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*Second Quarter Review of Monetary Policy 2010-11**

Introduction

This Second Quarter Review is set in the context of a mixed backdrop of persistent sluggishness in advanced economies and positive signals from emerging market economies (EMEs). While recovery in advanced economies has slowed in the second half of 2010, EMEs continue to show strong growth. The fragile and uneven nature of the recovery and large unemployment in advanced economies raise concerns about the sustainability of the global recovery, which has prompted the International Monetary Fund (IMF) to project a lower world GDP growth of 4.2 per cent in 2011 as compared with 4.8 per cent in 2010.

2. The rising concerns about the slowing momentum of recovery have prompted the central banks of some advanced economies to initiate (or consider initiating) a second round of quantitative easing to further stimulate private demand. While the ultra loose monetary policy of advanced economies may benefit the global economy in the medium-term, in the short-term it will trigger further capital inflows into EMEs and put upward pressure on global commodity prices.

3. On the domestic front, economic activity is firmly in place. The 8.8 per cent GDP growth for Q1 of 2010-11 suggests that the economy is operating close to the trend growth rate, driven mainly by domestic factors. The South-West monsoon was normal which should boost agricultural output and rural demand. Most industrial and service sector indicators also point towards sustained growth.

* Announced by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India on November 2, 2010 in Mumbai.

4. Notwithstanding some moderation in recent months, headline inflation remains significantly above its medium-term trend. What is of concern is that while non-food manufactured products inflation has stabilised, food inflation has not shown the expected post-monsoon moderation. Persistently rising food prices even in the wake of a normal monsoon raise concerns about the structural nature of food inflation and its consequent impact on inflationary expectations. Further, when the economy is growing close to trend, the risks of structural food inflation spilling over into prices of other commodities are significant and that could potentially offset the recent moderation.

5. This statement is organised in two parts. Part A covers Monetary Policy and is divided into four sections: Section I provides an overview of global and domestic macroeconomic developments; Section II sets out the outlook and projections for growth, inflation and monetary aggregates; Section III explains the stance of monetary policy; and Section IV specifies the monetary measures. Part B covers Developmental and Regulatory Policies and is organised in six sections: *Financial Stability* (Section I), *Interest Rate Policy* (Section II), *Financial Markets* (Section III), *Credit Delivery and Financial Inclusion* (Section IV), *Regulatory and Supervisory Measures for Commercial Banks* (Section V) *and Institutional Developments* (Section VI). Part A of this statement should be read and understood together with the detailed review in *Macroeconomic and Monetary Developments* released yesterday by the Reserve Bank.

Part A. Monetary Policy

I. The State of the Economy

Global Economy

6. In its World Economic Outlook released in October 2010, the IMF revised upwards its forecast for global growth for 2010 from 4.6 per cent to 4.8 per cent. However, the estimate for the second half of the year is significantly lower than for the first. Moreover, the growth process remains uneven being driven largely by emerging and developing countries. In advanced economies, the recovery continues to be fragile as private demand has not picked up sufficiently to offset the waning fiscal stimulus.

7. In the US, growth remained sluggish in the third quarter of 2010. Household spending is constrained by high unemployment, modest income growth, lower housing wealth and tight credit. The economic recovery in Japan has also moderated recently as reflected in slowdown in industrial production and growth in exports. On the other hand, economic activity in the Euro area is showing signs of resilience in the aftermath of the sovereign debt problems in May-June 2010, though at an uneven pace across the region. Growth in the EMEs continues to be strong, led mainly by domestic demand but supported by exports.

8. Inflation rates in advanced economies remain subdued due to high level of slack in resource utilisation and high unemployment. In the US and Japan, inflation rates are significantly below desired levels providing a rationale for central banks to provide further stimulus

through quantitative easing. In sharp contrast, EMEs are witnessing rising domestic demand which is beginning to generate inflationary pressures. These could be aggravated by significant increases in commodity prices driven by investment flows into these markets. Inflation is a growing concern in several EMEs.

Domestic Economy

9. India's growth of 8.8 per cent in Q1 of 2010-11 suggests that the recovery set in the second half of 2009-10 is consolidating. The normal South-West monsoon and its delayed withdrawal have boosted the prospects of both *kharif* and *rabi* agricultural production.

10. Industrial growth has been robust, although apparently with a significant increase in volatility. The year-on-year increase in the index of industrial production (IIP) varied in a range of 5.6 to 15.2 per cent during April–August 2010, with an average of 10.6 per cent. Industrial growth was high in the capital goods, consumer durables and intermediate goods sectors. While the volatility raises concerns about a deceleration, other indicators of economic activity suggest continuing momentum. Exports have grown steadily during the first half of 2010-11, showing an increase of 27.6 per cent over the corresponding period of last year. Based on an analysis of a sample of 2,546 non-financial companies, private corporate sector sales rose by 24 per cent year-on-year in Q1 of 2010-11. Early results of corporate performance indicate sustained sales growth and improved profitability in Q2 of 2010-11. Direct tax collections, as reflected in advance taxes paid in September 2010, rose by 16.5 per cent over last year. Similarly, indirect tax collections during the April-September period were 43.1 per cent higher than in the corresponding period of 2009.

11. The buoyancy in various service sectors witnessed in the second half of 2009-10, has continued this year as well. The latest quarterly industrial outlook survey conducted by the Reserve Bank indicates improvement in the overall business conditions. Other business conditions surveys also indicate a similar trend. While the Reserve Bank's survey on capacity utilisation indicates that there is a small decline in utilisation at the aggregate level, several sectors appear to be facing capacity constraints, resulting in increased imports.

12. On the inflation front, the new series of wholesale price index (WPI) released on September 14, 2010 is a better representative of commodity price levels with an updated base (2004-05=100) and wider coverage of commodities. While inflation at the aggregate level does not show much variation over the medium-term between the old and new series, there are significant differences in inflation at the disaggregated level. As per the new WPI series, the year-on-year inflation moderated to 8.5 per cent in August 2010 and 8.6 per cent in September 2010 after remaining in double digits during March-July 2010. At a disaggregated level, inflation in primary articles, especially food articles, in the new series has been significantly higher than in the old series, whereas for manufactured products, it has been somewhat lower.

13. During 2010-11, although the year-on-year primary food inflation moderated from

21.4 per cent in May 2010 to 15.7 per cent in September 2010, the moderation was not commensurate with patterns following a normal monsoon on previous occasions. This is partly a reflection of the growing importance of protein-rich items in the consumption basket for which price increases have been large. The year-on-year inflation rate in protein-based food items such as pulses, milk, eggs, fish and meat (with a combined weight of 6.4 per cent in WPI basket), peaked at 34 per cent in May 2010 and remained very high at 23.9 per cent in September 2010. Inflation in the other primary food articles (weight: 8.0 per cent) moderated from 14.0 per cent in June 2010 to 9.4 per cent in September 2010, more visibly reflecting the impact of normal monsoon on prices of major cereals, fruits and vegetables. In sum, despite some moderation, overall food price inflation remains at an elevated level. The year-on-year inflation as of September 2010 was also high for certain primary non-food articles such as raw rubber (57.4 per cent), sugarcane (53.3 per cent) and cotton (27.5 per cent). The rise in cotton prices reflected global trends.

14. Focusing on the manufacturing sector, the year-on-year WPI non-food manufactured products (weight: 55.0 per cent) inflation increased from (-) 2.0 per cent in September 2009 to a peak of 5.9 per cent in April 2010, before moderating to 5.0 per cent in September 2010. Non-food items inflation (WPI excluding food products and food articles), which was (-) 2.9 per cent in September 2009, rose sharply to 9.2 per cent in April 2010 before moderating to 7.8 per cent by September 2010. Non-food items (weight: 75.7 per cent) contributed 65.5 per cent to WPI inflation in September 2010, up from 40.5 per cent in January 2010.

15. Inflation based on CPI for industrial workers has moderated to single digit since August 2010 after remaining in double digits for 13 months. However, the various CPI baskets still reflect the consumption pattern of the mid-1980s and 2001 which have a relatively higher weight for cereals, whereas more updated (2004-05) WPI basket suggests that food consumption has shifted towards protein-rich items where price increase has been high. To that extent, CPI baskets understate the underlying food inflation.

16. Money supply (M_3) growth moderated from 16.8 per cent on a year-on-year basis at end-March 2010 to 14.5 per cent at end-May 2010 before increasing to 15.2 per cent by October 8, 2010. At this level, it was below the indicative projection of 17.0 per cent for 2010-11. The lower M_3 growth essentially reflected the moderation in growth in bank deposits, particularly long-term deposits. Furthermore, currency growth has been higher than deposits growth which reduced the money multiplier, thereby lowering M_3 growth. A contributory factor to this trend has been negative real interest rates on deposits, which have induced depositors to both hold currency and invest in non-financial assets, including gold and real estate, whose prices have shown significant increases over the course of the current year.

17. Non-food credit growth accelerated from 17.1 per cent on a year-on-year basis at end-March 2010 to 22.3 per cent by July 2, 2010, reflecting in part the higher credit demand emanating from telecom spectrum auctions. Although it moderated to 20.1 per

cent as of October 8, 2010, it was in line with the indicative trajectory of 20 per cent for 2010-11 set out in the Monetary Policy Statement of April 2010. Even after adjusting for spectrum auction related advances, growth in bank credit during the current financial year so far has been in line with the long-term trend. Disaggregated data suggest that year-on-year credit growth to large industries, including infrastructure (especially power and telecom), and housing sectors improved significantly. The increase in bank credit to the commercial sector was also supplemented by the higher flow of funds from other sources. Rough estimates showed that the total flow of financial resources from banks, non-banks and external sources to the commercial sector during the first half of 2010-11 was higher at ₹4,85,000 crore, up from ₹3,29,000 crore during the same period of previous year.

18. On the lending side, the Base Rate system replaced the Benchmark Prime Lending Rate (BPLR) system with effect from July 1, 2010. Base Rates of scheduled commercial banks (SCBs) were fixed in the range of 5.50-9.00 per cent. Subsequently, several banks reviewed and increased their Base Rates in the range of 10–50 basis points by October 2010. Base Rates of major banks, accounting for over 94 per cent in total bank credit, are in the range of 7.50-8.50 per cent. Banks have also raised their BPLRs in the range of 25-75 basis points for their old loans.

19. Liquidity conditions, which remained tight between end-May 2010 and July 2010 due to huge outflow of liquidity from the system, eased in August 2010. After alternating between surplus and deficit for a brief period, the Liquidity Adjustment Facility (LAF) window of the Reserve Bank has remained in an injection mode since September 9, 2010 with an average daily net injection of around ₹24,000 crore in September and ₹61,700 crore in October 2010 and a peak injection of ₹1,28,685 crore on October 30, 2010. While the injection mode in the LAF window has been consistent with the stated policy stance, the sharp changes have largely been due to significant increases in government cash balances, which stood at ₹77,736 crore as on October 30, 2010.

20. With a view to alleviating frictional liqudity pressure, the Reserve Bank on October 29, 2010 decided to conduct second LAF (SLAF) and also allowed scheduled commercial banks to avail of additional liquidity support under the LAF to the extent of up to 1.0 per cent of their NDTL as on October 8, 2010. In view of the likely persistence of the frictional liqudity pressure and in order to provide liquidity comfort, these measures have been extended up to November 4, 2010.

21. Both the increases in lending rates by the banking system and liquidity conditions are consistent with the monetary policy stance of reining in inflation. Tight liquidity conditions are helping to strengthen the transmission from policy rates to commercial lending rates, and the process is becoming much more transparent through the operation of the Base Rate system. As desirable as these conditions may be from the viewpoint of inflation management, there are legitimate concerns that the deficit, as reflected by borrowings under the LAF in recent weeks, is significantly in excess of the Reserve Bank's comfort zone of (+/-)

one per cent of net demand and time liabilities (NDTL) of banks. The high level of government balances indicates that the tight liquidity situation is likely to ease to some extent as the Government draws down its balances in the coming weeks.

22. On the basis of large spectrum auction realisations, buoyant tax revenues and in anticipation of significant inflows from disinvestment during the current year, the Government announced that it would pare its market borrowing by ₹10,000 crore in the second half of the financial year. Further, on October 21, 2010, as a part of its cash management operations, the Government, in consultation with the Reserve Bank, announced the repurchase of government securities amounting to ₹28,553 crore maturing during 2010-11. The repurchase operations would be funded through the surplus cash balances of the Government. In the first tranche, repurchase of securities for an aggregate amount of ₹12,000 crore was notified and ₹2,148 crore was accepted in the auction held on October 26, 2010.

23. The increase in the overall revenue realisation of the Government during the current year is a welcome development. It virtually eliminates the possibility of the fiscal deficit overshooting the budget estimate. Fiscal consolidation is important for a number of reasons, including the fact that monetary policy works most efficiently, particularly when it is dealing with an inflationary situation, when the fiscal situation is under control. Several things are important to make the fiscal consolidation effort credible and effective. The focus must be as much on expenditure restructuring as on revenue augmentation, recurring expenditure commitments should not be made against one off revenues such as from disinvestment and the quality of adjustment should not be lost sight of.

24. The combination of liquidity conditions and revised government borrowing estimates have had contrasting impacts on the yield curve. At the short end, as the LAF window operated in deficit mode, the overnight interest rates were generally close to the ceiling of the LAF rate corridor during September-October 2010, even exceeding it on occasions in response to sudden surges in demand. However, at the long end, the announced reduction in net borrowing of the Central Government had a downward impact on government bond yields, as the 10-year benchmark government security yield fell to about 7.92 per cent in early October 2010 from a high of 8.07 per cent in August. Yields have risen again recently, reaching a high of 8.14 per cent on October 20, 2010, reflecting the tightening of liquidity conditions.

25. Domestic equity prices firmed up significantly in recent weeks due to large inflows from foreign institutional investors (FIIs), driven by better domestic growth prospects and a surfeit of global liquidity. The foreign exchange market, which witnessed a significant increase in net inflows beginning September 2010, has remained orderly with the rupee showing two-way movements in the range of ₹44.03 – ₹44.74 per US dollar during October 2010.

26. During 2010-11 so far (October 22, 2010), the rupee appreciated by 0.4 per cent on the basis of trade based 36-currency real effective exchange rate (REER). The extent of appreciation was, of course, higher on the basis of 6-currency trade based

REER (3.1 per cent) reflecting both the nominal appreciation of the rupee against the US dollar during this period and the higher inflation differential with major advanced countries. Since the 36-currency REER includes the currencies of many countries which are India's direct competitors in the global market, it is a better reflection of the impact of global exchange rate movements on competitiveness. The relatively small appreciation in this index reflects the fact that many competing countries have also seen their currencies appreciate during this period. From this perspective, the impact of the recent nominal appreciation of the rupee may not have a significant implication for competitiveness.

27. The continuing sluggishness of the global economy led to some moderation in exports growth and invisible receipts, while import growth accelerated due to the strong domestic recovery. Consequently, both the trade deficit and the current account deficit (CAD) widened in Q1 of 2010-11. If the current trend persists, CAD as a percentage of GDP will be significantly higher than in the previous year. It is generally perceived that a CAD above 3 per cent of GDP is difficult to sustain over the medium-term. The challenge, therefore, is to rein in the deficit over the medium-term and finance it in the short-term. The medium-term task has to receive policy focus from both the Government and the Reserve Bank. The short-term task is to see that the current account is fully financed while ensuring that capital flows are not far out of line with the economy's absorptive capacity and that the component of long-term and stable flows in the overall capital flows is high.

II. Outlook and Projections

Global Outlook

Growth

28. In its latest World Economic Outlook, the IMF has projected global growth to slow down from 4.8 per cent in 2010 to 4.2 per cent in 2011. Various indicators of economic activity in advanced economies point to deceleration of growth in the second half of 2010 which could persist through the first half of 2011. The room to provide additional fiscal stimulus to support the growth process remains constrained due to debt sustainability issues in some major advanced economies. Reflecting global linkages, the slowdown in the global recovery will have an adverse impact on growth in EMEs, including India, especially through the trade channel.

Inflation

29. Inflation in advanced economies in the short-term is expected to remain subdued due to the prevailing low levels of capacity utilisation and high unemployment rates. However, the recent upward movements in international commodity prices, despite prospects of slow global recovery, raise some concerns. Several EMEs are already facing inflationary pressures. Food, energy and metal prices, in particular, have seen significant increases. The upward risk to inflation, therefore, has increased for EMEs, both from rising domestic capacity utilisation and from global commodity price increases.

Domestic Outlook

Growth

30. Taking into account the good performance of the agriculture sector,

and a range of indicators of industrial production and service sector activity amidst the prevailing global macroeconomic scenario, the baseline projection of real GDP growth for 2010-11, for policy purposes, is retained at 8.5 per cent, as set out in the July 2010 review (Chart 1).

31. The Reserve Bank's growth projection for 2010-11 is consistent with the median growth forecast from its professional forecasters' survey and other agencies.

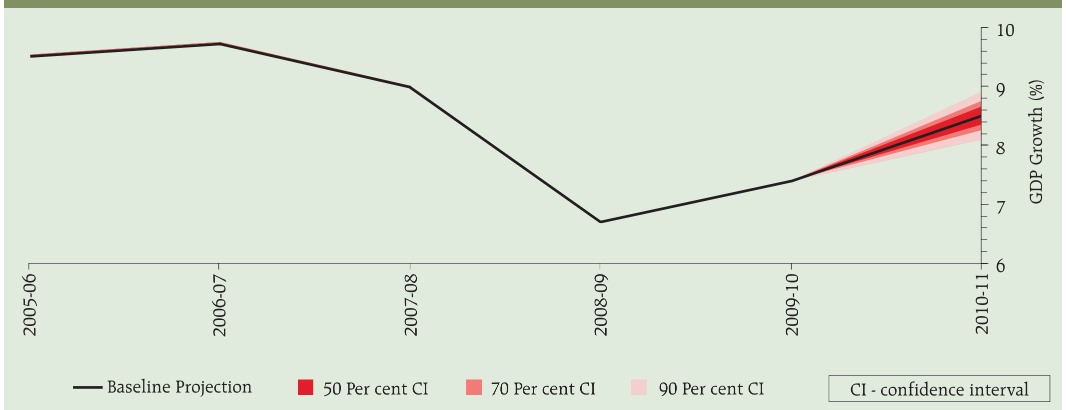
Inflation

32. Although the headline inflation has moderated in recent months, the current rate of inflation is still well above the comfort zone of the Reserve Bank. The Reserve Bank's quarterly inflation expectation survey conducted during the first fortnight of September 2010 indicates that short-term household inflationary expectations have increased marginally. Further, notwithstanding some moderation, food price inflation has remained persistently elevated for over a year now, reflecting in part the structural demand-supply mismatches in several commodities - besides protein sources, oilseeds and vegetables also show this pattern. Given the changing consumption patterns and as yet inadequate supply response, food price inflation is becoming increasingly structural in nature. Further, even as non-food manufacturing inflation has indeed moderated, it still remains above its medium-term trend.

33. Going forward, the inflation outlook will be shaped by the following factors. First, it will depend as to how food price inflation evolves. Second, rising global commodity prices have become a cause for concern. Third, demand pressures arising from sustained growth amidst tightening capacity constraints will have an impact. On balance, inflation is expected to moderate from the present elevated level, reflecting in parts, some easing of supply constraints and concerted policy action.

34. In its July Review, the Reserve Bank made a baseline projection of WPI inflation

Chart 1: Projection of GDP Growth for 2010-11



for March 2011 of 6.0 per cent. This projection was based on the old series of WPI. As has been indicated, there is not much difference at the aggregate level in the medium-term inflation trend between the old and new series, but there are significant differences at the group levels. On the basis of currently available information and the fact that expected moderation in food price inflation has also not fully materialised, the baseline projection of WPI inflation for March 2011 has been placed at 5.5 per cent, which is equivalent to 6.0 per cent under the old series. Effectively, this means that the projection remains unchanged from that made in the July 2010 Review (Chart 2).

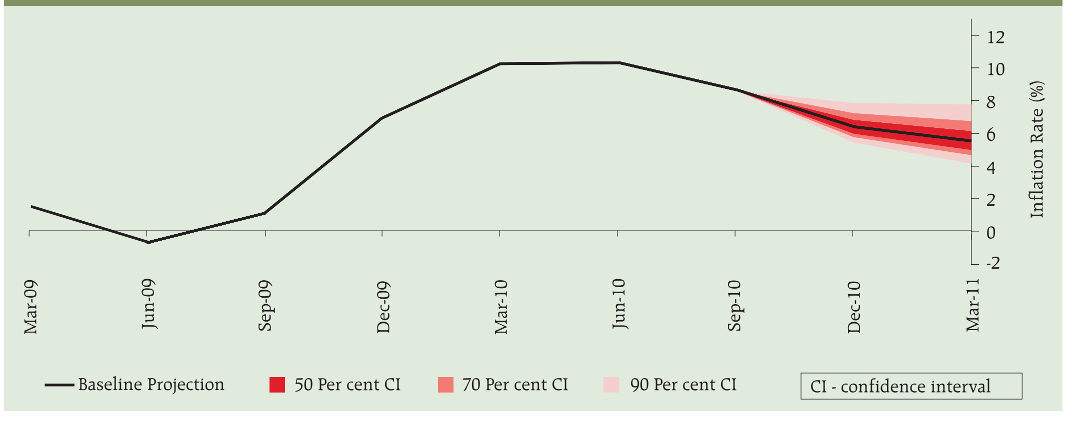
35. The Reserve Bank will endeavour to achieve price stability and anchor inflation expectations. In pursuit of these objectives, the Reserve Bank will continue to evaluate an array of aggregate and disaggregated measures of inflation in the context of the evolving macroeconomic situation.

36. Notwithstanding the current inflation scenario, it is important to recognise that in the 2000s, the average headline inflation rate remained in the range of 5.0-5.5 per cent, down from its historical trend rate of about 7.5 per cent. A combination of factors played a role in this transformation. One of these was the commitment on the part of the monetary policy to keep inflation low and stable. This record is an important foundation for the credibility of monetary policy and, more generally, the broader inflation management framework. Against this backdrop, the conduct of monetary policy will continue to condition and contain perception of inflation in the range of 4.0-4.5 per cent. This will be in line with the medium-term objective of 3.0 per cent inflation consistent with India's broader integration into the global economy.

Monetary Aggregates

37. While the year-on-year money supply (M_3) growth at 15.2 per cent in early October 2010 was below the indicative projection of 17.0 per cent, non-food credit growth at 20.1 per cent was close to the indicative projection of 20.0 per cent. There are already some signs of pick-up in deposit and credit growth. It is

Chart 2: Projected Path of Y-o-Y Inflation



expected that monetary aggregates will evolve along the projected trajectory indicated in the April policy statement. Accordingly, the M_3 and non-food credit growth projections for 2010-11 have been retained at 17 per cent and 20 per cent, respectively. As always, these numbers are indicative projections and not targets.

Risk Factors

38. The above macroeconomic and monetary projections are subject to a number of upside and downside risks. First, the main downside risk to growth emanates from the prospects of a prolonged slow and halting recovery process in advanced economies as evidenced by the recent indicators of global economic activity. Concerns are being expressed that the ongoing fiscal consolidation in the absence of revival of private demand might weigh on the recovery process. Should the global recovery falter, the growth performance of EMEs, including India which has remained robust so far, is likely to be adversely affected. While India's exports as a percentage of GDP are relatively low compared to other major EMEs, a widespread slowdown in global trade cannot but have an impact on the manufacturing and service sectors.

39. Second, although overall inflation and non-food manufactured products inflation have moderated in the recent period, inflationary pressures remain which may accentuate for several reasons. Despite the fragile global recovery, international commodity prices have risen in recent months due to strong demand from EMEs and some financialisation of commodities due to large surplus global liquidity. Should there be further quantitative easing by advanced economies, it will pose a further risk to global commodity prices. Persistently high domestic food inflation points to the presence of some structural component, which will continue to weigh on the overall inflation. With the domestic capacity utilisation slowly approaching the pre-crisis peak in many industries, demand side pressures may accentuate. Going forward, therefore, the risks to inflation are largely on the upside.

40. Third, given the weak recovery in advanced economies, Japan has already resorted to further monetary easing through unsterilised intervention in the forex market. Some other advanced economies are in the process of resorting to another round of quantitative easing. Given that growth prospects in EMEs, including India, are much better, the surplus liquidity generated by central banks in advanced economies could flow into the EMEs. In fact, the expectation of further quantitative easing in advanced economies has already resulted in large capital inflows to EMEs. As a result, exchange rates have been appreciating and asset prices have been rising in EMEs. Excess global liquidity combined with the significant growth differential, interest rate differential and higher financial market returns in India *vis-à-vis* the advanced economies might lead to intensification of capital flows to India. Although India needs capital flows to finance its widening current account deficit, large capital flows beyond the absorptive capacity of the economy could pose a major challenge for exchange rate and monetary management.

41. Fourth, India's current account deficit has widened in the recent period due to slowing down of exports and invisibles on the one hand and rising imports on the back of strong rebound of the domestic economy on the other. Although the current account deficit has been easily financed by the rising capital flows so far, the widening of the current account deficit raises concerns given the uncertainty associated with international capital flows.

42. Fifth, asset prices in India, as in many other EMEs, have risen sharply. The equity market is close to its previous all-time peak level. Residential property prices in metropolitan cities have gone beyond the pre-crisis peak level. Gold prices are ruling at an all-time high level. Although the income levels of households and earnings of corporates in India have continued to rise, a sharp rise in asset prices in such a short time causes concern.

III. The Policy Stance

43. Since October 2009, the Reserve Bank has cumulatively raised the cash reserve ratio (CRR) by 100 basis points, and the repo and reverse repo rates under the LAF by 125 basis points and 175 basis points, respectively. The monetary policy response has been calibrated on the basis of India's specific growth-inflation dynamics in the broader context of persistent global uncertainty.

44. Thus, our policy stance for 2010-11 for the remaining period has been conditioned by three major considerations:

45. First, the domestic economy is on a strong footing. The 8.8 per cent GDP growth for Q1 of 2010-11 suggests that the economy is steadily regaining the pre-crisis growth trajectory. Although uncertainty persists with regard to global recovery, India's domestic growth drivers are robust which should help absorb to a large extent the negative impact of slowdown in global recovery.

46. Second, inflation remains high. Both demand side and supply side factors are at play. Inflationary expectations also remain at an elevated level. Given the spread and persistence of inflation, demand side inflationary pressures need to be contained and inflationary expectations anchored.

47. Third, even though a liquidity deficit is consistent with an anti-inflation stance, excessive deficiency can be disruptive both to financial markets and to credit growth in the banking system. To ensure that economic activity is not disrupted by liquidity constraints, the liquidity deficit needs to be contained within a reasonable limit.

48. Against the above stated backdrop, the stance of monetary policy is intended to:

- Contain inflation and anchor inflationary expectations, while being prepared to respond to any further build-up of inflationary pressures.
- Maintain an interest rate regime consistent with price, output and financial stability.
- Actively manage liquidity to ensure that it remains broadly in balance, with neither a surplus diluting monetary transmission nor a deficit choking off fund flows.

IV. Monetary Measures

49. On the basis of the current assessment and in line with the policy stance as outlined in Section III, the following policy measures are announced.

Bank Rate

50. The Bank Rate has been retained at 6.0 per cent.

Repo Rate

51. It has been decided to:

- increase the repo rate under the liquidity adjustment facility (LAF) by 25 basis points from 6.0 per cent to 6.25 per cent with immediate effect.

Reverse Repo Rate

52. It has been decided to:

- increase the reverse repo rate under the LAF by 25 basis points from 5.0 per cent to 5.25 per cent with immediate effect.

Cash Reserve Ratio

53. The cash reserve ratio (CRR) of scheduled banks has been retained at 6.0 per cent of their net demand and time liabilities (NDTL).

Expected Outcomes

54. These actions are expected to:

i. Sustain the anti-inflationary thrust of recent monetary actions and outcomes in the face of persistent inflation risks.

ii. Rein in rising inflationary expectations, which may be aggravated by the structural nature of food price increases.

iii. Be moderate enough not to disrupt growth.

55. The Reserve Bank will continue to closely monitor both global and domestic macroeconomic conditions. We will take action as warranted with a view to mitigating any potentially disruptive effects of lumpy and volatile capital flows and sharp movements in domestic liquidity conditions, consistent with the broad objectives of price and output stability.

56. Based purely on current growth and inflation trends, the Reserve Bank believes that the likelihood of further rate actions in the immediate future is relatively low. However, in an uncertain world, we need to be prepared to respond appropriately to shocks that may emanate from either the global or domestic environment.

Mid-Quarter Review of Monetary Policy 2010-11

57. The next mid-quarter review of Monetary Policy for 2010-11 will be announced through a press release on December 16, 2010.

Third Quarter Review of Monetary Policy 2010-11

58. The third quarter review of Monetary Policy for 2010-11 is scheduled on January 25, 2011.

Part B. Developmental and Regulatory Policies

59. The recent global financial crisis has underlined the need for fundamental changes in the way banks and financial institutions are regulated. Important steps in this regard at the international level have been taken under the auspices of G-20, Financial Stability Board (FSB) and Basel Committee on Banking Supervision (BCBS). The broad elements of emerging framework that have been agreed upon are ring-fencing of banking institutions with more and better quality capital under Basel III, an appropriate framework for systemically important financial institutions (SIFIs), aligning the compensation practices to prudent risk-taking and long term value creation, and improving the accounting standards, that promote financial stability. India being a member of G-20, FSB and BCBS, the Reserve Bank has been actively associated with the evolution of the reform package.

60. The thrust of the regulation by the Reserve Bank in recent years has not only been on strengthening the financial system, but also on developing financial markets, promoting financial inclusion, improving credit delivery, especially to the small and medium enterprises (SMEs) sector, improving customer service and strengthening the payment and settlement systems. The Reserve Bank, therefore, will continue to pursue reforms in these areas so as to enhance the efficiency and stability of the financial system.

61. A synopsis of the action taken on the past policy announcements together with a list of fresh policy measures is set out below.

I. Financial Stability

Financial Stability Report

62. The Reserve Bank conducts macro-prudential surveillance of the financial system on an ongoing basis. Assessment of financial stability and the findings thereof are shared with financial institutions, market players and general public in the form of Financial Stability Reports (FSRs). The first FSR was published in March 2010. The second FSR will be published in December 2010. Going forward, FSRs will be published in June and December every year.

Assessment of Financial Stability

63. Steps are being taken to strengthen macro-prudential surveillance. Towards this end, more frequent internal assessments, including systemic risk monitor reports twice a year, have started. As per the latest internal assessment, the financial system at the current juncture is largely stable. The banking sector is sound and the financial sector is considered resilient to shocks emanating from adverse domestic and international developments. However, evolving risks to financial stability, both globally and within the country, need to be monitored carefully on an ongoing basis.

II. Interest Rate Policy

Base Rate

64. As indicated in the Monetary Policy Statement of April 2010, the system of Base Rate came into effect on July 1, 2010. The transition from the benchmark prime lending rate (BPLR) system to the base rate system has been smooth.

Deregulation of Interest Rate on Savings Bank Deposits

65. As a part of financial sector reforms, the Reserve Bank has deregulated interest rates on deposits, other than savings bank deposits. The interest rate on savings bank deposits has remained unchanged at 3.5 per cent per annum since March 1, 2003. Keeping in view progressive deregulation of interest rates, it is proposed:

- to prepare a discussion paper, which will delineate the pros and cons of deregulating the savings bank deposits interest rate.

66. The discussion paper will be placed on the Reserve Bank's website by end-December 2010 for feedback from the general public.

III. Financial Markets

Financial Market Products

Interest Rate Futures

67. The Monetary Policy Statement of April 2010 had indicated that exchange traded interest rate futures (IRFs) on 5-year and 2-year notional coupon bearing Government of India securities and 91-day Treasury Bills would be introduced. It was also indicated that the RBI-SEBI Standing Technical Committee would finalise the product design and operational modalities. The issue relating to product design was deliberated by the RBI-SEBI Standing Technical Committee. The Reserve Bank will introduce such IRFs after taking into account the experiences of cash-settled IRF regimes in other countries.

Regulation of Non-Convertible Debentures of Maturity Less than One Year

68. It was proposed in the Monetary Policy Statement of April 2010 to issue the final guidelines on the issuance of non-convertible debentures (NCDs) of maturity less than one year by end-June 2010. Accordingly, keeping in view the feedback received, the guidelines on NCDs were issued in June 2010, which came into force with effect from August 2, 2010. The guidelines, among others, covered eligibility criteria to issue NCDs, rating requirement, maturity, denomination, limits and amount of issue of NCDs and responsibilities of corporates, debenture trustees and credit rating agencies.

Introduction of Credit Default Swaps

69. It was indicated in the Monetary Policy Statement of April 2010 that the draft report of the internal Working Group on introduction of credit default swap (CDS) for corporate bonds would be placed on the Reserve Bank's website by end-July 2010. Accordingly, the draft report was placed on the Reserve Bank's website on August 4, 2010 for public comments till October 4, 2010. The comments/suggestions received are being examined by holding wider consultations with all the stakeholders, including corporates.

Repo in Corporate Bonds

70. For development of the corporate bond market, the Reserve Bank had issued guidelines in January 2010, permitting repo in corporate bonds, subject to certain terms and conditions. To further facilitate repo transactions in corporate bonds, a review of the guidelines governing repo in corporate

bonds has been undertaken by the Reserve Bank in consultation with the market participants. Accordingly, it has been decided:

- to permit settlement of repo in corporate bonds on a T+0 basis in addition to the existing T+1 and T+2 basis and revise the repo haircut requirements suitably.

71. Detailed guidelines, which will be effective December 1, 2010, are being issued separately.

Guidelines on Over-the-Counter Forex Derivatives

72. The draft guidelines on over-the-counter (OTC) foreign exchange derivatives were placed on the Reserve Bank's website in November 2009 for public comments. The feedback received from stakeholders was discussed in the meeting of the Technical Advisory Committee on the Money, Foreign Exchange and Government Securities Markets. On the basis of the discussions, the revised draft guidelines on the subject were again placed on the Reserve Bank's website in July 2010 for final comments by August 13, 2010. Comments received from stakeholders were examined and deliberated in the meeting of the Technical Advisory Committee on the Money, Foreign Exchange and Government Securities Markets. Final guidelines in the light of the feedback received will be issued by end-November 2010.

Introduction of Exchange Traded Currency Option Contracts

73. It was indicated in the Monetary Policy Statement of April 2010 that the Reserve Bank would permit the recognised stock exchanges to introduce plain vanilla currency options on spot US dollar/rupee exchange rate for residents. In July 2010, the Reserve Bank permitted trading of currency options on spot USD-INR rate in the currency derivatives segment of the recognised stock exchanges. The currency options market will function subject to the guidelines issued by the Reserve Bank and the Securities and Exchange Board of India (SEBI) from time to time.

Money Market

Working Group to Review the Operating Procedure of Monetary Policy

74. As announced in the First Quarter Review of Monetary Policy of July 2010, the Reserve Bank, on October 4, 2010, constituted a Working Group to review the current operating procedure of monetary policy, including the liquidity adjustment facility (Chairman: Shri Deepak Mohanty), with representations from the concerned departments of the Reserve Bank, Indian Banks' Association (IBA) and Fixed Income Money Market and Derivatives Association of India (FIMMDA). The Group also includes external experts. The Group will submit its report in three months from the date of its first meeting.

Financial Market Infrastructure

Reporting Platform for Certificates of Deposit and Commercial Papers

75. The reporting platform for secondary market transactions in Certificates of Deposit (CDs) and Commercial Papers (CPs) developed by the FIMMDA has been

operationalised with effect from July 1, 2010. As mandated, entities regulated by the Reserve Bank, the SEBI and the Insurance Regulatory and Development Authority (IRDA) are now reporting the OTC trades in CDs and CPs on the FIMMDA platform. FIMMDA is also making available online information on trades in CDs and CPs, including prices, transaction amount and yields.

IV. Credit Delivery and Financial Inclusion

Credit Flow to the Micro, Small and Medium Enterprises Sector

High Level Task Force on MSMEs

76. A High Level Task Force constituted by the Government (Chairman: Shri T.K.A. Nair) to consider various issues raised by micro, small and medium enterprises (MSMEs) associations and draw up an agenda for action submitted its report in January 2010. In terms of the recommendations of the Task Force, the Reserve Bank issued guidelines in June 2010, advising scheduled commercial banks that the allocation of 60 per cent of the micro and small enterprises (MSEs) advances to the micro enterprises was to be achieved in stages, *viz.*, 50 per cent in the year 2010-11, 55 per cent in the year 2011-12 and 60 per cent in the year 2012-13. Further, banks were mandated to achieve a 10 per cent annual growth in the number of micro enterprise accounts and a 20 per cent year-on-year growth in credit to the MSE sector. The Reserve Bank is closely monitoring the achievement of targets by banks in this regard.

Rural Credit Institutions

Licensing of Co-operatives

77. The Committee on Financial Sector Assessment (Chairman: Dr. Rakesh Mohan and Co-Chairman: Shri Ashok Chawla) had recommended that rural co-operative banks, which failed to obtain a licence by 2012, should not be allowed to operate. Accordingly, it was proposed in the Annual Policy Statement of April 2009 to work out a roadmap for licensing of unlicensed state and central co-operative banks in a non-disruptive manner. For this purpose, revised guidelines, in consultation with National Bank for Agriculture and Rural Development (NABARD), were issued on licensing of these banks. Subsequent to the issuance of revised guidelines on licensing of state co-operative banks (StCBs)/district central co-operative banks (DCCBs), 10 StCBs and 133 DCCBs have been licensed, bringing down the number of unlicensed StCBs from 17 to 7 and DCCBs from 296 to 163 as on September 30, 2010.

Revival of the Rural Co-operative Credit Structure

78. The Government of India, based on the recommendations of the Task Force on Revival of Rural Co-operative Credit Institutions (Chairman: Prof. A. Vaidyanathan) and in consultation with the state governments, had approved a package for revival of the short-term rural co-operative credit structure. As envisaged in the package, 25 states have so far entered into Memorandum of Understanding (MoU) with the Government of India and NABARD. Sixteen states have made necessary amendments to their respective Co-operative

Societies Acts. As on August 31, 2010, an aggregate amount of about ₹7,990 crore has been released by NABARD to primary agricultural credit societies (PACS) in 14 states as the Government of India's share under the package.

Financial Inclusion through Grass-root Co-operatives

79. It was proposed in the Monetary Policy Statement of April 2010 to constitute a Committee comprising representatives from the Reserve Bank, NABARD and a few state governments to study the functioning of well-run PACS, large *adivasi* multi-purpose co-operative societies (LAMPS), farmers service societies (FSS) and thrift and credit co-operative societies set up under the parallel Self-Reliant Co-operative Societies Acts to gather information on their working and assess their potential to contribute to financial inclusion. Accordingly, the Reserve Bank, in association with NABARD and the concerned state governments, is studying the working of select (about 220) well-functioning rural co-operatives across the country to assess their potential to contribute to financial inclusion. The study is expected to be completed by end-January 2011.

Liberalisation in Branch Licensing of Regional Rural Banks

80. As part of further liberalisation of the extant branch licensing policy in respect of regional rural banks (RRBs), it is proposed:

- to allow RRBs to open branches in Tier 3 to Tier 6 centres as identified in the Census 2001 (with population up to 49,999) without prior authorisation of the Reserve Bank, subject to their fulfilling certain conditions.

81. Detailed guidelines in this regard will be issued separately.

Priority Sector Lending

82. As announced in the Second Quarter Review of October 2009, a Working Group was constituted (Chairman: Shri V. K. Sharma) to examine the pros and cons of priority sector lending certificates (PSLCs) as recommended by the Committee on Financial Sector Reforms (Chairman: Dr. Raghuram G. Rajan). As indicated in the Monetary Policy Statement of April 2010, the terms of reference of the Working Group were expanded to review the pros and cons of inclusion of bank lending to micro-finance institutions (MFIs) under priority sector lending. The Working Group submitted its report in August 2010. However, considering the more recent developments in the MFI space, a Sub-Committee of the Central Board of the Reserve Bank (Chairman: Shri Y. H. Malegam) has been constituted to examine the various issues relating to micro-finance extended by non-banking financial companies (NBFCs) while also taking into account the recommendation of the Sharma Working Group. The Sub-Committee will make recommendations, among others, relating to regulation of micro-finance activities of NBFCs, especially with regard to issues impinging on borrowers' interests. The Sub-Committee is expected to submit its report by end-January 2011. A holistic view will be taken on issues relating to PSLCs and bank lending to MFIs under priority sector lending after the Malegam Sub-Committee submits its report.

Financial Inclusion Plan for Banks

83. Considering the objective of increasing banking outreach for financial inclusion, domestic scheduled commercial banks, both in the public and private sectors, were advised, among others, to put in place a board approved three-year financial inclusion plan (FIP) and submit the same to the Reserve Bank by March 2010. Domestic scheduled commercial banks have since prepared and submitted their FIPs to the Reserve Bank. These plans have been discussed with major banks and revised plans based on the discussions have been submitted by banks. To closely monitor the progress made in implementation of these plans, a quarterly reporting format has been communicated to banks and the implementation of these plans is being closely monitored by the Reserve Bank.

Roadmap for Provision of Banking Services in Villages with Population of over 2000

84. In pursuance of the announcement made in the Monetary Policy Statement of April 2010, the roadmap to provide banking services in every village with a population of over 2000 has been finalised by state level bankers' committees (SLBCs) and 73,113 unbanked identified villages as per 2001 Census have been allotted to various banks for provision of banking services by March 2012. The time line for provision of banking services has been extended to March 2012 from March 2011 in line with the Finance Minister's announcement in the Union Budget 2010-11. March 2011 is retained as an intermediate target. The progress in the implementation of the roadmap is being discussed and closely monitored by respective SLBCs.

Opening of Sub-Offices of the Reserve Bank in North-Eastern States

85. At present, the Reserve Bank has only one office at Guwahati to cater to the needs of all the North-Eastern states. Over a period of time, while the population of these states and banking needs have increased significantly, bank branches have not kept pace with the requirements in these areas. Considering the relative economic and infrastructural backwardness of these states and the need for financial inclusion and general economic development in these states, it has been decided:

- to open sub-offices of the Reserve Bank in the remaining six states of the north-east, *viz.*, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura and Meghalaya, in a phased manner.

Business Correspondents - Relaxations

86. In pursuance of the announcement made in the Monetary Policy Statement of April 2010, the Reserve Bank issued guidelines in April 2010 permitting banks to engage any individual, including those operating common service centres (CSCs) as banking correspondents (BCs), subject to banks' comfort level and their carrying out suitable due diligence as also instituting additional safeguards as may be considered appropriate to minimise the agency risks. A discussion paper on "Engagement of 'for profit' Companies as Business Correspondent"

was placed on the Reserve Bank's website in August 2010 inviting comments from the public by August 20, 2010. Taking into consideration the pros and cons and based on the feedback received from various quarters, banks were permitted to engage companies registered under the Indian Companies Act, 1956, excluding NBFCs, as BCs in addition to the individuals/ entities permitted earlier, subject to compliance with the guidelines issued in September 2010.

Urban Co-operative Banks

Licenses for Setting up new Urban Co-operative Banks

87. As indicated in the Monetary Policy Statement of April 2010, an Expert Committee (Chairman: Shri Y. H. Malegam) was constituted in October 2010 with representations from all stakeholders for studying the advisability of granting licenses for setting up new urban co-operative banks (UCBs) under Section 22 of the Banking Regulation Act, 1949 [as applicable to co-operative socieities (AACS)]. The Committee is expected to submit its report in six months. The Committee will also look into the feasibility of an umbrella organisation for the UCB sector.

Extension of Area of Operation of UCBs

88. In order to further facilitate the growth of well managed and financially sound UCBs, it is proposed:

- to withdraw the existing restrictions on granting multi-state status and extension of area of operation beyond the state of registration for such UCBs having a minimum net worth of ₹50 crore;
- to allow such UCBs which have acquired weak banks in other state(s) to extend the area of operation to the entire state of registration of the target bank provided they have minimum net worth of ₹50 crore; and
- to allow Tier II UCBs registered or deemed to be registered under the Multi-State Co-operative Societies Act, 2002 to extend area of operation to the entire state of original registration.

89. Detailed guidelines in this regard will be issued separately.

Liberalisation of Branch Licensing Policy for UCBs

90. In order to further liberalise the branch licensing policy for urban co-operative banks (UCBs), it is proposed:

- to allow well managed and financially sound UCBs to open branches and extension counters within their existing/approved area of operation, beyond the current ceiling of 10 per cent as long as they have sufficient headroom capital for each branch.

91. Detailed guidelines in this regard will be issued separately.

Business Correspondents/Business Facilitator Model for UCBs

92. With a view to expanding the outreach of the UCBs, thereby furthering the

objective of financial inclusion, it is proposed:

- to allow well managed and financially sound UCBs to engage business correspondents (BCs)/business facilitators (BFs) using information and communication technology (ICT) solutions.

Enhancement of Limits on Unsecured Loans and Advances Granted by UCBs

93. Keeping in view the growth in business of the UCBs over the years, it is proposed:

- to enhance the existing limits on individual unsecured loans and advances extended by the UCBs, which are complying with the regulatory capital to risk-weighted assets ratio (CRAR) of 9 per cent, subject to the overall ceiling of 10 per cent of total assets.

94. Detailed guidelines in this regard will be issued separately**.**

Exposure of UCBs to Housing Loans

95. At present, UCBs can provide housing, real estate and commercial real estate loans up to 15 per cent of their deposit resources as on March 31 of the previous year. It has now been decided to link housing, real estate and commercial real estate loans of UCBs to their total assets instead of deposits. Accordingly, it is proposed:

- to replace the existing limit of 15 per cent of deposits for housing, real estate and commercial real estate loans by a limit of 10 per cent of total assets; and
- an additional limit of 5 per cent of total assets will be available for housing loans granted to individuals by the UCBs for purchase/construction of dwelling units up to ₹10 lakh.

Exemption from Share Linking to Borrowing Norm

96. It is mandatory for borrowers of UCBs to subscribe to the shares of the bank to the extent of 2.5-5.0 per cent of their borrowings. In order to provide flexibility to UCBs, which are already well capitalised to extend loans without adding to capital, it is proposed:

- to exempt UCBs which maintain a minimum CRAR of 12 per cent on a continuous basis from the mandatory share linking norms.

Access to INFINET Membership, Current/SGL Accounts with the Reserve Bank and RTGS Membership for UCBs

97. In order to enable UCBs to serve their customers better, it is proposed:

- to allow all licensed UCBs (other than those under all inclusive directions) the facility of Indian financial network (INFINET) membership, current and subsidiary general ledger (SGL) accounts with the Reserve Bank; and
- to allow real time gross settlement (RTGS) membership to only well managed and financially sound UCBs having a minimum net worth of ₹25 crore.

Customer Service

98. Pursuant to the announcement made in the Monetary Policy Statement of April 2010, a Committee on Customer Service (Chairman: Shri M. Damodaran) was constituted to look into banking services rendered to retail and small customers, including pensioners. The Committee will also look into the system of grievance redressal mechanism prevalent in banks – its structure and efficacy – and suggest measures for expeditious resolution of complaints. The Committee will also examine the international experiences in this regard. A need for conducting on-site inspection and rating banks on customer service will be examined based on the outcome of the report of the Committee. The Committee is expected to submit its report by end-January 2011.

99. As indicated in the Monetary Policy Statement of April 2010, banks were advised in May 2010 to devote exclusive time in a Board meeting once in every six months to review and deliberate on customer service.

V. Regulatory and Supervisory Measures for Commercial Banks

Strengthening the Resilience of the Banking Sector

100. The Basel Committee on Banking Supervision (BCBS), in response to the financial crisis, submitted a report to the G-20 in October 2010. The report contained the measures taken by the BCBS and its governing body - the Group of Central Bank Governors and Heads of Supervision (GHOS) - to strengthen the resilience of banks and the global banking system. The new global standards to address both bank-specific and broader systemic risks have been referred to as Basel III. Measures suggested under Basel III, among others, include revisions to the definition of regulatory capital, capital conservation buffer, counter-cyclical buffer, the treatment of counterparty credit risk, the leverage ratio, and the global liquidity standards.

101. It may be recalled that the BCBS had issued in December 2009 two consultative documents for public comments. It also undertook a comprehensive quantitative impact study (QIS) and top-down calibration of minimum capital requirement. At its July and September 2010 meetings, the GHOS broadly agreed on the overall design of the capital and liquidity reform package, based on the comments received, the QIS and top-down calibration. The fully calibrated Basel III rules will be published by the BCBS by end-December 2010.

102. The Reserve Bank has been adopting the international best regulatory practices as appropriate to banks in India. Banks are, therefore, advised:

- to study the new developments and be in preparedness to meet the requirements; and
- to continue with the parallel run beyond March 31, 2010, as advised to them in April 2010, to ensure that their Basel II minimum capital requirement continues to be higher than the prudential floor of 80 per cent of the minimum capital requirement as per Basel I framework for credit and market risks. The parallel run should continue

for a period of three years, *i.e.*, till March 31, 2013, subject to review.

Implementation of Advanced Approaches under Basel II Framework

103. The Reserve Bank had announced timeline for implementation of advanced approaches for computation of regulatory capital under the Basel II framework in India in July 2009. The guidelines for the standardised approach (TSA)/alternate standardised approach (ASA) for operational risk were issued in March 2010 and those for internal models approach (IMA) for market risk were issued in April 2010. Guidelines for advanced measurement approach (AMA) for operational risk will be finalised by December 2010. Guidelines for internal rating based approach for credit risk are under preparation.

Housing Loans by Commercial Banks

Loan to Value Ratio in Housing Loans

104. At present, there is no regulatory ceiling on the loan to value (LTV) ratio in respect of banks' housing loan exposures. In order to prevent excessive leveraging, it is proposed:

- that the LTV ratio in respect of housing loans hereafter should not exceed 80 per cent.

Risk Weights on Residential Housing Loans

105. At present, the risk weights on residential housing loans with LTV ratio up to 75 per cent are 50 per cent for loans up to ₹30 lakh and 75 per cent for loans above that amount. In case the LTV ratio is more than 75 per cent, the risk weight of all housing loans, irrespective of the amount of loan, is 100 per cent. Accordingly, it is proposed:

- to increase the risk weight for residential housing loans of ₹75 lakh and above, irrespective of the LTV ratio, to 125 per cent.

Teaser Rates for Housing Loans

106. It has been observed that some banks are following the practice of sanctioning housing loans at 'teaser rates', wherein the loans are offered at a comparatively lower rate of interest in the first few years, after which rates are reset at higher rates. This practice raises concern as some borrowers may find it difficult to service the loans once the normal interest rate, which is higher than the rate applicable in the initial years, becomes effective. It has been observed that many banks at the time of initial loan appraisal do not take into account the repaying capacity of the borrower at normal lending rates. In view of the higher risk associated with such loans, it is proposed:

- to increase the standard asset provisioning by commercial banks for all such loans to 2 per cent.

Banks' Investments in Non-Financial Companies

107. Under the extant prudential framework, banks are not required to obtain prior approval of the Reserve Bank for investment in companies other than financial services companies. Banks may be able to exercise control on such entities

through their direct or indirect holdings or have significant influence over them. Thus, banks may indirectly undertake activities not permitted to them under Sub-section (1) of Section 6 of the Banking Regulation Act, 1949 or activities which are not conducive to the spread of banking in India or otherwise useful or necessary in the public interest. Therefore, it is proposed:

- to stipulate prudential limits to regulate the investments of banks in companies engaged in forms of business other than financial services. Banks will be required to review their investments in such companies and be compliant with the guidelines as per the roadmap to be laid down.

108. Detailed guidelines in this regard will be issued separately.

Prudential Norms on Financial Conglomerates

109. The Reserve Bank had constituted an Internal Group on the Supervision of Financial Conglomerates (FCs) in India. The Internal Group had made various recommendations for strengthening the supervision of the FCs, including changes in certain regulatory norms. The Annual Policy Statement of April 2009 indicated that the Reserve Bank was examining the recommendations of the Group from the regulatory and supervisory perspectives. To start with, it has been decided:

- to implement the recommendations of the Group on (i) capital adequacy for FCs; and (ii) intra-group transactions and exposures in FCs.

Capital Adequacy for FCs

110. As per Basel II framework, investments in the equity of subsidiaries or significant minority investments in banking, securities and other financial entities, where control does not exist, together with other regulatory capital investment in these entities are required to be excluded from the banking group's capital if these entities are not consolidated. The Group recommended that the threshold of significant influence/investment may be fixed at 20 per cent instead of the present 30 per cent. Accordingly, it is proposed:

- that the entire investments in the paid up equity of the entities (including insurance entities), where such investment exceeds 20 per cent of the paid up equity of such entities shall be deducted at 50 per cent from Tier I and 50 per cent from Tier II capital when these are not consolidated for capital purposes with the bank. In addition, entire investments in other instruments eligible for regulatory capital status in these entities shall also be deducted at 50 per cent from Tier I and 50 per cent from Tier II capital; and
- the deductions indicated above will also be applicable while computing capital adequacy ratio of the bank on a solo basis.

111. The capital adequacy requirement will be further calibrated after finalisation of the Basel III rules, as indicated earlier.

Intra-Group Transactions and Exposures in FCs

112. In order to limit the inter-connectedness between the bank and other

group entities, it is proposed:

- to put in place an appropriate limit for such transactions and exposures, both for a single entity and on an aggregate basis for all other group entities.

113. Detailed guidelines in this regard will be issued separately.

Principles for Enhancing Corporate Governance in Banking Organisations

114. The BCBS in October 2010 issued '*Principles for Enhancing Corporate Governance*' for banking organisations. The Principles address fundamental deficiencies in bank corporate governance that became apparent during the financial crisis. Taking into account different categories of banking organisations in India, the Reserve Bank has been taking appropriate steps to improve corporate governance standards in banks. Implementations of 'fit and proper' criteria for directors on the boards of banks and splitting of post of the Chairman and Managing Director in private sectors banks as per the recommendations of the Ganguly Committee (2002) are some of the notable steps taken by the Reserve Bank in this direction in the recent past, which have improved standard of corporate governance. However, a review of the corporate governance standard in the banks is necessitated in the light of the principles issued by the BCBS. Accordingly, it is proposed:

- to take appropriate steps to fully align the corporate governance practices in banks in India with the principles enunciated by the BCBS.

115. Detailed guidelines in this regard will be issued separately.

Working Group on Valuation Adjustment and Treatment of Illiquid Positions

116. It was indicated in the Monetary Policy Statement of April 2010 to constitute a Working Group to recommend an appropriate framework for valuation adjustment for various risks/costs and treatment of illiquid positions. Accordingly, a Working Group (Co-ordinator: Shri P. R. Ravi Mohan) was set up in June 2010 with members drawn from the Reserve Bank, IBA, FIMMDA, Foreign Exchange Dealers Association of India (FEDAI) and select banks. The Working Group submitted its report in September 2010. The Group has given recommendations on a wide range of issues, including identification of illiquid positions, adjustment for illiquidity and valuation adjustment for unearned credit spread and closeout costs for the derivative portfolio of banks. The recommendations of the Group are under examination.

Convergence of Indian Accounting Standards with International Financial Reporting Standards

117. As indicated in the Monetary Policy Statement of April 2010, a Working Group (Chairman: Shri P. R. Ravi Mohan) was constituted to address the implementation issues and facilitate formulation of operational guidelines in the context of convergence of Indian Accounting Standards with the International Financial Reporting Standards (IFRSs) and prepare banking and NBFCs and UCBs to adhere to the roadmap

of implementation. As per the roadmap, all scheduled commercial banks will convert their opening balance sheet as on April 1, 2013 in compliance with the accounting standards converged with the IFRS. As regards NBFCs and UCBs, a gradualist approach has been adopted.

Introduction of Bank Holding Company/Financial Holding Company in India

118. In pursuance of the announcement made in the Monetary Policy Statement of April 2010, a Working group (Chairperson: Smt. Shyamala Gopinath) has been constituted to examine the introduction of a holding company structure together with the required legislative amendment/ framework. The work is in progress.

Compensation Practices

119. In line with the steps taken by the global community and the initiatives taken by G-20 nations, draft guidelines for private sector banks and foreign banks with regard to sound compensation policy were framed and placed on the Reserve Bank's website in July 2010 for public comments. These guidelines are largely based on the FSB's principles on sound compensation practices. The guidelines cover effective governance of compensation, alignment of compensation with prudent risk-taking and disclosures for whole time directors/chief executive officers, risk takers of banks as well as staff in the audit, compliance and risk management functions. Comments received from various banks/organisations/ individuals are being examined. Accordingly, it is proposed:

- to issue final guidelines on compensation practices by end-December 2010.

Licensing of New banks

120. The Hon'ble Finance Minister in the Union Budget 2010-11 had mentioned that the Reserve Bank would consider giving some additional bank licences to private sector players. Consequently, the Monetary Policy Statement of April 2010 indicated that a discussion paper would be prepared marshalling the international practices, the Indian experience as also the extant ownership and governance (O&G) guidelines for placing it on the Reserve Bank's website by end-July 2010 for wider comments and feedback, after which the guidelines will be finalised. Accordingly, the discussion paper was put in public domain in August 2010. Based on the comments and suggestions received from various parties and discussions held with major stakeholders in October 2010, it is proposed:

- to put the draft guidelines in public domain by end-January 2011 for public comments.

Presence of Foreign Banks in India

121. It was indicated in the Monetary Policy Statement of April 2010 that drawing lessons from the crisis, a discussion paper on the mode of presence of foreign banks through branch or wholly-owned subsidiary (WOS) would be prepared by September 2010. Accordingly, a discussion paper in consultation with the Government on the form of presence of foreign banks in India is in final stages of preparation.

Capacity Building in Banks

122. Banks should gear themselves up to meet various challenges in the coming years. In particular, the implementation of Basel III by all banks, the need for large and internationally active banks to move to the advanced approaches under Basel II and convergence with IFRS as on April 1, 2013 would require banks to upgrade their technology and risk management capabilities. Banks should undertake a review of the skills required and take up capacity building in right earnest and in a time bound manner. The Reserve Bank will also intensify its efforts in this regard by undertaking more capacity building programmes for the banking sector in the coming years.

Information Technology and Related Issues: Enhancement to the Guidelines

123. It was proposed in the Monetary Policy Statement of April 2010 to set up a Working Group on information security, electronic banking, technology risk management, and tackling cyber frauds. Accordingly, a Working Group on Electronic Banking, Controls, Governance and Technology Risk Management Standards (Chairman: Shri G. Gopalakrishna) was constituted. The recommendations of the sub-groups on technology, governance, operational issues, legal and educational aspects set up by the Group were discussed by the Working Group and are now being formalised. The Working Group is likely to finalise its report by end-November 2010.

VI. Institutional Developments

Payment and Settlement Systems

Membership to the Committee on Payment and Settlement Systems

124. India became a member of the Committee on Payment and Settlement Systems (CPSS) constituted under the aegis of the Bank for International Settlements (BIS). The Reserve Bank is represented on four Working Groups of CPSS, *viz.*, (i) General Review of Standards; (ii) Repo Market Infrastructure; (iii) Post Trade Services; and (iv) Retail Payment Systems.

Standardisation of Security Features on Cheque Forms

125. As indicated in the Monetary Policy Statement of April 2010, a cheque truncation system (CTS)-2010 standard with benchmark specifications for security features on cheques and field placements on cheque forms has been prescribed. The CTS-2010 standard, *inter alia*, included a prescription prohibiting alterations/ corrections on cheque forms. It has since been clarified that the prescription is applicable only to cheques cleared under the image-based cheque truncation system and will be effective December 1, 2010. The prescription will not be applicable to cheques cleared under magnetic ink character recognition (MICR) clearing, non-MICR clearing, OTC collection (for cash payment) or direct collection of cheques outside the clearing house arrangement.

126. The IBA and National Payments Corporation of India (NPCI) have been

jointly vested with the responsibility for implementation of the new cheque standards.

Operationalisation of National Payments Corporation of India

127. As indicated in the Monetary Policy Statement of April 2010, the NPCI has the envisioned role to look at future innovations in the retail payment space in the country. The NPCI has implemented a pilot project for settlement of inter-bank mobile payments. Further, the roll-out of the grid-based cheque truncation system (CTS) project at Chennai is likely to be operationalised by the end of March 2011.

Performance of National Electronic Funds Transfer System

128. As at end-July 2010, around 70,000 branches of 98 banks had participated in the national electronic funds transfer (NEFT) system and the volume of transactions processed increased to 9.5 million in July 2010.

Automated Data Flow from Banks

129. As indicated in the Monetary Policy Statement of April 2010, a Core Group consisting of experts from banks, the Reserve Bank, the Institute for Development and Research in Banking Technology (IDRBT) and the IBA has been constituted for preparing an approach paper on automated data flow (a straight through process) from the core banking solution (CBS) or other IT systems of commercial banks to the Reserve Bank. The Core Group has prepared an approach paper, which deals with automated data flow from banks to the Reserve Bank. The paper, *inter alia*, discusses the methodology to be adopted by banks to classify themselves into a cluster based on its technology and process dimensions. Based on this, estimated timelines for achieving complete automation of submission of returns have also been furnished. The approach paper is being examined and it is expected to be circulated to the banks for necessary action at their end.

130. The approach suggested for banks will be implemented in two phases. In the first phase, banks would be required to ensure seamless flow of data from their transaction server to their management information system (MIS) server and generate all returns from the MIS server automatically, without any manual intervention. In the second phase, the Reserve Bank would introduce a pull mechanism for the flow of data from the MIS server of banks in a straight through process. The timeline of the entire project will be determined in consultation with banks.

Real Time Gross Settlement System

131. The Indian RTGS has displayed tremendous growth in both transactions volume and the values that it has been processing since its inception in March 2004. With the increased number of electronic payment transactions, it has become expedient to position the Indian RTGS system primarily for processing and settling large value payment orders. Further, the Reserve Bank has set up a robust retail electronic funds transfer system in the form of NEFT, with near real-time settlement finality with 11 settlement cycles in a day.

Accordingly, it has been decided, in consultation with system participants:

- to increase the threshold limit for RTGS transactions from the present limit of ₹1 lakh to ₹2 lakh.

132. As a further incentive to customers to move their transactions to NEFT, a new value band in the ₹1 lakh to ₹2 lakh will be created, with customers having to pay lower charges *vis-à-vis* RTGS transactions.

133. The detailed guidelines in this regard will be issued separately.

134. As indicated in the Monetary Policy Statement of April 2010, a Working Group comprising representatives from the Reserve Bank and select commercial banks, *viz.*, SBI, PNB, ICICI Bank and HDFC Bank was constituted for preparing an approach for implementation of next generation RTGS. The Group submitted its report in August 2010, which has since been accepted. The implementation of the next generation RTGS system is in progress, which may take about two years for completion.

Cheque Truncation System

135. The CTS was successfully implemented in the National Capital Region of New Delhi in February 2008. Following complete migration to CTS, the separate MICR clearing was discontinued from July 2009. The CTS, on an average, processes over 0.5 million instruments per day. The next roll out of CTS is planned for March 2011 at Chennai, with the project being implemented by the NPCI. The process of roll out will be a grid-based approach to cover the clearing houses in the other cities of Tamil Nadu and the adjoining states of Kerala and Karnataka. Simultaneously, efforts are underway to establish common disaster recovery (DR) arrangements for both New Delhi and Chennai CTS operations.

Currency Management

136. Banks were mandated to use Note Sorting Machines in all their branches having average daily cash receipts of ₹1 crore and above by March 2010. As of now, 1,108 branches (other than currency chest branches) have been identified having average daily cash receipt of ₹1 crore and above. Banks have reported that Note Sorting Machines have been installed and made operational in 669 branches. For the remaining branches, banks have made arrangements with the nearest currency chest branch/currency administration branch. It was also indicated in the Second Quarter Review of October 2009 that banks should use such machines in all their branches having average daily cash receipts between ₹50 lakh and ₹1 crore by March 2011. Banks are expected to enhance their efforts to reach this position by March 31, 2011.

137. As indicated in the Second Quarter Review of October 2009, banks were advised to have the responsibility of currency management entrusted to a nodal official of the rank not less than that of a General Manager and will be accountable for the obligations cast upon currency chests by the Reserve Bank. All commercial banks have since appointed nodal officers.

Mumbai

November 2, 2010

Macroeconomic and Monetary Developments Second Quarter Review 2010-11

Overview

Global Economic Conditions

1. The momentum of global recovery, which exceeded expectations in the first half of 2010, has slowed down in the last few months. The IMF revised its projection of global growth for 2010 to 4.8 per cent, up from its earlier projection of 4.6 per cent, on the strength of performance in the first half. However, the IMF projects global growth to decelerate to 4.2 per cent in 2011.

2. In advanced economies, the weakening of recovery has raised concerns about both unemployment and deflation. With capacity for fiscal stimulus already stretched and given the concerns about sovereign debt, further quantitative easing seems the preferred option to address the weakness in growth. The persisting output gap could tempt advanced economies to resort to protectionist measures along with preference for undervalued exchange rates, and that could pose downside risks to global recovery.

3. EMEs, which had led the global recovery, continue to exhibit strong growth momentum. Notwithstanding some likely moderation in the momentum in the second half of the year, the growth imbalance relative to advanced economies is expected to persist. The widening asymmetry in monetary exit points to the possibility of larger capital inflows into EMEs, exerting potential pressures on their asset prices and exchange rates. Furthermore, given the visible pressure on capacity in certain EMEs relative to buoyant domestic demand, as well as rising global commodity and food prices since the mid-year, risks to inflation in EMEs have increased.

4. While corporate profits and stock prices have generally recovered globally, the dampening effects of unfinished deleveraging and depressed bank lending in advanced economies continue to hinder global recovery. The growing uncertainty in the global markets impacted Indian financial markets through two different channels, viz., pressure on the Indian Rupee to appreciate and rise in equity prices due to sharp increase in portfolio flows.

Indian Economy-Trends and the Outlook

Output

5. The sharp and broad-based recovery of the Indian economy, which started in the second half of 2009-10 continued through Q_1 *of 2010-11, leading to further consolidation of growth around the trend. A normal monsoon, following a severely deficient monsoon last year, is expected to lift the agriculture sector growth to above the trend rate of growth in 2010-11. Industrial production showed robust growth though with wide volatility around the trend. The core infrastructure sector continues to lag behind the pace of growth in industrial production. Lead indicators of services activities, however, suggest continuation of the momentum. The current data and indicators of economic performance remain consistent with the 8.5 per cent growth projected in the July 2010 Monetary Policy Statement.*

Aggregate Demand

6. Given the weakening external demand conditions and the need for fiscal consolidation, sustained growth will hinge increasingly on private consumption and investment demand. Trends in production of capital goods, capital expenditure plans of corporates, non-oil imports and growth in credit as well as financing from non-banking sources during 2010-11 so far suggest strong conditions for investment activities. Private consumption expenditure data for the first quarter of 2010-11, and the trends in corporate sales as well as production of consumer durables point to a pick up. The contribution of government demand to growth in 2010-11 is expected to weaken given the policy emphasis on fiscal consolidation. While both revenue deficit and fiscal deficit, as percentage of GDP, have been lower so far in the current year relative to the corresponding period of last year, there has been higher growth in both revenue and capital expenditure this year, thereby providing demand support to the growth process. The contribution of net exports to growth on the expenditure side of GDP was negative in the first quarter of 2010-11, a trend expected to continue during the rest of the year. Overall aggregate expenditure trends point to persistence of momentum.

External Sector

7. The current account deficit in the balance of payments widened in the first quarter of 2010-11 due to a higher trade deficit and moderation of the surplus in the invisibles account. Capital flows, led by FII flows in recent months, have met the financing needs of the current account deficit. Despite the appreciation of the Indian rupee on the basis of 6-currency real effective exchange rate (REER) during the year so far, over and above the significant appreciation last year, the 36 currency REER remains largely stable. The higher inflation differential between India and its major trading partners, however, is a source of pressure on the competitiveness of Indian exports. The current account deficit, as percentage of GDP, could be expected to be higher in 2010-11 than the 2.9 per cent recorded in 2009-10. While capital inflows into EMEs including India are expected to remain buoyant, a higher level of current account deficit is a concern. While the deficit may be fully financed by capital inflows, the potential volatility in such flows poses some risk. The exchange rate of the Indian rupee remained flexible moving both ways, as net intervention in the foreign exchange market since 2009-10 has remained negligible. As on October 22, 2010, the foreign exchange reserves stood at US$ 295.4 billion.

Monetary and Liquidity Conditions

8. Liquidity conditions became tight in the month of May 2010 consequent to the transfer of liquidity from the markets to the government in the wake of the 3G/BWA auctions. Since then, liquidity conditions have generally remained in the deficit mode, which is consistent with the monetary policy stance of the Reserve Bank. Policy interest rates have been raised five times since the beginning of March 2010, raising the repo rate by 125 basis points and the reverse repo rate by 175 basis points. This asymmetric tightening narrowed the policy corridor from 150 basis points to 100 basis points. With repo replacing reverse repo as the operative rate in the LAF, the effective policy interest rate has increased by 275 basis points since March 2010. Broad money (M_3) continues to exhibit subdued growth reflecting the pattern in the growth of aggregate deposits. With non-food credit growth converging to the 20 per cent growth trajectory indicated in the First Quarter Review of Monetary Policy, banks have scaled up their deposit mobilisation efforts as evident from the higher deposit rates being offered since July 2010. Non-bank financing has emerged as a major source of financing for investment, and in the first half of 2010-11, financing from external sources in particular increased.

