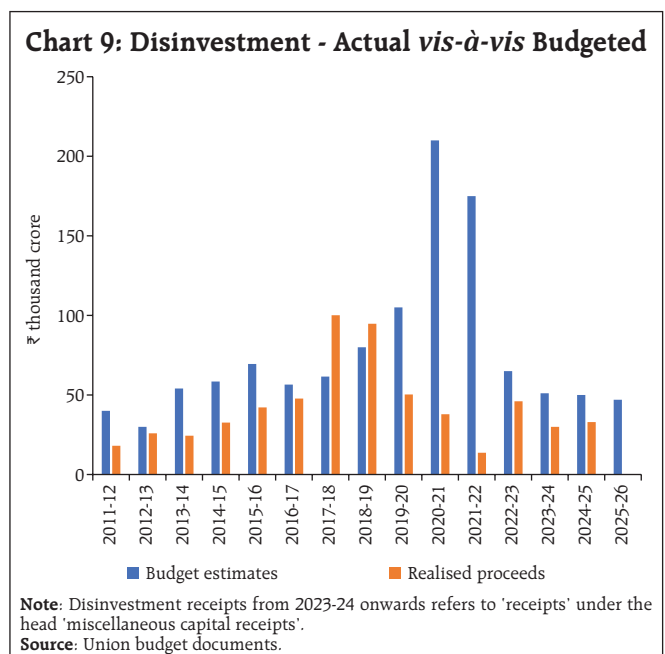


Table 2: Expenditure of Central Government

Item	₹ Thousand Crore				Per cent of GDP				Growth Rate (per cent)		
	2023-24	2024-25 (BE)	2024-25 (RE)	2025-26 (BE)	2023-24	2024-25 (BE)	2024-25 (RE)	2025-26 (BE)	2023-24	2024-25 (RE)	2025-26 (BE)
1	2	3	4	5	6	7	8	9	10	11	12
1. Total Expenditure	4,443	4,821	4,716	5,065	15.0	14.8	14.6	14.2	6.0	6.1	7.4
2. Revenue Expenditure (RE) (of which)	3,494	3,709	3,698	3,944	11.8	11.4	11.4	11.0	1.2	5.8	6.7
(i) Interest Payments (IP)	1,064	1,163	1,138	1,276	3.6	3.6	3.5	3.6	14.6	7.0	12.2
(ii) Total Subsidies (TS)	435	428	428	426	1.5	1.3	1.3	1.2	-24.7	-1.6	-0.4
of which:											
Food	212	205	197	203	0.7	0.6	0.6	0.6	-22.4	-6.8	3.0
Fertiliser	188	164	171	168	0.6	0.5	0.5	0.5	-25.1	-9.0	-2.0
Petroleum	12	12	15	12	0.0	0.0	0.0	0.0	79.5	20.1	-17.7
(iii) RE-IP-TS	1,995	2,118	2,132	2,242	6.8	6.5	6.6	6.3	2.5	6.9	5.1
(v) Defence (Revenue)	303	298	313	328	1.0	0.9	1.0	0.9	12.7	3.3	4.8
3. Capital Expenditure	949	1,111	1,018	1,121	3.2	3.4	3.1	3.1	28.3	7.3	10.1
4. Effective Capital Expenditure	1,253	1,502	1,318	1,548	4.2	4.6	4.1	4.3	19.8	5.2	17.4

Source: Union budget documents.

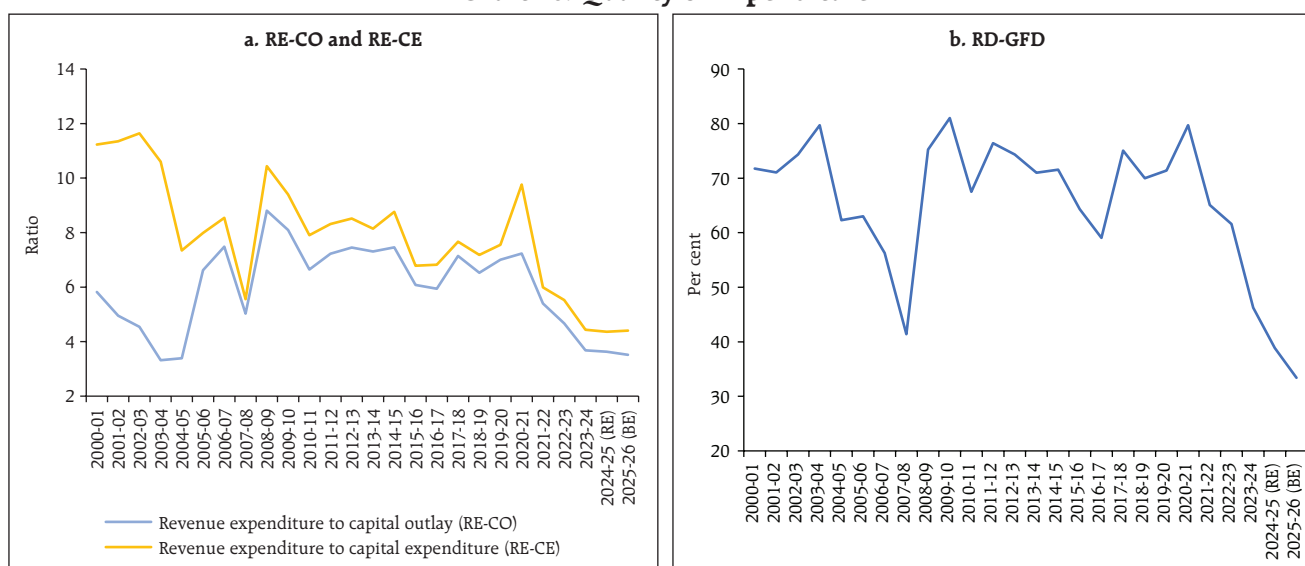
grow by 6.7 per cent, and RE-IP-TS by 5.1 per cent (6.3 per cent of GDP).

Quality of Expenditure

The revenue expenditure - capital outlay (RE-CO) ratio stood at its lowest at 4.4 in both 2024-25 (RE) and 2025-26 (BE). Revenue deficit as per cent of gross fiscal deficit (RD-GFD) also stood at its all-time low of 33.4 per cent, indicating improvement in the quality of expenditure (Chart 10a and b).

Capital Outlay

Capital outlay (capital expenditure less loans and advances) grew by 7.6 per cent in 2024-25 (RE). It fell short of the budgeted target by ₹70,959 crore, *inter alia*, due to the model code of conduct in the run-up to the general elections and heavy rains in the monsoon season. In 2025-26 (BE), capital outlay is budgeted to grow by 5.6 per cent (Table 3). Capital outlays of Railways, and Road and Bridges – the major drivers of

Chart 10: Quality of Expenditure

Source: Union budget documents.

Table 3: Capital Outlay

Item	₹ Thousand Crore				Growth Rate (per cent)		
	2023-24	2024-25 (BE)	2024-25 (RE)	2025-26 (BE)	2023-24	2024-25 (RE)	2025-26 (BE)
1	2	3	4	5	6	7	8
1. Total Capital Outlay	788	919	848	895	26.1	7.6	5.6
2. Defence Services	154	172	160	180	7.9	3.4	12.9
3. Capital Outlay (excluding defence)	634	747	688	715	31.6	8.6	3.9
(i) Major Infrastructure (<i>of which</i>)	576	600	590	573	34.7	2.4	-2.9
Indian Railways	243	252	252	252	52.3	3.9	0.0
Roads & Bridges	270	259	259	259	28.2	-4.1	0.1
Communications	61	84	75	50	8.8	24.0	-33.1
(ii) Industry & Minerals	6	6	13	12	-3.6	97.7	-3.1
(iii) Science, Technology and Environment	7	7	6	8	-8.1	-10.6	27.0
(iv) Others	44	133	79	122	11.2	80.0	54.3

Source: Union budget documents.

the Centre's capital spending – in 2025-26 (BE) have been retained at their 2024-25 (RE) levels.

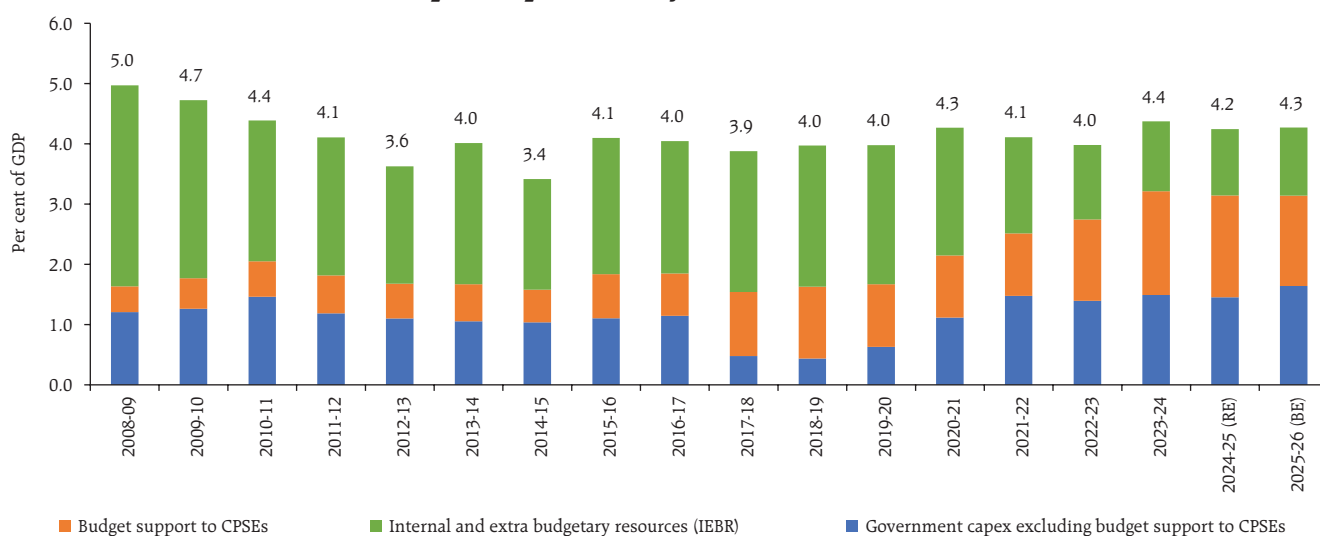
Combined Capex of the Union Government and Central Public Sector Enterprises

Central public sector enterprises (CPSEs) finance their capex through internal and extra budgetary resources (IEBR)⁵ and budgetary support from the Union government, which forms a

part of the government's total capex. The combined capex of the Union government and CPSEs will increase marginally from 4.2 per cent of GDP in 2024-25 (RE) to 4.3 per cent of GDP in 2025-26 (BE) [Chart 11].

Major Government Schemes

Among central sector programmes, PMGKAY receives the largest allocation at 4.0 per cent of total

Chart 11: Capital Expenditure by Union Government and CPSEs

Note: CPSEs capex is exclusive of Food Corporation of India (FCI).

Source: Union budget documents.

⁵ IEBR comprises of internal resources (comprising of retained profits - net of dividend to Government, depreciation provision and carry forward of reserves and surpluses) and extra budgetary resources (consisting of receipts from issue of bonds, debentures, external commercial borrowing, suppliers' credit, deposit receipts and term loans from financial institutions). Budgetary support and IEBR together finance the capital expenditure (capex) of CPSEs.

Table 4: Expenditure on Major Government Schemes

Item	₹ Thousand Crore				Per cent of Total Expenditure			Growth Rate (per cent)		
	2023-24	2024-25 (BE)	2024-25 (RE)	2025-26 (BE)	2023-24	2024-25 (RE)	2025-26 (BE)	2023-24	2024-25 (RE)	2025-26 (BE)
1	2	3	4	5	6	7	8	9	10	11
A. Central Sector Schemes										
1. PM-KISAN	61	60	64	64	1.4	1.3	1.3	5.5	3.4	0
2. <i>Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY)</i>	-	205	197	203	-	4.2	4.0	-	-	3.0
3. Road Works	109	115	111	116	2.4	2.3	2.3	43.3	1.7	5.2
B. Centrally Sponsored Schemes										
1. MGNREGA	89	86	86	86	2.0	1.8	1.7	-1.8	-3.5	0.0
2. <i>Jal Jeevan Mission</i>	70	70	23	67	1.6	0.5	1.3	28.0	-67.6	195.2
3. <i>Samagra Shiksha</i>	33	38	37	41	0.7	0.8	0.8	1.0	12.7	11.5
4. National Health Programme*	25	29	29	30	0.6	0.6	0.6	2.8	15.8	4.3
5. PM Awas Yojana	43	85	48	78	1.0	1.0	1.5	-41.0	9.5	64.1

Note: 1. -: Not available.

2. *: Flexible Pool for RCH & Health System Strengthening, National Health Programme and National Urban Health Mission.

Source: Union budget documents.

expenditure in 2025-26 (BE) [4.2 per cent in 2024-25 (RE)], with the outlay rising by 3.0 per cent to ₹2.03 lakh crore. PM-KISAN allocation has been maintained at last year's level; and road works' outlay has been expanded by 5.2 per cent to ₹1.16 lakh crore. Amongst the Centrally sponsored schemes, MGNREGA is unchanged at ₹86,000 crore, the *Jal Jeevan Mission*'s outlay is budgeted at ₹67,000 crore (195.2 per cent

increase). PM Awas Yojana's outlay has been increased by 64.1 per cent, with the Centre sustaining its focus on housing (Table 4).

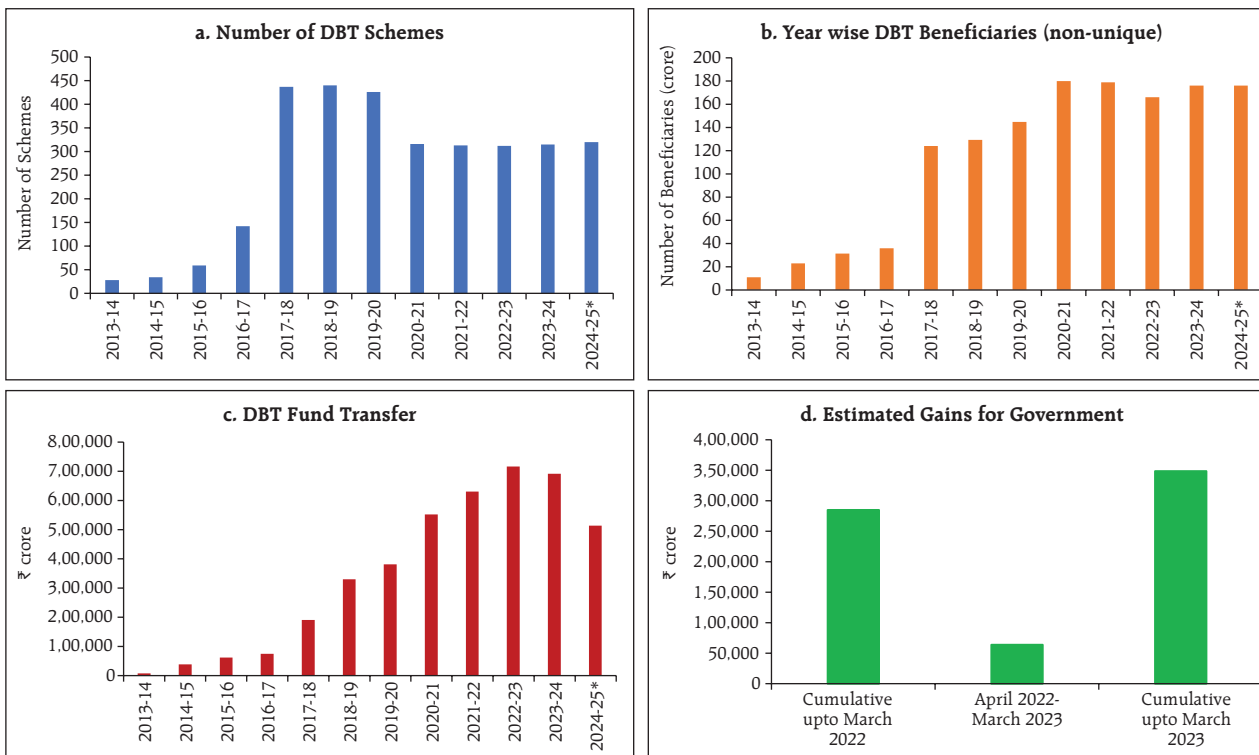
In recent years, there has been a significant increase in fund transfer by the government to beneficiaries under various social programmes through the DBT mechanism, resulting in savings for the government (Box A).

Box A: Direct Benefit Transfers in India – Decadal Experience

In India, both the Central and State governments oversee a vast array of social transfers (*viz.*, cash and in-kind transfers) to protect vulnerable populations. With the objective of reducing leakages and ensuring that intended beneficiaries receive timely transfers at minimal cost, the Centre introduced the Direct Benefit Transfer (DBT) programme in 2013 (Paramasivam and Arun, 2018). It transfers subsidies directly to the bank account of verified beneficiaries, thereby minimising the role of intermediaries in funds disbursement. Requiring beneficiaries to possess bank account prevents duplication and leakage, while integration with the *Aadhar* system strengthens verification (Barnwal, 2016).

The DBT was launched on a pilot basis in select districts on January 1, 2013, initially covering few schemes. In 2013 itself, the Central government introduced the DBT for LPG subsidy payments, followed by major schemes such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS); National Social Assistance Programme (NSAP); Public Distribution System (PDS); and student scholarship schemes (Paramasivam and Arun, 2018). By August 2015, DBT became the world's largest cash transfer programme providing direct benefits to around 14 crore households (Barnwal, 2016). Similarly, during the COVID-19 pandemic, DBT played a very significant role

(Contd.)

Chart A.1: Progress of DBT in India

Note: *: The data depicted in the charts for 2024-25 are those available in the official website of DBT accessed on mid February 2025.

Source: <https://dbtbharat.gov.in/>

when the speed and scale of cash transfers in India was unprecedented (Bhattacharya and Sinha, 2021).

From a modest coverage of 28 schemes in 2013-14, DBT has been implemented in 323 schemes across 54 ministries of the Central government during the financial year 2024-25 (Chart A.1a). The number of beneficiaries as well as the funds transferred under various schemes have also risen notably over time (Charts A.1b and A.1c). Further, incorporating various social welfare programmes under the DBT umbrella has led to identification and removal of fake and duplicate beneficiaries, resulting in significant savings (Chart A.1d).

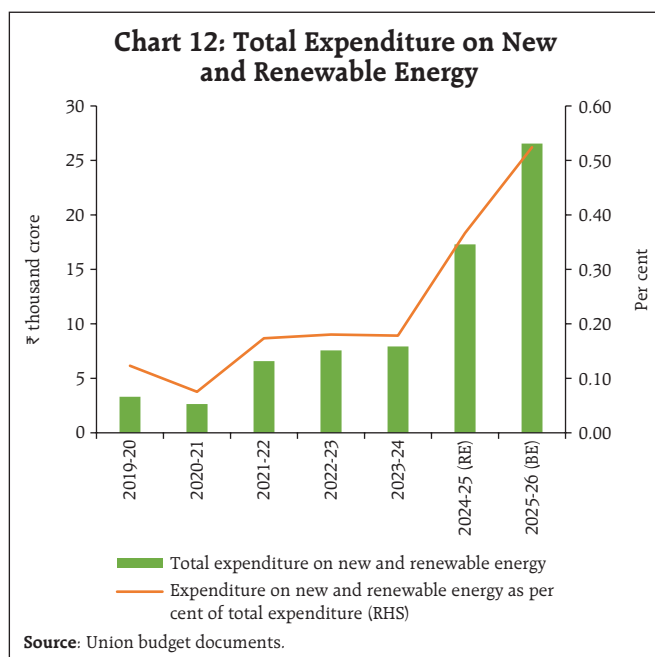
For instance, the implementation of DBT has aided the Department of Fertilisers in reducing its fertiliser sale to retailers by 158.1 lakh metric tonnes. Similarly, in case of MGNREGS, payment through DBT has helped to eliminate 7.1 lakh fake job cards. Likewise, channelling LPG subsidy payment through DBT has resulted in elimination of 4.15 crore duplicate, fake, or inactive LPG connections.⁶ The DBT-styled

public interventions implemented by India have been recommended by the World Bank for adoption by other countries for ensuring disaster resilience (World Bank, 2022).

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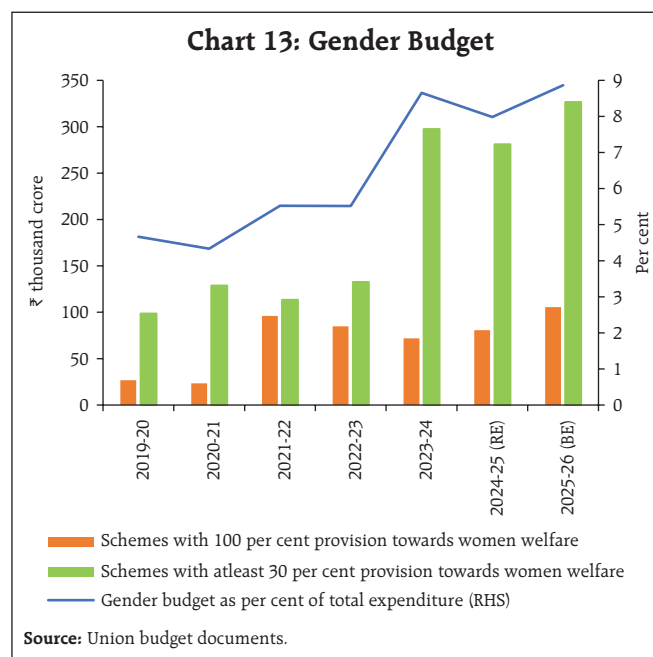
⁶ Data is upto March 2023 and has been sourced from <https://dbtbharat.gov.in/>.



The expenditure towards new and renewable energy is budgeted to increase from 0.37 per cent of total expenditure in 2024-25 (RE) to 0.52 per cent in 2025-26 (BE) led by increased allocations towards PM Surya Ghar Muft Bijli Yojana (Chart 12). The gender budget of the Union government is also budgeted to increase to 8.9 per cent of its total expenditure in 2025-26, led by Pradhan Mantri Garib Kalyan Anna Yojana and Pradhan Mantri Awas Yojana (Chart 13).

V. Outstanding Debt

After peaking at 62.6 per cent of GDP in 2020-21 amidst the COVID-19 pandemic, the total outstanding debt of the Union government declined to 57.1 per cent of GDP in 2024-25 (RE) from 58.7 per cent in 2023-24 and is budgeted to decline further to 56.0 per cent of GDP in 2025-26. The interest payment to revenue receipts ratio is budgeted at 37.3 per cent in 2025-26. The interest rate – growth rate differential (IRGD), an indicator of debt sustainability, remains favourable (Chart 14a and b). Going forward, the government has indicated that it would maintain a fiscal deficit level which will

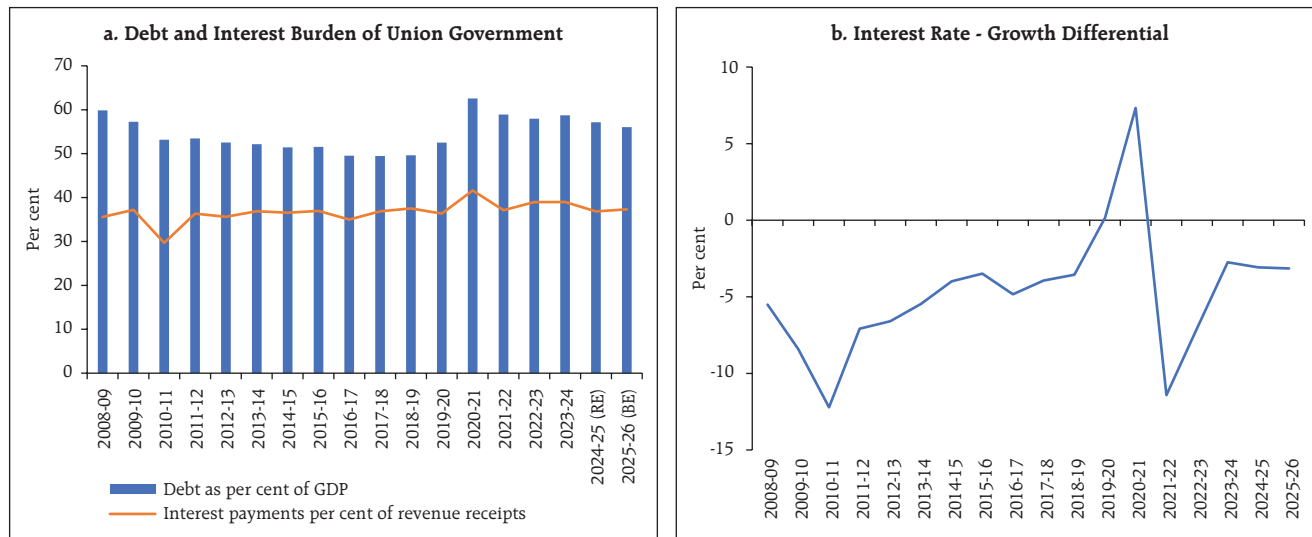


help in bringing Centre's debt-to-GDP ratio to 50 ± 1 per cent by March 31, 2031.

VI. Gross Fiscal Deficit Financing

On the financing side, gross market borrowings through dated securities for 2025-26 are budgeted at ₹14.82 lakh crore [an increase of about 5.8 per cent over ₹14.01 lakh crore in 2024-25 (RE)]. Net market borrowings are placed at ₹11.54 lakh crore as compared with the previous year's ₹10.75 lakh crore.⁷ The Budget has also provided for gross switches of securities totalling ₹2.50 lakh crore in 2025-26, as against ₹1.47 lakh crore in the previous year's revised estimates. The government has not budgeted for any buyback of securities during 2025-26. Net market borrowings are expected to finance 73.5 per cent of GFD in 2025-26 (BE), higher than 68.5 per cent in 2024-25 (RE). An amount of ₹3.43 lakh crore from small savings (NSSF) would finance 21.9 per cent of GFD in 2025-26 (BE), down from ₹4.12 lakh crore (26.2 per cent) in 2024-25 (RE) [Chart 15].

⁷ Net market borrowing figures for 2024-25 (RE) includes buy back of securities [₹ (-)88,164.01 crore].

Chart 14: Outstanding Liabilities and Interest Rate Growth Differential

Sources: Union budget documents; and RBI staff estimates.

The gradual downscaling in the market borrowing requirements (as per cent of GDP) of the Union government towards the pre-pandemic level will facilitate greater availability of resources for the private sector (Table 5).

VII. Resource Transfer from Centre to States

The gross transfers to States have been budgeted to increase by 12.5 per cent for 2025-26

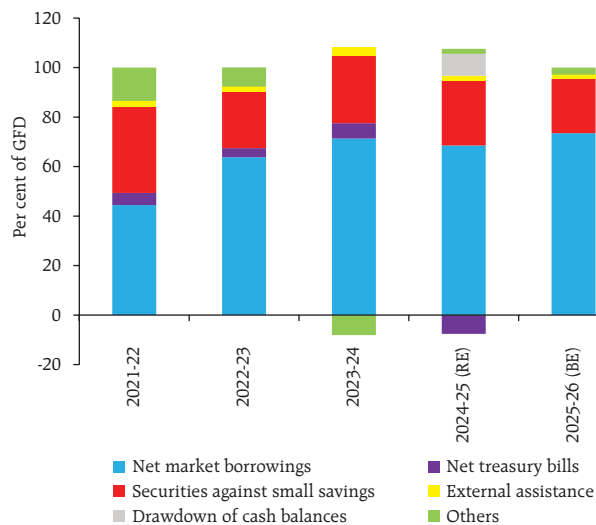
[10.2 per cent during 2024-25 (RE)], largely on account of transfers under centrally sponsored schemes and special assistance to States for capital expenditure. The gross transfer of resources to States will increase from 7.0 per cent of GDP during

Table 5: Market Borrowings of the Union Government

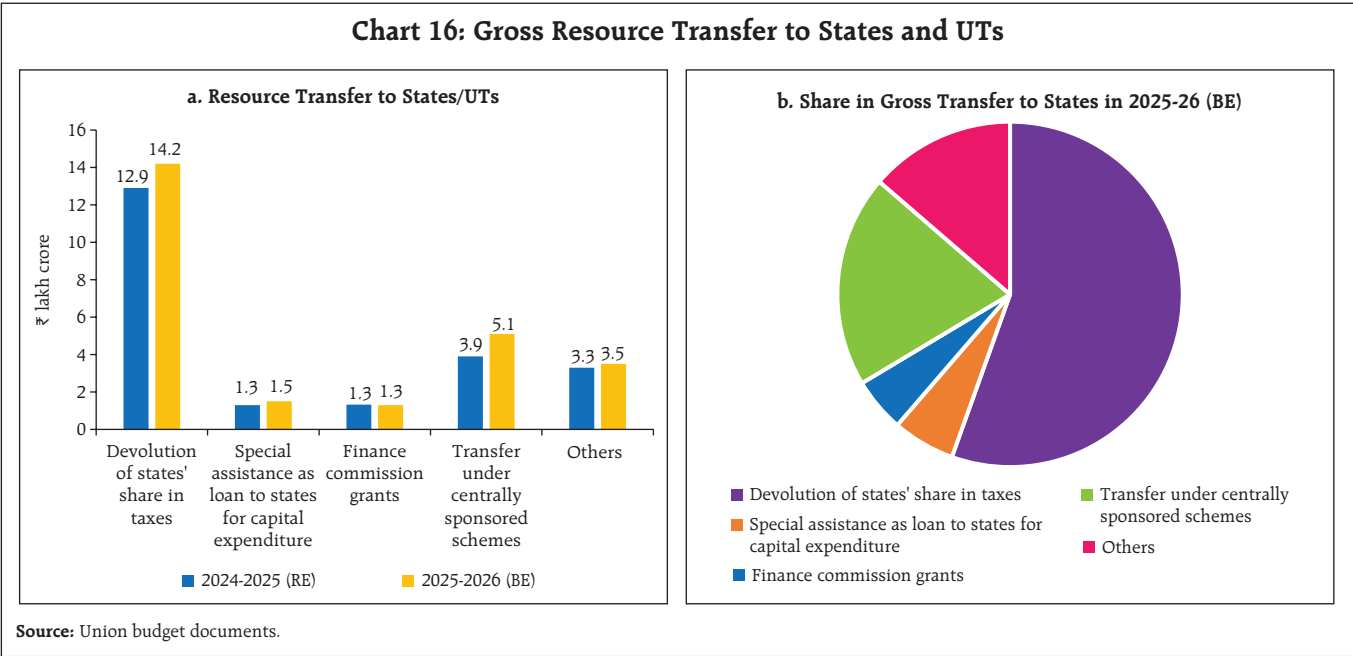
Financial Year	₹ crore	
	Gross Market Borrowings	Net Market Borrowings
2018-19	5,71,000 (3.0)	4,22,735 (2.2)
2019-20	7,10,000 (3.5)	4,73,968 (2.4)
2020-21	12,60,116 (6.3)	10,32,907 (5.2)
2021-22	9,68,382 (4.1)	7,04,097 (3.0)
2022-23	14,21,000 (5.3)	11,08,259 (4.1)
2023-24	15,43,000 (5.2)	11,77,754 (4.0)
2024-25 (RE)	14,00,697 (4.3)	10,74,514 (3.3)
2025-26 (BE)	14,82,000 (4.2)	11,53,834 (3.2)

Notes: 1. Net Market Borrowings for 2024-25 (RE) includes buy back of securities.
2. From 2023-24 onwards, market borrowings have been adjusted for switching of securities.
3. Figures in parentheses are as per cent of GDP.

Source: Union budget documents.

Chart 15: Sources of Financing Gross Fiscal Deficit

Source: Union budget documents.



2024-25 (RE) to 7.2 per cent during 2025-26 (BE). Devolution of States' share in taxes constitutes the largest component of gross transfers (Chart 16a and b).⁸

While tax devolution forms the cornerstone of fiscal transfers, post-devolution revenue deficit grants (RDGs) play a crucial role in stabilising state finances by bridging structural fiscal gaps (Box B).

Box B: Revenue Deficit Grants - An Instrument for States' Fiscal Stability

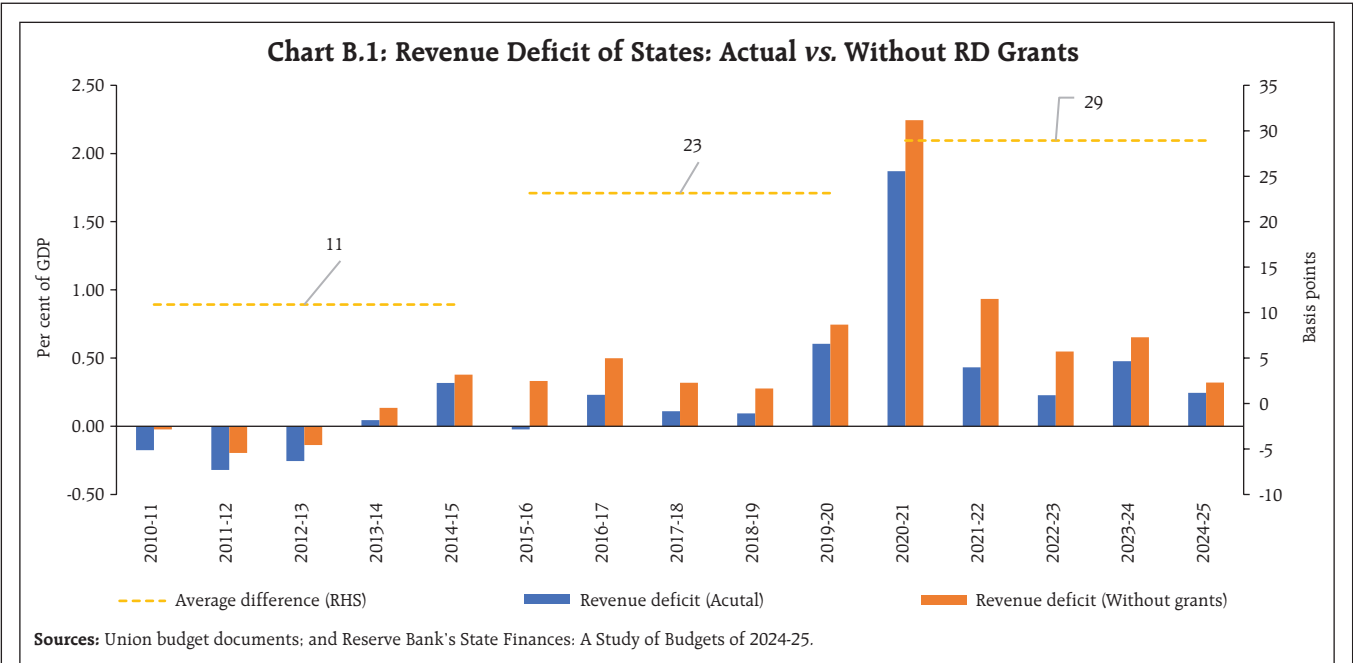
The Finance Commission is, inter alia, entrusted with the task of mitigating revenue shortfalls and cost disparities that hinder various States from delivering high-quality public services (Rao, 2022). In this context, Finance Commission grants serve as a crucial supplement to the formula-based tax devolution targeting State-specific fiscal needs such as disaster relief, development of local bodies, sectoral investments, and revenue deficit support. These grants help States with weaker fiscal capacities to meet their expenditure obligations without excessive borrowing. Among these, post-devolution revenue deficit grants (RDGs) play a particularly vital role by bridging post-devolution revenue shortfalls. Provided under Article 275 of the Constitution, RDGs help to maintain fiscal stability and enable States to sustain essential governance and developmental commitments.

Historically, all Finance Commissions have recommended RDGs to address fiscal imbalances among States and allocated it based on normative assessments of States' revenue and expenditure gaps. Additionally, RDGs help States transition through changes in tax devolution patterns recommended by successive Finance Commissions. They allow States time to adjust their fiscal positions in line with evolving assessments of needs, fiscal capacity, and governance performance (Finance Commission - XV).

RDGs could create moral hazard, where reliance on Central grants discourages States from implementing critical fiscal reforms, such as improving tax administration or expenditure rationalisation. Successive Finance Commissions have sought to mitigate these concerns by adopting

(Contd.)

⁸ For details, please refer to Annex II.



a normative approach to assess each States' fiscal needs. Unlike a simple gap-filling approach, which could inadvertently reward inadequate revenue effort or excessive spending, this normative framework corrects for structural deficiencies in fiscal capacity while discouraging fiscal profligacy (Reddy and Reddy, 2019). The Fifteenth Finance Commission recommended that States should, over time, eliminate their post-devolution revenue gaps. Consequently, the recommended revenue deficit grants declined from ₹1.18 lakh crore in the first year to ₹13,705 crore in the final year of its award period. The number of States eligible for these grants came down from 17 during the first year to 6 in the final year. This phased tapering of grants would provide the States reasonable time to make suitable adjustments in their fiscal management to eliminate their post-devolution revenue deficits (Rao, 2021).

An analysis of overall revenue deficit of States with and without RDGs highlights their stabilising effect on State finances. The onset of the pandemic placed additional strain on State finances, and RDGs played a pivotal role in cushioning the associated fiscal shock. Without RDGs, States would have faced a higher revenue deficit by 29 basis points during the 2020-25 period (Chart B.1), necessitating

increased borrowing or expenditure cuts, thereby weakening public service delivery and development expenditures.

Over the past 15 years, RDGs have helped States reduce their deficits by 0.2 to 0.3 per cent of GDP on average, preventing excessive borrowing and enabling stable public spending. Central transfers, including RDGs, remain an essential mechanism for supporting fiscal federalism and help States in pursuing their developmental goals while maintaining fiscal responsibility.

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Table 6: Finance Commission (FC) Grants to States and UTs

Item	₹ Lakh Crore		Share in Total FC Grants (per cent)		Growth (per cent)	
	2024-25 (RE)	2025-26 (BE)	2024-25 (RE)	2025-26 (BE)	2024-25 (RE)	2025-26 (BE)
Finance Commission (FC) Grants	1.3	1.3	-	-	-14.4	4.4
1. Grant for Local Bodies - Urban Bodies	0.2	0.3	16.5	19.7	-1.1	24.6
2. Grant for Local Bodies - Rural Bodies	0.5	0.5	35.4	36.6	-4.8	7.9
3. Grants for Health Sector	0.1	0.2	8.0	11.5	117.9	49.4
4. Post Devolution Revenue Deficit Grants	0.2	0.1	19.3	10.3	-52.6	-44.0
5. Others*	0.3	0.3	20.8	21.9	11.7	9.9

Note: 'Others' includes Grants for incubation of new cities, Grants for shared Municipal Services, Grants-in-Aid for State Disaster Response Fund and Grants-in-Aid for State Disaster Mitigation Fund.

Source: Union budget documents.

Finance commission Grants are budgeted to increase by 4.4 per cent in 2025-26, mainly due to increase in grants for local bodies (both urban and rural) as well as grants for health sector (Table 6).

The Budget has allocated ₹1.5 lakh crore under the 50-year interest-free loans for States' capital expenditure and reform-linked incentives. Urban sector reforms will be incentivised, focusing on governance and municipal services. Towards boosting infrastructure, States will be encouraged to seek funding for PPP projects under the India Infrastructure Project Development Fund. The Budget proposes key power sector reforms to improve State-level electricity distribution and infrastructure. States will be incentivised to enhance financial health and efficiency of electricity distribution companies. To support this, States undertaking reforms will be allowed an additional borrowing of 0.5 per cent of gross state domestic product..

Many sector-specific initiatives in partnership with the States have been announced. In agriculture, States' partnership is sought to implement schemes like Prime Minister *Dhan-Dhaanya Krishi Yojana*, Rural Prosperity and Resilience Programme and Comprehensive Programme for Vegetables and Fruits. The *Jal Jeevan* Mission is extended until 2028, with

MoUs to be signed with States to ensure sustainable rural water supply. The Union government will also partner with States to develop 50 tourist destinations through a challenge-based mode. States must provide land for infrastructure to qualify for funding.

VIII. Conclusion

The Union Budget 2025–26 reaffirms the Government's commitment to fiscal discipline while fostering inclusive, long-term economic growth in line with the vision of '*Viksit Bharat*'. Towards this objective, the Budget has announced several measures under four engines of growth – agriculture, MSMEs, investment, and exports propelled by innovation and structural reforms. The Government has continued with its focus on capex alongside consumption boosting measures which would help the economy to improve its growth momentum. With a fiscal deficit target of 4.4 per cent of GDP, the Budget balances consolidation and growth objectives. The government would deploy debt/GDP ratio as a medium-term fiscal anchor going forward to preserve macroeconomic stability. Through structural reforms, augmented investments in critical sectors, and the rationalisation of taxes and expenditure, the Government seeks to maintain a stable macroeconomic environment conducive to robust and sustainable growth.