Financial Markets

9. In the global financial markets, concerns about sovereign defaults eased, but they were replaced by concerns about risks stemming from the slowdown in global recovery. The multi-speed recovery across the world and the consequent differential exit from the accommodative monetary stance has strengthened both the push and pull factors underlying the significant pick up in private capital flows to EMEs. In the Indian financial markets, the impact of this trend has been visible in the appreciation of the exchange rate of the rupee against the US dollar and the bullish spikes in equity prices. The transmission of higher policy interest rates and deficit liquidity conditions strengthened across different segments of the financial markets, ranging from CPs, CDs, CBLO, Treasury Bills, government securities and bank deposits. The transmission to bank lending rates is evident with a lag. Some banks have recently announced increase in their Base Rates. Since the introduction of the Base Rate, activities in the CPs market have picked up, as corporates explored alternative financing. Banks also resorted to CDs for raising bulk deposits. Housing prices in major cities generally increased.

Inflation

10. The headline inflation data since August 2010 are based on the new series, reflecting the altered consumption pattern and the price trends at a disaggregated level and hence capture the current structure of the economy better. As per the new series, the headline inflation after remaining in double digits for five successive months up to July 2010, has begun to moderate. Inflation in non-food manufactured products, which could be seen as most sensitive to monetary policy measures, has shown some moderation. But food inflation remains disconcertingly high despite a normal monsoon. This can be partly attributed to a change in the consumption pattern in favour of protein-rich items such as eggs, milk, fish and meat where price increases have been high. Different measures of CPI inflation have edged below the double digits levels after more than a year. Despite moderation in recent months, elevated WPI and CPI inflation remain a challenge for monetary policy.

Overall Assessment

11. As the growth outlook continues to be robust, the objective of non-disruptive normalisation of the policy rate seems to have been generally met. While non-food manufacturing inflation, which could be seen as most responsive to monetary policy, has shown some moderation, elevated food price inflation is a cause for concern. The monetary policy measures introduced since January 2010 could be expected to help in moderating the headline inflation by March 2011. The possibility of rigidity in food inflation, however, cannot be ruled out, unless the supply situation is improved with structural measures to match the growing demand for non-staple food products. This is particularly so because such downward rigidity in inflation at an elevated level has resulted despite a normal monsoon and range-bound international oil prices for most part of the year. Anchoring inflation expectations in such an environment is a difficult challenge for monetary policy. While moderating momentum of the non-food manufactured inflation suggests that recent monetary actions are having an impact, inflation still remains above the comfort level. Going forward, the growth-inflation outlook will dominate the policy response, and the nature and timing of monetary policy actions would have to be conditioned by their expected effectiveness in attaining the intended goal.

I. Output

The Indian economy, which had exhibited a sharp recovery in the second half of 2009-10, witnessed further consolidation of growth in the first quarter of 2010-11. With a normal monsoon, lead data on the kharif sowing and production estimates suggest an above trend rate of growth in the agriculture sector in 2010-11. Industrial growth remains robust, albeit, with greater volatility. Lead indicators of services activities point to a continuation of the momentum. Going forward, while the growth rates in the services sector and agriculture are likely to remain elevated, sustainability of the recent buoyancy in the industrial sector would require alleviation of supply constraints, particularly in the infrastructure sector and sustained momentum in private demand.

I.1 As per the estimates released by the CSO, real GDP growth was placed at 8.8 per cent during the first quarter of 2010-11, which is the highest quarterly growth recorded so far since the third quarter of 2007-08. Although part of the increase in growth during the first quarter of 2010-11 is due to a favourable base effect, it largely reflects consolidation of the recovery. Real GDP growth was broad based, with robust performance in all the major sectors (Table I.1). Agriculture and allied activities witnessed a strong pick-up over the previous four quarters, led by higher growth in allied activities. The growth in the industrial sector, though lower than in the previous two quarters, continued to be in double digits, primarily reflecting robust capital goods and consumer durables production. The services sector growth gathered further momentum during the first quarter of 2010-11.

Table I.1: Sectoral Growth Rates of GDP (2004-05 prices)

(Per cent)

Item	2008-09 *	2009-10 #	2009-10				2010-11
			Q1	Q2	Q3	Q4	Q1
1	2	3	4	5	6	7	8
1. Agriculture & allied activities	1.6	0.2	1.9	0.9	-1.8	0.7	2.8
2. Industry	**3.1**	**10.4**	**4.6**	**9.0**	**12.3**	**15.1**	**11.4**
2.1 Mining & quarrying	1.6	10.6	8.2	10.1	9.6	14.0	8.9
2.2 Manufacturing	3.2	10.8	3.8	9.1	13.8	16.3	12.4
2.3 Electricity, gas & water supply	3.9	6.5	6.6	7.7	4.7	7.1	6.6
3. Services	**9.3**	**8.3**	**7.5**	**10.0**	**7.3**	**8.5**	**9.4**
3.1 Trade, hotels, restaurants, transport, storage & communication, *etc.*	7.6	9.3	5.5	8.5	10.2	12.4	12.2
3.2 Financing, insurance, real estate & business services	10.1	9.7	11.8	11.5	7.9	7.9	8.0
3.3 Community, social & personal services	13.9	5.6	7.6	14.0	0.8	1.6	6.7
3.4 Construction	5.9	6.5	4.6	4.7	8.1	8.7	7.5
4. GDP at factor cost	**6.7**	**7.4**	**6.0**	**8.6**	**6.5**	**8.6**	**8.8**

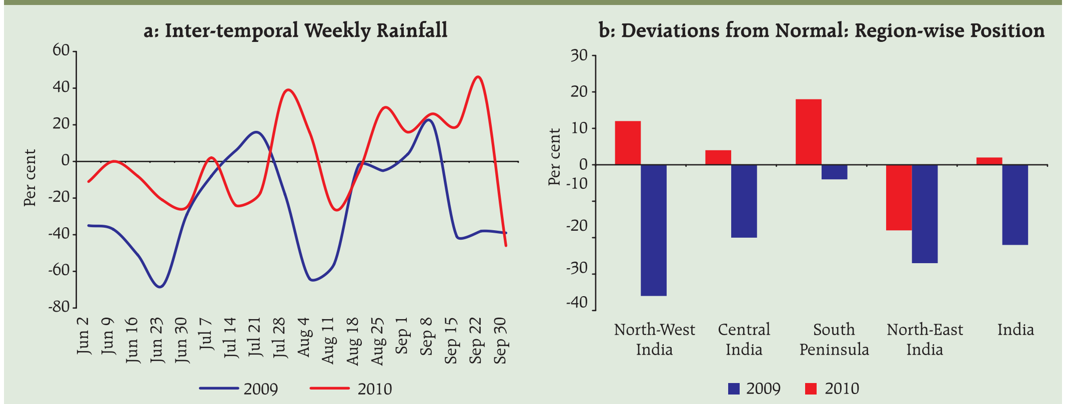
* : Quick Estimates. # : Revised Estimates.
Source: Central Statistics Office.

Agricultural Situation

I.2 The cumulative actual area weighted rainfall during the South-West monsoon season (June to September 30, 2010) was 2 per cent above Long Period Average (LPA), as against 22 per cent below LPA during the previous year. Of the 36 meteorological subdivisions, the cumulative rainfall was excess/normal in 31 sub-divisions (13 sub-divisions last year). The rainfall, however, was deficient in North-East India (Chart I.1). As on October 21, 2010, the total live water storage in 81 major reservoirs of the country was 74 per cent of the Full Reservoir Level (64 per cent during the corresponding period last year).

I.3 Following a normal monsoon, the area sown during *kharif* 2010-11 (as on October 22)

Chart I.1: South-West Monsoon Pattern



turned out to be higher than in the corresponding period of the previous year for all crop categories, except soyabean and sesamum (Table I.2). The increase in area coverage during 2010-11 *kharif* season relative to 2008-09, however, turns out to be marginal. Since 2009-10 had witnessed a significant deficiency in rainfall, a comparison of 2010-11 performance with 2008-09 provides a better picture of growth in the agriculture sector. Acreage under pulses, cotton, sugarcane and soyabean during *kharif* 2010-11, has been more than the normal area sown.

I.4 The increase in total area sown is manifested in the First Advance Estimates of *kharif* production, which show increase in production across all crops, barring jute, sesamum and soyabean. The total *kharif* foodgrains production during 2010-11 is estimated to increase by 10.4 per cent over the previous year. The increase, however, is on a lower base of last year, which happened to be a drought year. The estimated *kharif* foodgrains production during 2010-11 (114.6 million tonnes), still remains lower than the level attained in 2007-08 (120.9 million tonnes) and 2008-09 (118.1 million tonnes).

I.5 Owing to drought in some States, particularly Jharkhand, Bihar and West Bengal, *kharif* rice production during 2010-11, though

Table I.2: Area Sown and Production under *Kharif* Crops

(Area in lakh hectares and production in million tonnes)

Crop	Sowing				Production			
	Normal	2008-09	2009-10	2010-11*	2007-08	2008-09	2009-10$	2010-11@
1	2	3	4	5	6	7	8	9
Rice	395.10	386.18	332.87	355.12	82.66	84.91	75.91	80.41
			(-13.8)	(6.7)		(2.7)	(-10.6)	(5.9)
Total coarse cereals	222.23	199.85	206.16	212.16	31.89	28.54	23.63	28.23
			(3.2)	(2.9)		(-10.5)	(-17.2)	(19.5)
Total cereals	617.33	586.03	539.03	567.28	114.55	113.45	99.54	108.64
Total pulses	107.94	104.78	104.97	125.32	6.40	4.69	4.30	6.00
of which			(0.2)	(19.4)		(-26.8)	(-8.2)	(39.5)
Tur	35.53	34.58	36.48	44.86	3.08	2.27	2.55	3.27
Urad	22.82	21.97	22.92	25.54	1.12	0.84	0.85	1.08
Moong	26.14	24.12	24.79	29.80	1.25	0.78	0.44	0.88
Total foodgrains	725.27	690.81	644.00	692.60	120.95	118.14	103.84	114.63
			(-6.8)	(7.5)		(-2.3)	(-12.1)	(10.4)
Total nine oilseeds	175.72	184.02	174.43	175.49	20.71	17.81	15.66	17.27
of which			(-5.2)	(0.6)		(-14.0)	(-12.0)	(10.3)
Groundnut	53.81	52.87	44.65	49.84	7.36	5.62	3.66	5.64
Sesamum	17.76	15.55	17.62	17.06	0.76	0.64	0.66	0.62
Soyabean	84.00	96.42	95.82	93.35	10.97	9.91	10.05	9.81
Cotton #	90.86	90.92	100.09	108.47	25.88	22.28	23.94	33.50
			(10.1)	(8.4)		(-13.9)	(7.4)	(40.0)
Jute # #	7.85	7.37	6.92	7.59	10.22	9.63	10.70	9.69
			(-6.1)	(9.7)		(-5.7)	(11.1)	(-9.5)
Sugarcane	44.97	44.15	42.02	50.60	348.19	285.03	277.75	324.91
			(-4.8)	(20.4)		(-18.1)	(-2.6)	(17.0)
All Crops	1044.67	1017.27	967.46	1034.75				
			(-4.9)	(7.0)				

* : As on October 22, 2010. $: Fourth Advance Estimates. @ : First Advance Estimates.

: Million bales of 170 kgs. each. ## : Million bales of 180 kgs. each.

Note: Figures in parentheses are percentage change over previous year.

Source: Ministry of Agriculture, Government of India.

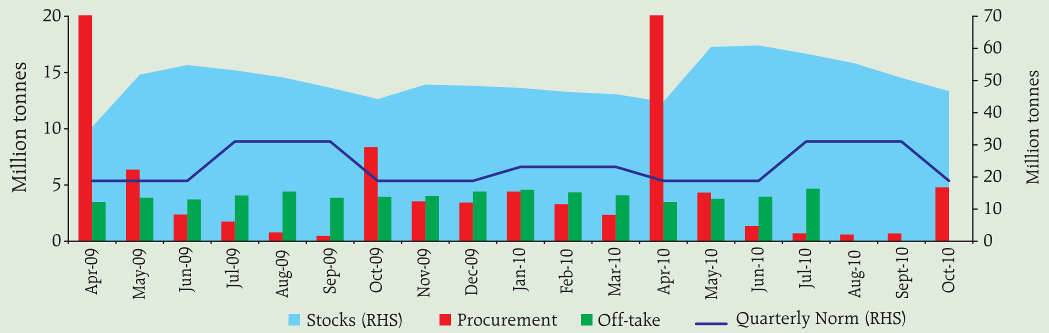
estimated higher than the preceding year, would fall short of the record level achieved in 2008-09. Floods in Punjab and Haryana and delayed replanting of paddy could also have affected the rice productivity. Total cereals production, hence, may lag behind the levels attained in 2007-08 and 2008-09. Notwithstanding the likely increase in *kharif* production, the demand supply gap in the case of oilseeds and pulses is likely to remain. Among commercial crops, only cotton has posted an all-time high production. This has not helped in moderating domestic prices since international cotton prices have spiked after floods in Pakistan, which is a major producer and exporter of cotton.

I.6 The demand supply gap in the case of important food items like fruits and vegetables and protein based products continue to persist due to near stagnant supply, owing to lower yields and increase in demand due to factors like increase in population and income levels and changing food habits of the people. This exerts pressure on the prices. Moreover, increase in input costs has also led to spurt in prices in the case of protein items like milk, eggs and meat.

Food Management

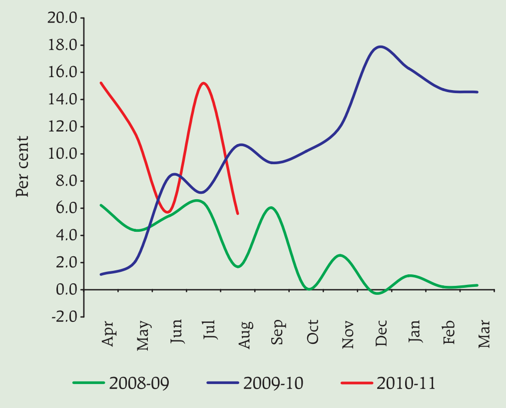
I.7 The procurement of foodgrains (rice and wheat) during 2010-11 (up to October 23) was lower than that in the corresponding period of the previous year. Average monthly procurement during April-September 2010 was 4.8 million tonnes as against 5.4 million tonnes during the corresponding period of last year. The average monthly off-take during the period April-July 2010 (up to which data are available), was 4.0 million tonnes as against 3.8 million tonnes during the corresponding period of last year. This had been reflected in declining stocks in recent months. The total stock of foodgrains with the Food Corporation of India (FCI) and other Government agencies, which stood at 60.9 million tonnes as on June 1, 2010 came down to 46.7 million tonnes as on October 1, 2010. The stocks of rice and wheat, at 18.4 million tonnes and 27.8 million tonnes, respectively, were higher than their buffer stock norms (Chart I.2). Keeping in view the disproportionately large adverse welfare effects of high food inflation and the scope for significant increase in food prices in response to supply shocks, the policy on food

Chart I.2: Food Stock and its Determinants



Note: 1. Data for off-take is available only up to July 2010.
2. Procurement and off-take data are monthly figures.

Chart I.3: Growth in Index of Industrial Production (y-o-y)



management has to focus on both adequate buffer stocks and better supply management.

Industrial Performance

I.8 Growth in industrial output has exhibited volatility in the recent period, notwithstanding double-digit growth during October 2009 to July 2010 (except June 2010) (Chart I.3). Index of Industrial Production (IIP) recorded a lower growth of 5.6 per cent in August 2010 compared with 10.6 per cent in August 2009, mainly on account of negative growth in capital goods and consumer non-durables. The volatility in capital goods as measured by coefficient of variation during April 1994 to August 2010 was placed at 1.1, the highest recorded among the use-based industries. The volatile IIP growth can also be partly attributed to a base effect.

I.9 During April-August 2010, consumer non-durables growth remained subdued at 1.6 per cent compared with (-) 1.1 per cent during the same period last year. Improved *kharif* production (particularly sugar) is expected to have a favourable impact on the production of consumer non-durable goods in the coming months.

I.10 Despite some moderation in recent months, IIP grew by 10.6 per cent during April-August 2010, as compared to 5.9 per cent during the corresponding period of last year. The manufacturing sector which accounts for 79.4 per cent of weight in IIP, still recorded double digit growth. The manufacturing sector growth was propelled by high growth in capital goods and consumer durables segments (Chart I.4 a and b and Table I.3). The capital goods sector has recorded high double

Chart I.4: Drivers of Manufacturing Growth

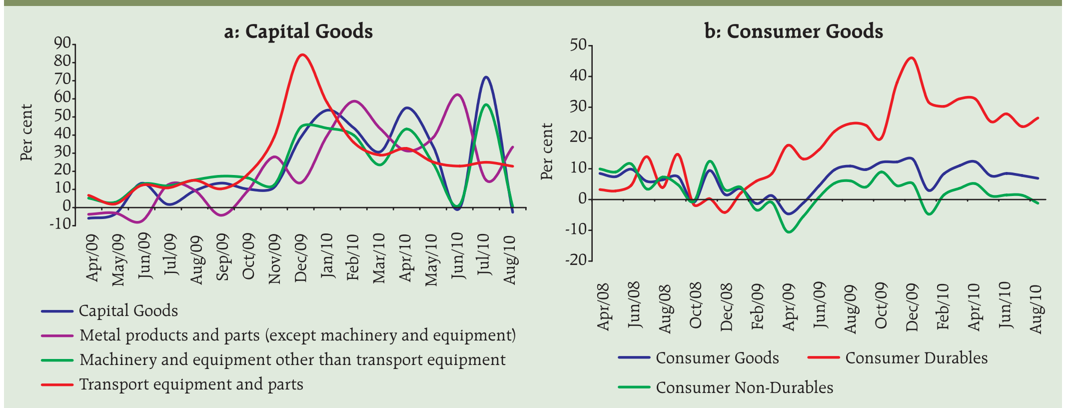


Table I.3: Index of Industrial Production: Sectoral and Use-Based Classification of Industries

(Per cent)

Industry Group	Weight in the IIP	Growth Rate			Weighted Contribution #		
		April-March 2009-10	April-August		April-March 2009-10	April-August	
			2009-10	2010-11 P		2009-10	2010-11 P
1	2	3	4	5	6	7	8
Sectoral							
Mining	10.5	9.9	8.0	9.4	6.3	8.8	5.9
Manufacturing	79.4	10.9	5.6	11.3	88.8	81.8	90.8
Electricity	10.2	6.0	6.5	4.3	4.8	9.3	3.4
Use-Based							
Basic Goods	35.6	7.2	6.2	5.9	20.4	31.7	16.5
Capital Goods	9.3	19.2	3.4	29.0	24.7	7.2	33.1
Intermediate Goods	26.5	13.6	9.3	9.8	32.5	41.5	25.1
Consumer Goods (a+b)	28.7	7.3	3.6	8.6	22.4	19.7	25.4
a) Consumer Durables	5.4	26.2	18.8	27.0	19.3	24.5	21.9
b) Consumer Non-durables	23.3	1.3	-1.1	1.6	3.1	-4.9	3.5
General	**100.0**	**10.5**	**5.9**	**10.6**	**100.0**	**100.0**	**100.0**

P: Provisional. # : Figures may not add up to 100 due to rounding off.
Source: Central Statistics Office.

digit growth since December 2009, except in June and August 2010 when it turned negative. The growth pattern, however, has been volatile, with a sharp acceleration at 72 per cent in July 2010 as compared with a decline of 2.6 per cent in August 2010. The high volatility in the data relating to the industrial sector in general and capital goods sector in particular, has raised issues about how effectively the data reflect the underlying momentum in the industrial sector.

I.11 The month-over-month seasonally adjusted annualised growth rates show deceleration in all sectors of the IIP during August 2010 (Chart I.5).

I.12 Growth in the manufacturing sector is yet to become broad-based although

Chart I.5: Month-over-Month Annualised Seasonally Adjusted Sectoral IIP Growth Rates

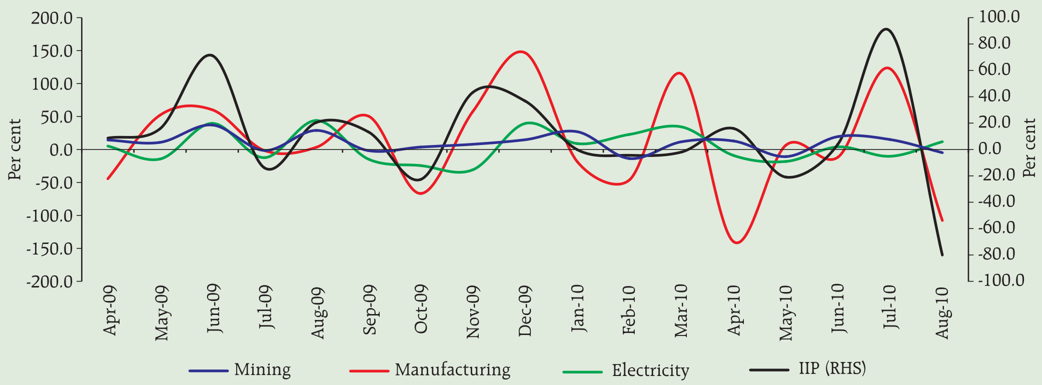
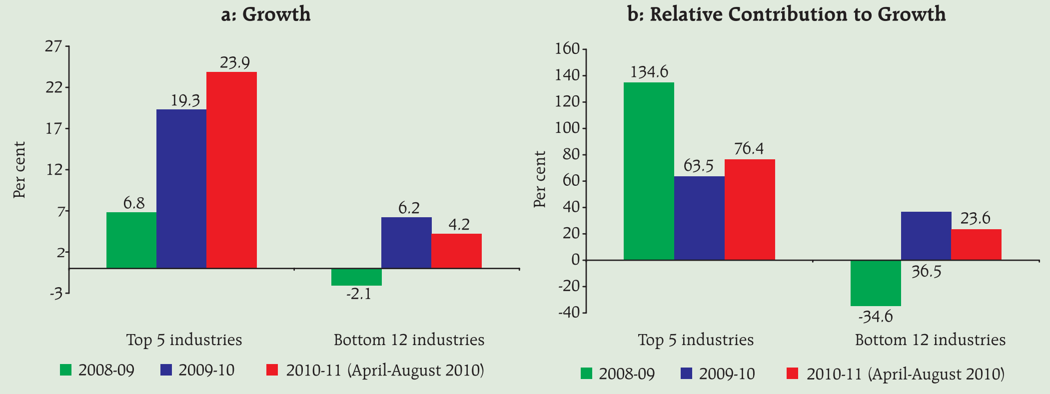


Chart I.6: Growth Concentration in Manufacturing Sector



eleven out of seventeen industries, accounting for about 51 per cent of the weight in the IIP, recorded higher growth during April-August 2010 than corresponding period of last year. The top five manufacturing industries, with a combined weight of 24.6 per cent in the IIP, grew at around 24 per cent, contributing about 76 per cent to the overall growth during this period, slightly higher than last year (Chart 1.6 a and b).

I.13 During the period April-August 2010, capacity utilisation levels in the infrastructure sector showed a mixed trend. While fertiliser and petroleum refinery production sectors recorded slightly higher utilisation, finished steel and cement witnessed lower utilisation as compared to the same period last year (Table I.4).

I.14 The Order Books, Inventories and Capacity Utilisation Survey (OBICUS) of the Reserve Bank indicates that capacity utilisation, which had remained range-bound since Q2 of 2009-10, declined during Q1 of 2010-11 (Chart I.7).

Infrastructure

I.15 The infrastructure sector comprising six core industries (accounting for 26.6 per cent of the total weight in IIP) recorded a growth of 4.0 per cent during April-September 2010-11, which represents some moderation as compared to the corresponding period of the preceding year (4.5 per cent) (Chart I.8 a and b). The growth in the infrastructure sector during the period was led by crude oil, petroleum refinery and finished steel, while there was lower growth in cement, electricity and coal production as

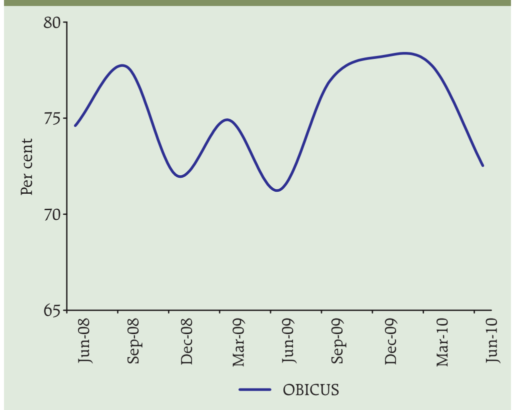
Table I.4: Capacity Utilisation in Infrastructure Sector

(Per cent)

Sector	April-August	
	2009-10	2010-11
1	2	3
Finished Steel (SAIL+VSP+ Tata Steel)	88.9	87.0
Cement	84.0	77.0
Fertiliser	92.3	92.9
Petroleum Refinery Production	103.2	104.1

Source: Capsule Report on Infrastructure Sector Performance (April 2009-August 2010), Ministry of Statistics and Programme Implementation, GoI.

Chart I.7: Capacity Utilisation



compared to April-September 2009-10. Core infrastructure growth continued to lag behind the pace of industrial growth. Preliminary evidence suggests that this break-down of relationship between core infrastructure industries and IIP capital goods is partly due to increase in imports of crude oil, steel and coal. The current level of growth momentum in infrastructure industries, especially electricity generation, needs to improve substantially in order to sustain a robust growth in industry.

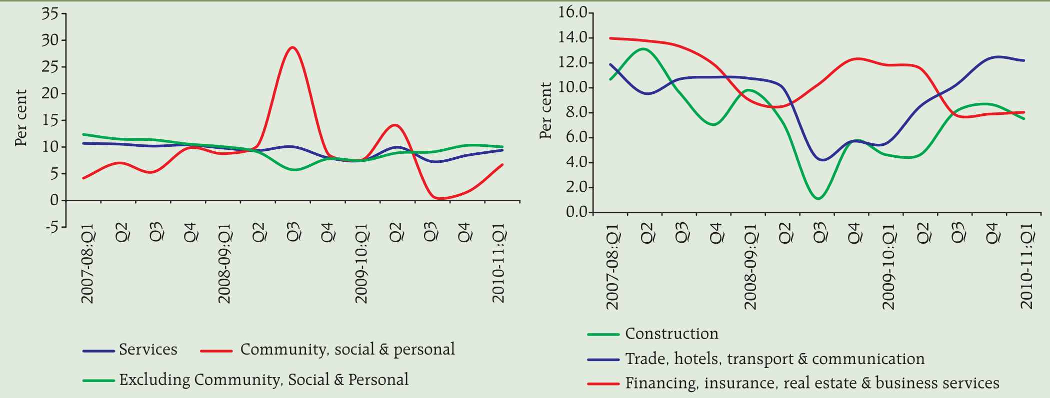
I.16 The electricity generation during April–September 2010 has recorded a growth of 4.0 per cent as compared with 6.4 per cent during the same period last year. Thermal generation achieved a growth of 2.7 per cent, mainly due to higher growth in gas based generation (8.5 per cent). Growth in thermal generation was constrained by shortage of coal. Natural gas production, which is not reflected in the core infrastructure index, increased by 25.2 per cent during April-September 2010 as against 28.2 per cent growth in the same period last year on account of higher production from D6 block in the Krishna-Godavari (KG) basin.

Services Sector

I.17 The services sector growth recorded further acceleration in Q1 2010-11 relative to both the previous quarter and the corresponding quarter of last year (Chart I.9). Growth in the 'trade, hotels, restaurants, transport, storage and communication' segment has been robust in recent quarters.

Chart I.8: Growth in Infrastructure Industries

Chart I.9: Trends in Quarterly Growth of Services Sector



I.18 Lead indicators of services sector like commercial vehicles production, cell phone connections, air cargo, and passengers handled at domestic and international terminals have increased at a robust pace during the year so far (Table I.5). Cement production, a lead indicator of construction activities, seemed to be weaker than last year.

I.19 To sum up, on the supply side, although agricultural production during *kharif* season 2010-11 is estimated to post a stronger positive growth over the previous year, it may still trail behind the levels attained in 2008-09 and 2007-08, while the demand continues to grow. The increase in overall demand and also shifts in the

Table I.5: Indicators of Services Sector Activity

(Growth in per cent)

Indicators	2007-08	2008-09	2009-10	April-August 2009-10	April-August 2010-11
1	2	3	4	5	6
Tourist arrivals $	12.2	-3.3	3.5	-2.9	8.5
Commercial vehicles production $	4.8	-24.0	35.9	-7.4	46.8
Cement	8.1	7.2	10.5	13.4	4.6
Steel	6.2	1.6	4.9	1.9	3.5
Railway revenue earning freight traffic $	9.0	4.9	6.6	6.6	2.3
Cell phone connections	38.3	80.9	47.3	95.3	32.8
Cargo handled at major ports	12.0	2.2	5.7	1.8	0.6
Civil aviation					
Export cargo handled	7.5	3.4	10.4	4.0	21.3
Import cargo handled	19.7	-5.7	7.9	-9.0	28.2
Passengers handled at international terminals	11.9	3.8	5.7	1.8	13.0
Passengers handled at domestic terminals	20.6	-12.1	14.5	2.4	17.9

$: Data pertain to April-September.

Source: Ministry of Tourism; Ministry of Statistics and Programme Implementation and Society of Indian Automobile Manufacturers (SIAM).

consumption pattern would require higher production of protein-based food items as well as manufactured food items to contain inflation. With growing demand supply mismatches, the expected dampening impact of a normal monsoon on food inflation may not materialise, unless the *rabi* production improves substantially and the policy on food management focuses on better supply management. To contain high inflation emanating from key food items like milk, meat, fish and eggs, the livestock and allied sector would have to show sustained improvement The industrial sector shows volatile trends in growth rates, which raises questions about sustainability of the double digit trend. Trends in capacity utilisation also show some moderation. Going forward, the sustainability of current buoyancy in industrial sector would require significant boost to infrastructure industries, particularly, electricity, coal, oil and gas. Cheaper imports, given the current external environment, could also compete with domestic manufacturing activities. Services sector continued to show acceleration and the lead indicators remain supportive of further momentum.

II. Aggregate Demand

Drivers of growth from the expenditure side in the first quarter of 2010-11 suggest continued predominance of both private consumption and investment expenditures. Recent trends in capital goods production, capital expenditure plans of corporates, non-oil imports, growth in credit and financing from non-banking sources point to strengthening of drivers of investment expenditure. Expenditure side GDP data as well as trends in corporate sales and production of consumer durables indicate pick-up in private consumption expenditure. Despite the policy emphasis on fiscal consolidation and the observed improvement in revenue deficit, Government's expenditures have shown stronger growth than last year. The turnaround in agricultural production during kharif 2010-11 is expected to stimulate private expenditure.

Domestic Demand

II.1 India's growth drivers continue to be domestic. This has helped not only in limiting the impact of global recession on domestic growth but also in ensuring a fast and durable recovery. The key factors driving growth and their sustainability over the medium-term could be seen from the expenditure side of GDP. Real GDP at market prices grew by 10 per cent in the first quarter of 2010-11, higher than 8.8 per cent growth recorded in respect of real GDP at factor cost. The higher growth in real GDP at market prices is a reflection of higher net indirect taxes.

II.2 At a disaggregated level, the growth of private final consumption expenditure

(PFCE) picked up moderately during the first quarter of 2010-11. With turnaround in agriculture production during the *kharif* season 2010-11, it is expected that rural demand and private consumption expenditure could gather momentum, going forward. The Government final consumption expenditure (GFCE) after remaining subdued for two quarters, accelerated sharply during the first quarter of 2010-11. The acceleration in GFCE during the first quarter of 2010-11 is in tandem with the growth in revenue expenditure of the Central Government (Chart II.1 and Table II.1).

II.3 Investment growth in the form of gross fixed capital formation (GFCF), which had picked up in the third quarter of 2009-10 and then accelerated sharply in the last quarter, witnessed moderation during the first quarter of 2010-11. Reflecting this, the share of gross fixed capital formation in GDP declined, with an offsetting increase in the share of private consumption expenditure. Private consumption expenditure and gross fixed capital formation, nevertheless, were the major drivers of growth in real GDP at market prices (Chart II.2).

II.4 The slack in gross fixed capital formation during the first quarter of 2010-11, however, appears to be somewhat contrary to the buoyant trends witnessed in respect of capital goods segment in the IIP.

Demand Management through Fiscal Policy

Central Government Finances

II.5 Reflecting the impact of economic recovery, partial rollback of fiscal stimulus measures and receipts from 3G spectrum and broadband wireless access (BWA) auctions, the position of Central Government finances improved significantly with revenue deficit (RD) and gross fiscal deficit (GFD) during April-August 2010-11 turning out to be substantially lower, both in absolute terms and as a proportion of budget estimates,

Chart II.1: Growth in Major Components of Expenditure Side GDP

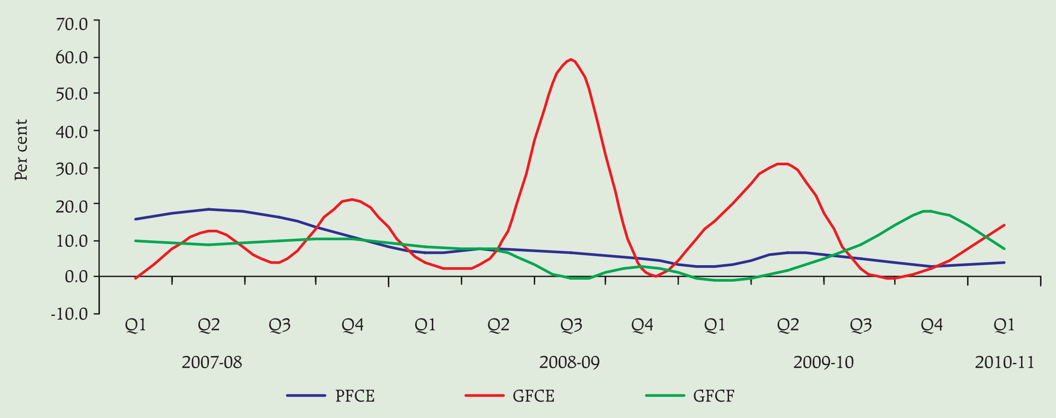


Table II.1: Expenditure Side GDP (2004-05 Prices)

(Per cent)

Item	2008-09*	2009-10#	2009-10				2010-11
			Q1	Q2	Q3	Q4	Q1
1	2	3	4	5	6	7	8
	Growth Rates						
Real GDP at market prices	5.1	7.7	5.2	6.4	7.3	11.2	10.0
Total Consumption Expenditure	8.3	5.3	4.7	9.6	4.8	2.6	5.5
(i) Private	6.8	4.3	2.9	6.4	5.3	2.6	3.8
(ii) Government	16.7	10.5	15.3	30.5	2.5	2.1	14.2
Gross Fixed Capital Formation	4.0	7.2	-0.7	1.6	8.8	17.7	7.6
Change in Stocks	-61.2	5.9	-0.9	4.2	8.7	11.1	7.0
Net Exports	40.2	-9.7	-27.4	6.1	-0.3	-113.4	20.5
	Relative shares						
Total Consumption Expenditure	70.9	69.4	71.4	71.5	73.4	62.3	68.4
(i) Private	59.5	57.6	59.9	60.1	60.4	51.1	56.5
(ii) Government	11.5	11.8	11.5	11.3	13.1	11.2	11.9
Gross Fixed Capital Formation	32.9	32.8	31.2	33.2	31.9	34.6	30.5
Change in Stocks	1.3	1.3	1.3	1.4	1.3	1.3	1.3
Net Exports	-6.1	-5.1	-4.8	-8.7	-6.7	0.4	-5.2
Memo:							(₹ crore)
Real GDP at market prices	4,465,360	4,807,222	1,099,653	1,125,257	1,242,858	1,339,454	1,209,888

* : Quick Estimates. # : Revised Estimates.

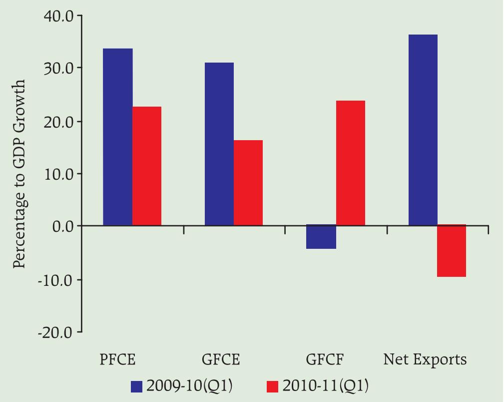
Note: As only major items are included in the table, data will not add up to 100.

Source: Central Statistics Office.

over the corresponding period of the previous year (Chart II.3 and Table II.2).

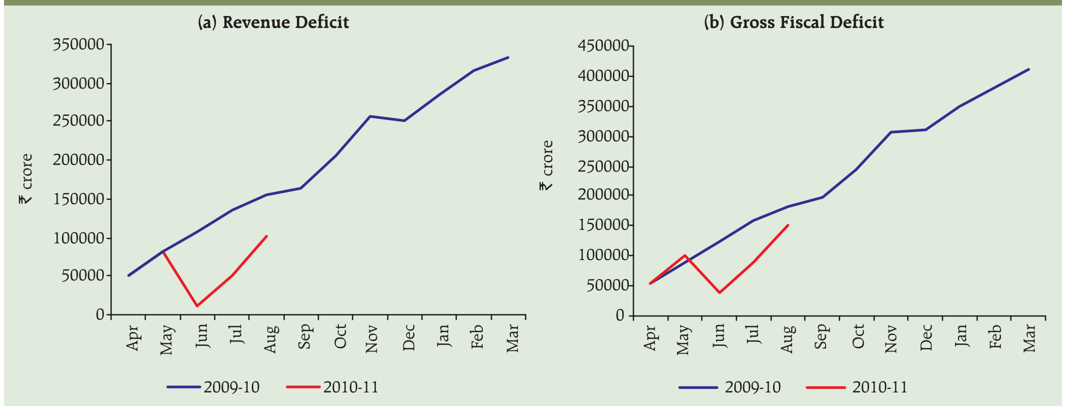
II.6 Improvement in finances of the Central Government during 2010-11 so far (April-August) was evident from substantial increase in revenue receipts (85.0 per cent), supported by tax and non-tax revenues. The gross tax revenue increased significantly (27.3 per cent) in contrast to the sharp decline (11.6 per cent) recorded during 2009-10 (April-August), mirroring the underlying economic recovery and the partial rollback of indirect tax cuts.

Chart II.2: Weighted Contribution to GDP Growth from Expenditure Side



II.7 Direct tax collections showed significant improvement during April-August 2010-11, recording a growth of 13.8 per cent over April-August 2009-10. While corporate tax collections grew by 18.4 per cent, collections under personal income tax increased by 14.0 per cent. In addition, the mobilisation of revenues from 3G/BWA spectrum auctions in June 2010 helped to ease the pressure on Government finances.

Chart II.3: Key Deficit Indicators



II.8 During April-August 2010-11, growth in revenue as well as capital expenditure was higher than in the corresponding period of 2009-10. The escalation in aggregate expenditure emanated from accelerated growth (39.2 per cent) in plan expenditure. During 2010-11 so far (April-August), Centre has already incurred 40.4 per cent of aggregate expenditure budgeted for 2010-11 (Chart II.4).

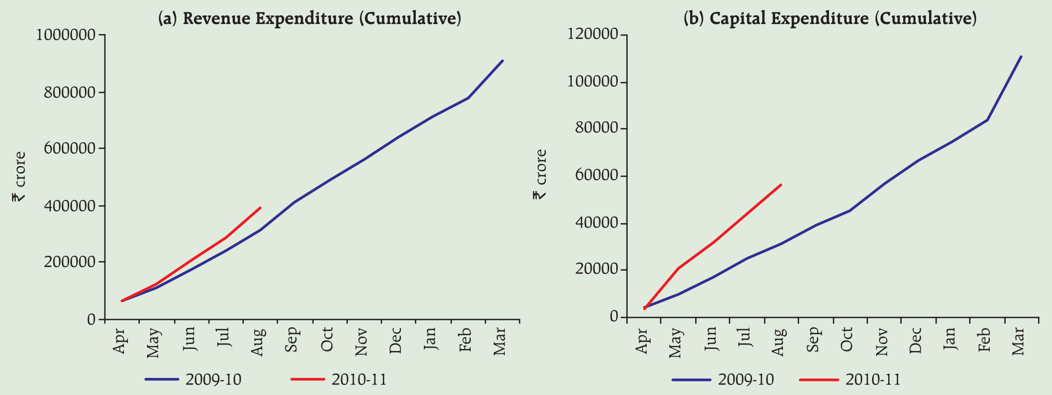
II.9 The fiscal stimulus measures initiated by the Government achieved the objective of containing the duration and extent of economic slowdown in India. Taking cognisance of the improved growth

Table II.2 : Central Government Finances: April-August 2010-11

Item	April-August (₹ crore)		Percentage to Budget Estimates for		Growth Rate (Per cent)	
	2009	2010	2009-10	2010-11	2009-10	2010-11
1	2	3	4	5	6	7
1. Revenue receipts	1,57,198	2,90,799	25.6	42.6	-2.7	85.0
i) Tax revenue (Net)	1,06,837	1,38,500	22.5	25.9	-14.8	29.6
ii) Non-tax revenue	50,361	1,52,299	35.9	102.8	39.6	202.4
2. Non-debt capital receipts	3,835	5,479	71.7	12.1	218.8	42.9
3. Non-plan expenditure	2,45,275	3,11,249	35.3	42.3	27.1	26.9
of which:						
i) Interest payments	72,133	85,621	32.0	34.4	9.6	18.7
ii) Defence	41,129	45,395	29.0	30.8	65.8	10.4
iii) Major subsidies	54,193	54,738	51.1	50.2	4.7	1.0
4. Plan expenditure	98,048	1,36,454	30.2	36.6	13.2	39.2
5. Revenue expenditure	3,12,283	3,91,151	34.8	40.8	20.4	25.3
6. Capital expenditure	31,040	56,552	25.1	37.7	53.6	82.2
7. Total expenditure	3,43,323	4,47,703	33.6	40.4	22.8	30.4
8. Revenue deficit	1,55,085	1,00,352	54.9	36.3	58.4	-35.3
9. Gross fiscal deficit	1,82,290	1,51,425	45.5	39.7	56.0	-16.9
10. Gross primary deficit	1,10,157	65,804	62.8	49.6	115.8	-40.3

Source: Controller General of Accounts, Ministry of Finance.

Chart II.4: Trends in Central Government Expenditure



prospects and the need for fiscal consolidation for sustaining the growth momentum, Central government has embarked on gradual fiscal exit plan as announced in the Budget 2010-11. The robust growth in revenue receipts in 2010-11 is premised on partial rollback of indirect tax rate reduction and revenue from 3G/BWA spectrum auctions. Given the one-off nature of auction proceeds, the priority of consolidation should continue in terms of quantity and quality. In order to achieve a sustainable progress on fiscal consolidation path, it would be desirable to adopt measures designed to augment revenue collection on a sustainable basis and rationalisation of recurring expenditure, with a focus, particularly on curtailing non-plan revenue expenditure.

State Finances

II.10 State Governments undertook various measures in terms of additional spending and tax cuts in 2009-10 with a view to boost domestic economic activities. As a result, revenue deficit re-emerged in 2009-10, after a gap of three years. Recognising the need for fiscal discipline, States have embarked upon the process of fiscal consolidation in 2010-11. Revenue expenditure, as a ratio to GDP, is budgeted to be lower at 13.4 per cent in 2010-11 (BE) as against 13.6 per cent in 2009-10 (RE). States expect to witness higher revenue buoyancy in 2010-11 (BE) on account of higher own tax revenue and share in Central taxes. Accordingly, revenue deficit and gross fiscal deficit of State governments are budgeted to be lower in 2010-11.

Combined Fiscal Position

II.11 An overview of the combined finances of the Central and State Governments budgeted for 2010-11 indicates that the key deficit indicators as per cent of GDP would moderate compared to the elevated levels in 2009-10 (Table II.3). The envisaged fiscal consolidation is to be driven by significant increase in revenue receipts, while curtailing the growth of expenditure. Total expenditure in terms of both growth and as a percentage of GDP

Table II.3: Key Fiscal Indicators

(Per cent to GDP)

Year	Primary Deficit	Revenue Deficit	Gross Fiscal Deficit	Outstanding Liabilities*
1	2	3	4	5
Centre				
2008-09	2.6	4.5	6.0	56.7
2009-10 RE	3.2	5.3	6.7	56.4
2010-11 BE	1.9	4.0	5.5	56.9
States #				
2008-09	0.6	-0.2	2.4	26.2
2009-10 RE	1.6	0.8	3.4	26.2
2010-11 BE	1.0	0.4	2.9	26.1
Combined				
2008-09	3.4	4.3	8.5	72.0
2009-10 RE	4.8	6.0	10.0	72.5
2010-11 BE	3.0	4.4	8.3	73.6

RE : Revised Estimates. BE : Budget Estimates.
* : Includes external liabilities at historical exchange rates.
# : Data pertain to 27 State Governments.
Note: Negative sign indicates surplus.

would moderate somewhat from the previous year. Growth in tax collections is expected to improve on account of reversal of tax cuts and the acceleration in economic growth.

Corporate Performance

II.12 The turnaround in overall economic activity was reflected in the corporate sector performance. Sales of private corporate business sector witnessed significant improvement, recording a growth of 24.2 per cent (y-o-y) during the first quarter of 2010-11 (Table II.4). The high growth in sales partly reflects the low base effect, as the economic activity in the first quarter of the previous year had remained subdued with an almost flat sales and moderate profit

Table II.4: Corporate Sector Financial Performance

(Growth rates/ratios in per cent)

Item	2008-09				2009-10				2010-11
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	2	3	4	5	6	7	8	9	10
No. of companies	2500	2386	2486	2561	2530	2531	2562	2565	2546
Sales	29.3	31.8	9.5	1.9	-0.9	0.1	22.5	29.1	24.2
Other income*	-8.4	-0.6	-4.8	39.4	50.2	6.0	7.4	10.3	-21.2
Expenditure	33.5	37.5	12.6	-0.5	-4.4	-2.5	20.6	30.7	29.0
Depreciation provision	15.3	16.5	16.8	19.6	21.5	20.7	21.6	20.1	19.9
Gross profits	11.9	8.7	-26.7	-8.8	5.8	10.9	60.0	36.7	8.2
Interest payments	58.1	85.3	62.9	36.5	3.7	-1.0	-12.3	-2.9	26.9
Profits after tax	6.9	-2.6	-53.4	-19.9	5.5	12.0	99.3	44.0	2.4
Select Ratios									
Change in stock-in-trade to sales #	2.9	2.2	-1.7	-1.8	0.6	2.3	0.8	1.1	2.9
Gross profits to sales	14.5	13.5	11.0	13.7	15.7	14.9	14.3	14.6	13.9
Profits after tax to sales	9.7	8.6	5.3	8.1	10.2	9.4	8.8	9.0	8.6
Interest to sales	2.4	2.9	3.8	3.2	2.8	3.1	2.7	2.4	2.9
Interest to gross profits	16.8	21.5	34.6	23.3	18.0	20.5	19.1	16.6	21.1
Interest coverage (times)	6.0	4.6	2.9	4.3	5.6	4.9	5.2	6.0	4.7

* : Other income excludes extraordinary income/expenditure, if reported explicitly.
# : For companies reporting change in stock-in-trade explicitly.
Note: 1. Growth rates are percentage changes in the level for the period under reference over the corresponding period of the previous year for common set of companies.
2. The quarterly data may not add up to annual data due to differences in the number and composition of companies covered, in each period.

growth. Sequentially, sales growth during the first quarter of 2010-11 witnessed moderation over the fourth quarter of 2009-10, though seasonally adjusted sales increased by 1.9 per cent over the fourth quarter of 2009-10.

II.13 Change in stock-in-trade, which remains generally around the peak in the first quarter of each financial year, formed 2.9 per cent of sales during the first quarter of 2010-11 (Chart II.5). A rise in change in stock-in-trade to sales ratio suggests that corporates are building up their inventories in anticipation of higher demand. Accumulation of stocks increased to 3.3 per cent of sales excluding sugar industry during the quarter. Given the strong growth in sales, increase in change in stock to sales ratio suggests significant addition to stocks during the quarter, which could have been a factor to support the robust overall GDP and industrial growth in that quarter.

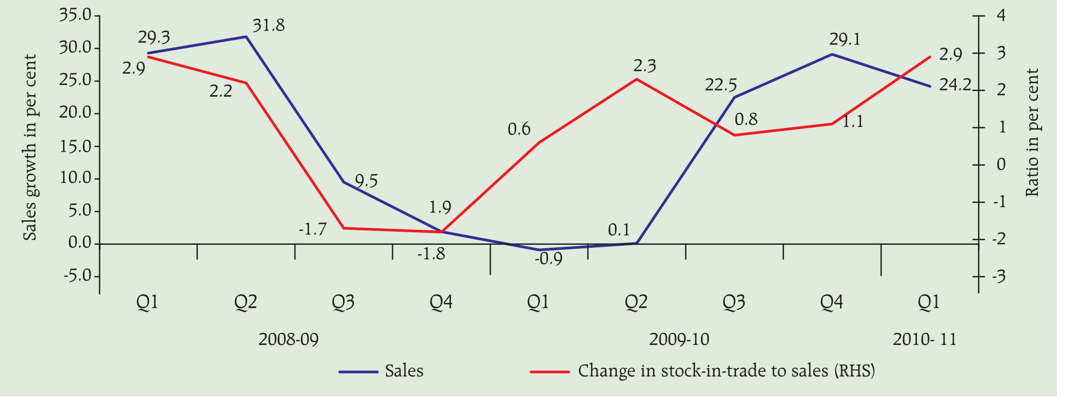
II.14 Strong investment intentions were evident as reflected in higher envisaged capital expenditure of companies, which approached banks/FIs for financial assistance during April-June 2010. In the first quarter of 2010-11, 87 projects were sanctioned assistance by banks/FIs of ₹99,998 crore as against 35 projects of ₹30,116 crore sanctioned during corresponding period of the previous year.

External Demand

II.15 Unlike in the fourth quarter of 2009-10, when net exports had contributed positively to real GDP growth on the expenditure side, the contribution of net exports during the first quarter of 2010-11 became negative, as growth in imports remained ahead of growth in exports. (see Chart II.2). While the growth in exports was impacted by the weak and uncertain global economic environment, that of imports reflected the increasing momentum of domestic economic activity.

II.16 To sum up, private consumption expenditure has picked up, but needs to gain further momentum to support a self-sustaining robust growth in GDP. Notwithstanding the process of fiscal consolidation that is underway,

Chart II.5: Movement in Sales Growth & Change in Stock-in-Trade to Sales Ratio



Government spending continues to support growth, reflecting higher growth in both revenue and capital expenditures. Available data relating to production of capital goods, notwithstanding volatility, and capital expenditure plans of the corporates point to a strong momentum in investment expenditure during the current fiscal year. Reflecting the high growth in India relative to hesitant recovery in the advanced economies, the contribution of net exports to aggregate demand could be expected to remain negative during the year. Overall, although aggregate demand trends point to continuation of the momentum, investment demand needs to emerge as the key driver for sustainable robust growth.

III. The External Economy

As renewed concerns about the strength of the global recovery started to dampen the external demand conditions, the impact of robust domestic growth was visible in the form of a higher current account deficit in the first quarter of 2010-11. While better absorption of foreign capital through a higher current account deficit contained the impact of surplus capital flows on the exchange rate, persistent positive inflation differential remained a source of pressure on external competitiveness of exports. Moreover, despite stronger absorption of capital inflows, the nominal exchange rate of the rupee appreciated against the US dollar.

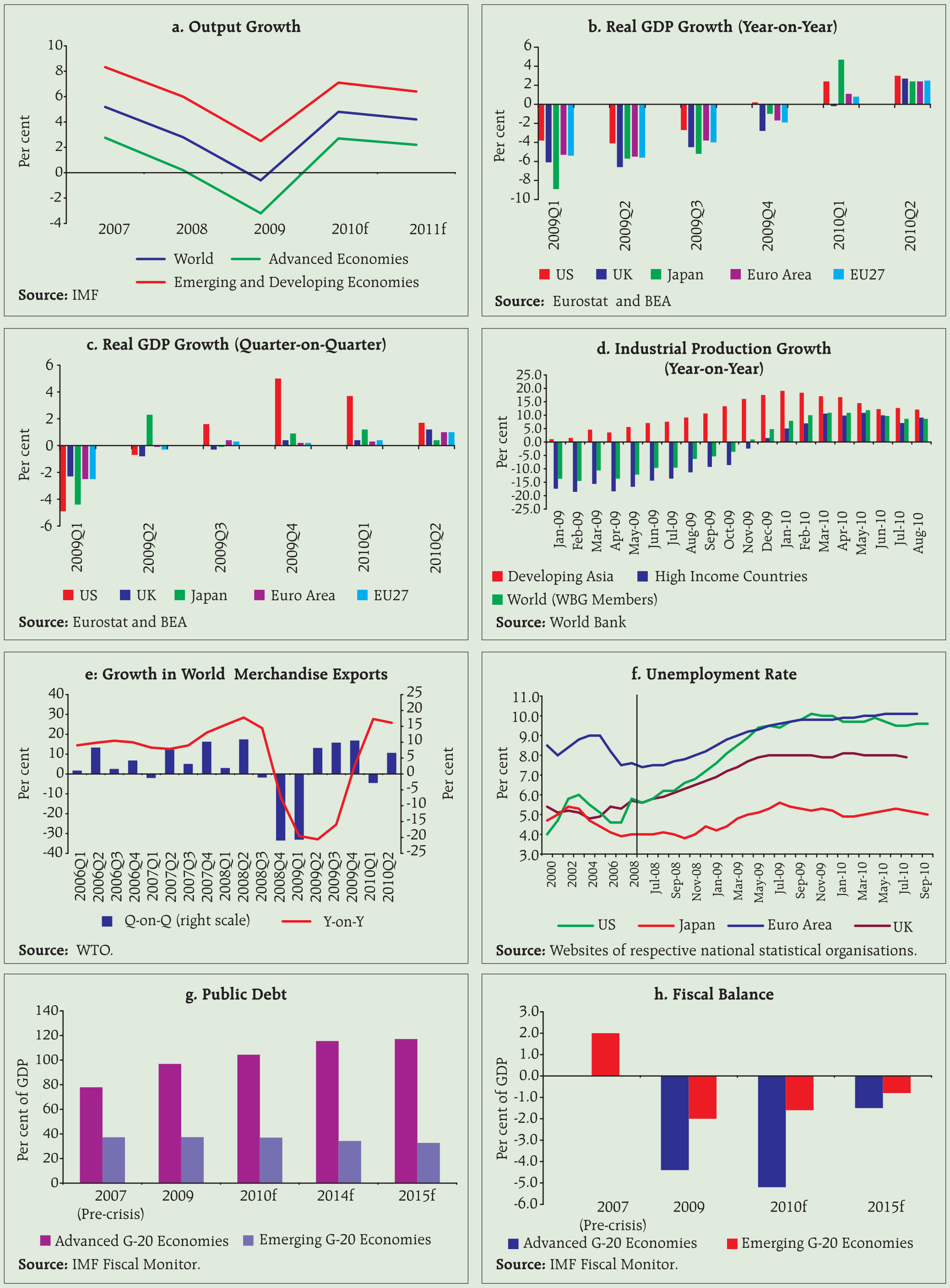
International Developments

III.1 The global economy is projected to recover from -0.6 per cent growth recorded in 2009 to 4.8 per cent in 2010. This overall outlook, however, masks large divergence in the pace and nature of the recovery, both across countries and between the two halves of 2010. According to the IMF, in the advanced economies, growth is expected to halve from 3.50 per cent in the first half of the year to 1.75 per cent in the second half. Emerging and developing economies too are expected to witness a moderation in the pace of growth from 8 per cent in the first half to 6.25 per cent in the second half. The temporary slowdown is also believed to extend up to the first half of 2011.

III.2 The global recovery lost momentum in the second quarter of the year, with the pace of recovery starting to slow down significantly in the advanced economies, particularly in the US and Japan (Chart III.1b & c). Growth in world industrial production also exhibited signs of deceleration after attaining peaks in March 2010 (Chart III.1d). Emerging Market Economies (EMEs), however, sustained the strong growth, and as a result, the asymmetry in growth widened further. While another short phase of contraction in economic activities in advanced economies, *i.e.,* the fear of a double dip has receded, the feeble growth has reinforced concerns over deflation and high unemployment rates (Chart III.1f). With scope for fiscal stimulus already stretched to the point where sovereign risk concerns could be detrimental to recovery in growth, several central banks of advanced economies have signaled possible use of additional accommodative monetary policy stance (Chart III.1g & h). Unlike output, trade activities have recovered strongly, and the momentum has also been sustained (Chart.III.1e). Reflecting this, the WTO revised upwards its estimates for growth in merchandise trade volume to 13.5 per cent for 2010 from the previous estimates of 10.0 per cent, which will be the fastest ever year-on-year expansion in trade so far. This high growth, however, needs to be seen against the low base that resulted from sharp 12.2 per cent contraction experienced in 2009. Moreover, even though the value of merchandise trade expanded by 25 per cent in the first half of 2010, the level of activity still remains below the pre-crisis level. With deficient domestic demand, there have been signs of resorting to protectionism and undervalued exchange rates in some countries, which would hinder overall global recovery. The unemployment situation in general continues to be grim, and employment intensive recovery remains a major global policy challenge. According to the ILO's August 2010 assessment of global employment trends for the youth, the global unemployment among youth (in the age group of 15 to 24) has increased from 11.9 per cent in 2007 to 13.0 per cent in 2009, which is expected to edge up further to 13.1 per cent in 2010. According to the IMF, unemployment has increased by 30 million since 2007, three fourth of which has been in advanced economies.

III.3 Developing Asia, according to the September 2010 assessment of the ADB, has sustained the momentum after witnessing a robust recovery, and is expected to grow at 8.2 per cent in 2010, as against 5.4 per cent in 2009. Recovery in both domestic demand and exports has contributed to this performance. End of the benefit of low base, fading policy stimulus and weaker growth in advanced economies in the second half of the year will be the major downside risks to growth. Risks to inflation could stem from buoyant domestic demand and rising commodity prices. The IIF revised upwards in October 2010 its assessment of private capital flows to EMEs for 2010 by US$ 116 billion from its April projections. Projected capital flows to EMEs in 2010 at US$ 825 billion will be significantly higher than US$ 581 billion in 2009. The Global Financial Stability Report, October 2010 notes that higher growth prospects and sounder fundamentals in EMEs point to a structural asset reallocation from advanced economies, which may increase volatility in portfolio capital flows and strain local

Chart III.1: Key Global Indicators



market valuations in emerging market economies.

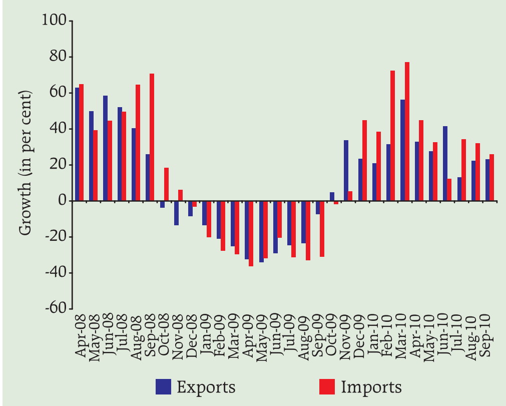
III.4 The recent volatile external developments suggest that for the purpose of policy, their direct and indirect impact on the Indian economy and the financial system would have to be constantly assessed, and appropriate corrective policy response may have to be taken to deal with any visible signs of vulnerability. The asymmetry in growth relative to advanced economies would imply higher trade imbalance in India, which also has to recognise the risks from protectionism and exchange rate policies of other countries. The overall upbeat outlook for capital flows to EMEs suggests that given the robust domestic growth outlook and the increasing interest rate differentials after the calibrated normalisation of monetary policy, gross capital inflows in 2010-11 would be higher than what were expected a few months back.

Merchandise Trade

Exports

III.5 India's merchandise exports, which exhibited a robust recovery in the last quarter of 2009-10, continued to record high growth during the current financial year (Chart III.2). After recording a growth of 36.4 per cent during the fourth quarter of 2009-10, export growth has witnessed some moderation to 27.6 per cent this year during April-September. India's export performance, however, remains better than the overall global trends (Chart III.3).

Chart III.2: India's Merchandise Trade



Imports

III.6 Reflecting the demand associated with robust domestic growth, imports increased at a higher pace, though with some volatility during the year so far. Oil imports registered a growth of 54.8 per cent during the first quarter of 2010-11 on account of the combined effect of increase in volume along with higher international crude oil prices relative to the corresponding quarter of the previous year (Chart III.4). Non-oil imports increased by

Chart III.3: Merchandise Exports of India Vs. World

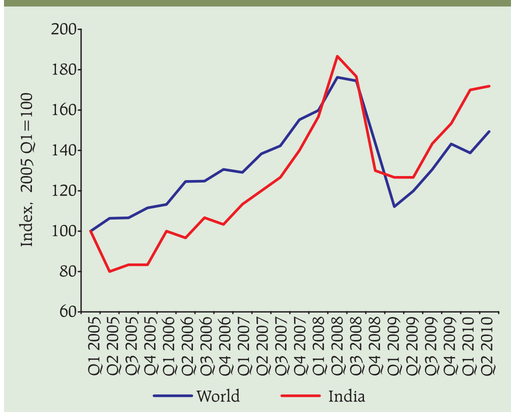
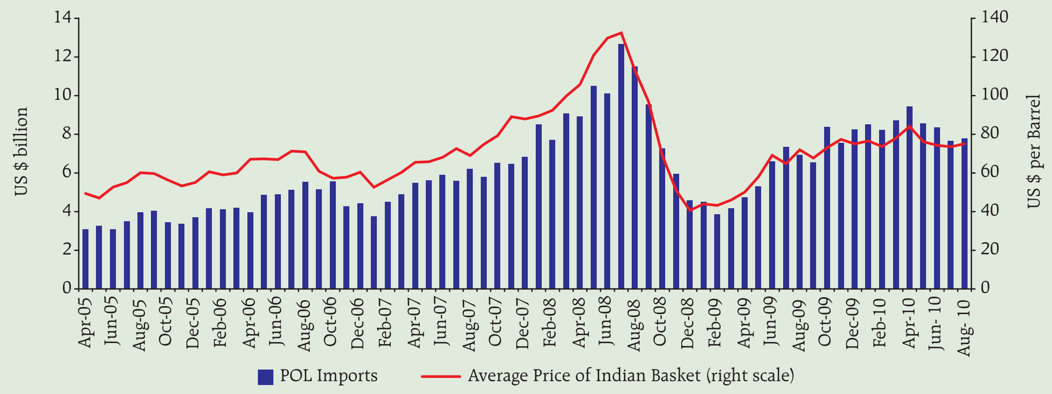


Chart III.4: India's POL Imports and International Crude Oil Prices



33.7 per cent during April-August 2010, reflecting strong domestic demand conditions.

III.7 Stronger growth in both oil and non-oil imports relative to exports resulted in a wider merchandise trade deficit during April-September 2010 at US$ 63.2 billion as compared with US$ 46.9 billion during the corresponding period of the previous year (Table III.1).

Balance of Payments (BoP)

Current Account

III.8 The impact of the continuing asymmetry between robust growth in India and fragile recovery in the advanced economies was visible in the current account deficit, which expanded in the first quarter of 2010-11, relative to both previous quarter and corresponding quarter of the previous year (Table III.2). The trade deficit,

Table III.1: India's Merchandise Trade

(US$ billion)

	April-March		April-September			
	2009-10 P		2009-10 R		2010-11 P	
	Absolute	Growth (%)	Absolute	Growth (%)	Absolute	Growth (%)
1	2	3	4	5	6	7
Exports	178.7	-3.6	80.9	-25.7	103.3	27.6
Oil	28.1	2.1	10.8	-42.5	..	..
Non-oil	150.5	-4.6	70.2	-22.2	..	..
Imports	286.8	-5.6	127.8	-30.9	166.5	29.9
Oil	87.1	-7.0	37.5	-40.8	40.7*	31.7*
Non-oil	199.7	-4.9	90.4	-25.8	101.2*	33.7*
Trade Balance	**-108.2**	**-8.6**	**-46.9**	**-38.4**	**-63.2**	**34.8**
Non-Oil Trade Balance	**-49.2**	**-5.9**	**-20.2**	**-36.0**	**..**	**..**

R: Revised. P: Provisional. .. Not Available. *: Figures pertain to April-August.
Source: Directorate General of Commercial Intelligence and Statistics (DGCI&S).

Table III.2: India's Balance of Payments

(US$ billion)

	2008-09 Apr-Mar PR	2009-10 Apr-Mar P	2009-10 Apr-Jun PR	Jul-Sep PR	Oct-Dec PR	Jan-Mar P	2010-11 Apr-Jun P
1	2	3	4	5	6	7	8
1. Exports	189.0	182.2	39.2	43.5	47.1	52.4	53.7
2. Imports	307.7	299.5	64.8	72.6	78.1	83.9	87.9
3. Trade Balance (1-2)	-118.7	-117.3	-25.6	-29.1	-31.1	-31.5	-34.2
4. Net Invisibles	89.9	78.9	21.2	20.4	18.9	18.5	20.5
5. Current Account Balance (3+4)	-28.7	-38.4	-4.5	-8.8	-12.2	-13.0	-13.7
6. Gross Capital Inflows	312.4	344.0	77.1	95.4	81.3	90.2	95.3
7. Gross Capital Outflows	305.2	290.4	73.1	76.6	66.6	74.1	76.9
8. Net Capital Account (6-7)	7.2	53.6	4.0	18.8	14.7	16.1	18.4
9. Overall Balance (5+8)#	-20.1	13.4	0.1	9.4	1.8	2.1	3.7
Memo:							
i. Export growth (%)	13.7	-3.6	-31.8	-18.9	19.3	36.2	37.2
ii. Import growth (%)	19.4	-2.7	-21.7	-21.7	6.3	43.0	35.7
iii. Net service exports growth (%)	27.7	-31.1	-3.1	-47.4	-40.8	-24.5	-3.0
iv. Net Invisibles growth (%)	18.7	-12.2	-3.7	-23.3	-15.6	-2.6	-3.4
v. Foreign Exchange Reserves (as at end Period)	252.0	279.1	265.1	281.3	283.5	279.1	275.7

P: Preliminary. PR: Partially Revised.
: also includes errors & omissions.

on a BoP basis, was higher at US$ 34.2 billion in the first quarter of 2010-11 as compared with US$ 25.6 billion during corresponding period of 2009-10.

Invisibles

III.9 India's net surplus in the invisibles account (comprising services, income and transfers) declined during the first quarter of 2010-11 as compared to last year, mainly because of strong growth in services payments and decline in investment income receipts. The increase in services exports (by 22.5 per cent) during April-June 2010 was mainly due to a rise in services related to travel, and transportation as well as miscellaneous services such as software, business and financial services, which was largely offset by substantial expansion in services payments, particularly transportation, business and financial services. As a result, there was a net decline of 3.0 per cent in the services account. The invisibles surplus financed about 60.0 per cent of the trade deficit during the quarter as against about 83.0 per cent during the corresponding quarter of the previous year (Table III.3).

Capital Account

III.10 The net surplus in the capital account in the first quarter of 2010-11 exceeded the levels of the previous two quarters, as well as the financing need in the current account (Table III.4). There was a compositional shift across different components of capital flows during recent months. Foreign investment, which used to

Table III.3: Invisibles Gross Receipts and Payments

(US$ billion)

	Invisibles Receipts				Invisibles Payments			
	April-March		April-June		April-March		Apr-June	
	2008-09 PR	2009-10 P	2009-10 PR	2010-11 P	2008-09 PR	2009-10 P	2009-10 PR	2010-11 P
1	2	3	4	5	6	7	8	9
1. Travel	10.9	11.9	2.3	3.0	9.4	9.3	2.0	2.3
2. Transportation	11.3	11.1	2.5	3.1	12.8	11.9	2.8	3.1
3. Insurance	1.4	1.6	0.4	0.4	1.1	1.3	0.3	0.3
4. Govt. not included elsewhere	0.4	0.4	0.1	0.1	0.8	0.5	0.1	0.1
5. Miscellaneous	77.7	68.7	16.0	19.6	27.9	36.5	5.7	10.2
Of which:								
Software	46.3	49.7	11.0	12.7	2.8	1.5	0.4	0.6
Non-Software	31.4	19.0	5.0	6.9	25.1	35.0	5.3	9.6
6. Transfers	47.5	54.4	13.3	13.8	2.7	2.3	0.5	0.7
Of which:								
Private Transfers	46.9	53.9	13.3	13.7	2.3	1.8	0.4	0.6
7. Income	14.3	13.0	3.0	2.9	18.8	20.4	5.0	5.5
Investment Income	13.5	12.1	2.7	2.6	17.5	18.7	4.7	5.0
Compensation of Employees	0.8	0.9	0.2	0.2	1.3	1.7	0.4	0.5
Total (1 to 7)	**163.5**	**161.2**	**37.6**	**42.7**	**73.6**	**82.3**	**16.4**	**22.3**

P: Preliminary. PR: Partially Revised.

be a major constituent of the capital account, showed some moderation, mainly due to the slowdown in Foreign Direct Investment (FDI) inflows. Net inflows by FIIs were also lower during the quarter. FIIs, which were traditionally investing in equity

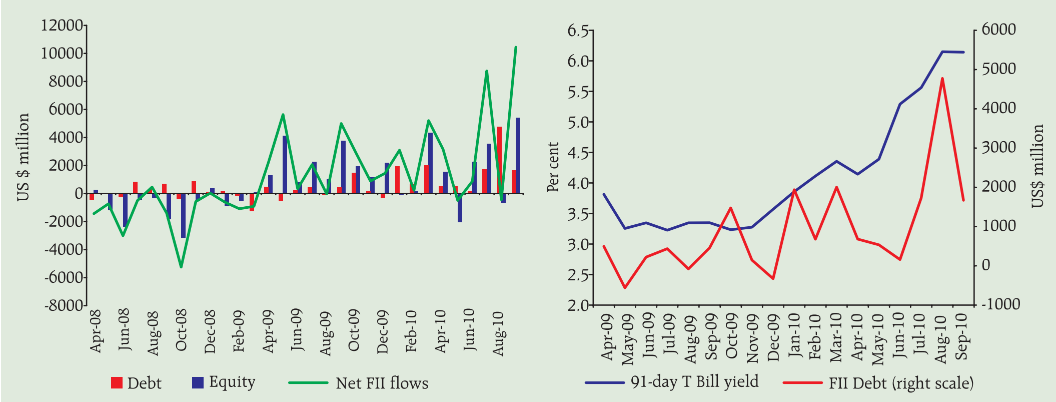
Table III.4: Net Capital Flows

(US$ billion)

	2008-09	2009-10	2009-10				2010-11
	Apr-Mar PR	Apr-Mar P	Apr-Jun PR	Jul-Sep PR	Oct-Dec PR	Jan-Mar PR	Apr-Jun P
1	2	3	4	5	6	7	8
1. Foreign Direct Investment (FDI)	17.5	19.7	6.1	6.5	3.9	3.2	3.2
Inward FDI	35.0	31.7	8.7	10.7	7.1	5.1	6.0
Outward FDI	17.5	12.0	2.6	4.2	3.2	1.9	2.8
2. Portfolio Investment	-14.0	32.4	8.3	9.7	5.7	8.8	4.6
Of which:							
FIIs	-15.0	29.0	8.2	7.0	5.3	8.5	3.5
ADR/GDRs	1.2	3.3	0.04	2.7	0.5	0.1	1.1
3. External Assistance	2.6	2.0	0.1	0.5	0.6	0.8	2.3
4. External Commercial Borrowings	7.9	2.5	-0.5	1.2	1.7	0.1	2.7
5. NRI Deposits	4.3	2.9	1.8	1.0	0.6	-0.6	1.1
6. Banking Capital excluding NRI Deposits	-7.5	-0.8	-5.2	3.4	1.3	-0.4	2.9
7. Short-term Trade Credit	-1.9	7.7	-1.5	0.8	3.3	5.0	5.6
8. Rupee Debt Service	-0.1	-0.1	-0.02	-	-	-0.1	-0.02
9. Other Capital	-1.5	-12.7	-5.2	-4.3	-2.4	-0.9	-3.9
Total (1 to 9)	**7.2**	**53.6**	**4.0**	**18.8**	**14.7**	**16.1**	**18.4**

P: Preliminary. PR: Partially Revised. – : Negligible.

Chart III.5: Recent Trends in Net FIIs' Investments



market, started diversifying towards debt markets (Chart III.5). The attraction of the debt market could be attributed to the rising interest rate environment in India and the near zero interest rate conditions in advanced countries over an extended period. In order to support the development of vital infrastructure, to facilitate the transfer of power from energy surplus regions to underserved areas and to improve the quality of public services, India received large foreign capital in the form of external assistance during the quarter. Strong domestic demand along with the rising interest rate differentials also led to higher net inflows of External Commercial Borrowings (ECBs) during the quarter. Short-term trade credit to India recorded a large net inflow of US$ 5.6 billion in the first quarter of 2010-11 (as against a net outflow of US$ 1.5 billion during the corresponding quarter of 2009-10) in line with the increase in imports associated with strong domestic economic activity and improved conditions in the global financial markets. Banking capital recorded inflows of US$ 4.0 billion during the quarter, mainly due to overseas foreign currency borrowings of banks and net inflows under NRI deposits. Debt flows during the quarter at about US$12 billion accounted for almost 64 per cent of total net capital flows.

III.11 Available information on certain lead indicators of capital flows for the period 2010-11 so far shows some moderation in inflows in the form of FDI and NRI deposits, but larger net inflows under FIIs and ECBs (Table III.5). Debt flows, particularly ECBs, which are sensitive to interest rate differential, have been higher. FII flows have

Table III.5: Capital Flows in 2010-11 so far

(US$ billion)

Component	Period	2009-10	2010-11
1	2	3	4
FDI to India	April-September	17.8	13.5
FIIs (net)	April-October 22	18.9	51.0
ADRs/GDRs	April-September	2.7	1.6
ECB Approvals	April-September	7.2	10.6
NRI Deposits (net)	April-September	2.9	2.2

FDI : Foreign Direct Investment.
FII : Foreign Institutional Investors.
ECB : External Commercial Borrowings.
NRI : Non Resident Indians.
ADR : American Depository Receipts.
GDR : Global Depository Receipts.

remained volatile during the year so far. They recorded net outflows in May 2010 but revived strongly in July recording net inflows of US$ 8.8 billion. Again, there were net outflows in August 2010, followed by net inflows in September 2010 at US$ 10.5 billion. Inflows in October increased to a record level of US$ 28.7 billion (up to October 22, 2010), which also reflected the over subscription of IPOs floated in the capital market. In this context, it may be noted that although many other Asian EMEs have also seen large capital inflows recently, India runs a current account deficit as opposed to current account surpluses in many other Asian economies.

Foreign Exchange Reserves

III.12 As net capital flows were higher than the current account deficit, India's foreign exchange reserves (excluding valuation effects) increased by US$ 3.7 billion during the first quarter of 2010-11 as compared to only a marginal increase of US$ 0.1 billion during the corresponding period of the previous year. Since the valuation loss on account of the appreciation of the US dollar against major international currencies amounted to about US$ 7 billion during April-June 2010, there was a net decline in the outstanding level of foreign exchange reserves by US$ 3.3 billion. India's foreign exchange reserves stood at US$ 295.4 billion as on October 22, 2010 (Table III.6).

Table III.6: Composition of Foreign Exchange Reserves

(US$ million)

Month	Gold	SDR	Foreign Currency Assets	Reserve Tranche Position in the IMF	Total (2+3+4+5)
1	2	3	4	5	6
Mar-09	9,577	1	241,426	981	251,985
Mar-10	17,986	5,006	254,685	1,380	279,057
Apr-10	18,537	4,982	254,773	1,341	279,633
May-10	19,423	4,861	247,951	1,309	273,544
Jun-10	19,894	4,875	249,628	1,313	275,710
Jul 10	19,278	5,006	258,551	1,348	284,183
Aug 10	20,008	4,974	256,227	1,932	283,142
Sept 10	20,516	5,130	265,231	1,993	292,870
Oct 10#	20,516	5,178	267,694	2,012	295,399

: As on October 22, 2010.

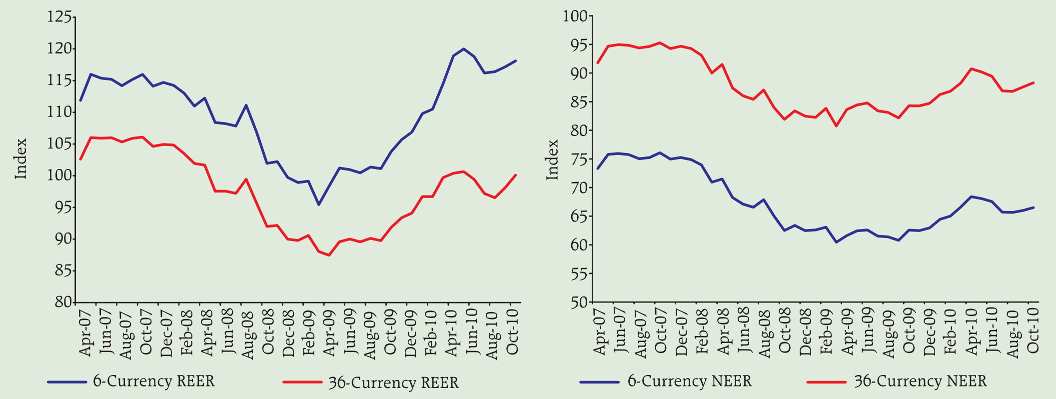
Real Effective Exchange Rate of the Rupee

III.13 The real effective exchange rate (REER) indices for both 6-currency and 36 currency baskets had exhibited significant appreciation in 2009-10. During 2010-11 so far (April-October 22, 2010), the 6-currency REER has recorded higher appreciation as compared with 36-currency REER (Chart III.6 and Table III.7). The 36-currency REER covers around 90 per cent of India's foreign trade. If the positive inflation differentials persist, and the tendency among some countries to use undervalued exchange rates to boost their exports amplifies further, then the competitiveness of Indian exports may face pressures. The reason for the divergence between 6-currency REER and 36-currency REER indices could be seen from the movement in the 30-currency REER index, which excludes 6 currencies (covered in the 6-currency REER). India's inflation differentials with respect to 6 major countries included in the 6-currency REER have been higher than that with respect to other EMEs in the 30-currency index.

External Debt

III.14 India's external debt stock at US$ 273.1 billion at end-June 2010 recorded an

Chart III.6: REER & NEER



increase of US$ 10.8 billion over its level at end-March 2010, mainly on account of significant increase in short-term trade credits, ECBs and multilateral borrowings of the Government. Excluding valuation effects resulting from the appreciation of the US dollar against major international currencies, India's external debt increased by US$ 12.1 billion. As at end-June 2010, the share of short-term debt in total external debt based on original maturity was 21.2 per cent, while based on residual maturity its share was higher at 42.5 per cent. The key debt sustainability indicators remained at comfortable levels as at end-June 2010 (Table III.8).

Table III.7: Nominal and Real Effective Exchange Rates of the Indian Rupee (Trade Based Weights, Base: 1993-94=100)

(Per cent, appreciation + /depreciation -)

	Index October 22, 2010 P	2008-09	2009-10	2009-10 (Apr-Oct)	2010-11 (Apr-Oct 22) P
1	2	3	4	5	6
36-REER	100.1	-13.6	13.2	4.4	0.4
36-NEER	88.3	-10.3	9.3	4.5	0.0
30-REER	92.7	-6.9	4.1	1.3	-0.6
30-NEER	108.2	-2.6	2.7	1.2	0.3
6-REER	118.1	-14.0	20.0	8.8	3.1
6-NEER	66.5	-14.8	10.2	3.5	-0.1
Memo:					
Rs/US$	44.47	-21.5	12.9	8.5	1.5

NEER : Nominal Effective Exchange Rate.
REER : Real Effective Exchange Rate. P: Provisional.
Note: Rise in indices indicates appreciation of the rupee and *vice versa*.

International Investment Position

III.15 India's net international liabilities increased by US$ 26.8 billion during the first quarter of 2010-11 mainly due to increase in net inflows under trade credits and loans along with FDI and portfolio investment. Total external financial assets decreased by US$ 5.3 billion to US$ 373.6 billion as at end-June 2010 over the previous quarter due to decline in reserve assets and trade credits. The reserve assets declined by US$ 3.4 billion due to the valuation loss, reflecting appreciation of the US dollar against major international currencies. Total international financial liabilities increased by US$ 21.4 billion over

Table III.8 : India's External Debt

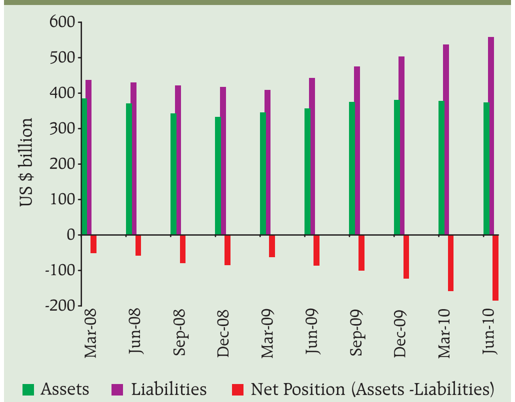
(US$ billion)

	End-March 2009	End-March 2010 PR	End-June 2010 P	Variation (June 2010 over March 2010)	
				Amount	Per cent
1	2	3	4	5	6
1. Multilateral	39.5	42.7	44.7	1.9	4.5
2. Bilateral	20.6	22.6	22.9	0.3	1.5
3. International Monetary Fund	1.0	6.0	5.9	-0.1	-2.6
4. Trade Credit (above 1 year)	14.5	16.9	17.6	0.7	4.2
5. External Commercial Borrowings	62.4	72.0	74.5	2.5	3.5
6. NRI Deposit	41.6	47.9	48.1	0.2	0.5
7. Rupee Debt	1.5	1.7	1.6	-0.1	-4.4
8. Long-term (1 to 7)	181.1	209.8	215.3	5.4	2.6
9. Short-term	43.4	52.5	57.8	5.4	10.2
Total (8+9)	**224.5**	**262.3**	**273.1**	**10.8**	**4.1**
					(Per cent)
Total Debt /GDP	20.5	18.9	-		
Short-term Debt/Total Debt	19.3	20.0	21.2		
Short-term Debt/Reserves	17.2	18.8	21.0		
Concessional Debt/Total Debt	18.7	16.7	15.9		
Reserves/Total Debt	112.2	106.4	101.0		
Debt Service Ratio	4.4	5.5	3.9		

-: Not available. P: Provisional; PR: Partially Revised.

the previous quarter to US$ 558.7 billion as at end-June 2010 (Chart III.7).

Chart III.7: International Investment Position of India



III.16 Overall, India's balance of payments situation reflected the impact of robust domestic growth, which was visible in the wider current account deficit. The upbeat growth outlook of India and rising interest rate differentials have contributed to attract larger net capital inflows, which financed the current account deficit. Going forward, the magnitude of the current account deficit may exceed the levels of the previous year, as asymmetry between the growth outlook of India and the developed countries is likely to persist, which will be reflected in export growth lagging behind import growth during the year. Recent outlook for capital flows to EMEs suggests

that after the temporary uncertainty created by the sovereign risk concerns in the Euro area, capital flows to EMEs will be stronger. Although financing of the current account deficit may not be a problem, possible increase in the magnitude of the deficit could pose sustainability risks. Sustainable current account deficit is important for stable growth, and persisting high positive inflation differential will be a source of pressure on the external competitiveness of Indian exports. Containing inflation, thus, is important even for improving the external balance position.

IV. Monetary and Liquidity Conditions

The liquidity conditions, which transited from surplus to deficit in the wake of 3G/BWA auctions in May 2010, have generally remained in the deficit mode since then, reflecting the stance of monetary policy. Normalisation of policy rates, along with narrowing of the LAF corridor, and the shift from surplus to deficit liquidity conditions have resulted in an effective increase in the policy rate by 275 basis points since March 2010. Even as reserve money has grown at a fairly rapid pace, broad money (M3) growth continues to remain relatively subdued, reflecting the decelerated growth in aggregate deposits. With persistent deficit liquidity conditions, banks have started to scale up their deposit mobilisation efforts, as reflected in the higher deposit interest rates being offered since July 2010.

IV.1 The non-disruptive normalisation of the monetary policy has significantly altered the liquidity and interest rate conditions over a few months. With repo emerging as the normal mode under the liquidity adjustment facility (LAF), and the consequent effective increase in the policy rate by 275 basis points, the transmission of monetary policy has also witnessed signs of strengthening. Since March 2010, the Reserve Bank has raised repo and reverse repo rates by 125 basis points and 175 basis points, respectively, which narrowed the LAF corridor from 150 basis points to 100 basis points. With continued build-up of government cash balances and increase in currency with the public, the LAF operations have remained mostly in deficit (injection) mode since June 2010.

IV.2 During the first quarter of the year, non-food credit growth of scheduled commercial banks (SCBs) exceeded the indicative trajectory set out in the Monetary Policy Statement for 2010-11. Notwithstanding the one-off increase in credit demand associated with payment for telecom spectrums, the growth of non-food credit during the second quarter remained close to the Reserve Bank's indicative projection. Money supply (M_3) growth, which had started picking up from July 2010 registered deceleration towards the end of the quarter and showed acceleration for the latest fortnight for which data are available. The subdued growth in M_3 has been largely conditioned by the decelerated growth in deposits, which account for over 85 per cent of money supply. On the sources side, there has been a considerable dip in the rate of growth of banking system's credit to the government (Table IV.1).

Liquidity Management

IV.3 During 2010-11 so far, the centre's surplus balance with the Reserve Bank has been a key driver of autonomous liquidity. Currency with the public, which registered high growth during the year so far, has been another key determinant of autonomous liquidity. The LAF window of the Reserve Bank, which remained in surplus mode for nearly 18 months, switched into deficit mode towards end-May 2010 and largely maintained the trend subsequently (Chart IV.1).

Table IV.1: Monetary Indicators

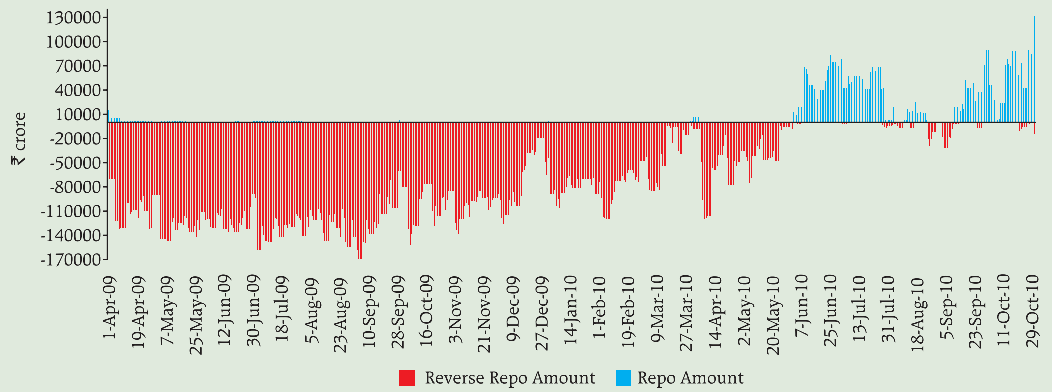
(Amount in ₹ crore)

Item	Outstanding as on October 8, 2010	Variation (year-on-year)			
		October 9, 2009		October 8, 2010	
		Amount	Per cent	Amount	Per cent
1	2	3	4	5	6
I. Reserve Money*	11,73,195	1,02,793	11.8	2,02,615	20.9
(Reserve Money adjusted for CRR changes)			(19.5)		(15.4)
II. Broad Money (M_3)	59,62,123	8,45,490	19.5	7,88,278	15.2
III. Components of M_3 (a + b + c)					
a) Currency with the Public	8,33,513	97,734	16.2	1,32,208	18.9
b) Aggregate Deposits	51,24,022	7,48,202	20.1	6,55,915	14.7
i) Demand Deposits	6,83,117	55,664	10.4	91,885	15.5
ii) Time Deposits	44,40,905	6,92,538	21.7	5,64,029	14.5
c) Other Deposits with RBI	4,588	-446	-9.1	155	3.5
IV. Sources of M_3 (a + b + c + d - e)					
a) Net Bank Credit to the Government (i+ii)	17,41,985	4,43,256	44.7	3,08,028	21.5
i) Net Reserve Bank Credit to the Government	1,94,702	36,641	–	1,89,336	–
of which: to the Centre	1,93,452	37,037	–	1,88,046	–
ii) Other Banks' Credit to the Government	15,47,284	4,06,615	39.8	1,18,692	8.3
b) Bank Credit to the Commercial Sector	37,20,942	2,95,084	10.4	5,94,353	19.0
c) Net Foreign Assets of the Banking Sector	13,24,951	-18,657	-1.4	-6,412	-0.5
d) Government's Currency Liabilities to the Public	11,761	955	9.9	1,151	10.9
e) Net Non-Monetary Liabilities of the Banking Sector	8,37,517	-1,24,852	-14.6	1,08,843	14.9

*: Data pertain to October 22, 2010.

Note: Data are provisional.

Chart IV.1: LAF Volumes



IV.4 With the persistence of deficit liquidity conditions, the Reserve Bank extended the liquidity-easing measures introduced in May 2010, *i.e.*, allowing SCBs to avail additional liquidity support under the LAF to the extent of up to 0.5 per cent of their NDTL till mid-July and operation of second LAF (SLAF) on a daily basis till end-July 2010. The average daily liquidity injection under the LAF was around ₹47,000 crore during July 2010. In view of the evolving inflationary scenario, the repo and the reverse repo rates were raised by 50 basis points and 75 basis points, respectively, in two stages in July 2010 (Table IV.2).

IV.5 The liquidity conditions improved in August 2010, mainly on account of large pre-scheduled public debt redemptions towards end-July 2010, and the average daily net injection of liquidity declined to around ₹1,000 crore during the month. After a brief period of surplus liquidity (from end-August to early-September 2010), the liquidity conditions again switched to deficit mode as liquidity migrated to government

Table IV.2: Movements in Key Policy Rates in India

(Per cent)

Effective since	Reverse Repo Rate	Repo Rate	Cash Reserve Ratio
1	2	3	4
April 26, 2008	6.00	7.75	7.75 (+0.25)
May 10, 2008	6.00	7.75	8.00 (+0.25)
May 24, 2008	6.00	7.75	8.25 (+0.25)
June 12, 2008	6.00	8.00 (+0.25)	8.25
June 25, 2008	6.00	8.50 (+0.50)	8.25
July 5, 2008	6.00	8.50	8.50 (+0.25)
July 19, 2008	6.00	8.50	8.75 (+0.25)
July 30, 2008	6.00	9.00 (+0.50)	8.75
August 30, 2008	6.00	9.00	9.00 (+0.25)
October 11, 2008	6.00	9.00	6.50 (–2.50)
October 20, 2008	6.00	8.00 (–1.00)	6.50
October 25, 2008	6.00	8.00	6.00 (–0.50)
November 3, 2008	6.00	7.50 (–0.50)	6.00
November 8, 2008	6.00	7.50	5.50 (–0.50)
December 8, 2008	5.00 (-1.00)	6.50 (–1.00)	5.50
January 5, 2009	4.00 (-1.00)	5.50 (–1.00)	5.50
January 17, 2009	4.00	5.50	5.00 (–0.50)
March 4, 2009	3.50 (-0.50)	5.00 (-0.50)	5.00
April 21, 2009	3.25 (-0.25)	4.75 (-0.25)	5.00
February 13, 2010	3.25	4.75	5.50 (+0.50)
February 27, 2010	3.25	4.75	5.75 (+0.25)
March 19, 2010	3.50 (+0.25)	5.00 (+0.25)	5.75
April 20, 2010	3.75 (+0.25)	5.25 (+0.25)	5.75
April 24, 2010	3.75	5.25	6.00 (+0.25)
July 2, 2010	4.00 (+0.25)	5.50 (+0.25)	6.00
July 27, 2010	4.50 (+0.50)	5.75 (+0.25)	6.00
September 16, 2010	5.00 (+0.50)	6.00 (+0.25)	6.00

Note: 1. Reverse repo indicates absorption of liquidity and repo indicates injection of liquidity.
2. Figures in parentheses indicate change in policy rates in per cent.

balances with the Reserve Bank on account of quarterly advance tax payments.

IV.6 On the basis of the assessment of the macroeconomic situation, the Reserve Bank increased the repo rate and reverse repo rate by 25 basis points and 50 basis points, respectively, in the mid-quarter monetary policy review in September. The liquidity conditions remained in deficit mode in the second half of September 2010 as the cash balances of the centre started building-up, and the average daily net liquidity injection was around ₹24,000 crore during the month.The liquidity conditions tightened further in October 2010. In order to ease the frictional liquidity pressure, the Reserve Bank announced certain temporary measures, *viz.*, conduct of SLAF on October 29 and November 1, 2010, conduct of a special two-day repo auction under LAF on October 30, 2010 and waiver of penal interest on shortfall in maintainance of SLR on October 30-31, 2010, to the extent of 1 per cent of NDTL for availing additional liquidity support under LAF.

IV.7 Despite surplus government balance and currency with the public operating as the major drains on liquidity during the second quarter of 2010-11, when compared with the situation prevailing at the end of the first quarter, variations in both currency and government surplus had a positive contribution to autonomous liquidity in the system (Table IV.3). The liquidity situation was managed primarily through LAF (Table IV.4).

IV.8 There has been a significant reduction in the holdings of government securities by SCBs not only because of the higher growth of non-food credit, but also because banks tapped the repo window

Table IV.3: Reserve Bank's Liquidity Management Operations

(₹ crore)

Item	2009-10				2010-11	
	Q1	Q2	Q3	Q4	Q1	Q2
1	2	3	4	5	6	7
A. Drivers of Liquidity (1+2+3+4)	**-45,110**	**-44,514**	**-66,785**	**55,055**	**-1,05,124**	**26,981**
1. RBI's net Purchase from Authorised Dealers	-15,874	2,523	436	910	816	751
2. Currency with the Public	-18,690	-9,020	-43,224	-31,650	-58,420	241
3.a. Centre's surplus balances with RBI	3,382	-67,938	-22,663	85,257	-58,249	10,953
3.b. WMA and OD	0	0	0	0	0	0
4. Others (residual)	-13,928	29,921	-1,334	538	10,729	15,036
B. Management of Liquidity (5+6+7+8)	**-21,674**	**62,376**	**89,870**	**1,618**	**67,255**	**-41,456**
5. Liquidity impact of LAF	-1,30,020	25,390	86,330	18,795	75,785	-44,545
6. Liquidity impact of OMO* (net)	43,159	32,869	3,540	2,787	1,550	2,772
7. Liquidity impact of MSS	65,187	4,117	0	16,036	2,420	317
8. First round impact of CRR change	0	0	0	-36,000	-12,500	0
C. Bank Reserves # (A+B)	**-66,784**	**17,863**	**23,085**	**56,673**	**-37,869**	**-14,475**

(+) : Injection of liquidity into the banking system. (-): Absorption of liquidity from the banking system.
* : Includes oil bonds but excludes purchases of government securities on behalf of State Governments.
# : Includes vault cash with banks and adjusted for first round liquidity impact due to CRR change.
Note: Data pertain to March 31 for Q4 and last Friday for all other quarters.

Table IV.4: Liquidity Position

(₹ crore)

Outstanding as on Last Friday	LAF	MSS	Centre's Surplus@	Total
1	2	3	4	5 = (2+3+4)
2009				
April	1,08,430	70,216	-40,412	1,38,234
May	1,10,685	39,890	-6,114	1,44,461
June	1,31,505	22,890	12,837	1,67,232
July	1,39,690	21,063	26,440	1,87,193
August	1,53,795	18,773	45,127	2,17,695
September	1,06,115	18,773	80,775	2,05,663
October	84,450	18,773	69,391	1,72,614
November	94,070	18,773	58,460	1,71,303
December	19,785	18,773	1,03,438	1,41,996
2010				
January	88,290	7,737	54,111	1,50,138
February	47,430	7,737	33,834	89,001
March*	990	2,737	18,182	21,909
April	35,720	2,737	-28,868	9,589
May	6,215	317	-7,531	-999
June	-74,795	317	76,431	1,953
July	1,775	0	16,688	18,463
August	11,815	0	20,054	31,869
September	-30,250	0	65,477	35,227
October**	-36,800	0	75,562	38,762

@ : Excludes minimum cash balances with the Reserve Bank in case of surplus.

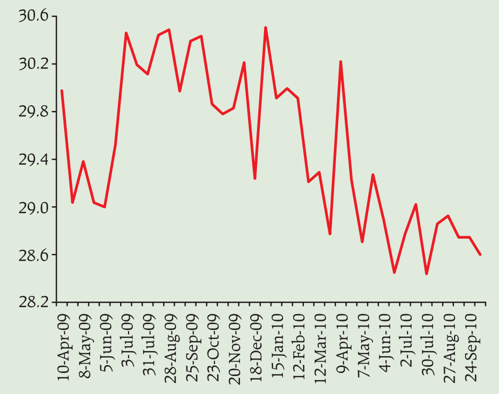
* : Data pertain to March 31. **: Data pertain to October 22.

Note: 1. Negative sign in column 2 indicates injection of liquidity through LAF.

2. Negative sign in column 4 indicates WMA /OD availed by the central government.

under the LAF for their liquidity needs, leading to gradual decline in SLR maintenance (Chart IV.2). The excess SLR investments of SCBs amounted to ₹1,86,097 crore in early October 2010 compared with ₹2,80,645 crore a year ago. With moderation in excess SLR, banks are making efforts to increase their deposit base as well as modulating the excess reserves maintained by them with the Reserve Bank.

Chart IV.2: SLR Maintenance by Banks (per cent)



Reserve Money

IV.9 Unlike the first quarter when the main component of increase in reserve money was currency in circulation, the reserve money growth in the second quarter was led by increase in banks' deposits with Reserve Bank (Table IV.5). Banks' deposits with the Reserve Bank increased in line with the increase in their net demand and time liabilities. On average, banks maintained excess reserves of ₹5,200 crore with the Reserve Bank during the quarter. Even though currency has shown strong y-o-y growth so far, the contraction during the quarter under review is consonant with the trend of subdued currency demand during the second quarter of the year (Chart IV.3).

IV.10 On the sources side, the Reserve Bank's credit to the Centre declined during the quarter, due to the combined effect of decline in the quantum of repo operations under the LAF[1] as compared to the previous quarter and build up of government balances.

[1] The Reserve Bank's credit to the Centre is affected by LAF operations, OMO, MSS balances and government's cash surplus with the Reserve Bank. Increase in repo/OMO purchases and decline in reverse repo/MSS balances/Government's surplus balances with Reserve Bank lead to increase in net Reserve Bank credit to the Centre, and *vice versa*.

Table IV.5: Reserve Money - Variations

(₹ crore)

Item	2009-10				2010-11	
	Q1	Q2	Q3	Q4	Q1	Q2
1	2	3	4	5	6	7
Reserve Money	-38,926	16,216	51,816	1,38,583	15,125	3,370
Components (1+2+3)						
1. Currency in Circulation	29,692	1,081	45,442	32,181	64,902	-4,005
2. Bankers' Deposits with RBI	-72,664	20,680	5,456	1,07,552	-49,042	6,481
3. 'Other' Deposits with the RBI	4,046	-5,545	918	-1,150	-735	894
Sources (1+2+3+4-5)						
1. RBI's Net Credit to Government	-11,145	-14,953	51,428	1,24,676	15,796	-20,621
of which: to Centre	-11,497	-14,968	51,597	1,24,688	15,807	-20,586
2. RBI's Credit to Banks and Commercial Sector	-9,623	-3,747	-5,926	-2,384	851	323
3. Net Foreign Assets of RBI	-16,750	50,120	-15,108	-66,428	14,613	53,422
4. Governments' Currency Liabilities to the Public	254	302	309	351	355	137
5. Net Non-monetary Liabilities of RBI	1,662	15,506	-21,113	-82,369	16,491	29,890
Memo:						
LAF - Repo (+) / Reverse Repo (-)	-1,32,800	28,170	67,765	37,360	39,375	-8,135
Net Open Market Sales *	-42,001	-31,591	-1,894	17	-8	20
Centre's Surplus	-13,156	77,713	17,519	-80,112	37,405	9,890
MSS Balances	-65,187	-4,117	0	-16,036	-2,420	-317

*: Excludes Treasury Bills.

Note: 1. The sum of the memo items will not add up to the net Reserve Bank credit to the Centre as LAF and OMO transactions are at face value and also due to margin adjustment for LAF operations.
2. Data based on March 31 for Q4 and last reporting Friday for all other quarters.
3. Data are provisional.
4. Centre's surplus includes government's investment balance and cash balance with the Reserve Bank.

IV.11 The adjusted reserve money (base money adjusted for the first round impact of monetary policy actions of the Reserve Bank in the form of CRR changes) increased by 15.9 per cent (y-o-y) as on October 22, 2010 reflecting the impact of increase in currency

Chart IV.3: Monthly Change in Currency in Circulation (₹ crore)

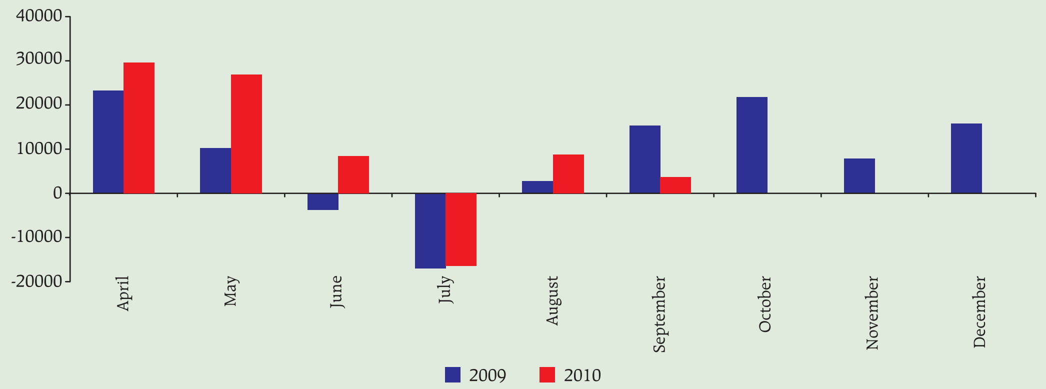
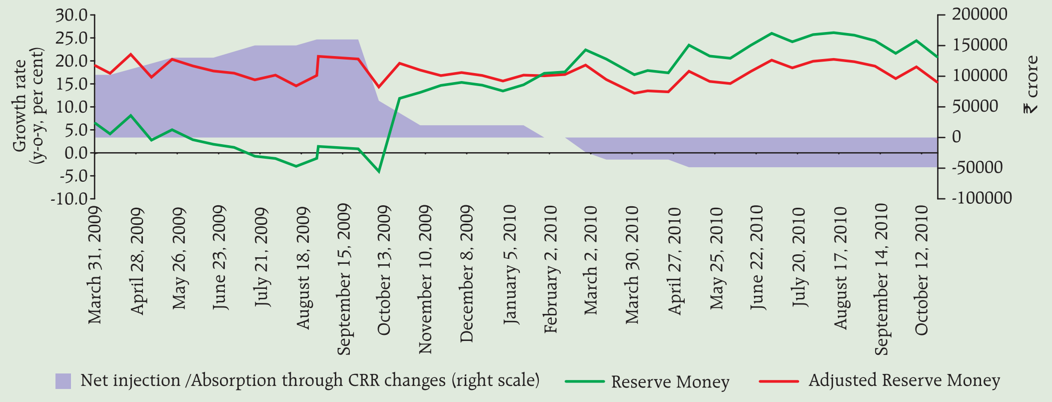


Chart IV.4: Reserve Money and Adjusted Reserve Money



in circulation (on the components side) and Reserve Bank credit to the government (on the sources side) (Chart IV.4).

Money Supply

IV.12 The deceleration in the growth of broad money (M_3), that started in 2009-10, continued in the first quarter of 2010-11. Even though there was some revival in the growth rate of M_3 during the second quarter, it still remained below the trajectory of 17 per cent indicated in the Monetary Policy Statement 2010-11 (Chart IV.5 a). The pattern of growth in M_3 mainly tracked the behaviour of the major component of money stock, *i.e.*, aggregate deposits (Chart IV.5 b).

IV.13 Since time deposits are the major constituent of aggregate deposits (around 87 per cent), a deceleration in these deposits is reflected in the aggregate deposits as well. A disaggregated analysis of the bank group-wise data suggests that the behaviour of time deposits replicates the deposit pattern of public sector banks, as they account for a

Chart IV.5: Monetary Indicators (y-o-y growth in per cent)

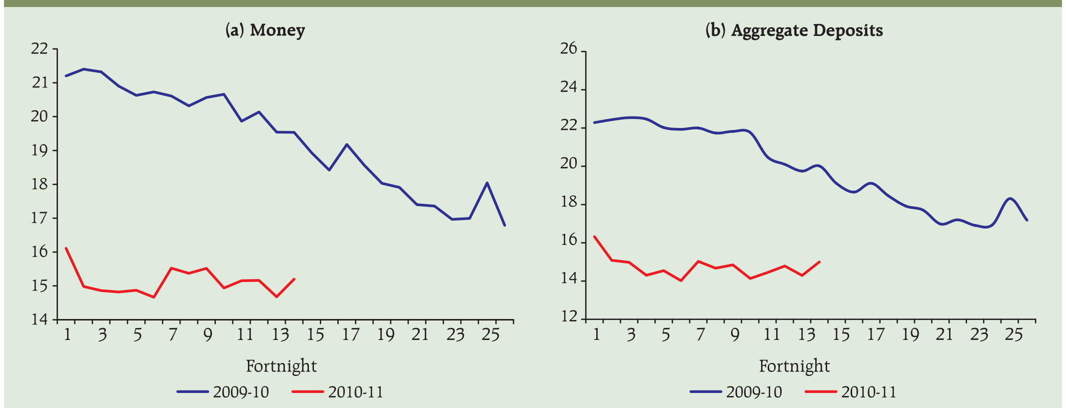
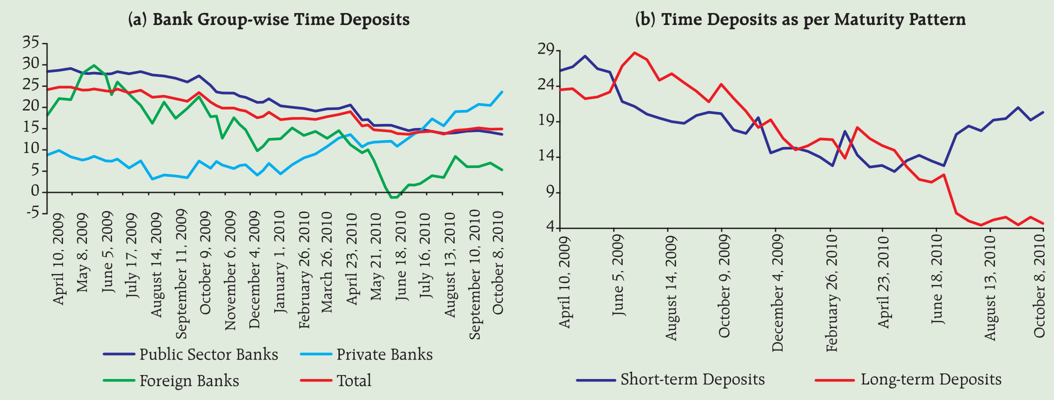


Chart IV.6: Trends in Time Deposits (y-o-y growth in per cent)



predominant share of time deposits. Foreign banks witnessed a sharp deceleration in time deposit growth rate in the recent period, while the private sector banks have bucked the overall trend, with a sharp acceleration in their time deposits (Chart IV.6 a). Further analysis suggests that long-term time deposits (maturity more than one year) witnessed a sharper deceleration (Chart IV.6 b).

IV.14 The growth rate of time deposits has, however, shown a moderate pick-up since July 2010 in the wake of efforts made by banks for mobilisation of deposits. Also, there has been an increased inflow into small savings schemes since August 2009 as small savings have yielded higher returns than time deposits with banks since the beginning of 2009-10 (Chart IV.7). Total incremental inflows into small savings are, however, only a small fraction of monthly increases in time deposits.

IV.15 Given the low opportunity cost of holding money in an environment of high inflation and depressed deposit interest

Chart IV.7: Time Deposits and Small Savings

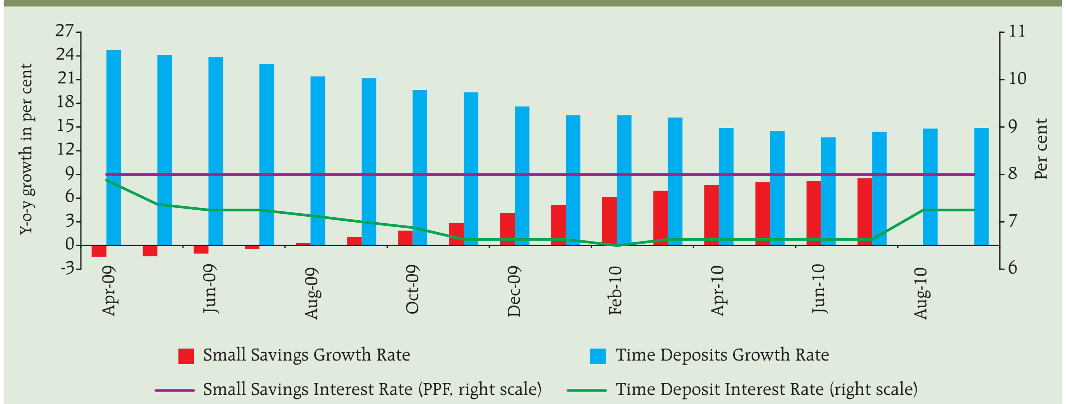
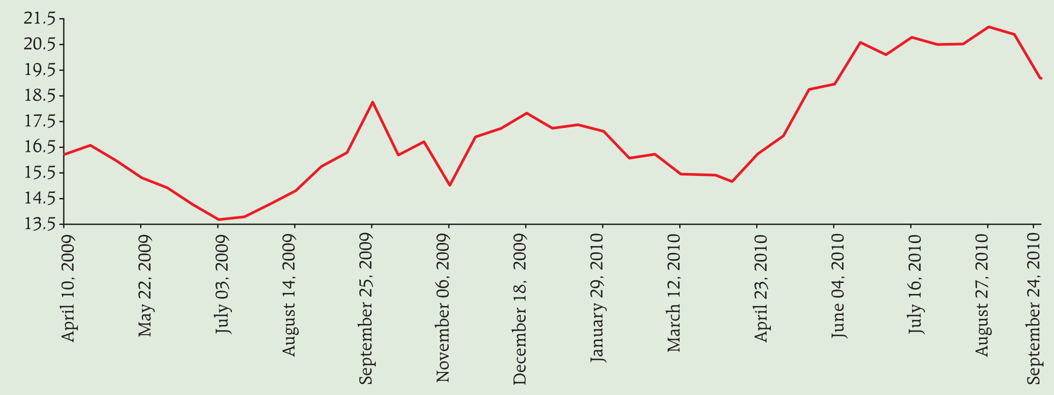


Chart IV.8: Currency with the Public (y-o-y growth in per cent))



rates, the demand for currency exhibited acceleration in growth during recent period (Chart IV.8). The increase in currency with the public is also reflective of increased asset prices and payment under schemes such as the MGNREGA. The increase in the cash component of economic transactions indicates the need for furthering financial inclusion. The increased currency demand and hence the currency deposit ratio as well as the 100 basis points increase in the CRR since February 2010, led to some decline in the money multiplier during the first half of the year. Money growth, thus, remains subdued relative to the higher rate of increase seen in reserve money.

IV.16 On a quarterly basis, the bulk of the increase in money stock during the second quarter of 2010-11 was owing to an increase in time deposits. (Table IV.6). Given the excess liquidity that prevailed in the system till end-May 2010, banks were not actively mobilising deposits. The transmission of the monetary tightening measures initiated by the Reserve Bank since February 2010 to the deposit interest rates has started to become visible only since July 2010 (Chapter V, Table V.7).

IV.17 As regards sources of M_3, the increase in money supply during the second quarter came mainly from banking system's credit to the commercial sector. There was a major pick-up in the growth of non-food credit extended by SCBs during the first quarter of 2010-11 as telecom companies raised credit to pay for the 3G and wireless access spectrums (Chart IV.9 a). Credit flow during the second quarter has shown a slight moderation but largely remained above or close to the indicative trajectory of 20 per cent growth set out in the First Quarter Review of Monetary Policy (July 2010). Reflecting this moderation, as well as the improved deposit mobilisation since July 2010, the incremental non-food credit deposit ratio of SCBs fell below the peak of over 100 per cent attained towards the end of the first quarter and the beginning of the second quarter (Chart IV.9 b).

IV.18 The momentum in credit growth was seen across all bank groups, with private banks showing the highest growth

Table IV.6: Monetary Aggregates - Variations

(₹ crore)

Item	2009-10				2010-11	
	Q1	Q2	Q3	Q4	Q1	Q2
1	2	3	4	5	6	7
M_3 (1+2+3 = 4+5+6+7-8)	1,63,787	1,61,970	1,24,777	3,54,416	86,103	1,86,330
Components						
1. Currency with the Public	24,913	2,797	45,086	29,787	64,416	-6,237
2. Aggregate Deposits with Banks	1,34,829	1,64,717	78,773	3,22,778	22,421	1,91,672
2.1 Demand Deposits with Banks	-40,911	66,320	-26,343	1,34,985	-86,410	44,635
2.2 Time Deposits with Banks	1,75,739	98,397	1,05,116	1,90,793	1,08,831	1,47,037
3. 'Other' Deposits with RBI	4,046	-5,545	918	-1,150	-735	894
Sources						
4. Net Bank Credit to Government	1,20,816	71,703	35,598	1,61,646	47,024	36,930
4.1 RBI's Net Credit to Government	-11,145	-14,953	51,428	1,24,676	15,796	-20,621
4.2 Other Banks' Credit to Government	1,31,961	86,656	-15,830	36,970	31,228	57,551
5. Bank Credit to the Commercial Sector	-7,232	1,07,136	68,093	3,09,890	68,700	1,11,980
6. NFA of Banking Sector	-37,923	47,908	-20,701	-59,998	6,967	53,422
7. Government's Currency Liabilities to the Public	254	302	309	351	355	137
8. Net Non-monetary Liabilities of the Banking Sector	-87,872	65,079	-41,478	57,472	36,943	16,139

Note: Data are provisional.

rate at the beginning of the third quarter of 2010-11 (Table IV.7). Public sector banks accounted for 74 per cent of the incremental credit off take on a year-on-year basis as at the beginning of October 2010. Though the pace of deposit growth for SCBs as a whole remains lower than last year, banks have increased their borrowings from overseas as well as from financial institutions. These alternative

Chart IV.9: Credit Indicators

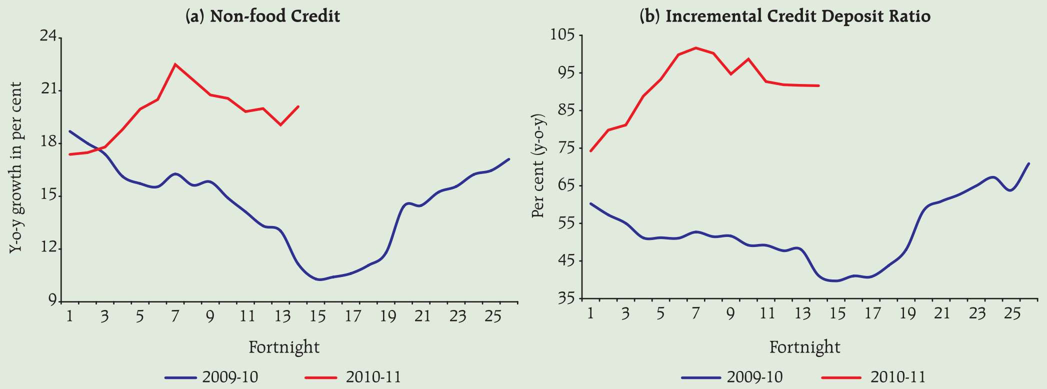


Table IV.7: Credit Flow from Scheduled Commercial Banks

(Amount in ₹ crore)

Item	Outstanding as on October 8, 2010	Variation (Y-o-Y)			
		As on October 9, 2009		As on October 8, 2010	
		Amount	Per cent	Amount	Per cent
1	2	3	4	5	6
1. Public Sector Banks	25,67,838	2,83,483	15.2	4,24,171	19.8
2. Foreign Banks	1,75,580	-29,770	-15.9	17,979	11.4
3. Private Banks	6,39,361	12,076	2.4	1,24,213	24.1
4. All Scheduled Commercial Banks*	34,68,999	2,79,305	10.7	5,80,005	20.1

*: including Regional Rural Banks.

Note: Data are provisional.

funds have supported a higher credit growth, as investment in government and other approved securities, non-SLR securities as well as foreign currency assets has exhibited deceleration or contraction in y-o-y growth (Table IV.8).

Table IV.8: Select Sources and Uses of Funds of SCBs

(Amount in ₹ crore)

Item	Outstanding as on October 8, 2010	Variation (Y-o-Y)			
		As on October 9, 2009		As on October 8, 2010	
		Amount	Per cent	Amount	Per cent
1	2	3	4	5	6
Sources of Funds					
1. Aggregate Deposits	47,88,309	6,94,231	20.0	6,25,710	15.0
2. Call/Term Funding from Financial Institutions	1,19,336	-18,121	-15.6	20,996	21.3
3. Overseas Foreign Currency Borrowings	41,342	-34,583	-55.5	13,637	49.2
4. Capital	65,965	13,809	30.3	6,649	11.2
5. Reserves	3,69,068	48,836	17.4	39,603	12.0
Uses of Funds					
1. Bank Credit	34,68,999	2,79,306	10.7	5,80,004	20.1
of which: Non-food Credit	34,19,245	2,85,480	11.1	5,72,971	20.1
2. Investments in Government and Other Approved Securities	14,75,697	3,87,549	39.6	1,10,264	8.1
a) Investments in Government Securities	14,70,231	3,92,145	40.6	1,12,680	8.3
b) Investments in Other Approved Securities	5,466	-4,595	-36.8	-2,417	-30.7
3. Investments in non-SLR Securities	2,65,729	1,37,765	91.4	-22,823	-7.9
4. Foreign Currency Assets	66,656	19,397	84.8	24,373	57.6
5. Balances with the RBI	2,75,559	-1,29,595	-40.7	86,832	46.0

Note: Data are provisional. The sources and uses of funds will not match as the list is not exhaustive and excludes the assets and liabilities within the banking system.

IV.19 Data on sectoral deployment of gross bank credit show significant improvement in credit flow to industry, services and personal loans during the current financial year, while credit to agriculture has declined further (Table IV.9). A look at the disaggregated data, however, suggests that the credit flow to industry is

Table IV.9: Deployment of Gross Bank Credit by Major Sectors

(Amount in ₹ crore)

Sector	Outstanding as on September 24, 2010	Variation (financial year so far)			
		September 25, 2009		September 24, 2010	
		Absolute	Per cent	Absolute	Per cent
1	2	3	4	5	6
Non-Food Gross Bank Credit (1 to 4)	**31,99,151**	**92,341**	**3.5**	**1,62,206**	**5.3**
1. Agriculture and Allied Activities	**4,01,933**	**- 1,760**	**-0.5**	**-13,481**	**-3.2**
2. Industry	**14,17,200**	**84,982**	**8.1**	**1,07,386**	**8.2**
3. Personal Loans	**6,15,195**	**3,836**	**0.7**	**29,170**	**5.0**
Housing	3,17,150	7,891	2.8	16,195	5.4
Advances against Fixed Deposits	51,379	- 3,473	-7.1	2,771	5.7
Credit Card Outstanding	18,509	- 3,754	-13.4	-1,478	-7.4
Education	40,944	4,557	15.9	4,060	11.0
Consumer Durables	9,083	- 112	-1.4	800	9.7
4. Services	**7,64,823**	**5,281**	**0.8**	**39,130**	**5.4**
Transport Operators	53,876	- 128	-0.3	1,229	2.3
Professional Services	53,370	658	1.5	4,859	10.0
Trade	1,70,606	9,884	6.8	8,279	5.1
Commercial Real Estate	1,01,662	1,766	1.9	9,604	10.4
Non-Banking Financial Companies	1,25,667	7,192	7.3	7,746	6.6
Memo					
Priority Sector	**11,20,343**	**8,320**	**0.9**	**11,150**	**1.0**
Micro and Small Enterprises	3,94,604	20,808	6.7	19,343	5.2
Industry					
Food Processing	68,153	327	0.6	2,896	4.4
Textiles	1,23,764	3,525	3.4	2,364	1.9
Paper and Paper Products	19,969	203	1.3	933	4.9
Petroleum, Coal Products and Nuclear Fuels	57,098	2,590	3.8	-11,049	-16.2
Chemicals and Chemical Products	88,348	1,093	1.4	3,431	4.0
Rubber, Plastic and their Products	18,417	536	3.9	2,741	17.5
Iron and Steel	1,37,588	14,375	14.5	9,956	7.8
Other Metal and Metal Products	38,719	2,214	7.5	3,047	8.5
Engineering	82,987	- 893	-1.4	9,090	12.3
Vehicles, Vehicle Parts and Transport Equipments	40,915	1,818	5.2	2,166	5.6
Gems and Jewellery	33,962	1,997	7.0	2,182	6.9
Construction	42,661	- 592	-1.5	-1,074	-2.5
Infrastructure	4,69,621	48,659	18.0	87,499	22.9

Note: 1. Data are provisional and relate to select banks, which account for 95 per cent of total non-food credit extended by all SCBs.

2. Data include the effects of mergers of Bank of Rajasthan with ICICI Bank and State Bank of Indore with State Bank of India.

not yet broad-based as the growth is mainly driven by flow of credit to the infrastructure sub-sector, iron and steel, chemicals and chemical products, other metal and metal products and engineering industries.

IV.20 Overall flow of resources from the financial sector to the commercial sector increased significantly in the first half of 2010-11 relative to the flows in the corresponding period of last year (Table IV.10). While domestic non-bank sources of funds declined compared to the corresponding period last year, funding from foreign sources increased on account of higher amounts raised in the form of short-term credit and through ECBs and ADRs/GDRs. Reflecting the pick-up in demand for credit, incremental non-food credit (adjusted) exceeded the flows from non-banking sources.

Table IV.10: Flow of Financial Resources to the Commercial Sector

(₹ crore)

Item	April-March		April-September	
	2008-09	2009-10	2009-10	2010-11
1	2	3	4	5
A. Adjusted Non-food Bank Credit (NFC)	**4,21,091**	**4,80,258**	**1,06,575**	**2,55,674**
i) Non-food Credit	4,11,824	4,66,960	1,16,935	2,22,946$
ii) Non-SLR Investment by SCBs	9,267	13,298	-10,360	32,728$
B. Flow from Non-banks (B1+B2)	**4,39,926**	**5,80,821**	**2,22,780**	**2,29,519**
B1. Domestic Sources	**2,58,132**	**3,64,989**	**1,45,829**	**1,30,141**
1. Public issues by non-financial entities	14,205	31,956	13,617	10,448
2. Gross private placements by non-financial entities	77,856	1,41,964	39,420	19,702 #
3. Net issuance of CPs subscribed to by non-banks	4,936	25,835	50,999	32,812 *
4. Net credit by housing finance companies	25,876	28,485	3,581	7,519 ^
5. Total gross accommodation by the four RBI regulated AIFIs - NABARD, NHB, SIDBI and EXIM Bank	31,408	33,871	-3,332	15,300
6. Systemically important non-deposit taking NBFCs (net of bank credit)	42,277	60,663	18,064	30,935 ^
7. LIC's gross investment in corporate debt, infrastructure and social sector	61,574	42,215	23,480	13,425 ^
B2. Foreign Sources	**1,81,794**	**2,15,832**	**76,950**	**99,379**
1. ECBs/FCCBs	31,350	14,356	3,991	25,525 ^
2. ADR/GDR issues excluding banks and financial institutions	4,788	15,124	4,881	6,660
3. Short-term credit from abroad	-12,972	35,170	-7,137	25,455#
4. FDI to India	1,58,628	1,51,182	75,215	41,739 ^
C. Total Flow of Resources (A+B)	**8,61,017**	**10,61,079**	**3,29,355**	**4,85,193**
Memo Item:				
Net resource mobilisation by Mutual Funds through Debt (non-Gilt) Schemes	-32,168	96,578	1,01,956	-3,266

$: Up to October 8, 2010. #: April-June. ^: April-August. *: Up to September 15, 2010.

IV.21 Overall, the liquidity conditions have changed consistent with the objective of calibrated normalisation of monetary policy. Net liquidity switched to deficit mode towards the end of May 2010 after eighteen months of surplus, and has largely remained so since then. Reflecting the strengthening demand for finance consistent with robust economic growth, credit growth has picked up. Even though broad money growth remains below the trajectory envisaged in the Monetary Policy Statement for 2010-11, there has been an improvement since July 2010. With banks expected to scale up their deposit mobilisation to meet the demand for credit, broad money growth could be expected to rise. With liquidity in deficit mode and as deposit and lending rates start to move up further with some lag, the transmission of monetary policy could further strengthen.

V. Financial Markets

In the assessment of risk in the global financial markets, the focus shifted from sovereign debt crisis to concerns regarding the slowdown in economic recovery. This change in assessment of risk of the global investors impacted Indian financial markets through two different channels, viz. appreciation of the Indian Rupee and rise in equity prices due to sharp increase in portfolio flows. The transmission of higher policy interest rates increasingly became effective, albeit with a lag. The deficit liquidity conditions impacted various segments of financial markets viz. CPs, CDs, CBLO, Treasury Bills, government securities and bank deposits. Activities in CPs market picked up in the post Base Rate scenario as corporates explored alternative sources of finance. Housing prices in major cities witnessed a rising trend.

V.1 The financial markets in advanced economies had started to price in uncertainties related to the sovereign debt crisis in the Euro area and its possible spillover impact on the banking sector, when renewed concerns regarding slowdown in recovery adversely affected the investor confidence. The financial markets in emerging market economies (EMEs), however, showed signs of further strengthening mainly on account of their strong growth potential *vis-à-vis* advanced economies. As a result, capital flows to EMEs strengthened, thereby exerting pressure on currencies to appreciate and asset prices to remain upbeat. The US dollar depreciated against most of the major currencies, most notably against the Japanese Yen. Currency markets remained volatile and received greater market attention based on expectations about country specific policy responses to deal with the costs of appreciating exchange rate.

V.2 The Indian financial markets remained largely stable, with range-bound turnover and decline in volatility. Call rates gradually firmed up, in step with changes in policy rates and deficit liquidity conditions. The LAF corridor was narrowed with a view to containing volatility. Both CPs and CDs markets witnessed higher issuances, as lenders (through CDs) and borrowers (through CPs) scouted for cheaper funds against the backdrop of sustained increase in policy rates. The yield in G-Sec market hardened in the initial part of the second quarter of 2010-11 reflecting hike in policy rates, tight liquidity conditions and high inflation. Thereafter, the yields softened as liquidity conditions improved and concerns over Euro area receded. The Indian Rupee appreciated against the US dollar and the Indian stock prices rose on the back of substantial portfolio inflows. The quarterly House Price Index of the Reserve Bank suggests that prices in the housing market, especially in Tier I cities continued to show signs of acceleration, even as prices in Tier II cities registered some moderation.

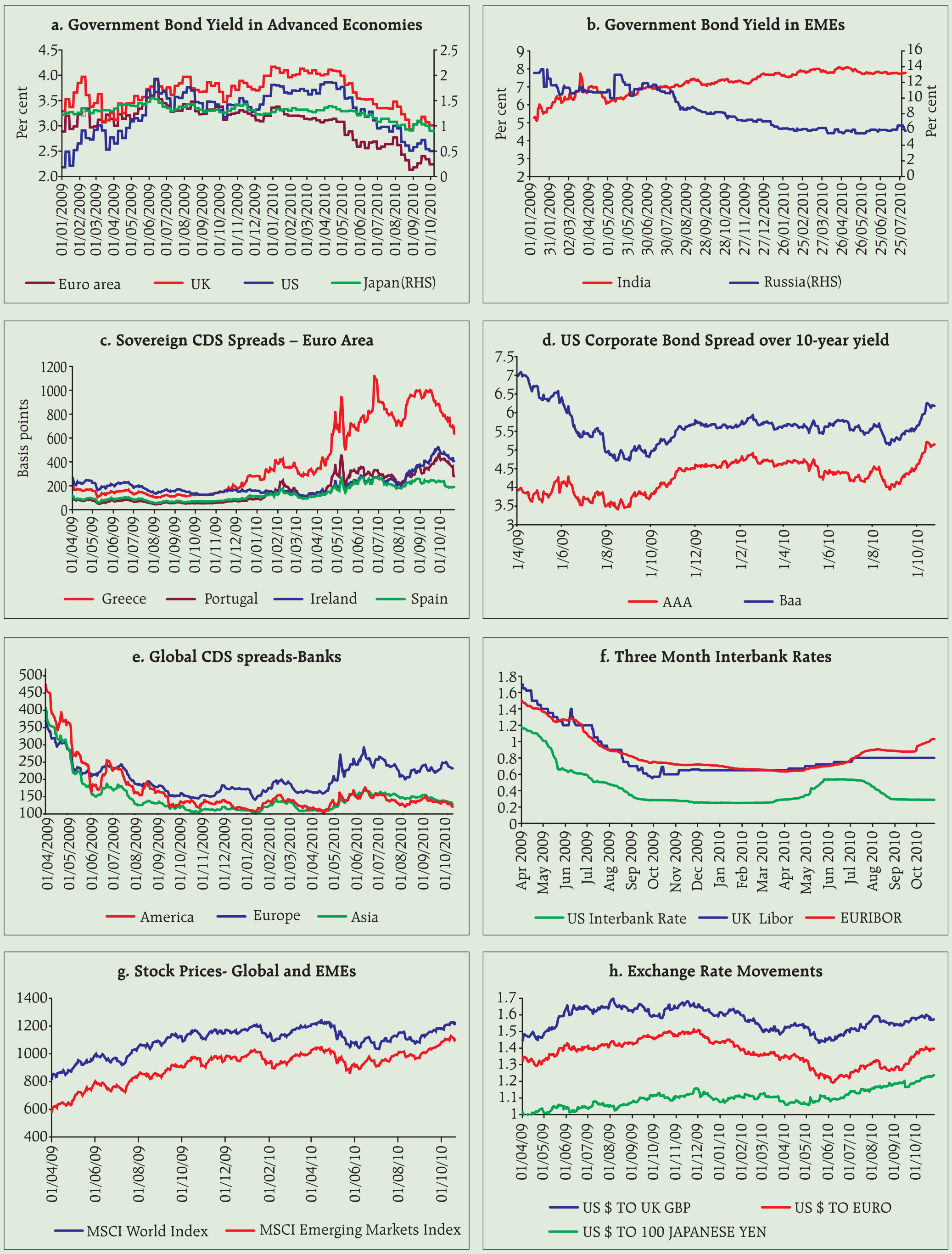
International Financial Markets

V.3 The concerns relating to sovereign debt crisis, which adversely affected the global financial market conditions since end 2009, considerably receded by the beginning of the third quarter of 2010. By end-July, however, concerns relating to the global growth outlook and its implications for asset prices assumed centre stage. Increasing evidence of slowdown in economic recovery in the US and other advanced economies led to lower inflation expectations and falling bond yields (Chart V.1a). The spread between corporate bond yield and G-sec yield widened, especially after September 2010 (Chart V.1d). Increasing concerns relating to slowdown in the US and other advanced economies led to depreciation of the US dollar against all major currencies, especially against the Japanese Yen (Chart V.1h).

V.4 Asset prices in EMEs registered significant gains as portfolio flows to these economies revived on the possibility of better returns in these countries. Their currencies also witnessed appreciation pressures (TableV.1).

V.5 The developments in the global financial markets spilled over to the Indian markets, particularly the equity and foreign exchange market. With deterioration in the outlook for growth in the advanced economies, there was a substantial increase in capital inflows led by FIIs. This contributed to significant increase in stock prices, besides leading to appreciation of exchange rate of the rupee against the US dollar. Improved global credit market conditions, and the widening interest rate differential facilitated higher access to ECBs

Chart V.1: Indicators of Global Financial Market Developments



Source: The IMF, the Federal Reserve of St. Louis, the Bloomberg and the Datastream.

Table V.1: Currency and Stock Price Movement in EMEs

(Per cent)

Items	End-March 2009 @	End-March 2010 @	End-Oct 27 2010*	Items	End-March 2009 @	End-March 2010 @	End-Oct 27 2010*
1	2	3	4	1	2	3	4
Appreciation (+)/Depreciation (-) of Currency per US Dollar				**Stock Price Variations**			
Argentine Peso	-14.8	-4.2	-2.0	Brazil (Bovespa)	-32.9	71.9	0.3
Brazilian Real	-23.8	24.6	5.4	China (Shanghai Composite)	-31.7	31.0	-3.6
Chinese Yuan	2.7	0.14	2.0	India (BSE Sensex)	-37.9	80.5	14.5
Indian Rupee	-21.6	12.9	1.4	Indonesia (Jakarta Composite)	-41.4	93.7	30.5
Indonesian Rupiah	-20.4	27.0	2.1	Malaysia (KLSI)	-30.1	51.3	13.5
Japanese Yen	2.0	5.2	14.2	Russia (RTS)	-66.4	128.0	0.7
Malaysian Ringgit	-12.6	11.4	5.3	Singapore (Straits Times)	-43.5	69.9	8.2
Mexican Peso	-24.8	14.0	-0.5	South Korea (KOSPI)	-29.2	40.3	12.8
Russian Ruble	-30.7	14.9	-3.5	Taiwan (Taiwan Index)	-39.2	52.0	4.7
South Korea Won	-28.0	21.7	1.2	Thailand (SET Composite)	-47.2	82.6	24.9
Thai Baht	-11.4	9.8	7.9				
Turkish Lira	-21.7	10.1	-3.2				

@: Year-on-year variation. * Variation over End-March.
Source: Bloomberg, IFS, IMF.

by corporates. Financial markets in India, besides reflecting the global trend, were largely conditioned by the domestic growth-inflation outlook, monetary policy stance and the fiscal position.

Domestic Financial Markets

V.6 Strong domestic macroeconomic fundamentals and expectation of sustained high growth provided the necessary comfort to the markets. The transaction volumes in the markets remained range bound although the spreads/volatility generally declined (Table V.2 and Chart V.2).

Money Market

V.7 The money market remained orderly during the second quarter of 2010-11. The call rate firmed up, starting from end-May 2010 due to the tightening of liquidity conditions on account of 3G/BWA auctions and advance tax payments. The call rate hovered around the upper bound of the LAF corridor till July 2010 as deficit liquidity conditions persisted due to the high Central Government cash balances. The call rate declined towards the end of August and early September with the easing of liquidity conditions. As the transmission of higher policy interest rates increasingly became effective and the liquidity conditions tightened, the call rate again firmed up from the middle of September 2010, and breached the upper bound of the informal LAF corridor. With a view to containing volatility in the call rate, the LAF corridor was reduced from 150 bps to 100 bps in two stages since July 2010(Chart V.3). The call rate has hovered around the upper bound of the informal corridor during October 2010.

Table V.2: Domestic Financial Markets at a Glance

Year/Month	Call Money Market		Govt. Securities Market		Forex Market			Liquidity Management		Stock Markets			
	Daily Turnover (₹crore)	Call Rates* (Per cent)	Daily Turnover^ (₹ crore)	10-Year Yield@ (Per cent)	Daily Inter-bank Turnover (US$ mn)	Exchange rate@ (₹/ US$)	RBI's net purchase (+)/sale (-) (US$ mn)	MSS Out-standing# (₹ crore)	Average Daily LAF (₹ crore)	Daily BSE Turnover (₹ crore)	Daily NSE Turnover (₹ crore)	BSE Sensex**	CNX Nifty**
1	2	3	4	5	6	7	8	9	10	11	12	13	14
2008-09	**22,436**	**7.06**	**10,879**	**7.54**	**34,812**	**45.92**	**-34,922†**	**1,48,889**	**2,885**	**4,498**	**11,325**	**12303**	**3713**
2009-10	**15,924**	**3.24**	**14,426**	**7.23**	**30,107**	**44.95**	**-2,635†**	**23,914**	**1,00,015**	**5,651**	**16,959**	**15585**	**4658**
Apr-09	21,820	3.28	15,997	6.55	27,796	50.06	-2,487	75,146	1,01,561	5,232	15,688	10911	3360
May-09	19,037	3.17	14,585	6.41	32,227	48.53	-1,437	45,955	1,25,728	6,427	19,128	13046	3958
Jun-09	17,921	3.21	14,575	6.83	32,431	47.77	1,044	27,140	1,23,400	7,236	21,928	14782	4436
Jul-09	14,394	3.21	17,739	7.01	30,638	48.48	-55	22,159	1,30,891	6,043	18,528	14635	4343
Aug-09	15,137	3.22	9,699	7.18	27,306	48.34	181	19,804	1,28,275	5,825	17,379	14415	4571
Sep-09	16,118	3.31	16,988	7.25	27,824	48.44	80	18,773	1,21,083	6,211	18,253	16338	4859
Oct-09	15,776	3.17	12,567	7.33	28,402	46.72	75	18,773	1,01,675	5,700	18,148	16826	4994
Nov-09	13,516	3.19	17,281	7.33	27,599	46.57	-36	18,773	1,01,719	5,257	16,224	16684	4954
Dec-09	13,302	3.24	14,110	7.57	27,439	46.63	0	18,773	68,522	4,671	13,948	17090	5100
Jan-10	12,822	3.23	12,614	7.62	32,833	45.96	0	9,944	81,027	6,162	17,813	17260	5156
Feb-10	13,618	3.17	12,535	7.79	34,040	46.33	0	7,737	78,661	4,125	12,257	16184	4840
Mar-10	17,624	3.51	8,544	7.94	32,755	45.50	0	3,987	37,640	4,751	13,631	17303	5178
Apr-10	16,374	3.49	14,242	8.01	36,821	44.50	0	2,737	57,150	4,696	13,828	19679	5295
May-10	16,786	3.83	24,225	7.56	40,243	45.81	0	922	32,798	3,940	12,937	16845	5053
Jun.-10	14,258	5.16	21,300	7.59	36,953	46.57	0	317	-47,347	4,204	13,005	17300	5188
July.-10	18,954	5.54	13,691	7.69	33,978	46.84	0	254	-46,653	4,225	12,661	17848	5360
Aug.-10	15,916	5.17	16,919	7.93	36,193	46.57	–	0	-1,048	5,131	14,182	18177	5457
Sept.-10	17,212	5.50	16,215	7.96	37,249	46.06	–	0	-24,155	5,185	15,708	19353	5811

* : Average of daily weighted call money borrowing rates. ^: Average of daily outright turnover in Central Government dated securities.
@ : Average of closing rates. #: Average of weekly outstanding MSS. **: Average of daily closing indices.
† : Cumulative for the financial year. P: Provisional. – : Not available.
LAF : Liquidity Adjustment Facility. MSS: Market Stabilisation Scheme. BSE: Bombay Stock Exchange Limited.
NSE : National Stock Exchange of India Limited.
Note: In column 10, (-) indicates injection of liquidity, while (+) indicates absorption of liquidity.