Annex I: Union Budget 2025-26 - Key Fiscal Indicators

Item	₹ Thousand Crore					Per cent of GDP			Growth Rate		
	2022-23	2023-24	2024-25 (BE)	2024-25 (RE)	2025-26 (BE)	2023-24	2024-25 (RE)	2025-26 (BE)	2023-24	2024-25 (RE)	2025-26 (BE)
1	2	3	4	5	6	7	8	9	10	11	12
1. Direct Tax	1,660	1,956	2,207	2,237	2,520	6.6	6.9	7.1	17.9	14.4	12.7
(i) Corporation	826	911	1,020	980	1,082	3.1	3.0	3.0	10.3	7.6	10.4
(ii) Income	809	1,011	1,150	1,202	1,360	3.4	3.7	3.8	25.0	18.8	13.1
(iii) Securities Transaction Tax	25	34	37	55	78	0.1	0.2	0.2	34.7	62.8	41.8
2. Indirect Tax	1,394	1,509	1,633	1,616	1,750	5.1	5.0	4.9	8.2	7.1	8.3
(i) GST	849	957	1,062	1,062	1,178	3.2	3.3	3.3	12.7	10.9	10.9
(ii) Customs	213	233	238	235	240	0.8	0.7	0.7	9.3	0.8	2.1
(iii) Excise	323	309	324	310	322	1.0	1.0	0.9	-4.2	0.2	3.9
3. Gross Tax Revenue (1+2)	3,054	3,466	3,840	3,853	4,270	11.7	11.9	12.0	13.5	11.2	10.8
4. Assignment to States	948	1,129	1,247	1,287	1,422	3.8	4.0	4.0	19.1	13.9	10.5
5. NCCD Transfers	8	9	9	10	10	0.0	0.0	0.0	9.7	9.5	8.0
6. Net Tax Revenue (3-4-5)	2,098	2,327	2,583	2,557	2,837	7.9	7.9	7.9	10.9	9.9	11.0
7. Non-tax Revenue	285	402	546	531	583	1.4	1.6	1.6	40.8	32.2	9.8
(i) Dividends and Profits	100	171	289	289	325	0.6	0.9	0.9	71.0	69.3	12.3
(ii) Interest Receipts	28	38	38	34	48	0.1	0.1	0.1	37.4	-11.0	40.2
8. Revenue Receipts (6+7)	2,383	2,729	3,129	3,088	3,420	9.2	9.5	9.6	14.5	13.2	10.8
9. Non debt Capital Receipts	72	60	78	59	76	0.2	0.2	0.2	-17.2	-1.3	28.8
(i) Miscellaneous Capital Receipts	46	33	50	33	47	0.1	0.1	0.1	-28.1	-0.4	42.4
(ii) Recovery of Loans	26	27	28	26	29	0.1	0.1	0.1	1.9	-2.4	11.5
10. Total Receipts (ex. Borrowings) (8+9)	2,455	2,789	3,207	3,147	3,496	9.4	9.7	9.8	13.6	12.8	11.1
11. Revenue Expenditure (RE)	3,453	3,494	3,709	3,698	3,944	11.8	11.4	11.0	1.2	5.8	6.7
(i) Interest Payments (IP)	929	1,064	1,163	1,138	1,276	3.6	3.5	3.6	14.6	7.0	12.2
(ii) Total Subsidies (TS)	578	435	428	428	426	1.5	1.3	1.2	-24.7	-1.6	-0.4
<i>of which:</i>											
Food	273	212	205	197	203	0.7	0.6	0.6	-22.4	-6.8	3.0
Fertiliser	251	188	164	171	168	0.6	0.5	0.5	-25.1	-9.0	-2.0
Petroleum	7	12	12	15	12	0.0	0.0	0.0	79.5	20.1	-17.7
(iii) RE-IP-TS	1,947	1,995	2,118	2,132	2,242	6.8	6.6	6.3	2.5	6.9	5.1
12. Capital Expenditure (i + ii)	740	949	1,111	1,018	1,121	3.2	3.1	3.1	28.3	7.3	10.1
(i) Capital Outlay	625	788	919	848	895	2.7	2.6	2.5	26.1	7.6	5.6
(ii) Loans & Advances	115	161	192	171	226	0.5	0.5	0.6	39.8	6.0	32.3
13. Total Expenditure (11+12)	4,193	4,443	4,821	4,716	5,065	15.0	14.6	14.2	6.0	6.1	7.4
14. Gross Fiscal Deficit (13-10)	1,738	1,655	1,613	1,570	1,569	5.6	4.8	4.4	-4.8	-5.1	-0.04

Source: Union budget documents

Annex II: Resource Transfers from Centre to States and UTs with Legislature

Item	₹ Thousand Crore			As per cent of Gross Transfers			Growth Rate		
	2023-24	2024-25 (RE)	2025-26 (BE)	2023-24	2024-25 (RE)	2025-26 (BE)	2023-24	2024-25 (RE)	2025-26 (BE)
1	2	3	4	5	6	7	8	9	10
I. Devolution of States Share in Taxes	1,129	1,287	1,422	54.7	56.6	55.6	19.1	13.9	10.5
II. Finance Commission Grants	148.5	127.1	132.8	7.2	5.6	5.2	-14.0	-14.4	4.4
<i>of which:</i>									
1. Grant for Local Bodies - Urban Bodies	21.2	21.0	26.2	1.0	0.9	1.0	19.2	-1.1	24.6
2. Grant for Local Bodies - Rural Bodies	47.3	45.0	48.6	2.3	2.0	1.9	3.6	-4.8	7.9
3. Grants for Health Sector	4.7	10.2	15.3	0.2	0.4	0.6	42.2	117.9	49.4
4. Grants-in-Aid for SDRF	19.4	20.6	21.6	0.9	0.9	0.8	18.4	5.8	5.0
5. Grants-in-Aid for State Disaster Mitigation Fund	4.3	5.1	5.4	0.2	0.2	0.2	21.5	20.8	5.0
6. Post Devolution Revenue Deficit Grants	51.7	24.5	13.7	2.5	1.1	0.5	-40.1	-52.6	-44.0
III. Some Important Items of Transfer	160.3	201.1	229.0	7.8	8.8	8.9	33.1	25.5	13.9
<i>of which:</i>									
1. Externally Aided Projects-Loan	31.3	34.4	42.7	1.5	1.5	1.7	11.0	9.9	24.2
2. Special Assistance as Loan to States for Capital Expenditure	109.6	125.0	150.0	5.3	5.5	5.9	34.9	14.1	20.0
3. Special Assistance under the Demand - Transfers to States	11.7	18.0	10.0	0.6	0.8	0.4	408.5	53.9	-44.4
IV. Total Transfer to States [other than I+II+III]	571.3	604.5	717.0	27.7	26.6	28.0	0.8	5.8	18.6
1. Centrally Sponsored Schemes (Revenue)	425.3	392.7	514.4	20.6	17.3	20.1	4.8	-7.7	31.0
2. Central Sector Schemes	15.1	63.8	76.5	0.7	2.8	3.0	17.0	322.5	20.0
3. Other Categories of Expenditure	131.0	147.9	126.0	6.3	6.5	4.9	-11.6	12.9	-14.8
4. Capital Transfers	0.0	0.1	0.1	0.0	0.0	0.0	-50.0	10100.0	1.0
V. Transfer to Delhi, Puducherry, and Jammu and Kashmir	55.2	55.9	58.5	2.7	2.5	2.3	-1.8	1.3	4.5
VI. Gross Transfers to States/UTs (I+II+III+IV+V)	2,065	2,276	2,560	100.0	100.0	100.0	10.7	10.2	12.5
VII. Less Recovery of Loans and Advances	12.2	50.3	50.3	0.6	2.2	2.0	21.0	311.1	0.0
VIII. Net Transfers (VI-VII)	2,053	2,225	2,510	99.4	97.8	98.0	10.7	8.4	12.8
IX. Gross Transfers / GDP (per cent)	7.0	7.0	7.2						
X. Net Transfers / GDP (per cent)	6.9	6.9	7.0						

Source: Union budget documents.

Quality of Public Expenditure and its Socio-economic Impact in India

by Rachit Solanki, Kovuri Akash Yadav,
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and Atri Mukherjee[^]

In India, the post-liberalisation period has been marked by dynamic shifts in fiscal priorities, balancing the imperatives of macroeconomic stabilisation with investments in critical sectors such as infrastructure, healthcare, and education. Against the backdrop of capex push by the Centre and States, this article examines India's public expenditure trajectory from 1991-92 onwards, analysing the role of policy reforms, structural transformations, and policy initiatives. The study elucidates the interplay between expenditure composition, economic outcomes, and developmental progress by computing a quality of public expenditure (QPE) index.

I. Introduction

Government spending and its structural composition play an important role in shaping economic growth. Reorienting the spending profile toward investment, particularly by directing public borrowings to finance capital formation, has positive impact on GDP (Sever *et al.* 2011). Public expenditure, such as those that enhance essential public goods – education, healthcare, and infrastructure – are generally more productive. These expenditures can not only complement private investments but also foster an enabling environment for sustainable economic growth. Targeted spending on strengthening social safety nets, promoting entrepreneurship, and improving public expenditure management is

increasingly recognised as a cornerstone of long-term development (Misra *et al.*, 2021). Moreover, ensuring optimal allocation of resources within these critical domains further reinforces the role of public spending in promoting inclusive and sustainable growth (Padhi *et al.*, 2023).

Public expenditure and its quality thus assume critical importance in balancing growth imperatives with the maintenance of macroeconomic stability. Prudent fiscal policy can create room for private spending, and when coupled with sustainable public outlays, they yield definite economic benefits (GoI, 2017). However, high public spending, even if growth-oriented, can pose significant risks. Sustained high budgetary deficits can undermine national savings, elevate interest rates, and adversely affect national income in both the short and long term. Persistent deficits erode government credibility and investor confidence while exacerbating external vulnerabilities, such as current account deficits, stemming from prolonged fiscal imbalances (Gale and Orzag, 2003). These dynamics highlight the need to continuously evaluate and refine the composition of public expenditure to ensure responsible fiscal management and sustainable growth.

Against this backdrop of balancing fiscal prudence with growth imperatives, an analysis of the composition of public spending assumes criticality. This article examines the trajectory of public expenditure in India over the past three decades, focusing on the factors influencing its quality and composition. By exploring linkages of expenditure composition to macroeconomic outcomes, the study offers insights to optimise fiscal strategies. The article is organised into six sections: Section II explores the measures of composition of public expenditure; Section III provides a phase-wise analysis of expenditure trends from 1991 to 2025; Section IV outlines the methodology used to construct an innovative quality of public expenditure (QPE) index; Section V discusses the key findings; and

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Section VI concludes by summarising key insights and highlighting policy priorities for promoting sustainable growth and fiscal stability.

II. Measuring Quality of Public Expenditure

The composition of public expenditure is a critical indicator of its quality, reflecting how effectively government spending fosters sustainable growth and development. Maintaining a balance between expenditure on final consumption and on investments in both physical and human capital formation generates long-term benefits for present and future generations. A higher share of spending devoted to capital formation thus indicates a strategic focus on long-term gains (Misra *et al.*, 2021). Hence, understanding the balance between consumption-based and investment-oriented outlays is essential for gauging the sustainability of the spending patterns of the government.

Among the various metrics used to evaluate expenditure efficiency, the quantum of capital spending by the government and the ratio of revenue expenditure to capital outlay (RECO) have emerged as particularly significant. These measures provide insights into how public funds are allocated, enabling policymakers to assess the potential advantages of prioritising capital expenditure over revenue expenditure. By emphasising capital outlays, governments can advance long-term economic growth and development outcomes. An increase in capital expenditure often yields a more than proportional expansion in investment, thereby exerting a stronger impact on overall economic performance. Public investment, in particular, tends to "crowd in" private investment by spurring demand and expanding productive capacity (Bose and Bhanumurthy, 2015).

Moreover, the fiscal multiplier associated with capital outlay not only surpasses that of revenue spending but remains higher for a longer duration, underscoring its robust growth-promoting potential

(Jain and Kumar, 2013; RBI, 2024). Aligning the composition of public expenditure with activities that generate positive externalities, augment capacity creation, and reinforce fiscal consolidation further strengthens the synergy between fiscal and monetary policies (Goyal and Sharma, 2018). Key metrics, such as the share of capital outlay (CO) in GDP and its proportion in total expenditure, capture the government's commitment to growth-oriented public spending.

Furthermore, certain categories of public expenditure are intended to stimulate economic growth by enhancing the economy's stock of production factors (labour and capital) or by improving their productivity. The most frequently cited categories include education and training, public infrastructure investments, R&D (which drives technological advancement and innovation), and healthcare (which boosts both the size and productivity of the labour force by extending the span of healthy life) [European Commission, 2002; 2004]. These outlays are captured as "development spending" in Central and States' expenditure budgets. In some contexts, subsidies - particularly those aimed at improving nutrition, such as food subsidies - are also considered part of development expenditure, as well-targeted subsidies can address specific developmental bottlenecks like undernutrition and rural distress, thereby conferring longer-term welfare gains (Fan and Brzeska, 2012). Higher developmental spending by governments, owing to its positive impact on human capital formation, can foster economic growth while simultaneously promoting equity and reducing poverty (IMF, 1998). Development expenditure encompasses a broad spectrum of social and economic services. On the social side, it includes spending on health, water supply, housing, urban development, welfare of weaker sections, nutrition, and labour welfare. On the economic side, resources are allocated to agriculture, rural development, irrigation, energy,

industry, transport and communication, science, technology, and environment.

However, scaling up allocations for capital formation and social sector development is often constrained by limits on revenue mobilisation and borrowings. Consequently, governments need to reconcile spending imperatives with financing constraints. Persistent high deficits can accumulate into higher public debt, which then elevates the interest burden in subsequent budgets. Hence, the share of interest payments in total expenditure can serve as a useful indicator of the quality of past spending and the effectiveness of debt management. A lower proportion of interest payments in total expenditure preserves scarce fiscal resources for capital and developmental needs. This ratio is also analysed as a key measure of spending quality. The following section applies this analytical framework to India's historical expenditure data, offering a phase-wise perspective to better understand and evaluate the shifts in public spending over time.

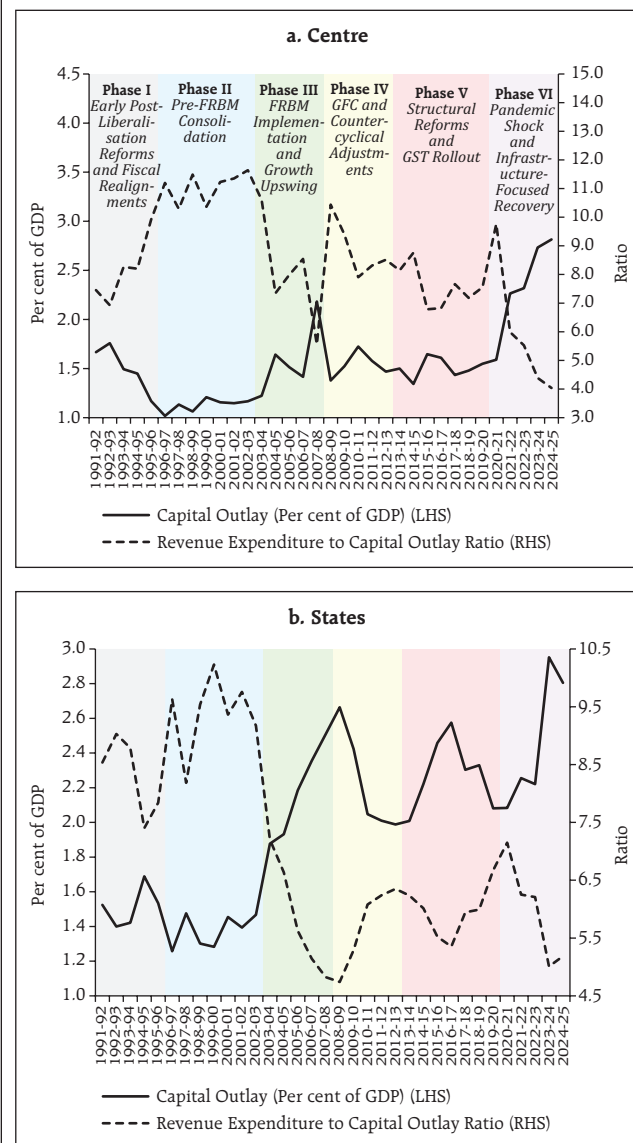
III. Public Expenditure in India during 1991-2025¹: A Phase-wise Analysis

A historical examination of India's public expenditure - encompassing both the Centre and the States from 1991–92 to 2024–25 reveals distinct phases shaped by significant macroeconomic shifts, policy reforms, and associated fiscal developments. Segmenting this period into intervals can provide a coherent framework for analysing broad trajectories and turning points. Accordingly, this section identifies *six* phases, illustrating how structural forces have shaped the quality of public expenditure at both levels of government.

This periodisation, therefore, underscores the close interplay between macroeconomic cycles, policy reforms, and public expenditure patterns. By

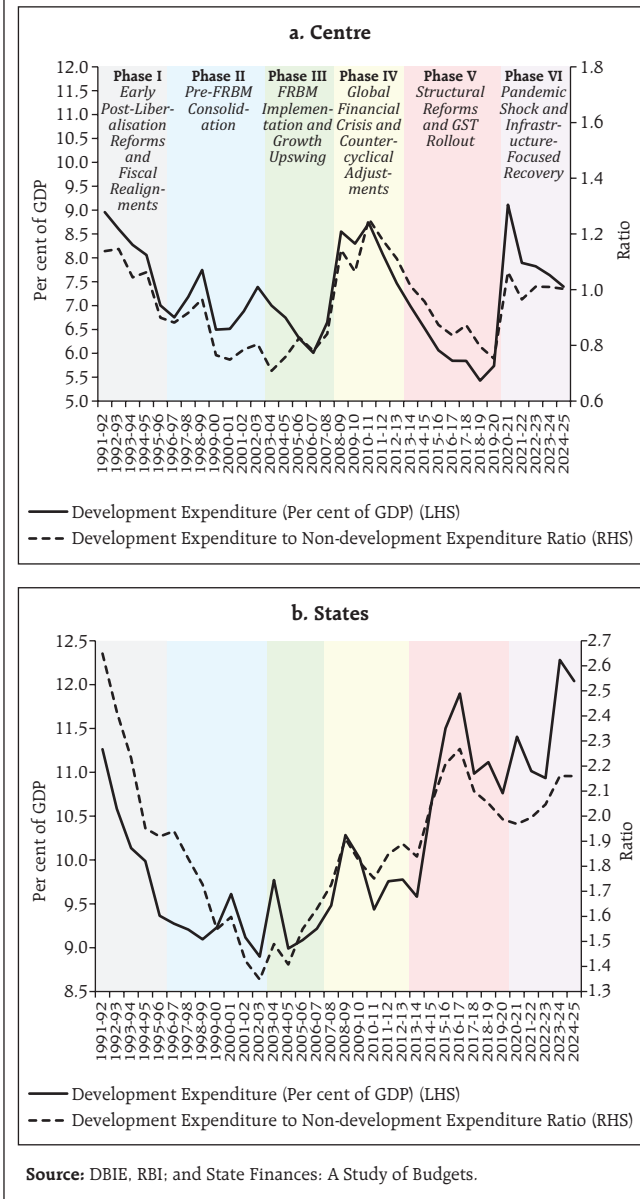
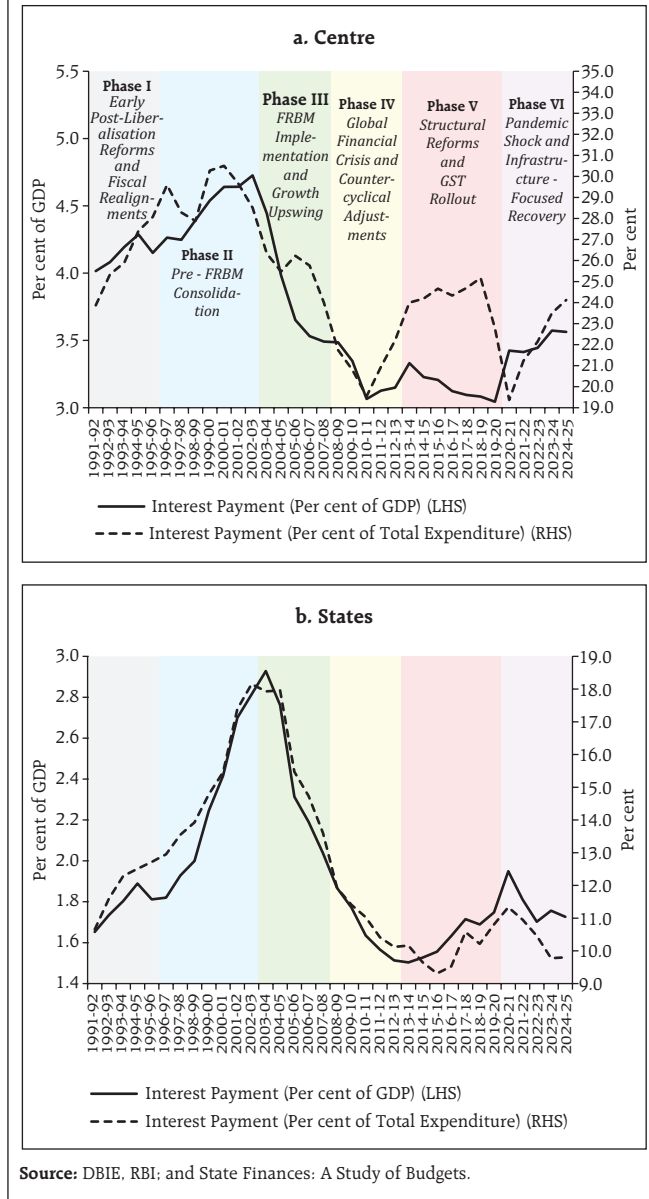
linking discernible shifts in the three key indicators - capital outlay, development expenditure, and interest payments - to well-known events such as the 1991 economic crisis, the introduction of the FRBM framework, the global financial crisis of 2008, the subsequent stimulus measures, the rollout of GST in 2017, and the fiscal implications of pandemic post-2020, the “quality of expenditure” has evolved over more than three decades of India's economic reform and development (Charts 1, 2 and 3).

Chart 1: Capital Outlay



Source: DBIE, RBI, and State Finances: A Study of Budgets.

¹ Data pertaining to the Centre and States for 2023-24 and 2024-25 are revised estimates (RE) and budget estimates (BE), respectively.

Chart 2: Development Expenditure**Chart 3: Interest Payment**

The analysis indicates that the Centre's capital outlay experienced notable troughs in the late 1990s and around the global financial crisis but underwent a significant boost in the mid-2000s and again in the post-COVID period. State-level capital outlay has generally trended upward over the long run, reflecting the growing imperative for States to invest in infrastructure and public goods complimented by improved revenue flows (especially following higher

tax devolution). Development expenditure, for both Centre and States, after initially declining in the 1990s, has gradually stabilised or increased over time, influenced by both policy priorities and macro-fiscal environment. Interest payments, initially high due to the debt burdens of the 1980s and early 1990s, gradually eased for both Centre and States during periods of sustained growth and fiscal consolidation, although the Centre's interest payments remain

structurally more significant than those of the States, especially relative to total expenditure. With this backdrop, the key features of each phase are analysed in greater detail.

Phase I (1991-92 to 1995-96): Early Post-Liberalisation Reforms and Fiscal Realignments

This phase coincided with India's transition from the balance-of-payments crisis to a liberalised economic framework. The Centre dismantled industrial licensing, relaxed import controls, and promoted greater global integration. While these measures boosted economic stabilisation, pressure on public finances remained.

Centre's capital outlay declined from 1.7 per cent of GDP in 1991-92 to 1.2 per cent in 1995-96. Meanwhile, the revenue expenditure-to-capital outlay (RECO) ratio rose from 7.5 to 9.9, indicating increased current spending relative to capital investments. Similarly, development expenditure (DE) fell by 2.0 per cent of GDP, amidst efforts on controlling discretionary outlays during the stabilisation process. Despite these spending curbs, interest payments (IP) remained high, at around 4.0 - 4.2 per cent of GDP, with their share in total expenditure climbing from 23.9 per cent to 28.1 per cent.

State finances exhibited similar pattern, though with some variation. Capital outlay hovered around 1.5 per cent of GDP, supported by a modest improvement in the RECO ratio, which declined slightly from 8.5 to 7.8. Nonetheless, development expenditure dropped from 11.3 to 9.4 per cent of GDP; transfers from the Centre fell during this period. Interest payments also trended upward, rising as a share of total expenditure from 10.7 to 12.7 per cent, reflecting accumulating debt-servicing obligations and signalling a gradual stress in State-level fiscal positions during the early post-reform years.

Phase II (1996-97 to 2002-03): Pre-FRBM Consolidation

During this period, governments grappled with rising wage bills - spurred by the Fifth Pay Commission award at the Centre and parallel revisions in several States - against a backdrop of sluggish revenue growth. These pressures constrained the capacity to invest in longer-term priorities, reflected in persistently low capital outlays at both levels. Although the Centre's capital spending occasionally inched above 1 per cent of GDP, the RECO ratio regularly exceeded 10, on account of higher expenditures on salaries, subsidies, interest, and administrative expenses overshadowing development outlays. States, too, found it increasingly difficult to protect capital spending.

Furthermore, interest payments assumed a larger slice of total spending, highlighting structural imbalances in public debt management. For the Centre, interest constituted close to or above 30 per cent of total expenditure in certain years, while for many States, this share jumped from being slightly above 10 per cent to nearly one-fifth by the end of the phase. This intensified the crowding out of governments' development expenditures, with the ratio of development to non-development spending falling further. This environment of heavy debt-servicing costs and limited fiscal space prompted renewed debates on institutional mechanisms for consolidation, culminating in the introduction of the Fiscal Responsibility and Budget Management (FRBM) Bill in 2000. Although formal enactment occurred in 2003, the legislative groundwork laid during this phase signalled a growing recognition of the need for rules-based fiscal discipline.

Phase III (2003-04 to 2007-08): FRBM Implementation and Growth Upswing

This phase marked a turning point in India's fiscal landscape, driven by the implementation of the FRBM Act of 2003 at the Centre and the adoption of similar fiscal responsibility legislations (FRLs) by

most States. These reforms coincided with a period of robust GDP growth, spurred by global economic expansion, growing trade integration, and the private sector's rising dynamism. The resulting revenue buoyancy enabled both the Centre and the States to strengthen public investment, improve expenditure composition, and reduce debt-related burdens.

At the Centre, fiscal responsibility reforms facilitated a structural rebalancing of expenditure priorities. Capital outlay almost doubled, rising from 1.2 per cent of GDP in 2003-04 to 2.2 per cent in 2007-08 supporting critical infrastructure development and long-term growth-enabling projects. The RECO ratio fell sharply from 10.6 to 5.6 during this period, reflecting enhanced fiscal space for productive investment. Development expenditure, while steady at 6-7 per cent of GDP, saw qualitative improvements, with a greater focus on social and economic infrastructure. Additionally, the Centre's interest payment burden eased, declining from 4.4 per cent of GDP in 2003-04 to 3.5 per cent in 2007-08, and its share in total expenditure fell from 26.3 per cent to 24.0 per cent, indicating improved debt management.

States fiscal consolidation and revenue buoyancy were bolstered by improved tax devolution and grants, following the recommendations of the 12th Finance Commission. Capital spending increased significantly, with capital outlay rising from 1.9 per cent to 2.5 per cent of GDP, underscoring States' ability to support infrastructure development despite fiscal constraints. The RECO ratio improved steadily, reflecting better budgetary management and expenditure efficiency. Development expenditure, averaging around 9.5 per cent of GDP, showed resilience and modest growth in several States, driven by increased allocations toward education, health, and rural development. Furthermore, interest payments as a share of GDP declined, while their proportion in total expenditure fell from 17.9 per cent to 13.6 per cent.

These improvements, supported by fiscal reforms and high economic growth, created the fiscal room necessary for expanded public investment and higher spending quality at both levels of government.

Phase IV (2008-09 to 2012-13): Global Financial Crisis and Countercyclical Adjustments

The onset of the global financial crisis (GFC) prompted India, like other countries, to recalibrate its fiscal priorities, balancing countercyclical stimulus with medium-term consolidation goals. Although domestic banks and markets were relatively insulated compared to advanced economies, a contraction in global demand and credit flows created a short-lived growth slowdown. The Centre introduced stimulus measures - primarily tax reductions and targeted spending - to shore up domestic consumption, sustain investment in critical sectors, and mitigate spillovers from external shocks. These policy choices widened fiscal deficits and temporarily tilted expenditure profiles toward support measures. Centre's capital outlay initially dipped below its pre-crisis level and recovered only gradually. Meanwhile, development expenditure absorbed a growing share of resources, enabling social and sectoral initiatives but also placing pressure on overall fiscal space. Although interest payments, as a share of GDP, declined marginally relative to the pre-crisis trajectory - partly owing to gains from earlier debt management reforms - this reduction did not substantially alter the share of interest payments in total expenditure, which settled around the low twenties.

States also deployed countercyclical strategies - such as scaled-up welfare programmes - while contending with revenue shortfalls. Capital outlay moderated from its pre-crisis peak. Nonetheless, the subnational shift toward greater revenue spending did not derail ongoing fiscal reforms. Debt restructuring initiatives and the institutionalisation of FRBM-like frameworks in many States helped

temper interest payments, freeing some fiscal space for social programmes. Consequently, even though public investment plans did not fully recover to pre-crisis levels, the emphasis on coordinated stimulus measures and prudent debt management enabled States to contain the long-term erosion of their fiscal health.

Phase V (2013-14 to 2019-20): Structural Reforms and GST Rollout

During this period, India navigated a series of transformative policy initiatives - including the 14th Finance Commission's significant hike in devolution (from 32 per cent to 42 per cent of divisible pool), and the rollout of the goods and services tax (GST) in 2017. These reforms aimed to strengthen fiscal federalism, streamline indirect taxation, and reinforce financial transparency. However, in the interim, there were some transitional uncertainties, particularly for States adapting to new revenue-sharing arrangements and compensation frameworks.

At the Central level, capital outlay generally stayed between 1.3 and 1.6 per cent of GDP, reflecting a measured commitment to infrastructure and asset creation. Despite incremental improvements in the RECO ratio, the Centre's development expenditure drifted lower, as transfers to States rose. While interest payments hovered around 3.0 to 3.3 per cent of GDP, they continued to absorb a sizeable portion of total expenditure, constraining the space for developmental outlays. The divergence in development expenditure between the Centre and the States widened, driven by shifts in resource allocation following the 14th Finance Commission's recommendations. States with higher devolved funds prioritised social sector expenditure and capital outlay. The additional devolved resources, alongside a policy focus on core infrastructure and social programs, helped maintain development expenditure near 10 to 12 per cent of GDP. Interest payments remained largely contained, suggesting

prudent borrowing practices and relatively stable debt profiles.

Phase VI (2020-21 to 2024-25): Pandemic Shock and Infrastructure-Focused Recovery

This period encompasses the profound economic disruptions triggered by the COVID-19 pandemic and the subsequent shift toward infrastructure-led revival. The Centre responded to the crisis with large-scale fiscal interventions - direct cash transfers, emergency health allocations, liquidity measures for stressed sectors - while pivoting toward higher capital outlays to stimulate growth. This policy choice is reflected in the rising share of capital outlay in GDP (from 1.6 per cent in 2020-21 to 2.8 per cent by 2024-25 (BE)) and the concurrent fall in the RECO ratio. It may be noted that the Centre's effective capital expenditure (i.e., including outlays on grants-in-aid for creation of capital assets) was placed higher at 4.6 per cent of GDP in 2024-25 (BE). Fiscal composition has, thus, become more investment-focused, aiming to harness infrastructure's multiplier effects on employment and industrial revival. Although pandemic-related borrowing increased, higher debt-servicing costs remained manageable.

At the State level, expanded borrowing limits and revenue shortfalls shaped fiscal decisions. Many States channelled additional resources into healthcare, social protection, and capital works, effectively bolstering both pandemic mitigation and medium-term developmental objectives. As a result, State-level capital expenditure grew, reducing the RECO ratio and sustaining developmental outlays in sectors essential for recovery. Despite accumulating debt stocks, most States maintained stable interest burdens, reflecting prudent debt management practices and the relatively benign interest-rate environment. Overall, this period underscores a strategic shift toward targeted infrastructure investments as a cornerstone of fiscal policy, supported by carefully balanced borrowing strategies at both Central and State levels.

The preceding analysis provides insights into the evolving nature of public spending in India. However, the multiplicity of indicators and their varied trajectories makes it challenging to gauge the effectiveness of public resources in fostering long-term growth and stability. Composite indices are frequently used to combine and summarize multiple, interlinked factors into a single, streamlined measure, facilitating meaningful comparisons and trend assessments across various periods (Chen *et al*, 2021). By unifying these indicators into a single quantitative benchmark, such an index can offer a clear, objective framework to track shifts over time (Badullahewage & Attygalle, 2021). The following sections outline the construction of a quality of public expenditure (QPE) index and analyse its performance, shedding light on how effectively it captures the multidimensional nature of the quality of public spending.

IV. Quality of Public Expenditure Index: Data and Methodology

Annual fiscal data from 1991- 92 to 2022 - 23 has been used to construct and analyse the quality of public expenditure (QPE) index for both Centre and States. The dataset encompasses key variables that represent the quality of public spending. The data are sourced from the Reserve Bank's database on Indian economy (DBIE) and the e-States database published alongside the Reserve Bank's annual publication "State Finances: A Study of Budgets". The variables include (i) capital outlay to GDP (COGDP) ratio, (ii) revenue expenditure to capital outlay (RECO) ratio, (iii) development expenditure to GDP (DEGDP) ratio, (iv) development expenditure to total expenditure (DETE) ratio, and (v) interest payments to total expenditure (IPTE) ratio. As lower RECO and a lower interest payment share are both desirable, the inverse of RECO ratio and the ratio of non-interest payments in total expenditure are used when constructing the index. The inverse of RECO captures the lingering impact of past borrowings on current fiscal space. A high IPTE ratio may result either

from elevated interest payments or from a reduced total expenditure base (or both). In either scenario, a higher IPTE reflects diminished fiscal headroom for capital and developmental spending. To ensure comparability across years and variables, the data have been standardised using a z-score transformation:

$$z_{it} = \frac{x_{it} - \mu_i}{\sigma_i}$$

where z_{it} is the standardised value of variable i in year t , μ_i and σ_i are the mean and standard deviation of variable i .

To aggregate these variables into a single measure of expenditure quality, a dynamic factor model (DFM) was employed. DFMs are particularly suited for combining multiple observed variables into a single latent factor that captures the underlying dynamics of expenditure quality. They assume that a small number of unobserved factors can explain the common patterns in a large set of observed time series (Stock and Watson, 2016). In this study, the composite index derived from the DFM provides a way to measure and track the overall quality of public spending. The model reduces the complexity of multivariate time series by expressing the observed variables as linear combinations of external variables and hidden factors. Mathematically, the DFM extracts a latent factor (f_t) capturing shared trends across the standardised variables:

$$y_t = \lambda_i f_t + \epsilon_t$$

$$f_t = \emptyset_i f_{t-1} + \mu_t$$

Where y_t is a vector of indicators of quality of expenditure, λ_i and \emptyset_i are parameters and ϵ_t and μ_t are error terms. These hidden factors follow a vector autoregressive process. Following Stock and Watson (1989, 1991), the parameters of DFMs are estimated using the Kalman filter, to derive and implement the log likelihood approach. Separate indices were constructed for Centre and the States, employing the same methodology to maintain consistency.

The estimated factor loadings (Annex Table 1) highlight the association of different expenditure components with the underlying quality of public expenditure. Notably, capital and development spending exhibit significant loadings, reflecting their central role in shaping expenditure patterns. The persistence of the latent factor indicates a stable underlying structure in expenditure quality, reinforcing the consistency of the index over time.

Regression model

In addition to the index at both Central and overall States' level, the index is also computed for individual States to assess its relationship with the outcome variables. Human development index (HDI) on education and health, at the sub-national level, available from the Global Data Lab, are considered as outcome variables. Two regression equations are separately estimated for HDI health index and HDI education index. Fixed Effects model in panel framework is used to estimate regression equations. Due to data availability and consistency, data for 16

major States² are considered during the period 2001-02 to 2022-23. Apart from the quality of expenditure index, the main regression equation includes per capita income and share of agriculture in Gross State Domestic Product (GSDP) are taken as control variables as structure of the economy and income levels of the States are expected to impact the social outcomes.

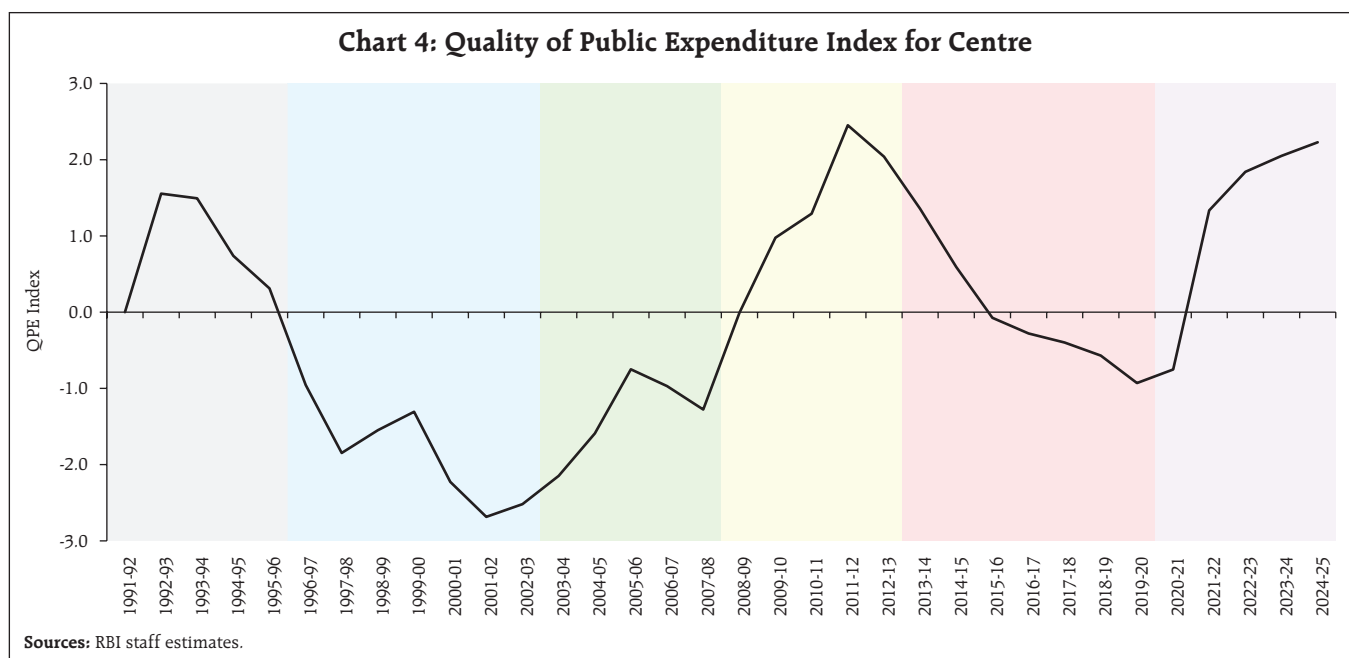
$$y_{it} = \alpha + \beta_1 QPE_{it} + \beta_2 \text{Per capita income}_{it} + \beta_3 \text{Agriculture share}_{it} + \mu_{it}$$

Where y_{it} is human development index of health or education for State 'i' at time 't', QPE_{it} is the index of quality of public expenditure for State 'i' at time 't', $\text{Per capita income}_{it}$ and $\text{Agriculture share}_{it}$ capture the income levels and structure of the States' economy, respectively, for State 'i' at time 't'. β refers to regression coefficients and μ_{it} refers to the error term.