V.8 Rates in the collateralised segments continued to move in tandem with the call rate, *albeit* below it, during the second quarter of 2010-11. Transaction volumes in

Chart V.2: Spread and Volatility in Domestic Financial Markets

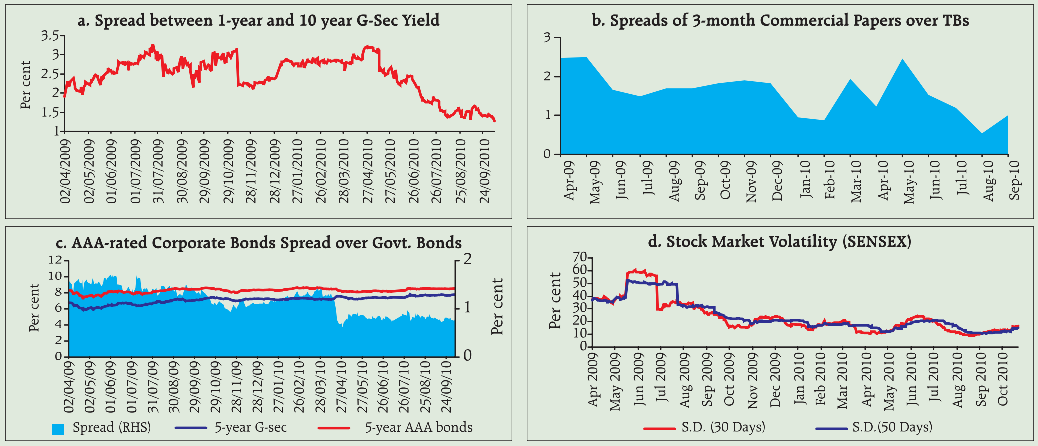
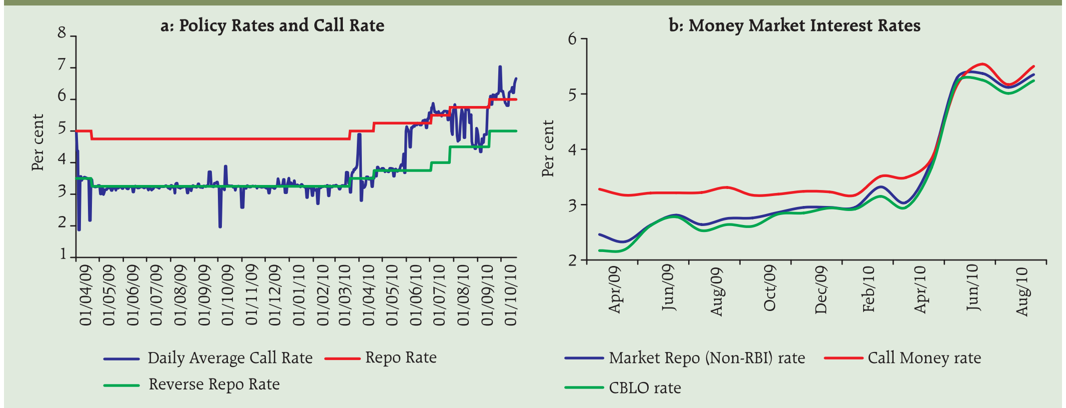


Chart V.3: Money Market Interest Rates



the collateralised borrowing and lending obligation (CBLO) and market repo segments remained high during this period reflecting active market conditions (TableV.3). As in the previous quarter, banks continued to remain the major borrowers in the collateralised segment whereas mutual funds (MFs) remained the major

Table V.3: Activity in Money Market Segments

(₹ crore)

Year/Month	Average Daily Volume (One Leg)						Commercial Paper		Certificates of Deposit	
	Call	Market Repo	CBLO	Total (Col.2 to 4)	Money Market Rate (%)*	Term Money	Outstanding	WADR (%)	Outstanding	WADR (%)
1	2	3	4	5	6	7	8	9	10	11
Apr-09	10,910	20,545	43,958	75,413	2.41	332	52,881	6.29	2,10,954	6.48
May-09	9,518	22,449	48,505	80,472	2.34	338	60,740	5.75	2,18,437	6.20
Jun-09	8,960	21,694	53,553	84,207	2.69	335	68,721	5.00	2,21,491	4.90
Jul-09	7,197	20,254	46,501	73,952	2.83	389	79,582	4.71	2,40,395	4.96
Aug-09	7,569	23,305	57,099	87,973	2.62	461	83,026	5.05	2,32,522	4.91
Sep-09	8,059	27,978	62,388	98,425	2.73	381	79,228	5.04	2,16,691	5.30
Oct-09	7,888	23,444	58,313	89,645	2.70	225	98,835	5.06	2,27,227	4.70
Nov-09	6,758	22,529	54,875	84,162	2.87	191	1,03,915	5.17	2,45,101	4.86
Dec-09	6,651	20,500	55,338	82,489	2.91	289	90,305	5.40	2,48,440	4.92
Jan-10	6,411	14,565	50,571	71,547	2.97	404	91,564	4.80	2,82,284	5.65
Feb-10	6,809	19,821	63,645	90,275	2.95	151	97,000	4.99	3,09,390	6.15
Mar-10	8,812	19,150	60,006	87,968	3.22	393	75,506	6.29	3,41,054	6.07
Apr-10	8,187	20,319	50,891	79,397	3.03	423	98,769	5.37	3,36,807	5.56
May-10	8,393	17,610	42,274	68,277	3.72	330	1,09,039	6.85	3,40,343	5.17
Jun-10	7,129	9,481	31,113	47,723	5.22	447	99,792	6.82	3,21,589	6.37
Jul-10	9,477	12,011	29,102	50,590	5.33	385	1,12,704	6.93	3,24,810	6.69
Aug-10	7,958	15,553	45,181	68,692	5.05	281	1,26,549	7.32	3,41,616	7.17
Sept-10	8,606	15,927	53,223	77,756	5.29	617	1,12,003	7.82	3,37,322	7.34

CBLO: Collateralised Borrowing and Lending Obligation. WADR: Weighted Average Discount Rate.
*: Weighted average rate of call, market repo and CBLO.

Table V.4: Major Issuers of Commercial Paper

(₹ crore)

End of Period	Leasing and Finance		Manufacturing		Financial Institutions		Total Outstanding
	Amount	Share (%)	Amount	Share(%)	Amount	Share(%)	
1	2	3	4	5	6	7	8 (=2+4+6)
Mar-09	27,183	62	12,738	29	4,250	10	44,171
Jun-09	34,437	50	23,454	34	10,830	16	68,721
Sep-09	31,648	40	31,509	40	16,071	20	79,228
Dec-09	36,027	40	42,443	47	11,835	13	90,305
Mar-10	39,477	52	22,344	30	13,685	18	75,506
Jun-10	42,572	43	43,330	43	13,890	14	99,792
Sep-10	58,098	52	40,486	36	13,420	12	1,12,003

lenders of funds in that segment. The share of MFs in the total lending in the collateralised segment declined during June-August 2010 from the level in April-May 2010. The collateralised segment of the money market continued to remain the predominant segment, accounting for more than 80 per cent of the total volume during the second quarter of 2010-11.

V.9 The average fortnightly issuance of certificates of deposit (CDs) remained higher during the second quarter as compared with the previous quarter. The higher issuance of CDs is reflective of banks' efforts to raise bulk deposits at lower cost as deposit interest rates started moving northward. In line with the movement of rates in other money market segments, the weighted average discount rate (WADR) of CDs increased. The average fortnightly issuance of Commercial Paper (CPs) also remained higher during the second quarter as compared with the previous quarter. 'Leasing and Finance' and manufacturing corporates were major issuers of CPs (Table V.4). The higher issuance of CPs suggests efforts by the commercial sector to raise resources from alternative sources of finance in the face of tight liquidity conditions. The WADR in CPs also increased during the quarter.

Government Securities Market

V.10 Reflecting the policy of front loading of market borrowings during the first half of the year, the Government of India has completed 63 per cent of its borrowing programme for 2010-11, ensuring that there is no crowding-out in the latter half of the year when the private credit demand is normally robust. While the average maturity of debt issuances increased during 2010-11 (up to September 2010), the weighted average yield also firmed up as compared to the corresponding period of the previous year (Table V.5). In case of borrowings by the states, 18 states have raised ₹49,362 crore on a gross basis during the first half of the year, which constituted about 32 per cent of the gross allocation for 27 States under the scheme of borrowings for 2010-11 as compared with 53.5 per cent during the corresponding period of 2009-10.

Table V.5: Issuances of Central and State Government Dated Securities

	2007-08	2008-09	2009-10	2009-10$	2010-11$
1	2	3	4	5	6
Central Government					
Gross amount raised (₹ crore)	1,56,000	2,61,000	4,18,000	2,95,000	2,84,000
Devolvement on Primary Dealers (₹ crore)	957	10,773	7,219	6,050	3,563
Bid-cover ratio (Range)	1.6-4.8	1.2-4.5	1.4-4.3	1.4-3.6	1.4-3.9
Weighted average maturity (years)	14.9	13.8	11.2	10.9	11.3
Weighted average yield (per cent)	8.1	7.7	7.2	7.1	7.8
State Governments					
Gross amount raised (₹ crore)	67,779	1,18,138	1,31,122	63,212	49,362
Cut-off yield	7.9-8.9	5.8-9.9	7.0-8.6	7.0-8.4	8.1-8.6
Weighted average yield (per cent)	8.3	7.9	8.1	7.9	8.3

$: Up to September 30.

V.11 The prevalence of tight liquidity conditions on account of outflow following the 3G/BWA auctions and the rise in policy rates have resulted in an upward movement in the primary market yields for short and medium term securities, while some softening was observed at the longer end during the second quarter in anticipation of reduction in governments' market borrowings.

V.12 Taking into account the need for fiscal consolidation and other additional revenues generated so far for financing the fiscal deficit, the net market borrowings of the Government of India have been scaled down by ₹10,000 crore as per the indicative borrowing calendar issued for the second half of 2010-11. Based on the demand pattern of the market participants as also the scope for issuance of securities in different maturities, the maturity profile of dated securities is set to be elongated in the calendar. As regards the States borrowings, about one third of the gross allocations for the States have been raised till the end of the second quarter. Taking into account the comfortable cash balances of the State Governments and the borrowing programme adopted by the States so far, it appears that there may be a moderation in their borrowings during the current financial year. It is expected that the calibrated strategies adopted in the borrowing programme of the Government of India and the State Governments would ensure its completion in a non-disruptive manner.

V.13 The yield on 91-day Treasury Bills firmed up by 81 basis points between June and September 2010, whereas the yield on both 182-day and 364-day Treasury Bills increased by 110 bps during the same period (Table V.6). Keeping in view the comfortable cash balance of the Government of India, the Reserve Bank, in consultation with the GoI, scaled down the notified amount of Treasury Bills during the second quarter. In addition, an amount of ₹9,614 crore was bought back by the Government as part of the cash management operations during the quarter.

Table V.6: Treasury Bills in the Primary Market

Year/ Month	Notified Amount (₹crore)	Average Implicit Yield at Minimum Cut-off Price (Per cent)		
		91-day	182-day	364-day
1	2	3	4	5
2008-09	**2,99,000**	**7.10**	**7.22**	**7.15**
2009-10	**3,80,000**	**3.57**	**4.00**	**4.37**
2010-11 (up to Sept. 30, 2010)	**1,49,500**	**5.27**	**5.56**	**5.74**
Apr-10	36,000	4.14	4.64	5.07
May-10	36,000	4.39	4.76	4.92
Jun-10	15,000	5.29	5.31	5.49
Jul-10	13,000	5.51	5.86	5.99
Aug-10	33,000	6.15	6.41	6.48
Sept-10	16,500	6.10	6.41	6.59

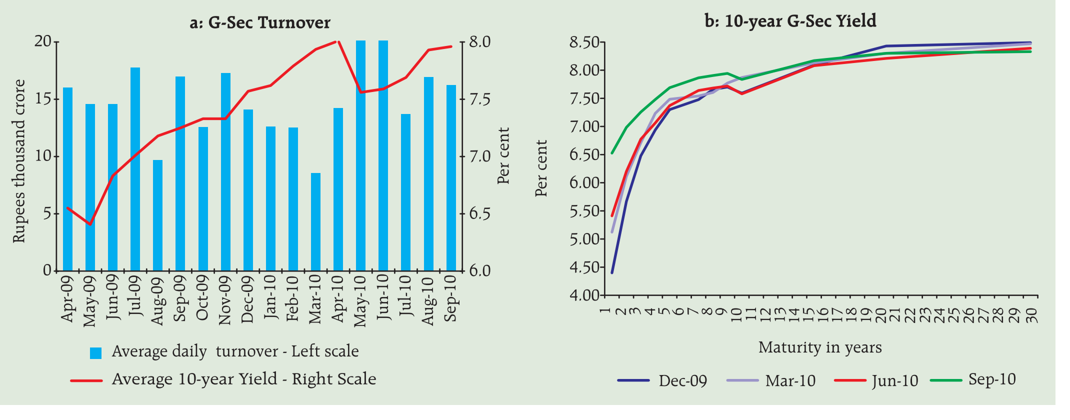
V.14 During Q2 of 2010-11, the G-Sec yields generally hardened till the third week of August 2010 amidst intermittent easing. The hardening of yields was mainly on account of hike in policy rates, tight liquidity conditions and high inflation. Thereafter, the yields declined as liquidity conditions improved and concerns over Euro area receded. Although liquidity conditions tightened towards the middle of September against the backdrop of quarter-end advance tax outflows, the increase in the investment limits of FIIs in the government securities and corporate bonds and lower than budgeted borrowing programme for the second half of the current fiscal year provided fillip to the market (Chart V.4). During the month of October 2010, the yields have risen on account of inflationary concerns and tight liquidity conditions.

Credit Market

V.15 The spreads on corporate bonds over the government bond yield declined further in Q2 of 2010-11 over the levels in Q1 of 2010-11, partly reflecting further reduction in risk perception for corporates due to improved growth outlook as well as lower inflationary expectations (Chart V.2c).

V.16 As part of the calibrated exit, Reserve Bank increased its repo rate by 125 bps, reverse repo by 175 bps and CRR by 100 bps during February-September 2010. In response to these policy rate changes, 72

Chart V.4: Turnover and Yield in Government Securities Market



SCBs raised their deposit rates in the range of 25-125 bps during February- October 15, 2010 across various maturities (Table V.7). On the lending side, the benchmark prime lending rates (BPLR) of SCBs remained unchanged between July 2009 and July 2010. Thereafter, several SCBs increased their BPLR in the range of 25-75 bps during July-September, 2010.

V.17 In line with hike in policy rates, several banks increased their Base Rates by 10-50 basis points by October 2010. As many as 53 banks with a share of 94 per cent in total bank credit have fixed their Base Rates in the range of 7.50-8.50 per cent, indicating convergence in the Base Rates announced by banks.

Foreign Exchange Market

V.18 The Indian rupee exhibited two-way movement against major international currencies during Q2 of 2010-11. It appreciated against the US Dollar, while depreciated against the Pound Sterling, Euro and Japanese Yen. During the quarter, the rupee exhibited depreciating trend against the US dollar up to the third week of July 2010 and thereafter remained largely range bound during August 2010. The Rupee has generally appreciated since the first week of September 2010 on the back of pick-up in capital inflows and strengthening of growth outlook (Chart V.5a). The 1-month as well as 3-month forward premia increased during the quarter (Chart V.5b).

Table V.7: Deposit and Lending Rates of Banks

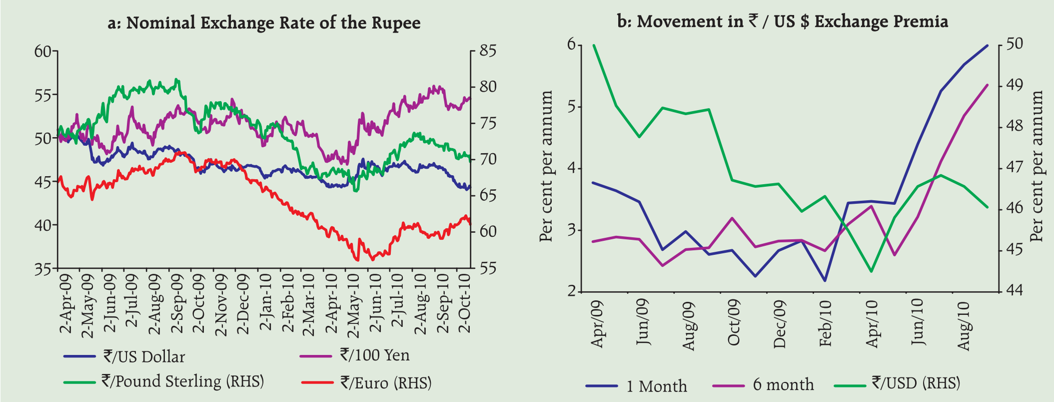
(Per cent)

	Sep 2009	Dec 2009	Mar 2010	Jun 2010	Oct 15, 2010
1	2	3	4	5	6
1. Domestic Deposit Rate					
Public Sector Banks					
Up to 1 year	1.00-7.00	1.00-6.25	1.00-6.50	1.00-6.25	1.00-7.00
> 1year-3 years	6.50-8.00	6.00-7.25	6.00-7.25	6.00-7.25	7.00-7.75
> 3 years	7.00-8.50	6.25-7.75	6.50-7.75	6.50-7.75	7.00-8.00
Private Sector Banks					
Up to 1 year	2.00-7.50	2.00-6.75	2.00-6.50	2.00-6.50	2.50-7.25
> 1year-3 years	6.00-8.75	5.25-7.50	5.25-7.75	6.25-7.50	6.50-8.25
> 3 years	6.00-9.00	5.75-8.00	5.75-8.00	6.50-8.00	6.50-9.00
Foreign Banks					
Up to 1 year	1.80-8.00	1.25-7.00	1.25-7.00	1.25-7.00	1.25-7.30
> 1year-3 years	2.25-8.50	2.25-7.75	2.25-8.00	3.00-8.00	3.00-8.00
> 3 years	2.25-9.50	2.25-8.50	2.25-8.75	3.00-8.50	3.00-8.25
2. BPLR/Base Rate					
1. Public Sector Banks	11.00-13.50	11.00-13.50	11.00-13.50	11.00-13.50	7.50-8.50#
2. Private Sector Banks	12.50-16.75	12.50-16.75	12.50-16.75	12.50-16.75	7.00-9.00#
3. Foreign Banks	10.50-16.00	10.50-16.00	10.50-16.00	10.50-16.00	5.50-9.00#
3. Actual Lending Rate*					
1. Public Sector Banks	3.50-17.50	3.25-18.00	3.25-18.00	3.25-18.00	–
2. Private Sector Banks	4.10-26.00	3.50-25.84	3.00-28.00	2.80-26.00	–
3. Foreign Banks	2.76-25.50	3.50-22.00	3.60-23.00	3.60-25.00	–

* : Interest rate on non-export demand and term loans above ₹ 2 lakh excluding lending rates at the extreme five per cent on both sides.

Base Rate system replaced BPLR system with effect from July 1, 2010.

Chart V.5: Exchange Rates

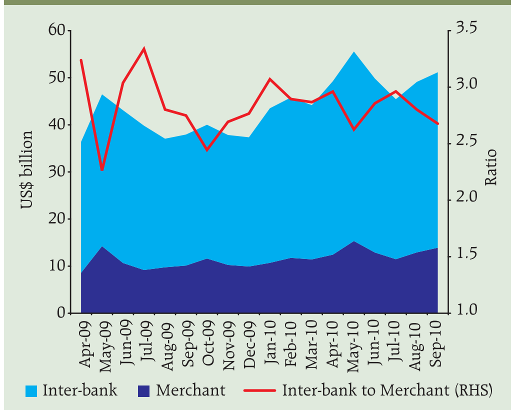


V.19 The turnover in both inter-bank and merchant segments of the forex market declined during July 2010 and recovered thereafter since August 2010 (Chart V.6).

Equity and Housing Markets

V.20 Stock prices continued the bullish trend during July-September on the back of strong FII investments in equities. India, along with other EMEs experienced strong portfolio inflows as interest rate differential between these countries and advanced economies turned more lucrative. Strong macroeconomic fundamentals in the Indian markets, buoyancy in the industrial and services sector as also possibility of further increase in rural demand on expected better performance of the agricultural sector were some of the pull factors responsible for the FII inflows. As at end-September 2010, the Sensex and the Nifty both registered gains of 14.5 per cent and 14.9 per cent, respectively, over end-March 2010 (Table V.8).

Chart V.6: Daily Average Turnover in Foreign Exchange Market



V.21 The activity in the primary segment of the domestic capital market continued to display signs of buoyancy during April-September 2010. The resources raised through public issues increased marginally during April-September 2010 as compared to the corresponding period last year (Table V.9). Mobilisation of resources through private placement (₹92,787 crore) also increased by 20.5 per cent during April-June 2010. The resource mobilisation by mutual

Table V.8: Key Stock Market Indicators

Indicator	BSE				NSE			
	2008-09	2009-10	2009-10 (Apr-Sept)	2010-11 (Apr- Sept)	2008-09	2009-10	2009-10 (Apr-Sept)	2010-11 (Apr-Sept)
1	2	3	4	5	6	7	8	9
1. BSE Sensex/S&PCNX Nifty								
(i) End-period	9709	17528	17127	20069	3021	5249	5084	6030
(ii) Average	12366	15585	14298	17866	3731	4658	4284	5361
2. Coefficient of Variation	24.2	11.9	12.5	4.9	23.2	11.3	11.6	4.9
3. Price-Earning Ratio (end-period)*	13.7	21.3	22.2	23.8	14.3	22.3	22.9	25.5
4. Price-Book Value Ratio	2.7	3.9	4.1	3.8	2.5	3.7	3.8	3.8
5. Market Capitalisation to GDP Ratio (per cent)@	55.4	98.9	91.6	102.7	52.0	96.4	85.9	100.3

*: Based on 30 scrips included in the BSE Sensex and 50 scrips included in the S&P CNX Nifty. @: As at end-period.

Source: Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

funds was lower during April-September 2010 as compared to previous year due to constrained liquidity conditions and withdrawal of money by banks and corporates from mutual funds for the 3G/ BWA auction.

V.22 The FIIs were net buyers and mutual funds turned net sellers during April-October 2010. Net FII investment in Indian equities, which was subdued during April-June 2010 increased significantly during July-October 2010, encouraged by strong growth prospects of the Indian economy and improved global liquidity conditions (Chart V.7a). The FII investments in stock markets resulted in buoyant market conditions as well as increase in turnover in both cash and derivative segments (Chart V.7b).

V.23 The quarterly House Price Index (HPI) for various centres based on data collected

Table V.9: Resource Mobilisation from Capital Market

(₹ crore)

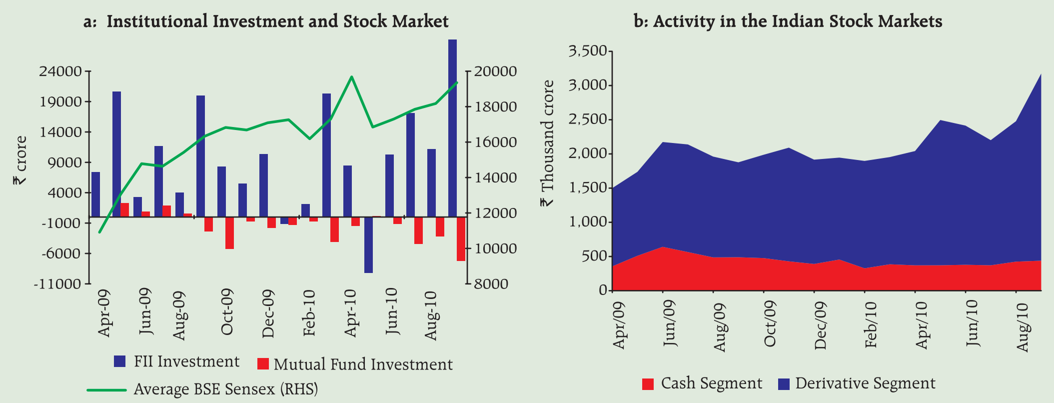
Category	2008-09 (Apr-Mar)	2009-10 (Apr-Mar)	2009-10 (Apr-Sept)	2010-11 (Apr- Sept)
1	2	3	4	5
A. Prospectus and Rights Issues*	14,671	32,607	13,617	14,058
1. Private Sector (a+b)	14,671	25,479	6,814	13,475
a) Financial	466	326	0.00	3,420
b) Non-financial	14,205	25,153	6,814	10,055
2. Public Sector	–	7,128	6,803	583
B. Euro Issues	4,788	15,967	12,645	7,443
C. Mutual Fund Mobilisation(net)@	-28,296	83,080	1,12,427	-452
1. Private Sector	-34,017	54,928	83,864	18,744
2. Public Sector #	5,721	28,152	28,563	-19,196

*: Excluding offer for sale. @: Net of redemptions. #: Including UTI Mutual fund.

Note: Data exclude funds mobilised under Fund of Funds Schemes.

Source: Mutual Fund data are sourced from Securities and Exchange Board of India.

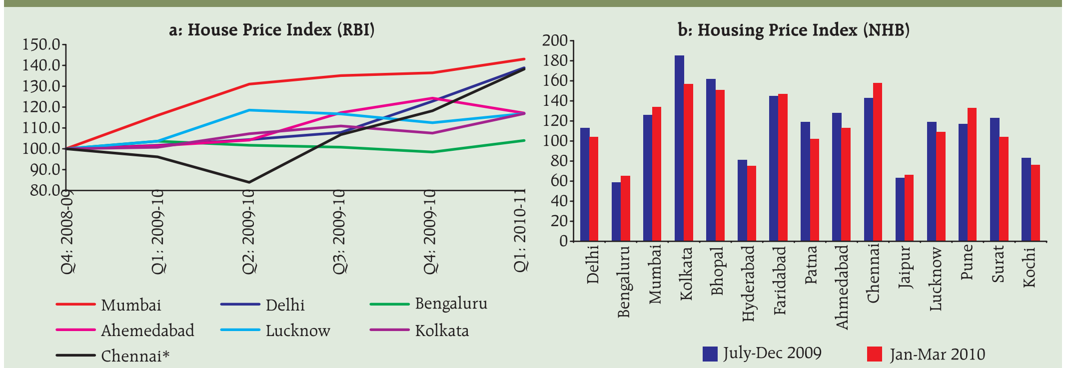
Chart V.7: Movement in Stock Prices and Turnover



from the Department of Registration and Stamps (DRS) suggests that property prices are picking up in most tier I cities though some slowdown is witnessed in tier II cities (Chart V.8a). According to these data, prices in Mumbai in the last three quarters are showing moderate growth, while prices in Delhi are growing at a faster rate, which partly reflects activities relating to the Commonwealth Games. The number of transactions in Mumbai, which had registered a sharp rise in Q3 of 2009-10 seem to have reached a plateau. Housing prices in Bengaluru, which were almost flat for the past one and half years, are showing some signs of increase. This was also corroborated by the trends on NHB Residential Price Index (Chart V.8b).

V.24 The growing risk perceptions and uncertainty in the global markets impacted Indian financial markets through two different channels *viz.* pressure for appreciation of the Indian Rupee and rise

Chart V.8: Trends in Housing Markets



*Chennai index is Property Price Index containing both residential and commercial properties in equity prices due to sharp rise in portfolio flows. Despite global market uncertainties, domestic markets functioned normally, with stable volumes and lower volatility. The transmission of higher policy rates were visible in higher issuances of CDs, CPs as also higher yields on TBs and G-Sec and even in deposit rates. Lending rates have also started to move up, with a lag. In the Base Rate environment, there have been signs of corporates increasing their dependence on the CPs market. Banks have also used the CDs route to mobilise bulk deposits. Given the outlook for possible significant large increase in portfolio flows to EMEs in the near term, their impact on exchange rate and asset prices will have to be closely monitored because of their implications for domestic inflation and external competitiveness.

VI. Price Situation

The headline inflation has started to soften after staying in double-digits for five months up to July 2010, reflecting favourable base effects and some moderation in manufacturing price pressures. Despite a normal monsoon inflation remains above the comfort level mainly led by food inflation, which seems to have assumed structural character. The new series on Wholesale Price Index (WPI), with base shifted from 1993-94 to 2004-05, gives a better representation of the more recent production and consumption pattern, without any major difference in the overall trends in inflation. The inflation pressures persist and further moderation would be necessary for easing the concerns for the conduct of monetary policy. Different measures of consumer price inflation fell below double digit levels after more than a year, but still remain elevated tracking high food and fuel inflation.

VI.1 With headline inflation measured by WPI (base 2004-05) remaining in double digits for consecutive five months from March to July 2010 and the inflation process turning more generalised, the Reserve Bank's balance of policy shifted from 'managing the recovery' to containing inflation and anchoring inflationary expectations. This was reflected in the calibrated normalisation of monetary policy between January and September 2010.

VI.2 In the second quarter of 2010-11, headline inflation exhibited some moderation but remained elevated. The pace of increase in non-food manufactured products prices has moderated in recent months indicating some slowing down of the pace of generalisation of inflation as well as gradual stabilisation of price pressures. Food inflation, however, continues to remain high despite a normal monsoon, as price pressures have amplified for certain non-cereal items like milk, eggs, fish and meat whose output is less responsive to monsoon. Significant increase in primary articles and minerals prices along with building up pressures in a number of commodities globally pose upside risks to domestic inflation. Though various measures of consumer price inflation declined to single digits after more than a year, they continue to remain high. As headline inflation still remains elevated, containing inflation and anchoring inflationary expectations would continue to be a challenge for monetary policy during 2010-11.

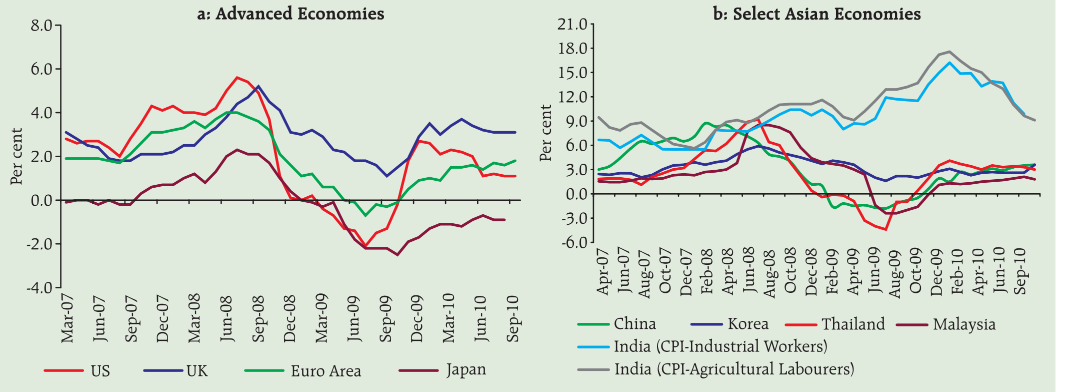
Global Inflation

VI.3 The global inflation environment continues to remain moderate with rising divergence in inflation trends between advanced economies, which face subdued inflationary environment as recovery remains weak, and emerging and developing countries where signs of pickup in inflation coincided with their stronger recovery. The October 2010 World Economic Outlook of the IMF predicts modest increase in prices in advanced economies in 2010 with consumer price inflation expected to increase from near zero in 2009 to 1.4 per cent in 2010 and 1.3 per cent in 2011. Inflation in emerging and developing economies, however, is projected to accelerate to 6.2 per cent in 2010 from 5.2 per cent in 2009, before decelerating back to 5.2 per cent in 2011. Excess capacity in most advanced economies and sluggish labour markets with unemployment rate likely to remain over 8 per cent through 2009-11 is expected to keep price pressures subdued. Soft global inflationary environment may prevail for some more time even though most advanced economies experienced some increase in headline inflation in recent months, largely from increasing energy and food prices. Core inflation in advanced economies, however, has remained subdued, indicating absence of demand side pressures on prices. This provides them the space for continuing with expansionary monetary policy to support the recovery (Chart VI.1 a).

VI.4 Year-on-year consumer price inflation in the OECD countries, which increased to 2.0 per cent in May 2010, moderated to 1.6 per cent in August 2010 following a decline in core inflation (excluding food and energy to 1.2 per cent in August 2010 from 1.6 per cent in January 2010). Private consumption demand remains relatively weak in the OECD countries, which along with lower capacity utilisation levels indicates that the low inflation conditions may continue for an extended period of time.

VI.5 Inflation in most of the EMEs increased in recent months, but remains moderate (Chart VI.1b). Significant increases in international commodity prices from their historic low levels recorded in early 2009 translated into increases in inflation as the base effect of high prices in the first half of 2008 waned. The impact of any increase in international commodity prices

Chart VI.1: Consumer Price Inflation



on inflation is more in the case of developing countries as their consumption baskets have larger shares of commodities, especially food and oil. The divergent nature of the global recovery, with a relatively strong recovery and faster closing of output gaps for the EMEs, also poses a challenge for emerging markets. As international prices of commodities are now responding more to increase in growth in EMEs, stronger growth could amplify the risk of high imported inflation.

VI.6 Policy rates in advanced economies continue to remain near zero/very low levels as the concerns on sustainability of recovery became more prominent in the second quarter of 2010-11. Assessment of most central banks pointed towards absence of pressures on inflation from demand side during the medium-term. As the pace of recovery was slowing, the Bank of Japan decided to reduce the policy rate. Israel and Canada, on the other hand, increased their policy rates in Q2 of 2010-11, recognising the inflation risks going forward. Among the emerging economies, China and Thailand raised their policy rates during Q2 of 2010-11 while South Africa reduced it (Table VI.1).

Global Commodity Prices

VI.7 During August-September 2010, international commodity prices increased again on account of the supply disruptions in many commodities. Commodity prices earlier recorded some decline during May-June 2010, as concerns over euro area recovery and sustainability of high growth in demand in emerging economies spilled over to commodity markets. (Chart VI.2).

VI.8 Uncertainties in global recovery impacted significantly on crude oil prices. The average crude oil price for Q2 of 2010-11 was US$ 75.5 per barrel, lower than US$ 78.2 per barrel recorded in Q1. However, crude oil prices firmed up in recent weeks and the WTI crude prices were at US$ 82.2 per barrel as on October 28, 2010. According to the US Energy Information Administration, despite a slight reduction in projected global

Table VI.1: Policy Rates and Inflation in Select Economies

(Per cent)

Country/ Region	Key Policy Rate	Policy Rate (as on Oct. 20, 2010)	Changes in Policy Rate (basis points)		CPI Inflation (y-o-y)	
			Apr. 09 - Aug. 09	Since Sep. 09	Sep. 2009	Sep. 2010
1	2	3	4	5	6	7
Developed Economies						
Australia	Cash Rate	4.50 (May 5, 2010)	(-) 25	175	1.3#	3.8#
Canada	Overnight Rate	1.00 (Sep. 8, 2010)	(-) 25	75	-0.9	1.9
Euro area	Interest Rate on Main Refinancing Operations	1.00 (May 13,2009)	(-) 50	0	-0.3	1.8
Japan	Uncollateralised Overnight Call Rate	0.00 to 0.10 (Oct. 5, 2010)	0	(-) 10	-2.2*	-0.9*
UK	Official Bank Rate	0.50 (Mar. 5,2009)	0	0	1.1	3.1
US	Federal Funds Rate	0.00 to 0.25 (Dec.16,2008)	0	0	-1.3	1.1
Developing Economies						
Brazil	Selic Rate	10.75 (Jul. 21, 2010)	(-) 250	200	4.3	4.7
India	Reverse Repo Rate	5.00 (Sep. 16, 2010)	(-) 25	175	11.6	9.8
	Repo Rate	6.00 (Sep. 16, 2010)	(-) 25	125 (100)		
China	Benchmark 1-year Lending Rate	5.56 (Oct.19, 2010)	0 0	25 (150)	-0.8	3.6
Indonesia	BI Rate	6.50 (Aug. 5, 2009)	(-) 125	0	2.8	5.8
Israel	Key Rate	2.00 (Oct. 1, 2010)	(-) 25	150	2.8	2.4
Korea	Base Rate	2.25 (Jul. 09, 2010)	0	25	2.2	3.6
Philippines	Reverse Repo Rate	4.00 (Jul. 9, 2009)	(-) 75	0	0.6	3.5
Russia	Refinancing Rate	7.75 (Jun. 1, 2010)	(-) 200	(-) 225	10.7	7.0
South Africa	Repo Rate	6.00 (Sep. 10, 2010)	(-) 250	(-) 100	6.1	3.2
Thailand	1-day Repurchase Rate	1.75 (Aug. 25, 2010)	(-) 25	50	-1.0	3.0

#: Q3. *August.

Note: 1. For India, data on inflation pertain to CPI for Industrial Workers.

2. Figures in parentheses in column (3) indicate the dates when the policy rates were last revised.

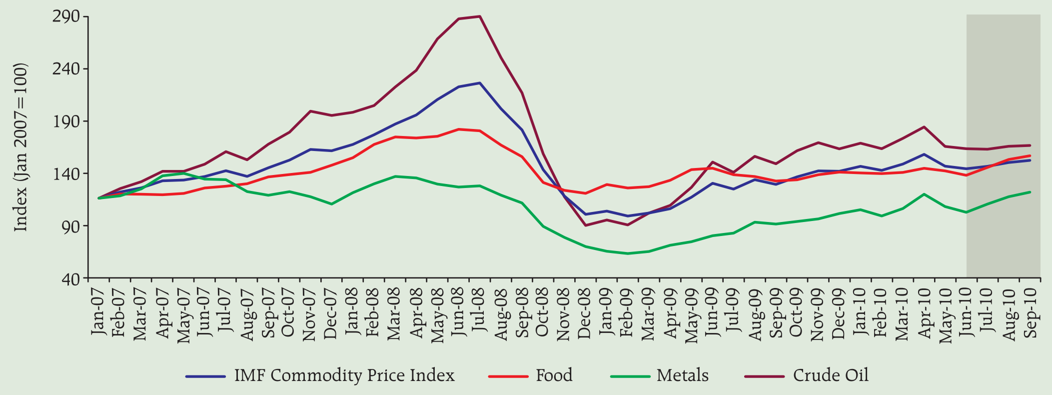
3. Figures in parentheses in column (4) and (5) indicate the variation in the cash reserve ratio during the period.

Source: International Monetary Fund, websites of respective central banks.

demand growth, oil prices may firm up due to gradual reduction in global oil inventories.

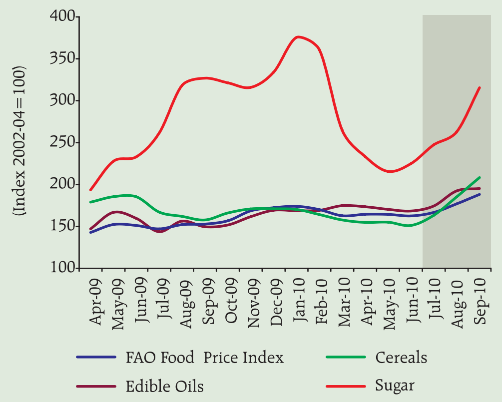
VI.9 International food prices, which moderated marginally during January-June 2010, firmed up in recent months (Chart VI.3). Weather related supply disruptions in a number of commodities contributed to the increase in prices. Wheat prices increased by 72 per cent during June-September 2010 because of weather related output losses in Russia and other producers and Russia's subsequent ban on grain exports. Coarse cereal prices also increased on account of expected smaller crops in the US and higher export demand given the tight wheat market condition. Edible oils prices were affected due to soyabean losses from drought in the EU and the Black Sea region, and concerns regarding next season's crop in South America. Cotton

Chart VI.2: International Commodity Prices



prices have increased on account of a decline in output reflecting floods in Pakistan, which is a major producer and exporter of raw cotton. Metal prices have also increased as China reduced the production. Simultaneous increase in prices of a number of commodities poses the risk of high imported inflation in those commodities, particularly where the domestic prices are more responsive to global trends. Administrative measures to mitigate the adverse impact of supply disruptions by countries could also lead to restrictive trade practices, which could further push up global prices.

Chart VI.3: International Food Prices

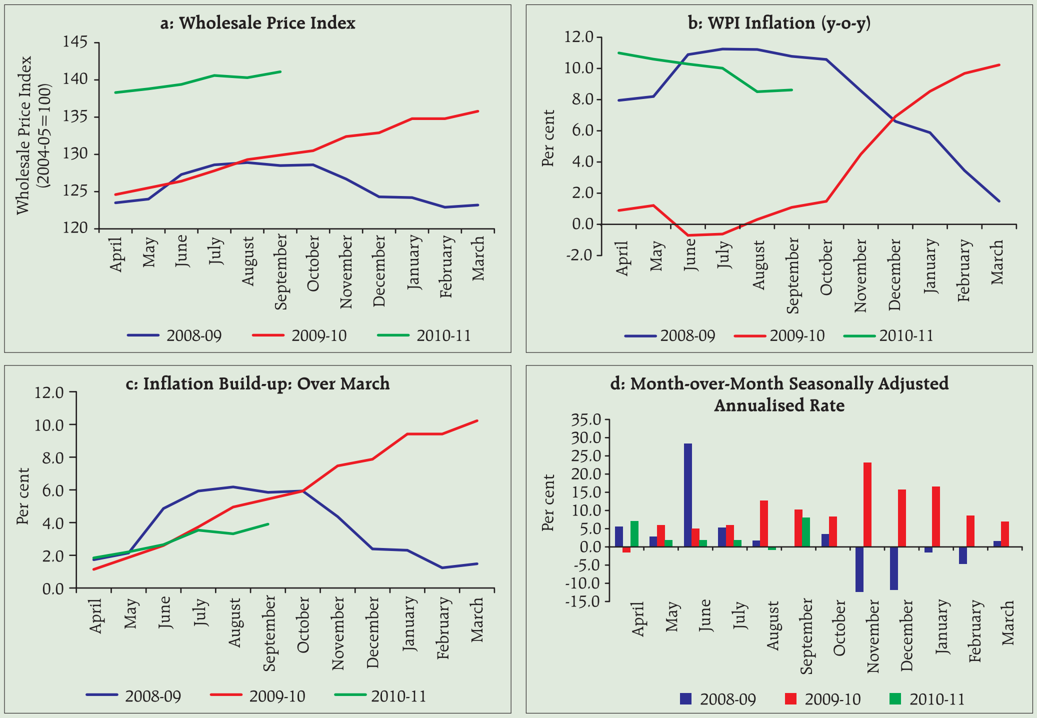


Inflation Conditions in India

Wholesale Price Inflation

VI.10 WPI inflation increased at a faster pace since November 2009 to reach 11.0 per cent (year-on-year) by April 2010 and remained elevated in the first quarter of 2010-11 (Chart VI.4 a and b). During May-August 2010, however, some moderation in inflation was visible, indicating that inflation might have peaked off (8.6 per cent provisional in September 2010 as per the new series of WPI with base 2004-05=100). The pace of increase in WPI, which was secular since March 2009, also seems to have declined significantly in recent months and the financial year build-up in inflation is seen to be lower than the previous years (Chart VI.4 c). This was also reflected in low month-on-month seasonally adjusted annualised inflation, except in September 2010 (Chart VI.4 d).

Chart VI.4: Trends in Wholesale Price Inflation



New Series of Wholesale Price Index[1]

VI.11 On September 14, 2010, the new series of WPI with base year 2004-05 was introduced replacing the 1993-94 series. The new series reflects some shifts in the weights towards fuel and power and manufactured products from primary articles. Although changes in the weights for manufactured products are not substantial for the group as a whole, there has been a tilt in the weights towards non-food manufactured products, besides substantial increase in the new items added/revised that reflects changes in the production pattern over a decade (Table VI.2). Thus, in terms of the level of the price index, the difference between the old and the new series is primarily contributed by the manufactured products group, which reflects the impact of large number of new items included in this group (including

[1] The Office of Economic Adviser, Ministry of Commerce and Industry have indicated that for the purpose of research and analysis, data of the new series of WPI (Base: 2004-05) can be used from April 2005. For other than research purpose, the WPI Series (Base: 2004-05) is effective only from August 2010, its date of first release *i.e.,* September 14, 2010.

Table VI.2: Major Changes in the Weights and Commodities in the Revised WPI Series

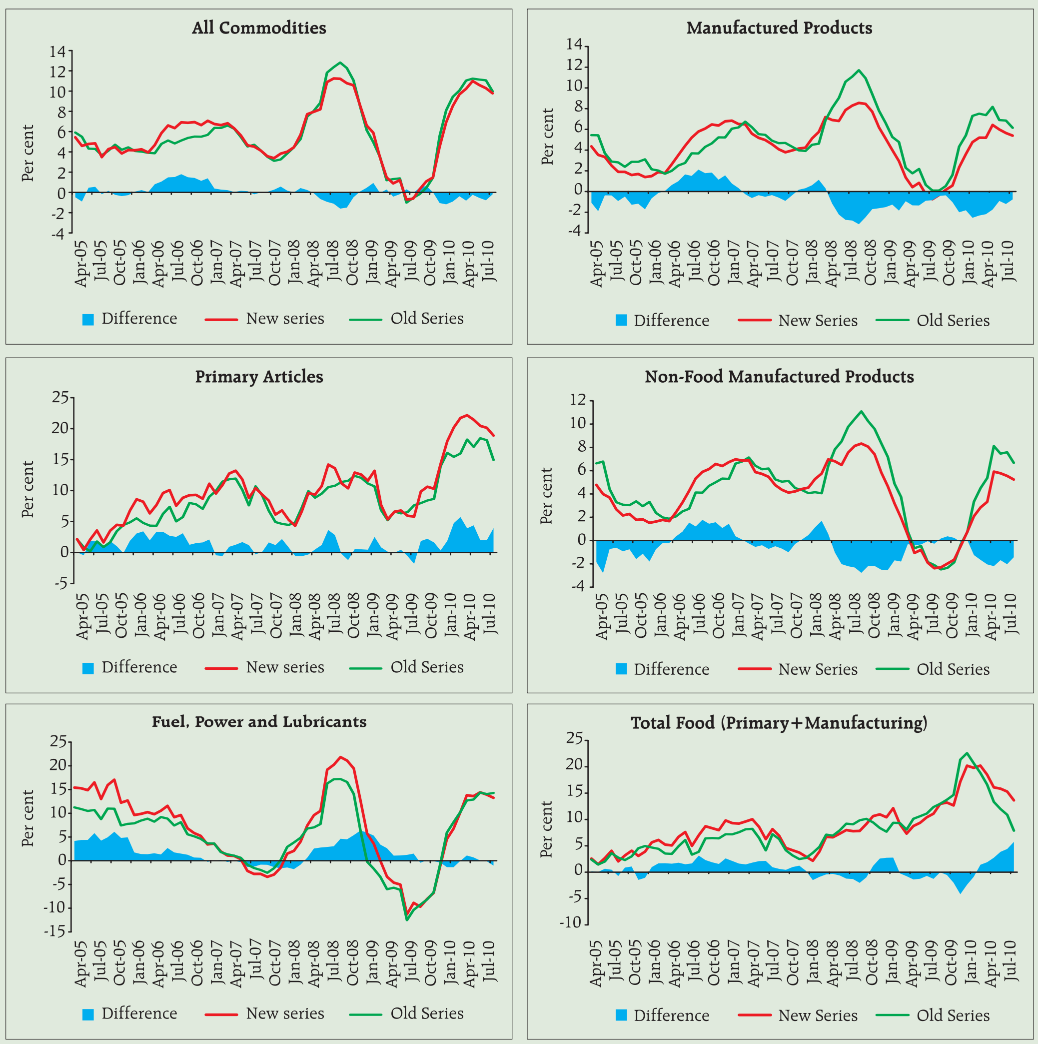
Items	Weights		No. of Commodities		
	New Series (Base:2004-05)	Old Series (Base:1993-94)	New Series (Base:2004-05)	Old Series (Base:1993-94)	New Items added/revised
1	2	3	4	5	6
All Commodities	**100.00**	**100.00**	**676**	**435**	**417**
I. Primary Articles	**20.12**	**22.03**	**102**	**98**	**11**
Food	14.34	15.40	55	54	1
Non-Food and Minerals	5.78	6.63	47	44	10
II. Fuel and Power	**14.91**	**14.23**	**19**	**19**	**0**
III. Manufactured Products	**64.97**	**63.75**	**555**	**318**	**406**
Food	9.97	11.54	57	41	25
Non-Food	55.00	52.21	498	277	381

revisions in the existing items). The number of commodities included in the new WPI series has increased from 435 to 676, even after dropping/revising 176 items from the old series. The total number of price quotations for WPI has also been increased substantially from 1,918 in the old series to 5,482 in the new series.

VI.12 The average overall inflation rate, according to the new series and the old series, is about 5.5 per cent for the past five years (*i.e.,* 2005-06 to 2009-10) indicating that there is not much difference in inflation between the two series. Occasional divergence in the inflation between the new and the old series was observed during different periods and in terms of rate of inflation (y-o-y), the maximum difference in any month has been about 1.8 percentage points. The differences in inflation across commodity groups, however, have been larger. Higher food inflation (both primary and manufactured) in the new series for 2010-11 is largely offset by the lower inflation in the non-food manufactured products, as a result of which the magnitude of the difference in the headline inflation remains relatively low (Chart VI.5). The inflation in non-food manufactured products, which is particularly significant for assessment of generalisation and the role of demand-side factors, suggests: (a) some moderation in recent months as per the trends in both series, and more importantly, (b) the inflation as per the new series is lower, in the range of 1.4 to 2.2 percentage points during 2010-11 (up to July), relative to the old series, which is largely due to a substantial change in the basket with the introduction of a number of new items (406 manufactured products added/revised).

VI.13 The new series of WPI, thus, marks a major change in terms of scope and coverage of commodities and is more representative of the changing underlying economic structure. It adequately captures the present underlying economic structure, which is consistent with changes in the production and the consumption pattern. The non-food manufactured group covers a larger basket in the new series, which includes electronic items and communication equipments, whose prices have declined overtime. The food inflation in the new series is, however, higher than

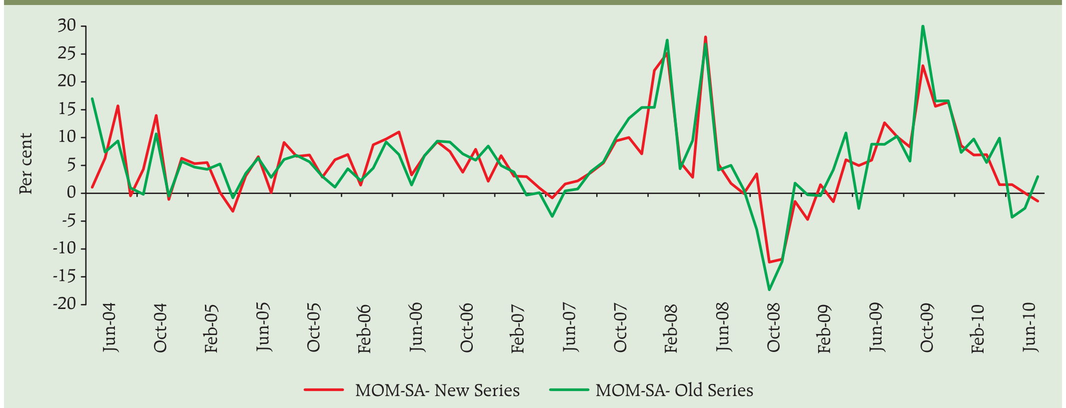
Chart VI.5: WPI Inflation – A Comparison of Old and New Series



in the old series, which reflects significant shifts in the pattern of household consumption in favour of protein-rich items such as egg, meat and fish, milk and pulses, where price rise has been high with changing income levels and supply response does not appear to be commensurate with the rising demand.

VI.14 The month-over-month momentum (seasonally adjusted, annualised) in both the series exhibits similar pattern, even though in recent months the new series showed generally softening bias, unlike the old series (Chart VI.6). However, price level again increased in September 2010 on the back of food price pressures.

Chart VI.6: Annualised Month-over-Month (Seasonally Adjusted) Inflation Rate



VI.15 Although the WPI inflation exhibited some decline in recent months, it still remains significantly high. The contribution of food inflation to overall inflation has declined since January 2010 as the manufactured food products inflation declined, led by sugar. The contribution of the non-food manufacturing group remained more or less the same during the last few months with marginal decline in August and September 2010 (Chart VI.7).

VI.16 The key commodities, which continue to contribute significantly to headline inflation, are mineral oils, food articles like milk, egg, fish and meat, minerals and textiles (Chart VI.8). Increase in food prices continues to have a significant impact on overall inflation as primary food article inflation alone contributed about 31 per cent to overall inflation in September 2010.

VI.17 Inflation across different sub-groups followed the trend in headline inflation and exhibited moderation in recent months (Chart VI.9). The decline in food inflation

Chart VI.7: Contribution to Overall Inflation- Major Groups

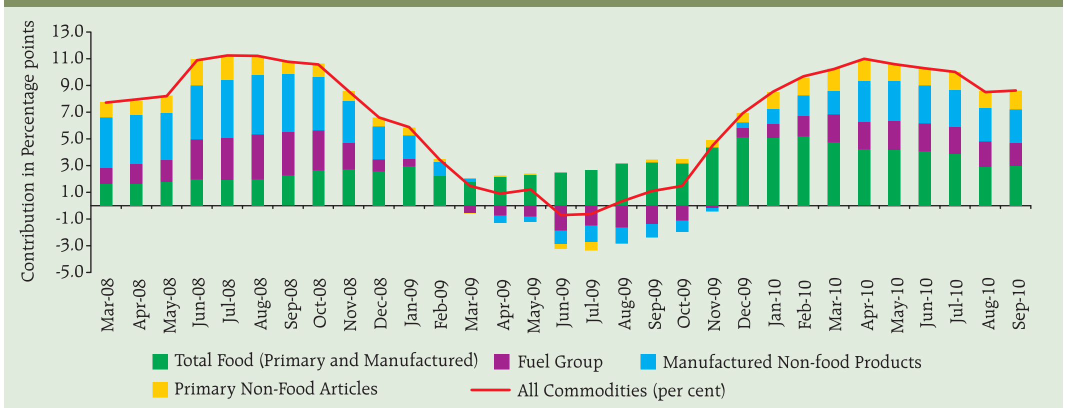
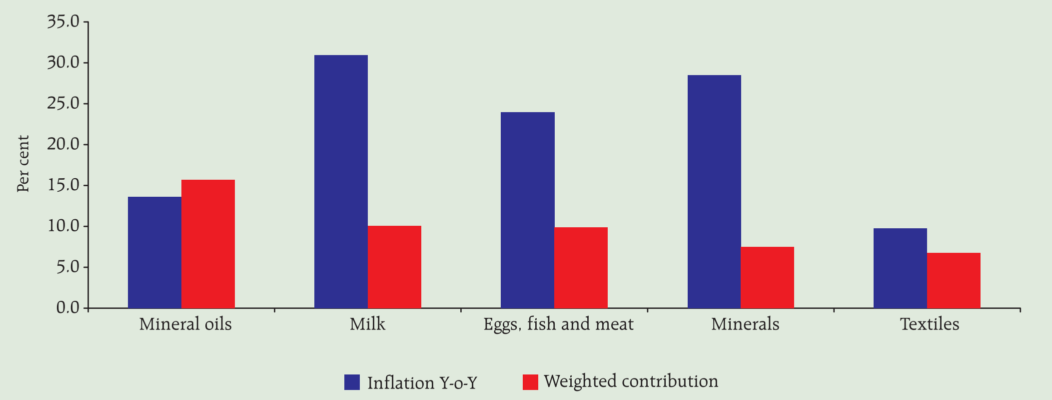


Chart VI.8: Major Contributors to WPI Inflation: September 2010



was largely led by manufactured food products. The increase in manufactured non-food products inflation seems to have contained and fuel inflation also exhibits moderate decline more on account of the base effect of last year's increase in prices.

VI.18 Inflation in essential commodities group, which remained significantly divergent from the overall trend during 2009-10, has also moderated (Chart VI.10a). The convergence of different sub-components of inflation, due to both the decline in food inflation and high non-food inflation points to the generalised nature of inflation process in recent months.

VI.19 Amongst the major groups, primary articles inflation, y-o-y, declined since February 2010 but exhibited some uptrend in September 2010 (Chart VI.10b). The decline in primary articles inflation, however, was more on account of the base effect of sharp increases in prices recorded a year ago. Primary food articles inflation (y-o-y) moderated to 13.8 per cent for the week ended October 16, 2010 from the peak of 22.9 per cent in mid- June 2010. However,

Chart VI.9: WPI Inflation: Major Sub-categories

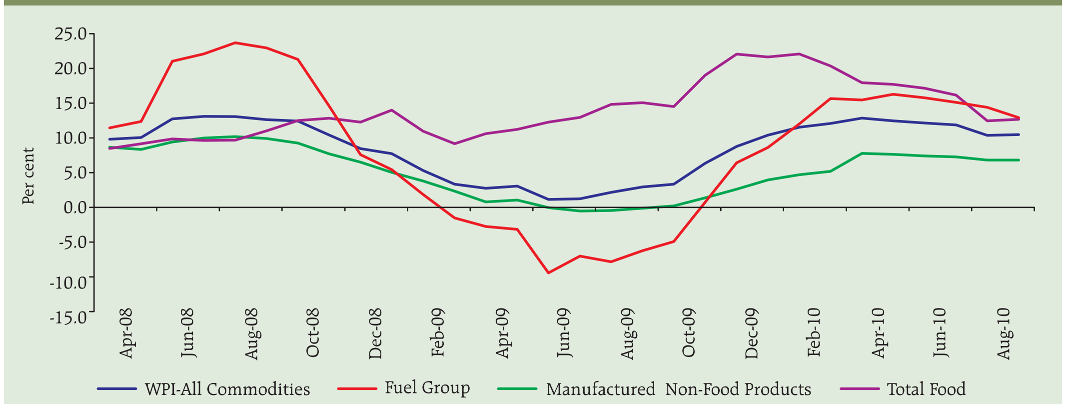
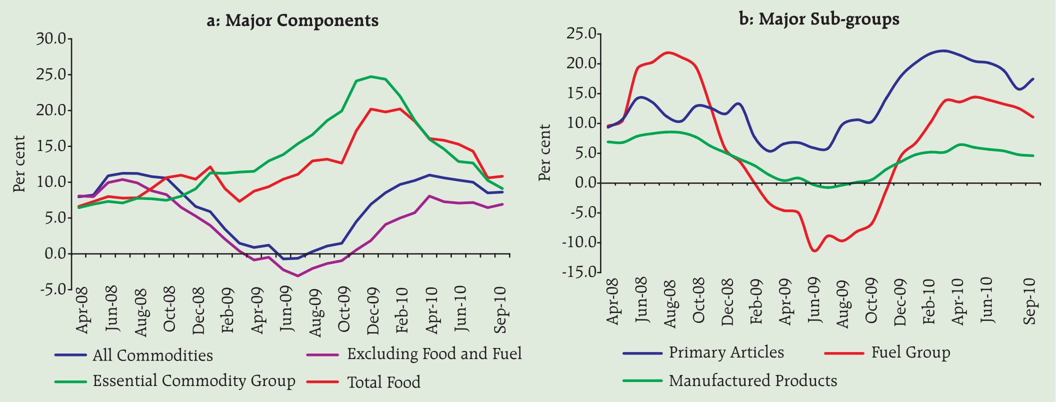


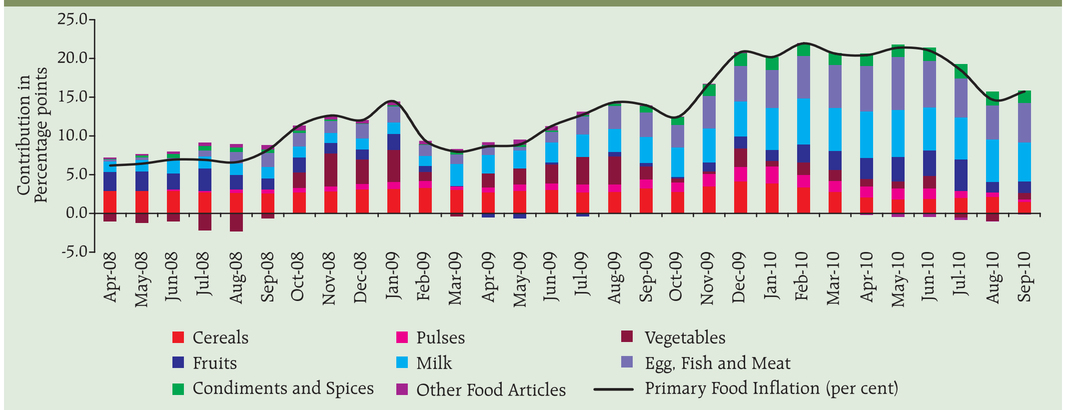
Chart VI.10: Annual WPI Inflation



since March 2010, primary articles index of WPI has increased by 8.6 per cent (as on October 16, 2010) led by food articles.

VI.20 Presently, an important concern from the point of view of inflation management is the downward rigidity in the primary food articles prices even after a good monsoon. With a normal monsoon, it was expected that the prices of food articles would moderate substantially. However, food articles inflation continues to remain in double digits. It needs to be emphasised that with increase in income levels, the consumption basket is getting diversified more in favour of non-cereal items such as milk, vegetables, fruits, meat, poultry and fish, which are important from the nutritional angle. The decomposition of food inflation indicates that during the recent period the key drivers of food inflation are non-cereals. In fact, since November 2009, much of the food inflation is contributed by protein rich items like milk, eggs, fish and meat, which are less responsive to monsoon (Chart VI.11). About two thirds of the primary food inflation (y-o-y) currently

Chart VI.11: Contributors to Primary Food Inflation



emanates from the two sub-groups, milk and 'egg fish and meat'. Inflation in pulses, however, remains moderate largely reflecting the base effect of very high prices recorded a year ago. Thus, despite a decline in the contribution of cereals and vegetables to inflation in recent months, food inflation continues to remain firm.

VI.21 The sustained high level of food prices, especially of protein-based items, whose share in consumption basket has increased over time along with increases in income, points to the risk that food price inflation could acquire a structural character and become more persistent. Given the tight demand-supply conditions in food globally and prospects of firming up of commodity prices, import as an option to control food inflation may not be available for most commodities. This calls for the effective management of supply augmenting measures in the medium term to address the food inflation.

VI.22 Non-food primary articles inflation also remains high at above 20 per cent, reflecting the revision in sugarcane index by about 50 per cent in March 2010 and increase in iron ore and raw cotton prices. Iron ore prices have doubled since December 2009, while raw cotton prices increased by more than 20 per cent in September 2010. Increase in raw cotton and sugar prices in recent months in the wake of increase in global commodity prices, despite significant increase in domestic production, points towards the risk of spillover even with favourable production conditions.

VI.23 Fuel group inflation is influenced both by decisions of the Government on the administered prices and movements in freely priced petroleum products prices. As on a monthly average basis crude prices (Indian basket) have remained range bound between US $ 75-85 during 2010-11 so far, the non-administered prices under the fuel group remained more or less the same. Motivated by fiscal as well as fuel efficiency considerations, the Government increased the price of diesel (by ₹2 per litre), PDS kerosene (by ₹3 per litre) and domestic LPG (by ₹35 per cylinder) and deregulated petrol prices on June 25, 2010. The direct impact of these measures was about 0.9 percentage point increase in WPI inflation, with the indirect impact on prices through input cost escalation with a lag likely to raise the full impact to about 2 percentage points, assuming partial pass-through. As the deregulated petrol prices remained almost constant during the period July-September 2010 tracking the trends in international crude prices, the pressure on headline inflation remained contained. Fuel group inflation, nevertheless, continues to remain in double digits (11.3 per cent as on October 16, 2010).

VI.24 Manufactured products inflation has declined since April 2010, led by decline in prices of food products. The manufactured products price index, however, remains almost the same during 2010-11 so far indicating that the decline in inflation was largely contributed by the high base of the previous year. Non-food manufactured products inflation declined to 5.0 per cent in September 2010 (Table VI.3).

VI.25 The inter-temporal volatility in core inflation in India, measured in terms of standard deviation of the non-food

Table VI.3: Wholesale Price Inflation in India
(2004-05=100) (year-on-year)

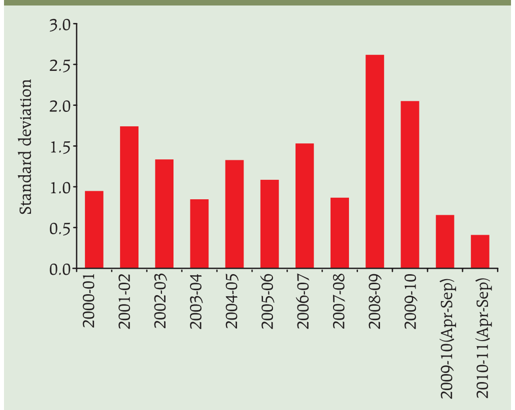
(Per cent)

Commodity	Weight	2009-10 (March)		2010-11 (September)		Financial Year (over March 2010)	
		Inflation	C*	Inflation	C*	Inflation	C*
1	2	3	4	5	6	7	8
All Commodities	**100.0**	**10.2**	**10.2**	**8.6**	**8.6**	**3.9**	**3.9**
1. Primary Articles	**20.1**	**22.2**	**4.9**	**17.5**	**4.1**	**8.3**	**2.0**
Food Articles	14.3	20.6	3.3	15.7	2.7	9.4	1.6
i. Rice	1.8	8.1	0.2	4.6	0.1	0.9	0.0
ii. Wheat	1.1	14.7	0.2	8.7	0.1	0.1	0.0
iii. Pulses	0.7	25.0	0.2	5.1	0.1	-0.1	0.0
iv. Vegetables	1.7	13.6	0.2	6.0	0.1	37.1	0.6
v. Fruits	2.1	18.2	0.4	12.0	0.3	3.6	0.1
vi. Milk	3.2	24.9	0.9	24.0	0.9	5.8	0.2
vii. Eggs, Fish and Meat	2.4	35.5	0.9	30.9	0.9	15.2	0.5
Non-Food Articles	4.3	20.4	0.9	18.2	0.8	4.6	0.2
i. Raw Cotton	0.7	20.0	0.1	27.5	0.2	14.0	0.1
ii. Oilseeds	1.8	6.7	0.1	5.2	0.1	3.1	0.1
iii. Sugarcane	0.6	53.3	0.3	53.3	0.3	0.0	0.0
Minerals	1.5	37.9	0.8	28.5	0.6	7.3	0.2
i. Crude Petroleum	0.9	58.3	0.5	9.7	0.1	-1.1	0.0
2. Fuel and Power	**14.9**	**13.8**	**2.1**	**11.1**	**1.7**	**5.4**	**0.8**
i. Coal	2.1	7.9	0.2	7.9	0.2	0.0	0.0
ii. Mineral Oils	9.4	18.6	1.7	13.6	1.4	6.8	0.7
iii. Electricity	3.5	3.4	0.1	5.0	0.1	5.0	0.1
3. Manufactured Products	**65.0**	**5.2**	**3.3**	**4.6**	**2.8**	**1.6**	**1.0**
i. Food Products	10.0	15.1	1.5	2.8	0.3	-1.7	-0.2
of which: Sugar	1.7	44.3	0.8	-4.4	-0.1	-12.8	-0.3
Edible Oils	3.0	0.4	0.0	4.9	0.1	4.2	0.1
ii. Cotton Textiles	2.6	12.7	0.3	14.9	0.3	4.7	0.1
iii. Man Made Textiles	2.2	8.4	0.2	9.4	0.2	3.5	0.1
iv. Chemicals and Products	12.0	3.7	0.4	4.3	0.5	1.7	0.2
of which : Fertilisers	2.7	1.9	0.0	7.5	0.2	4.8	0.1
v. Non-Metallic Mineral Products	2.6	3.2	0.1	2.2	0.1	0.9	0.0
of which: Cement &Lime	1.4	2.3	0.0	1.7	0.0	0.4	0.0
vi. Basic Metals, Alloys and Metal Products	10.7	1.4	0.2	6.0	0.6	3.4	0.3
of which: Ferrous Metals	8.1	0.5	0.0	6.2	0.5	3.7	0.3
vii. Machinery and Machine Tools	8.9	1.5	0.1	2.9	0.2	0.8	0.1
of which: Electrical Machinery	2.3	-1.1	0.0	2.7	0.1	0.8	0.0
viii. Transport Equipment and Parts	5.2	1.2	0.1	4.2	0.2	2.3	0.1
Memo:							
Food Items (Composite#)	**24.3**	**18.5**	**4.8**	**10.8**	**3.0**	**5.2**	**1.4**
Food Items (Protein Based)$	**6.4**	**28.7**	**2.0**	**23.9**	**1.9**	**8.6**	**0.7**
Manufactured Non-food Products	**55.0**	**3.3**	**1.8**	**5.0**	**2.5**	**2.3**	**1.1**
WPI Excluding Food	**75.7**	**7.4**	**5.5**	**7.8**	**5.6**	**3.4**	**2.5**
WPI Excluding Fuel	**85.1**	**9.6**	**8.2**	**8.2**	**6.9**	**3.6**	**3.1**
Essential Commodities	**14.4**	**18.6**	**2.9**	**9.1**	**1.5**	**2.9**	**0.5**

* : Contribution to inflation in percentage points. #: Primary Food Articles+Manufactured Food Products.
$: Includes milk, egg, fish and meat and pulses.

manufactured inflation, which is relevant for policy purposes, exhibited significant increase in 2008-09 and 2009-10, after a long period of relative stability (Chart VI.12). The rise in volatility in non-food manufactured inflation, to an extent, could be attributed

Chart VI.12: Volatility in Non-food Manufactured Inflation



to the global commodity shocks, as rising prices of inputs tend to cause pressure on manufactured product prices domestically. The data available for 2010-11 so far, however, suggest a significant moderation in the volatility.

Consumer Price Inflation

VI.26 Inflation, as measured by various consumer price indices, continued to moderate in 2010-11 so far. Available measures of inflation, as measured by various CPIs indicate that it remained in the range of 9.1-9.8 per cent in September 2010 (Table VI.4). The divergence between WPI and CPI inflation also reduced in recent months. (Chart VI.13).

VI.27 With strengthening of domestic growth prospects, inflation management assumed prime importance, which was reflected in the normalisation of monetary policy. Overall, the inflationary process, which originated from supply shocks, and then turned increasingly generalised, seems to have now moderated but remains elevated at beyond the comfort level. Upward revision of administered prices and lagged reporting of past price increases added momentum to the uptrend in WPI. Among the positive developments, given the expected better agricultural output than last year, food price pressures may soften during the course of the year. Nevertheless, current trends suggest a possible ratchet effect, with food inflation appearing sticky and somewhat impervious to generally expected favourable impact of a normal monsoon, thus posing a key risk to the overall inflation environment. The

Chart VI.13: CPI and WPI Inflation

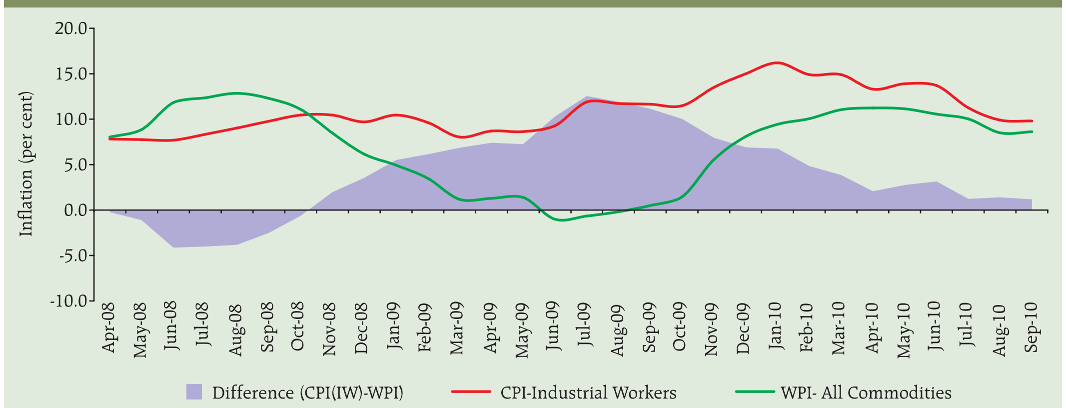


Table VI.4 : Consumer Price Inflation - Major Groups

(Year-on-year variation in per cent)

CPI Measure	Weight	Mar-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Jul-10	Aug-10	Sep-10
1	2	3	4	5	6	7	8	9	10	11	12
CPI-IW (Base: 2001=100)											
General	**100.0**	**7.9**	**8.0**	**9.3**	**11.6**	**15.0**	**14.9**	**13.7**	**11.3**	**9.9**	**9.8**
Food Group	46.2	9.3	10.6	12.2	13.5	21.3	16.0	13.9	11.6	9.8	–
Pan, Supari *etc.*	2.3	10.9	8.3	8.1	8.0	8.6	9.1	13.0	12.9	12.1	–
Fuel and Light	6.4	4.6	7.4	1.4	4.2	3.4	3.4	6.9	10.3	11.5	–
Housing	15.3	4.7	6.0	6.0	22.1	22.1	33.1	33.1	21.1	21.1	–
Clothing, Bedding *etc.*	6.6	2.6	5.0	4.1	4.1	4.1	4.0	4.8	4.7	5.5	–
Miscellaneous	23.3	6.3	7.4	6.6	5.7	4.2	4.8	4.8	5.4	4.0	–
CPI-UNME (Base: 1984-85=100)											
General	**100.0**	**6.0**	**9.3**	**9.6**	**12.4**	**15.5**	**14.9**	**14.1**	**11.5**	**10.3**	–
Food Group	47.1	7.8	12.2	13.6	14.4	21.4	16.3	13.9	11.7	9.2	–
Fuel and Light	5.5	4.6	5.9	1.3	4.2	3.5	3.3	6.9	10.2	11.6	–
Housing	16.4	4.0	5.8	6.0	22.0	22.0	33.2	33.2	21.0	21.0	–
Clothing, Bedding *etc.*	7.0	4.3	3.3	4.2	4.1	4.1	4.0	4.8	4.6	5.4	–
Miscellaneous	24.0	4.8	8.6	7.3	6.0	4.6	5.3	5.1	5.0	5.0	–
CPI-AL (Base: 1986-87=100)											
General	**100.0**	**7.9**	**9.5**	**11.5**	**13.2**	**17.2**	**15.8**	**13.0**	**11.0**	**9.6**	**9.1**
Food Group	69.2	8.5	9.7	12.4	14.6	20.2	17.7	13.7	11.3	9.1	8.8
Pan, Supari *etc.*	3.8	10.4	15.3	14.2	15.5	14.6	15.4	16.6	14.1	11.3	10.8
Fuel and Light	8.4	8.0	11.5	11.0	12.0	14.3	15.2	15.5	14.6	16.6	16.1
Clothing, Bedding *etc.*	7.0	1.8	7.4	8.3	8.1	8.2	9.1	9.6	9.9	10.1	10.2
Miscellaneous	11.7	6.1	6.5	6.1	7.1	7.0	7.6	7.7	7.0	6.3	6.0
CPI-RL (Base: 1986-87=100)											
General	**100.0**	**7.6**	**9.7**	**11.3**	**13.0**	**17.0**	**15.5**	**13.0**	**11.2**	**9.7**	**9.3**
Food Group	66.8	8.2	10.0	12.4	14.6	20.4	17.7	13.9	11.5	9.5	8.8
Pan, Supari *etc.*	3.7	10.6	15.0	14.1	15.4	14.4	15.5	16.7	14.3	11.8	11.1
Fuel and Light	7.9	8.0	11.5	11.0	12.0	14.1	15.0	15.3	14.5	16.4	15.9
Clothing, Bedding *etc.*	9.8	2.8	8.2	8.8	9.5	10.3	9.8	10.3	10.2	10.3	9.5
Miscellaneous	11.9	6.2	6.7	6.2	6.9	6.6	7.2	7.3	6.8	6.1	5.8
WPI Inflation											
BaseYear:2004-05=100		7.7	1.5	-0.7	1.1	6.9	10.2	10.3	10.0	8.5	8.6
GDP Deflator based Inflation*		4.9	7.9	0.9	0.7	5.8	4.5	11.8	–	–	–

*: Data for March pertain to full year.

IW : Industrial Workers. UNME : Urban Non-Manual Employees. AL : Agricultural Labourers. RL : Rural Labourers.

persistence of food inflation not only has adverse welfare effects as the poor have larger share of food in their consumption basket, but could also impact the core inflation after a lag, causing a generalisation of price pressures. Another important risk to inflation could emanate from the recent upward momentum witnessed in the global commodity prices, which could partly get imported even with record domestic production, as has been the case for cotton. Capacity constraints, in some sectors, along with increasing pricing power of firms in the context of stronger growth momentum, is a source of risk to the inflation process. While non-food manufactured inflation has shown some moderation in recent months suggesting that monetary actions are having an impact, inflation still remains above the comfort level.

VII. Macroeconomic Outlook

The output growth of the Indian economy has started to consolidate around the trend after a sharp recovery and the headline inflation also shows signs of peaking off. Going forward, various forward looking surveys conducted in the recent period suggest strong y-o-y growth. The Industrial Outlook Survey of the Reserve Bank also points to continuation of the growth momentum. The professional forecasters' survey of the Reserve Bank registered a marginal upward revision in the GDP growth rate for 2010-11, on the back of higher growth forecasts for agriculture and services sector. The overall outlook suggests that notwithstanding some recent moderation in headline inflation, the level of inflation remains above the comfort level. The Reserve Bank's policy stance is likely to be shaped by dual goals of maintaining the growth momentum in an atmosphere of global uncertainty, while striving to moderate inflation further.

VII.1 The robust recovery of the Indian economy since the second half of 2009-10 continued in the first quarter of 2010-11, mainly on account of buoyancy in the services sector and better performance of the agriculture sector. Even though the pace of growth of industrial sector was volatile, it remained in double digits (except in June and August 2010), thereby supporting the overall growth momentum. The business expectations surveys show an optimistic picture about the outlook. The Industrial Outlook Survey of the Reserve Bank indicates improvement in business situation for the assessment quarter (July-September 2010) as well as the expectation quarter (October-December 2010). The professional forecasters' survey also echoes this optimism.

Business Expectations Survey

VII.2 The forward looking surveys conducted by various agencies generally show significant y-o-y gains, though some of the surveys registered moderate decline in business expectations on a q-o-q basis (Table VII.1).

VII.3 All the four components of the business confidence index of the NCAER survey have shown remarkable improvement over the previous quarter, with the investment climate recording highest improvement compared with the previous round. At the sectoral level, consumer durables, consumer non-durables, intermediate and capital goods have shown increase in business optimism in the most recent round over the previous round.

VII.4 The Business Confidence Survey of the FICCI for the Q1:2010-11, suggests that 78 per cent of the companies felt that the overall economic conditions *vis-à-vis* last six months are 'moderately to substantially' better. Going ahead, around 72 per cent of the companies foresee an improvement in overall economic condition in the coming six months. The overall business confidence index, however, recorded a decline over the previous quarter on account of decline at three levels *viz.*, economy, industry and firm. The outlook for jobs has also been somewhat dormant, with about 64 per cent of the participants saying that they will maintain employment levels in their firms.

VII.5 In the Dun and Bradstreet Business Optimism Index (BOI) five out of the six optimism indices *viz.*, volume of sales, net profits, new orders, inventory levels and selling prices have registered an increase as compared to the previous quarter. Only employee level remained unchanged. The survey findings mention that the expected moderation in inflation might provide some respite to the consumers, thereby supporting domestic cosumption demand.

VII.6 The CII Business Confidence Index (CII-BCI) for October-December 2010-11 registered a decline over the previous survey. In the present survey, 70 per cent of the respondents indicated that exports may increase.

Table VII.1: Business Expectations Surveys

Period/Index	NCAER Mastercard Business Confidence Index Sept. 2010	FICCI Q1:2010-11 Overall Business Confidence Index	Dun & Bradstreet Q4: 2010 Business Optimism Index	CII Oct-Dec. 2010-11 Business Confidence Index
1	2	3	4	5
Current level of the Index	162.1	71.9	163.5	66.2
Index as per previous survey	155.9	74.8	150.0	67.6
Index levels one year back	143.7	67.2	143.2	66.1
% change (q-on-q) sequential	4.0	-3.9	9.0	-2.1*
% change (y-on-y)	12.8	7.0	14.2	0.2**

* : Percentage change over the previous survey.
** : Percentage change over October-March 2009-10 Survey.

VII.7 The seasonally adjusted HSBC Markit Manufacturing Purchasing Managers' Index (PMI) increased at the slowest pace in last ten months in September 2010, mainly reflecting slower growth in output and new orders. On the downside, the employment levels have remained stagnant since June 2009. Rising raw material prices drove the fast rise in input prices, leading to output price inflation. Notwithstanding the recent fall, the index has remained in the above neutral territory (*i.e.*, above 50) since April 2009.

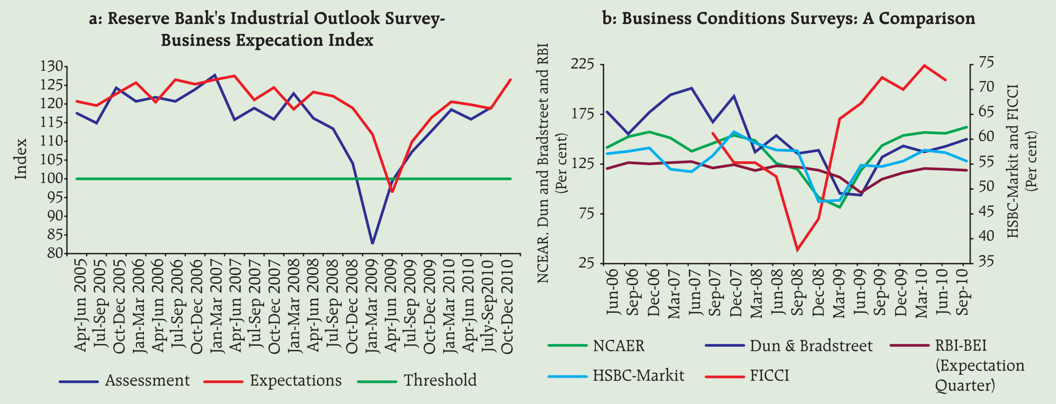
VII.8 Even though the pace of growth in the HSBC Markit Services PMI showed a moderation in September 2010, it continued to point to a substantial expansion of services sector output. The pace of new hiring in the services sector slowed down, though it remains in positive territory.

Reserve Bank's Industrial Outlook Survey

VII.9 The 51st round of the Industrial Outlook Survey of the Reserve Bank conducted during July-September 2010, based on a sample of 1,403 companies, showed an improvement for the assessment quarter (July-September 2010) as well as expectations for the October-December 2010 quarter. Moreover, both indices (*i.e.* assessment about the current quarter and expectation about the next quarter) remained in the growth terrain (*i.e.* above 100, which is the threshold that separates contraction from expansion) (Chart VII.1a). The findings of the survey are consistent with that of other surveys (Chart VII.1b).

VII.10 The Industrial Outlook Survey shows that the Indian manufacturers have an optimistic view about improvement in demand conditions *viz.* production, order books, capacity utilisation, exports and imports for both the assessment and expectation quarters, compared to previous quarter and the corresponding quarter a year ago. However, inventories are seen to be piling up for both the quarters under review. This indicates that part of the double digit growth in IIP was the result of inventory build-up, which may not persist, going forward. Manufacturers' pricing power was evident from expectations about higher selling prices. On the employment outlook,

Chart VII.1: Industrial Outlook Surveys



Indian manufacturers are expected to be net hirers (Table VII.2).

Survey of Professional Forecasters[1]

VII.11 The results of the thirteenth round of 'Survey of Professional Forecasters' conducted by the Reserve Bank in September 2010 shows a marginal upward revision in the overall (median) GDP growth rate for 2010-11 from 8.4 per cent to 8.5 per cent, mainly on account of upward revision of the growth forecast of agriculture and services sector (Table VII.3).

Table VII.2: Reserve Bank's Industrial Outlook Survey -Net Response on Expectations and Assessment about the Industrial Performance

Parameter	Optimistic Response	Oct-Dec 2009		Jan-Mar 2010		Apr-Jun 2010		July-Sept 2010		Oct-Dec 2010
		E	A	E	A	E	A	E	A	E
1	2	3	4	5	6	7	8	9	10	11
1 Overall business situation	Better	39.8	36.0	44.9	43.1	41.2	40.7	41.5	38.7	47.5
2. Overall financial situation	Better	33.5	29.5	39.3	35.8	36.3	32.2	34.1	30.6	39.6
3. Working capital finance requirement	Increase	30.4	28.8	32.7	30.5	27.7	29.9	31.1	29.3	34.8
4. Availability of Finance	Improve	26.1	23.0	29.2	25.7	26.8	26.4	28.5	26.6	31.3
5. Cost of external finance	Decrease		-14.7	-18.3	-15.9	-20.6	-21.9	-23.3	-28.3	-28.3
6. Production	Increase	35.0	28.9	40.0	36.5	35.9	35.4	40.2	40.0	49.1
7. Order books	Increase	32.3	25.9	35.8	31.9	33.4	31.3	36.3	36.1	44.8
8. Pending orders, if applicable	Below normal	11.0	11.6	5.7	8.8	6.4	6.9	4.2	5.1	1.5
9. Cost of raw material	Decrease	-38.4	-47.1	-44.3	-60.2	-48.6	-62.7	-49.3	-58.3	-49.3
10. Inventory of raw material	Below average	-1.2	-4.2	-3.6	-5.8	-2.6	-5.0	-5.1	-5.3	-6.6
11. Inventory of finished goods	Below average	-3.7	-4.3	-1.9	-4.3	-2.6	-4.1	-5.0	-4.3	-2.8
12. Capacity utilisation (Main product)	Increase	22.0	16.5	25.4	21.7	19.7	21.1	26.5	23.3	32.3
13. Level of capacity utilisation (Compared to the average in the preceding four quarters)	Above normal	-3.8	-3.9	1.3	3.0	1.6	2.5	5.8	3.1	7.2
14. Assessment of the production capacity (With regard to expected demand in the next six months)	More than adequate	6.5	5.3	5.0	6.4	7.1	3.1	4.1	3.3	5.6
15. Employment in the company	Increase	8.8	10.3	12.1	13.7	13.6	14.7	16.8	18.7	21.0
16. Exports, if applicable	Increase	12.5	9.2	20.2	12.7	18.5	15.3	20.7	20.0	26.1
17. Imports, if any	Increase	11.5	13.0	16.9	17.1	17.1	20.9	21.7	22.0	22.2
18. Selling prices are expected to	Increase	6.0	2.6	9.8	12.4	13.3	17.3	15.2	13.8	17.0
19. Increase in selling prices, if any, is expected	Increase at lower rate	19.4	19.3	16.8	21.6	19.7	17.4	14.3	15.2	13.0
20. Profit margin	Increase	-2.8	-9.9	1.1	-2.9	3.2	-4.8	3.1	-2.5	9.2

Note: 1. 'Net response' is measured as the percentage share differential between the companies reporting 'optimistic' (positive) and 'pessimistic' (negative) responses; responses indicating *status quo* (no change) are not reckoned. Higher 'net response' indicates higher level of confidence and *vice versa*.
2. E: Expectations and A: Assessment
3. 'Cost of external finance' is a newly added question from the 48th (October – December 2009) survey round.

[1] Introduced by the Reserve Bank from the quarter ended September 2007. The forecasts reflect the views of professional forecasters and not of the Reserve Bank.

Table VII.3: Median Forecasts of Select Macroeconomic Indicators by Professional Forecasters 2010-11 and 2011-12

	Actual 2009-10	Annual Forecasts				Quarterly Forecasts									
		2010-11		2011-12		2010-11						2011-12			
						Q2		Q3		Q4		Q1		Q2	
		E	L	E	L	E	L	E	L	E	L	E	L	E	L
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Real GDP growth rate at factor cost (in per cent)	7.4R	8.4	8.5	8.5	8.5	8.2	8.2	8.5	8.7	8.4	8.3	8.3	8.1	–	8.5
a. Agriculture & Allied Activities	0.2R	4.1	4.6	3.0	3.2	4.0	4.2	6.0	6.5	3.9	5.1	3.0	3.2	–	3.0
b. Industry	10.4R	9.0	9.0	9.1	9.1	9.3	9.3	8.7	8.7	8.4	7.9	8.7	8.1	–	8.0
c. Services	8.3R	9.1	9.2	9.5	9.5	8.9	8.5	9.3	9.4	9.2	9.2	9.5	9.5	–	9.6
2. Gross Domestic Saving (per cent of GDP at current market price)	–	34.7	34.0	35.9	35.3	–	–	–	–	–	–	–	–	–	–
3. Gross Domestic Capital Formation (per cent of GDP at current market price)	–	36.0	36.0	37.8	37.0	36.8	36.0	36.3	35.5	36.1	37.5	37.3	36.0	–	36.5
4. Corporate profit after tax (growth rate in percent)*	28.8	22.5	20.0	21.0	23.0	18.0	10.0	18.9	15.0	25.0	20.0	25.0	20.0	–	20.0
5. Inflation WPI	3.6	8.6	8.1	6.0	5.6	9.5	8.9	8.1	7.4	7.0	6.0	6.4	5.4	–	5.9
6. Exchange Rate (INR/ USD end period)	45.1	44.5	44.5	43.5	43.5	45.5	45.0	44.8	45.0	44.5	44.4	43.8	44.3	–	43.5
7. T-Bill 91 days Yield (per cent-end period)	4.4	5.2	6.0	5.0	5.8	–	–	–	–	–	–	–	–	–	–
8. 10-year Govt. Securities Yield (per cent-end period)	7.8	7.8	7.9	7.5	7.9	–	–	–	–	–	–	–	–	–	–
9. Export (growth rate in per cent)!	-3.6	15.0	15.9	16.0	15.0	–	–	–	–	–	–	–	–	–	–
10. Import (growth rate in per cent)!	-5.6	17.9	19.7	15.0	15.7	–	–	–	–	–	–	–	–	–	–
11. Trade Balance (US$ billion)	-108.2	–	–	–	–	-34.5	-36.5	-36.5	-38.5	-33.0	-37.9	-35.9	-37.3	–	-36.9

E: Previous Round Projection. L: Latest Round Projection. R: Revised Estimate

– : Not Available. *: BSE listed companies. !: US$ on BoP basis.

Note : The latest round refers to thirteenth round for the quarter ended September 2010, while previous round refers to twelfth round for the quarter ended June 2010.

Source : Survey of Professional Forecasters, Second Quarter 2010-11.

Growth Projections of Different Agencies

VII.12 All available projections for GDP growth in 2010-11 generally project an optimistic picture (Table VII.4). Both IMF and ADB revised their growth projections upward for India recently.

Factors Influencing the Current Growth and Inflation Outlook

VII.13 The economic recovery, which became evident in the second half of 2009-10, has consolidated with further increase in real GDP growth in the first quarter of 2010-11. The outlook for continuation of the robust growth momentum derives support from the following factors: (a) the impact of the normal monsoon on *kharif* output which will be reflected in GDP growth of Q_2 and Q_3, (b) possibility of continuation of buoyancy in the industrial sector, notwithstanding the intermittent volatility, (c) sharp rise in excise duty collections which are indicative of strong economic activity, (d) sustained buoyancy in lead indicators of services activities, (e) strong growth in corporate sales,

Table VII.4: Agencies' Forecast for 2010-11

Agency	Latest Projection		Earlier Projection	
	Real GDP Growth (Per cent)	Month	Real GDP Growth (Per cent)	Month
1	2	3	4	5
Economic Advisory Council to the PM	8.5	Jul-10	8.2	Feb-10
Ministry of Finance	8.5 (+/-0.25)	Feb-10	..	..
IMF (calendar year) @	9.7	Oct-10	9.4	Jul-10
ADB	8.5	Sep-10	8.2	Jul-10
NCAER	8.4	Oct-10	8.1	Jul-10
OECD @	8.3	May-10	7.3	Nov-09

.. : Not available.
@ at market price, while others are at factor costs.

(f) improving business environment as suggested by the Industrial Outlook Survey of the Reserve Bank, (g) pick-up in private consumption expenditure and high growth in the production of consumer durables, (h) strong growth in non-oil imports, (i) high capital expenditure plans of firms, (j) increase in credit demand from the private sector and (k) higher flow of financing from non-banking sources.

VII.14 Certain downside risks to growth however remain, which include: (a) weakening of external demand conditions, given the recently revised outlook for recovery in advanced economies, which will dampen export growth, (b) real appreciation of the exchange rate could also weaken external price competitiveness of Indian exports, (c) pressure from capital inflows on the nominal exchange rate to appreciate, (d) recent survey based evidence of some moderation in capacity utilisation and (e) persistent inflationary pressures, especially in food items.

VII.15 The headline inflation, which moderated to 8.5 per cent in August 2010, before edging up to 8.6 per cent in September, continues to be a cause of policy concern and priority. The elevated levels of food prices, with pressures emanating from non-cereal protein-based items, highlight the structural dimension of food inflation, which would require long-term supply augmenting measures. Going forward, factors which may exert upward pressure on inflation are: (a) further strengthening of pricing power of corporates with the pick-up in private demand, (b) capacity constraints in several sectors, where supply response to high prices could be slow, and (c) oil and commodity prices, which have shown signs of increase in recent months.

VII.16 Notwithstanding these risks, the factors that may help in restraining the inflationary pressures include: (a) a good *kharif* crop, which may help in moderating the food price inflation, (b) weak external demand, which may increase supply in domestic market, (c) no risk to inflation in advanced economies due to large excess capacity and high unemployment, and (d) the impact of monetary policy actions already initiated by the Reserve Bank to contain inflation and anchor inflationary expectations.

VII.17 An overall assessment suggests that GDP growth is consolidating around the trend. This growth momentum, however, needs to be sustained through improved investment demand, particularly in manufacturing and infrastructure sector. The uncertain global outlook and the dominance of supply rigidities in certain sectors that impart rigidity to the inflation path, pose greater challenge for monetary policy to anchor inflationary expectations without hurting growth.

Speeches

*Emerging Market Economies Leading Global Growth**

D. Subbarao

The three issues laid out in today's agenda are particularly relevant at this juncture and how we answer them in the months ahead will determine how the world regains and then sustains economic growth and financial stability.

Let me begin with the first issue : How can emerging market economies (EMEs) best contribute towards securing global economic prosperity?

The most important way in which EMEs can contribute to global economic prosperity is by doing more of what they have been doing – that is by maintaining their growth momentum.

The last few months have witnessed a remarkable phenomenon. EMEs have, to use a word that has now become clichéd, decoupled from advanced economies in a powerful way and started charting their own exit paths out of the crisis-driven accommodative policies. Even a few months ago, not many would have thought that this meant much or mattered much to the global economy. But now we know EMEs have made a 'difference'. By recovering from the crisis sooner, EMEs have provided much needed stimulus to the global economy.

To take a historical perspective, according to Angus Maddison's long-term GDP time series, China and India accounted for about half of the world GDP before the industrial revolution. Since then their contribution declined to less than 10 per cent. Rapid economic growth should help China and India to raise their per capita GDPs, gradually bridging the gap with advanced economies, as Japan, Korea and Singapore already have. That way they will provide diversified growth poles to the

* Remarks by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India at a panel discussion on 'Role of Emerging Economies Going Forward and Key Policy Challenges' at the IMF, Washington DC on October 9, 2010.

global economy and contribute to global economic prosperity.

That EMEs can provide support to the global economy has been clearly demonstrated by our experience of the crisis. The Great Recession, for example, has been less deep than it would have been because of the growth contribution of EMEs, particularly China and India. And at the current juncture, when advanced economies are still experiencing a demand recession, it is the import demand from EMEs which is helping them make the necessary adjustment.

In order to maintain their growth momentum, EMEs will need to address huge challenges and put in place both collective and individual country strategies. What these should be is by now quite well-known.

What the September crisis has made us aware of is that putting all one's eggs in one engine of growth (pardon my mixed metaphor) is risky. Rebalancing the economy towards domestic demand is clearly key. Expanding and deepening intra-EME trade not just in goods but also in services is the other area where EMEs need to focus. Intra-EME financial flows are pathetically low. These are virtual greenfields that can and should be exploited.

A lot of things need to be done at the country level too. In the case of India, for example, we need to bridge the infrastructure deficit, focus on social sector outcomes, improve governance and implement strategies for private investment and job creation.

The second area where EMEs can contribute to global prosperity is through ensuring that the G-20 forum remains meaningful and effective.

When the history of this crisis is written, the London G-20 Summit in April 2009 will be seen as a clear turning point when the leaders of world showed extraordinary determination and unity in combating the deepest economic crisis of our generation. Sure, there were differences, but they were debated and discussed, and compromises were made without eroding the end goal – that is to end the crisis.

Now, as we exit from the crisis, there are concerns and apprehensions that the vaunted unity that the G-20 had shown during the crisis is dissipating. There are many stereotype, and I believe, mistaken views about the G-20. Here are some examples: that the G-20 process has become hostage to differing perceptions on financial sector regulation; that reforms being initiated at the national and regional levels are not consistent with a global optimal; that the trans-Atlantic differences on, for example, the size of fiscal stimulus, that surfaced during the height of the crisis have mutated into 'north-south' differences as we are getting out of the crisis; that in spite of EMEs being given seats at the table, the G-20 agenda is still largely driven by advanced country concerns.

EMEs can contribute to global economic prosperity by fighting these perceptions and breaking these stereotype views. The G-20 may not be a perfect forum, but it is still the best that we have.

A well-functioning global economy is a huge asset for advanced and developing economies alike. For most of the last century, the US and Europe had played a dominant role in setting the architecture for governing the global economy. From establishing the Bretton Woods Institutions and forging agreements for liberalising international trade, to establishing global financial standards to co-ordinating responses to economic crisis. EMEs now need to step in and do their part. We must remember that in a world divided by nation states, there is no natural constituency for the global economy. But as the September crisis has shown, the global economy as an entity is more important than ever. We should not allow a situation to develop where decisions essential for global prosperity fall through the cracks.

The short point, therefore, is for EMEs to step in and work actively with advanced economies under the G-20 umbrella to design and implement globally optimal strategies.

The third way in which EMEs can contribute to global prosperity, which in fact follows my earlier point about the G-20 process, is to make the implementation of the Global Framework and the related Mutual Assessment Process (MAP) a success.

In their Toronto Summit in July 2010, the G-20 leaders agreed on a 'Framework for Strong, Sustainable and Balanced Growth'. At the heart of this Framework are strategies to be put in place by advanced and emerging economies to restore external balances and repair their financial sectors where need be. For reasons that are quite obvious, these national strategies have to be co-ordinated in content and in implementation. Any framework like this can be successful only in an atmosphere of trust and reciprocity. Emerging economies can contribute to global prosperity by making an honest effort to making the Global Framework a success.

Let me now turn to the second issue. What are the key macroeconomic policy challenges that EMEs will likely face in the context of rebalancing global order?

Several challenges, admittedly inter-related, stare in the face of EMEs as they try to recover the growth momentum lost during the crisis.

The post crisis world will be defined by two important characteristics. First, growth in advanced countries will be tepid, and second, the global environment will be less friendly to globalisation. Let us take these one by one.

Advanced economies will slow down because, as public discourse over the last four months has revealed, they will give priority to restoring financial stability even if that means sacrifice of growth. This may not just be a short-term trade-off but may indeed run into the medium-term. The IMF itself has spoken of a 'new normal' – a downward shift in potential growth of advanced economies because of the impairment of their financial sectors and capital destruction. It will take at least a few years for advanced economy households and firms to repair their balance sheets at the individual level and for the economies to restore external and internal balances at the aggregate level. In the process, advanced economies will have to contend with structural fiscal deficits, demographic transitions, worsening income distribution and unemployment.

A corollary of a low growth scenario, weighed down by domestic concerns, is a less welcoming attitude to globalisation. There may not be actually be 'deglobalisation' but the earlier orthodoxy that globalisation is an unmixed blessing is being increasingly challenged. The rationale was, and hopefully is, that even as advanced countries may see low-end jobs being outsourced, they will still benefit from globalisation because for every low-end job gone, another high end job – that is more skill intensive, more productive – will be created. If this does not happen rapidly enough or visibly enough, protectionist pressures will arise, and rapidly become vociferous and politically compelling. The wave of currency depreciations that we are seeing around the world is a manifestation of protectionist pressures.

Going forward, the biggest challenge for EMEs will be to pursue their growth and development strategies in this evolving world of a 'new normal' of growth and less welcoming of globalisation. To address this challenge, EMEs will need to make adjustments, most notably by rebalancing from external to internal sources of demand. Even for a country like India where growth drivers have been predominantly internal, a lower global demand will hurt exports and the overall growth performance.

The second big challenge for EMEs is going to be to implement Basel III. The broad contours of Basel III – higher and better quality capital, counter-cyclical buffers, limits on leverage and maintenance of minimum liquidity – are all quite familiar and I need not repeat them here. There is also some flexibility for national differences in adoption and implementation by way of a 'comply or explain' provision.

Basel III is undoubtedly well-thought through and reflects the lessons of the crisis. However, its implementation comes at a time when EMEs see their credit demand picking up. India, for example, is the second fastest growing economy in Asia but our credit-GDP ratio is the second lowest in Asia. Non-bank sources of credit and internal savings have kept bank credit growth low. But all this means that there will be a sharp catch up as soon as these sources are exhausted. Our credit demand will see rapid expansion because of the investment needs of infrastructure, the 'catch up' of the manufacturing sector, and most importantly, because of the credit demand that financial inclusion will bring.

Basel III requires capital buffers to be built. Buffers provide insurance against bad times but they also raise lending costs and may reduce overall lending. Moreover, counter-cyclical buffers require judgements to be made on the trajectory of the business cycle and on identification of the inflexion point. Wrong judgements can entail huge costs in terms of foregone growth. The challenge for EMEs will be to contend with the challenge of implementing Basel III, and at the same time ensuring that the hugely expanding credit demand is met at affordable cost.

Finally, let me address the question of - How emerging economies can best cope with volatile capital flows? Can macroprudential policies be effective?

A clear outcome of the multi-speed recovery has been resumption of capital flows to emerging economies.

In order to restore financial stability, advanced economies have assured markets that they will maintain low interest rates over an extended period. And in order to manage expectations, they have repeatedly emphasised that intention.

On the other hand, because of their earlier recovery, EMEs have begun to reverse their crisis-triggered expansionary policies much sooner. In India, for example, because of our unique growth-inflation dynamics, we raised policy interest rates five times since March 2010. One of the issues that dominate public discourse in India is, in fact, whether the Reserve Bank has reached neutral levels of policy rates, whatever they may be.

The interest rate differentials between advanced economies and EMEs have naturally triggered capital flows into EMEs putting upward pressure on their currencies and complicating their macroeconomic management. Quite understandably, EMEs are perturbed. Ideally, EMEs want stable capital flows, and just about enough flows to meet their current account deficits. That remains just that – an ideal. In fact, I have since formulated a law of capital flows which says that 'capital flows never come in at the exact time or in the precise quantity you want'.

To manage capital flows, EMEs don't have easy options. It is possible, although not terribly efficient, to cherry-pick the type of flows. Capital controls can be gamed or circumvented. Also stop-go policies send wrong signals to potential investors. Despite all this, different EMEs have tried, and will continue to try out, capital controls of both price and quantity varieties.

In India, we have had our share of concerns on managing the capital account. During 2007-08, the year before the crisis, we had flows largely in excess of our current account deficit (CAD). In the crisis year of 2008-09, flows were far short of the CAD. Last year, 2009-10 we were on a sweet spot, capital flows were just a tad higher than the CAD. Such sweet spots, of course, are uncommon.

During the current year, 2010-11, we saw some outflows during the spring when the unfolding Greek drama triggered a flight to safety. But over the last few months, we have seen rapid inflows no doubt triggered by the promise of higher short-term returns.

And so, we are back to facing the usual dilemma of managing the impossible trinity. Two considerations have guided our policy. First that, our policy should be as stable as possible without flip-flop moves. Second, our use of controls should be prudent.

The aftermath of the crisis has triggered a debate on the costs of building up reserves as a self-insurance. We have to acknowledge that their foreign exchange reserves have insulated EMEs from the worst impact of the crisis. There is an argument that a multilateral option of a pre-arranged line of credit that can be easily and quickly accessed can be a substitute for costly self-insurance. Such a multilateral option is necessary but not sufficient. EMEs need a Plan B and reserves are that Plan B. And a good Plan B is often the difference between the success and failure of Plan A.

Furthermore, in evaluating the level of reserves and the quantum of self-insurance of a country, it is important to distinguish between countries whose reserves are a consequence of current account surpluses and countries with current account deficits whose reserves are a result of capital inflows in excess of their economy's absorptive capacity.

India falls in the latter category. Our reserves comprise essentially borrowed resources, and we are, therefore, more vulnerable to sudden stops and reversals as compared with countries with current account surpluses.

In recent months, when inflows have swamped most EMEs, several central banks have intervened in the forex markets. We haven't despite receiving more portfolio inflows last month (September 2010) than in any other single month on record. The reason why we did not feel the need to intervene is because our absorption, driven by a widening current account deficit as imports have surged on the back of a positive outlook on growth and investment, has also increased. Economies that have current account surpluses or only small deficits have intervened. That does not mean we won't intervene. If the inflows are lumpy and volatile or if they disrupt the macroeconomic situation, we will do so. Our intervention will be to keep liquidity conditions consistent with activity in the real economy and to maintain financial stability. And not to stand against developments driven by changing economic fundamentals.

Will we use macro-prudential instruments? We already do and will continue to use them. But the operative word here is prudential. Just recently we tightened rules for bank lending against stocks. Our motivation was strictly the maintenance of financial stability.

Let me end, by making a pitch for monetary policy taking financial stability seriously. I know that there are many who continue to believe that monetary policy should be guided by a single objective, namely keeping goods inflation stable. I think the world paid a heavy price for doing so. It was this orthodoxy that prevented many central banks from seeing what else was happening in their financial markets which, in turn, brewed the global crisis.

In India, and in several EMEs, financial stability had been and has become increasingly important as an objective of monetary policy. And I am not talking just about asset price inflation, although it is a key consideration. In my view, it is this heterodoxy that helped EMEs avoid the kind of widespread disruption many developed financial markets suffered in the September crisis. I may be wrong, but the economics profession owes itself to examine the question seriously.

*Frontier Issues on the Global Agenda: Need for Global Co-operation**

D. Subbarao

First of all, my thanks to the organisers of this conference – ICRIER, the German Development Institute (DIE) and InWent – for inviting me to inaugurate this conference on: 'Policies for Growth and Financial Stability Beyond the Crisis - the Scope for Global Co-operation'. Having just returned from a meeting of G-20 Finance Ministers and Central Bank Governors in Korea over this weekend, I am deeply sensitive to the value of generating a wider debate on issues that the world has to grapple with as we emerge out of the crisis.

2. The focus of this conference on global co-operation is particularly relevant. Everyone now has her/his list of lessons of the crisis, and one item common on almost every list is the lesson that today's macroeconomic problems cannot be resolved without global co-operation. The crisis has taught us that no country can be an island and that economic and financial disruptions anywhere cause ripples, if not waves, everywhere. The crisis also taught us that given the deepening integration of countries into the global economic and financial system, unco-ordinated responses will lead to worse outcomes for everyone.

3. When the history of this crisis is written, the London G-20 Summit in April 2009 will be seen as a clear turning point when the leaders of the world showed extraordinary determination and unity of purpose in combating the deepest economic crisis of our generation. Sure there were differences, but they were debated and discussed and compromises were made without eroding the end goal – that is to end the crisis.

* Inaugural Address by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India at the ICRIER/InWent/DIE Conference on 'Policies for Growth and Financial Stability Beyond the Crisis - The Scope for Global Co-operation' in Mumbai on October 27, 2010.

4. The priority task today is to calibrate the exit from the crisis-driven accommodative policies and put the world on a sustainable growth path. Global co-operation is as vital for managing this recovery as it was for managing the crisis. There is a growing apprehension though that the vaunted unity that the G-20 had shown during the crisis is dissipating and that its resolve to foster globally optimal solutions is weakening. When all the details are distilled out, two main worries emerge: first, that countries are not able to resolve their conflicts of interest, and second, that at the world level we are bogged down by the tyranny of the present and are not able to resolve the balance between medium term sustainability and short-term compulsions.

5. These concerns are valid, but the judgement on G-20 is perhaps harsh. The global problems we are facing today are complex and not amenable to easy solutions. Many of them require significant and often painful adjustments at the national level, and in a world divided by nation-states, there is no natural constituency for the global economy. At the same time, the global crisis has shown that the global economy as an entity is more important than ever. We cannot afford a situation where decisions essential for global prosperity become hostage to domestic concerns.

6. Against this background, and keeping in view the vast sweep of this conference theme, what I propose to do in this inaugural address is to highlight the frontier issues on the present day global agenda and emphasise how we cannot resolve them without global co-operation.

Multi-speed Recovery

7. By all accounts, the world has recovered from the financial meltdown and the follow-on recession much sooner than we had feared at the depth of the crisis. In its latest World Economic Outlook (WEO – October 2010), the IMF projected global growth for 2010 of 4.8 per cent; this marks a surprising upward revision from its earlier projection of 4.6 per cent. This remarkable turnaround in outlook masks some significant geographical variations in the recovery process. Emerging market economies (EMEs), contributing nearly half of this growth, have clearly been the engine of this recovery. World trade which shrank by 11 per cent in 2009, is projected to expand by 11.4 per cent in 2010, again powered by import demand of EMEs which is rising twice as fast as that of advanced economies.

8. On the other hand, in advanced economies, there are growing concerns about the slowing momentum of recovery, stubbornly high rates of unemployment and persistent output gaps. Although specifics vary, the G-3 – America, Europe and Japan – are caught in fierce policy debates on stimulus and exit strategies. At the heart of this debate are two issues that pit the short-term against the medium-term: first, whether additional fiscal stimulus at this stage will jeopardise medium-term fiscal sustainability; and second, whether continued expansionary monetary stance – QE2 in popular jargon – will be an adequate substitute for the waning fiscal stimulus, and what implications the ultra-loose monetary policy may have for medium-term inflation trends.

9. A question often asked is whether EMEs will be able to sustain global growth even if

advanced economies continue to languish. People who put this question, I believe, are doing so as a rhetoric – to encourage analytical thinking rather than to solicit an affirmative answer. Sure, multiple growth poles are a safety-net for the whole world, but to expect EMEs, by themselves, to lift global growth will be unrealistic. Note that emerging and developing countries account for less than half of world GDP even when measured at PPP valuations, and only about a third of the world trade in goods and services. Notably, the much hyped 'decoupling' does not stand to strict scrutiny. On the contrary, there is evidence of powerful coupling. Recent research within IMF shows that the detrended aggregate output growth of EMEs has strong association with the aggregate output growth of advanced economies and this 'association' has in fact increased over time, evidencing not only that the coupling is strong but that it is getting stronger. Sure, in recent years, EMEs have been less affected by recessions in advanced economies owing to improved policy framework and more effective macroeconomic management. But over an entire cycle, the economic prospects of EMEs remain firmly coupled with those of advanced economies.

Global Adjustments – Short Term and Medium Term

10. All members of the G-20 are deeply conscious that purely national solutions do not solve global problems and that they each need to make an adjustment to the post-crisis global realities. It is in calibrating the exit in the short-term and sequencing the structural reforms in the medium-term that the differences arise, and that is where global co-operation is most vital.

11. The post-crisis global scenario has thrown up three interrelated issues. The first is the need for rebalancing across and within economies. In as much as global imbalances – no matter whether they were caused by 'a consumption binge' in advanced economies or a 'savings glut' in EMEs – were one of the root causes of the crisis, reducing imbalances is a necessary condition for global financial stability. A second issue is the role of exchange rates in redressing external imbalances. A third set of questions relates to capital flows into EMEs raising the familiar challenge of managing the impossible trinity. Let me turn to these one by one.

12. The first issue, rebalancing, is the focus of the latest (October 2010) World Economic Outlook of the IMF. I can do no better than to quote from the foreword to the Report.

"Achieving a 'strong, balanced and sustained world recovery' – to quote from the goal set in Pittsburgh by the G20 – was never going to be easy. .... It requires two fundamental and difficult economic rebalancing acts.

First, internal rebalancing: When private demand collapsed, fiscal stimulus helped alleviate the fall in output. But fiscal stimulus has to eventually give way to fiscal consolidation, and private demand must be strong enough to take the lead and sustain growth.

Second, external rebalancing: Many advanced economies, most notably the United States, which relied excessively on domestic demand, must now rely more on net exports. Many emerging market economies, most notably China, which relied excessively on net exports, must now rely more on domestic demand.

These two rebalancing acts are taking place too slowly."

13. A prime lever for redressal of external imbalances is exchange rate flexibility, the second issue that I listed. Rebalancing will require deficit economies to save more and consume less. They need to depend for growth more on external demand which calls for a real depreciation of their currencies. The surplus economies will need to mirror these efforts – save less and spend more, and shift from external to domestic demand. They need to let their currencies appreciate. Managing currency tensions will require a shared understanding on keeping exchange rates aligned to economic fundamentals, and an agreement that currency interventions should be resorted to not as an instrument of trade policy but only to manage disruptions to macroeconomic stability.

14. That brings me to the third issue that I listed, return of lumpy and volatile capital flows. Since capital flows have become such an emotive topic around the world in recent months, it is important perhaps to recall a few realities. First, that emerging and developing economies do need capital flows to augment their investible resources, but such flows should meet two criteria: they should be stable and be roughly equal to the economy's absorptive capacity. The second reality that we must remember is that capital flows are triggered by both pull and push factors. The pull factors are the promising growth prospects of EMEs, their declining trend rates of inflation, capital account liberalisation and improved governance. The push factors are the easy monetary policies of advanced economies which create the capital that flows into the EMEs. What this says is that international capital flows comprise a structural component and a cyclical component. It is the cyclical component that typically causes all the adjustment problems for EMEs.

15. That said, the multi-speed recovery around the world and the consequent differential exit from accommodative monetary policy has triggered speculative capital flows into EMEs. The biggest problem thrown up by capital flows is currency appreciation which erodes export competitiveness. Intervention in the forex market to prevent appreciation entails costs. If the resultant liquidity is left unsterilised, it fuels inflationary pressures. If the resultant liquidity is sterilised, it puts upward pressure on interest rates which, apart from hurting competitiveness, also encourages further flows.

16. Currency appreciation is not the only problem arising from the ultra-loose monetary policy of advanced economies. Speculative flows on the lookout for quick returns can potentially lead to asset price build-up. The assurance of advanced economies to keep interest rates 'exceptionally low' for 'an extended period' has also possibly triggered financialisation of commodities leading to a paradoxical situation of hardening of commodity prices even as advanced economies continue to face demand recession. Hardening of commodity prices has affected those EMEs which are net importers of commodities.

17. Managing capital flows should not be treated as an exclusive problem of EMEs.

In as much as lumpy and volatile flows are a spillover from policy choices of advanced economies, the burden of adjustment has to be shared. How this burden has to be measured and shared raises both intellectual and practical policy challenges. The intellectual challenge is that we do not have a good theory that explains the role of capital flows in the determination of exchange rates. We, of course, have an established theory of current account management and the role of exchange rate as a variable in that. What we now need is a theory that encompasses both current and capital accounts and one that gives a better understanding of what capital controls work and in what situations. That is the intellectual challenge. What is the practical challenge? The practical challenge is that once we have such a theory, we need to reach a shared understanding on two specific aspects: first, to what extent are advanced economies responsible for the cross-border spillover impact of their domestic policies, and second, what is the framework of rules that should govern currency interventions in the face of volatile capital flows.

Protectionism

18. In the post-crisis world, there may not actually be 'deglobalisation' but the earlier orthodoxy that globalisation is an unmixed blessing is being increasingly challenged. The rationale behind globalisation was, and hopefully is, that even as advanced countries may see some low-end jobs being outsourced, they will still benefit from globalisation because for every low-end job gone, another high-end job – that is more skill-intensive, more productive – will be created. If this does not happen rapidly enough or visibly enough, protectionist pressures will arise, and rapidly become vociferous and politically compelling. The efforts of several countries around the world to resist currency appreciation are a manifestation of protectionist pressures.

19. There is concern in some quarters that while open protectionism has been resisted relatively well during the current crisis, opaque protectionism has been on the rise. Opaque protectionism takes the form of resorting to measures such as anti-dumping actions, safeguards, preferential treatment of domestic firms in bailout packages and discriminatory procurement practices. Experience shows that countries resort to restrictive trade practices in areas not covered by multilateral rules or by exploiting the lack of specificity in certain rules. To strengthen multilateral trade discipline, the need for a quick conclusion of the Doha Round can hardly be overemphasised. In a world with growing worries about the debt-creating stimulus packages, a Doha Round agreement should be welcomed as a non-debt creating stimulus to the global economy.

International Monetary System

20. The global crisis has revived the familiar concerns about the robustness of the international monetary system. The system we now have is that the US dollar is the world's reserve currency by virtue of the dominant size of the US economy, its share in global trade, the preponderant use of dollar in foreign trade and foreign exchange transactions and a host of other intangible factors. The US has met the obligation of

an issuer of reserve currency by running fiscal and external deficits while enjoying the comfort of not having to make the necessary adjustment to bridge the deficits. Such persistent deficits of a dominant economy can potentially create imbalances at the global level as indeed happened in the build-up to the crisis. While the US took care of the supply side of the reserves, the demand side impetus comes from several factors including the accumulation of reserve assets by EMEs as a measure of self-insurance against external shocks.

21. The problem with the world having only a single reserve currency came to the fore during the crisis as many countries faced dollar liquidity problems as a consequence of swift deleveraging by foreign creditors and foreign investors. Paradoxically, even as the US economy was in a downturn, the dollar strengthened as a result of flight to safety.

22. Based on the experience of the crisis, several reform proposals have been put forward to address the problems arising from a single reserve currency. One is to have a menu of alternative reserve currencies. But this cannot happen by fiat. An alternative currency or currencies will take root as reserve currency/currencies only if those currencies are fully convertible and acquire a dominant share in world trade. A second option is to develop the SDR as a reserve currency. This does not seem to be a feasible option. For the SDR to be a genuine reserve currency, it has to fulfil several conditions: the SDR has to be accepted as a liability of the IMF, has to be automatically acceptable as a medium of payment in cross-border transactions, be freely tradeable and its price has to be determined by forces of demand and supply. A third suggested solution aims at reducing the need for self-insurance and thereby the dependence on a reserve currency by supporting a multilateral option of a prearranged line of credit that can be easily and quickly accessed. Such a multilateral option is necessary as a complement to self-insurance but it cannot be a substitute; some measure of self-insurance will continue to be the first line of defence.

23. None of the above solutions, as you can see, fully addresses the problems arising from a single global reserve currency. What this underscores is that at the global level we need to explore these and other options for protecting ourselves from the vulnerabilities that we confront as a consequence of a single reserve currency.

Governance of Bretton Woods Institutions

24. The global crisis has underscored the importance of reforming the governance structures of Bretton Woods institutions – the IMF and the World Bank, so as to give representation to EMEs commensurate with their growing share in the global economy. These reforms are central to the legitimacy and effectiveness of these global institutions. There has been significant progress in respect of World Bank capital and voice reforms. Quota reform in the IMF is also expected to be completed soon. Countries which have not been traditional creditors, including India, have entered into sizeable credit arrangements with the Fund. This strengthens the case for quota shifts in their favour as a group, and in particular to

dynamic Emerging Market Developing Countries (EMDCs), to better reflect current global economic realities. These shifts need to be followed up by continuing the dynamic process aimed at enhancing the voice and representation of the poorest through a comprehensive review of the quota formula by July 2013. Here, the need for co-operation among countries will be crucial.

Financial Sector Reforms

25. In September 2010, the Basel Committee on Banking Supervision (BCBS) put out a comprehensive paper indicating the broad agreement reached on the Basel III proposals. Broadly, these reforms will require banks to hold more and better quality capital and to carry more liquid assets, will limit their leverage and mandate them to build up capital buffers in good times that can be drawn down in periods of stress. The Basel III process is not yet complete. Some aspects of Basel III, such as common equity and tier I capital have been firmed up; others such as the new global liquidity standards and the leverage ratio have yet to be precisely specified. This will be done after a further assessment of the reasonableness of these measures and their impact on banks' balance sheets as well as the national economies. Though this would allow time for further calibration and refinement, it could on the other hand contribute to regulatory uncertainty. Moreover, there are several issues such as capital conservation buffer and countercyclical buffer which are fraught with severe definitional and implementation complexities and challenges.

26. Another crisis-driven initiative has been to expand the erstwhile Financial Stability Forum into a Financial Stability Board (FSB) by giving representation to EMEs. The FSB has been working on a number of initiatives including managing the moral hazard associated with systemically important financial institutions (SIFIs) through more stringent regulatory and supervisory norms, principles to guide compensation of bank managements, a single set of accounting standards and regulation of OTC derivatives, credit rating agencies and hedge funds. There are also several areas where substantial work needs to be done including in improving resolution regimes for cross-border banks and systemically important non-bank financial companies, addressing the procyclicality of the financial system, and macro-prudential surveillance. More work also needs to be done to extend the prudential norms on the lines of Basel III to the shadow financial system which lay at the heart of the recent financial crisis.

27. Within a common set of agreed-upon global standards, each jurisdiction may have to tailor some of its rules and supervisory practices to national conditions and preferences. The big challenge going forward will be to implement global standards with national differentiation but without giving any scope for the market to interpret national deviations from the standards as regulatory looseness.

Conclusion

28. Let me now summarise. In my remarks today, I covered what I believe are the frontier issues on the present day global agenda. In particular, I gave a picture of the multi-speed recovery and its implications

for global adjustments in the short term and in the medium term. These adjustments need to cover three inter-related issues: redressing imbalances, exchange rate flexibility and management of capital flows. I emphasised how global co-operation is vital to reach a shared understanding on all the three issues. I then raised the possibility of a post-crisis world which will be less welcoming of globalisation and how this may trigger protectionist pressures. I moved on to emphasise how global co-operation is vital for reforming the international monetary system and the need for a comprehensive quota and representation reform in the Bretton Woods Institutions commensurate with the growing contribution of EMEs to global growth and global trade. Finally, I gave a brief status of the reforms in the financial sector, and how again restoring financial stability at the national and international levels requires global co-operation.

29. The common thread running through all the issues that I raised is the need for global co-operation in solving our most pressing problems of today. Given the strength and pace of globalisation, purely national solutions are not only inadequate but may indeed be counterproductive.

30. I realise I have raised several issues without providing complete solutions. I believe that is the privilege of the inaugural speaker. The burden of identifying solutions and debating their pros and cons belongs to the conference proper.

31. The global crisis has taken a devastating toll on global growth and welfare. In their painstakingly researched book, '*This Time is Different: Eight Centuries of Financial Folly*', Kenneth Rogoff and Carmen Reinhart show how over eight hundred years, all financial crises can be traced to the same fundamental causes as if we learnt nothing from one crisis to the next. Each time, experts have chimed that 'this time is different' claiming that the old rules do not apply and the new situation is dissimilar to the previous one. It will be too costly for the world not to heed this lesson. We should co-operate not only to firmly exit from the crisis, but also to ensure that in resolving this crisis, we do not sow the seeds of the next crisis.

*Managing the Growth-Inflation Balance in India: Current Considerations and Long-term Perspectives**

Subir Gokarn

Introduction

I would like to thank the Private Equity International India Forum for inviting me to deliver this Keynote Address. I believe that channels of finance like venture capital will play an increasingly significant role in India. Sustaining the current growth momentum over a long period of time will clearly depend heavily on the ability of new business ideas to first, find start-up funding and then, grow to scales at which traditional funding sources can be accessed. Historically, this role was played in the Indian economy by the Development Finance Institutions. In the current and future scenario, the function has shifted to companies like the ones represented at this forum, whose business model depends on successful navigation of the start-up to listing phase of the businesses that they finance. In turn, the likelihood of success depends on a stable and predictable macroeconomic environment.

The long-term growth prospects of the Indian economy provide an enormously attractive investment environment for a range of businesses and, consequently, for the people who would finance them. However, as attractive as the opportunity may seem, the assessment would not be complete without a full understanding of the risks. In my address this morning, I will focus on the risk of macroeconomic instability, with particular emphasis on the issue of inflation: what drives it and whether it threatens to get out of control. An unavoidable consequence of runaway inflation, however, we define it, is that drastic action by the central bank and also by the government is needed to rein it in, which is bound to disrupt the growth

* Keynote Address by Dr. Subir Gokarn, Deputy Governor, Reserve Bank of India on October 5, 2010 at The Private Equity International India Forum. The inputs of Sitikantha Pattanaik, Bhupal Singh and Sangita Misra in preparation of this address are gratefully acknowledged.

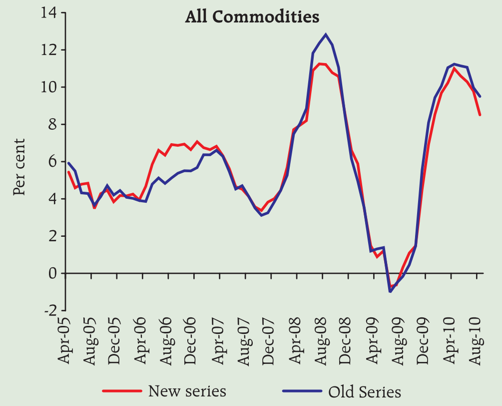
process. The challenge, therefore, is to keep inflation in check over long periods of time, allowing the economy to grow at its potential rate with minimal disruptions and deviations. This is the best way in which the macroeconomic environment can contribute to a positive business climate.

I will begin by discussing the current inflationary scenario in India, which, as we have been saying in our recent assessments, is not very reassuring. I will then place this scenario in a broad historical context, with the intention of demonstrating that India has a good record of reining inflation in, regardless of what has driven it. The structure of the domestic economy and the financial system may have changed and the global context may be different, but the effectiveness of inflation control over the decades has not diminished.

The Current Scenario

As you well know, the predominant policy concern in the Indian economy as recently as one year ago was the significant slowdown in growth in the wake of the financial crisis in the advanced economies. As Chart 1 shows, the inflation rate, which was briefly negative in the middle of 2009, began to accelerate rapidly later in the year. This upward momentum continued into the first half of 2010, with double-digit inflation persisting for a few months. The rapidity of the transition was surprising, given the fact that the recovery in growth was just getting under way and, importantly, the global situation was still very uncertain. However, as Charts 2 and 3 indicate, the reason for the sharp increase was that all the possible drivers of inflation were

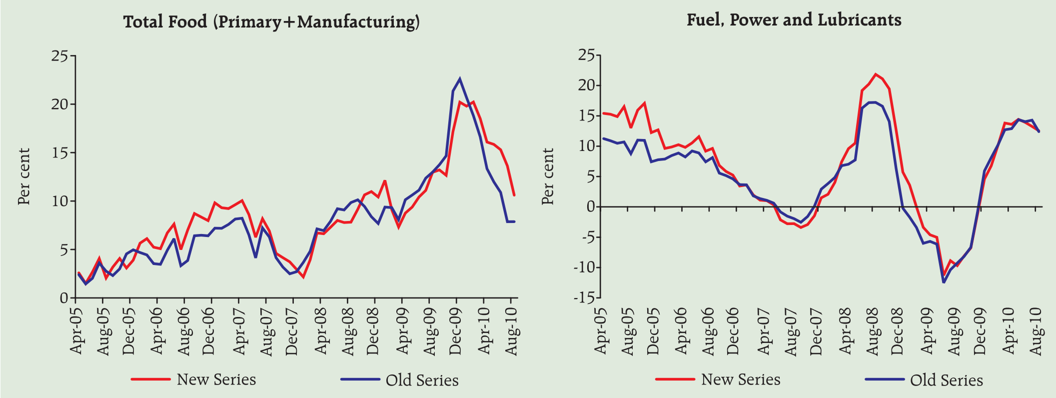
Chart 1: Recent Inflation Dynamics



simultaneously contributing. Each one by itself may not have resulted in the outcome that we saw, but all three working together resulted in a rather sharp acceleration. Chart 2 displays the pattern of supply-side pressures, as manifested in the food and fuel components of the Wholesale Price Index. Food prices rose sharply because the monsoon of 2009 was deficient in most parts of the country, impacting agricultural production. However, there are, I believe, longer term forces at work on food prices, which are a matter of concern. I shall address these later on in the speech. Fuel prices also rose as the prospects of a global recovery improved and, particularly, the Emerging Market Economies (EMEs) actually saw a sharp acceleration in growth.

However, what was most significant from the monetary policy perspective was the growing visibility of demand-side pressures. Chart 3 tracks the price dynamics of the manufacturing sector – overall and without the food processing component. The latter has been used by many analysts as a reasonable proxy of demand-side inflation, which is the phenomenon that

Chart 2: Supply-side Pressures



monetary policy can and should influence. Both graphs in the chart and, particularly the one displaying non-food manufacturing inflation, show a tremendous acceleration from a significantly negative rate of inflation during 2009 to reach rather worrisome levels by the middle of 2010.

Chart 4 compares the relative contributions of the supply and demand drivers. The graph shows quite clearly that food and fuel prices, reflecting supply-side forces and the prices of manufactured goods, reflecting demand-side ones, all contributed significantly to the recent rise in inflation. If we look back a little at the inflationary surge immediately preceding the crisis, we can see that the pattern is quite similar. This leads me to a broader point about the drivers of inflation in India. Whenever we see worryingly high levels of inflation, both supply and demand pressures seem to be at work.

The final point in the discussion on the current scenario is with reference to

Chart 3: Demand-side Pressures

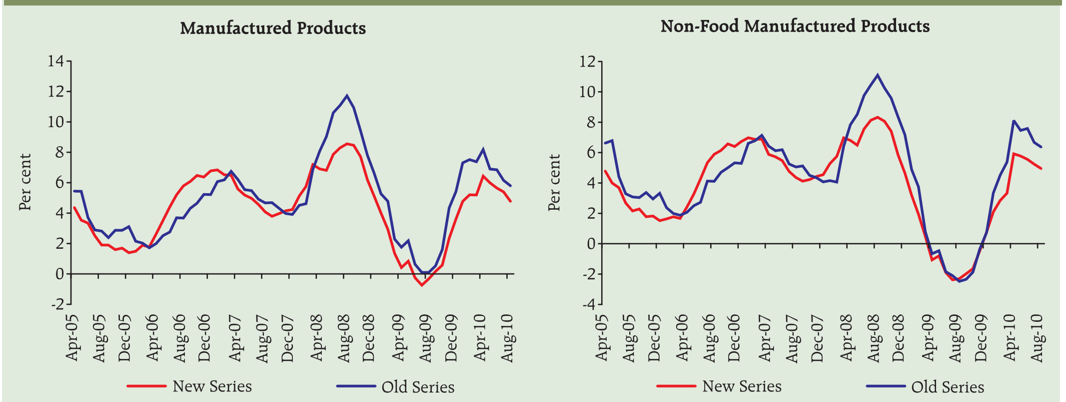
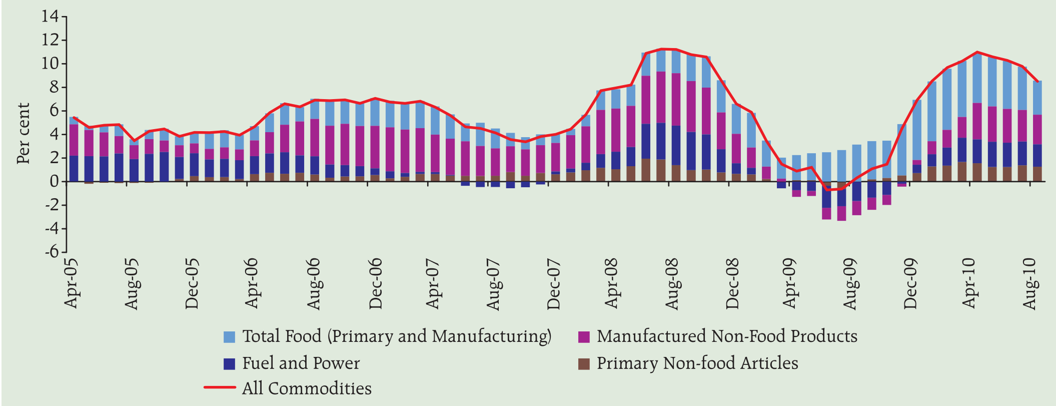
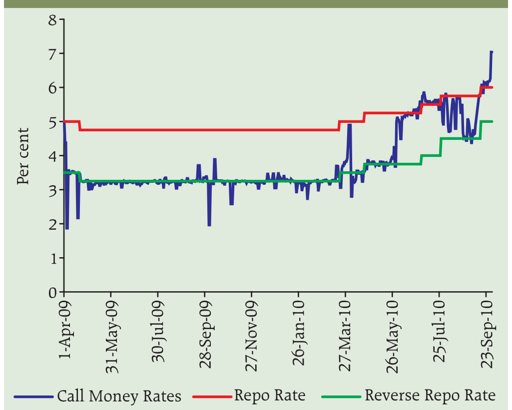


Chart 4: Drivers of Recent Inflation



monetary policy responses. Chart 5 displays the movement of the overnight call money rate, which reflects the combined actions taken by the Reserve Bank on policy rates and liquidity. To place the recent policy actions in perspective, we must remember that the response to the crisis involved an enormous reduction in both policy rates and the cash reserve ratio in late 2008 and early 2009. Along with this, a number of *ad hoc* measures were also taken. As the crisis abated, even if inflationary pressures had not manifested as they did, the need to exit

Chart 5: Monetary Policy Response



from the crisis management stance would have motivated some actions on rates and liquidity – of course, at a pace that would not derail the still-incipient recovery.

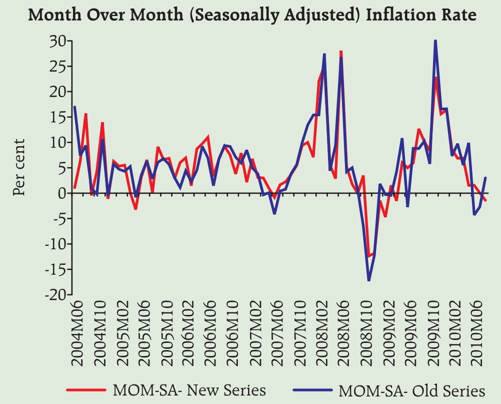
This process began in October 2009, with the withdrawal of most of the *ad hoc* measures, but gained momentum in January 2010, with an increase in the cash reserve ratio and, further, in March 2010, with the first of a series of rate hikes. The pace and sequencing of actions was, as we articulated in our various assessments, determined by the need to balance a number of potentially conflicting factors. First, we needed to address the rapidly mounting demand-side inflationary pressures while ensuring that the recovery was not cut short by a surge in interest rates. Second, while the domestic economy was doing well, the global environment remained uncertain, with a number of new stress points emerging periodically.

Third, apart from everything else, it was imperative that we normalise the monetary policy stance from where it had moved during the crisis management phase.

Not doing so would have put us in the situation of being unable to respond to another negative shock, were it to materialise. In sum, our policy actions over the past several months were motivated by the twin objectives of sustaining the recovery while reining in inflation and normalising the policy stance as quickly as possible. In our mid-quarter assessment last month, we indicated that the normalisation process is now close to being complete and that further actions on rates and liquidity will be driven more significantly by what the growth and inflation numbers tell us, both domestically and globally.

Of course, the proof of the pudding is in the eating. Do we believe that our actions are having the desired effect? On the growth front, while there is a certain amount of volatility visible in industrial production, by and large, there is no significant indication of the recovery stalling. On the inflation front, as was visible in the charts that I showed earlier, there are distinct signs of a deceleration of inflation over the past couple of months. The turnaround coincides with our expectation that inflation begins to respond to monetary actions after a six month lag. To examine this more closely, we look at the Seasonally Adjusted Month-on-Month rates of inflation, which give a sense of the momentum of inflation. Chart 6 displays the pattern of this indicator. It clearly suggests that the momentum is currently negative. While the turning point on the overall index is early in 2010, the sharp deceleration in recent months may reflect the impact of monetary actions and gives us confidence that the inflation rate will moderate significantly by the end of the fiscal year 2010-11.

Chart 6: Inflation Momentum



I would like to conclude this discussion by emphasising the point that the current episode of inflation posed a significant challenge to policymakers by virtue of its timing. Monetary policy responses had to be calibrated to the needs of dealing with inflation while sustaining a growth recovery in a still-uncertain global environment. The choices on the magnitude, sequencing and timing of actions were driven by the need to find a balance between these factors.

Long-term Perspectives

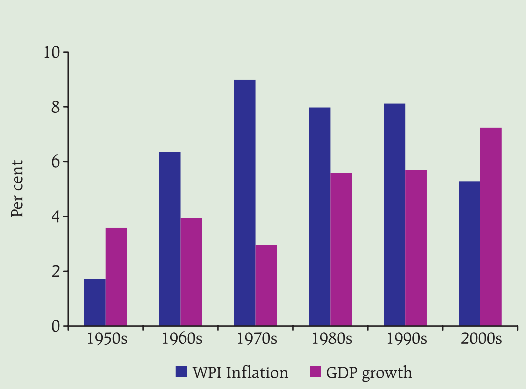
Let me now take a longer term view of the growth-inflation balance in the Indian economy. To begin with, we do have a fairly explicit statement of what we see as a desirable rate of inflation, consistent with the economy growing at its potential rate on a sustained basis. Our policy reviews say that we would like inflation to be in the 4-4.5 per cent range in the medium-term, while aspiring for a 3 per cent rate in the long-term. This might sound a little unrealistic in the current scenario, but in order to both justify the aspiration itself as well as assess its realism we need to look at the historical record of inflation management in the Indian economy.