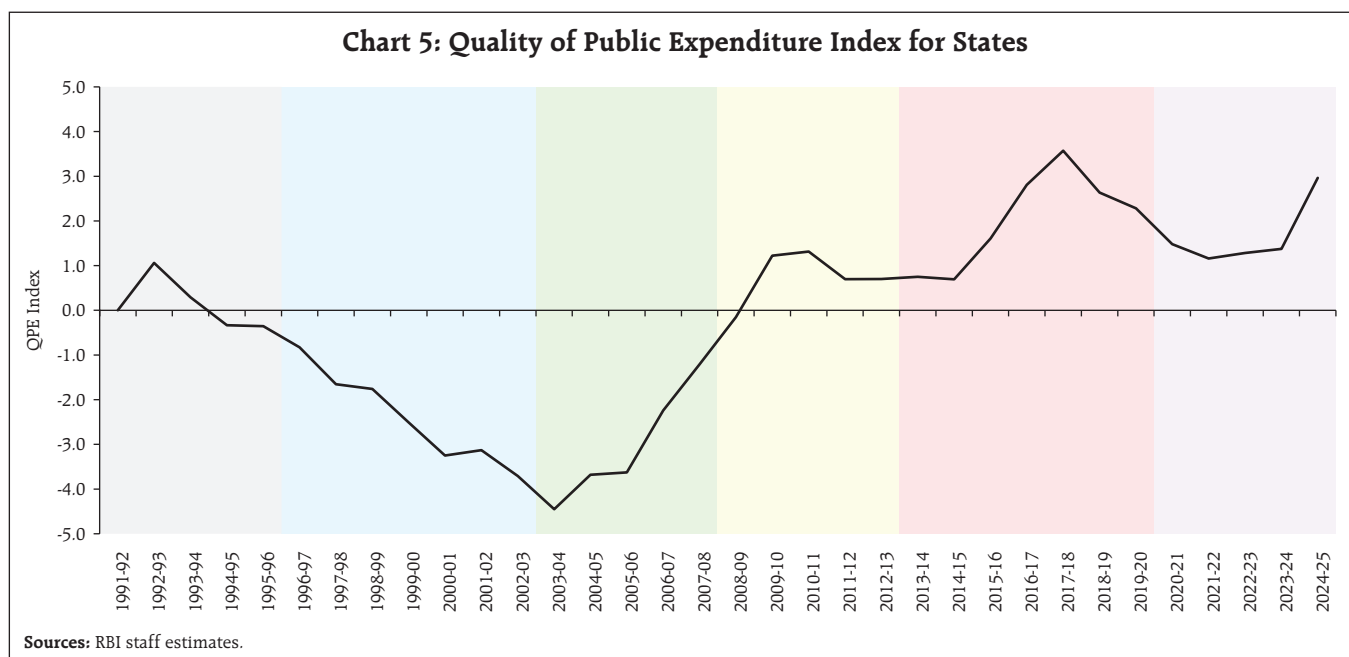
V. Empirical Findings

QPE Index Trends for Centre and States

The evolution of the QPE index aligns with the historical patterns of the variables discussed in the



² Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, and West Bengal.



earlier section. During the initial phase, the Centre's index (Chart 4) showed a slight improvement, while the States' index (Chart 5) declined modestly, amidst fiscal pressures faced by both levels of government. Public investment fell as fiscal consolidation took precedence. In the subsequent phase, both indices experienced a sharp decline, reflecting the combined impact of the Fifth Pay Commission implementation, rising interest payments, and the persistent dominance of revenue expenditure over capital outlay.

Fiscal responsibility reforms and economic growth in the years leading up to the 2008 global financial crisis significantly improved both indices during the third phase. States benefited from greater fiscal devolution and increased tax buoyancy, leading to better fiscal outcomes. This phase reflects the advantages of fiscal prudence and economic buoyancy. However, the 2008 global financial crisis prompted the Centre to adopt countercyclical fiscal measures, including stimulus packages, which

temporarily raised deficits. In subsequent years, consolidation efforts moderated the indices. For States, capital outlay eased from its pre-crisis peak, although rising revenue expenditure - particularly due to subsidies - remained a concern.

The next phase witnessed an improvement in the States' index, driven by the 14th Finance Commission's recommendations, which significantly increased resource devolution to States. This augmented development expenditure at the State level but led to a concurrent decline in the Centre's expenditure share. During this period, the introduction of the goods and services tax (GST) in 2017 fundamentally altered the revenue-sharing framework. While these developments initially benefited States, the Centre faced growing fiscal challenges from revenue shortfalls and subsidy pressures.

The COVID-19 pandemic triggered unprecedented fiscal stimulus measures, leading initially to wider deficits. However, the subsequent recovery was supported by a renewed emphasis

on public investment and a heightened focus on capital expenditure in Union Budgets from 2021-22 onwards. States demonstrated resilience, especially post-2010, aided by increased devolution and the introduction of GST. Major reforms - such as the Fiscal Responsibility and Budget Management (FRBM) Act and GST - have played pivotal roles in shaping fiscal outcomes, highlighting the importance of structural measures for sustainable public finances.

QPE Index and Human Development Outcomes

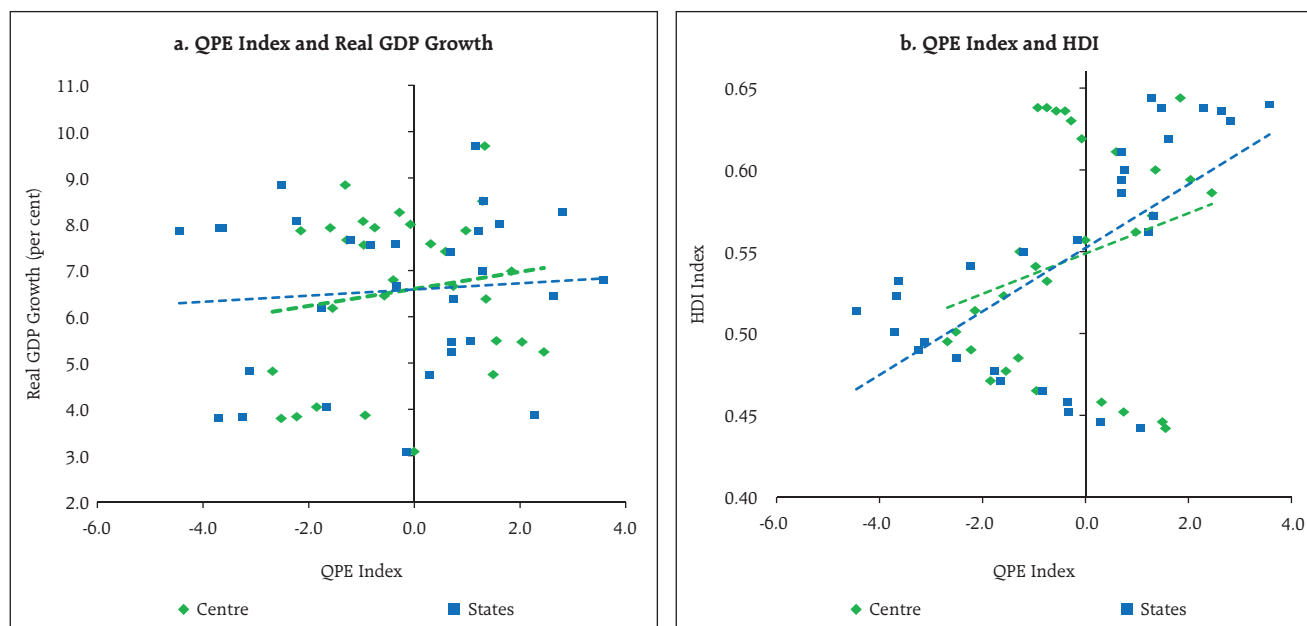
The QPE index shows a positive association with stronger economic and developmental outcomes. Periods of a rising QPE index for both the Centre and States overlap with eras of higher GDP growth and improved performance of human development index (HDI) (Charts 6a and 6b). Moreover, States exhibit a closer alignment between their QPE index and improvements in HDI, indicating an effective allocation of resources toward development

expenditure. The positive correlation between the QPE index and key outcome indicators underscores the crucial link between quality of public expenditure and holistic macroeconomic and developmental progress.

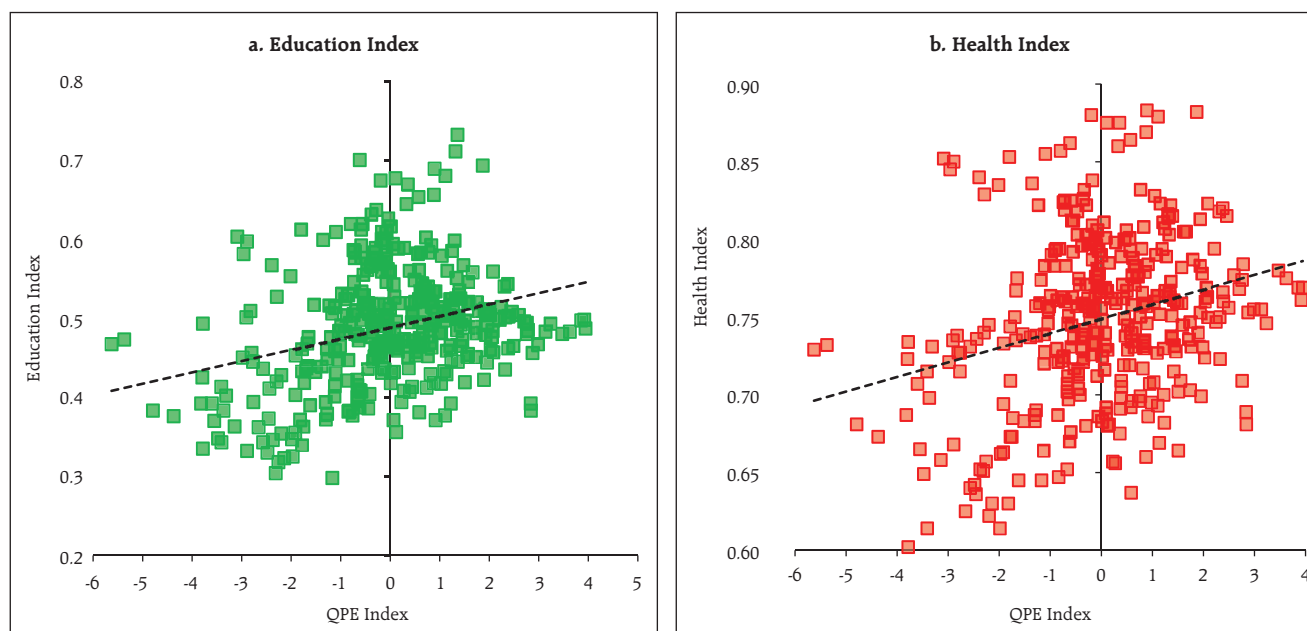
As States' QPE index has a stronger relationship with HDI, a State-wise index of quality of public expenditure is computed to check the relationship with education and health as outcome variables. As HDI index comprises of three sub-indices of health, education and income, we use education and health indices to measure State-level outcome variables. The relationship between State-wise QPE index and outcome indicators (health and education indices) is positive (Chart 7).

To empirically establish the relationship, two separate regression models are estimated each for education and health indices. All the variables are taken in logarithmic form except share of agriculture

Chart 6: Association of QPE Index with GDP Growth and HDI Index



Source: RBI staff estimates.

Chart 7: QPE Index of States and HDI Health and Education Indices

Source: RBI staff estimates.

in GSDP. Two control variables have been considered in the regressions - per capita income and the share of agriculture in GSDP, capturing the level of economic development and the structure of a State's economy, respectively. Controlling for these two variables, we find that the quality of expenditure index has a positive effect on outcome indicators (proxied by health and education index)

Table 1: Regression results

Variables	Education index	Health index
QPE (log)	0.01* (0.00)	0.01* (0.00)
Per capita GSDP (log)	0.09* (0.01)	0.02* (0.00)
Share of Agriculture	-0.003* (0.00)	-0.00* (0.00)
Constant	-1.28* (0.07)	-0.42* (0.05)
Observations	336	336

Note: (i) Standard errors are given in parentheses.

(ii) * indicate significance of the regression coefficient at one per cent level.

Source: RBI staff estimates.

(Table 1).

VI. Conclusion

The analysis undertaken in this study aimed to evaluate the trajectory and quality of public expenditure in India since 1991-92, with a focus on understanding how policy reforms, macroeconomic shifts, and crisis responses influenced expenditure composition and its implications for growth, fiscal stability, and developmental outcomes. By constructing a quality of public expenditure (QPE) index, the study attempted an assessment of expenditure efficiency, capturing the interplay between capital outlay, revenue expenditure, development spending, and debt-servicing burdens across distinct phases of India's fiscal evolution.

The analysis reveals that India's expenditure composition has undergone significant transformations, shaped by structural reforms and external shocks. The post-liberalisation phase (1991-95) witnessed fiscal consolidation at the cost of capital and developmental spending, while the pre-FRBM

years (1996-2003) were marked by rising debt burdens and stagnant public investment. The implementation of fiscal responsibility frameworks (2003-08) coincided with higher capital outlays, improved RECO ratios, and reduced interest payments, underscoring the benefits of rules-based discipline. Subsequent phases highlighted the challenges of balancing countercyclical measures during the global financial crisis (2008-13) and the transitional impacts of GST and enhanced fiscal devolution (2013-20). The pandemic-induced phase (2020-25) demonstrated a strategic pivot toward infrastructure-led recovery, with both Centre and States prioritising capital expenditure to stimulate growth despite elevated borrowing. The QPE index underscores a positive correlation between expenditure quality and socio-economic outcomes. Periods of higher QPE align with stronger GDP growth and improvements in the human development index. However, the external shocks temporarily reversed gains, while subsidy pressures and interest burdens constrained fiscal space. Additionally, quality of expenditure at individual State level has a positive impact on education and health outcomes.

To sum up, the study reaffirms that prudent expenditure composition - prioritising capital formation and developmental outlays - remains pivotal for sustaining growth and equity. The recent emphasis on infrastructure investment and fiscal discipline has bolstered resilience, and achieving long-term sustainability necessitates balancing immediate spending needs with strategic investments. Institutional reforms, such as the FRBM Act and GST, have proven instrumental in strengthening fiscal outcomes.

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Annex Table 1: Factor Loadings for QPE Index for Centre and States

Variable	Factor Loading	
	Centre	States
Capital Outlay-to-GDP Ratio	0.28	0.25
Inverse of Revenue Expenditure-to-Capital Outlay Ratio	0.27	0.26
Development Expenditure-to-GDP Ratio	0.33	0.26
Development Expenditure-to-Non-Development Expenditure Ratio	0.44	0.23
Non-interest Payment Expenditure-to-Total Expenditure Ratio	0.47	0.34

Note: All factor loadings are statistically significant at one per cent level.
Source: RBI staff estimates.

Dynamics of Agriculture Supply Chain: Insights from Pan India Survey during Rabi Marketing Season

by Rajib Das, Rishabh Kumar,
Monika Sethi, Love Kumar Shandilya and
Alice Sebastian [^]

This study examines the dynamics of retail food price formation for major rabi crops based on a pan-India survey covering farmers, traders, and retailers. Farmers' share in consumer prices is estimated in the range of 40 to 67 per cent across the select crops, with the highest share realised by wheat producers. The retailers' markups are generally observed to be higher than those of the traders. While cash transactions dominate payments in the agriculture supply chain, electronic payments registered a significant increase compared to previous similar surveys. Empirical analysis suggests that policy interventions, such as enhanced market infrastructure, and expanded cold storage capacity, to reduce supply chain inefficiencies and post-harvest losses, may benefit farmers and consumers.

Introduction

Food prices remain an important driver of overall inflation in several economies, especially emerging and developing economies. At the same time, the paucity of adequate data across various segments of the supply chain limits the understanding of dynamics of price formation - a crucial input in developing appropriate policy interventions. Access to granular information about the supply chain

could enhance market efficiency by improving trust among stakeholders (EU, 2024; GoI, 2025). The agriculture supply chain involves several actors, viz., farmers, aggregators, traders, commission agents, processors, wholesalers and retailers that play their due role in delivering the final agri-commodity to the consumer. An efficient agriculture supply chain maintains transparency in the price formation mechanism with information available regarding cost structures, margins, and value additions across the supply chain. Various countries have taken steps to improve the efficiency of agricultural supply chain, such as the European Union's (EU's) initiative on the EU Agri-food Chain Observatory (AFCO) to strengthen farmers' position in the food supply chain and build trust among all stakeholders. A number of schemes such as the National Agriculture Market (eNAM), the formation of Farmer Producer Organizations (FPOs), Agriculture Infrastructure Funds, Agricultural Marketing Infrastructure scheme, Integrated Cold Chain, Food Processing, and Preservation Infrastructure scheme, Comprehensive Programme for Vegetables & Fruits have been introduced by the government of India in the recent years to improve the agriculture supply chain (details at Annex 1).

In this context, the Reserve Bank of India had conducted pan-India surveys to explore agriculture supply chain dynamics in 2018 and 2022 for major *kharif* crops. These surveys were aimed at assessing the price formation process at the retail level in major *kharif* crops by estimating the farmers' share in consumer prices and capturing the perception of the participants across the supply chain regarding various challenges and efficacy of the policy measures. This study expands the coverage to major *rabi* crops, viz. wheat, gram, lentil, and mustard. These crops, exclusively grown in *rabi* season, account for around 5 per cent of the CPI basket and 11 per cent of CPI

[^] The authors are from the Department of Economic and Policy Research (DEPR), Reserve Bank of India (RBI). The authors are thankful to Dr. D. Suganthi; the officers from Regional Economy Monitoring Division and DEPR Regional Offices for their inputs and assistance in conducting the pan-India survey. The views expressed in the article are those of the authors and do not represent the views of the RBI.

food basket. To the extent possible, a comparison of findings with the previous surveys of 2018 (Bhoi *et al.*, 2022) and (Suganthi *et al.*, 2024) has also been made^{1,2}.

The rest of the article is organised into four sections. Section II provides stylised facts on the significance of *rabi* crops and changing margins. Section III describes the survey methodology and coverage. Section IV presents the key survey findings and empirical analysis, and Section V provides concluding observations.

II. Stylised Facts

Rabi Season

India's agriculture year (July-June) comprises two major seasons: *kharif* and *rabi*.³ The sowing of *kharif* crops, which require a hot and humid climate, starts with the onset of the southwest monsoon around the first week of June and finishes by around the end of September. The *rabi* (winter) season sowing starts in October and continues till the first week of February and generally requires a cold and dry climate. The *rabi* season accounts for around 48 per cent of the annual foodgrains production.

Crop-wise, wheat, gram and lentils within pulses, as well as rapeseed and mustard within oilseeds, are the major *rabi* crops grown exclusively during the *rabi* season. Over the years, the area and yield for *rabi* crops have increased (Chart 1).

Rabi crops have faced various challenges in terms of climate change and geopolitical tensions⁴ in the last two years. With significant implications for food

inflation and volatility, these challenges have also attracted a series of domestic and trade-related policy interventions. Analysing the behaviour of market intermediaries in fixing their markups can help to strengthen assessment and outlook of inflation dynamics.

In line with the previous *Kharif* surveys of 2022 and 2018, the trends in price dispersion between retail and *mandi* prices⁵ have been examined by calculating margins using secondary data. Margin, as per cent of retail prices, has varied over time with some increase in wheat, and a drop in other crops (Chart 2). The margins could vary across crops for several reasons, such as transaction costs, wastage during transit, length of the holding cycle, *mandi*-level competition and infrastructure facilities.

Since margins at the aggregate level do not generally capture mark-ups⁶ at various stages of the supply chain (*i.e.*, traders and retailers) and between production and consumption centres, an in-depth analysis of price build-up from farm to retail level assumes importance. While the previous surveys of 2022 and 2018 focused on *Kharif* crops, the present survey covers *Rabi* crops, thereby filling an important data gap.

III. Objectives, Coverage and Methodology of Survey

Survey Objectives

The current study uses a market structure that considers traders and retailers as intermediaries

¹ The crops overlapping with the previous two *kharif* surveys include - tomato, onion, potato (TOP) and rice.

² The findings can be highly sensitive to the sample coverage and timing of the survey.

³ The third cropping season is *Zaid* (summer) season. However, it has a minimal share, and separate data reporting for this season has started very recently. This study follows the earlier practice of clubbing it with *rabi* to have a longer time series of data.

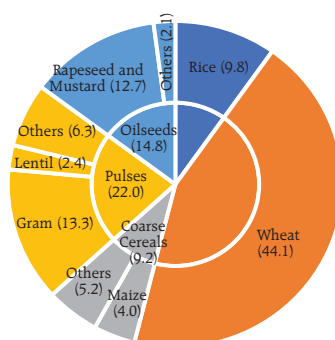
⁴ With Russia and Ukraine as major global players in wheat and edible oil markets, the geopolitical tensions between the two countries led to significant increase in international prices of these commodities that affected the domestic prices in India also.

⁵ With retail prices being paid by the end-consumer and *mandi* prices assumed to reflect the price received by the farmer, margin is calculated as the difference between the two. Margins are presented as per cent of retail prices.

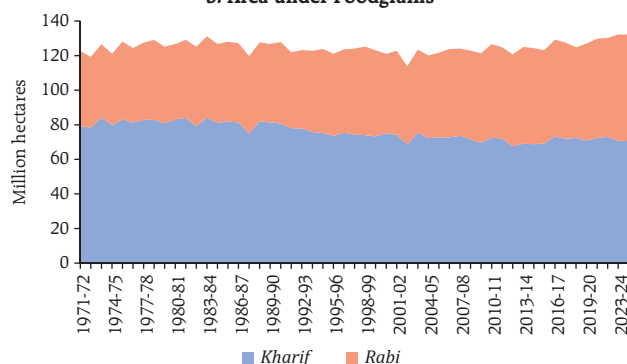
⁶ Mark-up is the difference between revenue and total cost (including transaction cost) as per cent to total cost.

Chart 1: *Rabi* Crops

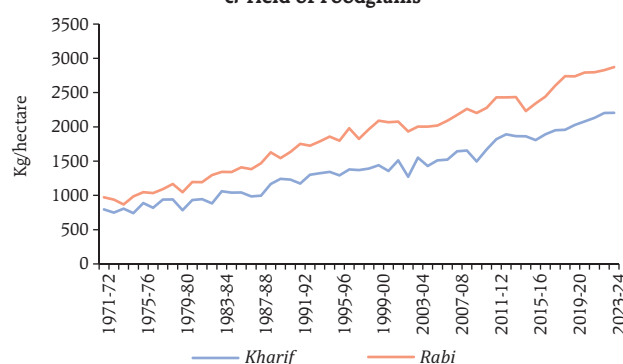
a. Major *Rabi* Crops (Share in area sown during *rabi* season 2023-24, in per cent)



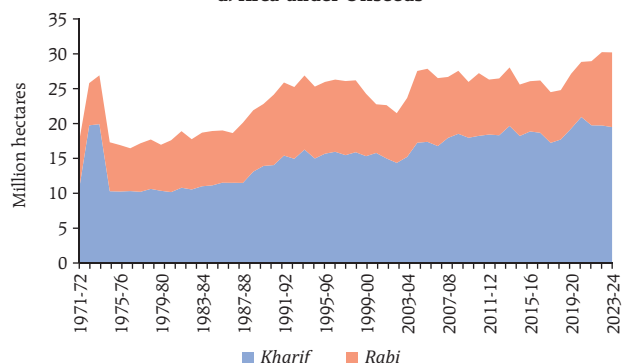
b. Area under Foodgrains



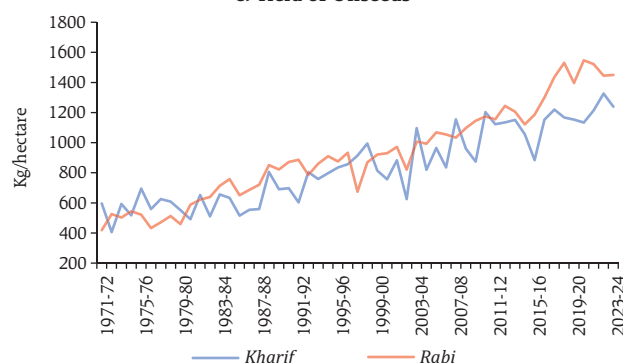
c. Yield of Foodgrains



d. Area under Oilseeds



e. Yield of Oilseeds



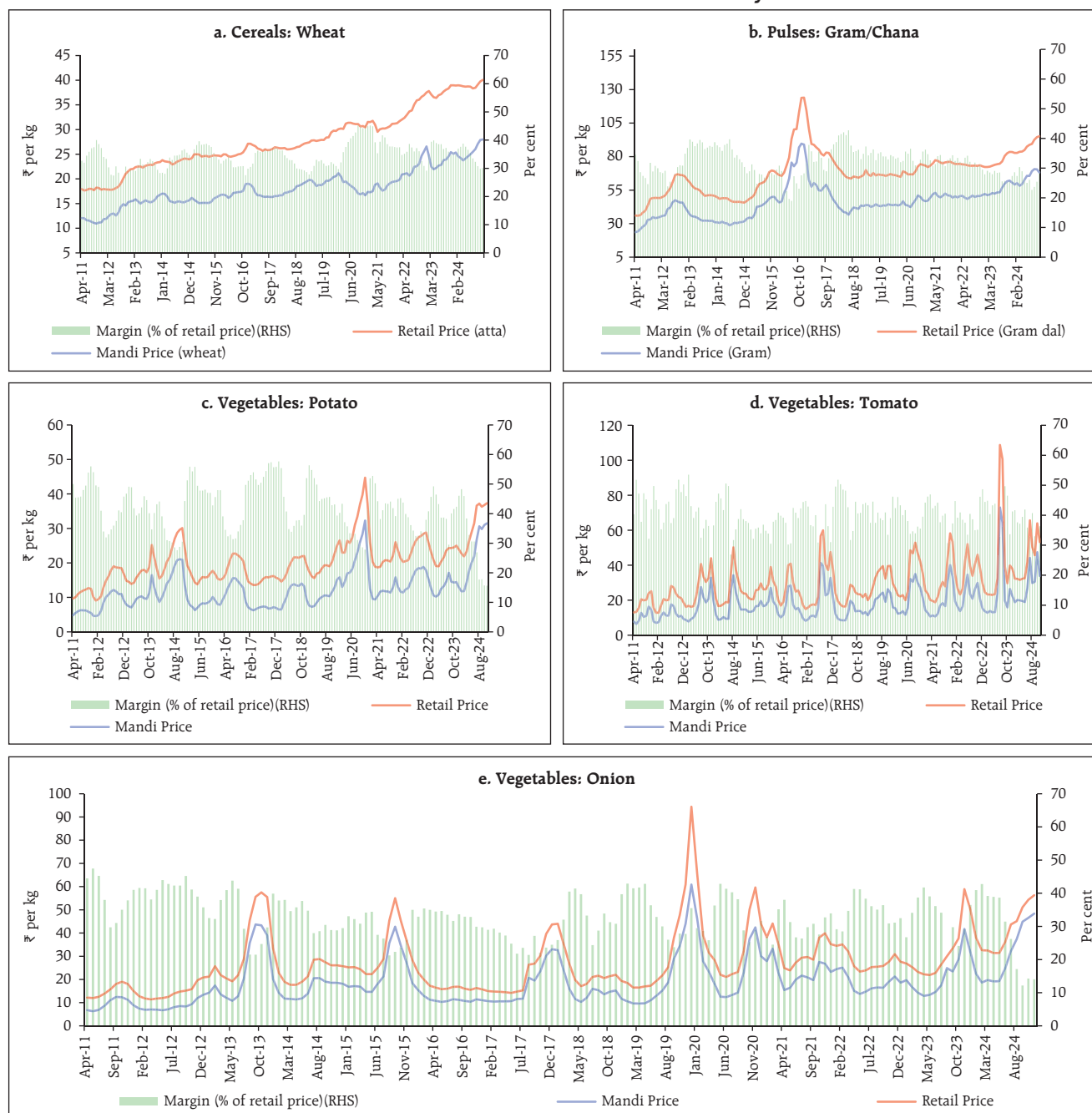
Sources: Agricultural Statistics at a Glance, 2023, Unified Portal for Agricultural Statistics; and Economic and Political Weekly Research Foundation.

between farmers and consumers, like the practice adopted in the past RBI surveys conducted in 2018 and 2022.⁷ The primary objectives of the study are to assess the share of various market participants

⁷ Given the inherent complexity of agriculture supply chains, with variations in number and roles of intermediaries across crops and regions, this study categorises the supply chain participants into three broad groups (farmers, traders, and retailers). While the existence of other intermediaries is acknowledged, this categorisation was done to ensure consistency and facilitate a comparative analysis.

in consumer prices⁸, estimate the usage of different payment instruments in agricultural sales/trading, understand the perceptions of various stakeholders towards existing challenges in the agri-supply chain and assess the efficacy of the policy measures.

⁸ For studying the value chain of a commodity, the average prices across the intermediaries and centres are used here rather than tracing the prices of the same item across intermediaries in the same location.

Chart 2: Mandi Prices vis-à-vis Retail Prices for Key Food Items

Sources: Agmarknet (mandi prices) and Department of Consumer Affairs (retail prices).

Survey Methodology

The survey covered *mandis*/villages in 86 centres across 18 states for 12 *rabi* crops using three separate questionnaires for farmers, traders, and retailers. It included 10,699 respondents across various consumption and production centres (Table 1). The

survey was conducted during May-July 2024 in select production and consumption centres separately, considering the difference in supply chain dynamics of production centres, confined majorly in rural areas and consumption centres lying mostly in urban settlements.

Table 1: Coverage of Surveys

Survey Round	Mandi/Centre (Number of respondents)				Commodities
	Segment	Consumption Centres	Production Centres	Total	
2024 (<i>Rabi</i>)	Farmers	-	3800	3800	Cereals: Rice, Wheat, and Maize
	Retailers	2447	570	3017	Pulses: Gram (<i>Chana</i>) and Lentil
	Traders	2953	929	3882	Oilseeds: Rapeseed and Mustard
	Total	5400	5299	10699	Fruits and Vegetables: Mango, Onion, Potato, Tomato and Cauliflower Spices: Garlic
2022 (<i>Kharif</i>)	Farmers	-	2134	2134	Cereals: Paddy/Rice
	Retailers	3640	648	4288	Pulses: Tur, Moong, Urad
	Traders	3787	960	4747	Oilseeds: Groundnut, Soyabean
	Total	7427	3742	11169	Fruits and Vegetables: Apple, Banana, Coconut, Onion, Potato, Tomato, Green chillies and Brinjal Spices: Turmeric
2018 (<i>Kharif</i>)	Farmers	1147	1664	2811	Cereals: Paddy/Rice
	Retailers	2356	1052	3408	Pulses: Tur, Moong, Urad, Bengal gram
	Traders	2176	1008	3184	Oilseeds: Groundnut, Soyabean
	Total	5679	3724	9403	Fruits and Vegetables: Apple, Banana, Coconut, Onion, Potato, Tomato, Green chillies and Brinjal Spices: Turmeric, red chillies

Source: Primary surveys.

Two-stage sampling was used to select the respondents. Production centres were chosen based on their production share of the select *rabi* crops. In the production centres, *mandis* were identified as the first-stage units, and traders and retailers (within *mandi* and 5 km of *mandi*) were second-stage units. For participating farmers⁹, the villages near the identified *mandis* were selected first, followed by the selection of the farmer households. The second stage selection process was random. The dataset was trimmed by eliminating the outliers pertaining to the estimated cost and profit margin per kilogram for traders and retailers.¹⁰

IV. Survey Findings and Empirical Analysis

Survey Findings

The average share of farmers in consumer prices varies between 40 per cent and 67 per cent for the

crops covered under the Survey and the shares are generally higher for non-perishable crops (Chart 3). The farmers' share is the highest at 67 per cent in the case of wheat which is a notified commodity¹¹ for which a significant share of produce is sold by the farmers through the public procurement system. Around one-fourth of the respondent wheat farmers in the 2024 survey reported to have sold their output to the government under a procurement system. Procurement at minimum support price (MSP) gives farmers an assured market option. The estimate of 67 per cent in this study is consistent with the available literature which suggests that wheat farmers' share in the consumer price ranges between 53 per cent and 74 per cent (RACP, 2016 and Kumar *et al.*, 2023).

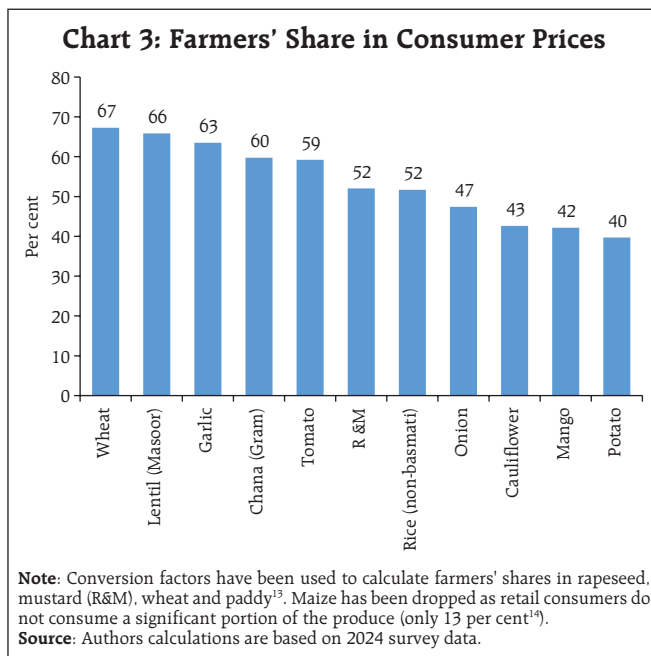
Within pulses, lentil producers receive around 66 per cent and gram (*chana*) around 60 per cent¹² of the rupee spent by the consumers. A higher share

⁹ Following the survey done in 2022, farmers were covered in the production centres alone.

¹⁰ While every effort has been made to ensure the quality of responses through rigorous questionnaire design, robust sampling and telephonic verification of respondents, inherent limitations of primary surveys such as social desirability bias may still exist. The data used in the study is self-reported data and hence, is subject to potential recall error. Further, there could be loss of some information due to data trimming.

¹¹ The Agricultural Produce Market Committee (APMC) Act notifies agriculture commodities produced in the region and provides that first sale in these commodities can be conducted only under the aegis of the APMC through the commission agents licensed by the APMCs set up under the Act (GoI, 2015).

¹² The farmers' share for gram was estimated at 75 per cent in Jose *et al.* (2024).



of farmers is desirable for lentils to incentivise production, as it is mainly grown by small-holder farmers and there is significant import dependency (Malik *et al.*, 2021). Within oilseeds, the survey results put farmers' share for rapeseed and mustard (R&M) at 52 per cent, comparable with the 55 per cent estimate reported by Layek *et al.* (2021). R&M are the second highest in terms of area and production after soybean and they contribute the most to the total edible oil basket of India (GoI, 2022). The government is also active in procuring it through the public procurement system to provide an assured market for the farmers.

The farmers' share in the prices of perishable commodities (fruits and vegetables) is estimated around 40-63 per cent. The share in consumer prices in case of perishable items can fluctuate widely

depending upon the prevailing demand-supply conditions. The existing literature suggests farmers' share to be in the range of 30-50 per cent of the final price in the case of fruits and vegetables (Gandhi and Namboodiri, 2002; Bhoi *et al.*, 2019; Das *et al.*, 2024). The perishable products are characterised by short shelf-life cycles, seasonal production, diverse quality and quantity, special logistical requirements, quality standards, demand and cost uncertainties, dependency on climatic conditions and supply chain lead time that create more uncertainties about their timely and sufficient availability in the markets (Duarte, 2024). In India, the fruit and vegetable supply chain comprises of many unorganised intermediaries, which creates difficulties in identifying the flow of products, funds and information across the supply chain, and, can compress farmers' share in consumer prices (Patidar *et al.*, 2018). A lower share of farmers' can also act as a constraint for farmers in diversifying from traditional cereal crops. As per the current survey, the combined share of traders and retailers is estimated to be more than half for all surveyed fruits and vegetables except tomatoes.

Amongst the set of crops which were surveyed in previous *kharif* rounds and this *rabi* round survey, the farmers' share in retail prices of rice is estimated at around 52 per cent in this survey.¹⁵ The shares were 45 and 49 per cent during the *Kharif* surveys of 2022 and 2018, respectively. The TOP (Tomato, Onion, Potato) are primarily *rabi* crops. The farmers' share in consumer prices in the *rabi* survey is also broadly comparable to the estimates of the previous two *kharif* surveys (Chart 4).

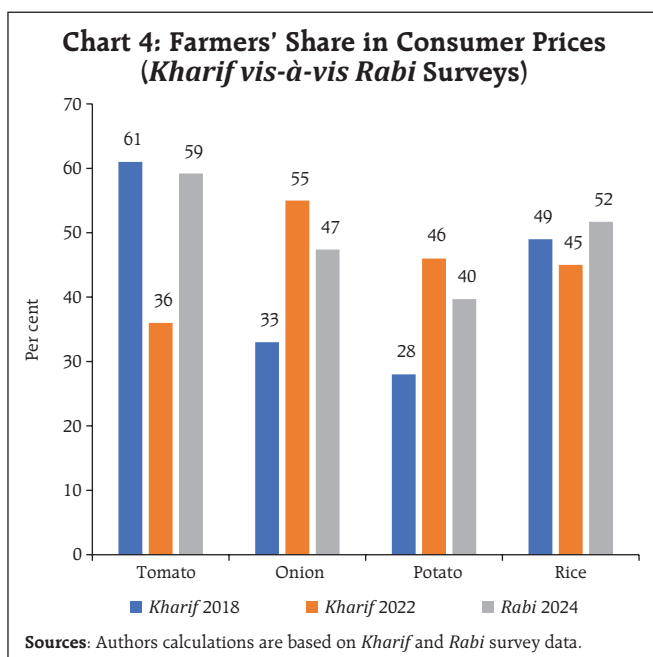
Traders' and Retailers' Mark-ups

Regarding the price build-up across the agriculture value chain, *i.e.*, between farmers' price realisation and the price charged by retailers, it was observed that farmers, traders, and retailers incur various charges

¹³ The oilseeds (here R&M) are sold by farmers as seeds but purchased by the final consumers in the form of oil. Moreover, the oilcake (leftover after extracting oil) is used as feed for cattle, poultry or fisheries. Accordingly, while computing the farmer's share, the retail price of oil has been converted to that of seed equivalent (at conversion rate of 0.4). Similarly, paddy gets converted into rice after milling which is then sold as final product at retail level. Wheat is also not generally sold as whole grain, rather purchased as atta at retail level. Accordingly, a conversion rate of 0.67 in the case of rice and a price differential for wheat (of around ₹4/kg) has been applied while computing the farmers' share.

¹⁴ Indian Institute of Maize Research (https://iimr.icar.gov.in/?page_id=51).

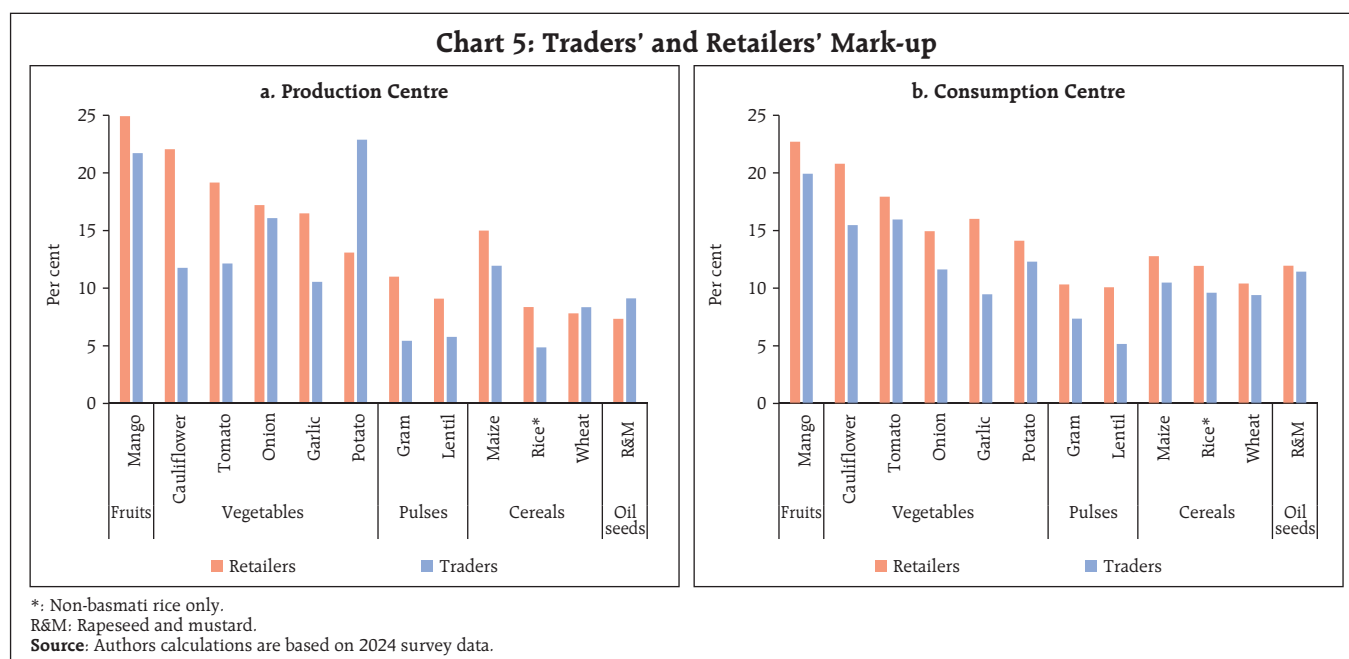
¹⁵ Rice is mainly a *kharif* crop. *Kharif* rice and *rabi* (including *zaid*) rice have shares of around 80 per cent and 20 per cent, respectively, in total rice production.



during transactions. For farmers, post-harvest costs primarily include commission and *mandi* charges, loading/unloading charges, packing, weighing and grading charges. For traders and retailers, the factors influencing their mark-ups include membership fees, transport costs, shop rentals, local taxes, and storage costs.