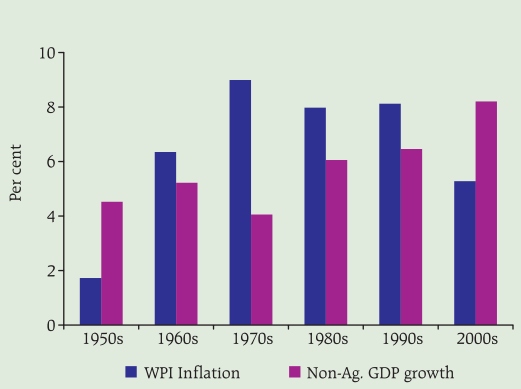
Chart 7 provides a very revealing picture of how the growth-inflation balance has shifted in the Indian economy. The first graph, relating decadal averages of growth and inflation over the past several decades clearly indicates that a steady upward movement in the growth rate has been accompanied by a steady downward movement in the inflation rate. The contrast is even more striking when we remove the agricultural sector, which is the slowest growing among the three – Agriculture, Industry and Services – over long periods of time, from the growth calculations. These patterns clearly suggest that there is no long-term trade-off between growth and inflation; if anything, accelerating growth is accompanied by decelerating inflation.

This may appear to be an obvious conclusion. The textbook treatment of the growth–inflation trade-off sees it as an essentially short-run phenomenon, with the quantum of resources and capacity in the economy being fixed. However, the reason I specifically mention this point is that in the wake of recent assessments that the Indian economy is poised to significantly increase its growth rate, many people have asked me whether this will be accompanied by an inflationary surge. My answer to this is precisely with reference to the distinction between the short-run and the long-run relationship between growth and inflation. In the short-run, with capacities fixed, a surge in growth can cause the economy to overheat, thus stoking inflationary pressures. This is the bread-and-butter issue of monetary policy, the effectiveness of which must be judged by its ability to keep the economy growing at a rate just short of overheating, thereby keeping inflation in check.

In the long-run, capacities are not fixed. Acceleration in growth over long periods of time occurs in part because investment activity, which itself contributes to growth, leads to an increase in capacity. This pushes up the potential growth rate of the economy, i.e., the rate at which it can grow

Chart 7: Growth-Inflation Balance





without causing overheating. Looking back over the growth performance of the Indian economy, it is quite evident that the acceleration of growth from the 5-6 per cent range to the 8-9 per cent range was accomplished by a massive increase in investment. As Chart 8 indicates, the Investment-GDP ratio rose quite sharply over the decades. Even the relatively high number of 30.5 per cent during the last decade masks the sharp surge in this ratio towards the middle of the decade, which saw it rise above 35 per cent. At that rate of investment, the capacity of the economy to increase output is growing quite rapidly and its ability to meet the requirements of a growing and increasingly affluent population is clearly expanding.

In short, the secret to accelerating growth while still being able to keep inflation in check over long periods of time is in the speed and efficiency of the supply response. As long as the growth in supply keeps pace or even exceeds the growth in demand, inflationary pressures do not sustain. Supply can be expanded by enhancing domestic capacity, which the Indian economy has clearly done, or by tapping into global sources, which the significant liberalisation in trade policy, particularly since the early 1990s, also enabled.

However, while this combination of domestic and global supply responses has helped to steadily bring the inflation rate down, the Indian economy has always been vulnerable to inflation shocks, which have caused uncomfortable spurts in prices across the board. Chart 9 identifies some major shocks to the system, all of which required strong policy responses. As is evident from the graph, the vulnerability of the Indian economy to supply shocks on the food and energy fronts is persistent. There have also been periods in which a significant fiscal expansion accompanied by an accommodating monetary stance – i.e., demand-side pressures – raised the inflation rate significantly. Sharp depreciation of the rupee in the midst of an oil shock has also played a role on one occasion. While the demand-driven inflation shocks can be avoided by prudent monetary and fiscal policies, the

Chart 8: Investment Rate

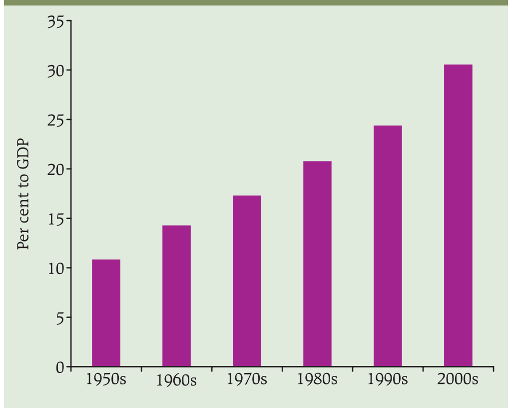


Chart 9: Major Sources of High Inflation

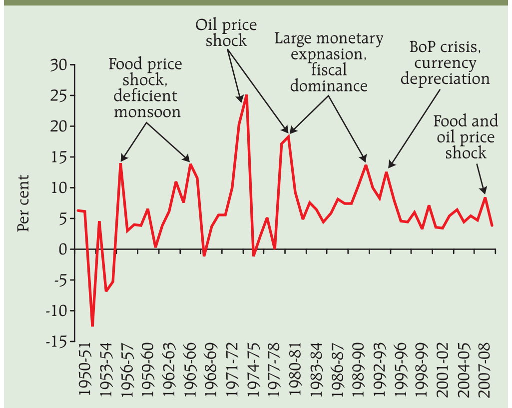
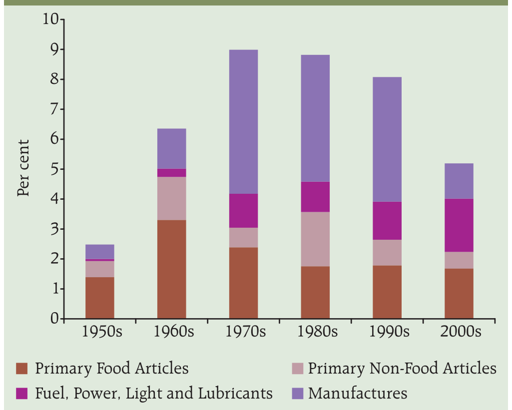


Chart 10: Sources of Inflation



vulnerability to supply shocks in the form of a failed monsoon or a surge in oil prices will obviously remain.

Charts 10-12 display some of the characteristics of the transformation of the inflation scenario in India. On Chart 10, we see how the relative contributions to inflation have changed over the decades. Food has been a steady source of inflation over the entire period. Energy became a significant factor during the 1970s, following the first oil shock of 1973. It has persisted in its contribution since then. Adding up the

Chart 11: Monetary and Fiscal Drivers

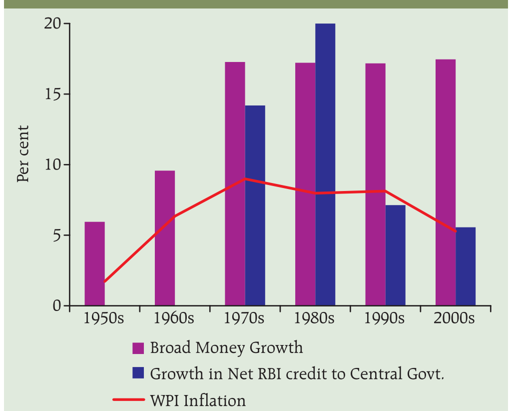
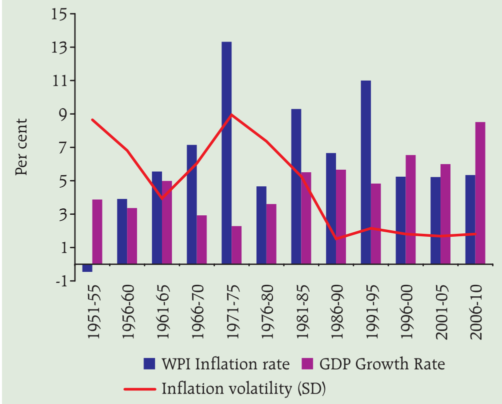


Chart 12: Inflation Volatility



two provides the overall contribution of supply-side factors, which, as the graph suggests, have persisted in one form or another through the entire period. Looking ahead, it would be reasonable to argue that these pressures are likely to persist, as a result of both global and domestic imbalances between demand and supply.

On the energy front, one of the fundamental drivers of high oil prices is increasing demand in EMEs whose rising affluence is resulting in very rapid growth of energy-intensive activities. As relatively low-cost reserves of fossil fuels are exhausted, rising global demand is being met by exploiting higher cost sources. The cost differential between petroleum and alternative sources makes such sources viable even at their relatively high costs. Steadily rising costs of production, in turn, exert inflationary pressures on the global economy, which hits those economies hardest whose energy intensity is increasing most rapidly. In recent years, the prices of petroleum, as well as other commodities, are perceived to have been further impacted by their emergence as an attractive asset class. However, as significant as the contribution of this factor may have been to price increases, the underlying fundamentals are what will continue to drive prices in the coming years.

As regards food, the pressures in the Indian economy are predominantly domestic. Our Green Revolution in the 1960s raised the production of cereals dramatically, which increased availability and stabilised prices. However, what we are seeing today is the impact of increasing affluence on the demand for a variety of food items that go far beyond cereals. As people become more affluent, their diets diversify. Just as the growing Indian consuming class has stimulated a boom in the demand for consumer durables, vehicles and mobile phones, to give but a few examples, it has also manifested an enormous increase in the demand for various food items beyond cereals. Demand for protein sources – pulses, milk, meat, fish and eggs – has surged as has the appetite for sugar, fruits and vegetables.

In the case of consumer durables, vehicles and mobile phones, the expansion in capacity was enormous and rapid, resulting in the demand being met without prices increasing. In fact, economies of scale and technological advancements actually helped to bring down the prices of many products even as volumes were increasing. The globalisation of the supply chain also contributed significantly, as global capacities were brought into play to meet the rising demand. This combination of forces has certainly not been in play in meeting the rising domestic demand for the food items mentioned above. Supply is predominantly domestic and, for the most part, is unable to respond effectively to the expansion in demand. The inevitable consequence of this is an increase in prices. This is a significant structural driver of inflation in the Indian economy. A good monsoon may provide some relief, while a bad one will aggravate the pressures, but the enduring solution to this problem lies in a rapid and sustained increase in the supply of these items.

Chart 10 also displays the positive impacts of effective supply response. The contribution of manufactured goods to inflationary pressures has declined significantly over the decades. This decline can be attributed to increasing effectiveness of policy reforms in increasing domestic capacities and competition and integrating domestic markets with the global supply chain.

In Chart 11, we look at inflation dynamics from the macroeconomic policy perspective, i.e., monetary and fiscal actions that may have contributed to the rise and fall of the inflation rate. During the 1970s and 1980s, the monetisation of the fiscal deficit, as reflected in the height of the bar showing the growth in net RBI Credit to Government, was clearly a contributor to inflationary pressures in the economy. Government spending boosts demand and if the government faces no effective financial constraints, it can increase spending without limit and, certainly beyond the capacity of a relatively closed economy to meet the demand.

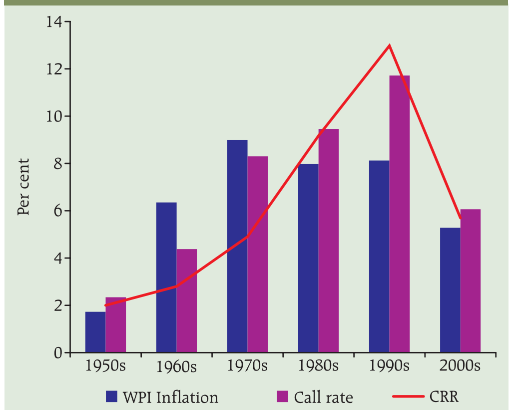
The emergence of an effective constraint on monetisation of the fiscal deficit during the 1990s helped to rein this source of inflationary pressure in. Now, if the Government wants to increase its spending, it has to raise resources from the market, bringing in some realistic cost-benefit calculations, including the fact that the cost of funds for the private sector will also increase. Against this backdrop, the Government's commitment to fiscal prudence in the form of fiscal responsibility legislation is an important contribution to maintain the growth-inflation balance.

It is also striking in Chart 11 that, contrary to popular notions about the link between the growth in money and the inflation rate, the rate of growth of money remained constant even as inflation declined. The reason for this was that the expansion in money was absorbed by the growing volume of transactions that involved money exchange. This absorption mitigated the potentially inflationary impact of money growth.

One important consideration in inflation management is the stability of the inflation rate. Forward-looking transactions build in some expectations about inflation rates over the tenure of the contract. Significant deviations of actual outcomes from expected ones can cause huge losses to one of the transacting parties, thereby acting as a deterrent to what may be growth-enhancing transactions. The more stable the inflation rate, the less these deviations will be. There appears to be an almost universal correlation between the level of the inflation rate and its stability. As Chart 12 shows, this relationship is quite evident in the Indian context. The reduction in the average inflation rate over the years has been accompanied by a sharp reduction in the volatility of that rate. The aspiration of a 'low and stable' inflation rate is a realistic one.

Finally, let me make a few comments on the role of monetary policy in this transition from a relatively high-inflation economy to a relatively low-inflation one. Conventional monetary policy began to apply only during the 1990s, with the freeing up of restrictions and mandatory allocations of credit to various sectors. Genuine markets for both products and credit emerged after the reforms of the early 1990s. As Chart 13 shows, the persistent inflationary conditions during the 1990s were responded to by significant monetary actions in terms of both rates and liquidity management. As the inflation rate trended lower, a process to which the monetary policy actions of the period contributed, the policy stance, in turn, changed to accommodate the new circumstances. In other words, monetary policy has been aimed at keeping inflation under control, which involves tightening when inflation exceeds the comfort level and loosening when it falls below.

Chart 13: Monetary Policy Trajectory



Concluding Remarks

The current inflation scenario is a cause of concern, as the inflation rate persists well above the upper bound of the comfort zone. The fact that these inflationary pressures emerged rather quickly in a situation in which the economy was just beginning to recover from the significant slowdown of 2008-09 made the policy challenge more complicated. The monetary policy response to these pressures has been a calibrated one, seeking a balance between sustaining the recovery and reining in inflation, while being mindful of the risks that still remain in the global environment. Recent data suggest that the approach is working, with the economy set to grow at a reasonably healthy rate during the current year and the inflation rate beginning to decline, including, significantly, in the manufacturing sector, where inflation is seen as being most responsive to monetary actions.

This approach must be viewed in the context of a long-standing policy commitment to maintain a balance between growth and inflation in the short run, while fostering faster growth with lower inflation over long periods of time. The growth pattern of the Indian economy over the past six decades clearly shows that accelerating growth has been accompanied by declining inflation. This is primarily because growth has been driven by expanding capacities across the board as well as, in recent years, by increasing global linkages. Both these factors have helped to achieve a strong supply response to growing demand, thus keeping inflation in check.

This is not to say that the Indian economy is now invulnerable to inflation shocks. Food and energy price shocks have been a regular part of the economic landscape and may continue to be so in the future. Food prices, in particular, are now being driven by some structural imbalances between demand and supply, as increasingly affluent consumers diversify their dietary patterns away from cereals and towards protein sources. This calls for an effort to quickly increase the availability of these items, on which is contingent the longer term outlook for food price inflation.

Over the years, however both fiscal and monetary policy approaches have clearly assimilated the lessons of the past and have moved in a direction which helps contain inflationary pressures even as growth remains robust. Making inflation low and stable was the outcome of a combination of long-term and short-term policies over the past decades. Keeping it there remains the objective, while an appropriate combination of long-term and short-term policies will provide the instrument to achieve it.

I thank the organisers of this event once again for giving me this opportunity and thank you for listening.

*The Price of Protein**

Subir Gokarn

Introduction

It is a great pleasure for me to be speaking at this seminar to celebrate the 75th birthday of Prof. Kirit Parikh. During the time that I spent at IGIDR under his leadership, I had the opportunity to work on a number of issues, on all of which I received enormous support and encouragement from him, which has continued even after first I and then he moved on to other institutions. My years at IGIDR provided me firm foundations in individual and collective research as well as teaching and dissemination, which have served me very well in the activities I have been involved in since then. I would like to thank him for his role as a mentor and belatedly wish him a happy 75th birthday. I am glad that in my current position I can contribute to shaping IGIDR's strategies for the future.

If I was asked to describe Prof. Parikh's approach to research in one sentence, it would be: "Focus on the details, never losing sight of the big picture". The balance between micro and macro, between individual drivers and aggregate outcomes, was visible in a lot of the research that was carried out at the institute during my time here and it is an approach that I have found most useful in applied research. Since I joined the Reserve Bank, several colleagues and I have been trying to understand the dynamics of food prices, which have been a major driver of domestic inflation over the past few years. I thought that this seminar would be an entirely appropriate occasion to present some of our analysis of the micro-

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level price dynamics of specific food items, based on demand-supply fundamentals and then relate this analysis to two very significant 'big picture' issues.

The Context

When we break down recent food inflation into contributions by different items, a striking feature is the role played by key sources of protein. The dominant source of protein in Indian diets is pulses, which, of course, vary quite significantly across regions and, to some extent, between income groups. Milk and milk products also figure quite prominently and then we have Eggs, Meat and Fish. Analysis of dietary patterns in terms of income elasticities suggests that as incomes increase, the share of proteins in representative diets also increases. In other words, as levels of affluence increase, the demand for proteins is bound to increase overall; the form in which they are consumed will, of course, differ based on geography and socio-cultural factors. In recent years, the shifts in income distribution and their impact on the demand for a whole range of products – two-wheelers, automobiles, consumer durables, mobile phones and so on – has been extensively analysed, which in turn has provided significant inputs into business strategy. When it comes to proteins, apart from business strategy, the impact of income growth and distribution has significant policy implications as well, which is what I mean by 'big picture' issues and which I shall come to later in the presentation.

Price Dynamics

The recent transition in the Wholesale Price Index from the 1993-94 base to the 2004-05 base highlighted the impact that a changed production/consumption basket can have on measured inflation. Specifically, food inflation as measured by the new index is noticeably higher than that measured by the old one. The primary reason for this is that the items that I have been talking about – alternative protein sources – along with some others, have higher weights in the new index, which, of course, suggests that the price of proteins has been increasing relatively faster than other food items. Charts 1 and 2 display the relative rates of increase.

From Chart 1, it appears that the price levels of Pulses began accelerating in 2005 and have continued to do so since then. There is a sustained divergence between the Pulses index and the overall Food index, which suggests a structural change in relative prices. Of course, there is a wide variety of pulses consumed across the country, with strong regional patterns. But, even at an aggregate level, Pulses are clearly becoming more and more expensive and, contrary to widespread perceptions, this does not appear to have much to do with the performance of the monsoons. Milk and Eggs, Meat and Fish also show a distinct upturn in price levels, though this is of somewhat more recent origin than for Pulses.

Chart 2 displays the inflation rates for these three sets of food items. The pattern for Pulses appears to conform to perceptions about sensitivity to monsoons. At least in the

Chart 1: Prices of Proteins

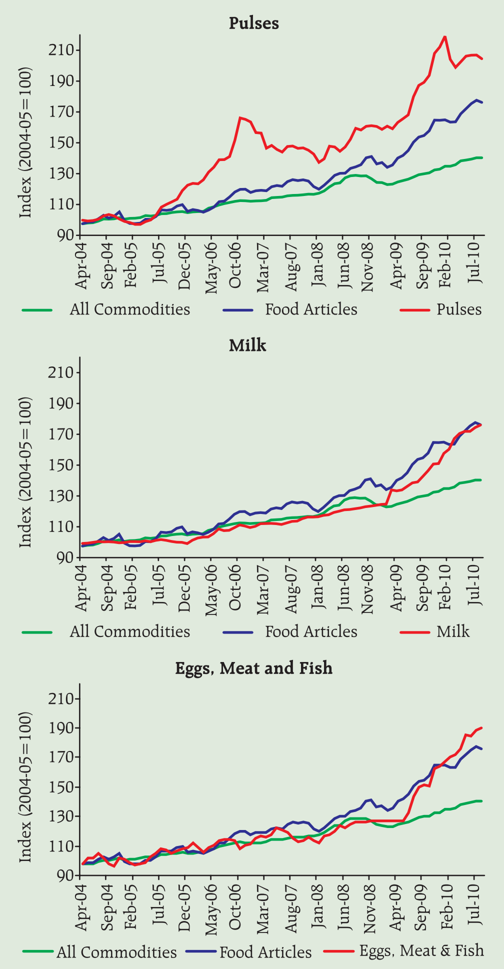
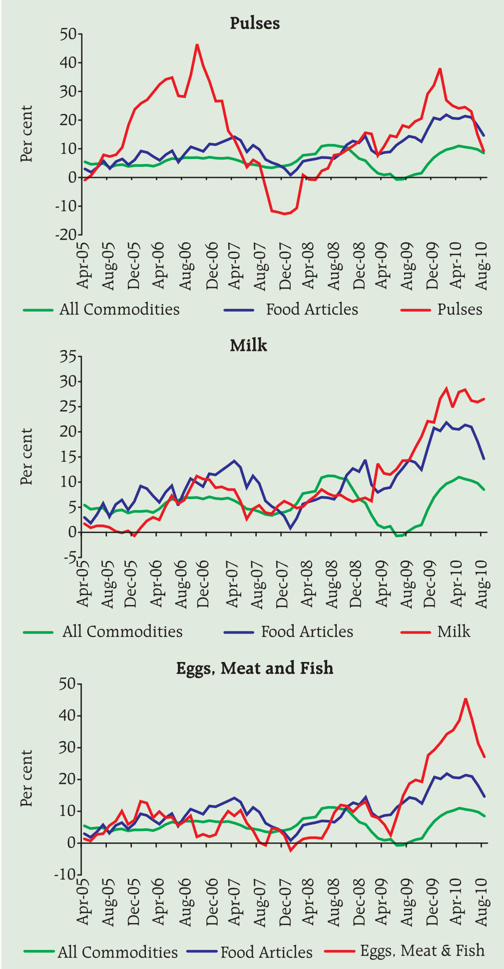


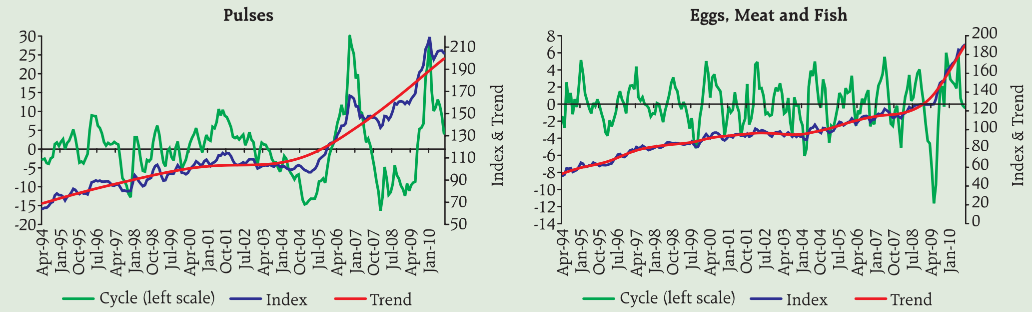
Chart 2: Inflation Rates of Proteins

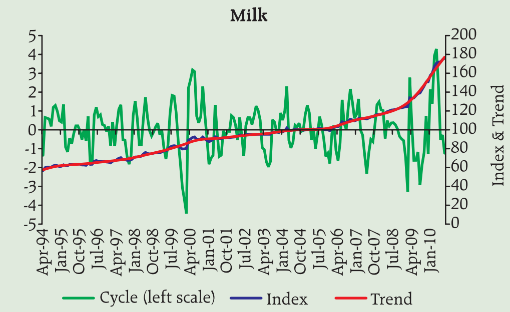


most recent months, the inflation rate for pulses has dropped significantly – in fact, below the overall rate of food inflation. However, the inflation rates for the other two items continue to be above the overall food inflation rate. The rate for Eggs, Meat and Fish has dropped a bit, but the rate for Milk appears to have its own dynamic.

Of course, this is not sufficient to draw any inferences about the structural nature of protein price inflation. Chart 3 presents the results of the decomposition of the three price level series. The red lines capture the structural components and the picture is unmistakable; the prices of all three protein sources are on a strong upward trajectory, which, is occasionally offset by favourable cyclical factors, particularly in the case of Pulses, given the direct impact of monsoon performance on Pulse production.

Chart 3: Structural Components





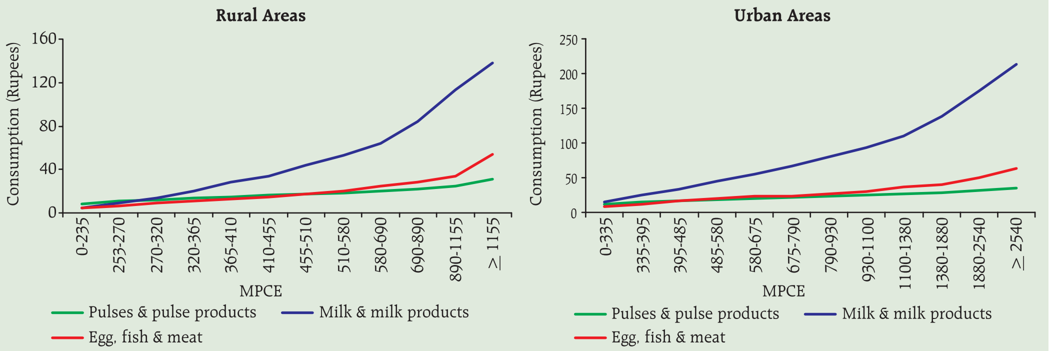
Item	No. of structural breaks	Break Month(s)
Pulses	2	Aug 2001 Dec 2004
Milk	1	Oct 2008
Eggs, meat and fish	2	Apr 1997 Jan 2009

Demand Drivers

The 61st Round (2004-05) of the National Sample Survey is the most recent large sample data available for consumer expenditure. Though dated, it provides a basis for analysing the relationship between household affluence and expenditure on various items. In the course of this project, we have estimated price and income elasticities for a variety of food products, including the three categories on which this presentation is focused, at several levels of disaggregation – by item, by state and by income fractile. The results will eventually be published in a detailed report, but given the occasion and time constraints, I would just like to convey a sense of what we are attempting to do. Essentially, it is the analysis of inflection points: what is the threshold level of income (or, in this case, household expenditure) at which the composition of the diet changes significantly. A national aggregate is not a very precise way of doing this, given the enormous variations in factors that drive consumer behavior across the country, but it serves to illustrate the approach.

Chart 4 presents the relationship between Monthly Per Capita Expenditure (MPCE), which is of course a proxy for household affluence and the level of spending on the three protein sources that we are discussing. Interestingly, the expenditure on Milk and Milk Products is higher than that on Pulses in all expenditure fractiles of the urban population, while it begins to dominate Pulses at a fairly low fractile in the rural population. Eggs, Meat

Chart 4: Consumption of Proteins



Source: Level and Pattern of Consumer Expenditure 2004-05, NSS Report No.508.

and Fish also begin to dominate Pulses, though at somewhat higher income fractiles in both rural and urban populations.

But, to focus on the main point that this analysis seeks to make, it is the points of inflection visible on the graphs that are most relevant. I would like to present a simple simulation exercise to illustrate the use of this information for making aggregate projections of demand for these items. Chart 5 presents a summary of the exercise.

Chart 5: A Simulation Exercise

- Inflexion MPCE range (2004-05):
  - ₹580-690 (rural)
  - ₹1100-1380 (urban)
- Real per capita income:
  - increased by 39% between 2004-05 and 2009-10
- Impact of higher incomes on consumption of proteins:
  - An additional 220 million would have crossed the inflexion range in 2009-10
    - 180 million in rural areas
    - 40 million in urban areas

Let us assume that the point of inflection on the graph reflects the expenditure level (in 2004-05 prices) at which diets shift decisively towards higher consumption of proteins. Between 2004-05 and 2009-10, per capita incomes grew by about 39 per cent. With this growth, how many people are likely to have reached this threshold by 2010? Assuming that the distribution itself remains constant, the simulation reveals that about 220 million – 180 million in rural areas and 40 million in urban areas – people would have reached the threshold level of MPCE over this five-year period. In addition to this, people who were already above the threshold in 2004-05 would, as a result of rising incomes, presumably also increase their consumption of these items.

At the aggregate level, this analysis presents a dramatic picture of how increasing affluence is impacting the spending on protein sources. This pattern is in complete conformity with global historical precedents, a point to which I shall return in the discussion of 'big picture' issues. This is exactly the kind of dynamic that has been seen in the Indian economy for products like two-wheelers, automobiles, various consumer durables and a host of others. But, unlike in food items, the massive expansion of demand for these products was not accompanied by a sharp surge in prices. The obvious reason for this was that the supply response in these markets was strong enough to keep pace with demand. A combination of large new capacities, free trade and scale economies and technological progress has helped to increase supply even while costs have fallen. Unfortunately, the same powerful supply response is yet to manifest itself as far as proteins are concerned.

Supply Conditions

Let us take a brief look at the supply scenario in each of these protein sources. Chart 6 displays the per capita availability of Pulses as a whole and separately for *Tur* (*Arhar*). This is a story of long-term decline in availability, in which production has not been able to keep pace with population growth, let alone increasing affluence and, consequently, greater demand for both Pulses as a whole and *Tur* in particular. Heavy rain dependence, small holdings and weak rural infrastructure seem to be preventing any break-through surges in productivity in the way that massive increases in cereal production was achieved. Chart 7 shows just how volatile the supply situation in Pulses is. As regards production

Chart 6: Stagnation in Pulses

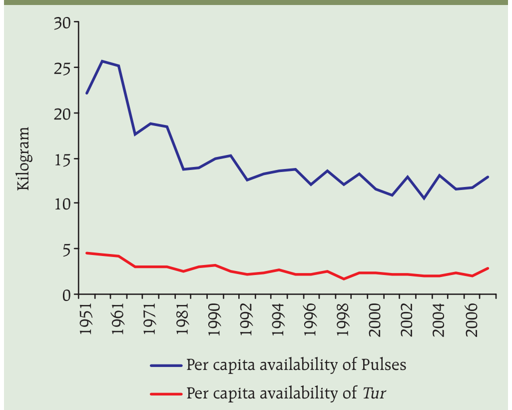
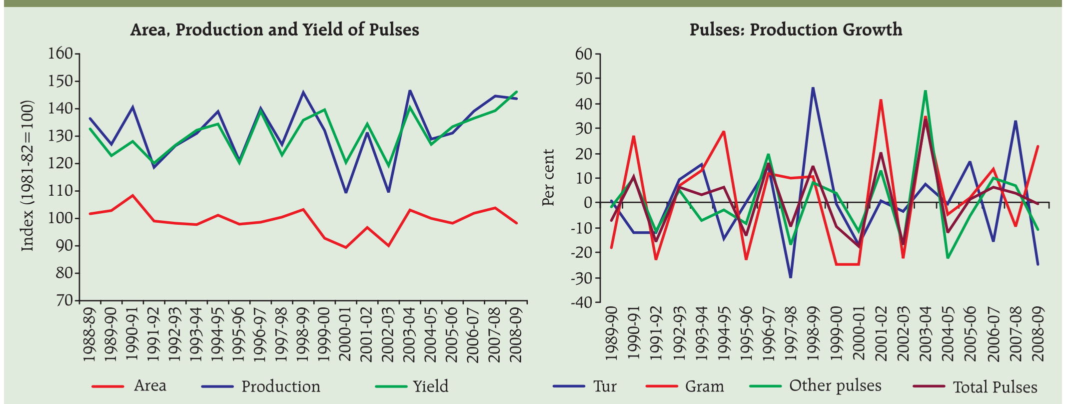


Chart 7: Production, Yields and Growth



and yield, there is a reassuring trend towards stable growth during the past couple of years at the aggregate level. However, the disaggregated picture shows that individual Pulses are subject to relatively high production volatility, which given the relatively low degree of substitutability that is visible in Pulse consumption, inevitably contributes to price volatility. Overall, if the very recent trend in aggregate production is sustained, supply constraints will ease. Going by the past record, however, there do not appear to have been persistent phases of output growth, which indicates the difficulty of achieving a break-through.

One option is to import Pulses. Since very few other countries produce and consume significant quantities of this item (and certainly, *Tur* is virtually unique to India), this would have to be in the form of contract farming arrangements. While this may be feasible in terms of actual production, transportation costs are likely to neutralise any benefits from such arrangements as a way of meeting demand while keeping prices in check.

Chart 8 displays the supply scenario for Milk. In terms of per capita availability, it is clearly a far more reassuring trend than for Pulses. This indicator of supply has been rising steadily, reflecting the many organisational and logistic innovations that were effectively implemented in this sector. However, two factors need to be taken into consideration here. One, the second graph on the slide indicates that the growth rate of Milk production is declining and volatile. Two, returning to the demand perspective, Milk is the most significant source of protein in expenditure terms for most households. Since it is directly related to the age composition of households, the preponderance of growing children and young adults is likely to boost demand for milk, all other factors remaining equal. With a sustained increase in demand, slowing growth and volatile production will clearly have an impact on prices.

Chart 8: Milk Production and Per Capita Availability

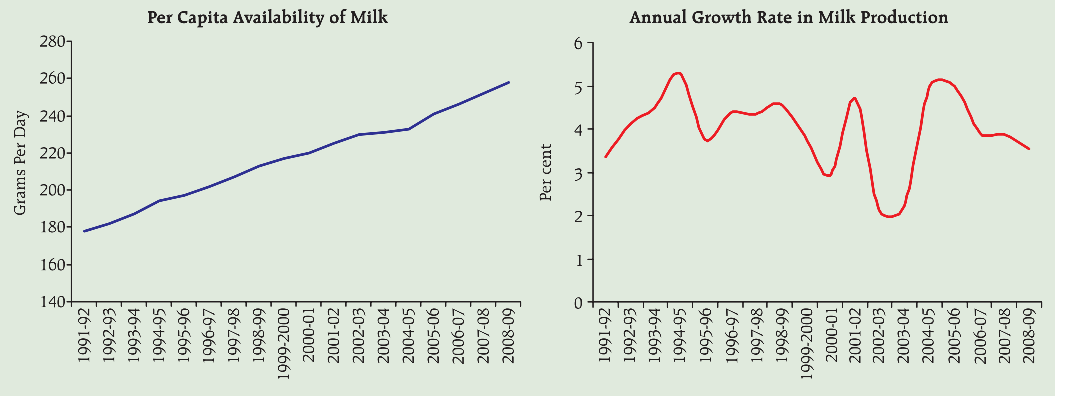
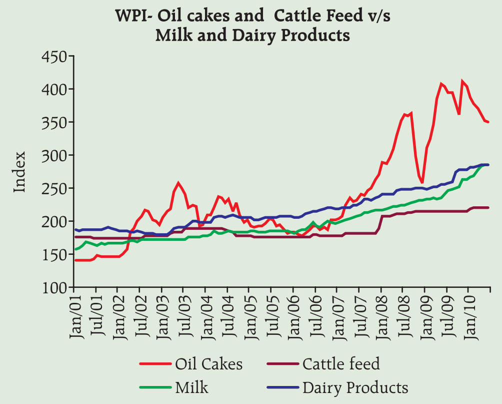


Chart 9 provides one explanation for why the Milk supply situation may be turning adverse. Oil cake is a significant component of cattle feed and its price clearly has an impact on the cost of production of Milk. With oil cake prices trending up quite significantly over the past few years, changes in the feed mix may be resulting in lower yields, contributing to supply-demand imbalances and price pressures.

The picture for Eggs, Meat and Fish is generally similar to that of Milk. For illustrative purposes, Chart 10 displays the per capita availability and growth rates for Egg production. While production and availability have been increasing, the growth rate shows relatively high volatility, raising the prospect of price surges in the face of steadily increasing demand. Of course, given the significance of the informal sector in the production and distribution of all these items, production data might reasonably be considered a bit suspect. However, the bottom line is that the price dynamics of this category of proteins are entirely consistent with an emerging structural imbalance between demand and supply.

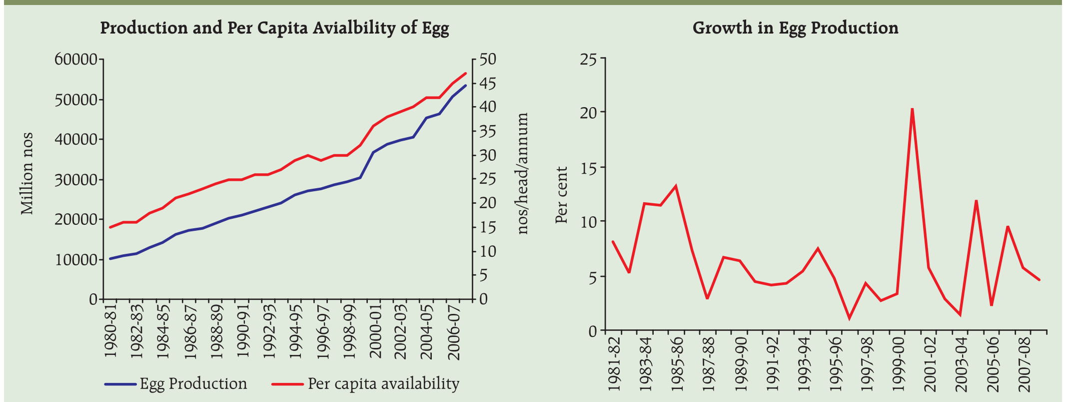
Chart 9: Rising input costs



Big Picture Issues

So far, I have been dealing with the microeconomics of protein prices – the interplay between demand and supply for individual food items. I will conclude this presentation by exploring the linkages between the micro and the macro with reference to two important issues.

Chart 10: Production and Per Capita Availability of Eggs



The first is the significance of these individual price dynamics to a basic concern of central banking. From a monetary policy perspective, the conventional view of food prices, is that surges are temporary, driven by supply disruptions that at worst last one season. As conditions return to normal, as they usually do, the price surges are expected to recede. Transmission lags in monetary policy are generally seen to be longer than the typical agricultural season, so, if monetary instruments are used to deal with such price shocks, they have no impact on the immediate cause of the problem, while possibly doing damage to growth prospects down the road. However, if the economy is at or close to full capacity utilisation, even a temporary price shock can aggravate inflationary expectations, which may justify a monetary response even though the shock is temporary and will die out before the actions take effect. But, when we begin to consider the impact of structural food price shocks, such as the ones we appear to be experiencing in the Indian context, the policy implications become complex.

Do we treat these developments as a change in relative prices, with consumers substituting away from the increasingly expensive food items, with no particular macroeconomic significance and, therefore, no implications for policy? Or, do we see them as a threat to overall price stability because there are really no substitutes for protein and increasing prices of its sources will immediately translate into higher wages and, through them, to generalised inflationary pressures, which certainly warrant a policy response? Persistent price increases in commodities for which there are no effective substitutes will, other things remaining equal, raise the potential rate of inflation over a period of time. This means that either actual inflation or interest rates will be higher than they would be in the absence of such increases.

The second big picture issue relates to the welfare implications of high protein prices. We are used to thinking about economic development as a process of transformation, which can be measured in terms of some universal indicators: the share of agriculture in GDP, for example, or the degree of urbanisation, all of which provide the foundations for greater affluence. But, there is also a strong nutritional dimension to development. Beyond basic food security, which may be provided even by a carbohydrate-dominated diet, economic development is closely associated with the increasing significance of protein in people's diets, which in turn is driven by the decreasing relative prices of protein sources. India has certainly experienced phases when this has taken place – for example the surge in Milk production that was termed the White Revolution – but the analysis presented above suggests that these trends have not been sustained. Rapid economic growth is contributing to the emergence of persistent demand-supply imbalances which, in turn, are making proteins more expensive. In the absence of a significant positive supply shock, this might result in the weakening of the economy's most productive resource – its people.

Concluding Comments

Increasing demand for proteins appears to be an inevitable consequence of rising affluence. The availability and affordability of proteins is, therefore, an important indicator of an equitable and sustainable development process, with implications for both nutritional balance and macroeconomic stability. To help achieve both objectives, a powerful supply response in all sources of protein is needed. The Green Revolution succeeded in doing this for carbohydrates. The White Revolution succeeded, at least for a while, in doing it for Milk. Similar combinations of factors now need to be brought to bear on the goal of ensuring protein security for the Indian economy.

Once again, my best wishes to Prof. Parikh and thank you all for listening to me.

*G-20 After the Crisis: An Indian Perspective**

Subir Gokarn

Introduction

I would like to thank the organisers of this event for inviting me to deliver this keynote address. While the title of the session is 'What India expects from the G-20', I think it would be extremely presumptuous of me to speak on behalf of the country as a whole. I have, of course, been involved with the G-20 process as the central bank deputy and, in that capacity, have had the opportunity to contribute to the shaping of the Indian position on various issues. So, rather than assert a national position, I would prefer to share some of the thinking that underlies the stance that is taken at various G-20 forums. With this in mind, my presentation is divided into three broad segments. First, I look at what the G-20 did to avert a potentially severe crisis a couple of years ago, which essentially provides the context to whatever role it may play in more 'normal' circumstances. Second, I explore the inherent differences within the group, which will naturally impose limits on what it can realistically hope to achieve by way of global co-ordination on structural issues. Third, I build on these two foundations to try and articulate a general 'emerging market economy' position, which, I think, would be reflective of the Indian stance on a range of issues.

The context of crisis

The G-20 had its origins in a previous crisis that also began in the financial sector and which threatened to spill over from one country to the next. This was the East Asian crisis of 1997-98, the roots of which lay in the increasing presence of foreign capital in economies that perhaps didn't quite have

* Keynote Address by Dr. Subir Gokarn, Deputy Governor, Reserve Bank of India at ICRIER/InWEnt/DIE Conference 'Policies for Growth and Financial Stability Beyond the Crisis – The Scope for Global Co-operation' at Mumbai on October 27, 2010.

the capabilities to handle it. The fact that one of the factors underlying the crisis – foreign capital – linked the advanced and emerging economies and provided the basis for countries from both groups coming together to look for ways to minimise the vulnerability of emerging economies on the one hand and global financial institutions domiciled in advanced economies on the other.

Of course, the East Asian crisis wound down, with the affected countries showing strong resilience in the years following. The need for collective solutions, such as those which might have been provided by the G-20 was felt less and less as emerging economies, both those most impacted by the crisis and those which escaped it, found their own, individual buffers against the next crisis. Since the crisis had had no significant macroeconomic impact on the advanced economies, they also had no particular interest in pursuing any collective strategy for structural change, which might have helped to stabilise the global economy and make it less vulnerable to a crisis. Of course, one important outcome of keeping the group going despite the absence of a particularly significant agenda was that the institutional representatives from the member countries got to know each other, making communication during the most recent crisis, when the group really came into its own, perhaps a little easier and more effective than otherwise.

In effect, then, a group that was born in the wake of one crisis really got the opportunity to demonstrate its effectiveness when another one precipitated. This crisis also had its genesis in the financial sector, which helped retain the relevance of the group's structure, with its core constituencies being finance ministries and central banks. This time round, however, the origins of the crisis lay squarely in the financial sectors of the advanced economies, a factor that has created some special challenges for the group's attempts to deal with post-crisis structural issues, a point that I shall return to later.

My essential point is that the origins and structure of the group made it an appropriate and, eventually, effective mechanism to deal with a crisis that threatened to spiral into a deep global recession. There have been many questions raised about what exactly the group did that contributed to mitigating the impact of the crisis. Some have argued that the measures that each country took to deal with the crisis would have essentially been the same even without the coming together of the G-20. That may well be the case, but I would argue that it was precisely the show of strength and collective resolve of the group that helped reinforce the confidence of global stakeholders that the crisis would indeed be averted. Individual, unco-ordinated responses, to my mind, would not have had the same impact on global perceptions that the G-20 solidarity did, even if the policy measures in each country had been exactly the same.

Beginning with the Washington Summit in November 2008 and through 2009, the visible focus of the group on both the proximate aspects of the crisis and the more fundamental causes was, I believe, a major reason for the restoration of global confidence. The economic recovery has been slow and somewhat choppy, but potential disruptions have also been met with collective responses, which have, in turn, reinforced the belief that the recovery can be sustained. Further, the prominence that the group gave to structural reforms of various kinds sent the signal that it was committed not just to dealing with the immediate crisis but to putting in place measures that would significantly reduce the probability of recurrence. As we know from our own experience with structural reform, crisis always presents a window of opportunity to obtain a consensus on reform measures that would just not be possible under normal circumstances. It is for the leadership to grasp this and to push through reforms that meet the needs of changing global circumstances. The group's focus on structural issues was itself an important reason for the credibility it gained for its efforts to manage the crisis.

In short, I think that it is a reasonable assessment that the global economy would have been in somewhat different shape today if the G-20, or any collective process involving the world's largest economies, had not taken place. The group can certainly draw strength from this as it now shifts focus from dealing with the crisis to dealing with the structural issues that are perceived to have caused it. But, it is precisely at this stage in the process that the challenges to change management arise. As the crisis abates, the common threat perception and collective responsibility inevitably begins to dissipate and the consensus that was visible in the crisis management phase gives way to more individualistic priorities and agendas. How are these manifesting in the G-20?

Dividing lines

A number of factors have contributed to the emergence of differences within the group. This should not be surprising in and of itself, given the fact that this is an enormously disparate set of countries. The 20 countries in the group can be classified into categories based on a large number of parameters, each of which implies different policy priorities and, consequently, different approaches to deal with domestic and global conditions. Large or small, more or less affluent, net importers or exporters, commodities producers or manufacturers, aging or young populations – whichever way one looks at it, the composition of the group should not inspire much confidence that it can agree on common approaches to the structural issues that confront the global economy. Let me explore a few of these dividing lines and their implications for the group.

At this juncture, the variability of the recovery across the members of the group is a critical difference. In fact, with some economies having consolidated their domestic recoveries while others struggle to do so, there are legitimate concerns about whether the crisis has actually abated; in other words, whether the primary objective of the group has actually been achieved. Perceptions about the robustness of the global recovery have oscillated quite widely during the past several months and the outlook today is somewhat more negative than it was at the beginning of 2010. But, within this overall shift, while the outlook for several economies has deteriorated, it has remained constant or improved for others. This has immediate implications for the domestic policy priorities of each country. In a group that is ostensibly committed to doing no harm to each other, these differences may pose a challenge.

The most visible dilemma is on the issue of continued quantitative easing by advanced economies whose recoveries are showing some signs of stalling. As the capacity for further fiscal stimulus abates, more so as countries attempt to pull back from huge fiscal overhangs, more liquidity being pumped in appears to be the only avenue remaining for stimulating the economy. From the viewpoint of individual countries, there isn't much choice; not using the instrument significantly increases the risks of the recovery reversing course. Apart from the domestic impact of this, given the relative size of the economies involved, this could clearly have global implications as well. So, it may well be that individual and collective interests are aligned on this issue.

But, while there may be alignment over a somewhat longer time horizon, in the immediate future, there are signs of misalignment. More liquidity, even the prospect of it, in some advanced economies, is spilling over into fast-recovering emerging economies, introducing several complications into their domestic policy environment. Some are worried about currency appreciation and the impact that this might have on their recovery as domestic producers lose competitiveness. Others are worried about the short-term nature of the inflows and the disruption that might be caused if there is a sudden exit in response to a global shock or new developments in the source countries. There are widespread concerns among energy and commodity importers that global liquidity is flowing into commodities and driving up prices, with consequent inflationary implications. In short, the immediate impact of quantitative easing may represent a dividing line within the group, even if, over time, it may be in the collective interest.

Financial safety nets represent another potential dividing line, not necessarily on principle, but on the different approaches that groups of countries have used to develop them. Self-insurance by way of reserve accumulation may be the safest way to protect oneself from global shocks from the viewpoint of individual countries. But, beyond some threshold levels of magnitude, it begins to generate externalities. To return to a point that was made earlier in the context of the East Asian crisis of the late 1990s, the effective choice made by countries affected or threatened by that crisis to build up self-insurance capacity was both a response to perceived inadequacies in the collective safety nets available at the time and a contributory factor to some of the imbalances that have been associated with the global transmission of the recent crisis.

The analytical debate on this issue will go on, but the practical implication for many countries is to decide on their acceptable mix of insurance options within the overall consideration of doing no harm to other countries. Even while collective options, such as those that have recently been introduced by the International Monetary Fund become more accommodating of individual country requirements, the benefits of self-insurance that many countries experienced first-hand during the recent crisis are difficult to deny.

Meanwhile, the perceived link between the building up of individual safety nets and global imbalances makes this issue a dividing line within the group.

Another example of a dividing line is financial regulation. It is now generally accepted that a significant contributory factor to the recent crisis was the opportunity that the existing regulatory and supervision framework in some advanced economies provided for highly risky investments to be made. However, even as this was happening, there are several countries in the group whose regulatory frameworks did not provide such opportunities and whose financial systems emerged from the crisis relatively unscathed. Notably, there seems to be a significant correlation across countries between the degree of damage that domestic financial systems suffered and the speed and robustness of their recoveries.

There is little question, however, that there is a strong and inexorable process of global financial integration, which, with all the risks it entails, does have large potential benefits for all countries concerned. One important requirement for realising these benefits is a set of common regulatory principles, standards and practices across countries. These are necessary to ensure that capital flows across the world based on genuine consideration of fundamental returns and risks and not on arbitrage between different regulatory environments. Certainly in theory, this should not be the cause of any division; there is a clear, common and shared interest in the outcome. In practice, however, divisions could arise on what exactly these standards and practices should be; whether they are driven by the specific conditions prevailing in the worst hit financial systems and, therefore, inappropriate and burdensome for the relatively healthy ones; and, the knowledge and human capital requirements to implement them effectively across a diverse set of countries.

I have tried to provide some examples of potential dividing lines, drawing on my experience and observations of the process in the finance track. Let me conclude this segment of the presentation by reiterating the point on which it began. This is an extremely differentiated and heterogeneous set of countries, whose conditions and priorities differ both in the short-term and over the long-run. It would be extremely naive to expect that such a group would be able to reach agreement on anything beyond the immediate crisis at hand, despite their ambition to tackle structural issues. From this perspective, any consensus on any issue is an achievement. It reflects the recognition that, notwithstanding differences between countries, global integration is a process that can be chaotic and disruptive if not handled in a collective and co-ordinated way. What is true for crisis management is also valid for the range of structural issues that the G-20, as well as those which other multilateral processes are dealing with.

An Emerging Market Economy/ Indian Perspective

Against this backdrop, let me now attempt to articulate what I would call an 'Emerging Market Economy' (EME) perspective, but which also reflects my characterisation of the Indian perspective. An important premise in this perspective is the point I concluded the last segment with. The process of globalisation has enormous potential benefits for EMEs in all its forms. But, it also brings with it significant risks, such as the vulnerability to shocks which emanate outside their sphere of control. The best way to optimise on the 'risk-return' tradeoff from globalisation is to adhere to a common set of standards and rules, which, as I said earlier, forces the process to be driven by fundamental factors rather than by regulatory arbitrage, broadly speaking. On the basis of this argument, EMEs will see a clear benefit from engaging in any process that can develop and enforce such common standards and practices. The G-20 is one such process, with the distinct advantage that, being a relatively small group, reaching consensus where it can be found is not too difficult a task.

EMEs, however, have significant domestic objectives and challenges and these must take priority in their policy decisions. Many are dealing with the critical challenge of providing a large proportion of their population access to the most basic necessities, let alone education, health and financial services. An integrated and balanced development strategy makes several demands of the financial system. This, in turn, requires a careful balancing between rapid expansion in capacity and the kinds of products and services offered on the one hand and safety and prudence on the other. This balancing act, at one level common to EMEs, but at another, differentiated by the vastly different conditions within the EMEs themselves may not be amenable to a reasonable set of common standards, except at a lowest common denominator level, which is then unlikely to serve the purpose of achieving a safe and secure global financial system.

The financial safety nets issue is also one on which a distinct EME perspective may emerge. The difference in concerns between advanced and emerging economies is heightened in the current environment in which increasing liquidity in some advanced economies is driving possibly short-term capital flows into emerging economies. In such a situation, self-insurance needs to be given due consideration. When economic fundamentals are sound, would reserves not constitute the most effective way of dealing with reversals in short-term capital flows? If self-insurance were done away with, reliance on external insurance mechanisms might conceivably have two negative implications. One, procedure and due diligence might take time, thereby diluting the effectiveness of the safety net. Two, global investors may suspect that something is fundamentally wrong, aggravating the pressure of exit.

I have used the issues of financial regulation and safety nets to illustrate my point about the balancing act that EMEs need to perform between addressing domestic priorities and aligning with a meaningful set of global standards or mechanisms. However, this can be taken as a more general issue for EMEs as they engage in global forums on a whole range of issues on which the benefits of integration have to be viewed in conjunction with the pursuit of domestic policy objectives.

Essentially, from the emerging market perspective, the value of the G-20 process lies in how effectively it is able to accommodate this need for balance. As I have tried to argue through this presentation, both on short-term and long-term issues, the differences and divergences between countries in the group are wide and, perhaps, inevitable. This puts the group at an immediate disadvantage when it comes to addressing issues, because, given the differences, even agreeing on a common objective, let alone a common approach may be a difficult, if not impossible task.

It is reassuring that, however, in the face of these inherent handicaps, the group seems to have made significant achievements, which go beyond the immediate compulsions of crisis management and address some of the key structural issues. The underpinning for this progress, as I have alluded to earlier in the presentation, is the recognition by all parties involved that the process of globalisation has potential benefits for everybody as long as it is controlled in some way. The basis of control is, as the G-20 demonstrates, common principles, on which are based common, or at least, compatible standards for both conduct and enforcement. But, control does not mean homogenisation. As long as common standards can be reconciled with differences in practices and institutions, which allow individual countries to effectively address their domestic priorities, the arrangement is eminently workable.

Just as each country needs to maintain a balance between acceptance and adherence to global standards, the group needs to accommodate a possibly thin and blurred line between conformity and autonomy. Its effectiveness on all the issues that it seeks to address, but particularly on the structural ones, will depend heavily on this accommodation. Every member of the group must feel that there are some tangible benefits from continuing to associate and in turn, that perception depends on the space that is available to pursue legitimate domestic priorities, which do not impinge on the interests of the other members of the group.

By this benchmark, the group has done quite well. In the midst of significant differences, some of which I have pointed out, meaningful consensus on, for example, safety nets, financial regulation and reform of the International Monetary Fund suggests that it has found a way to accommodate the balance on a number of significant issues. The nature of this consensus has been widely reported on and debated in the wake of the recent Finance Ministers and Central Bank Governors' meeting in Gyeongju, Korea, so I do not want to go into the details here. The point I want to emphasise, though, is that the common feature of both the process of arriving at consensus and the agreements themselves was precisely the acceptance of common principles and standards, which do not come in the way of allowing each country to organise its internal systems in ways that it thinks is best.

This is not to say that there are no disagreements or unresolved issues within the group. It would be naive to expect that there wouldn't be. However, as in the case of all collective activity, the presence of disagreements, even intractable ones, does not in any way undermine the legitimacy of the process. It should be judged by what it is able to achieve, not by what it is not.

Concluding Remarks

At the very least, the G-20 provides a compact forum for knowledge and experience sharing between the largest economies in a structured way. The network that it creates certainly facilitates co-ordination on policy actions, should an occasion for this arise. In this respect, it is certainly a useful and effective crisis management mechanism.

But, from an emerging market perspective, its utility can and has gone beyond crisis management. These countries do recognise that the benefits of globalisation will not be fully realised and the risks will be heightened in the absence of some meaningful collective activity. The effectiveness of this collective activity is, in turn, enhanced by its emphasis on common principles and standards, its recognition of national autonomy in deciding on policy priorities and strategies and, very importantly, its insistence on the principle of 'do no harm'. A realistic assessment of the performance of the group over the past two years would suggest that, while it may not have had equal success on all fronts, its achievements are significant and, in many ways, a vindication of its approach.

I would like to thank the organisers once again for inviting me and thank you all for listening.

*Global Financial Crisis and the Indian Economy**

Deepak Mohanty

I thank the Bank of America for providing me this opportunity to speak before you. As you might know, despite strong domestic growth drivers, India was also impacted by the global crisis. This raised the issue whether India is more globalised than what is generally perceived. In the post-crisis period, India's growth has rebounded strongly while growth remains sluggish in many advanced economies. In fact, concern in India has now shifted from recovery management to inflation management as growth reverts to its pre-crisis trend. Against this background, I propose to briefly touch upon the impact of global financial crisis on the Indian economy and highlight the policy response, particularly monetary policy response. I will conclude giving you an outlook on the Indian economy.

Impact of Global Financial Crisis

The global economy experienced a sustained period of growth with moderate fluctuations coupled with low inflation, a phenomenon popularly termed as the 'great moderation' till the onset of the recent global crisis. This prolonged period of macro-economic stability was essentially attributed to efficiently functioning markets and the benefits of globalisation. However, what remained hidden within these overall signs of prosperity were the immensely complex financial systems and the systemic risks they entailed. In addition, some structural imbalances had also developed in the world economy in terms of mismatches between savings and investments and production and consumption across nations that manifested in the widening current account deficits in some part mirrored by

* Speech by Deepak Mohanty, Executive Director, Reserve Bank of India, delivered at GEM Investor Conference, Washington DC on October 10, 2010. The assistance provided by Shri Bhupal Singh and Shri Binod B. Bhoi is acknowledged.

surpluses in others, misalignment of exchange rates and booming asset prices. These developments had to unwind at some point of time and when the process began, they manifested themselves in the form of the worst ever global financial crisis since the 'Great Depression' of the 1930s.

The crisis showed that while increasing globalisation and trade integration have brought enormous economic and financial benefits to the Emerging Market Economies (EMEs), they have also widened the channels through which a slowdown in economic activity in advanced economies could spread to the EMEs. In the initial phase of the crisis, it appeared that EMEs were better positioned to weather the storm created by the global financial meltdown on the back of substantial foreign exchange reserve cushion, improved policy frameworks and generally robust banking sector and corporate balance sheets. However, any hope about EMEs escaping unscathed could not sustain after the failure of Lehman Brothers in September 2008 which triggered global deleveraging and heightened risk aversion. Eventually, EMEs were also adversely affected by the spillover effects of the macroeconomic turbulences created by the global financial meltdown. The EMEs were affected through contraction in world trade especially during the second half of 2008 and reversal in capital flows which led to tightening of external financing conditions. Finally, with the impact of the financial crisis spreading to the real economy, growth in EMEs was also adversely affected.

Until the emergence of global crisis, the Indian economy was going through a phase of high growth driven by domestic demand – growing domestic investment financed mostly by domestic savings and sustained consumption demand. In fact, consumption and saving were well-balanced. Services sector, led by domestic demand, contributed to the stability in growth. Concomitantly, inflation was also generally low and stable. This overall improvement in macroeconomic performance in India was attributed to calibrated financial sector reforms that resulted in an efficient system of financial intermediation, *albeit* bank-based; the rule-based fiscal policy that reduced the drag on private savings; and forward-looking monetary policy that balanced the short-term trade-off between growth and inflation on a continuous basis. Additionally, the phased liberalisation of the economy to trade and capital flows along with a broadly market-driven exchange rate regime enhanced the role of external demand in supporting the growth process, simultaneously exposing the economy to the forces of globalisation. In the process, India became increasingly integrated with the world economy and maintaining financial stability assumed importance in the hierarchy of public policy. In fact, it emerged as an important objective of monetary policy in India even before the current crisis. This is evident from the counter-cyclical monetary policy and macro-prudential financial regulations that were in force during the high-growth phase just before the crisis.

India, though initially somewhat insulated to the global developments, eventually was impacted significantly by the global shocks through all the channels – trade, finance and expectations channels. This raised the issue that whether India is more globalised than what is perceived in terms of conventional trade openness indicators. At the same time, India was also among the first to exhibit strong rebound from the global downturn as compared to many advanced economies. I will allude to some of the emerging structural characteristics of the Indian economy.

First, despite the dominance of domestic demand, the role of trade in conditioning the growth process in India has become important over time. A significant boost to global integration came through rapid growth in India's international trade in services in the 2000s enabled by expansion in information technology which facilitated cross-border delivery of services. Progressive liberalisation of capital account initiated in the 1990s and continued through the 2000s gave further fillip to the process of financial integration. Thus, the financial channel emerged as dominant factor with gross capital flows (inflows plus outflows) rising to about 48 per cent of GDP in 2009-10 from an average of about 5 per cent in the 1980s. Gross current and capital account flows in the balance of payments have increased to over 100 per cent of GDP in 2009-10 from about 22 per cent in the 1980s. Given the significant degree of openness achieved since the 1990s, it is natural that the global shocks – real as well as financial – have greater impact.

Second, with increased global integration, the Indian economy has been subjected to greater influence of global business cycles. This is reflected in the high degree of co-movement between the Indian business cycle with the global business cycles. The correlation between the cyclical component of the index of industrial production (IIP) of the advanced economies and India has risen to 0.50 during the period 1993-2010 from 0.12 in the earlier period 1970-1992.

Third, the transmission of global shocks through the traditional channel of trade cycles has also strengthened over the years. With rising exports along with a transition from primary article exports to manufacturing exports, the co-movement between India's exports and world imports has increased significantly in recent years.

Fourth, besides the synchronisation of the trade cycles, the financial channel to integration has also become prominent during the recent period. There has been strong causal effect from the global stock prices to domestic stock prices with the US stock prices having significant causal impact on the Indian stock prices.

These shifts in the degree of synchronisation of the Indian trade and business cycles with the global cycles and increased financial integration in the recent period suggests that India cannot remain immune to global trends. Thus, global economic developments now have a greater influence on the domestic economy, as was evident during the recent global financial and economic crisis. Having said that, it is important to recognise that the drivers of growth remain predominantly domestic. During the recent high growth phase of 2003-2008, domestic demand accounted for more than 100 per cent of aggregate demand which, in turn, was driven by private consumption and investment (Tables 1 and 2).

Table 1: Growth Rate of Components of Aggregate Expenditure

(Per cent)

Items/Year	Average		Crisis Period	
	2000-01 to 2009-10	2003-04 to 2007-08	2008-09	2009-10
Private Final Consumption Expenditure	6.2	7.6	6.8	4.3
Government Final Consumption Expenditure	5.8	5.6	16.7	10.5
Gross Capital Formation	9.8	16.8	-1.7	7.1
Exports	14.6	17.9	19.3	-6.7
Imports	13.6	20.1	23.0	-7.3
GDP at market prices	7.1	9.0	5.1	7.7

Source: Central Statistics Office, Government of India.

When the economy slowed in 2008-09, the GDP growth decelerated to 6.7 per cent from an average of 8.9 per cent during 2003-08. The GDP growth started recovering from a low of around 6.0 per cent in the second half of 2008-09 to 7.3 per cent in the first half of 2009-10 and the recovery process consolidated in the second half of 2009-10. The Reserve Bank's projection is that GDP will increase by 8.5 per cent in 2010-11 which is close to the trend seen in the recent years. Thus, the global financial crisis interrupted India's growth momentum for a year between mid 2008-09 to mid 2009-10. Even during this period the lowest quarterly growth achieved was 5.8 per cent. The milder impact of the global crisis on the Indian economy suggests that the drivers of growth are predominantly domestic.

Policy Response

As elsewhere, both fiscal and monetary policy responded to the crisis. Fiscal policy response meant a deviation from the rule-based fiscal consolidation process in force

Table 2: Expenditure Composition of GDP

(Percentage shares of GDP at constant market prices)

Items/Year	Average		Crisis Period	
	2000-01 to 2009-10	2003-04 to 2007-08	2008-09	2009-10
I. Domestic (i+ii+iii)	**103.1**	**103.7**	**106.5**	**104.8**
of which:				
(i) Private Final Consumption Expenditure	60.7	59.5	59.5	57.6
(ii) Government Final Consumption Expenditure	11.3	10.7	11.5	11.8
(iii) Gross Capital Formation	31.1	33.5	35.6	35.4
II. External (iv-v)	-2.4	-2.6	-6.1	-5.1
(iv) Exports	18.5	19.5	24.5	21.3
(v) Imports	20.9	22.1	30.7	26.4
Discrepancies	-0.7	-1.2	-0.4	0.3

Source: Central Statistics Office, Government of India.

since 2004-05. Consequently, the gross fiscal deficit of the Central Government expanded from 2.6 per cent of GDP in 2007-08 to 6.0 per cent of GDP in 2008-09 and further to 6.7 per cent of GDP in 2009-10. The fiscal deficit of the state governments also expanded. The combined fiscal deficit of the States and the Centre expanded from about 4 per cent in 2007-08 to above 8 per cent in 2008-09 and 10 per cent in 2009-10 (Table 3).

The fiscal stimulus measures included both tax cuts and increase in expenditure. It is, however, important to recognise that, unlike in many countries, the entire fiscal stimulus in India was aimed at addressing the deficiency in aggregate demand rather than extending support to the financial sector. I will focus more in detail on monetary policy response.

Monetary Policy

Following the global financial crisis, the domestic macroeconomic and policy environment passed through three distinct phases starting from the second half of 2008-09. Each phase posed different but significant challenges for the conduct of monetary policy by the Reserve Bank.

First Phase: Crisis Management (October 2008 to April 2009)

During the first phase, the Reserve Bank swiftly introduced a comprehensive range of measures to limit the impact of the adverse global developments on the domestic financial system and the economy. The Reserve Bank, like most central banks, took a number of conventional and unconventional measures to augment domestic and foreign exchange liquidity, and sharply reduced the policy rates. In a span of seven months between October 2008 and April 2009, there was unprecedented policy activism. For example: (i) the repo rate was reduced by 425 basis points to 4.75 per cent, (ii) the reverse repo rate was reduced by 275 basis points to 3.25 per cent, (iii) the cash reserve ratio (CRR) was reduced by a cumulative 400 basis points to 5.0 per cent, and (iv) cumulative amount of primary liquidity potentially made available to the financial system was over ₹5.6 trillion or over 10 per cent of GDP.

By synchronising the liquidity management operations with those of exchange rate management and non-disruptive internal debt management

Table 3: Fiscal Deficit

(Per cent of GDP)

	Average		2007-08	2008-09	2009-10	2010-11 (Projected)
	2000-01 to 2009-10	2003-04 to 2007-08				
	Gross Fiscal Deficit					
Central Government	4.9	3.6	2.6	6.0	6.7	5.5
State Governments	3.2	2.7	1.5	2.4	3.4	2.9
Combined (Centre plus States)*	7.9	6.3	4.1	8.5	10.0	8.3

*: Deficits of Centre and States may not add up to combined deficit because of netting out of inter-governmental transfers between the Centre and States.

operations, the Reserve Bank ensured that appropriate liquidity was maintained in the system, consistent with the objective of price and financial stability. The policy stance clearly reflected the forward-looking undertone, particularly the expectations of more prolonged adverse external conditions in the face of no visible risks to inflation. While the magnitude of the crisis was global in nature, the policy responses were adapted to domestic growth, inflationary and financial sector conditions.

There were, however, some key differences between the actions taken by the Reserve Bank and the central banks in many advanced countries. First, in the process of liquidity injection the counter-parties were banks; even liquidity measures for mutual funds, Non-Banking Financial Companies (NBFCs) and housing finance companies were largely channelled through the banks. Second, there was no dilution of collateral standards which were largely government securities, unlike the mortgage securities and commercial papers in the advanced economies. Third, despite large liquidity injection the Reserve Bank's balance sheet did not show unusual increase because of release of earlier sterilised liquidity. Fourth, availability and deployment of multiple instruments facilitated better sequencing of monetary and liquidity measures. Finally, the experience in the use of procyclical provisioning norms and counter-cyclical regulations ahead of the global crisis helped enhance financial stability.

Second Phase: Recovery Management (May 2009 to December 2009)

The tentative signs of recovery visible in the first half of 2009-10 turned increasingly significant in the second half of 2009-10. In the first half of 2009-10, weakness in the economic activity along with a low inflation environment created conditions for continuation of the monetary policy stimulus. The concern about recovery in growth was evident in GDP growth remaining below the capacity growth rate. In the second half of 2009-10, though there was a strong rebound in investment demand, growth in private consumption expenditure remained dampened. On account of the persistent uncertainties about the nature of the global recovery and subdued domestic private demand, the overall policy stance had to remain sensitive to the growth objective.

On the inflation front, global commodity prices rebounded ahead of global recovery. The headline WPI inflation after remaining negative during June-August 2009 not only turned positive beginning September 2009 but accelerated thereafter, reflecting increase in prices of food articles on account of weak monsoon. Consumer price (CPI) inflation remained persistently in double digits. Further, even if credit demand remained subdued, the large overhang of liquidity in the system had the potential to engender inflationary expectations and fuel asset price build-up. Thus, in light of the domestic inflationary pressure and risks of it getting generalised, along with the definitive indications of the economy reverting to the trend growth path, the debate on the strategy for an appropriate exit from the accommodative monetary policy came to the forefront of policy deliberations in India.

In this phase, the challenge for monetary policy was to support the recovery process without compromising price stability. The Reserve Bank began the first phase of exit from monetary accommodation starting October 2009. As part of this process, the unconventional measures undertaken in response to the crisis were withdrawn. The statutory liquidity ratio (SLR) for banks, which was reduced from 25 per cent of their demand and time liabilities to 24 per cent, was restored to 25 per cent. The limit for export credit refinance facility, which was raised to 50 per cent of eligible outstanding export credit, was returned to the pre-crisis level of 15 per cent. The provisioning requirements for advances to commercial real estate were increased (from 0.4 per cent to 1.0 per cent) to address potential financial stability concerns.

Third Phase: Inflation Management (Since the beginning of 2010)

By January 2010, the domestic growth signals were pointing towards a consolidation of the recovery process. However, sustained increase in food prices was beginning to spill over to manufactured products (Chart 1). Inflation in primary commodities moved up from single digit in August 2009 to 22.2 per cent by March 2010.

An important concern from the point of view of inflation management is the downward rigidity in the primary food articles prices even after a good monsoon. Moreover, the consumption basket is getting diversified more in favour of non-cereal items such as milk, meat, poultry, fish, vegetables and fruits, which are important from the nutritional angle. The decomposition of food inflation indicates that during the recent period the key drivers of food inflation are non-cereals (Chart 2).

With the headline inflation remaining in double digits for consecutive five months from March to July 2010 and the inflation process becoming more generalised, the balance of policy changed from 'managing the recovery' to containing inflation and anchoring inflationary expectations. Accordingly, the second phase of exit commenced in February 2010. The CRR was raised by 100 basis points to absorb a part of the excess liquidity from the system. The

Chart 1: Drivers of Headline Inflation in India

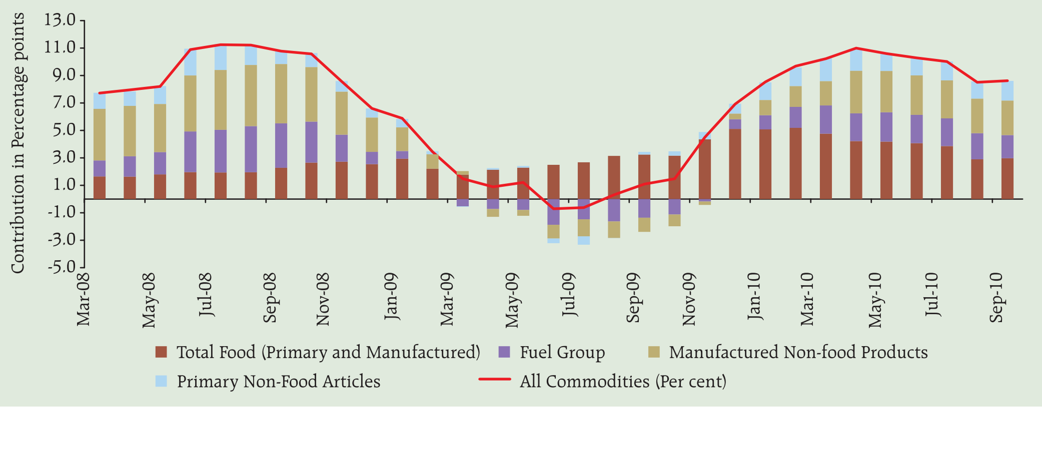
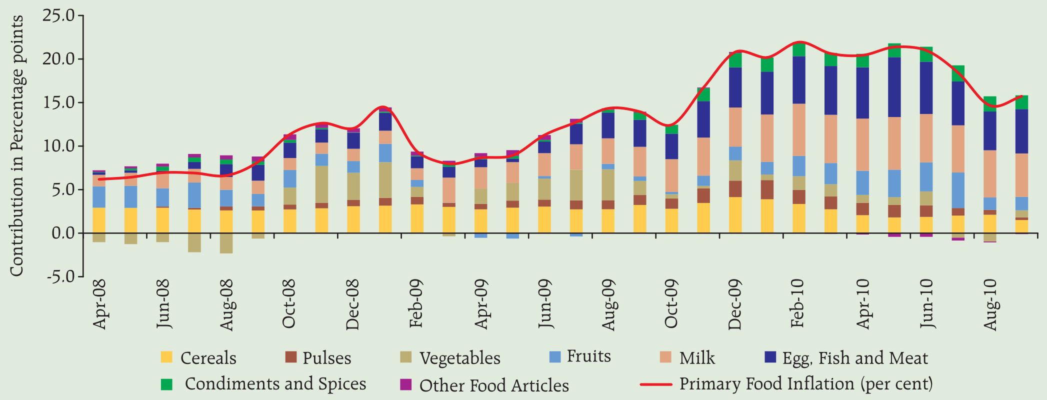


Chart 2: New Drivers of Food Inflation in India



policy repo rate was increased by 125 basis points and the reverse repo rate was increased by 175 basis points in phases (Table 4).

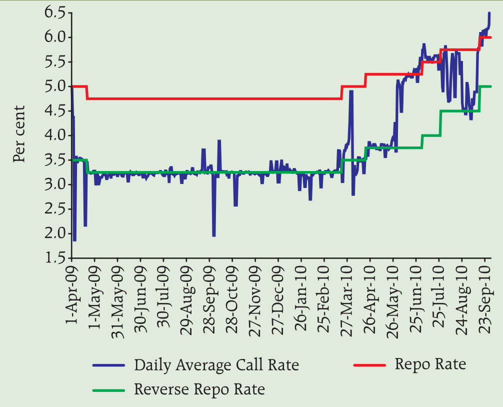
Table 4: Key Monetary Policy Measures in India since the Global Financial Crisis

(Per cent)

Effective since	Reverse Repo Rate	Repo Rate	CRR	SLR
1	2	3	4	5
October 11, 2008	6.00	9.00	6.50 (-2.50)	25.0
October 20, 2008	6.00	8.00 (-1.00)	6.50	25.0
October 25, 2008	6.00	8.00	6.00 (-0.50)	25.0
November 3, 2008	6.00	7.50 (-0.50)	6.00	25.0
November 8, 2008	6.00	7.50	5.50 (-0.50)	24.0
December 8, 2008	5.00 (-1.00)	6.50 (-1.00)	5.50	24.0
January 5, 2009	4.00 (-1.00)	5.50 (-1.00)	5.50	24.0
January 17, 2009	4.00	5.50	5.00 (-0.50)	24.0
March 4, 2009	3.50 (-0.50)	5.00 (-0.50)	5.00	24.0
April 21, 2009	3.25 (-0.25)	4.75 (-0.25)	5.00	24.0
November 7, 2009	3.25	4.75	5.00	25.0
February 13, 2010	3.25	4.75	5.50 (+0.50)	25.0
February 27, 2010	3.25	4.75	5.75 (+0.25)	25.0
March 19, 2010	3.50 (+0.25)	5.00 (+0.25)	5.75	25.0
April 20, 2010	3.75 (+0.25)	5.25 (+0.25)	5.75	25.0
April 24, 2010	3.75	5.25	6.00 (+0.25)	25.0
July 2, 2010	4.00 (+0.25)	5.50 (+0.25)	6.00	25.0
July 27, 2010	4.50 (+0.50)	5.75 (+0.25)	6.00	25.0
September 16, 2010	5.00(+0.50)	6.00(+0.25)	6.00	25.0

Note: 1. Reverse repo rate indicates rate for absorption of liquidity and repo rate indicates rate for injection of liquidity. Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) are per cent of net demand and time liabilities of banks.
2. Figures in parentheses indicate change in policy rates in per cent.

Chart 3: Policy Rates and the Overnight Money Market Rate



At the same time there was a need for modulating liquidity in the system for effective transmission of short-term policy rates. The key monetary operating mechanism, the Liquidity Adjustment Facility (LAF), operates in such a manner that as systemic liquidity alternates from surplus to deficit, even at the margin, the overnight call money rates alternate between the reverse repo rate and the repo rate. This imparted volatility to call rates to the extent of the width of the LAF corridor (i.e., gap between the repo and the reverse repo rate). Therefore, for the effectiveness of monetary transmission the LAF corridor was narrowed to 100 basis points from 150 basis points (Chart 3).

Conclusion

The outlook for GDP growth in 2010-11 has improved significantly, given the broad-based, robust recovery seen in the last quarter of 2009-10. Although concern about a possible weakening of global recovery persist, domestic risks to growth have receded significantly. As a result, the Reserve Bank revised upwards its GDP growth projection for 2010-11 to 8.5 per cent in July 2010, from 8 per cent with an upward bias in April 2010.

Inflation now remains the dominant concern in macroeconomic management though there has been moderation in the provisional WPI inflation to 8.6 per cent in September from 10.0 per cent in July 2010 reflecting improved supply conditions and lagged impact of policy actions. What is worrying, however, is that food inflation remains elevated in double digits reflecting a shift in consumption demand. If supply response is not commensurate, there is a risk that food price inflation could acquire a structural character. Nevertheless, the overall inflation rate seems to have peaked. The Reserve Bank projects the headline inflation rate to moderate to 6 per cent by end-March 2011. The Reserve Bank's projections of growth and inflation will be revised in the second quarter review of monetary policy on November 2, 2010.

To sum up, despite sound fundamentals and no direct exposure to the sub-prime assets, India was affected by global financial crisis through all the channels – trade, financial and confidence channels – reflecting increasing globalisation of the Indian economy than what is apparent in terms of traditional indicators. The policy responses to the global crisis were swift and timely and have transited through three distinct phases since the second half of 2008-09. During the first phase, crisis management assumed policy priorities and, hence, the Reserve Bank introduced a comprehensive range of conventional and unconventional measures to limit the impact of the adverse global developments on the domestic financial system and the economy. Monetary policy focussed on augmenting liquidity – both domestic rupee and foreign exchange liquidity – and making them available at lower rates. This was supported by the fiscal stimulus measures aimed at cushioning the deficiency in demand. In the second phase, monetary policy was confronted with the tasks of supporting the recovery process without compromising on price stability. Accordingly, while policy rates were left unchanged signifying accommodative policy stance, most unconventional measures undertaken in response to the crisis were terminated signifying return to normal pace of activity. During the current phase, with strengthening of domestic growth prospects, inflation management assumed prime importance and, accordingly, the normalisation process of monetary policy gathered momentum. Going forward, the outlook for growth remains favourable and inflation is expected to moderate. There are, however, risks from sluggish global economy, rebound in global commodity prices, volatile capital flows and high domestic food prices.

Articles

*Finances of Non-Government Non-Financial Private Ltd. Companies, 2008-09**

This article assesses the financial performance of select non-Government, non-financial private limited companies during 2008-09 based on the analysis of their audited annual accounts. The data are presented at the aggregate level for all the select companies and also for select industries. The aggregate results of the select companies in 2008-09 revealed that the global financial crisis during the year had a significant impact on the performance of the non-Government non-financial private limited companies. The growth rates in sales, value of production and manufacturing expenses moderated in 2008-09. The profitability ratios such as profit margin, return on assets and return on shareholders' equity also declined during 2008-09, as compared to 2007-08. While the growth in sales and value of production were lower, the growth in profits was negative, as compared to 2007-08. The share of external sources of funds (other than own sources) increased further as the internal sources of funds declined due to lower accretion in reserve and surplus in 2008-09.

The financial performance of *non-Government non-financial private limited companies* during the year 2008-09 is analysed in this article based on the audited annual accounts of 1,224 select companies, which closed their accounts during the period April 2008 to March 2009[1]. The study also presents

* Prepared in the Company Finances Division of the Department of Statistics and Information Management. Reference may be made to October 2009 issue of the RBI Bulletin for the previous study, which covered the financial performance of 1,475 *non-Government non-financial private limited companies* during 2007-08. In the present study, 330 new companies have been included in addition to 894 companies common with the previous study. The select 1,224 companies accounted for 5.5 per cent of total paid-up capital (provisional estimate supplied by Ministry of Corporate Affairs, GoI) of all non-government non-financial private limited companies as on March 31, 2009, which was at a similar level in the last year.

[1] In the case of companies, which either extended or shortened their accounting year, their income, expenditure and appropriation account figures have been annualised. The balance sheet data, however, have been retained as presented in the annual accounts of the companies. The analysis of the financial performance of companies is subject to these limitations.

comparable data for the preceding two years, *viz.*, 2006-07 and 2007-08 for the same set of companies, based on the analysis of their accounts for the respective years.

1. Operational Results

1.1 The sales of the select *non-Government non-financial private limited companies* registered a lower growth of 12.2 per cent in 2008-09, as against 24.0 per cent growth recorded in the previous year (Table 1 and Statement 1). Manufacturing expenses grew at lower rates of 9.8 per cent as compared with 24.7 per cent, in the previous year. Employees' remuneration witnessed a lower growth rate of 21.0 per cent in 2008-09 as compared to 28.4 per cent in 2007-08. Depreciation provision grew at lower rates of 14.4 per cent in 2008-09 as compared with 18.8 per cent in the previous year. The interest payments increased at a marginally higher rate of 20.5 per cent as against 20.0 per cent growth recorded in the previous year. The dividend paid increased at higher rate of 42.8 per cent as against 20.5 per cent decline recorded in the previous year. Pre-tax profits and post-tax profits showed negative growth rate of 9.4 and 21.5 per cent, respectively, during 2008-09, as against a growth of 29.1 per cent observed for both pre-tax profits and post-tax profits in 2007-2008.

Table 1: Growth Rates and Ratios of Select Items

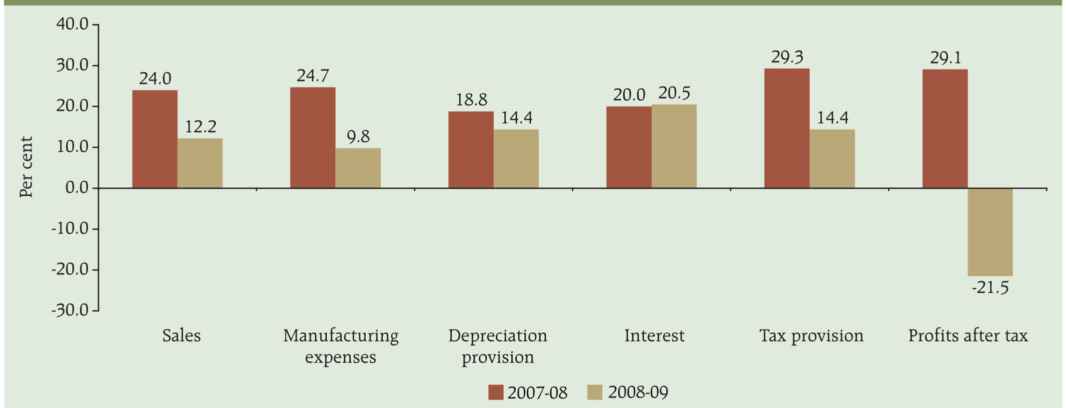
(Per cent)

Item	2007-08	2008-09
1	2	3
Growth Rates		
Sales+	24.0	12.2
Value of production	24.1	11.1
Manufacturing expenses	24.7	9.8
Remuneration to employees	28.4	21.0
Depreciation provision	18.8	14.4
Gross profits	23.6	2.6
Interest	20.0	20.5
Profits before tax	29.1	-9.4
Tax provision	29.3	14.4
Profits after tax	29.1	-21.5
Dividend paid	-20.5	42.8
Profits retained	65.2	-44.0
Ratios		
Debt to equity	22.6	29.5
Current assets to current liabilities	1.1	1.2
Sales to total net assets	105.6	101.3
Return on assets	9.3	8.1
Profit margin	8.8	8.0
Return on shareholders equity	12.5	8.0

+ Net of 'rebates and discounts' and 'excise duty and cess'

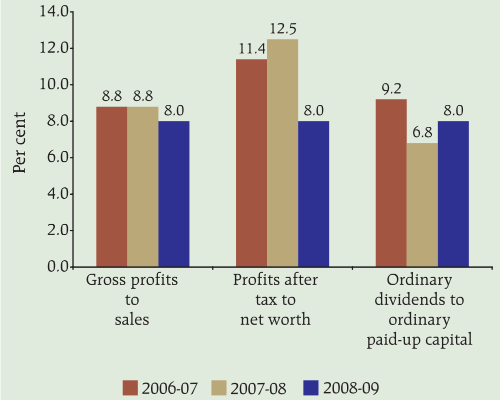
1.2 The profit margin of the select 1,224 *non-Government non-financial private limited companies* declined to 8.0 per cent in 2008-09 as compared to 8.8 per cent in the

Chart 1: Growth Rates of Select Item



previous year (Table 1 and Statement 2). Return on assets and return on shareholders' equity witnessed a sharp decline to 8.1 per cent and 8.0 per cent, respectively, in 2008-09 from 9.3 per cent and 12.5 per cent in 2007-08. The ratio of ordinary dividends to ordinary paid-up capital increased to 8.0 per cent in 2008-09 from 6.8 per cent in 2007-08. The effective tax rate (tax provision to profits before tax) remained at a similar level of 28.6 per cent in 2008-09.

Chart 2: Select Profitability Ratios



2. Liabilities and Assets

2.1 The total liabilities/assets of the select *non-Government non-financial private limited companies* increased by ₹11,445 crore (17.0 per cent) to ₹78,806 crore in 2008-09 (Statement 4). Gross fixed assets increased by 16.0 per cent in 2008-09 as compared to 15.4 per cent growth in the previous year. The composition of assets and liabilities is presented in Table 2 and Chart 3.

2.2 The composition of assets and liabilities remained at a similar level in 2008-09, as compared to the previous year. Borrowings (29.3 per cent), trade dues and other current liabilities (24.8 per cent) and Reserves and surplus (21.8 per cent) were the major constituents of total liabilities in 2008-09. The debt-equity ratio increased to 29.5 per cent during 2008-09 from 22.6 per cent in the previous year.

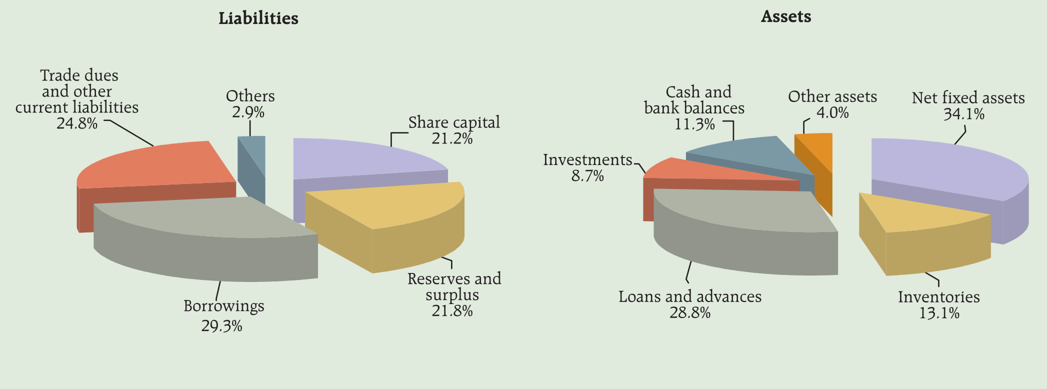
2.3 'Net fixed assets' and 'Loans and advances and other debtor balances' were the major assets constituting 34.1 per cent and 28.8 per cent of total net assets, respectively, in 2008-09. Inventories formed 13.1 per cent of total net assets during, 2008-09. Investments and cash & bank balances constituted 8.7 per cent and 11.3 per cent, respectively, in 2008-09 as compared to 6.8 per cent and 11.5 per cent of total net assets, in 2007-08. The current ratio (current assets to current liabilities) remained more or less at the same level of 1.2 per cent in 2008-09 as compared to previous year's ratio of 1.1 per cent.

Table 2: Composition of Assets and Liabilities

(Per cent)

Liabilities	2007-08	2008-09	Assets	2007-08	2008-09
1	2	3	4	5	6
I. Share capital	19.7	21.2	I. Net fixed assets	34.7	34.1
II. Reserves and surplus	21.1	21.8	II. Inventories	14.5	13.1
III. Borrowings	30.0	29.3	III. Loans and advances and		
Of which, from			other debtor balances	29.0	28.8
Banks	20.5	18.7	IV. Investments	6.8	8.7
Indian Financial institutions	1.5	1.5	V. Cash and bank balances	11.5	11.3
IV. Trade dues and other current liabilities	25.9	24.8	VI. Other assets	3.5	4.0
V. Others	3.3	2.9			
Total	**100.0**	**100.0**	**Total**	**100.0**	**100.0**

Chart 3: Composition of Liabilities and Assets



3. Sources and Uses of funds

3.1 The total funds raised by the select companies (net of repayments) were higher by 16.0 per cent at ₹13,733 crore during 2008-09 as against ₹11,835 crore raised in the previous year (Statement 5). The composition of sources of funds showed significant variation in 2008-09 as compared to the previous year (Table 3), while composition of uses of funds showed marginal variation (Table 3). Companies

Table 3: Composition of Sources and Uses of Funds

(Per cent)

Sources of funds	2007-08	2008-09	Uses of funds	2007-08	2008-09
1	2	3	4	5	6
I. Internal sources	**48.7**	**32.6**	I. Gross fixed assets	40.9	42.4
(a) Paid-up capital +	3.2	0.2	II. Inventories	12.3	4.2
(b) Reserves and surplus	25.3	15.1	III. Loans and advances and other debtor balances	27.3	22.8
(c) Provisions	20.2	17.3	*Of which,*		
Of which,			Sundry debtors	17.5	5.4
Depreciation provision	17.1	16.8	IV. Investments	8.5	17.0
			V. Cash and bank balances	13.4	7.9
II. External sources	**51.3**	**67.4**	VI. Other assets	-2.4	5.7
(a) Paid-up capital *	3.1	27.0			
(b) Borrowings	21.2	20.9			
Of which,					
Banks	*14.7*	*6.5*			
Indian financial institutions	*1.7*	*1.2*			
Companies	*-8.9*	*4.6*			
(c) Trade dues and other current liabilities	26.4	15.4			
Of which,					
Sundry creditors	*13.9*	*18.6*			
(d) Others	0.3	4.1			
Total	**100.0**	**100.0**	**Total**	**100.0**	**100.0**

+ Includes capitalised reserves and forfeited shares

*Includes net issues and premium on shares.

continued to rely more on external sources for their funding needs. Further, the share of external sources in total sources increased sharply to 67.4 per cent from 51.3 per cent in 2007-08, mainly due to new capital raised by these companies from external sources. The share of trade dues & current liabilities and borrowings from banks witnessed a decline in 2008-09 as compared to 2007-08. Inter-corporate borrowings which declined during 2007-08 accounted for 4.6 per cent of the funds raised in 2008-09. The share of internal sources (own sources) in total sources of funds decreased sharply from 48.7 per cent in 2007-08 to 32.6 per cent in 2008-09, due to lower accretion in reserves and surplus. The funds raised during the year 2008-09 were mainly deployed in gross fixed assets (42.4 per cent), loans and advances and other debtor balances (22.8 per cent) and investments (17.0 per cent). The share of inventories declined sharply to 4.2 per cent in 2008-09, as compared to 12.3 per cent in 2007-08, due to sluggish demand. The share of investment doubled to 17.0 per cent during 2008-09 as compared to 8.5 per cent in 2007-08.

4. Industry-wise Performance

4.1 The performance of the select companies as reflected by their growth in sales, total net assets and the profit margin for the select industry-groups are given in Table 4 (details are presented in Statements 7 and 8).

4.2 The growth in sales during 2008-09 was higher for the industries like 'Computer and related activities' (35.1 per cent), 'Real

Table 4: Performance of Private Limited Companies -Select Industries, 2007-08 and 2008-09

(Per cent)

Industry/Industry-group	Number of Companies	Growth in Sales		Growth in Net Assets		Profit Margin (Gross Profits to sales)	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1	2	3	4	5	6	7	8
Food Products and Beverages	53	18.1	23.1	12.7	11.0	8.5	7.5
Cotton textiles	38	7.3	-25.2	32.3	-20.3	4.0	2.8
Man-made textiles	18	28.8	-3.0	12.4	9.1	6.6	6.6
Wearing apparel	19	-11.3	29.5	21.3	10.5	3.3	3.0
Chemicals and chemical products	131	19.4	7.0	19.4	16.2	11.0	13.3
Basic chemicals	34	25.8	14.1	35.4	11.3	4.3	3.1
Paper and Paper products	31	14.6	15.7	10.8	5.1	5.5	5.7
Pharmaceuticals and medicines	28	3.7	22.4	0.2	12.0	14.5	20.0
Rubber and Plastic products	54	22.4	11.0	22.0	7.5	6.2	4.8
Fabricated metal products except machinery and equipment	46	5.4	2.7	13.9	30.0	8.6	9.5
Machinery and Machine tools	92	22.4	7.7	16.2	18.8	8.6	11.6
Electrical machinery and apparatus	51	24.2	10.4	21.4	8.9	11.8	10.1
Medical precision and scientific instruments	20	13.4	19.5	8.4	17.6	14.3	12.4
Motor vehicles and other transport equipments	27	37.6	-0.1	20.3	31.2	9.7	6.3
Iron and Steel	42	13.2	16.9	15.8	15.1	7.9	8.6
Construction	25	34.7	21.3	3.1	10.9	19.2	17.3
Wholesale and retail trade	85	20.1	18.4	37.9	31.8	17.0	10.8
Hotels and restaurants	46	-1.3	-0.1	11.8	8.3	32.7	31.8
Real estate activities	28	19.6	32.7	45.7	7.4	33.6	36.1
Computer and related activities	33	19.8	35.1	20.7	26.1	9.8	12.7

estate' (32.7 per cent), 'Wearing apparel' (29.5 per cent) and 'Food Products and Beverages' (23.1 per cent). The growth in net assets was higher for 'Wholesale and retail trade' (31.8 per cent), 'Motor vehicles and other transport equipments' (31.2 per cent) and 'Fabricated metal products except machinery and equipment' (30.0 per cent). The profit margin in 2008-09 was high in industries like 'Real estate' (36.1 per cent) and 'Hotels and restaurants' (31.8 per cent). On the other hand, sales of 'Cotton textiles' declined by 25.2 per cent in 2008-09. Profit margin of 'Motor Vehicles & other transport equipment' industry and that of 'Wholesale and retail trading' declined sharply in 2008-09.

5. Foreign Business

5.1 The total earnings in foreign currencies of the select companies decreased by ₹746 crore (-6.2 per cent) from ₹12,116 crore in 2007-08 to ₹11,369 crore in 2008-09 (Statement 6). Exports recorded negative growth (-14.1 per cent) in 2008-09 as against 36.8 per cent growth in the previous year. The export intensity of sales (exports to sales) was lower at 10.9 per cent in 2008-09 as compared to 14.2 per cent in 2007-08. The net outflow in foreign currencies was ₹5,059 crore in 2008-09, as compared to an outflow of ₹1,895 crore in 2007-08.

5.2 The total expenditure in foreign currencies increased by 17.3 per cent in 2008-09 as against 29.6 per cent growth recorded in the previous year. Imports registered a sharp deceleration and grew by 15.1 per cent in 2008-09 as against an increase of 32.1 per cent in 2007-08. Imports of raw materials and capital goods accounted for 51.0 per cent and 5.5 per cent of total imports, respectively, in 2008-09 and their share were similar (51.0 per cent and 4.5 per cent, respectively), in 2007-08.

6. Conclusion

6.1 The consolidated results of the select 1,224 *non-Government non-financial private limited companies* revealed that the growth rates in sales, value of production, manufacturing expenses, remuneration to employees, etc. were significantly lower in 2008-09 than in 2007-08. This clearly indicates that the global financial crisis, which occurred in 2008-09, had a significant impact on the performance of the *non-Government non-financial private limited companies.* Gross profits recorded significantly lower growth during the year 2008-09 while pre-tax profits and post-tax profits recorded negative growth when compared to the growth rates of these variables in 2007-08. Return on assets (gross profits to total net assets), profit margin (gross profits to sales) and return on shareholders' equity (profit after tax to net worth) decreased during the year under review, on account of decline in profits. The select companies recorded marginal growth in assets formation in 2008-09. External sources (other than own sources) continued to form major source of financing and its share further increased from 51.3 per cent in 2007-08 to 67.4 per cent in 2008-09. Gross savings to gross capital formation ratio of the select companies decreased marginally in 2008-09.

Statement 1: Growth Rates of the Select Items of the Select 1,224 Non-Government, Non-Financial Private Limited Companies – 2007-08 and 2008-09

(Per cent)

	Item	2007-08	2008-09
	1	2	3
1	Sales+	24.0	12.2
2	Value of production	24.1	11.1
3	Total Income	24.7	11.2
4	Manufacturing expenses	24.7	9.8
5	Remuneration to employees	28.4	21.0
6	Depreciation provision	18.8	14.4
7	Gross profits	23.6	2.6
8	Interest	20.0	20.5
9	Operating profits	24.6	-2.2
10	Non-operating surplus/deficit	#	-141.7
11	Profits before tax	29.1	-9.4
12	Tax provision	29.3	14.4
13	Profits after tax	29.1	-21.5
14	Dividend paid	-20.5	42.8
15	Profits retained	65.2	-44.0
16	Gross saving	37.5	-13.8
17	(a) Gross value added	28.3	6.4
	(b) Net value added	30.5	4.7
18	Net worth @	16.1	23.2
19	Total borrowings @	14.2	14.2
	Of which, from banks @	14.4	6.4
20	Trade dues and other current liabilities @	22.1	12.1
21	(a) Gross fixed assets @	15.4	16.0
	(b) Net fixed assets @	13.9	15.0
22	Inventories @	17.5	6.0
23	(a) Gross physical assets @	15.8	13.9
	(b) Net physical assets @	15.0	12.4
24	(a) Total gross assets @	17.3	17.1
	(b) Total net assets @	17.1	17.0
25	Total earnings in foreign currencies	32.5	-6.2
	Of which, Exports	36.8	-14.1
26	Total expenditure in foreign currencies	29.6	17.3
	Of which, Imports	32.2	15.1

Note: Rates of growth of all the items are adjusted for changes due to amalgamation of companies.
\+ Net of 'rebates and discounts' and excise duty and cess
@ Adjusted for revaluation, etc.
\# Denominator is negative or nil or negligible.

Statement 2: Select Financial Ratios of the Select 1,224 Non-Government, Non-Financial Private Limited Companies - 2007-08 and 2008-09

(Per cent)

Select Financial Ratios		2006-07	2007-08	2008-09
	1	2	3	4
A.	**Capital structure ratios**			
1	Net fixed assets to total net assets	35.4	34.7	34.1
2	Net worth to total net assets	40.9	40.8	43.0
3	Debt to equity	22.1	22.6	29.5
4	Debt to equity (equity adjusted for revaluation reserve)	22.5	23.2	30.2
5	Short-term bank borrowings to inventories	100.1	105.5	79.8
6	Total outside liabilities to net worth	144.7	145.1	132.7
B.	**Liquidity ratios**			
7	Current assets to current liabilities +	1.1	1.1	1.2
8	Quick assets to current liabilities	57.3	59.6	62.5
9	Current assets to total net assets	54.8	55.8	53.6
10	Sundry creditors to current assets	25.8	25.9	29.1
11	Sundry creditors to net working capital	287.7	238.2	162.0
C.	**Assets utilisation and turnover ratios**			
12	Sales to total net assets	100.2	105.6	101.3
13	Sales to gross fixed assets	182.5	195.9	188.9
14	Inventories to sales	14.5	13.7	13.0
15	Sundry debtors to sales	16.8	16.5	15.6
16	Exports to sales	12.9	14.2	10.9
17	Gross value added to gross fixed assets	38.7	43.0	39.3
18	Raw materials consumed to value of production	57.9	57.7	56.7
D.	**Sources and uses of funds ratios @**			
19	Gross fixed assets formation to total uses of funds		40.9	42.4
20	Gross capital formation to total uses of funds		53.2	46.6
21	External sources of funds to total sources of funds		51.3	67.4
22	Increase in bank borrowings to total external sources		28.7	9.6
23	Gross savings to gross capital formation		83.9	71.1
E.	**Profitability and profit allocation ratios**			
24	Gross profits to total net assets	8.8	9.3	8.1
25	Gross profits to sales	8.8	8.8	8.0
26	Profits after tax to net worth	11.4	12.5	8.0
27	Tax provision to profits before tax*	27.7	28.7	28.6
28	Profits retained to profits after tax*	67.7	79.3	74.1
29	Dividends to net worth	4.8	3.3	3.8
30	Ordinary dividends to ordinary paid-up capital	9.2	6.8	8.0

\+ : Item B.7 is the actual ratio of current assets to current liabilities.

@ : Adjusted for revaluation, *etc.*

* : Tax provision includes corporate, Fringe benefit, Wealth & dividend tax and Profit before tax is net of profit and losses before tax, calculated for profitmaking companies during the year.

Statement 3: Combined Income, Value of Production, Expenditure and Appropriation Accounts of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09

(₹ Lakh)

Item		All companies (1224)	
	2006-07	2007-08	2008-09
1	2	3	4
Income and Value of Production			
1 Sales +	57,35,148	71,11,610	79,82,493
2 Increase(+) or decrease(-) in value of stock of finished goods and work in progress	48,433	67,134	-3,448
3 Value of production (1+2)	57,83,581	71,78,744	79,79,045
4 Other income	148,892	200,208	2,64,106
Of which, (a) Dividends	10,797	11,939	12,338
(b) Interest	44,603	61,187	75,880
(c) Rent	7,379	6,341	15,196
5 Non-operating surplus(+)/ deficit(-)	6,627	26,672	-11,124
6 Total (3+4+5)	**59,39,099**	**74,05,623**	**82,32,027**
Expenditure and Appropriations			
7 Raw materials, components, *etc.* consumed	33,49,645	41,38,939	45,26,110
8 Stores and spares consumed	1,20,138	1,39,626	1,79,855
9 Power and fuel	2,46,258	3,13,338	3,20,133
10 Other manufacturing expenses	2,26,190	3,23,571	3,71,918
11 Salaries, wages and bonus	3,96,290	5,20,376	6,32,344
12 Provident fund	25,844	31,786	39,104
13 Employees' welfare expenses	43,834	46,142	52,423
14 Managerial remuneration	20,765	24,963	29,391
15 Royalty	22,263	28,472	26,836
16 Repairs to buildings	9,824	12,350	15,779
17 Repairs to machinery	25,025	31,037	32,569
18 Bad debts	13,325	12,903	14,923
19 Selling commission	21,301	23,137	25,106
20 Rent	44,402	65,884	79,697
21 Rates and taxes	22,224	20,061	27,307
22 Advertisement	78,495	1,03,195	1,15,599
23 Insurance	15,587	15,967	17,063
24 Research and development	2,527	4,816	1,832
25 Other expenses	5,02,827	6,11,190	7,64,906
26 Depreciation provision	2,29,451	2,72,621	3,11,819
27 Other provisions (other than tax and depreciation)	10,839	13,986	17,757
28 Gross profits	5,05,420	6,24,596	6,40,682
29 Less: Interest	1,10,008	1,32,035	1,59,064
30 Operating profits	3,95,412	4,92,561	4,81,618
31 Non-operating surplus(+)/ deficit(-)	6,627	26,672	-11,124
32 Profits before tax	4,02,039	5,19,233	4,70,494
33 Less: Tax provision	1,35,100	1,74,675	1,99,849
34 Profits after tax	2,66,939	3,44,558	2,70,644
35 Dividends	1,12,418	89,346	1,27,602
(a) Ordinary	1,10,992	87,389	1,27,262
(b) Preference	1,426	1,957	340
36 Profits retained	1,54,521	2,55,212	1,43,042
37 Total (7 to 28 + 31)	**59,39,100**	**74,05,623**	**82,32,027**

+ Net of 'rebates and discounts' and 'excise duty and cess'

Statement 4: Combined Balance Sheet of the Select 1,224 Non-Government, Non-Financial Private Limited Companies – 2007-08 and 2008-09

(₹ Lakh)

Capital and Liabilities			All companies (1224)		
			2006-07	2007-08	2008-09
	1		2	3	4
A.		**Share capital**	**13,08,251**	**13,28,942**	**16,68,697**
	1	Paid-up capital	13,08,196	13,28,883	16,68,637
		(a) Ordinary	12,11,642	12,79,234	15,82,101
		Of which, bonus	81,240	1,18,518	1,21,185
		(b) Preference	96,554	49,649	86,536
	2	Forfeited shares	55	60	60
B.		**Reserves and surplus**	**10,30,372**	**14,19,407**	**17,18,424**
	3	Capital reserve	2,69,745	3,66,537	4,59,639
		Of which, premium on shares	1,73,841	2,27,804	2,61,369
	4	Investment allowance reserve	353	366	481
	5	Sinking funds	135	130	137
	6	Other reserves	7,60,139	10,52,374	12,58,167
C.		**Borrowings**	**17,70,038**	**20,20,701**	**23,07,107**
	7	Debentures @	11,024	8,387	46,754
	8	Loans and advances	17,50,133	20,01,024	22,49,883
		(a) From banks	12,08,691	13,83,149	14,72,291
		Of which, short-term borrowings	8,31,781	10,29,770	8,25,870
		(b) From other Indian financial institutions	82,012	1,01,912	1,19,026
		(c) From foreign institutional agencies	13,397	4,737	2,941
		(d) From Government and semi-Government bodies	12,950	17,406	19,064
		(e) From companies	1,82,378	77,524	1,40,201
		(f) From others	2,50,705	4,16,296	4,96,361
	9	Deferred payments	2,196	3,558	1,175
	10	Public deposits	6,685	7,732	9,295
		Of total borrowings, debt	5,16,592	6,21,277	10,00,317
D.		**Trade dues and other current liabilities**	**14,28,767**	**17,44,641**	**19,56,515**
	11	Sundry creditors	8,10,209	9,74,811	12,30,291
	12	Acceptances	22,942	38,058	54,862
	13	Liabilities to companies	38,580	31,815	38,882
	14	Advances/ deposits from customers, agents, etc.	2,68,121	3,37,117	3,88,070
	15	Interest accrued on loans	3,759	3,254	8,320
	16	Others	2,85,156	3,59,587	2,36,090
E.		**Provisions**	**1,85,020**	**2,22,184**	**2,29,815**
	17	Taxation (net of advance of income-tax)	48,431	45,568	26,847
	18	Dividends	43,357	53,215	82,534
	19	Other current provisions	79,168	1,07,598	93,598
	20	Non-current provisions	14,064	15,803	26,835
F.	**21**	**Miscellaneous non-current liabilities**	**1**	**192**	**8**
	22	**TOTAL**	**57,22,449**	**67,36,067**	**78,80,565**

@ Includes privately placed debentures.

Statement 4: Combined Balance Sheet of the Select 1,224 Non-Government, Non-Financial Private Limited Companies - 2007-08 and 2008-09 *(Concld.)*

(₹ Lakh)

Assets	All companies (1224)		
	2006-07	2007-08	2008-09
1	2	3	4
G. Gross fixed assets	**31,42,047**	**36,30,547**	**42,24,757**
23 Land	1,45,872	1,98,854	2,21,180
24 Buildings	4,16,301	5,15,336	6,14,665
25 Plant and machinery	20,90,106	22,83,763	25,86,356
26 Capital work-in-progress	1,38,440	2,37,601	3,10,866
27 Furniture, fixtures and office equipments	1,93,766	2,19,657	2,55,935
28 Others	1,57,561	1,75,337	2,35,755
H. 29 Depreciation	**11,17,715**	**12,93,049**	**15,33,894**
I. 30 Net fixed assets	**20,24,332**	**23,37,498**	**26,90,864**
J. Inventories	**8,30,749**	**9,76,306**	**10,34,497**
31 Raw materials, components, etc.	2,65,324	3,09,042	3,31,613
32 Finished goods	2,23,024	2,72,901	2,68,426
33 Work-in-progress	2,05,460	2,22,715	2,23,743
34 Stores and spares	58,645	66,932	71,607
35 Others	78,296	1,04,716	1,39,108
K. Loans and advances and other debtor balances	**16,32,753**	**19,56,038**	**22,69,832**
36 Sundry debtors	9,63,804	11,71,011	12,44,513
37 Loans and advances	4,17,361	5,35,585	7,01,370
(a) To subsidiaries and companies under the same management	33,960	63,200	70,801
(b) Others	3,83,401	4,72,385	6,30,569
38 Interest accrued on loans and advances	8,485	10,544	13,148
39 Deposits/balances with Government/ others	1,24,186	1,35,888	2,01,915
40 Others	1,18,919	1,03,011	1,08,886
L. Investments	**3,55,417**	**4,56,459**	**6,89,345**
Of which, quoted investments	51,648	49,357	34,362
41 Foreign	341	306	632
42 Indian	3,55,076	4,56,153	6,88,714
(a) Government/semi-Government securities	4,370	10,404	2,408
(b) Securities of Financial Institutions	74,745	79,404	1,76,788
(c) Industrial securities	1,22,991	1,37,101	2,19,103
(d) Shares and debentures of subsidiaries	87,120	87,703	1,99,429
(e) Others	65,851	1,41,541	90,986
M. 43 Advance of income-tax (net of tax provision)			
N. Other assets	**2,59,541**	**2,31,821**	**3,09,116**
44 Immovable property	4,661	9,025	12,953
45 Intangible assets	2,52,267	2,22,271	1,77,713
46 Miscellaneous non-current assets	2,613	525	1,18,450
O. Cash and bank balances	**6,19,656**	**7,77,944**	**8,86,911**
47 Fixed deposits with banks	4,34,479	5,59,402	6,65,638
48 Other bank balances	1,60,896	2,05,712	2,08,998
49 Cash in hand	24,281	12,831	12,274
50 TOTAL (I to O)	**57,22,449**	**67,36,067**	**78,80,565**

Statement 5: Sources and Uses of Funds of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09

(₹ Lakh)

Sources of Funds			All companies (1224)	
			2007-08	2008-09
	1		2	3
Internal Sources			**5,76,515**	**4,48,179**
A.	**1**	**Paid-up capital#**	**37,440**	**2,667**
B.		**Reserves and Surplus**	**2,99,441**	**2,07,442**
	2	Capital reserve	8,282	3,792
	3	Investment allowance reserve	-32	115
	4	Sinking funds	-6	7
	5	Other reserves	2,91,196	2,03,529
C.	**Provisions**		**2,39,635**	**2,38,070**
	6	Depreciation	2,02,471	2,30,439
	7	Taxation (net of advance of income tax)	-2,863	-18,721
	8	Dividends	9,857	29,319
	9	Other current provisions	28,430	-14,000
	10	Non-current provisions	1,739	11,032
External Sources			**6,07,002**	**9,25,152**
D.	**Paid-up capital**		**37,062**	**3,71,191**
	11	Net issues	-16,901	3,37,396
	12	Premium on shares	53,963	33,795
E.	**13**	**Capital receipts**	**3,490**	**55,866**
F.	**Borrowings**		**2,50,513**	**2,86,405**
	14	Debentures	-2,637	38,367
	15	Loans and advances	2,50,741	2,48,859
		(a) From banks	1,74,366	89,142
		(b) From other Indian financial institutions	19,901	17,114
		(c) From foreign institutional agencies	-8,660	-1,796
		(d) From Government and semi-Government bodies	4,455	1,658
		(e) From companies	-104,854	62,677
		(f) From others	1,65,533	80,065
	16	Deferred payments	1,362	-2,384
	17	Public deposits	1,047	1,563
G.	**Trade dues and other current liabilities**		**3,15,746**	**2,11,874**
	18	Sundry creditors	1,64,564	2,55,480
	19	Acceptances	15,116	16,804
	20	Liabilities to companies	-6,765	7,067
	21	Advances/ deposits from customers, agents, etc.	68,996	50,953
	22	Interest accrued on loans	-505	5,066
	23	Others	74,340	-123,497
H.	**24**	**Miscellaneous non-current liabilities**	**191**	**-184**
	25	**TOTAL**	**11,83,517**	**13,73,331**

\# Capitalized reserves and forfeited shares; the changes consequent on amalgamation of companies and reduction in the value of paid-up capital are also included here.

Note: This statement is derived from statement 4.
Figures have been adjusted for revaluation, etc., wherever necessary.

Statement 5: Sources and Uses of Funds of the Select 1,224 Non-Government Non-Financial Private Limited Companies - 2007-08 and 2008-09 *(Concld.)*

(₹ Lakh)

Uses of Funds	All companies (1224)	
	2007-08	2008-09
1	2	3
I. Gross fixed assets	**4,83,858**	**5,81,807**
26 Land	52,955	16,496
27 Buildings	98,492	99,731
28 Plant and machinery	1,90,812	3,06,262
29 Capital work-in-progress	98,074	73,265
30 Furniture, fixtures and office equipments	25,877	25,807
31 Others	17,647	60,246
J. Inventories	**1,45,476**	**58,191**
32 Raw materials, components, etc.	43,718	22,571
33 Finished goods	49,878	-4,475
34 Work-in-progress	17,174	1,027
35 Stores and spares	8,286	4,675
36 Others	26,420	34,392
K. Loans and advances and other debtor balances	**3,23,157**	**3,13,794**
37 Sundry debtors	2,07,084	73,502
38 Loans and advances	1,18,220	1,65,785
a) To subsidiaries and companies under the same management	29,240	7,601
b) Others	88,981	1,58,184
39 Interest accrued on loans and advances	2,059	2,604
40 Deposits/balances with Government/ others	11,702	66,027
41 Others	-15,908	5,876
L. 42 Investments	**1,00,746**	**2,32,887**
M. 43 Other assets	**-27,722**	**77,686**
N. 44 Cash and bank balances	**1,58,003**	**1,08,966**
45 Total	**11,83,517**	**13,73,331**

Statement 6: Earnings/Expenditure in Foreign Currencies of the Select 1,224 Non-Government, Non-Financial Private Limited Companies – 2007-08 and 2008-09

(₹ Lakh)

Item	(487)	(526)	(477)
	2006-07	2007-08	2008-09
1	2	3	4
I. Expenditure in foreign currencies	**10,81,056**	**14,01,057**	**16,42,806**
(a) Imports (on c.i.f. basis)	9,59,156	12,67,646	14,59,026
of which: i) Raw materials	5,95,856	6,46,710	7,44,065
ii) Capital goods	59,392	57,162	79,699
iii) Stores and spares	14,397	20,379	18,769
(b) Other expenditure in foreign currencies	1,21,899	1,33,411	1,83,781
II. Earnings in foreign currencies	**9,14,626**	**12,11,581**	**11,36,937**
of which: Exports (on f.o.b. basis)	7,39,799	10,12,217	8,69,395
III. Net inflow (+) / outflow (-) in foreign currencies	**-166,430**	**-189,476**	**-5,05,870**
Memo (growth rates in Per cent)			
Total earnings in foreign currencies		32.5	-6.2
Of which, Exports		36.8	-14.1
Total expenditure in foreign currencies		29.6	17.3
Of which, Imports		32.2	15.1

Figures in bracket denote number of companies reporting import/ export transactions.

Statement 7: Growth Rates of the Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies - 2007-08 and 2008-09

(Per Cent)

Item	Tea Plantations (18)		Mining and Quarrying (12)		Food Products and Beverages (53)	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1	2	3	4	5	6	7
1 Sales+	-7.3	39.9	6.0	11.4	18.1	23.1
2 Value of production	-6.2	40.6	5.9	13.0	17.0	22.6
3 Total Income	-4.4	37.0	8.6	13.2	17.7	21.4
4 Manufacturing expenses	-4.3	34.2	6.2	-1.5	15.6	24.4
5 Remuneration to employees	4.9	15.0	14.1	17.3	16.2	20.7
6 Depreciation provision	7.9	7.3	0.3	15.7	27.3	17.0
7 Gross profits	-32.2	101.2	32.0	72.8	49.2	9.4
8 Interest	-7.8	33.5	63.0	#	1.4	25.8
9 Operating profits	-68.2	#	30.6	53.5	54.1	8.3
10 Non-operating surplus/deficit	-0.6	57.4	#	-33.2	#	#
11 Profits before tax	-61.1	301.8	75.0	30.9	60.3	3.0
12 Tax provision	5.2	102.5	79.7	-0.5	31.8	37.3
13 Profits after tax	-71.2	413.0	72.1	51.5	82.1	-15.9
14 Dividend paid	9.2	11.4	5.5	-58.5	-65.8	90.8
15 Profits retained	-76.3	#	74.7	54.0	#	-44.6
16 Gross saving	-32.4	94.9	32.9	37.8	#	-22.9
17 (a) Gross value added	-6.1	33.4	50.1	23.2	48.5	8.4
(b) Net value added	-7.8	37.1	69.3	24.9	53.2	6.8
18 Net worth @	2.2	7.3	34.6	39.5	16.7	9.0
19 Total borrowings @	11.2	8.3	108.2	-10.1	21.4	16.8
Of which, from banks @	15.5	10.2	92.6	-67.6	44.4	6.8
20 Trade dues and other current liabilities @	6.4	19.3	6.3	-10.2	24.1	1.2
21 (a) Gross fixed assets @	7.6	8.7	12.3	7.5	23.6	17.7
(b) Net fixed assets @	3.7	5.7	22.5	4.3	27.1	18.3
22 Inventories @	-0.3	4.7	-12.3	48.9	24.2	0.2
23 (a) Gross physical assets @	5.2	7.5	10.7	9.6	23.8	12.5
(b) Net physical assets @	2.0	5.3	17.5	9.1	25.9	10.9
24 (a) Total gross assets @	6.9	9.7	31.9	5.2	13.6	11.8
(b) Total net assets @	6.0	9.3	48.7	3.1	12.7	11.0
25 Total earnings in foreign currencies	-12.8	27.8	-1.3	*	178.5	-52.9
Of which, Exports	-12.8	27.5	-23.4	*	180.5	-55.2
26 Total expenditure in foreign currencies	-11.1	33.9	162.1	#	61.7	-9.4
Of which, Imports	-12.4	35.2	256.4	#	67.6	-13.7

Note : Figures in bracket represent the number of companies.
Rates of growth of all the items are adjusted for changes due to amalgamation of companies.

\+ Net of 'rebates and discounts' and 'excise duty and cess'
@ Adjusted for revaluation, etc.
* Numerator is negative or nil or negligible.
# Denominator is negative or nil or negligible.
& Both numerator and denominator are negative or nil.

Statement 7: Growth Rates of the Select Items of the 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Contd.)*

(Per Cent)

Item		Cotton Textiles (38)		Man-made textiles (18)		Wearing apparels (19)	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1		8	9	10	11	12	13
1	Sales+	7.3	-25.2	28.8	-3.0	-11.3	29.5
2	Value of production	15.9	-38.7	26.7	-2.4	-13.3	32.6
3	Total Income	16.6	-37.7	25.8	7.0	-15.2	27.2
4	Manufacturing expenses	15.9	-40.7	28.9	-4.4	-18.9	50.2
5	Remuneration to employees	-0.7	11.8	13.4	0.2	26.3	19.9
6	Depreciation provision	-13.4	18.2	14.3	0.5	8.9	11.5
7	Gross profits	-8.0	-47.2	-22.4	33.3	-80.2	20.1
8	Interest	35.0	-2.5	14.8	17.5	39.5	100.1
9	Operating profits	-43.5	*	-37.0	44.7	-86.4	-23.0
10	Non-operating surplus/deficit	#	46.6	#	#	-75.9	*
11	Profits before tax	-25.3	*	2.6	208.2	-83.6	*
12	Tax provision	-30.9	-35.6	14.6	178.1	-49.4	-13.4
13	Profits after tax	-23.1	*	-0.9	218.4	-92.5	.*
14	Dividend paid	-56.5	276.2	114.9	-88.9	-59.7	-58.9
15	Profits retained	-22.3	*	-18.5	#	*	*
16	Gross saving	-16.5	-31.2	-4.5	167.8	-97.1	*
17	(a) Gross value added	2.0	-10.3	45.4	98.7	-37.0	-17.1
	(b) Net value added	8.2	-19.5	52.0	114.4	-39.9	-20.4
18	Net worth @	8.7	-1.6	13.0	24.0	-1.0	-9.5
19	Total borrowings @	46.9	-24.9	4.8	-5.2	41.4	30.1
	Of which, from banks @	45.2	-25.8	29.4	-3.9	65.7	-31.8
20	Trade dues and other current liabilities @	44.0	-37.4	24.3	-18.0	27.7	12.0
21	(a) Gross fixed assets @	11.5	11.3	10.5	6.7	12.0	1.8
	(b) Net fixed assets @	12.5	9.5	12.8	25.9	12.8	-5.1
22	Inventories @	55.0	-57.4	9.2	-24.5	40.7	13.1
23	(a) Gross physical assets @	21.8	-9.3	10.2	0.2	18.5	4.9
	(b) Net physical assets @	26.9	-18.2	11.6	9.2	22.4	2.1
24	(a) Total gross assets @	27.4	-13.7	11.4	3.8	19.2	10.6
	(b) Total net assets @	32.3	-20.3	12.4	9.1	21.3	10.5
25	Total earnings in foreign currencies	#	-56.0	-30.0	25.3	-15.6	21.5
	Of which, Exports	#	-57.1	-29.9	12.6	-18.1	21.9
26	Total expenditure in foreign currencies	19.1	-14.5	-40.2	-20.8	130.1	-18.3
	Of which, Imports	-20.7	-11.5	1.7	-21.3	103.6	-54.5

Statement 7: Growth Rates of the Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Contd.)*

(Per Cent)

Item			Chemicals and Chemical products (131)		Basic chemicals (34)		Paper and Paper Products (31)	
			2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1			14	15	16	17	18	19
1	Sales+		19.4	7.0	25.8	14.1	14.6	15.7
2	Value of production		19.8	6.2	24.7	12.1	13.4	15.7
3	Total Income		24.1	2.8	41.7	-3.6	14.1	15.8
4	Manufacturing expenses		19.3	1.6	22.6	13.8	15.6	17.4
5	Remuneration to employees		26.8	10.7	30.3	7.9	16.2	8.8
6	Depreciation provision		27.0	3.2	9.7	23.7	17.2	4.6
7	Gross profits		14.6	29.2	16.8	-18.3	4.3	19.8
8	Interest		26.2	14.4	28.1	-6.1	16.3	16.8
9	Operating profits		13.1	31.3	11.3	-25.0	-7.9	23.5
10	Non-operating surplus/deficit		#	*	#	-99.2	*	*
11	Profits before tax		56.3	-5.6	#	-88.9	-12.7	32.0
12	Tax provision		40.0	13.9	167.6	-38.6	22.1	12.6
13	Profits after tax		62.4	-11.9	#	*	-26.3	44.7
14	Dividend paid		0.4	-10.7	204.1	-16.1	-80.3	65.1
15	Profits retained		97.0	-12.3	#	*	-16.2	43.8
16	Gross saving		65.8	-7.0	#	-77.1	5.7	15.3
17	(a)	Gross value added	61.1	-12.2	249.5	-62.8	8.8	14.6
	(b)	Net value added	68.5	-14.7	#	-70.4	6.2	18.1
18	Net worth @		20.9	18.7	42.2	8.8	7.2	10.2
19	Total borrowings @		11.2	22.9	4.9	57.4	10.9	8.4
	Of which, from banks @		3.0	0.6	-6.2	-8.4	9.8	13.9
20	Trade dues and other current liabilities @		24.2	4.9	41.4	0.0	13.2	-7.7
21	(a)	Gross fixed assets @	13.6	19.3	22.2	24.8	7.5	10.5
	(b)	Net fixed assets @	12.6	21.3	24.7	24.4	1.1	7.2
22	Inventories @		17.9	11.9	25.6	5.3	20.2	0.6
23	(a)	Gross physical assets @	14.7	17.2	23.1	19.4	10.0	8.3
	(b)	Net physical assets @	14.6	17.6	25.0	18.1	6.6	5.1
24	(a)	Total gross assets @	18.8	16.2	33.5	12.5	12.4	7.3
	(b)	Total net assets @	19.4	16.2	35.4	11.3	10.8	5.1
25	Total earnings in foreign currencies		31.6	12.6	15.6	188.2	10.2	-47.1
	Of which, Exports		34.6	7.1	46.1	225.1	10.3	-58.0
26	Total expenditure in foreign currencies		29.5	18.5	146.3	121.4	10.4	-4.0
	Of which, Imports		37.5	15.0	162.6	110.3	13.3	-1.5

Industry groups, *viz.*, 'Basic chemicals', 'Paints and Varnishes' and 'Pharmaceuticals and Medicines' are subgroups of Chemicals and Chemical products'

Statement 7: Growth Rates of the Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Contd.)*

(Per Cent)

Item		Pharmaceuticals and Medicines (28)		Rubber and Plastic Products (54)		Plastic Products (27)	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1		20	21	22	23	24	25
1	Sales+	3.7	22.4	22.4	11.0	20.9	-5.3
2	Value of production	4.5	21.8	21.5	10.7	18.7	-4.3
3	Total Income	6.8	22.4	21.7	7.2	17.7	-4.9
4	Manufacturing expenses	10.1	21.9	23.0	9.0	18.3	-4.0
5	Remuneration to employees	25.4	12.8	67.6	-9.9	123.9	-44.1
6	Depreciation provision	48.8	2.8	-4.4	10.7	3.7	9.7
7	Gross profits	-33.2	68.3	13.6	-14.8	43.9	12.2
8	Interest	37.4	18.9	28.8	46.3	24.2	35.9
9	Operating profits	-41.1	81.1	7.6	-43.6	63.6	-5.7
10	Non-operating surplus/deficit	#	-18.8	242.9	*	-52.3	*
11	Profits before tax	-34.5	73.0	16.3	-51.7	49.8	-16.7
12	Tax provision	-30.9	82.8	21.3	-5.8	23.8	32.5
13	Profits after tax	-35.7	69.5	14.6	-68.1	56.2	-26.4
14	Dividend paid	-0.9	-21.4	9.6	-50.9	#	9.9
15	Profits retained	*	#	14.8	-68.8	52.9	-27.3
16	Gross saving	-27.4	146.3	5.4	-33.3	23.7	-8.9
17	(a) Gross value added	1.4	32.1	36.1	-12.1	54.9	-18.2
	(b) Net value added	-7.3	40.7	47.3	-16.2	71.7	-23.7
18	Net worth @	-4.0	13.8	13.3	3.1	19.8	8.6
19	Total borrowings @	7.5	4.8	32.2	23.8	20.9	22.2
	Of which, from banks @	2.8	2.3	30.2	22.1	26.5	17.1
20	Trade dues and other current liabilities @	3.5	21.6	27.2	-9.9	17.5	-15.9
21	(a) Gross fixed assets @	9.9	10.2	12.9	13.4	11.2	11.1
	(b) Net fixed assets @	4.5	5.6	13.0	13.1	11.6	10.1
22	Inventories @	12.7	11.1	36.1	-5.6	19.3	18.6
23	(a) Gross physical assets @	10.5	10.4	17.8	8.8	12.4	12.3
	(b) Net physical assets @	6.8	7.2	20.0	6.6	13.4	12.1
24	(a) Total gross assets @	3.1	13.0	20.1	8.8	17.4	9.5
	(b) Total net assets @	0.2	12.0	22.0	7.5	19.7	8.6
25	Total earnings in foreign currencies	-4.0	10.9	10.3	-11.1	11.9	155.1
	Of which, Exports	-9.8	-1.9	-3.8	-63.3	25.9	80.3
26	Total expenditure in foreign currencies	25.4	7.8	96.8	-13.7	105.0	120.4
	Of which, Imports	23.5	6.6	111.3	-15.7	111.2	167.4

Industry group, *viz.*, 'Plastic products' is the subgroup of 'Rubber and Plastic products'

Statement 7: Growth Rates of the Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Contd.)*

(Per Cent)

Item	Fabricated Metal Products Except Machinery & Equp. (46)		Machinery and Machine Tools (92)		Electrical Machinery and apparatus (51)	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1	26	27	28	29	30	31
1 Sales+	5.4	2.7	22.4	7.7	24.2	10.4
2 Value of production	4.9	0.8	18.2	13.2	22.2	11.0
3 Total Income	4.4	1.6	18.9	12.7	23.0	11.6
4 Manufacturing expenses	10.1	-3.7	18.0	11.5	5.2	17.0
5 Remuneration to employees	4.9	13.2	17.6	9.1	70.6	8.4
6 Depreciation provision	1.0	0.2	4.1	1.5	96.2	-4.4
7 Gross profits	-17.1	12.4	56.2	45.0	50.7	-5.4
8 Interest	28.8	-2.4	9.7	38.3	45.2	6.6
9 Operating profits	-29.2	19.4	67.3	46.0	51.8	-7.6
10 Non-operating surplus/deficit	-75.9	59.7	60.5	0.6	81.8	6.1
11 Profits before tax	-32.8	20.6	66.3	39.8	55.0	-5.8
12 Tax provision	-9.8	38.5	38.6	40.9	57.6	-2.3
13 Profits after tax	-43.3	7.6	86.5	39.2	53.7	-7.7
14 Dividend paid	-22.7	17.2	-21.9	52.8	49.4	-58.8
15 Profits retained	-45.4	6.1	#	33.4	55.2	10.5
16 Gross saving	-28.6	3.1	116.6	22.9	67.9	5.1
17 (a) Gross value added	-9.6	8.8	32.6	23.4	65.2	2.3
(b) Net value added	-11.2	10.3	36.4	25.6	62.5	3.0
18 Net worth @	9.4	46.0	22.3	21.7	30.7	15.0
19 Total borrowings @	13.3	36.1	33.8	50.0	19.9	2.1
Of which, from banks @	16.1	-2.7	64.9	39.6	29.0	0.8
20 Trade dues and other current liabilities @	21.3	3.4	8.8	4.9	0.7	14.4
21 (a) Gross fixed assets @	19.6	47.8	8.3	25.2	28.7	16.1
(b) Net fixed assets @	21.4	68.6	14.0	32.7	27.0	14.4
22 Inventories @	3.4	-4.5	-4.3	17.5	18.6	-3.4
23 (a) Gross physical assets @	15.2	35.0	2.2	21.7	25.7	10.6
(b) Net physical assets @	14.5	43.5	2.6	23.8	23.7	7.6
24 (a) Total gross assets @	14.3	27.5	14.5	18.3	22.5	10.2
(b) Total net assets @	13.9	30.3	16.2	18.8	21.4	8.9
25 Total earnings in foreign currencies	16.1	13.5	-4.5	-8.7	77.0	-9.6
Of which, Exports	17.6	-8.1	-4.9	-10.2	78.7	-11.5
26 Total expenditure in foreign currencies	11.1	19.0	-29.0	4.6	28.5	-44.7
Of which, Imports	14.6	17.8	-34.2	7.2	15.1	-48.8

Statement 7: Growth Rates of the Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Contd.)*

(Per Cent)

Item		Medical Precision and Scientific Instruments (20)		Motor Vehicles and Other Transport Equip. (27)		Iron and Steel (42)	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1		32	33	34	35	36	37
1	Sales+	13.4	19.5	37.6	-0.1	13.2	16.9
2	Value of production	11.7	23.0	38.0	-0.8	13.2	16.0
3	Total Income	8.1	17.8	35.9	0.4	13.7	14.9
4	Manufacturing expenses	0.7	21.7	34.0	-0.6	21.6	13.7
5	Remuneration to employees	21.8	20.4	4.3	15.5	22.2	11.9
6	Depreciation provision	16.4	7.7	18.6	124.9	-13.2	15.4
7	Gross profits	28.0	4.2	134.4	-35.1	-23.0	27.8
8	Interest	24.2	11.0	42.6	89.8	15.5	-0.4
9	Operating profits	28.5	3.4	140.6	-40.1	-30.3	36.6
10	Non-operating surplus/deficit	-55.5	*	-90.4	42.9	-12.2	-5.9
11	Profits before tax	23.2	-1.7	88.1	-39.2	-29.5	34.1
12	Tax provision	25.5	-2.0	87.4	-20.7	-2.3	65.9
13	Profits after tax	21.6	-1.5	88.5	-49.4	-38.9	16.6
14	Dividend paid	-17.8	-16.7	-14.4	54.0	-4.5	-28.0
15	Profits retained	36.4	2.0	193.5	-80.3	-40.2	19.3
16	Gross saving	28.2	4.1	98.9	-14.0	-31.4	17.7
17	(a) Gross value added	19.8	9.1	27.7	-4.6	-12.4	19.5
	(b) Net value added	20.2	9.3	29.5	-28.4	-12.2	20.4
18	Net worth @	16.7	19.8	18.0	61.8	20.7	21.9
19	Total borrowings @	12.2	11.1	3.8	41.0	9.4	26.1
	Of which, from banks @	17.5	8.4	9.6	41.5	20.8	35.6
20	Trade dues and other current liabilities @	-8.5	20.1	36.1	-9.8	13.6	-12.2
21	(a) Gross fixed assets @	10.2	10.9	-9.9	20.3	13.8	10.8
	(b) Net fixed assets @	5.3	10.2	3.3	24.8	11.9	10.2
22	Inventories @	1.8	30.8	46.1	27.0	9.1	8.9
23	(a) Gross physical assets @	7.8	16.4	-1.9	21.7	12.1	10.1
	(b) Net physical assets @	3.9	18.3	14.7	25.5	10.5	9.6
24	(a) Total gross assets @	9.5	16.9	9.7	28.3	15.9	14.4
	(b) Total net assets @	8.4	17.6	20.3	31.2	15.8	15.1
25	Total earnings in foreign currencies	6.1	-55.4	#	-4.1	-14.0	48.9
	Of which, Exports	-12.1	20.3	#	-10.7	-17.1	51.4
26	Total expenditure in foreign currencies	-29.1	102.1	22.5	4.8	74.5	-45.3
	Of which, Imports	-26.1	34.7	18.1	2.0	82.7	-51.4

Statement 7: Growth Rates of the Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Contd.)*

(Per Cent)

Item		Construction (25)		Wholesale and Retail trade (85)		Hotels and Restaurents (46)	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1		38	39	40	41	42	43
1	Sales+	34.7	21.3	20.1	18.4	-1.3	-0.1
2	Value of production	41.0	21.2	23.3	18.8	17.1	-0.8
3	Total Income	38.8	21.6	15.1	27.8	24.7	-2.7
4	Manufacturing expenses	44.6	29.0	6.3	20.4	-3.6	22.7
5	Remuneration to employees	10.5	24.6	36.6	22.5	25.9	9.2
6	Depreciation provision	34.2	8.5	-31.9	14.8	-1.1	0.5
7	Gross profits	59.7	9.1	132.3	-25.0	25.3	-3.0
8	Interest	23.5	-7.4	11.2	40.9	12.4	-14.0
9	Operating profits	137.2	27.5	158.1	-31.1	30.3	0.8
10	Non-operating surplus/deficit	*	#	*	#	288.4	-62.0
11	Profits before tax	90.5	32.5	37.8	18.7	53.3	-13.4
12	Tax provision	19.9	32.2	44.5	-23.3	66.2	-21.0
13	Profits after tax	130.6	32.5	36.1	29.7	47.5	-9.5
14	Dividend paid	-2.4	#	-68.6	214.8	-13.7	-14.4
15	Profits retained	158.1	8.6	49.0	24.9	54.5	-9.2
16	Gross saving	67.9	8.6	10.3	21.9	31.3	-6.2
17	(a) Gross value added	30.9	14.4	-0.1	46.6	39.0	-13.8
	(b) Net value added	29.8	16.5	5.8	50.3	48.1	-16.0
18	Net worth @	8.9	28.3	27.8	25.8	23.9	13.0
19	Total borrowings @	-0.9	2.7	20.4	15.6	-1.3	5.5
	Of which, from banks @	-10.0	3.9	28.0	19.1	19.2	11.5
20	Trade dues and other current liabilities @	9.8	12.7	55.5	44.6	14.3	-3.0
21	(a) Gross fixed assets @	8.2	15.0	22.4	9.1	39.8	6.8
	(b) Net fixed assets @	0.5	8.3	17.3	-1.4	6.3	3.9
22	Inventories @	13.2	10.7	26.7	179.2	1.7	0.1
23	(a) Gross physical assets @	9.1	14.2	23.4	47.0	34.4	6.1
	(b) Net physical assets @	3.1	8.9	20.1	56.4	5.4	3.4
24	(a) Total gross assets @	5.5	13.0	37.0	31.0	28.3	9.3
	(b) Total net assets @	3.1	10.9	37.9	31.8	11.8	8.3
25	Total earnings in foreign currencies	42.0	116.9	37.7	19.2	-20.1	-0.5
	Of which, Exports	53.0	124.9	40.7	20.8	24.8	-86.6
26	Total expenditure in foreign currencies	-27.2	0.0	90.5	-10.0	86.0	-5.3
	Of which, Imports	-36.9	36.5	99.5	-6.8	-41.6	-16.4

Statement 7: Growth Rates of the Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Concld.)*

(Per Cent)

Item	Transport Storage and Communications (45)		Real estate Activities (28)		Computer and Related Activities (33)	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1	44	45	46	47	48	49
1 Sales+	-0.8	-3.8	19.6	32.7	19.8	35.1
2 Value of production	2.7	-10.6	12.1	-7.9	19.1	35.6
3 Total Income	8.2	-9.9	7.3	0.8	21.5	38.2
4 Manufacturing expenses	0.6	-29.0	-25.1	13.2	42.5	221.5
5 Remuneration to employees	22.7	27.4	-37.5	-48.6	39.3	34.3
6 Depreciation provision	-2.4	-7.2	66.7	83.3	19.5	36.0
7 Gross profits	*	*	19.9	42.3	-2.7	74.9
8 Interest	35.4	4.3	126.2	200.9	31.3	44.1
9 Operating profits	*	*	6.0	-1.9	-3.5	75.9
10 Non-operating surplus/deficit	#	-45.8	*	*	#	#
11 Profits before tax	*	*	3.1	-0.8	10.6	99.0
12 Tax provision	8.9	22.8	-1.4	14.7	13.7	87.4
13 Profits after tax	*	*	4.5	-5.3	9.8	102.2
14 Dividend paid	-38.8	96.2	59.5	-24.7	-65.8	#
15 Profits retained	*	*	4.2	-5.2	10.1	-4.0
16 Gross saving	-63.2	*	9.9	6.9	14.0	13.6
17 (a) Gross value added	-2.4	-47.6	2.6	2.0	35.5	48.8
(b) Net value added	-2.4	.*	-0.5	-4.4	37.4	50.1
18 Net worth @	-22.6	115.7	22.5	17.7	31.0	19.5
19 Total borrowings @	6.5	4.2	96.6	19.4	13.4	-31.5
Of which, from banks @	13.1	-32.4	132.0	24.6	45.6	-36.6
20 Trade dues and other current liabilities @	29.4	56.6	26.1	-7.7	1.1	43.4
21 (a) Gross fixed assets @	6.7	21.8	76.2	32.8	27.2	17.1
(b) Net fixed assets @	-0.5	23.4	76.9	32.0	22.2	6.5
22 Inventories @	53.1	-22.6	20.7	-11.4	8.8	29.3
23 (a) Gross physical assets @	10.9	16.3	48.3	14.7	26.9	17.3
(b) Net physical assets @	5.9	15.5	47.9	13.7	21.7	7.2
24 (a) Total gross assets @	9.6	36.0	46.0	8.2	22.8	26.7
(b) Total net assets @	6.1	40.4	45.7	7.4	20.7	26.1
25 Total earnings in foreign currencies	25.9	-59.8	*	*	22.3	37.1
Of which, Exports	24.6	-39.5	*	*	27.2	25.0
26 Total expenditure in foreign currencies	7.2	-4.9	#	#	-27.2	201.8
Of which, Imports	-2.3	17.0	#	#	1.1	-8.0

Statement 8: Select Financial Ratios of the Select 1,224 Non-Government Non-Financial Private Limited Companies - 2007-08 and 2008-09

(Per cent)

Item	Tea Plantations (18)			Mining and Quarrying (12)			Food products and Beverages (53)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	2	3	4	5	6	7	8	9	10
A. Capital Structure Ratios									
1 Net fixed assets to total net assets	20.9	20.4	19.8	42.9	35.4	35.7	24.6	27.8	29.5
2 Net worth to total net assets	48.6	46.8	46.0	42.0	38.0	51.5	59.0	61.1	59.9
3 Debt to equity	36.9	47.4	13.8	30.9	55.8	42.3	6.8	5.7	5.9
4 Debt to equity (equity adjusted for revaluation reserve)	37.5	48.1	14.0	31.3	56.4	42.6	6.8	5.7	5.9
5 Short-term bank borrowings to	73.8	66.3	188.9	118.1	254.8	14.8	30.6	37.7	41.7
inventories	106.0	113.6	117.6	137.9	162.9	94.3	69.5	63.8	66.8
6 Total outside liabilities to net worth									
B. Liquidity Ratios									
7 Current assets to current liabilities +	1.7	1.9	1.3	1.2	1.5	2.3	1.7	1.8	1.8
8 Quick assets to current liabilities	61.4	73.5	57.5	33.5	33.8	63.0	89.6	85.6	87.4
9 Current assets to total net assets	55.6	55.5	58.5	55.0	61.5	59.9	61.8	63.2	62.9
10 Sundry creditors to current assets	18.5	18.4	20.0	25.9	18.2	14.7	23.3	28.0	25.8
11 Sundry creditors to net working capital	43.7	39.0	92.2	137.4	53.1	26.3	57.7	63.3	59.8
C. Assets utilisation and turnover ratios									
12 Sales to total net assets	82.2	71.9	92.0	231.2	164.8	178.1	147.1	154.1	171.1
13 Sales to gross fixed assets	247.1	212.7	273.9	217.6	205.4	212.8	352.1	336.4	351.9
14 Inventories to sales	18.2	19.6	14.7	3.1	2.6	3.5	11.9	12.5	10.2
15 Sundry debtors to sales	11.1	17.1	18.4	3.9	5.0	6.0	17.2	13.8	11.4
16 Exports to sales	64.7	60.9	55.5	0.2	0.1	*	4.8	11.4	4.2
17 Gross value added to gross fixed assets	49.5	43.2	53.0	35.2	47.1	54.0	40.9	49.1	45.3
18 Raw materials consumed to value of production	62.0	65.4	61.5	56.8	56.3	56.8	63.6	62.3	60.1
D. Sources and uses of funds ratios @									
19 Gross fixed assets formation to total uses of funds		32.7	26.6		25.1	146.6		61.9	57.9
20 Gross capital formation to total uses of funds		32.0	32.6		23.4	197.8		88.5	58.2
21 External sources of funds to total sources of funds		70.0	63.3		57.3	*		63.4	31.0
22 Increase in bank borrowings to total external sources		82.5	46.4		37.6	#		35.5	16.2
23 Gross savings to gross capital formation		94.0	119.9		202.8	282.8		79.7	94.5
E. Profitability and profit allocation ratios									
24 Gross profits to total net assets	4.5	2.9	5.3	14.2	12.6	21.2	9.9	13.1	12.9
25 Gross profits to sales	5.5	4.0	5.8	6.2	7.7	11.9	6.7	8.5	7.5
26 Profits after tax to net worth	3.6	1.0	4.9	20.1	25.7	27.9	8.6	13.4	10.4
27 Tax provision to profits before tax	8.7	14.7	17.9	35.0	37.8	29.8	39.2	31.2	39.3
28 Profits retained to profits after tax	96.1	92.4	95.1	96.8	97.9	99.4	4.2	82.5	64.7
29 Dividends to net worth	0.2	0.2	0.2	0.7	0.6	0.2	9.7	2.8	5.0
30 Ordinary dividends to ordinary paid-up capital	0.4	0.5	1.3	1.9	1.0	0.4	35.6	11.1	19.6

Note : Figures in brackets represent the number of companies.