The mark-ups of traders and retailers, defined as revenue less total cost (cost of products and transaction costs) as a percentage of the total cost, may vary amongst crops due to factors such as variation in storage cost depending on the length of holding cycle, quality including crop loss during transit and the shelf-life of the produce. The retailers' mark-ups across the surveyed commodities were estimated around 7-25 per cent, generally higher than those of the traders (5-23 per cent) in both production and consumption centres. Further, the traders' and retailers' mark-ups for perishables were observed to be higher than those for non-perishables (Chart 5). These survey findings are in consonance with other recent studies (Gulati *et al.*, 2022). Higher traders' markup for potatoes¹⁶ in production centres in this survey could be a reflection of the surge in wholesale prices during the survey period, outpacing the increase in retail prices.

Amongst the common crops in the previous surveys and this survey, the mark-ups of traders and retailers appear to have generally moderated over



¹⁶ Rabi season accounts for 90 per cent of the overall potato production.

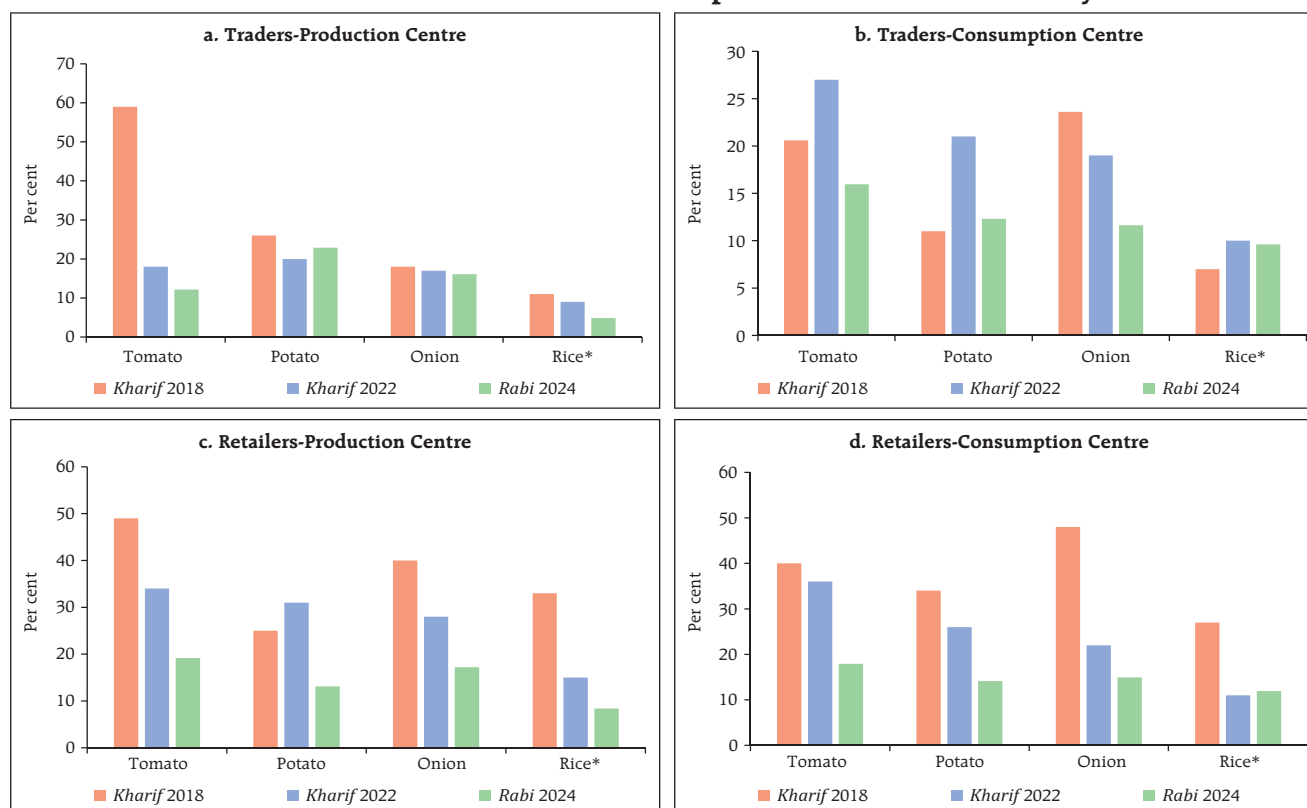
the previous survey results (Chart 6)¹⁷. At the same time, it may be noted that TOP are predominantly *rabi* crops; the lower mark-ups of traders and retailers in these items might be a reflection of the ample availability of perishable produce during this season (Jose *et al.*, 2021). Further, the government's recent policy measures, such as maintenance of buffer stock and external trade regulation of onion, supply through retail outlets such as Mother Dairy, *Safal*, and *Kendriya Bhandar* and setting up of the Price Stabilisation Fund (PSF) for TOP vegetables might have contained the intermediaries' mark-ups.

Usage of Payment Instruments

The survey also collected data on the usage of payment instruments by farmers, traders, and

retailers for transactions and these data reveal that cash payments hold the highest share in their respective total payments - around 72 per cent for farmers, 45 per cent for traders and 61 per cent for retailers; the shares have, however, declined by 7-13 percentage points relative to the 2022 survey, although it may be noted that the crop coverage in the two surveys is different. Concomitantly, the usage of electronic payments, though highest for traders, has increased for all supply chain agents in line with the growing digitalisation of payments in the country¹⁸; as per the survey, 18-31 per cent of the responses were for electronic modes of payments (Chart 7). Cash-based value chains and market barriers can lead to lower returns for farmers (APEC, 2017). Digitalising agricultural payments can help make it easier for

Chart 6: Traders' and Retailers' Mark-up in 2024 vis-à-vis Past Surveys



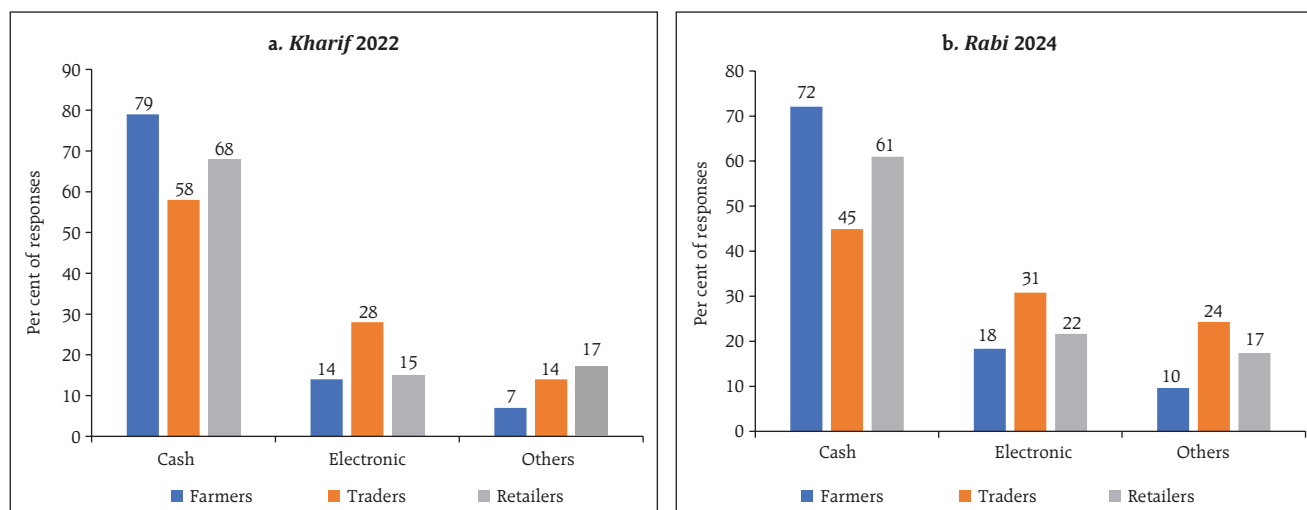
*: Non-basmati rice only.

Sources: Authors calculations are based on 2018, 2022 and 2024 survey data.

¹⁷ The study's comparison to previous surveys is subject to the change of agriculture marketing season as previous surveys were conducted during *kharif* marketing season.

¹⁸ The usage of electronic payments, reported during 2022 survey, reflected an increase of more than 3-fold for traders and 5-fold for retailers relative to 2018 survey (Suganthi *et al.*, 2024).

Chart 7: Modes of Payment



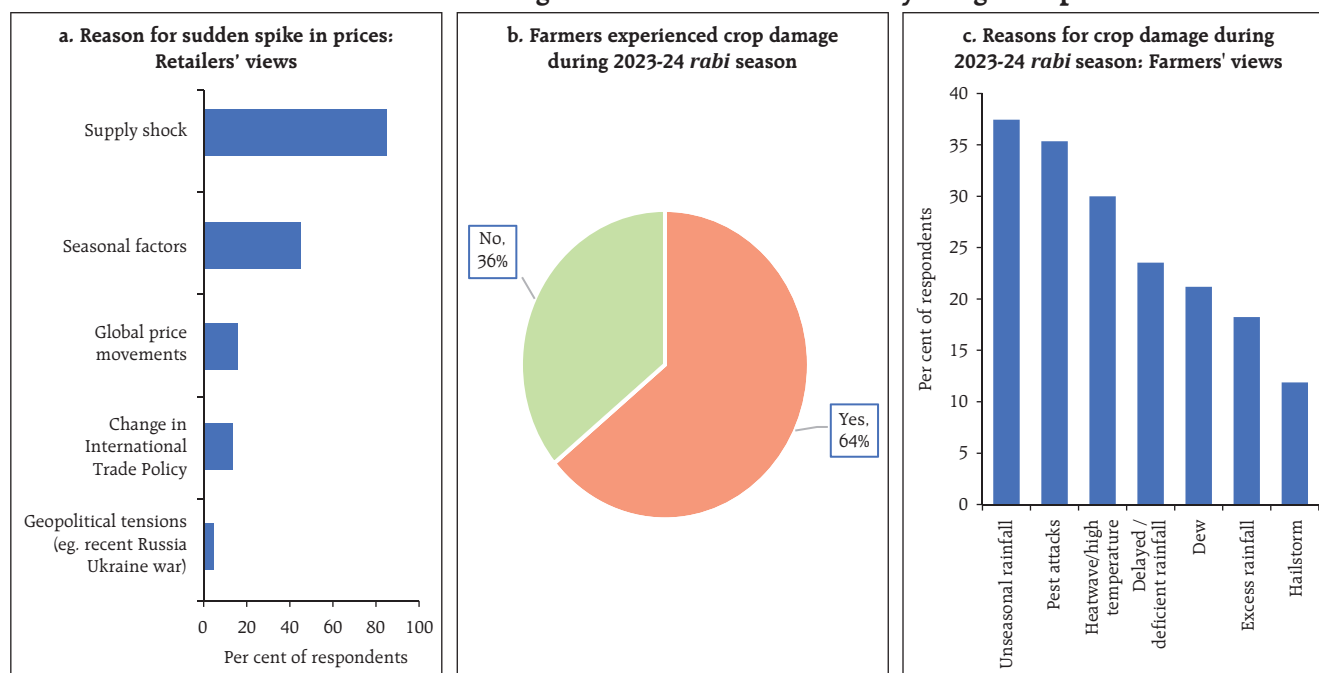
Note: 'Others' in Chart 7a includes redeemable receipts, on credit and vouchers; and 'Others' in Chart 7b includes redeemable receipts, cheques and credit transactions.
Source: Authors calculations are based on Kharif 2022 and Rabi 2024 survey data.

farmers to buy directly from input providers and sell directly to consumers, developing greater resilience of farmers to income shocks, especially in the light of their increasing vulnerability to adverse weather events and climate change (World Bank, 2024).

Price Volatility

As per *Rabi Survey 2024*, 85 per cent of surveyed retailers believed that supply shocks are the main reason behind the sudden rise in prices, followed by seasonal factors (Chart 8a). This is endorsed by

Chart 8: Understanding Inflation and Price Volatility of Agri-Crops

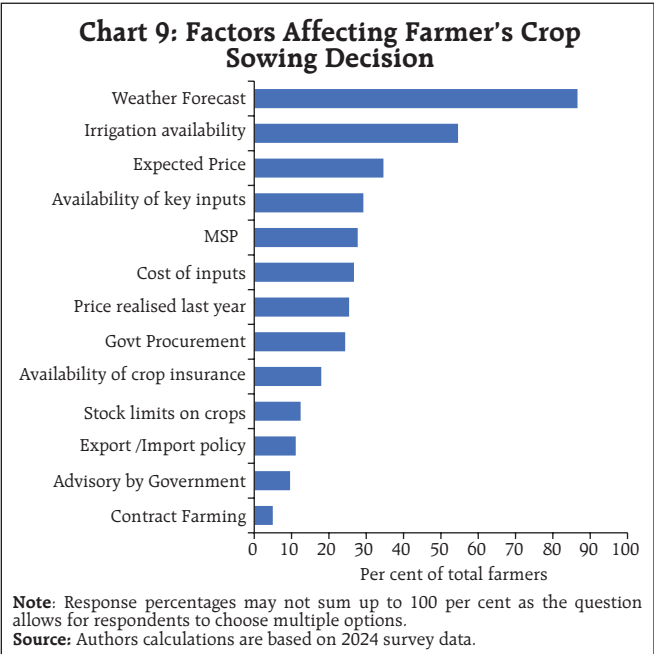


Note: Response percentages may not sum up to 100 per cent as the question allows for respondents to choose multiple options.
Source: Authors calculations are based on 2024 survey data.

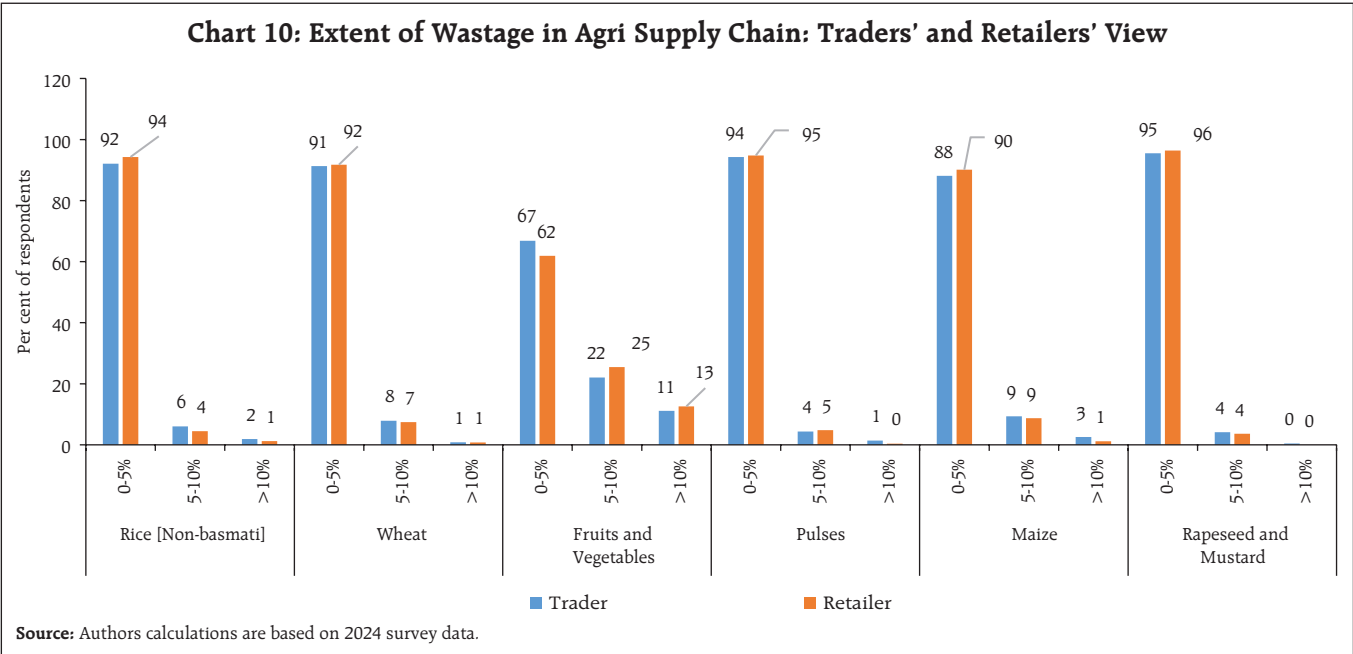
the farmer respondents, with 64 per cent of them experiencing some form of crop damage during the 2023-24 *rabi* season. Almost 37 per cent of the farmers held unseasonal rainfall as the primary reason for damages, followed by pest attacks and heatwaves (Chart 8b and 8c). Weather forecasts and the availability of irrigation are observed to be the primary factors that determine crop-sowing patterns for farmers (Chart 9).

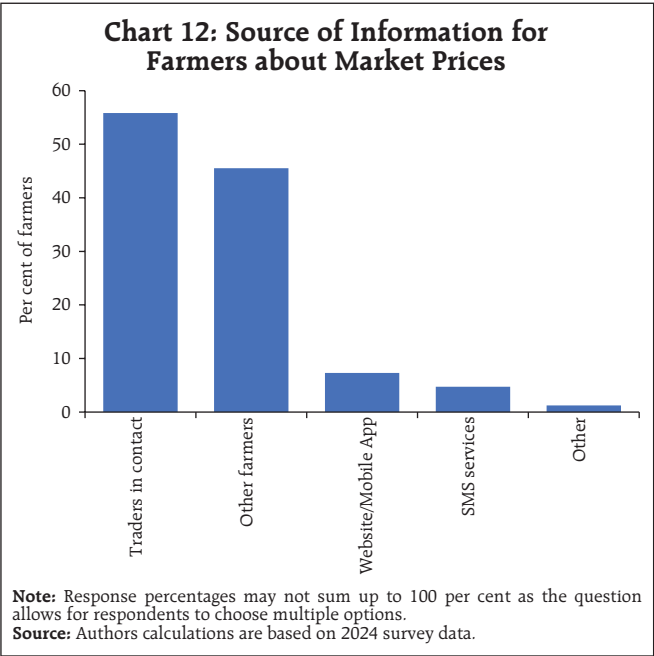
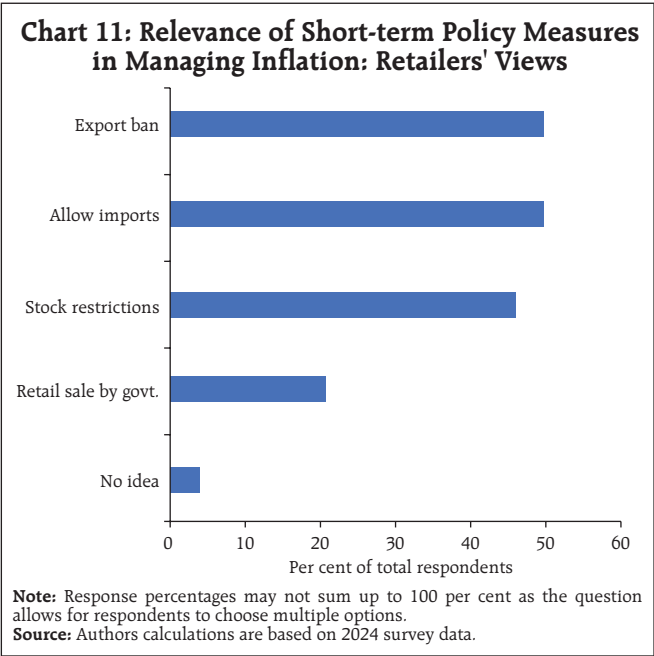
According to the survey, the traders and retailers reported higher wastages in fruits and vegetables relative to other crops (Chart 10). More than 10 per cent of the output wastage was reported to be prominent in the case of fruits and vegetables. Inadequate storage facilities, power outages, poor infrastructure connectivity to agricultural areas, and insufficient road and highway networks in India contribute to high post-harvest losses and the wastage is estimated to be in the range of 20-44 per cent (Kumar *et al.*, 2020; Kumar and Agrawal, 2023; Rais and Sheoran, 2023; NHB 2021 and Duarte, 2024).

To control price pressures, the government has in the recent years undertaken several crop-specific policy interventions such as imposition of stock



limits, restricting certain exports and liberalising certain imports and open market sales to ensure ample supplies in the domestic market. As per 59 per cent of the surveyed retailers, such intervention measures could be effective in curbing price pressures in the short run. Further, external trade and stock measures are suggested to be effective by almost half of the total respondents (Chart 11).



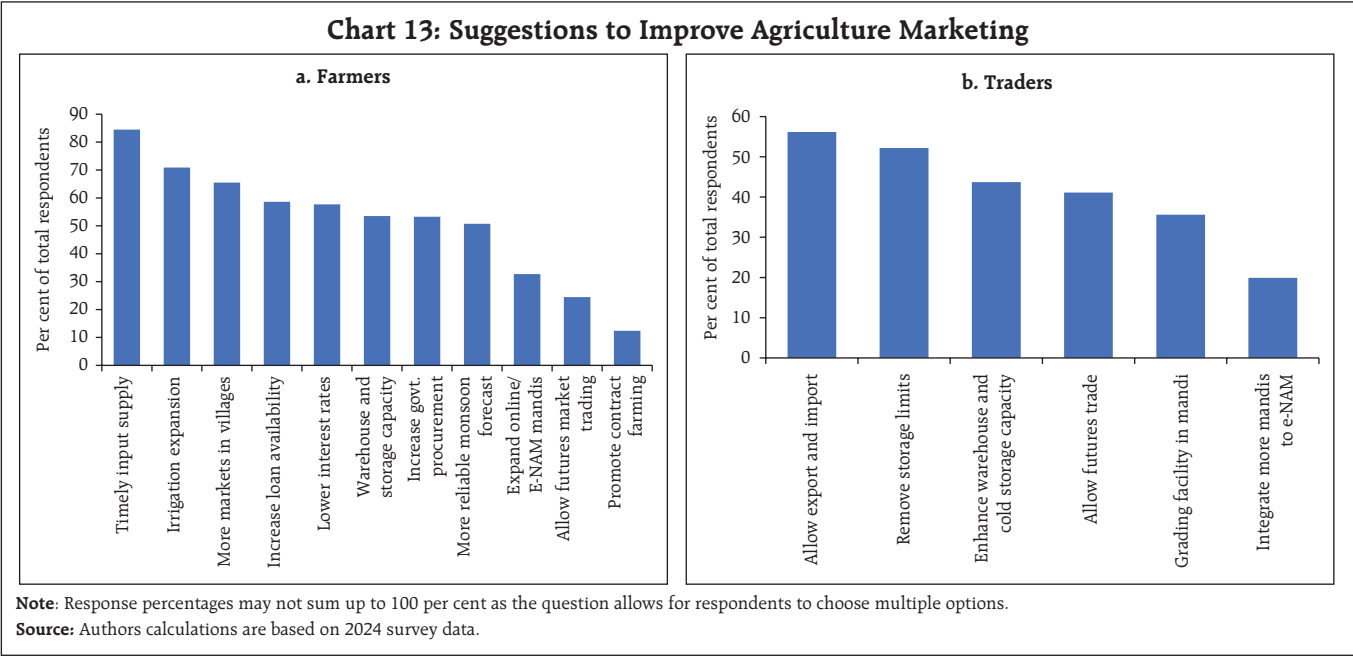


Agricultural Marketing

Timely and reliable information on market prices can help farmers in the marketing of their produce. As per the survey, about 76 per cent of the farmers had information about prevailing market prices and they sourced it primarily from traders in their contact (Chart 12). The traders, being the main interlink between farmers and other supply chain

participants, appear to serve as the dominant source of market information.

On improving marketing of agri-produce, the respondent farmers' main policy recommendation included 'creation of more markets in the villages', while traders reported liberalisation of the trade policy as the most essential tool (Chart 13). Although agriculture marketing has been one of the main areas



of policy focus¹⁹, agriculture being a state subject, implementing such policies is often hindered due to varying levels of regulation, willingness and consensus among the states (GoI, 2024). In terms of budgetary allocation, a significant share of government expenditure for agriculture has been observed to be apportioned more towards input subsidies like fertiliser and power, rather than supply chain development (Zafar *et al.*, 2023).

Empirical Findings

Mark-ups in the agriculture supply chain are the crucial indicators of added value at each stage. While excessive mark-ups could lead to higher food prices, lower mark-ups could impact the stakeholders' profitability (Bhattacharya, 2016). In the article based on the previous round of this survey, an empirical exercise was carried out to understand the factors impacting the traders' mark-ups (Suganthi *et al.*, 2024). In this study, an attempt has been made to identify the determinants of the mark-ups at the retailers' level based on the data collected from the survey. Ordinary Least Square regression has been run using following equation:

$$M_{idc} = \alpha + \beta_1 R_i + \beta_2 S_i + \beta_3 TC_i + \beta_4 D_i + \beta_5 W_i + \beta_6 (W_i \times P_c) + \beta_7 (E_d \times P_c) + \beta_8 N_i + \beta_9 CT_i + \beta_{10} C_c + \beta_{11} P_c + \varepsilon_{idc}$$

where, i , d and c represent 'retailer', 'district' and 'commodity', respectively.

Here, M_{idc} is the mark-up, defined as the selling price less total cost (including transaction cost) as a percentage of total cost for retailers. R_i represents retailers' demographic profile such as age, education and gender; S_i represents the retailer's perception

about change in commodity supply over last year; TC_i is the transaction cost incurred per kg; and D_i denotes the distance of the retailer outlet from the point of procurement. W_i denotes the retailer's perception regarding the extent of wastage experienced; N_i represents the number of commodities sold by the retailer; E_d is the dummy variable capturing the extreme weather events in terms of large excess, excess and large deficient rainfall (cumulative) in the district. CT_i represents the fixed effect for retailer's outlet location (production/consumption centre). C_c and P_c denote the fixed effect for specific commodities and nature of commodity (perishable/non-perishable), respectively and ε_{idc} is the residual. Three model specifications have been presented here. While Model 1 (M1) serves as basic equation, the Model 2 (M2) utilises the interaction ($W_i \times P_c$) of wastage with the nature of commodity (perishable/non-perishable) at multiple levels of wastage. Further, Model 3 (M3) replaces the wastage with extreme weather events and attempts to understand the impact of the latter on mark ups of perishable commodities using the interaction variable ($E_d \times P_c$).

The regression analysis suggests that retailers are able to pass on the cost of wastage losses to consumers through higher retail prices in the case of perishable commodities (fruits and vegetables), while not being able to do so in the case of non-perishables. Accordingly, while the mark-ups are negatively impacted by product losses at the aggregate level (Model 1), for perishable commodities, the impact is positive (Model 2) [Table 2]. This suggests that retailers can draw higher mark-ups for perishable commodities, wherein the post-harvest loss incidence and product differentiation are relatively higher (Gulati *et al.*, 2022). Additionally, the transmission appears to increase with the extent of wastage, as indicated by model 2. The same is also revealed in model 3 where

¹⁹ As part of strengthening agriculture markets, government initiated e-NAM to create a unified national market, thereby improving transparency and price discovery of agriculture commodities. Besides, government has taken steps to upgrade the existing rural *haats* into well-equipped Gramin Agricultural Markets to connect farmers directly with buyers. Further, to provide farmers with direct market access, FPOs have been onboarded on to Open Network for Digital Commerce (ONDC) portal for selling their produce online to consumers across the country.

the wastage dummy is replaced by extreme weather conditions dummy.²⁰ Weather disruptions are often one of the major contributors to post-harvest losses and supply chain wastage in the absence of adequate availability of temperature-controlled storage and

transportation facilities (Tchonkouang *et al.*, 2024). The higher transaction cost (transportation, labour, rent) is found to shrink the mark-ups. Among the demographic variables, male retailers realise higher mark-ups across the various model specifications.

Table 2: Determinants of Retailers' Mark-ups: Regression Results

Dependent variable: Markup (log)	Model 1 (M1)	Model 2 (M2)	Model 3 (M3)
Demographic variables			
Log(Age, Years)	0.11 (0.04)**	-0.05 (0.06)	-0.03 (0.05)
Education (Dummy, SSC and above=1)	0.20 (0.03)***	-0.01 (0.04)	0.01 (0.04)
Gender (Dummy, Male =1)	0.19 (0.06)***	0.15 (0.08)*	0.11 (0.06)*
Higher supply compared to previous year (Dummy, Higher=1)	-0.06 (0.05)	-	-
Log (Transaction cost, Rs./kg)	-0.06 (0.02)***	-0.10 (0.02)***	-0.04 (0.02)**
Distance from place of procurement (1 if >10 km) ²¹	-0.07 (0.05)	-0.09 (0.06)	-0.04 (0.05)
Wastage (1 if >2%)	-0.43 (0.06)***	-	-
Wastage (Dummy, Base: 0-2%)* Perishable (Dummy)			
Wastage (2-5%)*Perishable	-	1.15 (0.11)***	-
Wastage (5-10%)*Perishable	-	1.25 (0.13)***	-
Wastage (>10%)*Perishable	-	1.46 (0.11)***	-
Extreme Weather (Dummy*)* Perishable (Dummy)	-	-	2.20 (0.11)***
Number of commodities sold by the retailer (Log)	0.03 (0.01)***	0.01 (0.01)	0.02 (0.01)***
Intercept	1.23 (0.22)***	2.62 (0.27)***	2.42 (0.20)***
Centre fixed effect (Production/Consumption)	Yes	Yes	Yes
Commodity fixed effect	Yes	-	-
Perishable commodity fixed effect	-	Yes	Yes
Adj. R Square	0.57	0.23	0.56
No. of obs.	2287	2287	2287

***, **&*: significance levels at 1%, 5%and 10% respectively.

#: excess/large excess/large deficit rainfall.

Note: Figures in parentheses are robust standard errors, clustered at district level .

Source: Authors estimates are based on 2024 survey data.

²⁰ a. <https://seller.globallinker.com/bizforum/article/the-supply-chain-and-its-impact-on-agricultural-food-waste-in-india/8925#/overlay/signup/articleview/8925>

b. <https://www.wri.org/insights/climate-adaptation-agricultural-supply-chains>

²¹ Although statistically insignificant, the distance of the retail outlets from the procurement points appears negatively associated with the markups.

V. Conclusion

This article provides insights into India's agriculture supply chain across farmers, traders, and retailers based on a pan-India survey of major *rabi* crops conducted during May-July 2024. The survey results indicate that the farmers' share in consumer prices ranges from 40 per cent to 67 per cent across the crops surveyed, with the wheat producers realising the highest share. The perishable crops (fruits and vegetables) have lower farmers' share and higher trader/retailer markups than the non-perishables. The combined share of traders and retailers in consumer prices is more than half in perishables (except for tomatoes). The mark-ups of traders and retailers are observed to be lower for TOP crops during the *rabi* season compared to the *kharif* season, partially reflecting the impact of the ample availability of perishable produce during the *rabi* production season. While cash transactions dominate the payments in the agriculture supply chain, electronic payments registered a significant increase in 2024 survey over the previous surveys of 2018 and 2022 for all the participants. The weather forecast and irrigation availability appear to be the most critical factors in the farmers' decision function regarding *rabi* sowing.

An empirical analysis of mark-ups, using the survey data, indicates that higher transaction costs (transportation, labour, rent) reduce the retailers' markups, while higher post-harvest losses in perishables seems to permit the retailers to pass losses onto the consumers.

Overall, the survey findings and analysis indicate that further strengthening of market infrastructure through increased investment in cold storages and transportation systems can make agriculture supply chain more efficient and lower the post-harvest losses. Technology and enhanced collaboration among stakeholders can play an important role in

improving such infrastructure, ultimately benefiting producers as well as consumers.

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Annex 1:

Government Schemes for Improving Supply Chain in Agriculture

To improve the agriculture supply chain, the government has implemented various schemes in recent years. Some of the important schemes include:

1. eNAM

eNational Agriculture Market (eNAM), a pan-India electronic trading portal, was launched in 2016. It networks the existing Agriculture Produce Market Committee (APMC) *mandis* to create a unified national market for agricultural commodities. Presently, 1410 *mandis* in 23 states and 4 UTs are integrated on eNAM.

2. The Agricultural Marketing Infrastructure (AMI) scheme

The AMI scheme aids with the construction or renovation of godowns and warehouses in rural areas to boost agricultural storage capacity. Since the scheme's inception on April 1, 2001, through June 30, 2024, a total of 48,512 storage infrastructure projects, with a combined capacity of 940 lakh tonnes, have been sanctioned across 27 states with subsidy disbursement of Rs. 4,735 crore.

3. The Agriculture Infrastructure Fund (AIF) scheme

The AIF scheme aims to attract investments for agricultural infrastructure development, with a total allocation of Rs 1 lakh crore until 2025-26. Under the scheme, loans with subsidised interest rates are provided for investments in farm-gate infrastructure like cold storage, warehouses, grading and sorting units and e-marketing platforms. As of January 2025, Rs. 53,687 crore has been sanctioned for 89,028 projects under the scheme.

4. Integrated Cold Chain, Food Processing, and Preservation Infrastructure scheme

The Integrated Cold Chain, Food Processing, and Preservation Infrastructure scheme aims to facilitate the establishment of a strong cold chain facility for agricultural, horticultural, dairy, fish & marine, poultry & meat products by establishing linkage from the farm gate to the consumer, to reduce losses through efficient storage, transportation, and minimal processing. As of August 2024, there are 8,698 cold storages in the country with a capacity of 396 lakh MT. Besides, the government of India has launched *Kisan Rail* to cater exclusively to the movement of perishable agri-horti commodities.

5. Prime Minister Dhan-Dhaanya Krishi Yojana

The budget 2025-26 has announced the launch of 'Prime Minister Dhan-Dhaanya Krishi Yojana' in 100 low productivity districts wherein measures to augment post-harvest storage at the panchayat and block level would be taken.

6. Comprehensive Programme for Vegetables & Fruits

The budget 2025-26 also announced a comprehensive programme for vegetables and fruits to promote production, efficient supplies, processing, and remunerative prices for farmers in partnership with states. Appropriate institutional mechanisms for implementation and participation of farmer producer organizations and cooperatives will also be set up. The government also announced to upgrade infrastructure and warehousing for air cargo including high value perishable horticulture produce.

CURRENT STATISTICS

Select Economic Indicators

Reserve Bank of India

Money and Banking

Prices and Production

Government Accounts and Treasury Bills

Financial Markets

External Sector

Payment and Settlement Systems

Occasional Series

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Notes: .. = Not available.

– = Nil/Negligible.

P = Preliminary/Provisional. PR = Partially Revised.

No. 1: Select Economic Indicators

Item	2023-24	2023-24		2024-25	
		Q1	Q2	Q1	Q2
	1	2	3	4	5
1 Real Sector (% Change)					
1.1 GVA at Basic Prices	7.2	8.3	7.7	6.8	5.6
1.1.1 Agriculture	1.4	3.7	1.7	2.0	3.5
1.1.2 Industry	9.3	5.0	13.6	7.4	2.1
1.1.3 Services	7.9	10.4	6.9	7.7	7.1
1.1a Final Consumption Expenditure	3.8	4.6	4.1	6.3	5.7
1.1b Gross Fixed Capital Formation	9.0	8.5	11.6	7.5	5.4
	2023-24	2023		2024	
		Nov.	Dec.	Nov.	Dec.
	1	2	3	4	5
1.2 Index of Industrial Production	5.9	2.5	4.4	5.0	3.2
2 Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	12.9	13.5	12.6	11.1	10.2
	(13.5)	(14.2)	(13.3)	(10.7)	(9.8)
2.1.2 Credit #	16.3	16.7	15.6	11.8	12.4
	(20.2)	(21.1)	(20.0)	(10.6)	(11.2)
2.1.2.1 Non-food Credit #	16.3	16.8	15.8	11.8	12.4
	(20.2)	(21.3)	(20.1)	(10.6)	(11.1)
2.1.3 Investment in Govt. Securities	11.1	15.6	15.6	9.5	11.1
	(12.8)	(17.7)	(17.6)	(8.4)	(10.1)
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	5.6	6.7	6.0	7.1	4.9
2.2.2 Broad Money (M3)	11.1	11.2	11.0	11.1	9.3
	(9.0)	(11.8)	(11.5)	(10.8)	(9.0)
3 Ratios (%)					
3.1 Cash Reserve Ratio	4.50	4.50	4.50	4.50	4.25
3.2 Statutory Liquidity Ratio	18.00	18.00	18.00	18.00	18.00
3.3 Cash-Deposit Ratio	5.0	5.2	5.2	5.1	4.7
	(5.0)	(5.2)	(5.2)	(5.1)	(4.7)
3.4 Credit-Deposit Ratio	78.1	77.2	77.1	77.7	78.7
	(80.3)	(79.6)	(79.5)	(79.5)	(80.4)
3.5 Incremental Credit-Deposit Ratio #	95.8	92.3	89.1	72.8	86.1
	(113.4)	(118.8)	(111.9)	(69.8)	(82.6)
3.6 Investment-Deposit Ratio	29.5	29.8	29.5	29.6	29.8
	(29.8)	(30.2)	(29.8)	(29.7)	(29.9)
3.7 Incremental Investment-Deposit Ratio	25.8	27.8	24.7	29.9	32.6
	(28.4)	(31.8)	(28.2)	(28.1)	(30.8)
4 Interest Rates (%)					
4.1 Policy Repo Rate	6.50	6.50	6.50	6.50	6.50
4.2 Fixed Reverse Repo Rate	3.35	3.35	3.35	3.35	3.35
4.3 Standing Deposit Facility (SDF) Rate *	6.25	6.25	6.25	6.25	6.25
4.4 Marginal Standing Facility (MSF) Rate	6.75	6.75	6.75	6.75	6.75
4.5 Bank Rate	6.75	6.75	6.75	6.75	6.75
4.6 Base Rate	9.10/10.25	8.95/10.10	8.95/10.25	9.10/10.40	9.10/10.40
4.7 MCLR (Overnight)	8.00/8.60	7.95/8.50	7.95/8.50	8.15/8.45	8.15/8.45
4.8 Term Deposit Rate >1 Year	6.50/7.25	6.00/7.25	6.50/7.25	6.00/7.25	6.00/7.25
4.9 Savings Deposit Rate	2.70/3.00	2.70/3.00	2.70/3.00	2.70/3.00	2.70/3.00
4.10 Call Money Rate (Weighted Average)	6.85	6.79	6.81	6.70	6.71
4.11 91-Day Treasury Bill (Primary) Yield	-	6.96	6.93	6.49	6.55
4.12 182-Day Treasury Bill (Primary) Yield	7.28	7.16	7.16	6.66	6.70
4.13 364-Day Treasury Bill (Primary) Yield	7.31	7.15	7.13	6.65	6.69
4.14 10-Year G-Sec Par Yield (FBIL)	7.31	7.31	7.20	6.79	6.76
5 Reference Rate and Forward Premia					
5.1 INR-US\$ Spot Rate (Rs. Per Foreign Currency)	83.37	83.37	83.12	84.50	85.59
5.2 INR-Euro Spot Rate (Rs. Per Foreign Currency)	90.22	90.93	92.00	89.36	89.11
5.3 Forward Premia of US\$ 1-month (%)	1.00	0.95	1.23	1.94	3.70
3-month (%)	1.11	1.12	1.65	1.98	2.91
6-month (%)	1.31	1.47	1.51	2.18	2.61
6 Inflation (%)					
6.1 All India Consumer Price Index	5.4	5.6	5.7	5.5	5.2
6.2 Consumer Price Index for Industrial Workers	5.19	5.0	4.9	3.9	-
6.3 Wholesale Price Index	-0.7	0.4	0.9	2.2	2.4
6.3.1 Primary Articles	3.5	5.2	5.7	5.5	6.0
6.3.2 Fuel and Power	-4.7	-4.1	-1.4	-4.0	-3.8
6.3.3 Manufactured Products	-1.7	-0.8	-0.8	2.1	2.1
7 Foreign Trade (% Change)					
7.1 Imports	-5.3	-3.3	-6.6	16.0	4.9
7.2 Exports	-3.1	-3.3	0.8	-5.1	-1.0

Note : Financial Benchmark India Pvt. Ltd. (FBIL) has commenced publication of the G-Sec benchmarks with effect from March 31, 2018 as per RBI circularFMRD.DIRD.

7/14.03.025/2017-18 dated March 31, 2018. FBIL has started dissemination of reference rates w.e.f. July 10, 2018.

#: Bank credit growth and related ratios for all fortnights from December 3, 2021 to November 18, 2022 are adjusted for past reporting errors by select scheduled commercial banks (SCBs).

Figures in parentheses include the impact of merger of a non-bank with a bank.

*: As per Press Release No. 2022-2023/41 dated April 08, 2022.

Reserve Bank of India

No. 2: RBI - Liabilities and Assets *

(₹ Crore)

Item	As on the Last Friday/ Friday						
	2024-25	2024	2025				
			Jan.	Jan. 03	Jan. 10	Jan. 17	Jan. 24
	1	2	3	4	5	6	7
1 Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	3482333	3386320	3525972	3554284	3558938	3564296	3564965
1.1.2 Notes held in Banking Department	11	13	12	11	14	10	12
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	3482344	3386333	3525984	3554295	3558952	3564306	3564977
1.2 Assets							
1.2.1 Gold	162996	149322	203530	206786	211605	212741	217109
1.2.2 Foreign Securities	3318885	3236716	3322233	3347167	3347062	3351157	3347525
1.2.3 Rupee Coin	463	296	221	342	285	407	343
1.2.4 Government of India Rupee Securities	-	-	-	-	-	-	-
2 Banking Department							
2.1 Liabilities							
2.1.1 Deposits	1782333	1734444	1373553	1444233	1399704	1525243	1446595
2.1.1.1 Central Government	101	100	101	101	101	101	101
2.1.1.2 Market Stabilisation Scheme		-	-	-	-	-	-
2.1.1.3 State Governments	42	42	42	42	42	42	42
2.1.1.4 Scheduled Commercial Banks	1008618	933808	908538	930602	897242	889895	924083
2.1.1.5 Scheduled State Co-operative Banks	10092	8039	8502	7814	7798	7918	7772
2.1.1.6 Non-Scheduled State Co-operative Banks	6412	4935	4887	4744	4638	4701	4567
2.1.1.7 Other Banks	48725	47419	45270	45584	45309	45901	46275
2.1.1.8 Others	545400	593671	322155	350161	333913	463478	362067
2.1.1.9 Financial Institution Outside India	162944	146428	84056	105184	110661	113207	101688
2.1.2 Other Liabilities	1804747	1732677	1926522	1926074	1989935	2002933	2034572
2.1/2.2 Total Liabilities or Assets	3587080	3467121	3300075	3370307	3389639	3528176	3481167
2.2 Assets							
2.2.1 Notes and Coins	11	13	12	11	14	10	12
2.2.2 Balances Held Abroad	1480408	1345848	1392917	1296048	1306132	1320797	1344426
2.2.3 Loans and Advances							
2.2.3.1 Central Government	-	-	-	-	-	-	-
2.2.3.2 State Governments	2300	12810	36637	14620	23623	20495	19332
2.2.3.3 Scheduled Commercial Banks	266021	337637	130502	292649	262197	354098	256989
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	12398	3174	7917	8546	13918	20797	20988
2.2.3.9 Financial Institution Outside India	162650	145120	83484	104009	109927	112893	101053
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	-	-	-	-	-	-	-
2.2.4.2 Government Treasury Bills	-	-	-	-	-	-	-
2.2.5 Investments	1365425	1360963	1256837	1257276	1267735	1290478	1319974
2.2.6 Other Assets	297868	261555	391769	397148	406092	408607	418394
2.2.6.1 Gold	272028	245322	372000	376786	385567	387637	396899

* 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		8	9	
Dec. 1, 2024	-	-	-	-	2145	40879	-	-	-	-38734
Dec. 2, 2024	-	-	-	-	1450	99633	-	-	-	-98183
Dec. 3, 2024	-	-	-	-	1246	108694	-1501	-	-	-108949
Dec. 4, 2024	-	-	-	-	3287	75455	-968	-	-	-73136
Dec. 5, 2024	-	-	-	-	5041	54725	1051	-	-	-48633
Dec. 6, 2024	-	-	-	-	7066	76733	1199	-	-	-68468
Dec. 7, 2024	-	-	-	-	5179	57178	-	-	-	-51999
Dec. 8, 2024	-	-	-	-	59	44956	-	-	-	-44897
Dec. 9, 2024	-	-	40630	-	826	73311	-	-	-	-31855
Dec. 10, 2024	-	-	-	-	8844	53024	-	-	-	-44180
Dec. 11, 2024	-	-	25005	-	5314	85961	-	-	-	-55642
Dec. 12, 2024	-	-	-	-	1231	98910	-	-	-	-97679
Dec. 13, 2024	-	-	75004	-	31070	140196	-	-	-	-34122
Dec. 14, 2024	-	-	-	-	21036	75236	-	-	-	-54200
Dec. 15, 2024	-	-	-	-	17896	89924	-	-	-	-72028
Dec. 16, 2024	-	-	75775	-	24824	76241	-	-	-	24358
Dec. 17, 2024	-	-	73193	-	295	90072	-	-	-	-16584
Dec. 18, 2024	-	-	-	-	1734	61125	-1439	-	-	-60830
Dec. 19, 2024	-	-	-	-	3280	52003	1016	-	-	-47707
Dec. 20, 2024	-	-	150004	-	4838	64844	674	-	-	90672
Dec. 21, 2024	-	-	-	-	13552	50583	-	-	-	-37031
Dec. 22, 2024	-	-	-	-	11972	46614	-	-	-	-34642
Dec. 23, 2024	-	-	111281	-	258	104798	-	-	-	6741
Dec. 24, 2024	-	-	37953	-	314	105859	-	-	-	-67592
Dec. 25, 2024	-	-	-	-	9210	99023	-	-	-	-89813
Dec. 26, 2024	-	-	-	-	913	119377	-	-	-	-118464
Dec. 27, 2024	-	-	213570	-	31127	61909	-	-	20	182808
Dec. 28, 2024	-	-	-	-	17087	48120	-	-	-	-31033
Dec. 29, 2024	-	-	-	-	16460	50576	-	-	-	-34116
Dec. 30, 2024	-	-	83238	-	385	99913	-	-	-	-16290
Dec. 31, 2024	-	-	50004	-	298	138004	8375	-	-	-79327

No. 4: Sale/ Purchase of U.S. Dollar by the RBI**i) Operations in onshore / offshore OTC segment**

Item	2023-24	2023	2024	
		Dec.	Nov.	Dec.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US \$ Million) (1.1-1.2)	41271	2067	-20228	-15150
1.1 Purchase (+)	194296	31730	30880	53898
1.2 Sale (–)	153025	29663	51108	69048
2 ₹ equivalent at contract rate (₹ Crores)	339528	17234	-170630	-128753
3 Cumulative (over end-March) (US \$ Million)	41271	17515	-20956	-36106
(₹ Crore)	339528	142319	-177653	-306406
4 Outstanding Net Forward Sales (-)/ Purchase (+) at the end of month (US \$ Million)	-541	2184	-58850	-67938

ii) Operations in currency futures segment

Item	2023-24	2023	2024	
		Dec.	Nov.	Dec.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US \$ Million) (1.1-1.2)	0	0	0	0
1.1 Purchase (+)	7930	1397	3926	3552
1.2 Sale (–)	7930	1397	3926	3552
2 Outstanding Net Currency Futures Sales (-)/ Purchase (+) at the end of month (US \$ Million)	-1080	-1558	-2968	-3450

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

Item	As on December 31 , 2024		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	250	34060	-33810
2. More than 1 month and upto 3 months	0	24253	-24253
3. More than 3 months and upto 1 year	0	9875	-9875
4. More than 1 year	0	0	0
Total (1+2+3+4)	250	68188	-67938

No. 5: RBI's Standing Facilities

(₹ Crore)

Item	As on the Last Reporting Friday							
	2023-24	2024						2025
		Jan. 26	Aug. 23	Sep. 20	Oct. 18	Nov. 29	Dec. 27	Jan. 24
	1	2	3	4	5	6	7	8
1 MSF	49906	32611	1818	21731	4216	18513	31127	3232
2 Export Credit Refinance for Scheduled Banks								
2.1 Limit	-	-	-	-	-	-	-	-
2.2 Outstanding	-	-	-	-	-	-	-	-
3 Liquidity Facility for PDs								
3.1 Limit	9900	4900	9900	9900	9900	9900	9900	9900
3.2 Outstanding	9810	3174	8541	8547	7223	8428	8459	9556
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)	59716	35785	10359	30278	11439	26941	39586	12788

Money and Banking

No. 6: Money Stock Measures

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/ reporting Fridays				
	2023-24	2023	2024		
		Dec. 29	Nov. 29	Dec. 13	Dec. 27
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	3410276	3256115	3444217	3476238	3459713
1.1 Notes in Circulation	3477795	3330296	3510709	3535571	3524608
1.2 Circulation of Rupee Coin	32689	31853	34676	34676	34676
1.3 Circulation of Small Coins	743	743	743	743	743
1.4 Cash on Hand with Banks	101185	106881	102752	95625	101225
2 Deposit Money of the Public	2681424	2661541	2821629	2850537	2812342
2.1 Demand Deposits with Banks	2586888	2580490	2718636	2751293	2710713
2.2 'Other' Deposits with Reserve Bank	94536	81051	102993	99244	101629
3 M1 (1 + 2)	6091700	5917655	6265846	6326776	6272055
4 Post Office Saving Bank Deposits	195777	216978	200889	200889	200889
5 M2 (3 + 4)	6287477	6134633	6466735	6527665	6472944
6 Time Deposits with Banks	18739918	18338335	20182384	20195916	20240455
	(18848160)	(18459622)	(20251544)	(20263731)	(20307146)
7 M3 (3 + 6)	24831618	24255990	26448230	26522691	26512510
	(24939860)	(24377277)	(26517391)	(26590507)	(26579200)
8 Total Post Office Deposits	1313366	1258895	1379283	1379283	1379283
9 M4 (7 + 8)	26144984	25514885	27827513	27901974	27891793
	(26253226)	(25636172)	(27896674)	(27969790)	(27958483)

Figures in parentheses include the impact of merger of a non-bank with a bank.

No. 7 : Sources of Money Stock (M₃)

(₹ Crore)

Sources	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2023-24	2023	2024		
		Dec. 29	Nov. 29	Dec. 13	Dec. 27
	1	2	3	4	5
1 Net Bank Credit to Government	7512016	7171807	8035414	8048578	7850250
1 Net Bank Credit to Government (Including Merger)	(7603571)	(7272617)	(8086633)	(8099444)	(7901119)
1.1 RBI's net credit to Government (1.1.1–1.1.2)	1193213	979659	1242346	1239095	1000891
1.1.1 Claims on Government	1370428	1360482	1287452	1301462	1276034
1.1.1.1 Central Government	1363828	1357903	1270987	1272718	1254193
1.1.1.2 State Governments	6600	2579	16465	28744	21841
1.1.2 Government deposits with RBI	177215	380824	45106	62366	275143
1.1.2.1 Central Government	177172	380781	45064	62324	275101
1.1.2.2 State Governments	42	43	42	42	42
1.2 Other Banks' Credit to Government	6318803	6192149	6793069	6809483	6849360
1.2 Other Banks Credit to Government (Including Merger)	(6410358)	(6292959)	(6844287)	(6860349)	(6900228)
2 Bank Credit to Commercial Sector	16672145	16136616	17835267	17900969	18090813
2 Bank Credit to Commercial Sector (Including Merger)	(17202832)	(16709688)	(18291281)	(18346470)	(18529356)
2.1 RBI's credit to commercial sector	14406	5080	10463	10271	10519
2.2 Other banks' credit to commercial sector	16657739	16131536	17824804	17890698	18080294
2.2 Other banks credit to commercial sector (Including Merger)	(17188426)	(16704608)	(18280818)	(18336199)	(18518837)
2.2.1 Bank credit by commercial banks	15901477	15388871	17052942	17141380	17304495
2.2.1 Bank credit by commercial banks (Including Merger)	(16432164)	(15961944)	(17508956)	(17586881)	(17743037)
2.2.2 Bank credit by co-operative banks	738194	725337	753253	730523	757258
2.2.3 Investments by commercial and co-operative banks in other securities	18068	17327	18610	18794	18541
2.2.3 Investments by commercial and co-operative banks in other securities (Including Merger)	(18068)	(17327)	(18610)	(18794)	(18541)
3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	5567245	5337666	5775605	5750833	5690829
3.1 RBIs net foreign exchange assets (3.1.1 - 3.1.2)	5240824	5038109	5408898	5384126	5324122
3.1.1 Gross foreign assets	5241083	5038371	5409166	5384388	5324384
3.1.2 Foreign liabilities	259	261	268	262	262
3.2 Other banks' net foreign exchange assets	326421	299557	366707	366707	366707
4 Government's Currency Liabilities to the Public	33432	32596	35419	35419	35419
5 Banking Sector's Net Non-monetary Liabilities	4953219	4422695	5233476	5213108	5154801
5 Banking Sectors Net Non-monetary Liabilities (Including Merger)	(5467219)	(4975291)	(5671548)	(5641660)	(5577522)
5.1 Net non-monetary liabilities of RBI	1789875	1792947	1901186	1915858	1890916
5.2 Net non-monetary liabilities of other banks (residual)	3163344	2629748	3332290	3297250	3263885
5.2 Net non-monetary liabilities of other banks (residual) (Including Merger)	(3677343)	(3182344)	(3770362)	(3725802)	(3686606)
M₃(1+2+3+4-5)	24831618	24255990	26448230	26522691	26512510
M ₃ (1+2+3+4-5) (Including Merger)	(24939860)	(24377277)	(26517391)	(26590507)	(26579200)

Figures in parentheses include the impact of merger of a non-bank with bank.

No. 8: Monetary Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2023-24	2023	2024		
		Dec. 29	Nov. 29	Dec. 13	Dec. 27
	1	2	3	4	5
Monetary Aggregates					
NM ₁ (1.1+1.2.1+1.3)	6091700	5917655	6265846	6326776	6272318
NM ₂ (NM ₁ + 1.2.2.1)	14424855	14081095	15223357	15287032	15252461
NM ₂ (NM ₁ + 1.2.2.1) (Including Merger)	(14473564)	(14135674)	(15254479)	(15317549)	(15282471)
NM ₃ (NM ₂ + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	25387764	24817697	27122450	27105392	27183290
NM ₃ (NM ₂ + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 - 2.4 - 2.5) (Including Merger)	(25496006)	(24938984)	(27191610)	(27173207)	(27249981)
1 Components					
1.1 Currency with the Public	3410276	3256115	3444217	3476238	3459977
1.2 Aggregate Deposits of Residents	21105009	20721466	22624216	22662975	22666584
1.2 Aggregate Deposits of Residents (Including Merger)	(21213252)	(20842754)	(22693377)	(22730790)	(22733275)
1.2.1 Demand Deposits	2586888	2580490	2718636	2751293	2710713
1.2.2 Time Deposits of Residents	18518121	18140977	19905580	19911682	19955872
1.2.2 Time Deposits of Residents (Including Merger)	(18626364)	(18262264)	(19974741)	(19979497)	(20022562)
1.2.2.1 Short-term Time Deposits	8333155	8163440	8957511	8960257	8980142
1.2.2.1 Short-term Time Deposits (Including Merger)	(8381864)	(8218019)	(8988633)	(8990774)	(9010153)
1.2.2.1.1 Certificates of Deposits (CDs)	369399	342514	493598	484414	499061
1.2.2.2 Long-term Time Deposits	10184967	9977537	10948069	10951425	10975729
1.2.2.2 Long-term Time Deposits (Including Merger)	(10244500)	(10044245)	(10986107)	(10988724)	(11012409)
1.3 'Other' Deposits with RBI	94536	81051	102993	99244	101629
1.4 Call/Term Funding from Financial Institutions	777942	759065	951023	866935	955100
2 Sources					
2.1 Domestic Credit	25295986	24396448	27060933	27154284	27103156
2.1 Domestic Credit (Including Merger)	(25918227)	(25070331)	(27568166)	(27650651)	(27592567)
2.1.1 Net Bank Credit to the Government	7512016	7171807	8035414	8048578	7850250
2.1.1 Net Bank Credit to the Government (Including Merger)	(7603571)	(7272617)	(8086633)	(8099444)	(7901119)
2.1.1.1 Net RBI credit to the Government	1193213	979659	1242346	1239095	1000891
2.1.1.2 Credit to the Government by the Banking System	6318803	6192149	6793069	6809483	6849360
2.1.1.2 Credit to the Government by the Banking System (Including Merger)	(6410358)	(6292959)	(6844287)	(6860349)	(6900228)
2.1.2 Bank Credit to the Commercial Sector	17783970	17224641	19025519	19105706	19252905
2.1.2 Bank Credit to the Commercial Sector (Including Merger)	(18314656)	(17797714)	(19481533)	(19551207)	(19691448)
2.1.2.1 RBI Credit to the Commercial Sector	14406	5080	10463	10271	10519
2.1.2.2 Credit to the Commercial Sector by the Banking System	17769564	17219561	19015056	19095435	19242386
2.1.2.2 Credit to the Commercial Sector by the Banking System (Including Merger)	(18300250)	(17792634)	(19471070)	(19540936)	(19680929)
2.1.2.2.1 Other Investments (Non-SLR Securities)	1089184	1074161	1177017	1189721	1146977
2.2 Government's Currency Liabilities to the Public	33432	32596	35419	35419	35683
2.3 Net Foreign Exchange Assets of the Banking Sector	5110820	4977214	5289237	5372827	5300111
2.3.1 Net Foreign Exchange Assets of the RBI	5240824	5038109	5408898	5384126	5324122
2.3.2 Net Foreign Currency Assets of the Banking System	-130004	-60896	-119661	-11299	-24011
2.4 Capital Account	3912897	4020302	4401596	4397734	4396751
2.5 Other items (net)	1653576	1120855	1299617	1487955	1281628

Figures in parentheses include the impact of merger of a non-bank with a bank.

No. 9: Liquidity Aggregates

(₹ Crore)

Aggregates	2023-24	2023	2024		
		Dec.	Oct.	Nov.	Dec.
	1	2	3	4	5
1 NM₃	25387764	24817697	26808015	27122450	27183290
	(25496006)	(24938984)	(26880587)	(27191610)	(27249981)
2 Postal Deposits	729246	708478	732774	732774	732774
3 L₁ (1 + 2)	26117010	25526175	27540789	27855224	27916064
	(26225252)	(25647462)	(27613361)	(27924384)	(27982755)
4 Liabilities of Financial Institutions	85150	68815	68842	66263	73559
4.1 Term Money Borrowings	2375	1305	31	26	16
4.2 Certificates of Deposit	70245	54485	55520	52765	59920
4.3 Term Deposits	12531	13025	13291	13473	13622
5 L₂ (3 + 4)	26202160	25594990	27609631	27921487	27989623
	(26310403)	(25716277)	(27682202)	(27990647)	(28056313)
6 Public Deposits with Non-Banking Financial Companies	102994	101152	102994
7 L₃ (5 + 6)	26305155	25696142	28092617

Note : 1. Figures in the columns might not add up to the total due to rounding off of numbers.

2. Figures in parentheses include the impact of merger of a non-bank with a bank.

No. 10: Reserve Bank of India Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2023-24	2023	2024		
		Dec. 29	Nov. 29	Dec. 13	Dec. 27
	1	2	3	4	5
1 Components					
1.1 Currency in Circulation	3511461	3362995	3546969	3571864	3561202
1.2 Bankers' Deposits with the RBI	1025449	1001281	1087967	1050455	1000260
1.2.1 Scheduled Commercial Banks	956011	939847	1023815	986172	939428
1.3 'Other' Deposits with the RBI	94536	81051	102993	99244	101629
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	4631446	4445327	4737929	4721563	4663090
2 Sources					
2.1 RBI's Domestic Credit	1147066	1167569	1194797	1217875	1194202
2.1.1 Net RBI credit to the Government	1193213	979659	1242346	1239095	1000891
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)	1186655	977122	1225923	1210394	979092
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	1363369	1357627	1270656	1272522	1253916
2.1.1.1.3.1 Central Government Securities	1363369	1357627	1270656	1272522	1253916
2.1.1.1.4 Rupee Coins	459	276	330	196	278
2.1.1.1.5 Deposits of the Central Government	177172	380781	45064	62324	275101
2.1.1.2 Net RBI credit to State Governments	6557	2537	16423	28701	21798
2.1.2 RBI's Claims on Banks	-60553	182830	-58011	-31491	182792
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	-60553	182830	-58011	-31491	182792
2.1.3 RBI's Credit to Commercial Sector	14406	5080	10463	10271	10519
2.1.3.1 Loans and Advances to Primary Dealers	9358	3167	8428	8209	8459
2.1.3.2 Loans and Advances to NABARD	-	-	-	-	-
2.2 Government's Currency Liabilities to the Public	33432	32596	35419	35419	35683
2.3 Net Foreign Exchange Assets of the RBI	5240824	5038109	5408898	5384126	5324122
2.3.1 Gold	439319	402148	565949	577133	566843
2.3.2 Foreign Currency Assets	4801522	4635979	4842966	4807011	4757296
2.4 Capital Account	1589134	1727402	1812747	1808345	1803583
2.5 Other Items (net)	200741	65545	88439	107514	87333

No. 11: Reserve Money - Components and Sources

(₹ Crore)

Item	2023-24	Outstanding as on March 31/last Fridays of the month/Fridays					
		2023	2024				
		Dec. 29	Nov. 29	Dec. 6	Dec. 13	Dec. 20	Dec. 27
	1	2	3	4	5	6	7
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 + 2.4 + 2.5 – 2.6)	4631446	4445327	4737929	4758974	4721563	4711531	4663090
1 Components							
1.1 Currency in Circulation	3511461	3362995	3546969	3562515	3571864	3562017	3561202
1.2 Bankers' Deposits with RBI	1025449	1001281	1087967	1097391	1050455	1047111	1000260
1.3 'Other' Deposits with RBI	94536	81051	102993	99069	99244	102403	101629
2 Sources							
2.1 Net Reserve Bank Credit to Government	1193213	979659	1242346	1317861	1239095	1026598	1000891
2.2 Reserve Bank Credit to Banks	-60553	182830	-58011	-69168	-31491	167651	182792
2.3 Reserve Bank Credit to Commercial Sector	14406	5080	10463	10077	10271	10404	10519
2.4 Net Foreign Exchange Assets of RBI	5240824	5038109	5408898	5393378	5384126	5326888	5324122
2.5 Government's Currency Liabilities to the Public	33432	32596	35419	35419	35419	35419	35683
2.6 Net Non- Monetary Liabilities of RBI	1789875	1792947	1901186	1928593	1915858	1855429	1890916

No. 12: Commercial Bank Survey

(₹ Crore)

Item	Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month				
	2023-24	2023	2024		
		Dec. 29	Nov. 29	Dec. 13	Dec. 27
	1	2	3	4	5
1 Components					
1.1 Aggregate Deposits of Residents	20145188 (20253430)	19769396 (19890683)	21671501 (21740662)	21716094 (21783910)	21711317 (21778008)
1.1.1 Demand Deposits	2443853	2437504	2576789	2610222	2569573
1.1.2 Time Deposits of Residents	17701334 (17809577)	17331892 (17453179)	19094713 (19163873)	19105873 (19173688)	19141745 (19208435)
1.1.2.1 Short-term Time Deposits	7965600	7799351	8592621	8597643	8613785
1.1.2.1.1 Certificates of Deposits (CDs)	369399	342514	493598	484414	499061
1.1.2.2 Long-term Time Deposits	9735734	9532541	10502092	10508230	10527960
1.2 Call/Term Funding from Financial Institutions	777942	759065	951023	866935	955100
2 Sources					
2.1 Domestic Credit	23019606 (23641847)	22357890 (23031773)	24722187 (25229419)	24843409 (25339776)	25002766 (25492177)
2.1.1 Credit to the Government	6014054 (6105610)	5888955 (5989765)	6487128 (6538347)	6505486 (6556353)	6544381 (6595249)
2.1.2 Credit to the Commercial Sector	17005551 (17536238)	16468935 (17042007)	18235059 (18691073)	18337922 (18783423)	18458385 (18896928)
2.1.2.1 Bank Credit	15901477 (16432164)	15388871 (15961944)	17052942 (17508956)	17141380 (17586881)	17304495 (17743037)
2.1.2.1.1 Non-food Credit	15878397 (16409083)	15345733 (15918805)	17001688 (17457702)	17089074 (17534575)	17248356 (17686899)
2.1.2.2 Net Credit to Primary Dealers	22904	14127	13498	15279	15378
2.1.2.3 Investments in Other Approved Securities	949	737	565	504	498
2.1.2.4 Other Investments (in non-SLR Securities)	1080222	1065199	1168055	1180758	1138015
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1-2.2.2-2.2.3)	-130004	-60896	-119661	-11299	-24011
2.2.1 Foreign Currency Assets	241661	258410	339002	444723	443646
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	221796	197358	276804	284234	284584
2.2.3 Overseas Foreign Currency Borrowings	149868	121947	181858	171789	183074
2.3 Net Bank Reserves (2.3.1+2.3.2-2.3.3)	893350	852099	1172693	1101641	845902
2.3.1 Balances with the RBI	931483	939847	1023815	986172	939428
2.3.2 Cash in Hand	89433	95082	90867	83978	89267
2.3.3 Loans and Advances from the RBI	127566	182830	-58011	-31491	182792
2.4 Capital Account	2299592	2268729	2564679	2565219	2568998
2.5 Other items (net) (2.1+2.2+2.3-2.4-1.1-1.2)	560230	351904	588016	785503	589242
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	787560	815183	839816	971762	813552
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	197781	174722	135044	132994	132284

Figures in parentheses include the impact of merger of a non-bank with a bank.

No. 13: Scheduled Commercial Banks' Investments

(₹ Crore)

Item	As on March 22, 2024	2023	2024		
		Dec. 29	Nov. 29	Dec. 13	Dec. 27
		1	2	3	4
1 SLR Securities	6106558 (6015003)	5990503 (5889692)	6538915 (6487697)	6556857 (6505991)	6595747 (6544879)
2 Other Government Securities (Non-SLR)	177136	180084	157432	157393	157392
3 Commercial Paper	61175	57466	60547	60586	60991
4 Shares issued by					
4.1 PSUs	8475	8751	13340	13369	13268
4.2 Private Corporate Sector	77722	81517	96761	96620	97535
4.3 Others	5624	5605	7503	7491	7490
5 Bonds/Debentures issued by					
5.1 PSUs	103070	94289	121897	122634	127626
5.2 Private Corporate Sector	287596	289204	231855	231302	232626
5.3 Others	124690	111242	155237	155052	157698
6 Instruments issued by					
6.1 Mutual funds	62499	56810	134778	147641	92068
6.2 Financial institutions	172340	181283	188704	188670	191321

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

1. Data since July 14, 2023 include the impact of the merger of a non-bank with a bank.

2. Figures in parentheses exclude the impact of the merger.

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

(₹ Crore)

Item	As on the Last Reporting Friday (in case of March)/ Last Friday							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2023-24	2023	2024		2023-24	2023	2024	
		Dec.	Nov.	Dec.		Dec.	Nov.	Dec.
	1	2	3	4	5	6	7	8
Number of Reporting Banks	210	210	208	208	137	137	135	135
1 Liabilities to the Banking System	554117	528876	441174	461496	549351	524747	436037	456515
1.1 Demand and Time Deposits from Banks	298452	269437	278500	296174	294471	266043	273722	291575
1.2 Borrowings from Banks	182566	189114	137620	138393	182429	189078	137597	138334
1.3 Other Demand and Time Liabilities	73100	70324	25053	26929	72452	69626	24718	26606
2 Liabilities to Others	22664868	22240106	24464102	24491884	22190597	21784236	23990270	24014317
2.1 Aggregate Deposits	20932067	20525354	22473475	22522349	20475226	20088041	22017466	22062591
	(20823825)	(20404067)	(22404315)	(22455658)	(20366984)	(19966754)	(21948305)	(21995901)
2.1.1 Demand	2492916	2485497	2625490	2617452	2443853	2437504	2576789	2569573
2.1.2 Time	18439151	18039857	19847985	19904896	18031373	17650537	19440677	19493019
2.2 Borrowings	782260	763584	955899	959775	777942	759065	951023	955100
2.3 Other Demand and Time Liabilities	950541	951168	1034728	1009761	937428	937130	1021781	996626
3 Borrowings from Reserve Bank	222716	271352	21293	244697	222716	271352	21293	244697
3.1 Against Usance Bills /Promissory Notes	-	-	-	-	-	-	-	-
3.2 Others	222716	271352	21293	244697	222716	271352	21293	244697
4 Cash in Hand and Balances with Reserve Bank	1043272	1056932	1137407	1051004	1020916	1034929	1114682	1028694
4.1 Cash in Hand	91886	97605	93455	91928	89433	95082	90867	89267
4.2 Balances with Reserve Bank	951386	959326	1043952	959076	931483	939847	1023815	939428
5 Assets with the Banking System	455057	430787	379361	410612	374474	364152	314490	339609
5.1 Balances with Other Banks	246384	247269	247862	271169	198327	202063	195672	216738
5.1.1 In Current Account	12010	13515	12102	16333	8971	10360	9524	13938
5.1.2 In Other Accounts	234373	233755	235760	254836	189357	191703	186147	202800
5.2 Money at Call and Short Notice	39614	34891	27828	30173	12355	17201	19091	18342
5.3 Advances to Banks	51325	45516	39301	42099	48368	44105	38641	40682
5.4 Other Assets	117734	103111	64369	67172	115424	100782	61086	63847
6 Investment	6256962	6139074	6691504	6747371	6106558	5990503	6538915	6595747
	(6165407)	(6038263)	(6640285)	(6696503)	(6015003)	(5889692)	(6487697)	(6544879)
6.1 Government Securities	6249319	6132448	6683596	6739533	6105610	5989765	6538351	6595249
6.2 Other Approved Securities	7643	6625	7908	7839	949	737	565	498
7 Bank Credit	16866336	16386269	17959742	18194821	16432164	15961944	17508956	17743037
	(16335650)	(15813197)	(17503728)	(17756278)	(15901477)	(15388871)	(17052942)	(17304495)
7a Food Credit	75472	92344	101871	106755	23081	43139	51254	56139
7.1 Loans, Cash-credits and Overdrafts	16565348	16094103	17646243	17870643	16134303	15672642	17198615	17422048
7.2 Inland Bills-Purchased	60471	52280	69789	73546	60467	52269	68351	72063
7.3 Inland Bills-Discounted	199761	198816	206353	212904	197358	196536	205253	211819
7.4 Foreign Bills-Purchased	16662	17624	15424	15770	16412	17404	15186	15551
7.5 Foreign Bills-Discounted	24094	23446	21934	21957	23624	23093	21550	21557

Note: Data in column Nos. (4) & (8) are Provisional

1. Data since July 2023 include the impact of the merger of a non-bank with a bank.
2. Figures in parentheses exclude the impact of the merger.

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

(₹ Crore)

Sector	Outstanding as on				Growth(%)	
	Mar. 22, 2024	2023	2024		Financial year so far	Y-o-Y
			Dec. 29	Nov. 29		
	1	2	3	4	2024-25	2024
I. Bank Credit (II + III)	16432164	15961944	17509171	17742873	8.0	11.2
	(15901477)	(15388871)	(17053157)	(17304330)	(8.8)	(12.4)
II. Food Credit	23081	43139	51254	56139	143.2	30.1
III. Non-food Credit	16409083	15918805	17457917	17686734	7.8	11.1
	(15878397)	(15345733)	(17001903)	(17248192)	(8.6)	(12.4)
1. Agriculture & Allied Activities	2071251	1991008	2223467	2239028	8.1	12.5
2. Industry (Micro and Small, Medium and Large)	3652804	3594212	3813094	3854429	5.5	7.2
	(3635810)	(3576973)	(3798411)	(3842044)	(5.7)	(7.4)
2.1 Micro and Small	726315	702319	757300	771039	6.2	9.8
2.2 Medium	303998	290336	340525	348108	14.5	19.9
2.3 Large	2622490	2601557	2715269	2735282	4.3	5.1
3. Services	4592227	4443778	4853884	4962520	8.1	11.7
	(4490467)	(4324463)	(4775839)	(4888308)	(8.9)	(13.0)
3.1 Transport Operators	230175	223095	249795	252966	9.9	13.4
3.2 Computer Software	25917	26706	31348	31582	21.9	18.3
3.3 Tourism, Hotels & Restaurants	77513	76621	79088	80218	3.5	4.7
3.4 Shipping	7067	6976	7521	7102	0.5	1.8
3.5 Aviation	43248	44326	46446	45979	6.3	3.7
3.6 Professional Services	167234	156386	184913	189578	13.4	21.2
3.7 Trade	1025752	974551	1081553	1111227	8.3	14.0
3.7.1. Wholesale Trade ¹	538744	506039	568471	584857	8.6	15.6
3.7.2 Retail Trade	487008	468512	513082	526370	8.1	12.3
3.8 Commercial Real Estate	469013	458080	514894	520913	11.1	13.7
	(400470)	(373674)	(461690)	(470949)	(17.6)	(26.0)
3.9 Non-Banking Financial Companies (NBFCs) ² of which,	1548027	1520234	1575306	1621767	4.8	6.7
3.9.1 Housing Finance Companies (HFCs)	325626	328787	322240	319910	-1.8	-2.7
3.9.2 Public Financial Institutions (PFIs)	226963	212038	196793	218657	-3.7	3.1
3.10 Other Services ³	998281	956803	1083020	1101188	10.3	15.1
	(978198)	(935526)	(1066187)	(1084711)	(10.9)	(15.9)
4. Personal Loans	5331290	5173253	5734856	5794866	8.7	12.0
	(4919468)	(4737443)	(5372892)	(5442956)	(10.6)	(14.9)
4.1 Consumer Durables	23713	24284	24698	24012	1.3	-1.1
4.2 Housing	2718715	2637781	2908672	2931739	7.8	11.1
	(2331935)	(2228347)	(2568430)	(2601206)	(11.5)	(16.7)
4.3 Advances against Fixed Deposits	125239	118330	131221	140998	12.6	19.2
4.4 Advances to Individuals against share & bonds	8492	8025	9791		15.3	22.0
4.5 Credit Card Outstanding	257016	251843	288997	291087	13.3	15.6
4.6 Education	119380	114955	131629	133140	11.5	15.8
4.7 Vehicle Loans	573398	563475	605587	613302	7.0	8.8
4.8 Loan against gold jewellery ⁴	102562	100723	164556	172581	68.3	71.3
4.9 Other Personal Loans	1402775	1353837	1471222	1478217	5.4	9.2
	(1377966)	(1327844)	(1449564)	(1456900)	(5.7)	(9.7)
5. Priority Sector (Memo)						
(i) Agriculture & Allied Activities ⁵	2081856	2005383	2210312	2236648	7.4	11.5
(ii) Micro & Small Enterprises ⁶	1974191	1914264	2092196	2145252	8.7	12.1
(iii) Medium Enterprises ⁷	490703	469534	556186	575433	17.3	22.6
(iv) Housing	755222	747897	752576	751317	-0.5	0.5
	(660572)	(649904)	(667694)	(667336)	(1.0)	(2.7)
(v) Education Loans	62235	61823	62645	62993	1.2	1.9
(vi) Renewable Energy	5991	5389	7458	8034	34.1	49.1
(vii) Social Infrastructure	2613	2567	1095	999	-61.8	-61.1
(viii) Export Credit	12855	12411	12668	12352	-3.9	-0.5
(ix) Others	61336	53282	54682	55134	-10.1	3.5
(x) Weaker Sections including net PSLC- SF/MF	1647778	1571355	1734996	1748608	6.1	11.3

Notes:

- (1) Data are provisional. Bank credit, Food credit and Non-food credit data are based on Section-42 return, which covers all scheduled commercial banks (SCBs), while sectoral non-food credit data are based on sector-wise and industry-wise bank credit (SIBC) return, which covers select banks accounting for about 95 per cent of total non-food credit extended by all SCBs, pertaining to the last reporting Friday of the month.

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

1 Wholesale trade includes food procurement credit outside the food credit consortium.

2 NBFCs include HFCs, PFIs, Microfinance Institutions (MFIs), NBFCs engaged in gold loan and others.

3 "Other Services" include Mutual Fund (MFs), Banking and Finance other than NBFCs and MFs, and other services which are not indicated elsewhere under services.

4 Since May 2024, a bank has changed the classification of a category of agricultural loan into "Loans against gold jewellery" under retail segment.

5 "Agriculture and Allied Activities" under the priority sector also include priority sector lending certificates (PSLCs).

6 "Micro and Small Enterprises" under the priority sector include credit to micro and small enterprises in industry and services sectors and also include PSLCs.

7 "Medium Enterprises" under the priority sector include credit to medium enterprises in industry and services sectors.

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

(₹ Crore)

Industry	Outstanding as on				Growth(%)	
	Mar. 22, 2024	2023	2024		Financial year so far	Y-o-Y
		Dec. 29	Nov. 29	Dec. 27	2024-25	2024
	1	2	3	4	%	%
2 Industries (2.1 to 2.19)	3652804 (3635810)	3594212 (3576973)	3813094 (3798411)	3854429 (3842044)	5.5 (5.7)	7.2 (7.4)
2.1 Mining & Quarrying (incl. Coal)	54166	54890	53357	53892	-0.5	-1.8
2.2 Food Processing	208864	191449	197552	211986	1.5	10.7
2.2.1 Sugar	26383	16773	16925	19889	-24.6	18.6
2.2.2 Edible Oils & Vanaspati	19700	21411	20296	21798	10.7	1.8
2.2.3 Tea	5692	5952	6509	6470	13.7	8.7
2.2.4 Others	157089	147313	153822	163829	4.3	11.2
2.3 Beverage & Tobacco	31136	28296	30182	30669	-1.5	8.4
2.4 Textiles	256048	250038	259458	264055	3.1	5.6
2.4.1 Cotton Textiles	99199	95797	95498	98163	-1.0	2.5
2.4.2 Jute Textiles	4280	4187	4295	4340	1.4	3.6
2.4.3 Man-Made Textiles	45111	45396	47526	48251	7.0	6.3
2.4.4 Other Textiles	107458	104657	112138	113303	5.4	8.3
2.5 Leather & Leather Products	12588	12131	12519	12804	1.7	5.5
2.6 Wood & Wood Products	23839	23384	25805	26601	11.6	13.8
2.7 Paper & Paper Products	46426	45500	51174	51508	10.9	13.2
2.8 Petroleum, Coal Products & Nuclear Fuels	132356	131320	144756	139840	5.7	6.5
2.9 Chemicals & Chemical Products	249347	246363	263302	263647	5.7	7.0
2.9.1 Fertiliser	37569	36026	31143	31829	-15.3	-11.6
2.9.2 Drugs & Pharmaceuticals	81036	80276	87569	88026	8.6	9.7
2.9.3 Petro Chemicals	23157	22774	30373	26038	12.4	14.3
2.9.4 Others	107584	107287	114217	117754	9.5	9.8
2.10 Rubber, Plastic & their Products	90420	87677	97032	98914	9.4	12.8
2.11 Glass & Glassware	12090	11347	12517	12507	3.5	10.2
2.12 Cement & Cement Products	59757	60244	61614	61541	3.0	2.2
2.13 Basic Metal & Metal Product	384447	382538	428244	432757	12.6	13.1
2.13.1 Iron & Steel	273803	270611	304598	306185	11.8	13.1
2.13.2 Other Metal & Metal Product	110645	111927	123647	126572	14.4	13.1
2.14 All Engineering	196643	190076	223986	227079	15.5	19.5
2.14.1 Electronics	43175	42761	52123	50108	16.1	17.2
2.14.2 Others	153468	147315	171863	176972	15.3	20.1
2.15 Vehicles, Vehicle Parts & Transport Equipment	113185	110441	113753	115180	1.8	4.3
2.16 Gems & Jewellery	84860	88740	87031	87797	3.5	-1.1
2.17 Construction	133520	131979	142057	143789	7.7	8.9
2.18 Infrastructure	1304096	1301712	1312607	1314369	0.8	1.0
2.18.1 Power	644042	645147	651955	656191	1.9	1.7
2.18.2 Telecommunications	138192	140178	122704	124624	-9.8	-11.1
2.18.3 Roads	318072	316917	333166	325833	2.4	2.8
2.18.4 Airports	7280	7184	8407	8733	20.0	21.6
2.18.5 Ports	6681	6891	6116	6282	-6.0	-8.8
2.18.6 Railways	13062	11439	11376	13325	2.0	16.5
2.18.7 Other Infrastructure	176767	173956	178884	179380	1.5	3.1
2.19 Other Industries	259016	246088	296148	305493	17.9	24.1

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

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

(₹ Crore)

Item	Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday								
	2023-24	2023	2024						
		Nov. 24	Sep. 27	Oct. 04	Oct. 18	Oct. 25	Nov. 01	Nov. 15	Nov. 29
	1	2	3	4	5	6	7	8	9
Number of Reporting Banks	33	33	34	34	34	34	34	34	34
1 Aggregate Deposits (2.1.1.2+2.2.1.2)	138788.9	134731.3	133236.7	131961.9	131965.1	132037.8	132552.8	138073.1	138154.1
2 Demand and Time Liabilities									
2.1 Demand Liabilities	30226.7	25612.9	27646.4	26781.0	25419.0	25724.0	25854.5	26021.8	26562.1
2.1.1 Deposits									
2.1.1.1 Inter-Bank	9101.3	6378.6	7743.1	7544.4	7243.0	7210.1	7147.7	7239.1	6670.1
2.1.1.2 Others	15000.4	13811.7	13473.1	13625.5	13121.6	13179.2	13327.5	13293.6	13187.7
2.1.2 Borrowings from Banks	130.0	299.8	179.9		190.0	639.7	574.6	449.8	1454.3
2.1.3 Other Demand Liabilities	5995.0	5122.8	6250.3	5611.1	4864.4	4695.0	4804.7	5039.2	5249.9
2.2 Time Liabilities	198141.8	172169.3	181476.5	176057.8	177986.9	177577.6	177539.8	178177.3	176625.0
2.2.1 Deposits									
2.2.1.1 Inter-Bank	72308.4	49028.6	59406.1	55990.1	56392.3	56169.6	55653.7	51788.5	50047.3
2.2.1.2 Others	123788.5	120919.6	119763.6	118336.4	118843.5	118858.6	119225.3	124779.5	124966.4
2.2.2 Borrowings from Banks	673.6	819.7	1143.3	683.0	1712.2	1460.2	1591.7	651.9	651.9
2.2.3 Other Time Liabilities	1371.3	1401.4	1163.5	1048.5	1038.9	1089.2	1069.1	957.3	959.5
3 Borrowing from Reserve Bank	0.0						0.0	0.0	0.0
4 Borrowings from a notified bank / Government	95914.5	80417.0	87696.9	87889.0	89225.0	88927.0	89398.0	173712.9	112111.7
4.1 Demand	27317.7	21638.3	23412.8	25815.3	25217.3	24980.3	25033.3	102827.6	45109.3
4.2 Time	68596.8	58778.7	64284.1	62074.0	64007.2	64224.1	64364.7	70885.3	67002.4
5 Cash in Hand and Balances with Reserve Bank	16263.7	10725.0	12368.8	12171.0	12371.3	11411.6	13169.8	12004.2	11145.5
5.1 Cash in Hand	960.0	684.5	780.9	781.6	838.2	818.0	828.9	772.6	821.1
5.2 Balance with Reserve Bank	15303.7	10040.5	11587.9	11389.5	11533.2	10593.6	12340.9	11231.6	10324.4
6 Balances with Other Banks in Current Account	2088.1	1598.5	1658.2	1178.6	1229.3	1135.9	1084.0	1035.0	1118.1
7 Investments in Government Securities	77700.5	73325.1	73488.7	74364.4	73111.6	73805.6	74545.3	75275.2	75074.9
8 Money at Call and Short Notice	34355.3	21174.1	15615.3	17561.1	17854.6	16692.6	16150.3	15588.7	12457.8
9 Bank Credit (10.1+11)	135141.9	127421.9	138973.3	135277.0	135003.0	136490.2	136802.8	167629.4	166666.0
10 Advances									
10.1 Loans, Cash-Credits and Overdrafts	134936.8	127336.5	138795.8	135082.7	134807.4	136282.1	136593.9	167432.0	166480.4
10.2 Due from Banks	142185.2	125133.8	143516.4	139711.1	141859.4	142706.5	143073.6	113950.8	111546.4
11 Bills Purchased and Discounted	205.1	85.4	177.5	194.2	195.6	208.1	208.9	197.4	185.6

Prices and Production

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

Group/Sub group	2023-24			Rural			Urban			Combined		
	Rural	Urban	Combined	Jan.24	Dec.24	Jan.25 (P)	Jan.24	Dec.24	Jan.25 (P)	Jan.24	Dec.24	Jan.25 (P)
	1	2	3	4	5	6	7	8	9	10	11	12
1 Food and beverages	185.9	192.7	188.4	187.7	203.9	198.8	194.2	209.4	204.6	190.1	205.9	200.9
1.1 Cereals and products	181.4	181.7	181.5	187.5	198.9	199.8	187.1	196.5	197.5	187.4	198.1	199.1
1.2 Meat and fish	213.0	221.3	215.9	209.9	219.1	220.9	219.4	228.7	230.8	213.2	222.5	224.4
1.3 Egg	185.4	189.5	187.0	204.8	209.8	206.1	206.1	215.8	210.8	205.3	212.1	207.9
1.4 Milk and products	181.4	181.5	181.4	182.6	187.3	187.7	182.8	187.9	188.2	182.7	187.5	187.9
1.5 Oils and fats	165.3	158.7	162.9	161.2	189.0	189.0	155.8	174.6	175.6	159.2	183.7	184.1
1.6 Fruits	172.1	179.9	175.7	169.7	189.0	192.1	174.5	192.4	193.8	171.9	190.6	192.9
1.7 Vegetables	183.9	229.9	199.5	179.9	242.4	203.6	226.2	289.2	245.6	195.6	258.3	217.8
1.8 Pulses and products	192.2	196.5	193.7	202.5	212.4	207.8	207.7	217.4	213.0	204.3	214.1	209.6
1.9 Sugar and confectionery	126.2	128.1	126.9	129.7	130.0	129.6	131.0	132.7	132.4	130.1	130.9	130.5
1.10 Spices	238.0	228.4	234.8	245.9	229.0	227.3	235.5	224.1	222.9	242.4	227.4	225.8
1.11 Non-alcoholic beverages	180.7	168.2	175.5	182.3	186.7	187.7	169.8	175.5	176.6	177.1	182.0	183.1
1.12 Prepared meals, snacks, sweets	193.3	200.9	196.8	195.0	201.2	201.7	203.1	211.7	212.9	198.8	206.1	206.9
2 Pan, tobacco and intoxicants	202.0	207.1	203.3	203.2	208.7	208.2	208.9	212.2	212.6	204.7	209.6	209.4
3 Clothing and footwear	192.9	181.5	188.4	194.6	199.4	199.7	183.1	187.8	188.1	190.0	194.8	195.1
3.1 Clothing	193.5	183.5	189.6	195.3	200.4	200.6	185.1	190.0	190.3	191.3	196.3	196.5
3.2 Footwear	189.4	170.2	181.4	190.4	193.7	193.9	171.8	175.6	176.0	182.7	186.2	186.5
4 Housing	--	176.7	176.7	--	--	--	177.6	181.7	182.5	177.6	181.7	182.5
5 Fuel and light	183.0	178.9	181.4	184.1	182.3	183.1	175.7	170.5	170.6	180.9	177.8	178.4
6 Miscellaneous	181.7	173.7	177.8	183.4	190.8	191.5	175.2	182.0	182.6	179.4	186.5	187.2
6.1 Household goods and services	181.5	171.8	176.9	182.9	187.0	187.3	173.0	178.3	178.8	178.2	182.9	183.3
6.2 Health	190.8	185.2	188.7	193.2	200.2	200.8	187.8	194.5	195.4	191.2	198.0	198.8
6.3 Transport and communication	171.1	161.4	166.0	172.0	176.7	177.2	162.1	165.8	166.1	166.8	171.0	171.4
6.4 Recreation and amusement	175.8	171.1	173.2	177.2	181.5	181.6	172.2	176.7	177.0	174.4	178.8	179.0
6.5 Education	184.0	179.1	181.1	185.8	192.2	192.5	180.8	187.9	188.0	182.9	189.7	189.9
6.6 Personal care and effects	186.3	187.4	186.8	188.6	206.3	208.4	189.9	208.0	210.2	189.1	207.0	209.1
General Index (All Groups)	185.6	182.4	184.1	187.3	198.4	196.0	183.5	192.0	190.6	185.5	195.4	193.5

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

No. 19: Other Consumer Price Indices

Item	Base Year	Linking Factor	2023-24	2023	2024	
				Dec.	Nov.	Dec.
	1	2	3	4	5	6
1 Consumer Price Index for Industrial Workers	2016	2.88	137.9	138.8	144.5	
2 Consumer Price Index for Agricultural Labourers	1986-87	5.89	1229	1257	1320	1320
3 Consumer Price Index for Rural Labourers	1986-87	-	1240	1267	1331	1331

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

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

Item	2023-24	2023	2024	
		Dec.	Nov.	Dec.
	1	2	3	4
1 Standard Gold (₹ per 10 grams)	60624	62173	76221	76195
2 Silver (₹ per kilogram)	72243	73926	90230	89265

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

No. 21: Wholesale Price Index

(Base: 2011-12 = 100)

Commodities	Weight	2023-24	2024			2025
			Jan.	Nov.	Dec.(P)	Jan.(P)
	1	2	3	4	5	6
1 ALL COMMODITIES	100.000	151.4	151.2	156.4	155.4	154.7
1.1 PRIMARY ARTICLES	22.618	183.0	181.4	197.9	193.8	189.9
1.1.1 FOOD ARTICLES	15.256	191.3	188.8	213.7	207.4	199.9
1.1.1.1 Food Grains (Cereals+Pulses)	3.462	193.8	199.4	214.7	213.8	213.2
1.1.1.2 Fruits & Vegetables	3.475	210.2	189.6	271.9	244.7	210.8
1.1.1.3 Milk	4.440	180.3	182.3	185.2	185.8	187.2
1.1.1.4 Eggs, Meat & Fish	2.402	172.1	168.7	173.1	174.7	174.7
1.1.1.5 Condiments & Spices	0.529	235.4	246.2	244.3	240.2	232.6
1.1.1.6 Other Food Articles	0.948	189.5	196.5	216.8	213.7	217.1
1.1.2 NON-FOOD ARTICLES	4.119	162.4	162.6	162.8	166.3	167.4
1.1.2.1 Fibres	0.839	168.0	162.9	159.4	159.5	161.7
1.1.2.2 Oil Seeds	1.115	185.0	183.1	185.6	182.8	183.0
1.1.2.3 Other non-food Articles	1.960	134.9	133.6	140.1	140.8	142.7
1.1.2.4 Floriculture	0.204	279.7	328.6	270.0	349.3	343.7
1.1.3 MINERALS	0.833	217.7	223.7	229.4	229.6	230.1
1.1.3.1 Metallic Minerals	0.648	204.2	207.3	219.8	219.9	219.1
1.1.3.2 Other Minerals	0.185	265.0	281.0	263.2	263.5	268.8
1.1.4 CRUDE PETROLEUM & NATURAL GAS	2.410	153.6	151.7	146.7	141.9	150.9
1.2 FUEL & POWER	13.152	152.0	154.9	149.9	149.9	150.6
1.2.1 COAL	2.138	136.4	136.2	135.5	135.6	135.6
1.2.1.1 Coking Coal	0.647	143.4	143.4	143.4	143.4	143.4
1.2.1.2 Non-Coking Coal	1.401	124.8	125.8	125.8	125.8	125.8
1.2.1.3 Lignite	0.090	267.6	246.6	230.9	231.2	231.2
1.2.2 MINERAL OILS	7.950	159.0	159.1	154.0	153.9	155.0
1.2.3 ELECTRICITY	3.064	145.0	157.2	149.4	149.4	149.7
1.3 MANUFACTURED PRODUCTS	64.231	140.2	139.7	143.1	143.0	143.2
1.3.1 MANUFACTURE OF FOOD PRODUCTS	9.122	160.5	160.3	177.5	176.7	177.0
1.3.1.1 Processing and Preserving of meat	0.134	145.3	145.6	154.1	155.4	156.8
1.3.1.2 Processing and Preserving of fish, Crustaceans, Molluscs and products thereof	0.204	142.9	140.8	148.9	143.9	145.1
1.3.1.3 Processing and Preserving of fruit and Vegetables	0.138	130.4	128.6	132.7	133.3	132.8
1.3.1.4 Vegetable and Animal oils and Fats	2.643	145.0	140.2	183.2	183.7	186.6
1.3.1.5 Dairy products	1.165	179.1	179.2	182.0	182.0	182.0
1.3.1.6 Grain mill products	2.010	175.6	181.2	190.4	190.2	189.6
1.3.1.7 Starches and Starch products	0.110	157.1	164.2	169.0	165.8	164.5
1.3.1.8 Bakery products	0.215	165.4	166.5	173.1	173.5	174.7
1.3.1.9 Sugar, Molasses & honey	1.163	134.6	137.9	138.1	136.1	138.3
1.3.1.10 Cocoa, Chocolate and Sugar confectionery	0.175	139.8	142.4	160.6	166.6	168.3
1.3.1.11 Macaroni, Noodles, Couscous and Similar farinaceous products	0.026	149.9	150.0	158.1	166.4	161.0
1.3.1.12 Tea & Coffee products	0.371	176.2	161.8	190.2	180.1	161.8
1.3.1.13 Processed condiments & salt	0.163	192.1	199.2	194.5	192.7	193.8
1.3.1.14 Processed ready to eat food	0.024	146.3	147.6	152.8	153.4	155.5
1.3.1.15 Health supplements	0.225	179.1	175.3	192.0	189.0	189.6
1.3.1.16 Prepared animal feeds	0.356	208.3	207.1	205.6	202.3	200.4
1.3.2 MANUFACTURE OF BEVERAGES	0.909	131.5	132.4	134.7	134.6	134.4
1.3.2.1 Wines & spirits	0.408	133.3	134.3	137.1	137.0	136.9
1.3.2.2 Malt liquors and Malt	0.225	135.6	136.8	139.1	139.1	138.9
1.3.2.3 Soft drinks; Production of mineral waters and Other bottled waters	0.275	125.5	125.8	127.7	127.3	127.1
1.3.3 MANUFACTURE OF TOBACCO PRODUCTS	0.514	173.5	174.2	177.0	177.0	177.4
1.3.3.1 Tobacco products	0.514	173.5	174.2	177.0	177.0	177.4

No. 21: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2023-24	2024			2025
			Jan.	Nov.	Dec.(P)	Jan.(P)
	1	2	3	4	5	6
1.3.4 MANUFACTURE OF TEXTILES	4.881	134.6	134.0	136.1	136.9	136.9
1.3.4.1 Preparation and Spinning of textile fibres	2.582	120.1	118.7	120.8	120.7	120.6
1.3.4.2 Weaving & Finishing of textiles	1.509	157.5	157.9	158.7	161.4	160.9
1.3.4.3 Knitted and Crocheted fabrics	0.193	120.0	118.0	122.7	123.5	124.1
1.3.4.4 Made-up textile articles, Except apparel	0.299	156.6	157.8	159.7	161.5	161.7
1.3.4.5 Cordage, Rope, Twine and Netting	0.098	139.2	137.5	143.2	144.4	146.1
1.3.4.6 Other textiles	0.201	129.6	130.8	136.8	134.0	136.7
1.3.5 MANUFACTURE OF WEARING APPAREL	0.814	150.8	150.9	153.7	154.4	154.1
1.3.5.1 Manufacture of Wearing Apparel (woven), Except fur Apparel	0.593	148.7	148.5	151.0	151.6	151.4
1.3.5.2 Knitted and Crocheted apparel	0.221	156.6	157.5	161.2	161.8	161.3
1.3.6 MANUFACTURE OF LEATHER AND RELATED PRODUCTS	0.535	124.1	123.5	125.8	125.6	126.3
1.3.6.1 Tanning and Dressing of leather; Dressing and Dyeing of fur	0.142	107.3	103.9	108.1	108.2	108.9
1.3.6.2 Luggage, HandbAgs, Saddlery and Harness	0.075	140.9	141.1	142.6	142.4	142.4
1.3.6.3 Footwear	0.318	127.7	128.1	129.8	129.4	130.3
1.3.7 MANUFACTURE OF WOOD AND PRODUCTS OF WOOD AND CORK	0.772	146.6	148.1	148.5	149.0	149.3
1.3.7.1 Saw milling and Planing of wood	0.124	137.8	136.1	142.9	142.3	141.6
1.3.7.2 Veneer sheets; Manufacture of plywood, Laminboard, Particle board and Other panels and Boards	0.493	146.1	148.6	147.2	148.1	148.7
1.3.7.3 Builder's carpentry and Joinery	0.036	206.4	210.1	214.2	214.6	214.5
1.3.7.4 Wooden containers	0.119	139.8	139.8	139.8	140.0	140.4
1.3.8 MANUFACTURE OF PAPER AND PAPER PRODUCTS	1.113	140.3	138.7	138.5	138.9	139.4
1.3.8.1 Pulp, Paper and Paperboard	0.493	147.6	145.6	143.4	143.1	143.9
1.3.8.2 Corrugated paper and Paperboard and Containers of paper and Paperboard	0.314	140.9	141.6	148.5	148.9	149.6
1.3.8.3 Other articles of paper and Paperboard	0.306	128.0	124.7	120.2	122.0	121.5
1.3.9 PRINTING AND REPRODUCTION OF RECORDED MEDIA	0.676	182.3	184.5	186.7	188.2	189.8
1.3.9.1 Printing	0.676	182.3	184.5	186.7	188.2	189.8
1.3.10 MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS	6.465	136.9	135.4	136.4	136.4	136.7
1.3.10.1 Basic chemicals	1.433	139.9	137.1	138.6	139.3	139.3
1.3.10.2 Fertilizers and Nitrogen compounds	1.485	142.8	141.4	143.5	143.0	143.4
1.3.10.3 Plastic and Synthetic rubber in primary form	1.001	132.3	131.2	133.2	132.8	133.5
1.3.10.4 Pesticides and Other agrochemical products	0.454	132.8	131.2	129.3	128.8	129.2
1.3.10.5 Paints, Varnishes and Similar coatings, Printing ink and Mastics	0.491	143.7	143.2	138.5	139.0	139.2
1.3.10.6 Soap and Detergents, Cleaning and Polishing preparations, Perfumes and Toilet preparations	0.612	139.7	138.9	139.9	140.4	140.4
1.3.10.7 Other chemical products	0.692	134.4	133.5	135.3	134.9	135.0
1.3.10.8 Man-made fibres	0.296	103.6	102.3	103.0	103.9	104.3
1.3.11 MANUFACTURE OF PHARMACEUTICALS, MEDICINAL CHEMICAL AND BOTANICAL PRODUCTS	1.993	142.9	143.0	144.1	144.1	145.0
1.3.11.1 Pharmaceuticals, Medicinal chemical and Botanical products	1.993	142.9	143.0	144.1	144.1	145.0
1.3.12 MANUFACTURE OF RUBBER AND PLASTICS PRODUCTS	2.299	127.5	127.2	128.6	129.1	129.3
1.3.12.1 Rubber Tyres and Tubes; Retreading and Rebuilding of Rubber Tyres	0.609	113.7	113.7	116.7	117.1	116.9
1.3.12.2 Other Rubber Products	0.272	107.3	107.7	111.7	111.9	112.4
1.3.12.3 Plastics products	1.418	137.3	136.8	137.0	137.5	137.9
1.3.13 MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS	3.202	134.7	134.4	131.4	131.3	131.8
1.3.13.1 Glass and Glass products	0.295	163.8	164.2	162.1	163.4	163.5
1.3.13.2 Refractory products	0.223	119.7	119.1	123.5	125.3	125.3
1.3.13.3 Clay Building Materials	0.121	123.9	116.2	127.5	123.3	131.9
1.3.13.4 Other Porcelain and Ceramic Products	0.222	122.3	123.3	124.6	124.6	124.9
1.3.13.5 Cement, Lime and Plaster	1.645	137.3	137.2	130.1	129.5	130.0

No. 21: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2023-24	2024			2025
			Jan.	Nov.	Dec.(P)	Jan.(P)
	1	2	3	4	5	6
1.3.13.6 Articles of Concrete, Cement and Plaster	0.292	137.7	137.7	139.6	139.7	139.6
1.3.13.7 Cutting, Shaping and Finishing of Stone	0.234	130.3	131.7	135.2	135.9	135.5
1.3.13.8 Other Non-Metallic Mineral Products	0.169	102.4	101.4	93.7	94.2	94.1
1.3.14 MANUFACTURE OF BASIC METALS	9.646	141.0	138.8	138.6	137.6	137.1
1.3.14.1 Inputs into steel making	1.411	140.3	135.5	132.1	130.2	129.3
1.3.14.2 Metallic Iron	0.653	153.6	150.8	138.7	133.4	131.8
1.3.14.3 Mild Steel - Semi Finished Steel	1.274	119.9	117.2	117.5	116.9	116.7
1.3.14.4 Mild Steel -Long Products	1.081	141.3	138.3	140.2	139.5	138.7
1.3.14.5 Mild Steel - Flat products	1.144	143.4	140.6	131.9	129.6	129.9
1.3.14.6 Alloy steel other than Stainless Steel- Shapes	0.067	137.6	133.1	133.7	132.3	132.8
1.3.14.7 Stainless Steel - Semi Finished	0.924	136.4	131.8	126.8	129.0	127.7
1.3.14.8 Pipes & tubes	0.205	169.7	166.8	163.5	162.7	164.1
1.3.14.9 Non-ferrous metals incl. precious metals	1.693	144.8	145.0	157.7	156.6	157.3
1.3.14.10 Castings	0.925	141.0	142.7	145.4	146.2	144.8
1.3.14.11 Forgings of steel	0.271	173.3	174.6	172.8	172.1	172.4
1.3.15 MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT	3.155	138.6	137.8	135.3	136.1	135.4
1.3.15.1 Structural Metal Products	1.031	132.3	132.8	129.3	130.9	130.2
1.3.15.2 Tanks, Reservoirs and Containers of Metal	0.660	157.6	153.9	146.9	147.6	147.4
1.3.15.3 Steam generators, Except Central Heating Hot Water Boilers	0.145	106.3	106.4	111.3	112.5	111.1
1.3.15.4 Forging, Pressing, Stamping and Roll-Forming of Metal; Powder Metallurgy	0.383	141.4	141.6	141.5	140.6	137.9
1.3.15.5 Cutlery, Hand Tools and General Hardware	0.208	108.4	109.3	102.2	102.4	102.5
1.3.15.6 Other Fabricated Metal Products	0.728	143.8	142.8	144.3	145.1	144.8
1.3.16 MANUFACTURE OF COMPUTER, ELECTRONIC AND OPTICAL PRODUCTS	2.009	119.3	119.5	121.3	121.2	121.5
1.3.16.1 Electronic Components	0.402	115.0	114.2	117.3	118.4	118.3
1.3.16.2 Computers and Peripheral Equipment	0.336	135.3	135.1	133.6	132.6	132.7
1.3.16.3 Communication Equipment	0.310	136.1	139.7	145.9	146.2	146.3
1.3.16.4 Consumer Electronics	0.641	103.6	102.8	100.2	100.0	100.0
1.3.16.5 Measuring, Testing, Navigating and Control equipment	0.181	113.8	114.0	120.9	121.1	121.9
1.3.16.6 Watches and Clocks	0.076	157.2	159.3	172.7	167.7	172.7
1.3.16.7 Irradiation, Electromedical and Electrotherapeutic equipment	0.055	108.3	109.0	115.2	116.5	116.1
1.3.16.8 Optical instruments and Photographic equipment	0.008	103.8	103.1	108.7	108.7	108.9
1.3.17 MANUFACTURE OF ELECTRICAL EQUIPMENT	2.930	131.4	132.1	133.8	134.1	134.1
1.3.17.1 Electric motors, Generators, Transformers and Electricity distribution and Control apparatus	1.298	130.1	131.4	132.5	133.4	133.1
1.3.17.2 Batteries and Accumulators	0.236	137.8	138.9	141.7	141.3	140.9
1.3.17.3 Fibre optic cables for data transmission or live transmission of images	0.133	123.4	123.1	117.5	118.0	116.8
1.3.17.4 Other electronic and Electric wires and Cables	0.428	146.1	145.9	154.5	154.1	154.8
1.3.17.5 Wiring devices, Electric lighting & display equipment	0.263	116.8	117.7	117.8	117.6	117.9
1.3.17.6 Domestic appliances	0.366	133.8	134.0	131.8	131.8	132.0
1.3.17.7 Other electrical equipment	0.206	120.9	120.6	124.8	125.1	124.7
1.3.18 MANUFACTURE OF MACHINERY AND EQUIPMENT	4.789	129.0	129.8	130.5	130.6	131.0
1.3.18.1 Engines and Turbines, Except aircraft, Vehicle and Two wheeler engines	0.638	128.9	129.7	133.6	132.5	133.3
1.3.18.2 Fluid power equipment	0.162	131.9	132.1	134.6	134.7	135.6
1.3.18.3 Other pumps, Compressors, Taps and Valves	0.552	117.4	118.0	118.7	118.8	118.8
1.3.18.4 Bearings, Gears, Gearing and Driving elements	0.340	127.7	129.6	128.1	129.0	129.7
1.3.18.5 Ovens, Furnaces and Furnace burners	0.008	83.7	85.3	86.5	86.9	87.4
1.3.18.6 Lifting and Handling equipment	0.285	128.6	129.0	130.0	129.9	129.6

No. 21: Wholesale Price Index (Concl.)

(Base: 2011-12 = 100)

Commodities	Weight	2023-24	2024			2025
			Jan.	Nov.	Dec.(P)	Jan.(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	145.2	146.1	142.8	142.7	142.0
1.3.18.9 Agricultural and Forestry machinery	0.833	142.5	144.1	145.6	145.8	146.7
1.3.18.10 Metal-forming machinery and Machine tools	0.224	122.5	122.0	123.1	123.1	123.1
1.3.18.11 Machinery for mining, Quarrying and Construction	0.371	88.6	88.7	89.5	90.0	91.0
1.3.18.12 Machinery for food, Beverage and Tobacco processing	0.228	124.4	124.2	126.0	126.2	126.9
1.3.18.13 Machinery for textile, Apparel and Leather production	0.192	137.2	135.7	138.2	141.3	141.6
1.3.18.14 Other special-purpose machinery	0.468	144.7	145.7	144.3	144.1	143.9
1.3.18.15 Renewable electricity generating equipment	0.046	70.8	70.7	68.6	68.8	69.0
1.3.19 MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	4.969	128.4	128.5	129.4	129.8	130.1
1.3.19.1 Motor vehicles	2.600	128.5	128.3	129.7	130.5	131.0
1.3.19.2 Parts and Accessories for motor vehicles	2.368	128.2	128.7	129.0	129.1	129.0
1.3.20 MANUFACTURE OF OTHER TRANSPORT EQUIPMENT	1.648	143.1	143.4	145.7	145.8	145.7
1.3.20.1 Building of ships and Floating structures	0.117	163.7	163.7	177.9	177.9	188.4
1.3.20.2 Railway locomotives and Rolling stock	0.110	107.4	110.4	107.8	108.4	108.4
1.3.20.3 Motor cycles	1.302	144.7	144.8	147.0	147.0	146.0
1.3.20.4 Bicycles and Invalid carriages	0.117	137.9	138.2	133.3	135.1	134.4
1.3.20.5 Other transport equipment	0.002	159.2	159.6	162.9	163.7	165.7
1.3.21 MANUFACTURE OF FURNITURE	0.727	159.6	160.0	162.9	161.3	161.8
1.3.21.1 Furniture	0.727	159.6	160.0	162.9	161.3	161.8
1.3.22 OTHER MANUFACTURING	1.064	158.2	160.8	183.8	183.1	186.9
1.3.22.1 Jewellery and Related articles	0.996	157.9	160.9	185.3	184.6	188.8
1.3.22.2 Musical instruments	0.001	187.0	190.6	205.2	200.6	197.2
1.3.22.3 Sports goods	0.012	155.2	155.3	167.8	167.9	167.7
1.3.22.4 Games and Toys	0.005	159.6	159.9	163.6	163.5	164.4
1.3.22.5 Medical and Dental instruments and Supplies	0.049	163.1	161.2	158.6	158.6	156.5
2 FOOD INDEX	24.378	179.8	178.1	200.2	195.9	191.4

Source: Office of the Economic Adviser, Ministry of Commerce and Industry, Government of India.

No. 22: Index of Industrial Production (Base:2011-12=100)

Industry	Weight	2022-23	2023-24	April-December		December	
				2023-24	2024-25	2023	2024
	1	2	3	4	5	6	7
General Index	100.00	138.5	146.7	144.4	150.2	152.3	157.2
1 Sectoral Classification							
1.1 Mining	14.37	119.9	128.9	122.9	127.0	139.5	143.1
1.2 Manufacturing	77.63	137.1	144.7	142.7	148.4	151.6	156.2
1.3 Electricity	7.99	185.2	198.3	199.0	209.8	181.6	192.8
2 Use-Based Classification							
2.1 Primary Goods	34.05	139.2	147.7	145.2	150.8	151.9	157.7
2.2 Capital Goods	8.22	100.3	106.6	103.6	108.9	103.8	114.5
2.3 Intermediate Goods	17.22	149.4	157.3	155.2	162.2	159.8	169.3
2.4 Infrastructure/ Construction Goods	12.34	160.7	176.3	172.7	183.2	180.3	191.7
2.5 Consumer Durables	12.84	114.5	118.6	116.6	126.8	114.5	124.0
2.6 Consumer Non-Durables	15.33	147.7	153.7	152.8	150.5	179.7	166.0

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

Government Accounts and Treasury Bills

No. 23: Union Government Accounts at a Glance

(₹ Crore)

Item	Financial Year	April – December			
	2024-25 (Revised Estimates)	2024-25 (Actuals)	2023-24 (Actuals)	Percentage to Revised Estimates	
	1	2	3	2024-25	2023-24
1 Revenue Receipts	3087960	2290710	2042289	74.2	75.6
1.1 Tax Revenue (Net)	2556960	1843053	1729931	72.1	74.4
1.2 Non-Tax Revenue	531000	447657	312358	84.3	83.1
2 Non Debt Capital Receipt	59000	27295	29650	46.3	52.9
2.1 Recovery of Loans	26000	18301	19597	70.4	75.4
2.2 Other Receipts	33000	8994	10053	27.3	33.5
3 Total Receipts (excluding borrowings) (1+2)	3146960	2318005	2071939	73.7	75.2
4 Revenue Expenditure of which :	3698058	2546757	2380587	68.9	67.2
4.1 Interest Payments	1137940	808313	748207	71.0	70.9
5 Capital Expenditure	1018429	685337	673630	67.3	70.9
6 Total Expenditure (4+5)	4716487	3232094	3054217	68.5	68.0
7 Revenue Deficit (4-1)	610098	256047	338298	42.0	40.2
8 Fiscal Deficit (6-3)	1569527	914089	982278	58.2	56.6
9 Gross Primary Deficit (8-4.1)	431587	105776	234071	24.5	34.5

Source: Controller General of Accounts (CGA), Ministry of Finance, Government of India and Union Budget 2025-26.

No. 24: Treasury Bills – Ownership Pattern

(₹ Crore)

Item	2023-24	2023	2024					
		Dec. 29	Nov. 22	Nov. 29	Dec. 6	Dec. 13	Dec. 20	Dec. 27
	1	2	3	4	5	6	7	8
1 91-day								
1.1 Banks	18054	9694	3054	3848	3875	3966	4311	8030
1.2 Primary Dealers	22676	16909	9025	9398	10342	8735	10210	6404
1.3 State Governments	5701	24851	79060	82560	84296	86046	95646	109146
1.4 Others	88670	75897	81021	78354	75883	75899	81079	88165
2 182-day								
2.1 Banks	84913	79976	40000	42525	42131	42959	46651	49106
2.2 Primary Dealers	87779	60167	32689	30551	29378	29890	33579	34108
2.3 State Governments	4070	8887	12265	11265	11265	10265	6515	8515
2.4 Others	102311	78861	78212	80824	84891	86751	81370	80386
3 364-day								
3.1 Banks	91819	102529	78510	75027	75344	77042	76504	76181
3.2 Primary Dealers	159085	177911	108012	106748	105794	104793	105013	104156
3.3 State Governments	41487	44909	35829	35933	34438	35686	35632	35184
3.4 Others	165095	168561	169478	171225	168862	165165	162483	160663
4 14-day Intermediate								
4.1 Banks								
4.2 Primary Dealers								
4.3 State Governments	318736	198774	190890	188494	126670	174019	182802	173736
4.4 Others	442	1780	1357	551	1729	546	1074	449
Total Treasury Bills (Excluding 14 day Intermediate T Bills) #	871662	849151	727154	728257	726498	727197	738993	760045

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

Note: Primary Dealers (PDs) include banks undertaking PD business.

No. 25: Auctions of Treasury Bills

(Amount in ₹ Crore)

Date of Auction	Notified Amount	Bids Received			Bids Accepted			Total Issue (6+7)	Cutoff 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										
2024-25										
Nov. 27	7000	93	19172	10028	49	6972	10028	17000	98.41	6.4929
Dec. 4	7000	112	23634	9796	34	6941	9796	16737	98.42	6.4287
Dec. 11	7000	109	27635	9591	35	6959	9591	16550	98.42	6.4478
Dec. 18	7000	106	25391	9625	33	6975	9625	16600	98.41	6.4726
Dec. 26	7000	80	23077	13523	32	6977	13523	20500	98.39	6.5489
182-day Treasury Bills										
2024-25										
Nov. 27	6000	96	20278	1015	38	5985	1015	7000	96.79	6.6599
Dec. 4	6000	66	22335	1530	11	5970	1530	7500	96.84	6.5386
Dec. 11	6000	78	13477	1216	57	5984	1216	7200	96.81	6.6100
Dec. 18	6000	107	20487	819	44	5981	819	6800	96.80	6.6400
Dec. 26	6000	93	19875	2019	33	5981	2019	8000	96.77	6.7000
364-day Treasury Bills										
2024-25										
Nov. 27	6000	72	14513	119	41	5994	119	6114	93.78	6.6545
Dec. 4	6000	91	19692	119	23	5986	119	6106	93.89	6.5295
Dec. 11	6000	82	16529	1285	42	5987	1285	7272	93.84	6.5780
Dec. 18	6000	96	18029	137	51	5965	137	6102	93.80	6.6300
Dec. 26	6000	88	23340	1672	21	5991	1672	7662	93.75	6.6878

Financial Markets

No. 26: Daily Call Money Rates

(Per cent per annum)

As on	Range of Rates	Weighted Average Rates
	Borrowings/ Lendings	Borrowings/ Lendings
	1	2
December 02 ,2024	5.10-6.65	6.51
December 03 ,2024	5.10-6.50	6.44
December 04 ,2024	5.10-6.60	6.42
December 05 ,2024	5.10-6.75	6.54
December 06 ,2024	5.50-6.75	6.52
December 07 ,2024	5.50-6.70	6.15
December 09 ,2024	5.50-6.75	6.56
December 10 ,2024	5.50-6.85	6.67
December 11 ,2024	5.50-6.90	6.70
December 12 ,2024	5.50-6.80	6.62
December 13 ,2024	5.50-6.85	6.68
December 16 ,2024	5.50-6.90	6.70
December 17 ,2024	5.10-6.85	6.70
December 18 ,2024	5.10-6.85	6.69
December 19 ,2024	5.10-6.90	6.71
December 20 ,2024	5.10-7.00	6.74
December 21 ,2024	5.50-6.80	6.14
December 23 ,2024	5.10-6.90	6.74
December 24 ,2024	5.10-6.90	6.71
December 26 ,2024	5.10-6.85	6.66
December 27 ,2024	5.10-7.00	6.77
December 30 ,2024	5.10-7.00	6.74
December 31 ,2024	5.10-7.25	6.87
January 1, 2025	5.10-6.70	6.52
January 2, 2025	5.10-6.60	6.47
January 3, 2025	5.10-6.75	6.50
January 4, 2025	5.75-6.60	6.12
January 6, 2025	5.10-6.80	6.64
January 7, 2025	5.10-6.95	6.73
January 8, 2025	5.10-7.05	6.74
January 9, 2025	5.10-7.05	6.82
January 10, 2025	5.10-7.10	6.87
January 13, 2025	5.70-7.10	6.81
January 14, 2025	5.50-6.75	6.52
January 15, 2025	5.10-6.70	6.45

Note: Includes Notice Money.

No. 27: Certificates of Deposit

Item	2023	2024				2025	
	Dec. 29	Nov. 15	Nov. 29	Dec. 13	Dec. 27	Jan. 10	Jan. 24
	1	2	3	4	5	6	7
1 Amount Outstanding (₹ Crore)	344752.77	489838.50	491658.72	488257.46	494416.56	493930.59	499396.94
1.1 Issued during the fortnight (₹ Crore)	38992.46	46552.33	40434.94	74226.34	59838.75	33890.42	30080.60
2 Rate of Interest (per cent)	7.27-7.98	6.98-7.85	6.98-7.60	6.96-7.75	7.02-7.85	7.05-7.48	7.07-7.88

No. 28: Commercial Paper

Item	2023	2024			
	Dec. 31	Nov. 15	Nov. 30	Dec. 15	Dec. 31
	1	2	3	4	5
1 Amount Outstanding (₹ Crore)	364181.25	448862.80	445122.05	463801.30	435779.45
1.1 Reported during the fortnight (₹ Crore)	42874.35	50771.85	64504.65	98956.25	51524.05
2 Rate of Interest (per cent)	7.02-12.13	6.99-13.77	7.00-12.61	7.00-11.89	6.98-12.00

No. 29: Average Daily Turnover in Select Financial Markets

(₹ Crore)

Item	2023-24	2023	2024					
		Dec. 29	Nov. 22	Nov. 29	Dec. 6	Dec. 13	Dec. 20	Dec. 27
	1	2	3	4	5	6	7	8
1 Call Money	17761	17285	14474	14605	15780	21252	21302	18396
2 Notice Money	2550	5238	331	4241	3744	213	4378	177
3 Term Money	871	598	895	1743	843	720	896	539
4 Triparty Repo	601363	708714	707471	939435	719747	695288	825455	698889
5 Market Repo	574534	512436	493723	585745	512219	521188	616987	452238
6 Repo in Corporate Bond	1817	1207	4588	5114	5835	5302	6123	8475
7 Forex (US \$ million)	95115	121622	108061	123525	128628	135496	129131	130014
8 Govt. of India Dated Securities	90992	52022	76147	83490	161875	135854	92916	63621
9 State Govt. Securities	6102	6640	5307	4154	8593	6813	7900	10874
10 Treasury Bills								
10.1 91-Day	5378	7661	3669	1988	2217	3692	3586	6006
10.2 182-Day	6079	5339	3533	3800	1887	2802	2153	3089
10.3 364-Day	4307	5623	3550	3800	2706	2906	1851	2669
10.4 Cash Management Bills			0	0	0	0	0	0
11 Total Govt. Securities (8+9+10)	112858	77285	92206	97232	177278	152067	108407	86258
11.1 RBI	492	46	15	213	320	286	666	306

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

(Amount in ₹ Crore)

Security & Type of Issue	2023-24		2023-24 (Apr.-Dec.)		2024-25 (Apr.-Dec.) *		Dec. 2023		Dec. 2024 *	
	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	339	80942	243	57411	368	189018	33	9572	48	31119
1.1 Public	272	65832	195	50873	261	172137	31	9534	34	27031
1.2 Rights	67	15110	48	6538	107	16881	2	38	14	4088
2 Public Issue of Bonds/ Debentures	44	16342	32	12932	32	6628	6	2014	3	722
3 Total (1+2)	383	97284	275	70343	400	195646	39	11586	51	31841
3.1 Public	316	82174	227	63805	293	178765	37	11548	37	27753
3.2 Rights	67	15110	48	6538	107	16881	2	38	14	4088

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.

* : Data is Provisional

External Sector

No. 31: Foreign Trade

Item	Unit	2023-24	2023	2024				
			Dec.	Aug.	Sep.	Oct.	Nov.	Dec.
		1	2	3	4	5	6	7
1 Exports	₹ Crore	3618952	319716	289305	287578	327712	270298	323039
	US \$ Million	437072	38391	34484	34314	39000	32039	38011
1.1 Oil	₹ Crore	696850	57369	47817	37764	37175	30891	41787
	US \$ Million	84157	6889	5700	4506	4424	3662	4917
1.2 Non-oil	₹ Crore	2922102	262347	241488	249814	290537	239406	281252
	US \$ Million	352915	31502	28784	29808	34576	28378	33094
2 Imports	₹ Crore	5616042	475950	524948	452606	530437	538792	509477
	US \$ Million	678215	57152	62571	54005	63125	63865	59948
2.1 Oil	₹ Crore	1480232	124422	92396	104574	153628	134229	129782
	US \$ Million	178733	14940	11013	12478	18283	15911	15271
2.2 Non-oil	₹ Crore	4135810	351528	432552	348032	376809	404562	379695
	US \$ Million	499482	42211	51558	41527	44842	47954	44677
3 Trade Balance	₹ Crore	-1997090	-156235	-235643	-165028	-202725	-268494	-186438
	US \$ Million	-241143	-18760	-28087	-19691	-24125	-31825	-21937
3.1 Oil	₹ Crore	-783382	-67054	-44579	-66811	-116453	-103338	-87995
	US \$ Million	-94576	-8052	-5314	-7972	-13859	-12249	-10354
3.2 Non-oil	₹ Crore	-1213708	-89181	-191064	-98217	-86272	-165156	-98443
	US \$ Million	-146567	-10709	-22774	-11719	-10267	-19577	-11583

Note: Data in the table are provisional.

Source: Directorate General of Commercial Intelligence and Statistics.

No. 32: Foreign Exchange Reserves

Item	Unit	2024		2025				
		Feb. 02	Dec. 27	Jan. 03	Jan. 10	Jan. 17	Jan. 24	Jan. 31
		1	2	3	4	5	6	7
1 Total Reserves	₹ Crore	5161947	5476869	5443633	5380402	5404532	5426706	5461741
	US \$ Million	622469	640279	634585	625871	623983	629557	630607
1.1 Foreign Currency Assets	₹ Crore	4572053	4721047	4679273	4607932	4617658	4636524	4656917
	US \$ Million	551331	551921	545480	536011	533133	537891	537684
1.2 Gold	₹ Crore	398786	566843	575530	583572	597172	600379	614007
	US \$ Million	48088	66268	67092	67883	68947	69651	70893
	Volume (Metric Tonnes)	812.33	876.18	876.18	877.14	877.14	877.14	879.01
1.3 SDRs	SDRs Million	13688	13705	13705	13705	13705	13705	13705
	₹ Crore	150849	152881	152818	152861	154015	153955	154942
	US \$ Million	18190	17873	17815	17781	17782	17861	17889
1.4 Reserve Tranche Position in IMF	₹ Crore	40260	36097	36012	36037	35687	35848	35875
	US \$ Million	4860	4217	4199	4195	4122	4154	4141

* 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 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.

No. 33: Non-Resident Deposits

(US \$ Million)

Scheme	Outstanding				Flows	
	2023-24	2023	2024		2023-24	2024-25
		Dec.	Nov.	Dec. (P)	Apr.-Dec.	Apr.-Dec.(P)
	1	2	3	4	5	6
1 NRI Deposits	151879	146909	162697	161804	9338	13333
1.1 FCNR(B)	25733	22815	32040	32198	3452	6465
1.2 NR(E)RA	98624	97692	100666	99565	2916	3572
1.3 NRO	27522	26403	29992	30041	2970	3296

P: Provisional.

No. 34: Foreign Investment Inflows

(US \$ Million)

Item	2023-24	2023-24	2024-25 (P)	2023	2024 (P)	
		Apr.-Dec.	Apr.-Dec.	Dec.	Nov.	Dec.
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1-1.1.2)	10129	7846	1180	-656	-2630	707
1.1.1 Direct Investment to India (1.1.1.1-1.1.1.2)	26807	18760	18487	1312	-97	2461
1.1.1.1 Gross Inflows/Gross Investments	71279	51821	62483	4628	5373	6838
1.1.1.1.1 Equity	45817	33055	41385	2495	2370	4458
1.1.1.1.1.1 Government (SIA/FIPB)	585	327	1848	103	72	1248
1.1.1.1.1.2 RBI	31826	21067	27367	1278	1676	1543
1.1.1.1.1.3 Acquisition of shares	12013	10643	11457	993	537	1583
1.1.1.1.1.4 Equity capital of unincorporated bodies	1394	1018	712	121	85	85
1.1.1.1.2 Reinvested earnings	19768	14435	16873	1718	1996	1996
1.1.1.1.3 Other capital	5694	4330	4225	414	1007	383
1.1.1.2 Repatriation/Disinvestment	44472	33061	43996	3316	5470	4377
1.1.1.2.1 Equity	41334	30401	42311	2924	5088	4299
1.1.1.2.2 Other capital	3137	2660	1685	392	382	77
1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3-1.1.2.4)	16678	10914	17307	1968	2533	1754
1.1.2.1 Equity capital	9111	5902	9861	902	1020	1164
1.1.2.2 Reinvested Earnings	5786	4339	4474	482	482	482
1.1.2.3 Other Capital	5406	3591	5581	773	1230	640
1.1.2.4 Repatriation/Disinvestment	3624	2918	2608	189	200	532
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3-1.2.4)	44081	32690	9252	9555	-2379	1712
1.2.1 GDRs/ADRs	-	-	-	-	-	-
1.2.2 FIIs	44626	33047	9107	9442	-2396	1766
1.2.3 Offshore funds and others	-	-	-	-	-	-
1.2.4 Portfolio investment by India	544	357	-145	-114	-17	54
1 Foreign Investment Inflows	54210	40535	10432	8899	-5008	2419

P: Provisional

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

(US \$ Million)

Item	2023-24	2023	2024		
		Dec.	Oct.	Nov.	Dec.
	1	2	3	4	5
1 Outward Remittances under the LRS	31735.74	2402.07	2408.01	1946.43	2315.96
1.1 Deposit	916.45	26.64	39.06	40.21	48.10
1.2 Purchase of immovable property	242.51	12.17	24.96	23.53	30.14
1.3 Investment in equity/debt	1510.89	101.43	149.34	85.79	179.34
1.4 Gift	3580.27	190.77	216.30	216.51	229.47
1.5 Donations	11.31	0.71	0.66	0.62	0.63
1.6 Travel	17006.27	1548.65	1454.66	1113.78	1323.64
1.7 Maintenance of close relatives	4611.53	219.71	283.75	276.78	279.02
1.8 Medical Treatment	79.62	7.79	8.49	7.49	5.13
1.9 Studies Abroad	3478.65	267.56	221.18	172.40	210.20
1.10 Others	298.23	26.65	9.62	9.32	10.31

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

Item	2022-23	2023-24	2024		2025
			Jan	Dec	Jan
	1	2	3	4	5
40-Currency Basket (Base: 2015-16=100)					
1 Trade-Weighted					
1.1 NEER	91.20	90.75	90.70	91.69	90.84
1.2 REER	102.78	103.71	103.70	107.13	104.82
2 Export-Weighted					
2.1 NEER	93.01	93.13	93.24	94.02	93.23
2.2 REER	101.10	101.23	101.21	103.92	101.75
6-Currency Basket (Trade-weighted)					
1 Base : 2015-16 =100					
1.1 NEER	85.93	83.62	83.15	82.78	82.02
1.2 REER	101.80	101.66	101.74	104.64	102.76
2 Base : 2022-23 =100					
2.1 NEER	100.00	97.31	96.76	96.33	95.45
2.2 REER	100.00	99.86	99.94	102.79	100.93
Memo Items					
INR-USD Rate	80.36	82.79	83.12	84.99	86.27
India's CPI Inflation (per cent)	6.7	5.4	5.1	5.2	4.3

Notes: 1. Annual data on NEER and REER are based on annual averages of exchange rates while monthly data are based on monthly averages of exchange rates.
2. Data for 2023-24 and 2024-25 so far are provisional.

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

(Amount in US \$ Million)

Item	2023-24	2023	2024	
		Dec.	Nov.	Dec.
	1	2	3	4
1 Automatic Route				
1.1 Number	1188	95	82	112
1.2 Amount	29461	3693	1398	6234
2 Approval Route				
2.1 Number	33	3	4	12
2.2 Amount	19748	1450	1435	3309
3 Total (1+2)				
3.1 Number	1221	98	86	124
3.2 Amount	49209	5143	2833	9543
4 Weighted Average Maturity (in years)	5.60	4.90	5.80	4.50
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over alternative reference rate (ARR) for Floating Rate Loans@	1.66	1.85	1.18	1.45
5.2 Interest rate range for Fixed Rate Loans	0.00-27.00	0.00-10.50	0.00-11.00	0.00-10.60
Borrower Category				
I. Corporate Manufacturing	15836	519	1419	3685
II. Corporate-Infrastructure	15916	2623	372	533
a.) Transport	1505	240	0	0
b.) Energy	3513	1963	60	0
c.) Water and Sanitation	33	0	0	0
d.) Communication	6309	0	0	0
e.) Social and Commercial Infrastructure	115	0	0	0
f.) Exploration, Mining and Refinery	2480	420	312	530
g.) Other Sub-Sectors	1961	0	0	3
III. Corporate Service-Sector	1526	58	256	685
IV. Other Entities	1728	750	0	3
a.) units in SEZ	1	0	0	3
b.) SIDBI	0	0	0	0
c.) Exim Bank	1727	750	0	0
V. Banks	0	0	0	0
VI. Financial Institution (Other than NBFC)	20	0	0	-
VII. NBFCs	13361	1131	743	4614
a). NBFC- IFC/AFC	7734	700	75	3042
b). NBFC-MFI	531	11	0	0
c). NBFC-Others	5096	420	668	1572
VIII. Non-Government Organization (NGO)	0	0	0	0
IX. Micro Finance Institution (MFI)	0	0	0	0
X. Others	822	62	43	23

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

@ With effect from July 01, 2023, the benchmark rate is changed to Alternative Reference Rate (ARR)

No. 38: India's Overall Balance of Payments

(US\$ Million)

Item	Jul-Sep 2023			Jul-Sep 2024 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance Of Payments (1+2+3)	438441	435922	2519	553557	534943	18614
1 Current Account (1.1+ 1.2)	231670	242956	-11286	245671	256854	-11182
1.1 Merchandise	108254	172799	-64544	103967	179285	-75319
1.2 Invisibles (1.2.1+1.2.2+1.2.3)	123416	70158	53258	141705	77568	64137
1.2.1 Services	83352	43411	39940	93493	48943	44550
1.2.1.1 Travel	7482	8662	-1180	7635	9367	-1732
1.2.1.2 Transportation	7054	7277	-223	8792	9188	-396
1.2.1.3 Insurance	828	821	7	902	786	116
1.2.1.4 G.n.i.e.	140	244	-104	147	316	-169
1.2.1.5 Miscellaneous	67848	26408	41440	76017	29287	46730
1.2.1.5.1 Software Services	39570	4333	35237	44164	4539	39624
1.2.1.5.2 Business Services	21472	13673	7799	25176	15548	9628
1.2.1.5.3 Financial Services	2069	1183	887	2190	1265	926
1.2.1.5.4 Communication Services	887	365	522	519	497	21
1.2.2 Transfers	28147	3221	24926	31938	2829	29109
1.2.2.1 Official	23	267	-244	28	265	-237
1.2.2.2 Private	28124	2954	25170	31910	2564	29346
1.2.3 Income	11917	23526	-11608	16274	25796	-9522
1.2.3.1 Investment Income	10158	22609	-12451	14279	24774	-10494
1.2.3.2 Compensation of Employees	1760	917	843	1995	1023	972
2 Capital Account (2.1+2.2+2.3+2.4+2.5)	205807	192966	12841	307885	277368	30518
2.1 Foreign Investment (2.1.1+2.1.2)	128572	124460	4112	203323	185710	17612
2.1.1 Foreign Direct Investment	16586	17420	-834	21214	23452	-2238
2.1.1.1 In India	15722	12686	3036	20666	15622	5044
2.1.1.1.1 Equity	9877	12278	-2401	13847	15016	-1169
2.1.1.1.2 Reinvested Earnings	4740		4740	5559		5559
2.1.1.1.3 Other Capital	1105	409	697	1261	606	655
2.1.1.2 Abroad	864	4734	-3870	548	7830	-7282
2.1.1.2.1 Equity	864	1683	-820	548	4313	-3765
2.1.1.2.2 Reinvested Earnings	0	1446	-1446	0	1514	-1514
2.1.1.2.3 Other Capital	0	1604	-1604	0	2003	-2003
2.1.2 Portfolio Investment	111986	107040	4947	182108	162258	19850
2.1.2.1 In India	111127	105841	5286	181433	161618	19815
2.1.2.1.1 FIIs	111127	105841	5286	181433	161618	19815
2.1.2.1.1.1 Equity	101529	97937	3593	160273	149590	10683
2.1.2.1.1.2 Debt	9598	7905	1693	21160	12028	9132
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.2.2 Abroad	859	1198	-339	675	640	35
2.2 Loans (2.2.1+2.2.2+2.2.3)	29728	26453	3274	38662	31126	7536
2.2.1 External Assistance	2601	1800	802	3727	1581	2146
2.2.1.1 By India	9	49	-40	8	30	-22
2.2.1.2 To India	2592	1751	842	3720	1551	2168
2.2.2 Commercial Borrowings	7464	10422	-2958	17443	15416	2027
2.2.2.1 By India	2853	3926	-1073	5059	8028	-2969
2.2.2.2 To India	4612	6496	-1884	12384	7388	4996
2.2.3 Short Term to India	19662	14232	5430	17492	14129	3363
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	17632	14232	3400	14817	14129	688
2.2.3.2 Suppliers' Credit up to 180 days	2030	0	2030	2675	0	2675
2.3 Banking Capital (2.3.1+2.3.2)	34020	29686	4333	52432	46345	6087
2.3.1 Commercial Banks	34020	29614	4405	52112	46345	5767
2.3.1.1 Assets	8673	11210	-2538	17627	18853	-1226
2.3.1.2 Liabilities	25347	18404	6943	34485	27492	6993
2.3.1.2.1 Non-Resident Deposits	21257	18048	3209	28921	22753	6167
2.3.2 Others	0	72	-72	319	0	319
2.4 Rupee Debt Service	0	1	-1	0	2	-2
2.5 Other Capital	13488	12365	1123	13469	14184	-716
3 Errors & Omissions	963	0	963	0	722	-722
4 Monetary Movements (4.1+ 4.2)	0	2519	-2519	0	18614	-18614
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	0	2519	-2519	0	18614	-18614

Note: P: Preliminary.

No. 39: India's Overall Balance of Payments

(₹ Crore)

Item	Jul-Sep 2023			Jul-Sep 2024 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance Of Payments (1+2+3)	3624220	3603401	20819	4636946	4481027	155919
1 Current Account (1.1+ 1.2)	1915021	2008316	-93295	2057901	2151571	-93670
1.1 Merchandise	894849	1428380	-533531	870890	1501809	-630919
1.2 Invisibles (1.2.1+1.2.2+1.2.3)	1020172	579936	440236	1187011	649762	537249
1.2.1 Services	688997	358846	330151	783157	409979	373178
1.2.1.1 Travel	61845	71601	-9756	63958	78464	-14506
1.2.1.2 Transportation	58311	60151	-1840	73649	76965	-3316
1.2.1.3 Insurance	6842	6785	57	7553	6581	972
1.2.1.4 G.n.i.e.	1154	2018	-863	1228	2643	-1415
1.2.1.5 Miscellaneous	560846	218292	342554	636769	245326	391443
1.2.1.5.1 Software Services	327091	35818	291272	369945	38026	331920
1.2.1.5.2 Business Services	177488	113019	64469	210894	130244	80650
1.2.1.5.3 Financial Services	17106	9777	7329	18349	10595	7754
1.2.1.5.4 Communication Services	7334	3015	4319	4345	4167	177
1.2.2 Transfers	232665	26623	206042	267531	23696	243835
1.2.2.1 Official	189	2206	-2018	232	2218	-1985
1.2.2.2 Private	232476	24416	208060	267298	21478	245821
1.2.3 Income	98510	194468	-95957	136323	216087	-79763
1.2.3.1 Investment Income	83966	186888	-102922	119611	207519	-87908
1.2.3.2 Compensation of Employees	14544	7579	6965	16712	8568	8145
2 Capital Account (2.1+2.2+2.3+2.4+2.5)	1701234	1595084	106150	2579045	2323409	255635
2.1 Foreign Investment (2.1.1+2.1.2)	1062795	1028803	33993	1703161	1555629	147532
2.1.1 Foreign Direct Investment	137100	143996	-6896	177706	196451	-18745
2.1.1.1 In India	129962	104866	25096	173115	130862	42253
2.1.1.1.1 Equity	81644	101488	-19844	115988	125784	-9796
2.1.1.1.2 Reinvested Earnings	39181	0	39181	46563	0	46563
2.1.1.1.3 Other Capital	9137	3378	5759	10564	5078	5486
2.1.1.2 Abroad	7138	39130	-31992	4591	65589	-60998
2.1.1.2.1 Equity	7138	13916	-6778	4591	36128	-31537
2.1.1.2.2 Reinvested Earnings	0	11956	-11956	0	12680	-12680
2.1.1.2.3 Other Capital	0	13258	-13258	0	16780	-16780
2.1.2 Portfolio Investment	925695	884807	40889	1525455	1359178	166277
2.1.2.1 In India	918597	874902	43695	1519799	1353816	165984
2.1.2.1.1 FIIs	918597	874902	43695	1519799	1353816	165984
2.1.2.1.1.1 Equity	839257	809559	29698	1342550	1253064	89486
2.1.2.1.1.2 Debt	79340	65343	13997	177250	100752	76498
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.2.2 Abroad	7099	9905	-2806	5656	5363	293
2.2 Loans (2.2.1+2.2.2+2.2.3)	245733	218667	27066	323859	260732	63127
2.2.1 External Assistance	21502	14877	6626	31222	13242	17979
2.2.1.1 By India	72	404	-331	64	247	-184
2.2.1.2 To India	21430	14473	6957	31158	12995	18163
2.2.2 Commercial Borrowings	61702	86150	-24448	146114	129136	16979
2.2.2.1 By India	23582	32453	-8871	42379	67249	-24870
2.2.2.2 To India	38120	53697	-15577	103735	61887	41849
2.2.3 Short Term to India	162529	117640	44888	146523	118354	28169
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	145745	117640	28105	124117	118354	5763
2.2.3.2 Suppliers' Credit up to 180 days	16783	0	16783	22406	0	22406
2.3 Banking Capital (2.3.1+2.3.2)	281213	245392	35820	439202	388217	50985
2.3.1 Commercial Banks	281213	244798	36415	436527	388217	48311
2.3.1.1 Assets	71689	92667	-20978	147657	157925	-10268
2.3.1.2 Liabilities	209524	152131	57393	288870	230292	58579
2.3.1.2.1 Non-Resident Deposits	175715	149187	26528	242259	190597	51662
2.3.2 Others	0	594	-594	2675	0	2675
2.4 Rupee Debt Service	0	12	-12	0	15	-15
2.5 Other Capital	111493	102211	9282	112822	118816	-5994
3 Errors & Omissions	7964	0	7964	0	6046	-6046
4 Monetary Movements (4.1+ 4.2)	0	20819	-20819	0	155919	-155919
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	0	20819	-20819	0	155919	-155919

Note: P: Preliminary.

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

(US\$ Million)

Item	Jul-Sep 2023			Jul-Sep 2024 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	231670	242934	-11264	245671	256828	-11157
1.A Goods and Services (1.A.a+1.A.b)	191606	216210	-24604	197459	228229	-30769
1.A.a Goods (1.A.a.1 to 1.A.a.3)	108254	172799	-64544	103967	179285	-75319
1.A.a.1 General merchandise on a BOP basis	107367	160246	-52879	103981	161701	-57720
1.A.a.2 Net exports of goods under merchanting	888	0	888	-14	0	-14
1.A.a.3 Nonmonetary gold		12553	-12553		17585	-17585
1.A.b Services (1.A.b.1 to 1.A.b.13)	83352	43411	39940	93493	48943	44550
1.A.b.1 Manufacturing services on physical inputs owned by others	283	39	244	276	20	256
1.A.b.2 Maintenance and repair services n.i.e.	56	308	-251	90	263	-172
1.A.b.3 Transport	7054	7277	-223	8792	9188	-396
1.A.b.4 Travel	7482	8662	-1180	7635	9367	-1732
1.A.b.5 Construction	954	677	277	1263	951	312
1.A.b.6 Insurance and pension services	828	821	7	902	786	116
1.A.b.7 Financial services	2069	1183	887	2190	1265	926
1.A.b.8 Charges for the use of intellectual property n.i.e.	422	3341	-2919	448	3877	-3428
1.A.b.9 Telecommunications, computer, and information services	40546	4968	35578	44772	5333	39439
1.A.b.10 Other business services	21472	13673	7799	25176	15548	9628
1.A.b.11 Personal, cultural, and recreational services	1211	2080	-869	1107	1794	-688
1.A.b.12 Government goods and services n.i.e.	140	244	-104	147	316	-169
1.A.b.13 Others n.i.e.	835	140	695	694	237	458
1.B Primary Income (1.B.1 to 1.B.3)	11917	23526	-11608	16274	25796	-9522
1.B.1 Compensation of employees	1760	917	843	1995	1023	972
1.B.2 Investment income	8939	22196	-13257	12849	24336	-11486
1.B.2.1 Direct investment	2322	12281	-9959	2725	13008	-10283
1.B.2.2 Portfolio investment	84	3657	-3573	78	4152	-4074
1.B.2.3 Other investment	520	6040	-5520	1168	6953	-5785
1.B.2.4 Reserve assets	6013	217	5796	8878	223	8655
1.B.3 Other primary income	1219	413	806	1430	438	992
1.C Secondary Income (1.C.1+1.C.2)	28146	3198	24948	31937	2803	29134
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	28124	2954	25170	31910	2564	29346
1.C.1.1 Personal transfers (Current transfers between resident and/non-resident households)	27335	2040	25296	31084	1803	29282
1.C.1.2 Other current transfers	788	914	-126	826	761	64
1.C.2 General government	22	245	-222	27	239	-212
2 Capital Account (2.1+2.2)	151	202	-51	186	192	-6
2.1 Gross acquisitions (DR.) / disposals (CR.) of non-produced nonfinancial assets	9	91	-82	7	68	-61
2.2 Capital transfers	142	110	31	179	124	55
3 Financial Account (3.1 to 3.5)	205657	195305	10352	307700	295815	11885
3.1 Direct Investment (3.1.A+3.1.B)	16586	17420	-834	21214	23452	-2238
3.1.A Direct Investment in India	15722	12686	3036	20666	15622	5044
3.1.A.1 Equity and investment fund shares	14617	12278	2339	19405	15016	4389
3.1.A.1.1 Equity other than reinvestment of earnings	9877	12278	-2401	13847	15016	-1169
3.1.A.1.2 Reinvestment of earnings	4740		4740	5559		5559
3.1.A.2 Debt instruments	1105	409	697	1261	606	655
3.1.A.2.1 Direct investor in direct investment enterprises	1105	409	697	1261	606	655
3.1.B Direct Investment by India	864	4734	-3870	548	7830	-7282
3.1.B.1 Equity and investment fund shares	864	3130	-2266	548	5827	-5279
3.1.B.1.1 Equity other than reinvestment of earnings	864	1683	-820	548	4313	-3765
3.1.B.1.2 Reinvestment of earnings		1446	-1446		1514	-1514
3.1.B.2 Debt instruments	0	1604	-1604	0	2003	-2003
3.1.B.2.1 Direct investor in direct investment enterprises		1604	-1604		2003	-2003
3.2 Portfolio Investment	111986	107040	4947	182108	162258	19850
3.2.A Portfolio Investment in India	111127	105841	5286	181433	161618	19815
3.2.1 Equity and investment fund shares	101529	97937	3593	160273	149590	10683
3.2.2 Debt securities	9598	7905	1693	21160	12028	9132
3.2.B Portfolio Investment by India	859	1198	-339	675	640	35
3.3 Financial derivatives (other than reserves) and employee stock options	5476	7362	-1887	6359	11892	-5533
3.4 Other investment	71609	60964	10645	98018	79598	18419
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	21257	18120	3137	29240	22753	6487
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	0	72	-72	319	0	319
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	21257	18048	3209	28921	22753	6167
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)	22828	23788	-960	44362	40589	3773
3.4.3.A Loans to India	19967	19813	153	39295	32531	6764
3.4.3.B Loans by India	2862	3975	-1113	5067	8058	-2991
3.4.4 Insurance, pension, and standardized guarantee schemes	144	10	134	47	3	44
3.4.5 Trade credit and advances	19662	14232	5430	17492	14129	3363
3.4.6 Other accounts receivable/payable - other	7718	4814	2903	6877	2124	4753
3.4.7 Special drawing rights	0		0	0		0
3.5 Reserve assets	0	2519	-2519	0	18614	-18614
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	2519	-2519	0	18614	-18614
4 Total assets/liabilities	205657	195305	10352	307700	295815	11885
4.1 Equity and investment fund shares	123488	121915	1574	187308	182969	4339
4.2 Debt instruments	74451	66057	8394	113515	92108	21407
4.3 Other financial assets and liabilities	7718	7333	385	6877	20738	-13861
5 Net errors and omissions	963	0	963	0	722	-722

Note: P: Preliminary.

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

(₹ Crore)

Item	Jul-Sep 2023			Jul-Sep 2024 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	1915018	2008132	-93114	2057899	2151355	-93457
1.A Goods and Services (1.A.a+1.A.b)	1583846	1787226	-203380	1654047	1911789	-257742
1.A.a Goods (1.A.a.1 to 1.A.a.3)	894849	1428380	-533531	870890	1501809	-630919
1.A.a.1 General merchandise on a BOP basis	887510	1324618	-437107	871011	1354507	-483496
1.A.a.2 Net exports of goods under merchanting	7339	0	7339	-121	0	-121
1.A.a.3 Nonmonetary gold	0	103763	-103763	0	147303	-147303
1.A.b Services (1.A.b.1 to 1.A.b.13)	688997	358846	330151	783157	409979	373178
1.A.b.1 Manufacturing services on physical inputs owned by others	2339	320	2019	2316	169	2147
1.A.b.2 Maintenance and repair services n.i.e.	465	2544	-2078	755	2199	-1444
1.A.b.3 Transport	58311	60151	-1840	73649	76965	-3316
1.A.b.4 Travel	61845	71601	-9756	63958	78464	-14506
1.A.b.5 Construction	7887	5598	2289	10580	7963	2616
1.A.b.6 Insurance and pension services	6842	6785	57	7553	6581	972
1.A.b.7 Financial services	17106	9777	7329	18349	10595	7754
1.A.b.8 Charges for the use of intellectual property n.i.e.	3485	27618	-24133	3754	32473	-28719
1.A.b.9 Telecommunications, computer, and information services	335161	41064	294097	375037	44672	330366
1.A.b.10 Other business services	177488	113019	64469	210894	130244	80650
1.A.b.11 Personal, cultural, and recreational services	10012	17193	-7180	9269	15029	-5760
1.A.b.12 Government goods and services n.i.e.	1154	2018	-863	1228	2643	-1415
1.A.b.13 Others n.i.e.	6902	1160	5742	5815	1982	3834
1.B Primary Income (1.B.1 to 1.B.3)	98510	194468	-95957	136323	216087	-79763
1.B.1 Compensation of employees	14544	7579	6965	16712	8568	8145
1.B.2 Investment income	73890	183473	-109583	107633	203850	-96217
1.B.2.1 Direct investment	19194	101520	-82327	22828	108966	-86138
1.B.2.2 Portfolio investment	692	30227	-29535	653	34776	-34123
1.B.2.3 Other investment	4298	49928	-45630	9783	58239	-48455
1.B.2.4 Reserve assets	49705	1797	47908	74369	1870	72499
1.B.3 Other primary income	10076	3415	6661	11978	3669	8309
1.C Secondary Income (1.C.1+1.C.2)	232662	26438	206224	267528	23480	244048
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	232476	24416	208060	267298	21478	245821
1.C.1.1 Personal transfers (Current transfers between resident and/non-resident households)	225958	16860	209099	260383	15102	245281
1.C.1.2 Other current transfers	6518	7557	-1039	6915	6376	539
1.C.2 General government	186	2022	-1836	230	2002	-1772
2 Capital Account (2.1+2.2)	1245	1668	-423	1558	1611	-53
2.1 Gross acquisitions (DR.) / disposals (CR.) of non-produced nonfinancial assets	74	755	-680	57	570	-513
2.2 Capital transfers	1170	913	257	1501	1041	460
3 Financial Account (3.1 to 3.5)	1699992	1614420	85572	2577489	2477933	99556
3.1 Direct Investment (3.1.A+3.1.B)	137100	143996	-6896	177706	196451	-18745
3.1.A Direct Investment in India	129962	104866	25096	173115	130862	42253
3.1.A.1 Equity and investment fund shares	120825	101488	19336	162551	125784	36767
3.1.A.1.1 Equity other than reinvestment of earnings	81644	101488	-19844	115988	125784	-9796
3.1.A.1.2 Reinvestment of earnings	39181	0	39181	46563	0	46563
3.1.A.2 Debt instruments	9137	3378	5759	10564	5078	5486
3.1.A.2.1 Direct investor in direct investment enterprises	9137	3378	5759	10564	5078	5486
3.1.B Direct Investment by India	7138	39130	-31992	4591	65589	-60998
3.1.B.1 Equity and investment fund shares	7138	25872	-18734	4591	48809	-44218
3.1.B.1.1 Equity other than reinvestment of earnings	7138	13916	-6778	4591	36128	-31537
3.1.B.1.2 Reinvestment of earnings	0	11956	-11956	0	12680	-12680
3.1.B.2 Debt instruments	0	13258	-13258	0	16780	-16780
3.1.B.2.1 Direct investor in direct investment enterprises	0	13258	-13258	0	16780	-16780
3.2 Portfolio Investment	925695	884807	40889	1525455	1359178	166277
3.2.A Portfolio Investment in India	918597	874902	43695	1519799	1353816	165984
3.2.A.1 Equity and investment fund shares	839257	809559	29698	1342550	1253064	89486
3.2.A.2 Debt securities	79340	65343	13997	177250	100752	76498
3.2.B Portfolio Investment by India	7099	9905	-2806	5656	5363	293
3.3 Financial derivatives (other than reserves) and employee stock options	45263	60858	-15595	53269	99618	-46349
3.4 Other investment	591934	503940	87993	821059	666767	154291
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	175715	149782	25933	244933	190597	54337
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	0	594	-594	2675	0	2675
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	175715	149187	26528	242259	190597	51662
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)	188702	196637	-7935	371605	339998	31607
3.4.3.A Loans to India	165048	163780	1267	329162	272501	56660
3.4.3.B Loans by India	23654	32857	-9202	42443	67497	-25054
3.4.4 Insurance, pension, and standardized guarantee schemes	1194	85	1109	393	25	368
3.4.5 Trade credit and advances	162529	117640	44888	146523	118354	28169
3.4.6 Other accounts receivable/payable - other	63794	39797	23998	57605	17794	39811
3.4.7 Special drawing rights	0	0	0	0	0	0
3.5 Reserve assets	0	20819	-20819	0	155919	-155919
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	20819	-20819	0	155919	-155919
4 Total assets/liabilities	1699992	1614420	85572	2577489	2477933	99556
4.1 Equity and investment fund shares	1020775	1007766	13008	1569010	1532662	36348
4.2 Debt instruments	615423	546038	69385	950874	771559	179316
4.3 Other financial assets and liabilities	63794	60616	3179	57605	173712	-116108
5 Net errors and omissions	7964	0	7964	0	6046	-6046

Note: P: Preliminary.

No. 42: India's International Investment Position

(US\$ Million)

Item	As on Financial Year/Quarter End							
	2023-24		2023		2024			
			Sep.		Jun.		Sep.	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	1	2	3	4	5	6	7	8
1. Direct investment Abroad/in India	242271	542931	232097	528679	246248	552865	253530	555484
1.1 Equity Capital*	153343	511142	146159	497612	156225	520706	161504	523010
1.2 Other Capital	88927	31789	85938	31067	90023	32160	92026	32474
2. Portfolio investment	12162	277038	12096	259358	12103	277140	12306	293649
2.1 Equity	10644	162061	8974	154634	10367	160898	10983	170934
2.2 Debt	1517	114977	3122	104723	1736	116242	1323	122715
3. Other investment	132654	575068	120311	546182	140952	589624	146190	617176
3.1 Trade credit	33450	123662	30854	124733	32865	126576	32428	129931
3.2 Loan	17547	221738	11962	208669	20803	224823	22147	240166
3.3 Currency and Deposits	53519	154787	45711	146166	57747	160628	56105	164076
3.4 Other Assets/Liabilities	28138	74880	31784	66615	29537	77597	35510	83002
4. Reserves	646419		587714		651997		705782	
5. Total Assets/ Liabilities	1033505	1395036	952218	1334219	1051300	1419629	1117808	1466309
6. Net IIP (Assets - Liabilities)	-361531		-382001		-368329		-348501	

Note: * Equity capital includes share of investment funds and reinvested earnings.

Payment and Settlement Systems

No.43: Payment System Indicators

PART I - Payment System Indicators - Payment & Settlement System Statistics

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2023-24	2023	2024		FY 2023-24	2023	2024	
		Dec.	Nov.	Dec.		Dec.	Nov.	Dec.
	1	-2	-1	0	5	2	3	4
A. Settlement Systems								
Financial Market Infrastructures (FMIs)								
1 CCIL Operated Systems (1.1 to 1.3)	43.04	3.41	2.61	3.78	259206893	22228644	20592498	27448820
1.1 Govt. Securities Clearing (1.1.1 to 1.1.3)	16.80	1.29	1.10	1.49	170464587	14220985	13954925	16506680
1.1.1 Outright	9.51	0.69	0.54	0.84	13463848	1009116	847485	1348782
1.1.2 Repo	4.94	0.40	0.35	0.41	76718788	5903343	5366007	6377679
1.1.3 Tri-party Repo	2.35	0.20	0.20	0.24	80281951	7308526	7741434	8780219
1.2 Forex Clearing	24.92	2.01	1.40	2.16	80984671	7392675	5972544	9919285
1.3 Rupee Derivatives @	1.31	0.11	0.11	0.13	7757636	614984	665029	1022855
B. Payment Systems								
1 Financial Market Infrastructures (FMIs)	-	-	-	-	-	-	-	-
1 Credit Transfers - RTGS (1.1 to 1.2)	2700.16	230.39	240.29	262.29	170886670	15888778	14826882	19163587
1.1 Customer Transactions	2686.04	229.23	239.16	261.11	152406168	14244586	13504833	17161423
1.2 Interbank Transactions	14.12	1.16	1.12	1.17	18480503	1644192	1322050	2002163
II Retail								
2 Credit Transfers - Retail (2.1 to 2.6)	1486106.89	134755.92	170358.50	183786.41	67542859	5917191	6274182	6935632
2.1 AePS (Fund Transfers) @	3.92	0.32	0.30	0.31	261	23	14	17
2.2 APBS \$	25888.17	1580.49	2250.97	2451.41	390743	27013	32384	58705
2.3 IMPS	60053.35	4987.93	4079.18	4411.64	6495652	570126	558328	601549
2.4 NACH Cr \$	16227.27	1310.99	1438.33	1315.94	1525104	128244	147385	135695
2.5 NEFT	72639.50	6673.93	7769.51	8307.02	39136014	3368836	3380884	3814966
2.6 UPI @	1311294.68	120202.26	154820.21	167300.09	19995086	1822949	2155187	2324700
2.6.1 of which USSD @	26.19	2.06	1.56	1.56	352	26	16	16
3 Debit Transfers and Direct Debits (3.1 to 3.3)	18249.53	1557.74	1894.74	1905.47	1687658	152705	185643	198303
3.1 BHIM Aadhaar Pay @	193.59	14.09	19.29	17.18	6112	478	629	547
3.2 NACH Dr \$	16426.49	1403.46	1732.94	1738.32	1678769	151991	184814	197549
3.3 NETC (linked to bank account) @	1629.45	140.19	142.51	149.97	2777	237	200	207
4 Card Payments (4.1 to 4.2)	58469.79	4983.15	5171.02	5614.06	2423563	213054	208387	228757
4.1 Credit Cards (4.1.1 to 4.1.2)	35610.15	3215.00	3936.04	4331.22	1831134	165119	169298	188086
4.1.1 PoS based \$	18614.08	1706.70	2036.02	2242.76	651911	58300	68233	73185
4.1.2 Others \$	16996.08	1508.29	1900.02	2088.46	1179223	106819	101065	114901
4.2 Debit Cards (4.2.1 to 4.2.1)	22859.64	1768.16	1234.98	1282.84	592429	47935	39089	40671
4.2.1 PoS based \$	16477.95	1301.59	919.33	967.24	393589	32225	26756	27681
4.2.2 Others \$	6381.69	466.56	315.65	315.60	198840	15709	12333	12990
5 Prepaid Payment Instruments (5.1 to 5.2)	78775.40	7235.20	5847.81	6377.99	283048	26173	19214	18992
5.1 Wallets	63256.69	5960.57	4462.09	4830.75	234353	21732	13130	14437
5.2 Cards (5.2.1 to 5.2.2)	15518.71	1274.63	1385.72	1547.24	48695	4441	6083	4556
5.2.1 PoS based \$	8429.87	709.65	663.27	684.93	11247	915	915	991
5.2.2 Others \$	7088.84	564.98	722.45	862.31	37447	3526	5168	3565
6 Paper-based Instruments (6.1 to 6.2)	6632.10	547.23	472.48	506.56	7212333	592972	537849	587879
6.1 CTS (NPCI Managed)	6632.10	547.23	472.48	506.56	7212333	592972	537849	587879
6.2 Others	0.00	-	-	-	-	-	-	-
Total - Retail Payments (2+3+4+5+6)	1648233.71	149079.24	183744.55	198190.49	79149461	6902095	7225275	7969563
Total Payments (1+2+3+4+5+6)	1650933.88	149309.63	183984.84	198452.78	250036131	22790873	22052158	27133149
Total Digital Payments (1+2+3+4+5)	1644301.78	148762.40	183512.36	197946.22	242823799	22197901	21514309	26545270

PART II - Payment Modes and Channels

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2023-24	2023	2024		FY 2023-24	2023	2024	
		Dec.	Nov.	Dec.		Dec.	Nov.	Dec.
	1	2	3	4	5	6	7	8
A. Other Payment Channels								
1 Mobile Payments (mobile app based) (1.1 to 1.2)	1252599.21	116329.75	144940.05	156761.97	30687088	2804467	3215460	3455692
1.1 Intra-bank \$	83000.56	7372.04	8518.57	9183.18	5676805	508669	598558	618348
1.2 Inter-bank \$	1169598.65	108957.71	136421.48	147578.78	25010283	2295798	2616902	2837344
2 Internet Payments (Netbanking / Internet Browser Based) @ (2.1 to 2.2)	45034.98	3836.26	3624.01	4036.42	102117736	9388620	9002230	11058871
2.1 Intra-bank @	12033.28	1050.96	1024.09	1153.98	53247042	4862570	4483631	5617543
2.2 Inter-bank @	33001.71	2785.31	2599.92	2882.45	48870694	4526051	4518598	5441328
B. ATMs								
3 Cash Withdrawal at ATMs \$ (3.1 to 3.3)	66440.72	5463.60	4760.71	4950.77	3259388	269288	241717	252471
3.1 Using Credit Cards \$	95.80	8.19	7.75	8.12	4648	405	410	429
3.2 Using Debit Cards \$	66001.01	5428.47	4734.61	4923.54	3241538	267843	240471	251161
3.3 Using Pre-paid Cards \$	343.90	26.94	18.35	19.11	13202	1041	837	881
4 Cash Withdrawal at PoS \$ (4.1 to 4.2)	15.18	0.66	0.28	0.29	148	6	3	3
4.1 Using Debit Cards \$	15.06	0.66	0.27	0.26	147	6	3	3
4.2 Using Pre-paid Cards \$	0.12	0.00	0.02	0.03	1	0	0	0
5 Cash Withdrawal at Micro ATMs @	11754.95	929.51	898.33	910.87	314003	24592	22981	23195
5.1 AePS @	11754.95	929.51	898.33	910.87	314003	24592	22981	23195

PART III - Payment Infrastructures (Lakh)

System	As on March 2024	2023	2024	
		Dec.	Nov.	Dec.
	1	2	3	4
Payment System Infrastructures				
1 Number of Cards (1.1 to 1.2)	10667.22	10587.85	10868.11	10990.04
1.1 Credit Cards	1018.03	979.05	1072.40	1080.56
1.2 Debit Cards	9649.19	9608.81	9795.72	9909.48
2 Number of PPIs @ (2.1 to 2.2)	16743.63	17544.34	15624.08	13285.65
2.1 Wallets @	13381.80	14293.01	11460.53	8904.25
2.2 Cards @	3361.82	3251.33	4163.55	4381.40
3 Number of ATMs (3.1 to 3.2)	2.58	2.58	2.55	2.55
3.1 Bank owned ATMs \$	2.23	2.24	2.20	2.19
3.2 White Label ATMs \$	0.35	0.34	0.35	0.36
4 Number of Micro ATMs @	17.55	16.89	14.43	14.67
5 Number of PoS Terminals	89.03	85.67	96.91	100.01
6 Bharat QR @	62.50	59.57	63.60	63.83
7 UPI QR *	3434.93	3170.66	6260.92	6334.39

@: 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. 44: Small Savings

(₹ Crore)

Scheme		2023-24	2023	2024		
			Dec.	Oct.	Nov.	Dec.
		1	2	3	4	5
1 Small Savings	Receipts	232460	16670	10981	9805	11133
	Outstanding	1865029	1789946	1962367	1971752	1982465
1.1 Total Deposits	Receipts	161344	12386	8792	7469	8734
	Outstanding	1298795	1247555	1379283	1386750	1395484
1.1.1 Post Office Saving Bank Deposits	Receipts	17229	2279	1062	20	1090
	Outstanding	191692	213964	200889	200909	201999
1.1.2 Sukanya Samriddhi Yojna	Receipts	35174	2171	1787	1944	2244
	Outstanding	157611	104859	172819	174763	177007
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	1713	1033	900	827
	Outstanding	269007	263383	280416	281316	282142
1.1.6 Senior Citizen Scheme 2004	Receipts	38167	2197	1699	1609	1531
	Outstanding	175472	169033	191465	193074	194605
1.1.7 Post Office Time Deposits	Receipts	25341	2429	2121	2109	2125
	Outstanding	305776	297989	326679	328786	330912
1.1.7.1 1 year Time Deposits	Outstanding	140423	135196	155580	157349	159174
1.1.7.2 2 year Time Deposits	Outstanding	11967	11265	13910	14093	14299
1.1.7.3 3 year Time Deposits	Outstanding	8932	8472	10033	10166	10308
1.1.7.4 5 year Time Deposits	Outstanding	144454	143056	147156	147178	147131
1.1.8 Post Office Recurring Deposits	Receipts	18713	1616	1238	1023	1025
	Outstanding	197134	196491	205221	206244	207269
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	-19	-149	-137	-108
	Outstanding	1754	1488	1440	1303	1195
1.1.11 PM Care for children	Receipts	16	0	1	1	0
	Outstanding	349	348	354	355	355
1.2 Saving Certificates	Receipts	56069	3957	2080	2184	2226
	Outstanding	418021	407244	434502	436268	438074
1.2.1 National Savings Certificate VIII issue	Receipts	16853	1213	637	524	430
	Outstanding	183905	177154	191667	192191	192621
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	1568	783	932	1113
	Outstanding	220560	216509	226662	227594	228707
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	1176	660	728	683
	Outstanding	18277	15064	23891	24620	25303
1.2.8 Other Certificates	Outstanding	-4721	-1483	-7718	-8137	-8557
1.3 Public Provident Fund	Receipts	15047	327	109	152	173
	Outstanding	148213	135147	148582	148734	148907

Note : Data on receipts from April 2017 are net receipts, i.e., gross receipt minus gross payment.

Source: Accountant General, Post and Telegraphs.

No. 45 : Ownership Pattern of Central and State Governments Securities

(Per cent)

Central Government Dated Securities					
Category	2023		2024		
	Sep.	Dec.	Mar.	Jun.	Sep.
	1	2	3	4	5
(A) Total (in ₹. Crore)	10383607	10538792	10740389	10946860	11271589
1 Commercial Banks	37.96	37.55	37.66	37.52	37.55
2 Co-operative Banks	1.52	1.49	1.47	1.42	1.35
3 Non-Bank PDs	0.66	0.67	0.66	0.70	0.77
4 Insurance Companies	26.05	26.16	25.98	26.11	25.95
5 Mutual Funds	3.02	3.03	2.90	2.87	3.14
6 Provident Funds	4.42	4.57	4.47	4.41	4.25
7 Pension Funds	4.32	4.44	4.52	4.74	4.86
8 Financial Institutions	0.54	0.55	0.55	0.57	0.63
9 Corporates	1.21	1.33	1.35	1.44	1.60
10 Foreign Portfolio Investors	1.61	1.92	2.34	2.34	2.80
11 RBI	13.06	12.54	12.31	11.92	11.16
12 Others	5.64	5.74	5.79	5.97	5.92
12.1 State Governments	2.04	2.07	2.04	2.13	2.19

State Governments Securities					
Category	2023		2024		
	Sep.	Dec.	Mar.	Jun.	Sep.
	1	2	3	4	5
(B) Total (in ₹. Crore)	5161642	5338587	5646219	5727482	5909490
1 Commercial Banks	33.87	33.90	34.14	33.85	34.39
2 Co-operative Banks	3.60	3.53	3.39	3.38	3.29
3 Non-Bank PDs	0.61	0.63	0.60	0.59	0.60
4 Insurance Companies	26.97	26.64	26.14	25.85	25.56
5 Mutual Funds	1.86	2.00	2.09	2.08	1.93
6 Provident Funds	21.70	22.00	22.35	22.94	23.02
7 Pension Funds	4.82	4.56	4.76	4.87	4.87
8 Financial Institutions	1.65	1.63	1.59	1.58	1.57
9 Corporates	1.87	2.03	2.02	2.03	1.95
10 Foreign Portfolio Investors	0.02	0.03	0.07	0.05	0.04
11 RBI	0.69	0.66	0.63	0.62	0.60
12 Others	2.34	2.37	2.20	2.17	2.18
12.1 State Governments	0.27	0.27	0.25	0.26	0.26

Treasury Bills					
Category	2023		2024		
	Sep.	Dec.	Mar.	Jun.	Sep.
	1	2	3	4	5
(C) Total (in ₹. Crore)	925317	849151	871662	858193	747242
1 Commercial Banks	56.35	57.18	58.53	47.79	44.74
2 Co-operative Banks	1.20	1.28	1.67	1.49	1.58
3 Non-Bank PDs	0.54	1.70	1.66	2.69	2.28
4 Insurance Companies	5.26	5.50	5.06	5.78	5.26
5 Mutual Funds	12.74	11.21	11.89	14.50	15.06
6 Provident Funds	1.52	0.08	0.15	0.60	0.26
7 Pension Funds	0.01	0.00	0.01	0.00	0.00
8 Financial Institutions	4.10	5.34	7.16	6.56	6.36
9 Corporates	4.00	4.58	4.50	4.79	4.66
10 Foreign Portfolio Investors	0.10	0.07	0.01	0.20	0.15
11 RBI	0.00	0.00	0.00	0.00	0.00
12 Others	14.17	13.06	9.36	15.59	19.65
12.1 State Governments	11.36	9.26	5.88	11.55	14.95

Note:

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.

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

(₹ Crore)

Item	2019-20	2020-21	2021-22	2022-23	2023-24 RE	2024-25 BE
	1	2	3	4	5	6
1 Total Disbursements	5410887	6353359	7098451	7880522	9110725	9800798
1.1 Developmental	3074492	3823423	4189146	4701611	5514584	5862996
1.1.1 Revenue	2446605	3150221	3255207	3574503	3965270	4195108
1.1.2 Capital	588233	550358	861777	1042159	1453849	1526993
1.1.3 Loans	39654	122844	72163	84949	95464	140895
1.2 Non-Developmental	2253027	2442941	2810388	3069896	3467270	3800321
1.2.1 Revenue	2109629	2271637	2602750	2895864	3266628	3537378
1.2.1.1 Interest Payments	955801	1060602	1226672	1377807	1562660	1711972
1.2.2 Capital	141457	169155	175519	171131	196073	259346
1.2.3 Loans	1941	2148	32119	2902	4569	3597
1.3 Others	83368	86995	98916	109015	128871	137481
2 Total Receipts	5734166	6397162	7156342	7855370	9054999	9650488
2.1 Revenue Receipts	3851563	3688030	4823821	5447913	6379349	7209647
2.1.1 Tax Receipts	3231582	3193390	4160414	4809044	5456913	6142276
2.1.1.1 Taxes on commodities and services	2012578	2076013	2626553	2865550	3248450	3631569
2.1.1.2 Taxes on Income and Property	1216203	1114805	1530636	1939550	2204462	2506181
2.1.1.3 Taxes of Union Territories (Without Legislature)	2800	2572	3225	3943	4001	4526
2.1.2 Non-Tax Receipts	619981	494640	663407	638870	922436	1067371
2.1.2.1 Interest Receipts	31137	33448	35250	42975	49552	57273
2.2 Non-debt Capital Receipts	110094	64994	44077	62716	86733	118239
2.2.1 Recovery of Loans & Advances	59515	16951	27665	15970	55895	45125
2.2.2 Disinvestment proceeds	50578	48044	16412	46746	30839	73114
3 Gross Fiscal Deficit [1 - (2.1 + 2.2)]	1449230	2600335	2230553	2369892	2644642	2472912
3A Sources of Financing: Institution-wise						
3A.1 Domestic Financing	1440548	2530155	2194406	2332768	2619811	2456959
3A.1.1 Net Bank Credit to Government	571872	890012	627255	687904	346483	...
3A.1.1.1 Net RBI Credit to Government	190241	107493	350911	529	-257913	...
3A.1.2 Non-Bank Credit to Government	868676	1640143	1567151	1644864	2273328	...
3A.2 External Financing	8682	70180	36147	37124	24832	15952
3B Sources of Financing: Instrument-wise						
3B.1 Domestic Financing	1440548	2530155	2194406	2332768	2619811	2456959
3B.1.1 Market Borrowings (net)	971378	1696012	1213169	1651076	1962969	1983757
3B.1.2 Small Savings (net)	209232	458801	526693	358764	434151	447511
3B.1.3 State Provident Funds (net)	38280	41273	28100	13880	21386	19857
3B.1.4 Reserve Funds	10411	4545	42153	68803	52385	-33653
3B.1.5 Deposits and Advances	-14227	25682	42203	51989	35819	-10138
3B.1.6 Cash Balances	-323279	-43802	-57891	25152	55726	150310
3B.1.7 Others	548753	347643	399980	163104	57374	-100684
3B.2 External Financing	8682	70180	36147	37124	24832	15952
<i>4 Total Disbursements as per cent of GDP</i>	<i>26.9</i>	<i>32.0</i>	<i>30.1</i>	<i>29.2</i>	<i>30.8</i>	<i>30.0</i>
<i>5 Total Receipts as per cent of GDP</i>	<i>28.5</i>	<i>32.2</i>	<i>30.3</i>	<i>29.1</i>	<i>30.7</i>	<i>29.6</i>
<i>6 Revenue Receipts as per cent of GDP</i>	<i>19.2</i>	<i>18.6</i>	<i>20.4</i>	<i>20.2</i>	<i>21.6</i>	<i>22.1</i>
<i>7 Tax Receipts as per cent of GDP</i>	<i>16.1</i>	<i>16.1</i>	<i>17.6</i>	<i>17.8</i>	<i>18.5</i>	<i>18.8</i>
<i>8 Gross Fiscal Deficit as per cent of GDP</i>	<i>7.2</i>	<i>13.1</i>	<i>9.5</i>	<i>8.8</i>	<i>9.0</i>	<i>7.6</i>

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

Source : Budget Documents of Central and State Governments.

Note: GDP data is based on 2011-12 base. GDP for 2024-25 is from Union Budget 2024-25.

Data pertains to all States and Union Territories.

1 & 2: Data are net of repayments of the Central Government (including repayments to the NSSF) and State Governments.

1.3: Represents compensation and assignments by States to local bodies and Panchayati Raj institutions.

2: Data are net of variation in cash balances of the Central and State Governments and includes borrowing receipts of the Central and State Governments.

3A.1.1: Data as per RBI records.

3B.1.1: Borrowings through dated securities.

3B.1.2: Represent net investment in Central and State Governments' special securities by the National Small Savings Fund (NSSF).

This data may vary from previous publications due to adjustments across components with availability of new data.

3B.1.6: Include Ways and Means Advances by the Centre to the State Governments.

3B.1.7: Include Treasury Bills, loans from financial institutions, insurance and pension funds, remittances, cash balance investment account.

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

(₹ Crore)

Sr. No	State/Union Territory	During December-2024					
		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	6228.59	31	1990.27	24	1387.58	12
2	Arunachal Pradesh	-	-	-	-	-	-
3	Assam	198.83	1	-	-	-	-
4	Bihar	-	-	-	-	-	-
5	Chhattisgarh	-	-	-	-	-	-
6	Goa	-	-	-	-	-	-
7	Gujarat	-	-	-	-	-	-
8	Haryana	671.48	23	-	-	-	-
9	Himachal Pradesh	-	-	569.66	18	369.45	7
10	Jammu & Kashmir UT	-	-	334.57	1	-	-
11	Jharkhand	-	-	-	-	-	-
12	Karnataka	-	-	-	-	-	-
13	Kerala	1553.11	31	1481.92	30	402.31	9
14	Madhya Pradesh	-	-	-	-	-	-
15	Maharashtra	-	-	-	-	-	-
16	Manipur	104.86	30	237.83	30	83.26	10
17	Meghalaya	472.99	29	6.09	2	-	-
18	Mizoram	185.00	5	50.26	2	-	-
19	Nagaland	315.96	28	-	-	-	-
20	Odisha	-	-	-	-	-	-
21	Puducherry	-	-	-	-	-	-
22	Punjab	3680.79	31	142.76	6	-	-
23	Rajasthan	2669.90	16	1353.46	8	-	-
24	Tamil Nadu	-	-	-	-	-	-
25	Telangana	4560.57	31	1776.29	24	591.71	15
26	Tripura	-	-	-	-	-	-
27	Uttar Pradesh	-	-	-	-	-	-
28	Uttarakhand	1323.91	31	559.52	1	-	-
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 Availed is the total accommodation (SDF/WMA/OD) availed divided by number of days for which accommodation was extended during the month.

5. -Nil.

Source: Reserve Bank of India.

No. 48: Investments by State Governments

(₹ Crore)

Sr. No	State/Union Territory	As on end of December 2024			
		Consolidated Sinking Fund (CSF)	Guarantee Redemption Fund (GRF)	Government Securities	Auction Treasury Bills (ATBs)
	1	2	3	4	5
1	Andhra Pradesh	11485	1132	0	0
2	Arunachal Pradesh	2735	7	0	6300
3	Assam	8865	90	0	0
4	Bihar	12394	-	0	20000
5	Chhattisgarh	7754	488	0	11387
6	Goa	1043	454	0	0
7	Gujarat	15244	662	0	2000
8	Haryana	2315	1688	0	0
9	Himachal Pradesh	-	-	0	0
10	Jammu & Kashmir UT	19	18	0	0
11	Jharkhand	2396	-	0	830
12	Karnataka	20131	747	0	69457
13	Kerala	3098	-	0	0
14	Madhya Pradesh	-	1268	0	0
15	Maharashtra	71372	1734	0	0
16	Manipur	69	139	0	0
17	Meghalaya	1267	108	0	0
18	Mizoram	456	63	0	0
19	Nagaland	1877	46	0	0
20	Odisha	18082	2029	116	5534
21	Puducherry	575	-	0	1750
22	Punjab	9114	0	0	0
23	Rajasthan	1774	-	0	6450
24	Tamil Nadu	3434	-	0	3612
25	Telangana	7843	1715	0	0
26	Tripura	1215	27	0	25
27	Uttarakhand	4988	210	0	0
28	Uttar Pradesh	10647	-	0	25000
29	West Bengal	13740	1026	0	500
	Total	233932	13651	116	152845

- Notes: 1. CSF and GRF are reserve funds maintained by some State Governments with the Reserve Bank of India.
2. ATBs include Treasury bills of 91 days, 182 days and 364 days invested by State Governments in the primary market.
3. - : Not Applicable (not a member of the scheme).

No. 49: Market Borrowings of State Governments

(₹ Crore)

Sr. No.	State	2022-23		2023-24		2024-25						Total amount raised, so far in 2024-25	
		Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	October		November		December		Gross	Net
						Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised		
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Andhra Pradesh	57478	45814	68400	55330	6000	4000	4000	2000	4237	3237	58237	40155
2	Arunachal Pradesh	559	389	902	672	-	-	400	400	395	315	795	569
3	Assam	17100	16105	18500	16000	1500	1000	-	-500	1800	1100	11050	8400
4	Bihar	36800	27467	47612	29910	8000	3000	6000	3000	6000	3500	32000	19422
5	Chhattisgarh	2000	-2287	32000	26213	3000	2300	-	-	-	-	6500	3000
6	Goa	1350	500	2550	1560	200	100	200	100	-	-	1050	250
7	Gujarat	43000	28300	30500	11947	1500	-500	3000	1000	4500	2000	13500	3000
8	Haryana	45158	28638	47500	28364	1500	750	4000	3500	2000	1150	27000	19870
9	Himachal Pradesh	14000	11941	8072	5856	600	200	500	300	1000	900	6700	4750
10	Jammu & Kashmir UT	8473	5969	16337	13904	400	-40	400	400	1600	1600	11750	10410
11	Jharkhand	4000	-155	1000	-2505	-	-	-	-	-	-750	-	-750
12	Karnataka	36000	26000	81000	63003	20000	18000	4000	1500	16000	13500	43000	29500
13	Kerala	30839	15620	42438	26638	2745	1245	2249	1249	2755	2455	32002	19802
14	Madhya Pradesh	40158	26849	38500	26264	5000	4000	5000	4250	5000	4250	30000	22900
15	Maharashtra	72000	42815	110000	79738	3000	600	-	-2700	-	-3100	67000	41700
16	Manipur	1422	1147	1426	1076	200	-	-	-	200	200	1000	740
17	Meghalaya	1753	1356	1364	912	197	197	-	-	635	535	1882	1294
18	Mizoram	1315	1129	901	641	50	50	80	60	140	40	811	581
19	Nagaland	1854	1199	2551	2016	-	-	-	-150	250	250	550	200
20	Odisha	0	-7500	0	-4658	-	-500	1000	1000	-	-	1000	-500
21	Puducherry	1200	698	1100	475	300	300	-	-100	350	350	900	500
22	Punjab	45500	33660	42386	29517	3150	3150	387	387	2500	2200	32930	28176
23	Rajasthan	46057	30110	73624	49718	7000	5230	4265	3015	4800	3800	52565	36483
24	Sikkim	1414	1320	1916	1701	1000	1000	-	-	-	-	1000	870
25	Tamil Nadu	87000	65722	113001	75970	8000	3150	9025	5400	11000	10000	78025	53175
26	Telangana	40150	30922	49618	39385	4500	3700	1000	200	3500	2500	40500	31982
27	Tripura	0	-645	0	-550	-	-	-	-	-	-	-	-
28	Uttar Pradesh	55612	41797	97650	85335	3000	24	6000	3500	12000	8422	21000	7713
29	Uttarakhand	3200	1450	6300	3800	500	500	500	500	1000	-	3400	2400
30	West Bengal	63000	42500	69910	48910	3500	2000	3000	1000	7000	5000	38000	22900
	Grand Total	758392	518829	1007058	717140	84842	53457	55006	29311	88662	63454	614147	409492

- : Nil.

Note: The State of J&K has ceased to exist constitutionally from October 31, 2019 and the liabilities of the State continue to remain as liabilities of the new UT of Jammu and Kashmir.

Source: Reserve Bank of India.

No. 50 (a): Flow of Financial Assets and Liabilities of Households - Instrument-wise

(Amount in ₹ Crore)

Item	2021-22				
	Q1	Q2	Q3	Q4	Annual
Net Financial Assets (I-II)	3,42,813	3,30,490	4,85,203	5,54,816	17,13,322
<i>Per cent of GDP</i>	<i>6.6</i>	<i>5.9</i>	<i>7.7</i>	<i>8.5</i>	<i>7.3</i>
I. Financial Assets	3,63,395	5,25,419	8,16,484	9,07,366	26,12,664
<i>Per cent of GDP</i>	<i>7.0</i>	<i>9.3</i>	<i>13.0</i>	<i>13.9</i>	<i>11.1</i>
<i>of which:</i>					
1.Total Deposits (a)+(b)	(81,064)	2,04,486	4,28,035	2,83,634	8,35,091
(a) Bank Deposits	(1,06,429)	1,97,105	4,22,393	2,70,025	7,83,094
i. Commercial Banks	(1,07,941)	1,95,442	4,18,267	2,62,326	7,68,094
ii. Co-operative Banks	1,512	1,663	4,126	7,699	15,000
(b) Non-Bank Deposits	25,365	7,380	5,642	13,610	51,997
<i>of which:</i>					
Other Financial Institutions (i+ii)	17,555	(435)	(2,178)	5,770	20,712
i. Non-Banking Financial Companies	5,578	(1,371)	73	4,021	8,302
ii. Housing Finance Companies	11,977	936	(2,252)	1,748	12,410
2. Life Insurance Funds	1,15,539	1,28,277	1,04,076	1,38,998	4,86,889
3. Provident and Pension Funds (including PPF)	1,24,971	1,12,810	95,493	2,18,719	5,51,993
4. Currency	1,28,660	(68,631)	62,793	1,46,845	2,69,667
5. Investments	24,884	82,260	69,715	50,926	2,27,785
<i>of which:</i>					
(a) Mutual Funds	14,573	63,151	37,912	44,964	1,60,600
(b) Equity	4,502	13,218	27,808	3,084	48,613
6. Small Savings (excluding PPF)	50,405	66,218	56,372	68,243	2,41,238
II. Financial Liabilities	20,583	1,94,929	3,31,281	3,52,550	8,99,343
<i>Per cent of GDP</i>	<i>0.4</i>	<i>3.5</i>	<i>5.3</i>	<i>5.4</i>	<i>3.8</i>
Loans (Borrowings) from					
1. Financial Corporations (a+b)	20,479	1,94,825	3,31,178	3,52,446	8,98,928
(a) Banking Sector	21,428	1,38,720	2,67,955	2,74,181	7,02,284
<i>of which:</i>					
i. Commercial Banks	26,979	1,40,269	2,65,271	3,37,010	7,69,529
(b) Other Financial Institutions	(949)	56,105	63,223	78,266	1,96,644
i. Non-Banking Financial Companies	(8,708)	30,151	32,177	40,003	93,623
ii. Housing Finance Companies	7,132	24,404	29,495	37,436	98,467
iii. Insurance Corporations	627	1,550	1,551	827	4,554
2. Non-Financial Corporations (Private Corporate Business)	34	34	34	34	135
3. General Government	70	70	70	70	279

No. 50 (a): Flow of Financial Assets and Liabilities of Households - Instrument-wise (Contd.)

(Amount in ₹ Crore)

Item	2022-23				
	Q1	Q2	Q3	Q4	Annual
Net Financial Assets (I-II)	2,89,980	2,99,395	2,96,132	4,54,240	13,39,748
<i>Per cent of GDP</i>	<i>4.5</i>	<i>4.6</i>	<i>4.3</i>	<i>6.4</i>	<i>5.0</i>
I. Financial Assets	5,79,958	6,34,471	7,50,245	9,71,526	29,36,200
<i>Per cent of GDP</i>	<i>8.9</i>	<i>9.8</i>	<i>10.9</i>	<i>13.6</i>	<i>10.9</i>
<i>of which:</i>					
1.Total Deposits (a)+(b)	1,85,429	3,17,361	2,80,233	3,25,853	11,08,876
(a) Bank Deposits	1,63,172	2,99,533	2,56,400	3,07,867	10,26,971
i. Commercial Banks	1,58,613	3,00,565	2,48,460	2,84,968	9,92,606
ii. Co-operative Banks	4,559	(1,032)	7,940	22,899	34,365
(b) Non-Bank Deposits	22,257	17,829	23,833	17,986	81,905
<i>of which:</i>					
Other Financial Institutions (i+ii)	6,505	2,077	8,082	2,234	18,897
i. Non-Banking Financial Companies	4,231	3,267	3,247	3,946	14,690
ii. Housing Finance Companies	2,274	(1,191)	4,835	(1,712)	4,207
2. Life Insurance Funds	73,298	1,51,677	1,67,522	1,56,613	5,49,109
3. Provident and Pension Funds (including PPF)	1,48,915	1,20,367	1,38,584	2,18,709	6,26,575
4. Currency	66,439	(54,579)	76,760	1,48,990	2,37,610
5. Investments	51,503	48,530	49,779	64,151	2,13,962
<i>of which:</i>					
(a) Mutual Funds	35,443	44,484	40,206	58,955	1,79,088
(b) Equity	13,561	1,378	6,434	1,665	23,038
6. Small Savings (excluding PPF)	54,375	51,115	37,368	57,211	2,00,068
II. Financial Liabilities	2,89,978	3,35,076	4,54,113	5,17,285	15,96,452
<i>Per cent of GDP</i>	<i>4.5</i>	<i>5.2</i>	<i>6.6</i>	<i>7.3</i>	<i>5.9</i>
Loans (Borrowings) from					
1. Financial Corporations (a+b)	2,89,781	3,34,880	4,53,917	5,17,089	15,95,667
(a) Banking Sector	2,34,235	2,63,450	3,70,783	3,83,845	12,52,313
<i>of which:</i>					
i. Commercial Banks	2,30,284	2,61,265	3,68,305	3,31,293	11,91,146
(b) Other Financial Institutions	55,546	71,429	83,134	1,33,244	3,43,354
i. Non-Banking Financial Companies	30,532	36,650	55,792	94,565	2,17,539
ii. Housing Finance Companies	22,337	33,031	24,903	36,746	1,17,017
iii. Insurance Corporations	2,678	1,748	2,439	1,933	8,798
2. Non-Financial Corporations (Private Corporate Business)	34	34	34	34	135
3. General Government	163	163	163	163	650

No. 50 (a): Flow of Financial Assets and Liabilities of Households - Instrument-wise (Concl.)

(Amount in ₹ Crore)

Item	2023-24				
	Q1	Q2	Q3	Q4	Annual
Net Financial Assets (I-II)	3,53,093	2,89,675	2,98,111	6,11,366	15,52,245
<i>Per cent of GDP</i>	<i>5.0</i>	<i>4.1</i>	<i>3.9</i>	<i>7.8</i>	<i>5.3</i>
I. Financial Assets	6,74,763	8,15,842	8,08,779	11,32,130	34,31,514
<i>Per cent of GDP</i>	<i>9.6</i>	<i>11.5</i>	<i>10.7</i>	<i>14.5</i>	<i>11.6</i>
<i>of which:</i>					
1. Total Deposits (a)+(b)	2,68,925	4,12,388	2,99,372	4,10,559	13,91,244
(a) Bank Deposits	2,55,249	5,06,208	2,79,872	3,94,573	14,35,902
i. Commercial Banks	2,46,079	5,06,700	2,82,537	3,87,313	14,22,629
ii. Co-operative Banks	9,170	(492)	(2,665)	7,260	13,273
(b) Non-Bank Deposits	13,676	(93,820)	19,499	15,986	(44,658)
<i>of which:</i>					
Other Financial Institutions (i+ii)	(485)	(1,07,982)	5,338	1,825	(1,01,305)
i. Non-Banking Financial Companies	6,119	4,782	4,896	1,943	17,740
ii. Housing Finance Companies	(6,605)	(1,12,764)	442	(118)	(1,19,045)
2. Life Insurance Funds	1,58,358	1,41,413	1,61,192	1,30,036	5,90,999
3. Provident and Pension Funds (including PPF)	1,63,508	1,48,178	1,53,255	2,53,719	7,18,661
4. Currency	(48,636)	(36,701)	56,719	1,46,644	1,18,026
5. Investments	41,409	73,060	79,633	1,08,732	3,02,834
<i>of which:</i>					
(a) Mutual Funds	32,086	55,769	60,135	90,973	2,38,962
(b) Equity	3,757	7,146	9,941	8,236	29,080
6. Small Savings (excluding PPF)	91,198	77,504	58,607	82,441	3,09,751
II. Financial Liabilities	3,21,670	5,26,167	5,10,667	5,20,764	18,79,269
<i>Per cent of GDP</i>	<i>4.6</i>	<i>7.4</i>	<i>6.7</i>	<i>6.7</i>	<i>6.4</i>
Loans (Borrowings) from					
1. Financial Corporations (a+b)	3,21,520	5,26,016	5,10,516	5,20,613	18,78,666
(a) Banking Sector	2,13,606	8,68,874	4,02,647	3,92,330	18,77,458
<i>of which:</i>					
i. Commercial Banks	2,08,027	8,75,654	3,89,898	3,82,558	18,56,136
(b) Other Financial Institutions	1,07,914	(3,42,858)	1,07,869	1,28,283	1,208
i. Non-Banking Financial Companies	81,449	59,684	85,032	1,00,836	3,27,001
ii. Housing Finance Companies	23,784	(4,04,294)	21,233	25,853	(3,33,424)
iii. Insurance Corporations	2,681	1,753	1,604	1,594	7,631
2. Non-Financial Corporations (Private Corporate Business)	34	35	35	35	138
3. General Government	116	116	116	116	465

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 2023-24 and revised estimates for 2021-22 and 2022-23.

3. The preliminary estimates for 2023-24 will undergo revision with the release of first revised estimates of national income, consumption expenditure, savings, and capital formation, 2023-24 by the National Statistical Office (NSO).

4. Non-bank deposits apart from other financial institutions, comprises state power utilities, co-operative non credit societies etc.

5. Figures in the columns may not add up to the total due to rounding off.

No. 50 (b): Stocks of Financial Assets and Liabilities of Households- Select Indicators

(Amount in ₹ Crore)

Item	Jun-2021	Sep-2021	Dec-2021	Mar-2022
Financial Assets (a+b+c+d+e+f+g+h)	2,33,27,377	2,39,99,280	2,47,08,474	2,54,40,650
<i>Per cent of GDP</i>	110.4	108.9	108.2	107.8
(a) Bank Deposits (i+ii)	1,07,90,832	1,09,87,937	1,14,10,330	1,16,80,355
i. Commercial Banks	99,53,044	1,01,48,486	1,05,66,753	1,08,29,079
ii. Co-operative Banks	8,37,788	8,39,451	8,43,577	8,51,276
(b) Non-Bank Deposits				
<i>of which:</i>				
Other Financial Institutions	2,06,509	2,06,074	2,03,896	2,09,665
i. Non-Banking Financial Companies	67,840	66,469	66,542	70,564
ii. Housing Finance Companies	1,38,669	1,39,605	1,37,353	1,39,102
(c) Life Insurance Funds	49,29,725	51,42,279	52,13,527	53,57,350
(d) Currency	27,42,897	26,74,266	27,37,059	28,83,904
(e) Mutual funds	18,55,000	20,64,364	21,26,112	21,52,141
(f) Public Provident Fund (PPF)	7,57,398	7,62,264	7,67,287	8,34,148
(g) Pension Funds	6,16,517	6,67,379	6,99,173	7,36,592
(h) Small Savings (excluding PPF)	14,28,499	14,94,717	15,51,089	15,86,496
Financial Liabilities (a+b)	77,43,630	79,38,456	82,69,633	86,22,079
<i>Per cent of GDP</i>	36.6	36.0	36.2	36.5
Loans/Borrowings				
(a) Banking Sector	61,80,377	63,19,097	65,87,052	68,61,233
<i>of which:</i>				
i. Commercial Banks	56,47,239	57,87,508	60,52,779	63,89,789
ii. Co-operative Banks	5,31,728	5,30,164	5,32,833	4,69,989
(b) Other Financial Institutions	15,63,253	16,19,358	16,82,581	17,60,847
<i>of which:</i>				
i. Non-Banking Financial Companies	7,36,312	7,66,463	7,98,641	8,38,643
ii. Housing Finance Companies	7,21,510	7,45,914	7,75,408	8,12,845
iii. Insurance Corporations	1,05,431	1,06,981	1,08,532	1,09,359

No. 50 (b): Stocks of Financial Assets and Liabilities of Households- Select Indicators (Contd.)

(Amount in ₹ Crore)

Item	Jun-2022	Sep-2022	Dec-2022	Mar-2023
Financial Assets (a+b+c+d+e+f+g+h)	2,56,21,348	2,64,23,992	2,71,87,716	2,78,44,981
<i>Per cent of GDP</i>	102.8	102.6	103.2	103.3
(a) Bank Deposits (i+ii)	1,18,43,527	1,21,43,060	1,23,99,459	1,27,07,326
i. Commercial Banks	1,09,87,692	1,12,88,257	1,15,36,717	1,18,21,685
ii. Co-operative Banks	8,55,835	8,54,803	8,62,742	8,85,641
(b) Non-Bank Deposits				
<i>of which:</i>				
Other Financial Institutions	2,16,170	2,18,247	2,26,328	2,28,562
i. Non-Banking Financial Companies	74,794	78,061	81,308	85,254
ii. Housing Finance Companies	1,41,376	1,40,185	1,45,020	1,43,308
(c) Life Insurance Funds	53,25,967	55,59,682	57,86,593	57,95,431
(d) Currency	29,50,343	28,95,764	29,72,524	31,21,514
(e) Mutual funds	20,48,097	22,60,210	23,55,316	23,67,793
(f) Public Provident Fund (PPF)	8,51,913	8,58,591	8,64,731	9,39,449
(g) Pension Funds	7,44,459	7,96,454	8,53,412	8,98,343
(h) Small Savings (excluding PPF)	16,40,871	16,91,985	17,29,353	17,86,563
Financial Liabilities (a+b)	89,11,861	92,46,741	97,00,657	1,02,17,746
<i>Per cent of GDP</i>	35.8	35.9	36.8	37.9
Loans/Borrowings				
(a) Banking Sector	70,95,468	73,58,918	77,29,701	81,13,546
<i>of which:</i>				
i. Commercial Banks	66,20,073	68,81,338	72,49,643	75,80,936
ii. Co-operative Banks	4,73,897	4,76,025	4,78,487	5,30,915
(b) Other Financial Institutions	18,16,393	18,87,823	19,70,956	21,04,201
<i>of which:</i>				
i. Non-Banking Financial Companies	8,69,175	9,05,825	9,61,617	10,56,182
ii. Housing Finance Companies	8,35,181	8,68,213	8,93,116	9,29,862
iii. Insurance Corporations	1,12,037	1,13,785	1,16,223	1,18,157

No. 50 (b): Stocks of Financial Assets and Liabilities of Households- Select Indicators (Concl.)

(Amount in ₹ Crore)

Item	Jun-2023	Sep-2023	Dec-2023	Mar-2024
Financial Assets (a+b+c+d+e+f+g+h)	2,87,56,851	2,96,44,299	3,07,47,010	3,19,86,847
<i>Per cent of GDP</i>	104.6	105.4	106.6	108.3
(a) Bank Deposits (i+ii)	1,29,62,575	1,34,68,783	1,37,48,656	1,41,43,228
i. Commercial Banks	1,20,67,764	1,25,74,464	1,28,57,001	1,32,44,314
ii. Co-operative Banks	8,94,811	8,94,319	8,91,655	8,98,914
(b) Non-Bank Deposits				
<i>of which:</i>				
Other Financial Institutions	2,28,077	1,20,095	1,25,432	1,27,257
i. Non-Banking Financial Companies	91,373	96,156	1,01,051	1,02,994
ii. Housing Finance Companies	1,36,703	23,939	24,381	24,263
(c) Life Insurance Funds	60,64,437	62,55,801	65,53,726	67,69,272
(d) Currency	30,72,878	30,36,177	30,92,896	32,39,540
(e) Mutual funds	26,26,046	28,29,859	31,56,299	33,87,208
(f) Public Provident Fund (PPF)	9,55,061	9,60,344	9,64,852	10,51,376
(g) Pension Funds	9,70,016	10,17,975	10,91,276	11,72,651
(h) Small Savings (excluding PPF)	18,77,761	19,55,265	20,13,873	20,96,314
Financial Liabilities (a+b)	1,05,39,266	1,10,65,282	1,15,75,799	1,20,96,412
<i>Per cent of GDP</i>	38.3	39.3	40.2	41.0
Loans/Borrowings				
(a) Banking Sector	83,27,152	91,96,026	95,98,673	99,91,003
<i>of which:</i>				
i. Commercial Banks	77,88,962	86,64,616	90,54,514	94,37,072
ii. Co-operative Banks	5,36,409	5,29,528	5,42,241	5,51,852
(b) Other Financial Institutions	22,12,114	18,69,256	19,77,126	21,05,409
<i>of which:</i>				
i. Non-Banking Financial Companies	11,37,631	11,97,315	12,82,347	13,83,183
ii. Housing Finance Companies	9,53,646	5,49,352	5,70,585	5,96,438
iii. Insurance Corporations	1,20,837	1,22,590	1,24,194	1,25,788

Note: 1. Data as ratios to GDP have been calculated based on the Provisional Estimates of National Income 2023-24, released by NSO on May 31, 2024.

2. Pension funds comprises funds with the National Pension Scheme.

3. Outstanding deposits with Small Savings are sourced from the Controller General of Accounts, Government of India.

4. Non-bank deposits apart from other financial institutions, comprises state power utilities, co-operative non credit societies etc. Data for outstanding deposits are available only for other financial institutions.

5. Figures in the columns may not add up to the total due to rounding off.

Explanatory Notes to the Current Statistics

Table No. 1

1.2& 6: Annual data are average of months.

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

4.1 to 4.4, 4.8,4.9 &5: Relate to the last friday of the month/financial year.

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

4.10 to 4.12: Relate to the last auction day of the month/financial year.

4.13: Relate to last day of the month/ financial year

7.1&7.2: Relate to Foreign trade in US Dollar.

Table No. 2

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

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

Table No. 4

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

Table No. 5

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

Table No. 6

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

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

Table Nos. 7 & 11

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

Table No. 8

NM₂ and NM₃ do not include FCNR (B) deposits.

2.4: Consist of paid-up capital and reserves.

2.5: includes other demand and time liabilities of the banking system.

Table No. 9

Financial institutions comprise EXIM Bank, SIDBI, NABARD and NHB.

L₁ and L₂ are compiled monthly and L₃ quarterly.

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

Table No. 13

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

Table No. 14

Data in column Nos. (4) & (8) are Provisional.

Table No. 17

2.1.1: Exclude reserve fund maintained by co-operative societies with State Co-operative Banks

2.1.2: Exclude borrowings from RBI, SBI, IDBI, NABARD, notified banks and State Governments.

4: Include borrowings from IDBI and NABARD.

Table No. 24

Primary Dealers (PDs) include banks undertaking PD business.

Table No. 30

Exclude private placement and offer for sale.

1: Exclude bonus shares.

2: Include cumulative convertible preference shares and equi-preference shares.

Table No. 32

Exclude investment in foreign currency denominated bonds issued by IIFC (UK), SDRs transferred by Government of India to RBI and foreign currency received under SAARC and ACU currency swap arrangements. Foreign currency assets in US dollar take into account appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen and Australian Dollar) held in reserves. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI holding rates.

Table No. 34

1.1.1.1.2 & 1.1.1.1.4: Estimates.

1.1.1.2: Estimates for latest months.

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

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

Table No. 35

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

Table No. 36

Increase in indices indicates appreciation of rupee and *vice versa*. For 6-Currency index, base year 2022-23 is a moving one, which gets updated every year. REER figures are based on Consumer Price Index (combined). The details on methodology used for compilation of NEER/REER indices are available in December 2005, April 2014 and January 2021 issues of the RBI Bulletin.

Table No. 37

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

Table Nos. 38, 39, 40 & 41

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

Table No. 43

Part I-A. Settlement systems

1.1.3: Tri- party Repo under the securities segment has been operationalised from November 05, 2018.

Part I-B. Payments systems

4.1.2: 'Others' includes e-commerce transactions and digital bill payments through ATMs, etc.

4.2.2: 'Others' includes e-commerce transactions, card to card transfers and digital bill payments through ATMs, etc.

5: Available from December 2010.

5.1: includes purchase of goods and services and fund transfer through wallets.

5.2.2: includes usage of PPI Cards for online transactions and other transactions.

6.1: Pertain to three grids – Mumbai, New Delhi and Chennai.

6.2: 'Others' comprises of Non-MICR transactions which pertains to clearing houses managed by 21 banks.

Part II-A. Other payment channels

1: Mobile Payments –

- Include transactions done through mobile apps of banks and UPI apps.
- The data from July 2017 includes only individual payments and corporate payments initiated, processed, and authorised using mobile device. Other corporate payments which are not initiated, processed, and authorised using mobile device are excluded.

2: Internet Payments – includes only e-commerce transactions through 'netbanking' and any financial transaction using internet banking website of the bank.

Part II-B. ATMs

3.3 and 4.2: only relates to transactions using bank issued PPIs.

Part III. Payment systems infrastructure

3: Includes ATMs deployed by Scheduled Commercial Banks (SCBs) and White Label ATM Operators (WLAOs). WLAs are included from April 2014 onwards.

Table No. 45

(-) represents nil or negligible

The table format is revised since monthly Bulletin for the month of June 2023.

Central Government Dated Securities include special securities and Sovereign Gold Bonds.

State Government Securities include special bonds issued under Ujwal DISCOM Assurance Yojana (UDAY).

Bank PDs are clubbed under Commercial Banks.

The category 'Others' comprises State Governments, DICGC, PSUs, Trusts, Foreign Central Banks, HUF/ Individuals etc.

Data since September 2023 includes the impact of the merger of a non-bank with a bank.

Table No. 46

GDP data is based on 2011-12 base. GDP for 2023-24 is from Union Budget 2023-24.

Data pertains to all States and Union Territories.

1 & 2: Data are net of repayments of the Central Government (including repayments to the NSSF) and State Governments.

1.3: Represents compensation and assignments by States to local bodies and Panchayati Raj institutions.

2: Data are net of variation in cash balances of the Central and State Governments and includes borrowing receipts of the Central and State Governments.

3A.1.1: Data as per RBI records.

3B.1.1: Borrowings through dated securities.

3B.1.2: Represent net investment in Central and State Governments' special securities by the National Small Savings Fund (NSSF).

This data may vary from previous publications due to adjustments across components with availability of new data.

3B.1.6: Include Ways and Means Advances by the Centre to the State Governments.

3B.1.7: Include Treasury Bills, loans from financial institutions, insurance and pension funds, remittances, cash balance investment account.

Table No. 47

SDF is availed by State Governments against the collateral of Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF) & Auction Treasury Bills (ATBs) balances and other investments in government securities.

WMA is advance by Reserve Bank of India to State Governments for meeting temporary cash mismatches.

OD is advanced to State Governments beyond their WMA limits.

Average amount Availed is the total accommodation (SDF/WMA/OD) availed divided by number of days for which accommodation was extended during the month.

- : Nil.

Table No. 48

CSF and GRF are reserve funds maintained by some State Governments with the Reserve Bank of India.

ATBs include Treasury bills of 91 days, 182 days and 364 days invested by State Governments in the primary market.

--: Not Applicable (not a member of the scheme).

The concepts and methodologies for Current Statistics are available in Comprehensive Guide for Current Statistics of the RBI Monthly Bulletin (<https://rbi.org.in/Scripts/PublicationsView.aspx?id=17618>)

Time series data of 'Current Statistics' is available at <https://data.rbi.org.in>.

Detailed explanatory notes are available in the relevant press releases issued by RBI and other publications/releases of the Bank such as **Handbook of Statistics on the Indian Economy**.

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8. Report on Trend and Progress of Banking in India 2023-24	Issued as Supplement to RBI Bulletin January, 2025	
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10. Financial Stability Report, December 2024	Issued as Supplement to RBI Bulletin January, 2025	
11. Monetary Policy Report - October 2024	Included in RBI Bulletin October 2024	
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

- Many of the above publications are available at the RBI website (www.rbi.org.in).
 - Time Series data are available at the Database on Indian Economy (<https://data.rbi.org.in>).
 - The Reserve Bank of India History 1935-2008 (5 Volumes) are available at leading book stores in India.
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