+ Item B.7 is the actual ratio of current assets to current liabilities.

@ Available for two years, as these are worked out based on sources and uses of funds taking difference between two successive years. These ratios are adjusted for revaluation, *etc.*

* Numerator is negative or nil or negligible.

& Both numerator and denominator are negative or nil.

Denominator is negative or nil or negligible.

– Nil or negligible.

Statement 8: Select Financial Ratios of Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Cotton Textiles (38)			Man-made Textiles (18)			Wearing apparel (19)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	11	12	13	14	15	16	17	18	19
A. Capital Structure Ratios									
1 Net fixed assets to total net assets	42.8	36.6	50.5	32.1	32.3	32.3	32.2	29.9	25.7
2 Net worth to total net assets	32.6	27.0	33.6	54.4	54.7	54.7	35.0	28.6	23.4
3 Debt to equity	56.5	44.2	55.8	18.5	23.3	23.3	15.9	16.0	38.3
4 Debt to equity (equity adjusted for revaluation reserve)	57.5	44.9	57.2	19.0	23.9	23.9	16.0	16.0	38.4
5 Short term bank borrowings to inventories	114.9	142.5	192.6	57.5	63.3	63.3	49.4	63.2	33.0
6 Total outside liabilities to net worth	206.4	270.6	197.5	83.9	82.7	82.7	185.4	250.2	327.7
B. Liquidity Ratios									
7 Current assets to current liabilities +	1.1	1.0	1.0	1.6	1.9	1.9	1.0	0.9	1.1
8 Quick assets to current liabilities	41.7	37.7	36.4	80.3	101.4	101.4	44.8	35.1	51.9
9 Current assets to total net assets	54.0	61.1	46.6	57.4	62.1	62.1	59.2	61.3	71.7
10 Sundry creditors to current assets	17.9	14.3	16.2	18.8	18.3	18.3	27.1	31.0	34.3
11 Sundry creditors to net working capital	188.7	#	#	49.2	38.4	38.4	#	#	#
C. Assets utilization and turnover ratios									
12 Sales to total net assets	166.2	134.5	125.6	68.7	78.6	78.6	137.2	100.4	117.7
13 Sales to gross fixed assets	234.5	223.7	150.2	110.8	128.7	128.7	239.7	189.9	241.5
14 Inventories to sales	13.3	19.2	10.9	24.0	20.3	20.3	12.3	19.5	17.0
15 Sundry debtors to sales	9.9	13.9	11.6	26.1	26.7	26.7	12.8	19.1	21.0
16 Exports to sales	5.8	46.4	26.6	5.2	2.9	2.9	14.4	13.3	12.5
17 Gross value added to gross fixed assets	25.1	22.7	18.3	20.5	26.9	26.9	96.9	54.5	44.4
18 Raw materials consumed to value of production	76.7	76.4	68.0	58.8	58.0	58.0	42.9	38.0	50.2
D. Sources and uses of Funds Ratios @									
19 Gross fixed assets formation to total uses of funds		23.2	#		43.8	43.8		30.5	7.2
20 Gross capital formation to total uses of funds		57.8	#		54.1	54.1		61.0	26.2
21 External sources of funds to total sources of funds		86.1	#		89.9	89.9		104.7	103.0
22 Increase in bank borrowings to total external sources		64.0	#		42.4	42.4		28.1	*
23 Gross savings to gross capital formation		32.1	#		62.8	62.8		2.6	*
E. Profitability and profit allocation ratios									
24 Gross profits to total net assets	7.7	5.4	3.5	7.6	5.2	5.2	20.2	3.3	3.6
25 Gross profits to sales	4.6	4.0	2.8	11.0	6.6	6.6	14.7	3.3	3.0
26 Profits after tax to net worth	8.4	5.9	*	6.4	5.6	5.6	59.2	4.5	.*
27 Tax provision to profits before tax	23.4	22.4	30.8	18.9	21.3	22.8	19.2	26.3	18.8
28 Profits retained to profits after tax	98.2	98.9	90.0	89.3	76.9	99.0	47.6	32.6	78.8
29 Dividends to net worth	0.2	0.1	0.3	0.8	1.6	1.6	33.9	13.8	6.3
30 Ordinary dividends to ordinary paid-up capital	0.5	0.3	1.0	9.7	19.6	19.6	73.9	28.9	13.6

Statement 8: Select Financial Ratios of Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Chemicals and Chemical Products (131)			Basic Chemicals (34)			Paper and Paper products (31)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	20	21	22	23	24	25	26	27	28
A. Capital Structure Ratios									
1 Net fixed assets to total net assets	28.0	26.5	27.6	30.0	27.6	30.8	45.7	41.7	42.5
2 Net worth to total net assets	58.3	59.2	60.4	58.7	61.6	60.2	27.1	26.2	27.5
3 Debt to equity	10.0	8.5	7.8	3.4	1.0	0.8	65.6	60.7	70.2
4 Debt to equity (equity adjusted for revaluation reserve)	10.0	8.5	7.9	3.5	1.0	0.8	66.6	61.5	70.9
5 Short term bank borrowings to inventories	43.9	41.0	34.4	50.2	37.3	33.0	102.7	102.9	103.2
6 Total outside liabilities to net worth	71.4	69.1	65.5	70.4	62.3	66.1	268.5	281.2	263.6
B. Liquidity Ratios									
7 Current assets to current liabilities +	1.6	1.7	1.9	1.2	1.3	1.5	1.0	1.0	1.1
8 Quick assets to current liabilities	83.7	86.7	100.0	61.9	57.1	73.4	54.4	55.5	59.5
9 Current assets to total net assets	56.1	59.4	65.0	46.2	49.5	58.2	53.4	57.3	56.6
10 Sundry creditors to current assets	30.0	26.3	23.7	41.0	30.0	30.4	34.6	33.4	26.4
11 Sundry creditors to net working capital	82.8	66.1	50.7	272.8	125.6	93.3	#	#	#
C. Assets utilization and turnover ratios									
12 Sales to total net assets	111.3	111.1	102.3	75.0	69.7	71.4	140.5	145.4	160.3
13 Sales to gross fixed assets	247.1	259.3	232.5	186.5	192.0	175.4	191.2	203.9	213.6
14 Inventories to sales	15.4	15.2	15.9	19.8	19.8	18.3	13.2	13.8	12.0
15 Sundry debtors to sales	19.3	19.3	19.4	24.9	24.0	20.1	19.2	19.8	17.3
16 Exports to sales	18.2	20.5	20.5	5.5	6.4	18.3	1.8	1.7	0.6
17 Gross value added to gross fixed assets	52.8	74.8	55.1	35.0	100.1	29.8	26.4	26.7	27.7
18 Raw materials consumed to value of production	63.1	62.6	59.5	63.8	60.3	62.0	66.4	68.5	69.4
D. Sources and uses of Funds Ratios @									
19 Gross fixed assets formation to total uses of funds		28.3	44.7		24.5	66.7		34.9	78.6
20 Gross capital formation to total uses of funds		42.5	55.6		35.0	72.2		58.5	79.8
21 External sources of funds to total sources of funds		50.1	45.8		57.1	87.6		51.5	22.0
22 Increase in bank borrowings to total external sources		3.6	0.8		*	*		41.1	223.9
23 Gross savings to gross capital formation		172.4	119.7		145.5	32.2		80.5	101.9
E. Profitability and profit allocation ratios									
24 Gross profits to total net assets	12.8	12.2	13.6	3.5	3.0	2.2	8.5	8.0	9.2
25 Gross profits to sales	11.5	11.0	13.3	4.6	4.3	3.1	6.1	5.5	5.7
26 Profits after tax to net worth	14.1	18.9	14.0	2.0	18.1	*	10.6	7.3	9.6
27 Tax provision to profits before tax	22.7	21.8	25.3	29.0	18.4	37.2	26.9	30.1	27.7
28 Profits retained to profits after tax	71.1	80.8	82.1	94.6	96.7	91.0	85.1	97.2	96.3
29 Dividends to net worth	5.1	4.2	3.1	0.3	0.6	0.5	1.7	0.3	0.5
30 Ordinary dividends to ordinary paid-up capital	11.3	10.1	8.8	0.3	0.9	0.9	3.4	0.7	1.1

Industry groups, viz., 'Basic chemicals', 'Paints and Varnishes' and 'Pharmaceuticals and Medicines' are subgroups of 'Chemicals and Chemical products'

Statement 8: Select Financial Ratios of Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Pharmaceuticals and Medicines (28)			Rubber and Plastic products (54)			Plastic Products (27)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	29	30	31	32	33	34	35	36	37
A. Capital Structure Ratios									
1 Net fixed assets to total net assets	32.1	33.8	31.9	41.5	38.4	40.4	50.9	47.4	48.1
2 Net worth to total net assets	51.5	49.5	50.4	47.7	44.3	42.5	37.9	37.9	37.9
3 Debt to equity	37.5	24.8	24.0	22.6	17.6	12.5	38.9	30.1	30.4
4 Debt to equity (equity adjusted for revaluation reserve)	38.0	25.3	24.4	23.3	18.0	12.8	42.0	32.2	32.3
5 Short term bank borrowings to inventories	58.3	105.4	90.8	60.8	72.1	118.0	97.1	119.9	144.1
6 Total outside liabilities to net worth	94.2	101.8	98.6	109.6	125.8	135.3	164.1	163.7	163.6
B. Liquidity Ratios									
7 Current assets to current liabilities +	1.6	1.3	1.5	1.2	1.2	1.1	1.0	1.0	1.0
8 Quick assets to current liabilities	88.0	68.8	88.7	61.7	55.9	53.3	51.3	51.5	49.5
9 Current assets to total net assets	47.9	49.7	57.0	51.2	56.7	55.7	47.5	49.5	49.7
10 Sundry creditors to current assets	21.4	23.5	20.1	23.4	32.3	26.4	31.0	40.9	29.9
11 Sundry creditors to net working capital	54.5	100.3	57.4	120.8	201.2	#	#	#	#
C. Assets utilization and turnover ratios									
12 Sales to total net assets	93.2	96.0	105.0	124.8	125.2	129.4	111.8	113.0	98.5
13 Sales to gross fixed assets	194.1	181.5	201.7	182.3	197.6	193.3	132.9	144.6	123.2
14 Inventories to sales	13.5	14.7	13.3	14.5	16.2	13.7	13.6	13.4	16.8
15 Sundry debtors to sales	14.9	14.0	16.2	17.6	18.3	18.1	19.2	20.5	21.2
16 Exports to sales	7.2	6.3	5.0	8.5	6.7	2.2	2.7	2.8	5.4
17 Gross value added to gross fixed assets	72.1	65.9	79.0	29.3	35.3	27.3	22.1	30.8	22.7
18 Raw materials consumed to value of production	39.6	42.7	42.8	69.7	71.6	70.0	64.4	66.0	65.0
D. Sources and uses of Funds Ratios @									
19 Gross fixed assets formation to total uses of funds		205.0	35.4		34.7	77.7		40.3	69.6
20 Gross capital formation to total uses of funds		274.0	45.6		60.4	67.4		52.8	92.2
21 External sources of funds to total sources of funds		127.4	33.3		64.7	55.4		62.8	42.8
22 Increase in bank borrowings to total external sources		24.6	12.0		36.6	77.6		49.1	91.9
23 Gross savings to gross capital formation		94.7	212.8		60.5	68.9		77.7	63.4
E. Profitability and profit allocation ratios									
24 Gross profits to total net assets	21.0	13.9	21.0	8.4	7.8	6.2	6.9	8.3	8.6
25 Gross profits to sales	22.6	14.5	20.0	6.7	6.2	4.8	6.2	7.4	8.8
26 Profits after tax to net worth	27.2	18.1	26.9	9.8	9.9	3.1	8.3	10.9	7.4
27 Tax provision to profits before tax	18.8	18.5	24.0	23.4	24.5	29.8	15.7	16.4	26.0
28 Profits retained to profits after tax	39.2	17.8	52.1	96.4	96.5	97.5	99.6	97.4	96.2
29 Dividends to net worth	21.5	22.0	15.2	0.4	0.4	0.2	0.0	0.3	0.3
30 Ordinary dividends to ordinary paid-up capital	49.8	48.2	36.9	0.7	0.6	0.3	0.1	0.2	0.6

Industry group, viz., 'Plastic products' is the subgroup of 'Rubber and Plastic products'

Statement 8: Select Financial Ratios of Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Fabricated Metal Products Except Machinery & Equp. (46)			Machinery and Machine Tools (92)			Electrical Machinery and Apparatus (51)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	38	39	40	41	42	43	44	45	46
A. Capital Structure Ratios									
1 Net fixed assets to total net assets	31.3	33.3	43.1	16.5	16.2	18.1	23.5	24.6	25.8
2 Net worth to total net assets	41.5	39.8	44.7	31.1	32.7	33.5	47.0	50.6	53.4
3 Debt to equity	18.9	19.0	16.0	12.5	16.0	20.0	12.5	11.8	13.1
4 Debt to equity (equity adjusted for revaluation reserve)	19.3	19.4	16.2	12.6	16.1	20.2	12.9	12.1	13.4
5 Short term bank borrowings to inventories	86.9	95.2	98.7	24.1	37.1	36.0	87.9	87.7	84.5
6 Total outside liabilities to net worth	141.1	151.0	123.9	221.6	205.5	198.2	112.9	97.7	87.3
B. Liquidity Ratios									
7 Current assets to current liabilities +	1.3	1.2	1.1	1.3	1.3	1.3	1.3	1.4	1.6
8 Quick assets to current liabilities	68.4	68.2	65.0	66.7	72.3	72.7	78.0	88.7	104.2
9 Current assets to total net assets	63.7	60.1	52.5	81.5	81.2	79.1	59.9	60.8	61.6
10 Sundry creditors to current assets	29.0	22.9	29.0	40.4	36.1	34.8	31.4	25.0	28.0
11 Sundry creditors to net working capital	137.2	172.2	328.3	193.9	151.0	140.5	146.1	87.2	78.3
C. Assets utilization and turnover ratios									
12 Sales to total net assets	111.8	103.5	81.7	109.3	115.1	104.4	123.5	126.4	128.1
13 Sales to gross fixed assets	218.5	192.6	133.8	372.3	420.5	361.8	340.1	328.4	312.3
14 Inventories to sales	17.2	16.8	15.7	25.3	19.8	21.6	12.4	11.9	10.4
15 Sundry debtors to sales	18.5	20.5	24.5	29.3	28.5	30.2	23.4	22.8	22.3
16 Exports to sales	19.0	21.2	19.0	39.3	30.5	25.5	15.6	22.4	17.9
17 Gross value added to gross fixed assets	55.6	42.1	31.0	72.1	88.3	87.0	82.6	106.0	93.4
18 Raw materials consumed to value of production	57.4	61.2	58.8	63.1	63.0	60.4	65.0	55.2	58.3
D. Sources and uses of Funds Ratios @									
19 Gross fixed assets formation to total uses of funds		58.3	77.6		15.6	34.0		40.9	53.4
20 Gross capital formation to total uses of funds		62.1	75.3		8.0	53.7		52.2	49.0
21 External sources of funds to total sources of funds		59.2	79.8		71.3	57.7		44.2	31.2
22 Increase in bank borrowings to total external sources		31.2	*		46.5	38.3		45.1	3.9
23 Gross savings to gross capital formation		69.0	26.8		623.0	75.8		98.1	198.5
E. Profitability and profit allocation ratios									
24 Gross profits to total net assets	12.3	8.9	7.7	7.4	9.9	12.1	12.0	14.9	12.9
25 Gross profits to sales	11.0	8.6	9.5	6.7	8.6	11.6	9.7	11.8	10.1
26 Profits after tax to net worth	17.5	9.1	6.7	12.9	19.7	22.5	15.7	18.4	14.8
27 Tax provision to profits before tax	28.4	34.2	36.2	30.2	30.7	32.9	34.4	34.4	34.6
28 Profits retained to profits after tax	91.9	90.9	91.4	56.0	75.2	70.4	73.3	74.6	89.1
29 Dividends to net worth	1.6	1.2	0.9	9.3	5.9	7.4	4.2	4.8	1.7
30 Ordinary dividends to ordinary paid-up capital	5.1	3.1	2.1	22.5	16.0	23.4	13.7	16.0	9.7

Statement 8: Select Financial Ratios of Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Medical Precision and Scientific Instruments (20)			Motor Vehicles and Other Transport Equip. (27)			Iron and Steel (42)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	47	48	49	50	51	52	53	54	55
A. Capital Structure Ratios									
1 Net fixed assets to total net assets	22.1	21.5	20.1	29.3	25.2	24.0	29.7	28.7	27.5
2 Net worth to total net assets	59.6	64.1	65.3	37.7	37.0	45.6	45.0	46.9	49.7
3 Debt to equity	4.4	3.7	4.6	3.9	4.1	2.4	12.1	10.3	15.9
4 Debt to equity (equity adjusted for revaluation reserve)	4.4	3.7	4.6	3.9	4.1	2.4	12.2	10.3	16.0
5 Short term bank borrowings to inventories	31.4	40.2	29.0	256.9	191.1	216.4	42.1	49.6	54.2
6 Total outside liabilities to net worth	67.9	55.9	53.2	165.5	170.6	119.4	122.0	113.0	101.2
B. Liquidity Ratios									
7 Current assets to current liabilities +	1.4	1.7	1.6	1.1	1.1	1.1	1.4	1.4	1.6
8 Quick assets to current liabilities	84.2	106.2	95.8	63.1	79.4	66.0	61.0	61.0	76.9
9 Current assets to total net assets	53.0	54.8	50.2	69.2	69.8	60.3	67.1	66.5	67.5
10 Sundry creditors to current assets	41.8	32.8	36.2	20.7	23.8	24.9	25.9	23.5	19.8
11 Sundry creditors to net working capital	140.4	81.2	94.9	165.4	194.7	205.3	97.5	84.4	52.6
C. Assets utilization and turnover ratios									
12 Sales to total net assets	72.5	75.9	77.1	142.0	162.5	123.8	136.3	133.2	135.3
13 Sales to gross fixed assets	201.7	207.6	223.7	223.7	341.9	284.0	264.8	263.5	278.0
14 Inventories to sales	20.4	18.3	20.0	7.5	8.0	10.1	21.7	21.0	19.5
15 Sundry debtors to sales	35.3	35.7	32.1	5.2	6.7	6.8	14.6	16.6	14.4
16 Exports to sales	5.6	4.3	4.4	1.1	16.1	14.4	3.4	2.5	3.2
17 Gross value added to gross fixed assets	63.7	69.3	68.1	34.7	49.2	39.0	52.2	40.2	43.4
18 Raw materials consumed to value of production	41.1	42.1	47.4	76.4	74.3	74.4	65.4	70.3	70.3
D. Sources and uses of Funds Ratios @									
19 Gross fixed assets formation to total uses of funds		33.7	20.5		*	27.9		36.6	30.9
20 Gross capital formation to total uses of funds		36.2	42.5		*	38.0		50.5	45.1
21 External sources of funds to total sources of funds		38.2	70.2		*	135.4		41.0	41.7
22 Increase in bank borrowings to total external sources		29.1	4.6		#	22.8		45.5	88.1
23 Gross savings to gross capital formation		204.3	93.3		#	73.4		103.1	129.3
E. Profitability and profit allocation ratios									
24 Gross profits to total net assets	9.2	10.8	9.6	8.1	15.8	7.8	15.7	10.5	11.6
25 Gross profits to sales	12.6	14.3	12.4	5.7	9.7	6.3	11.6	7.9	8.6
26 Profits after tax to net worth	8.6	8.9	7.3	16.7	26.6	8.3	22.9	11.6	11.1
27 Tax provision to profits before tax	39.7	40.4	38.1	34.8	34.8	37.1	24.8	35.0	31.3
28 Profits retained to profits after tax	74.7	83.0	86.6	51.7	77.9	52.3	96.5	94.4	97.9
29 Dividends to net worth	2.3	1.6	1.1	8.4	6.1	5.8	0.8	0.7	0.4
30 Ordinary dividends to ordinary paid-up capital	3.8	2.7	1.9	7.0	9.8	7.3	1.3	1.3	0.8

Statement 8: Select Financial Ratios of Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Construction (25)			Wholesale and Retail Trade (85)			Hotels and Restaurants (46)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	56	57	58	59	60	61	62	63	64
A. Capital Structure Ratios									
1 Net fixed assets to total net assets	30.4	29.6	29.0	25.8	21.9	16.4	42.3	49.3	47.2
2 Net worth to total net assets	21.9	23.2	26.8	43.8	40.6	38.7	39.0	51.9	54.0
3 Debt to equity	88.0	41.7	137.1	8.0	14.7	8.1	72.0	33.2	37.3
4 Debt to equity (equity adjusted for revaluation reserve)	89.3	42.2	138.4	8.3	15.1	8.3	87.0	54.6	57.0
5 Short term bank borrowings to inventories	479.7	476.2	118.7	92.6	68.8	39.9	47.0	40.7	36.8
6 Total outside liabilities to net worth	356.0	331.6	273.0	128.5	146.4	158.3	156.4	92.9	85.0
B. Liquidity Ratios									
7 Current assets to current liabilities +	0.7	0.6	1.2	1.3	1.4	1.3	1.4	1.3	1.5
8 Quick assets to current liabilities	32.3	29.8	59.8	80.5	77.0	59.1	61.6	53.6	61.2
9 Current assets to total net assets	39.3	40.7	43.0	69.6	71.9	75.9	46.6	40.2	37.5
10 Sundry creditors to current assets	14.3	14.1	17.8	31.4	27.2	26.3	8.8	8.9	9.3
11 Sundry creditors to net working capital	#	#	99.5	128.9	104.2	111.5	29.7	38.2	29.5
C. Assets utilization and turnover ratios									
12 Sales to total net assets	36.4	47.5	52.0	127.0	110.6	99.3	40.9	30.6	28.3
13 Sales to gross fixed assets	102.5	127.6	134.6	312.2	306.2	332.2	65.5	45.5	42.6
14 Inventories to sales	21.7	18.2	16.6	8.9	9.3	22.0	25.3	26.0	26.1
15 Sundry debtors to sales	16.3	13.1	14.1	23.6	22.3	18.0	8.0	9.4	8.3
16 Exports to sales	0.1	0.1	0.1	17.3	20.2	20.7	2.3	2.9	0.4
17 Gross value added to gross fixed assets	36.8	44.5	44.3	112.7	92.0	123.6	31.7	31.0	25.1
18 Raw materials consumed to value of production	22.9	20.8	20.0	49.7	40.7	42.4	10.5	11.4	11.5
D. Sources and uses of Funds Ratios @									
19 Gross fixed assets formation to total uses of funds		51.0	40.1		21.5	9.3		73.1	41.5
20 Gross capital formation to total uses of funds		69.2	46.7		28.5	61.6		73.6	41.6
21 External sources of funds to total sources of funds		*	50.4		58.0	58.9		7.3	13.1
22 Increase in bank borrowings to total external sources		#	26.9		15.1	11.3		99.0	92.2
23 Gross savings to gross capital formation		191.1	121.8		134.3	66.0		46.5	181.7
E. Profitability and profit allocation ratios									
24 Gross profits to total net assets	5.9	9.1	9.0	11.2	18.9	10.7	10.6	10.0	9.0
25 Gross profits to sales	16.2	19.2	17.3	8.8	17.0	10.8	25.8	32.7	31.8
26 Profits after tax to net worth	6.7	14.2	14.7	20.6	21.0	21.7	14.7	12.4	9.9
27 Tax provision to profits before tax	25.3	22.3	22.6	18.7	20.4	12.6	30.6	33.2	30.3
28 Profits retained to profits after tax	89.7	92.9	76.1	89.5	97.5	94.2	89.9	94.1	94.4
29 Dividends to net worth	1.2	1.0	3.5	2.2	0.5	1.3	1.5	0.7	0.6
30 Ordinary dividends to ordinary paid-up capital	2.3	2.1	7.7	14.9	4.5	14.3	9.2	7.5	6.1

Statement 8: Select Financial Ratios of Select Items of the Select 1,224 Non-Government Non-Financial Private Limited Companies – 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Transport Storage and Communications (45)			Real Estate Activities (28)			Computer and Related Activities (33)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	65	66	67	68	69	70	71	72	73
A. Capital Structure Ratios									
1 Net fixed assets to total net assets	57.7	54.2	47.6	30.0	36.4	44.8	24.9	25.2	22.9
2 Net worth to total net assets	22.3	16.4	25.2	22.3	18.8	20.6	61.2	66.3	63.6
3 Debt to equity	14.9	20.0	2.8	12.7	27.9	158.4	2.6	1.3	0.5
4 Debt to equity (equity adjusted for revaluation reserve)	14.9	20.2	2.8	18.2	37.0	200.4	2.6	1.3	0.5
5 Short term bank borrowings to inventories	206.6	156.8	131.8	57.1	107.8	27.0	195.8	269.6	140.6
6 Total outside liabilities to net worth	348.3	509.7	297.0	348.4	433.1	386.3	63.5	50.8	57.2
B. Liquidity Ratios									
7 Current assets to current liabilities +	0.5	0.6	0.7	0.9	0.8	1.1	2.0	2.2	1.8
8 Quick assets to current liabilities	21.5	29.6	29.0	6.3	10.7	15.7	142.5	142.9	112.4
9 Current assets to total net assets	34.2	44.9	51.2	68.0	58.4	50.9	72.3	68.2	62.9
10 Sundry creditors to current assets	67.5	59.4	69.0	5.2	20.2	23.8	8.6	11.0	12.5
11 Sundry creditors to net working capital	#	#	#	#	#	303.9	17.3	20.6	28.2
C. Assets utilization and turnover ratios									
12 Sales to total net assets	87.2	81.4	55.8	21.6	17.7	21.9	93.7	93.0	97.6
13 Sales to gross fixed assets	111.2	103.2	81.5	67.9	46.1	46.1	210.8	198.6	204.0
14 Inventories to sales	9.0	13.9	11.2	148.3	149.6	99.9	0.9	0.8	0.8
15 Sundry debtors to sales	13.6	19.3	20.6	10.4	19.8	12.6	25.7	26.0	25.2
16 Exports to sales	4.2	5.2	3.3	*	*	*	31.5	33.4	30.9
17 Gross value added to gross fixed assets	13.8	12.6	5.4	33.6	19.5	15.0	129.6	138.1	156.3
18 Raw materials consumed to value of production	60.6	53.1	46.0	34.3	28.1	33.5	3.2	3.6	3.3
D. Sources and uses of Funds Ratios @									
19 Gross fixed assets formation to total uses of funds		45.3	38.3		51.6	166.1		45.3	25.9
20 Gross capital formation to total uses of funds		81.3	32.7		65.8	126.2		45.6	26.6
21 External sources of funds to total sources of funds		60.0	108.7		86.7	56.6		40.9	38.8
22 Increase in bank borrowings to total external sources		32.1	*		67.2	188.9		8.4	*
23 Gross savings to gross capital formation		16.3	*		19.2	45.3		133.6	185.3
E. Profitability and profit allocation ratios									
24 Gross profits to total net assets	1.0	*	*	7.2	5.9	7.9	11.3	9.1	12.4
25 Gross profits to sales	1.2	*	*	33.5	33.6	36.1	12.1	9.8	12.7
26 Profits after tax to net worth	*	*	*	22.1	18.8	15.1	13.6	11.4	18.6
27 Tax provision to profits before tax	22.9	17.1	29.4	23.1	22.0	26.0	17.1	18.0	19.2
28 Profits retained to profits after tax	82.0	92.2	75.5	99.6	99.5	99.5	99.7	99.9	50.3
29 Dividends to net worth	1.6	1.2	1.1	0.1	0.1	0.1	0.0	0.0	9.8
30 Ordinary dividends to ordinary paid-up capital	0.8	0.5	0.6	0.8	1.3	0.9	0.2	0.0	29.7

Appendix
Explanatory Notes to Various Statements

- **Internal sources**: These are own sources comprising capitalised reserves, retained profits, depreciation provision and other provisions.
- **External sources**: These are other than own sources comprising funds raised from capital markets, borrowed funds, trade dues and other current liabilities and miscellaneous non-current liabilities.
- The growth rates of all the items and data on sources and uses of funds are adjusted for changes due to amalgamation of companies. These are also adjusted for revaluation, etc. wherever necessary.
- Due to rounding off of figures, the constituent items may not add up to the totals.
- **Sales** are net of 'rebates and discounts' and 'excise duty and cess'.
- **Manufacturing expenses** comprise (a) raw materials, components, etc. consumed, (b) stores and spares consumed, (c) power and fuel and (d) other manufacturing expenses.
- **Raw materials, components, etc. consumed** includes purchases of traded goods in the case of trading companies and consumption of stores and provisions for hotels, restaurants and eating houses.
- **Other manufacturing expenses** include expenses like construction expenses of construction companies, operating expenses of shipping companies, etc.
- **Remuneration to employees** comprises (a) salaries, wages and bonus, (b) provident fund and(c) employees' welfare expenses.
- **Non-operating surplus/deficit** comprises (a) profit/loss on account of (i) sale of fixed assets, investments, etc., and (ii) revaluation / devaluation of foreign currencies, (b) provisions no longer required written back, (c) insurance claims realised and (d) income or expenditure relating to the previous years and such other items of non-current nature.
- **Gross profits** are net of depreciation provision but before interest payments.
- **Gross saving** is measured as the sum of retained profits and depreciation provision.
- **Gross value** added comprises (a) net value added and (b) depreciation provision.
- **Net value added** comprises (a) salaries, wages and bonus, (b) provident fund, (c) employees' welfare expenses, (d) managerial remuneration, (e) rent paid net of rent received, (f) interest paid net of interest received, (g) tax provision, (h) dividends paid net of dividends received and (i) retained profits net of non-operating surplus / deficit.
- **Debt** comprises (a) all borrowings from Govt. and semi-Govt. bodies, financial institutions other than banks and from foreign institutional agencies, (b) borrowings from banks against mortgages and other long-term securities, (c) borrowings from companies and others against mortgages and other long term securities and (d) debentures, deferred payment liabilities and public deposits.

Appendix
Explanatory Notes to Various Statements *(Concld.)*

- **Equity or Net worth** comprises (a) paid-up capital, (b) forfeited shares and (c) all reserves and surplus.
- **Current assets** comprise (a) inventories, (b) loans and advances and other debtor balances, (c) book value of quoted investments, (d) cash and bank balances and (e) advance of income tax in excess of tax provision.
- **Current liabilities** comprise (a) short-term borrowings from banks, (b) unsecured loans and other short-term borrowings from companies and others, (c) trade dues and other current liabilities and (d) tax provision in excess of advance of income-tax and other current provisions.
- **Quick assets** comprise (a) sundry debtors, (b) book value of quoted investments and (c) cash and bank balances.
- **Capital reserves** include profits on sale of investments and fixed assets.
- **Other reserves** include profits retained in the form of various specific reserves and profit/loss carried to balance sheet.
- **Debentures** include privately placed debentures with financial institutions.

South-West Monsoon 2010: A Review (June 1 to September 30, 2010)*

The South-West Monsoon during June-September 2010 had crossed the India Meteorological Department's (IMD) long period average (LPA) (average rainfall of 89 cm during 1941-1990) by 2 per cent, the second highest level attained in the last one decade, as against a deficient rainfall of 22 per cent during June-September 2009. This augurs well for the growth of agriculture and allied activities which has become increasingly resilient and diversified in recent years, though still dependent on rainfall. Consequently, barring some oilseeds, area sown during kharif 2010-11 has surpassed area sown during 2009-10 as well as 2008-09. Improved sowing, in turn, has been reflected in better prospects of kharif harvest as per the First Advance Estimates, which estimated increased production across all crops, namely, foodgrains and its sub-categories of coarse cereals and pulses with growth rates of 10.4 per cent, 19.5 per cent and 39.5 per cent, respectively. Kharif oilseeds are estimated to grow by 10.3 per cent over the production in the previous year. These favourable developments are, therefore, expected to ease pressure on food prices, even with respect to kharif pulses, the production of which is expected to increase by around 2 million tonnes during 2010-11 over 2009-10.

Introduction

Typical of its geographical location, the Indian subcontinent with its predominantly agrarian economy continues to revolve around the vagaries of rainfall, called the

* Prepared in the Structural Issues Division, Department of Economic and Policy Research, Reserve Bank of India. The previous article on 'South-West Monsoon 2009: A Review (June 1 to September 30, 2009)' was published in November 2009 issue of the RBI Bulletin.

Monsoon. Rainfall directly affects sowing, which, in turn, affects crop production. As per the latest data available (2007-08), only 42.6 per cent of the gross cropped area was irrigated. Consequently, years of deficient and iniquitously distributed rainfall have invariably been associated with decline in crop/agricultural production (Table 1).

Broadly, the pattern of rainfall/Monsoon in India can be classified into two seasons, *viz.*, South-West or the summer Monsoon covering the period from June-September and North-East or the winter Monsoon from October to December. The summer Monsoon accounts for about 70-80 per cent of the annual rainfall in the country. The spatial and temporal distribution of rainfall during South-West Monsoon is crucial for the success or failure of the *Kharif* crops that are essentially sown in July-August. With the exception of 2009, precipitations during South-West Monsoon remained close to normal during the four years from 2005 to 2010. Precipitation during the current year, being above LPA, is likely to contribute positively to the overall foodgrains production. In the backdrop of these developments, this article provides a detailed review of the performance of South-West Monsoon during June-September 2010.

Table 1: South-West Monsoon Rainfall and *Kharif* Production

Year	IMD's Forecast (per cent of LPA)	Actual Rainfall (per cent of LPA)	*Kharif* Foodgrains Production (per cent change)
1	2	3	4
1997	92	102	-2.4
1998	99	106	0.5
1999	111	96	2.5
2000	99	92	-3.2
2001	98	92	9.8
2002*	101	81	-22.2
2003	96	102	34.1
2004	100	87	-11.7
2005	98	99	6.3
2006	92	99	0.6
2007	93	105	1.6
2008	99	98	-2.8
2009*	93	78	-12.1
2010	102	102	10.4#

* Drought year

As per First Advance Estimates of *Kharif* 2010-11.

Sources: India Meteorological Department (IMD) and Ministry of Agriculture, Government of India.

South-West Monsoon 2010: Highlights

- For the country as a whole, the rainfall for the season (June-September) was 102 per cent of its long period average (LPA) of 89 cm.
- Seasonal rainfall was 112 per cent of its LPA over North-West India, 104 per cent of its LPA over Central India, 118 per cent of its LPA over south Peninsula and 82 per cent of its LPA over North-East India.
- Monthly rainfall over the country as a whole was 84 per cent of LPA in June, 103 per cent of LPA in July, 106 per cent of LPA in August and 113 per cent of LPA in September.
- Out of 597 meteorological districts for which data are available, 173 districts (29 per cent) received excess, 240 districts (40 per cent) received normal, 173 districts (29 per cent) received deficient and the remaining 11 districts (2 per cent) received scanty rainfall during the season.
- Southwest monsoon current advanced over the Andaman Sea on May 17. The monsoon set in over Kerala on May 31, one day earlier than its normal date of June 1 and covered the entire country

by July 6, 9 days earlier than its normal date of July 15. The withdrawal of monsoon was delayed and it commenced from west Rajasthan only on September 27, compared to its normal date of September 1.

- Though there were two intense systems *viz.*, the Severe Cyclonic Storm (Laila, May 16-21) over the Bay of Bengal and the Very Severe Cyclonic Storm (Phet, May 31-June 2) over the Arabian Sea during the advance phase, the entire monsoon season was devoid of any monsoon depressions. Thus, 2010 has been the only year in the recorded history after 2002, to have no depressions during the entire season.
- The forecast for monsoon onset over Kerala has been correct for the sixth consecutive year since its first issuance in 2005.
- Most of the operational long-range forecasts issued for the 2010 South-West monsoon rainfall have been correct. The rainfall forecast for the country as a whole for the entire season, second half of the season and for the months of July, August and September have been accurate.

Forecast: South-West Monsoon 2010-11

India Meteorological Department (IMD) has been adopting a two-stage forecast strategy for the South-West monsoon rainfall since 2003. The first forecast for South-West monsoon rainfall comes out in the month of April using the data up to March. It also issues updated forecasts using the data up to May in the month of June.

Based on indigenously developed statistical model, it was predicted on May 14, 2010 that monsoon will set in over Kerala on May 30, 2010 with a model error of ±4 days. The forecast came correct as the actual monsoon onset over Kerala took place on May 31, 2010 one day later than the forecasted date. Thus, this is the sixth consecutively correct operational forecast for the monsoon onset over Kerala since it was issued in 2005. The IMD's forecast for rainfall during the South-West monsoon at different periods of time are illustrated in Table 2.

All the monthly forecasts turned out to be correct as the actual rainfall were 103 per cent, 106 per cent and 113 per cent of LPA, respectively.

The actual seasonal rainfall over Central India was within the forecast limit and that over North-West India was slightly above the

Table 2: Long Range Forecasts and Actual Rainfall

Region	Period	Date of Issue	Forecast (% of LPA)	Actual Rainfall (% of LPA)
1	2	3	4	5
All India	June to September	April 23, 2010	98 ± 5	102
All India	June to September	June 25, 2010	102 ± 4	
Northwest India	June to September		102 ± 8	112
Central India	June to September		99 ± 8	104
Northeast India	June to September		103 ± 8	82
South Peninsula	June to September		102 ± 8	118
All India	July		98 ± 9	103
All India	August		101 ± 9	106
All India	August to September	July 30, 2010	107 ±7	109
All India	September	August 27, 2010	115 ± 15	113

Source: India Metrological Department.

forecast limit. However, the forecast for seasonal rainfall over North-East India and South Peninsula were not accurate as North-East India experienced deficient rainfall and South Peninsula experienced excess rainfall against the normal rainfall predicted for both the regions.

Distribution of Rainfall: South-West Monsoon 2010

The season ended with the area-weighted rainfall for the country as a whole at 102 per cent of the LPA. This is the second highest level of precipitation received in the past decade.

Spatial Distribution

During June 2010, large rainfall deficiency was observed over many subdivisions of central, northern and eastern parts of the country due to delayed monsoon advance over these regions. However, the rainfall situation over the country improved significantly during July 2010, especially during second half of the month. Normal or excess rainfall was received over most of the subdivisions except a few subdivisions from eastern and north-eastern parts of the country where the rainfall was deficient. The number of subdivisions with excess and deficient rainfall during August (excess 18 and deficient 9) was more than that during July (excess 13 and deficient 5). During August, most of the subdivisions from North-West and Peninsular India received excess rainfall and most of the subdivisions from eastern part of the country were deficient. However, subdivisions from north-eastern part received normal or excess rainfall.

Of the 36 meteorological sub-divisions, cumulative rainfall was excess/normal in 31 sub-divisions and deficient/scanty/no rain in 5 sub-divisions. The positions of spatial distribution during the corresponding period last year were 13 and 23 sub-divisions, respectively. The cumulative seasonal rainfall from June 1 to September 30, 2010 was excess in 14 meteorological subdivisions (43 per cent of the total area of the country) and normal in 17 meteorological subdivisions (42 per cent of the total area of the country). Five subdivisions (East Uttar Pradesh, Bihar, Jharkhand, Gangetic West Bengal and Assam and Meghalaya) constituting 15 per cent of the total area of the country received deficient rainfall (Chart 1, Table 3 and Statement I).

District-wise, out of 597 meteorological districts for which data were available, 69 per cent of the meteorological districts received excess/normal rainfall and the remaining 31 per cent received deficient/scanty rainfall during the season (Statement II). The corresponding figures for the previous year were 41 per cent and 59 per cent, respectively.

Chart 1: South-West Monsoon: Spatial Distribution

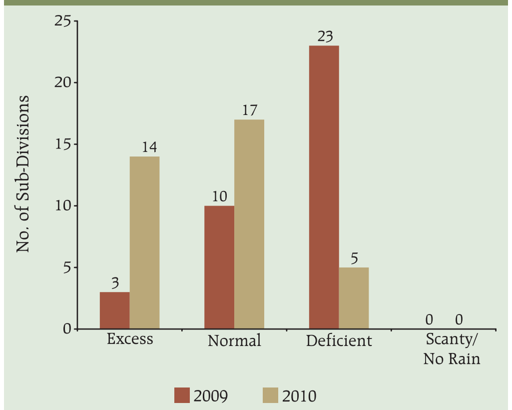


Table 3: Distribution of Sub-divisions According to Category of Rainfall

Category of Rainfall	Sub-divisions
1	2
Excess	Uttarakhand,Haryana,Chandigarh & Delhi,Jammu & Kashmir, West Rajasthan, Saurashtra & Kutch, Konkan and Goa, Madhya Maharashtra, Marathwada, Vidarbha, Coastal Andhra Pradesh, Telangana, Rayalaseema, Tamil Nadu & Pondicherry and North Interior Karnataka.
Normal	Andaman & Nicobar Islands, Arunachal Pradesh, Nagaland, Manipur, Mizoram & Tripura, Sub-Himalayan West Bengal & Sikkim, Orissa, West Uttar Pradesh, Punjab, Himachal Pradesh, East Rajasthan, West Madhya Pradesh, East Madhya Pradesh, Gujarat Region, Daman & Nagar Haveli, Chhattisgarh, Coastal Karnataka, South Interior Karnataka, Kerala and Lakshadweep.
Deficient	Assam & Meghalaya, Gangetic West Bengal, Jharkhand, Bihar and East Uttar Pradesh.

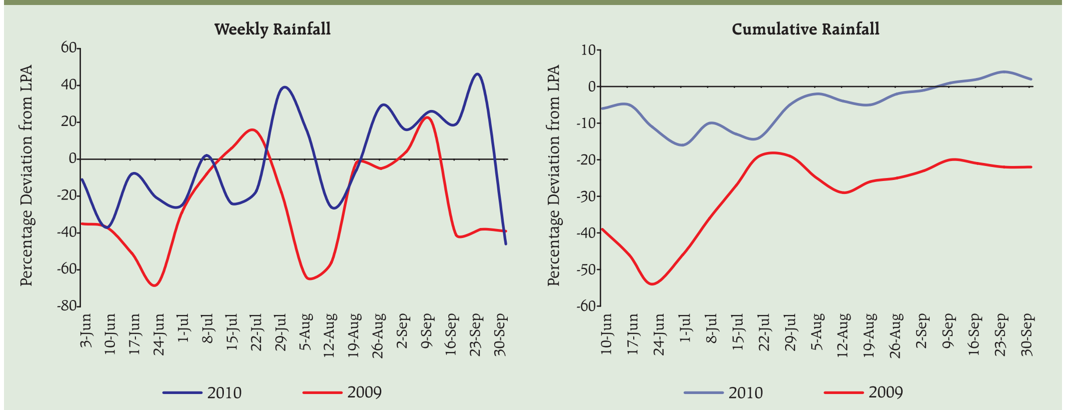
Note: Excess: + 20 per cent or more; Normal: + 19 per cent to –19 per cent; Deficient: –20 per cent to – 59 per cent; Scanty: –60 per cent to –99 per cent; No Rain: –100 per cent (All with respect to the Long Period Average).
Source: India Meteorological Department.

Temporal Distribution

The weekly rainfall was below LPA during all the weeks of June. In July, the weekly rainfall was above LPA during the first and last week and below LPA during the two weeks between them. During second and third weeks of August and last week of September the rainfall was deficient. Except for these three weeks, the weekly rainfall during the second half of the season (August-September) was above LPA. The cumulative rainfall distribution shows large deficiency in rainfall during early part of the season. As a result, the cumulative weekly rainfall remained below LPA till end of August. It was only by the first week of September that cumulative weekly rainfall rose above LPA and remained so till the end of the season (Chart 2).

Disorganised convective activity during the weak phase of the monsoon and interaction of monsoon current with the mid-latitude troughs in westerlies caused flood situation in some States, *viz.*, Rajasthan, Arunachal Pradesh, Uttar Pradesh, Uttarakhand, Haryana, Punjab and

Chart 2: South West Monsoon 2010: Temporal Rainfall Pattern



Himachal Pradesh. The low pressure areas induced flood situations over some parts of Gujarat, Maharashtra, Chhattisgarh, Madhya Pradesh, Karnataka and Orissa.

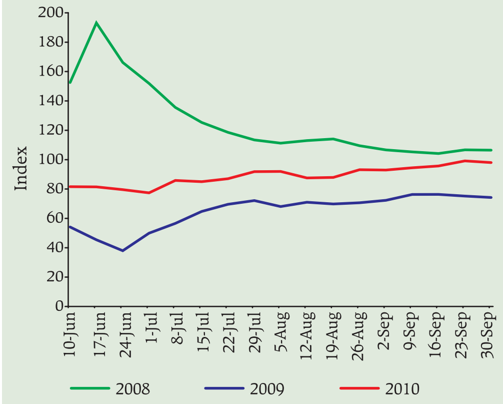
Production Weighted Rainfall Index

The foodgrains production weighted index (PRN) is constructed by the Reserve Bank based on the weighted average of actual rainfall received by the States where weights are taken as the average share of foodgrains production by a particular State in the overall foodgrains production[1]. As per this index, the rainfall during South-West monsoon 2010 was 2 per cent below normal as against 26 per cent in the previous year, though within the limit of normal rainfall prediction by IMD which predicted rainfall of 102 per cent LPA for the country as a whole (Chart 3). Normal rainfall in most districts of major foodgrains producing States and better sowing positions had been reflected in an estimated increase in foodgrains production during the *kharif* 2010-11 by 10.4 per cent over the previous year as per the First Advance Estimate.

Reservoir Status

In India, the Central Water Commission monitors the total live water storage in the 81 major reservoirs having full reservoir level (FRL) of 151.77 billion cubic metres (BCM), which accounts for around 67 per cent of the total reservoir capacity of the country. As on September 30, 2010 water stock (storage to live capacity) in these 81 major reservoirs was 75 per cent of the FRL as against 60 per cent during the corresponding period last year. The average storage to live capacity during the last ten years was 66 per cent (Table 4).

Chart 3: Production Weighted Rainfall Index



Source: Reserve Bank of India.

Progress of Sowing

Good monsoon during June-September 2010 was reflected in better *kharif* sowing.

Table 4: Reservoir Status

Status As On	30.09.2005 (76 Reservoirs)	01.10.2006 (81 Reservoirs)	01.10.2007 (81 Reservoirs)	01.10.2008 (81 Reservoirs)	01.10.2009 (81Reservoirs)	30.09.2010 (76 Reservoirs)
1	2	3	4	5	6	7
Total Live Storage (BCM)	109.70	133.53	120.12	111.96	90.48	114.45
Percentage to Live Capacity at FRL (Per Cent)	82	88	79	74	60	75

Source: Central Water Commission.

1 A PRN of 100 indicates normal rainfall, where normal represents average of last 10 years' weighted rainfall.

Latest sowing position indicated that sowing of all crops during the current *kharif* season as on October 22, 2010 was 99.0 per cent of the normal level against 92.6 per cent last year. *Kharif* sowing under foodgrains was 95.5 per cent of normal area against 88.8 per cent during the corresponding period last year. Consequently, production of *kharif* foodgrains in 2010-11, as per the First Advance Estimates, is estimated at 114.6 mn tonnes, 10.4 per cent higher than *kharif* foodgrains production of 103.8 mn tonnes during 2009-10. Increased production has been estimated across all sub-categories of foodgrains, total oilseeds, cotton and sugarcane (Table 5).

Table I.2: Area Sown and Production under *Kharif* Crops

(Area in Lakh Hectares and Production in Million Tonnes)

Crop	Sowing				% of Normal 2010	Production	
	Normal	2008-09	2009-10	2010-11*		2009-10$	2010-11@
1	2	3	4	5	6	7	8
Rice	395.10	386.18	332.87 (-13.8)	355.12 (6.7)	89.9	75.91 (-10.6)	80.41 (5.9)
Total Coarse Cereals	222.23	199.85	206.16 (3.2)	212.16 (2.9)	95.5	23.63 (-17.2)	28.23 (19.5)
Total Cereals	617.33	586.03	539.03	567.28	91.9	99.54	108.64
Total Pulses *of which*	107.94	104.78	104.97 (0.2)	125.32 (19.4)	116.1	4.30 (-8.2)	6.00 (39.5)
Tur	35.53	34.58	36.48	44.86	126.3	2.55	3.27
Urad	22.82	21.97	22.92	25.54	112.0	0.85	1.08
Moong	26.14	24.12	24.79	29.80	114.0	0.44	0.88
Total Foodgrains	725.27	690.81	644.00 (-6.8)	692.60 (7.5)	95.5	103.84 (-12.1)	114.63 (10.4)
Total Nine Oilseeds *of which*	175.72	184.02	174.43	175.49	99.9	15.66	17.27
Groundnut	53.81	52.87	44.65	49.84	92.6	3.66	5.64
Sesamum	17.76	15.55	17.62	17.06	96.1	0.66	0.62
Soyabean	84.00	96.42	95.82	93.35	111.1	10.05	9.81
Cotton #	90.86	90.92	100.09 (10.1)	108.47 (8.4)	119.4	23.94 (7.4)	33.50 (40.0)
Jute # #	7.85	7.37	6.92 (-6.1)	7.59 (9.7)	112.5	10.70 (11.1)	9.69 (-9.5)
Sugarcane (Cane)	44.97	44.15	42.02 (-4.8)	50.60 (20.4)	96.7	277.75 (-2.6)	324.91 (17.0)
All Crops	1044.67	1017.27	967.46 (-4.9)	1034.75 (7.0)	99.0		

$ Fourth Advance Estimates, @ First Advance Estimates; * As on October 22.

Million bales of 170 kgs. each

Million bales of 180 kgs. each.

Note: Figures in parentheses are percentage change over previous year.

Source: Ministry of Agriculture, Government of India.

Statement I: Basic Rainfall Data (Cumulative)

Sub-Divisions	June 1 to September 30, 2010				June 1 to September 30, 2009			
	Actual (mm)	Normal (mm)	Per cent deviation from Normal		Actual (mm)	Normal (mm)	Per cent deviation from Normal	
1	2	3	4	5	6	7	8	9
1. Andaman & Nicobar Islands	1769.5	1693.1	5	N	1671.8	1755.2	-5	N
2. Arunachal Pradesh	1589.3	1709.5	-7	N	1323.9	1834.9	-28	D
3. Assam & Meghalaya	1501.3	1951.6	-23	D	1320.9	1885.3	-30	D
4. Nagaland, Manipur, Mizoram & Tripura	1277.1	1398.7	-9	N	822.5	1240.9	-34	D
5. Sub-Himalayan West Bengal and Sikkim	2194.0	1925.7	14	N	1529.5	1955.4	-22	D
6. Gangetic West Bengal	788.0	1140.6	-31	D	973.7	1136.3	-14	N
7. Orissa	992.7	1169.3	-15	N	1167.3	1164.9	0	N
8. Jharkhand	644.0	1084.4	-41	D	799.6	1092.5	-27	D
9. Bihar	794.0	1024.3	-22	D	736.3	1039.2	-29	D
10. East Uttar Pradesh	702.1	909.6	-23	D	563.1	913.6	-38	D
11. West Uttar Pradesh	771.5	771.0	0	N	442.6	772.8	-43	D
12. Uttarakhand	1690.3	1208.1	40	E	864.9	1223.1	-29	D
13. Haryana, Chandigarh & Delhi	565.5	467.3	21	E	290.7	470.0	-38	D
14. Punjab	459.0	495.7	-7	N	323.6	501.8	-36	D
15. Himachal Pradesh	882.6	773.9	14	N	494.2	773.7	-36	D
16. Jammu & Kashmir	673.9	524.2	29	E	337.6	513.6	-34	D
17. West Rajasthan	443.1	262.5	69	E	155.4	262.8	-41	D
18. East Rajasthan	660.9	630.3	5	N	436.8	623.6	-30	D
19. West Madhya Pradesh	752.1	903.4	-17	N	657.0	904.3	-27	D
20. East Madhya Pradesh	919.9	1087.5	-15	N	738.2	1097.4	-33	D
21. Gujarat Region, Daman, Dadra & Nagar Haveli	1011.1	910.4	11	N	613.4	933.6	-34	D
22. Saurashtra & Kutch	1005.9	487.1	107	E	612.8	485.7	26	E
23. Konkan and Goa	3437.4	2799.5	23	E	2316.4	2802.1	-17	N
24. Madhya Maharashtra	838.5	701.1	20	E	683.6	700.1	-2	N
25. Marathwada	904.1	711.1	27	E	529.7	704.3	-25	D
26. Vidarbha	1216.3	974.9	25	E	661.9	976.2	-32	D
27. Chhattisgarh	1034.6	1203.2	-14	N	796.3	1205.8	-34	D
28. Coastal Andhra Pradesh	836.7	575.3	45	E	429.6	575.2	-25	D
29. Telangana	1013.3	766.6	32	E	497.9	767.3	-35	D
30. Rayalaseema	518.9	380.8	36	E	390.1	380.9	2	N
31. Tamil Nadu & Pondicherry	403.8	313.7	29	E	314.8	315.6	0	N
32. Coastal Karnataka	3245.3	3174.1	2	N	3469.1	3173.9	9	N
33. North Interior Karnataka	617.3	491.0	26	E	601.3	490.9	22	E
34. South Interior Karnataka	742.2	672.2	10	N	855.3	659.3	30	E
35. Kerala	1933.3	2139.7	-10	N	1959.4	2143.0	-9	N
36. Lakshadweep	1152.6	985.2	17	N	1026.4	985.2	4	N
E: Excess, i.e., +20 per cent or more			**14**				**3**	
N: Normal, i.e., +19 per cent to -19 per cent			**17**				**10**	
D: Deficient, i.e., -20 per cent to -59 per cent			**5**				**23**	
S: Scanty, i.e., -60 per cent to -99 per cent			**0**				**0**	
NR: No Rain, i.e. -100 per cent			**0**				**0**	
TOTAL			**36**				**36**	

Source: India Meteorological Department.

Statement II: State-wise Distribution of No. of Districts with Excess, Normal, Deficit, Scanty and No Rain during South-West Monsoon 2010

Period: 01.06.2010 to 30.09.2010

S. No.	State/UT	E	N	D	S	NR	ND	TOTAL
1	2	3	4	5	6	7	8	9
1.	A & N Island (UT)	1	2	0	0	0	0	3
2.	Arunachal Pradesh	2	5	3	1	0	5	16
3.	Assam	4	13	7	0	0	3	27
4.	Meghalaya	0	2	1	1	0	3	7
5.	Nagaland	0	2	0	0	0	9	11
6.	Manipur	0	1	0	0	0	8	9
7.	Mizoram	0	1	0	0	0	8	9
8.	Tripura	0	1	3	0	0	0	4
9.	Sikkim	0	2	1	0	0	1	4
10.	West Bengal	3	5	11	0	0	0	19
11.	Orissa	2	13	15	0	0	0	30
12.	Jharkhand	0	2	18	4	0	0	24
13.	Bihar	4	5	29	0	0	0	38
14.	Uttar Pradesh	9	28	31	3	0	0	71
15.	Uttarakhand	10	3	0	0	0	0	13
16.	Haryana	10	9	2	0	0	0	21
17.	Chandigarh (UT)	1	0	0	0	0	0	1
18.	Delhi	6	2	0	0	0	1	9
19.	Punjab	3	12	4	1	0	0	20
20.	Himachal Pradesh	4	7	1	0	0	0	12
21.	Jammu & Kashmir	9	8	1	1	0	3	22
22.	Rajasthan	17	11	5	0	0	0	33
23.	Madhya Pradesh	2	21	27	0	0	0	50
24.	Gujarat	12	11	3	0	0	0	26
25.	DNH & Daman (UTs)	0	2	0	0	0	0	2
26.	Diu (UT)	1	0	0	0	0	0	1
27.	Goa	1	1	0	0	0	0	2
28.	Maharashtra	24	9	2	0	0	0	35
29.	Chhattisgarh	1	11	6	0	0	0	18
30.	Andhra Pradesh	19	4	0	0	0	0	23
31.	Tamil Nadu	14	18	0	0	0	0	32
32.	Pondicherry (UT)	2	0	0	0	0	2	4
33.	Karnataka	12	16	1	0	0	0	29
34.	Kerala	0	12	2	0	0	0	14
35.	Lakshadweep (UT)	0	1	0	0	0	0	1
	Total	**173**	**240**	**173**	**11**	**0**	**43**	**640**

E: Excess. N: Normal. D: Deficit.
S: Scanty. NR: No Rain. ND: No Data.

Source: India Meteorological Department.

Other Items

Press Releases

Regulatory and Other Measures

Foreign Exchange Developments

Press Releases

October 2010

Surrendering Certificate of Authorisation

October 1, 2010

The TimesofMoney Ltd., 4th Floor, Times Tower Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai–400013 has, on September 23, 2010, voluntarily surrendered the Certificate of Authorisation given by the Reserve Bank of India. The Reserve Bank of India had, on April 05, 2010, issued Certificate of Authorisation (34/2010) to the TimesofMoney Ltd. under the Payment and Settlement Systems Act, 2007 for operating Payment System for issuance of Pre-paid Payment Instruments.

Working Group on Operating Procedure of Monetary Policy

October 4, 2010

In pursuance of the announcement made in the First Quarter Review of Monetary Policy for 2010-11, the Reserve Bank has constituted a Working Group to review the current operating procedure of monetary policy in India, including Liquidity Adjustment Facility (LAF).

The terms of reference of the Working Group finalised in the light of comments received in response to the Reserve Bank's press release of September 13, 2010 are:

(i) to survey the operating procedures of major central banks;

(ii) to review the current operating procedure of monetary policy in India, in particular, the Liquidity Adjustment Facility (LAF);

(iii) to examine the operation of the LAF with regard to:

a. the width of the corridor

b. the frequency and timing of auctions

c. the maturity period of repo and reverse repo operations;

(iv) to assess the role of the Bank Rate;

(v) to examine the role of standing facilities such as the export credit refinance; and

(vi) to suggest changes to the current operating procedure of monetary policy in India in the light of international practices and domestic experience, with particular reference to:

a) whether there should be a corridor at all

b) if so, whether its width should be fixed or variable under specified conditions

c) if so, what instruments/ mechanisms may be necessary to enable the corridor to function efficiently.

It was indicated in the Press Release of September 13, 2010 that the Working Group would be chaired by Shri Deepak Mohanty, Executive Director, Reserve Bank of India and will have representations from Indian Banks' Association (IBA), Fixed Income Money Market and Derivatives Association of India (FIMMDA) and concerned departments of the Reserve Bank. The Group would also include external experts.

Accordingly, the constitution of the Working Group will be as follows:

i)	Shri Deepak Mohanty Executive Director Reserve Bank of India	Chairman
ii)	Professor Ashima Goyal Indira Gandhi Institute of Development Research (IGIDR)	Member
ii)	Shri B.Mahapatra Chief General Manager-in-Charge Department of Banking Operations and Development Reserve Bank of India	Member
iii)	Dr. Janak Raj Adviser-in-Charge Monetary Policy Department Reserve Bank of India	Member
iv)	Shri K.K.Vohra Chief General Manager Internal Debt Management Department Reserve Bank of India	Member
v)	Shri P.Krishnamurthy Chief General Manager Financial Markets Department Reserve Bank of India	Member
vi)	Representative of Indian Banks' Association (IBA)	Member
vii)	Shri Saugata Bhattacharya Senior Vice President and Chief Economist, Axis Bank	Member
viii)	Ms. Shilpa Kumar Chairperson Fixed Income Money Market and Derivatives Association of India (FIMMDA)	Member

ix) Shri Amitava Sardar — Member-Secretary
Adviser
Monetary Policy Department
Reserve Bank of India

The secretarial support to the Working Group would be provided by the Monetary Policy Department (MPD) of the Reserve Bank of India.

The Working Group is expected to submit its Report within three months from the date of its first meeting.

Investment by FIIs under PIS: M/s. Cox and Kings (India) Limited

October 5, 2010

The Reserve Bank of India today notified that M/s. Cox and Kings (India) Limited has passed a resolution at the board of directors' level and by a special resolution by the shareholders to enhance the limit for purchase of its equity shares and convertible debentures by Foreign Institutional Investors (FIIs), through primary market and stock exchanges, under the Portfolio Investment Scheme up to 74 per cent of its total paid up capital.

Foreign Institutional Investors can now purchase equity shares and convertible debentures of M/s. Cox and Kings (India) Limited through primary market and stock exchanges under the Portfolio Investment Scheme, provided:

(i) The total purchases of all FIIs does not exceed the applicable overall ceiling limits of 74% of total paid-up equity capital and total paid-up value of each series of convertible debentures, of the said company.

(ii) The purchases of equity shares by a single FII/SEBI approved sub-account of a registered FII in the company does not exceed 10% (ten per cent) of the paid-up equity capital of the company.

Solapur Nagari Audyogik Sahakari Bank Niyamit, Solapur, Maharashtra – Penalised

October 6, 2010

The Reserve Bank of India has imposed a penalty of ₹5.00 lakh (Rupees Five Lakh only) on Solapur Nagari Audyogik Sahakari Bank Niyamit, Solapur, Maharashtra in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 for violation of the Reserve Bank of India's instructions on investment in government securities and violation of supervisory action imposed on the bank vide its letter dated December 23, 2009.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted written reply. After considering the fact of the case and the bank's reply in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

Committee on Customer Service in Banks – Date for Final Report Submission Extended

October 8, 2010

The Committee on Customer Service in Banks (Chairman: Shri M. Damodaran) constituted by the Reserve Bank of India has been granted extension of time upto January 14, 2011 to submit its final report and recommendations. The report was originally to be submitted on October 14, 2010. The extension of time for submission of the report has been necessitated due to the volume of work required to be undertaken by the Committee to fulfill its mandate in regard to the terms of reference and purpose for which it has been constituted.

It may be recalled that the Reserve Bank of India, had in June 2010, set up a Committee to look into banking services rendered to retail and small customers, including pensioners and also look into the system of grievance redressal mechanism prevalent in banks, its structure and efficacy and suggest measures for expeditious resolution of complaints.

Punjab and Haryana to Include Financial Literacy in School Curriculum

October 15, 2010

The state governments of Punjab and Haryana have agreed to include financial literacy in the school curriculum. This was in response to the Reserve Bank of India Governor Dr. D. Subbarao's suggestion to the government of Punjab and Haryana in separate meetings with the officials of both the state governments. Financial literacy is the flip side of financial inclusion, the Governor said and urged the state governments of Punjab and Haryana to consider including financial literacy in the school curriculum. He was in Chandigarh for the meeting of the Central Board of the Reserve Bank of India.

The meeting reviewed key economic, monetary and financial developments. Dr. D. Subbarao, Governor, Reserve Bank of India chaired the meeting. Shri Y.H. Malegam, Prof. Suresh Tendulkar, Prof. U. R. Rao, Shri Lakshmi Chand, Shri H.P. Ranina, Shri Kumar Mangalam Birla, Smt. Shashi Rajagopalan, Shri Suresh Neotia, Dr. A. Vaidyanathan, Prof M. M. Sharma and Shri Sanjay Labroo were present at the meeting of the Central Board. Deputy Governors of the Reserve Bank, Smt. Shyamala Gopinath, Smt. Usha Thorat, Dr. K.C. Chakrabarty and Dr. Subir Gokarn were also present.

While in Chandigarh, the Governor also met the Chief Minister of Haryana Shri B S Hooda and the Deputy Chief Minister of Punjab Shri Sukhbir Singh Badal. He briefed them about the general economic situation in the country. Highlighting the importance of financial inclusion in overall economic development, the Governor desired that the State Governments support the Reserve Bank's financial inclusion and financial literacy drives.

The Governor also met the state government officials and bankers in Punjab and Haryana and discussed issues of mutual interest, such as, electronic benefit transfer and financial inclusion, debt swap scheme and counterfeit currency notes. He also urged that the State Government and the bank officials should use the forum of State Level Bankers Committee more effectively.

Government of India Announce Repurchase Auction of GoI dated Securities

October 21, 2010

The Government of India, in consultation with the Reserve Bank of India have announced, vide its Notification No. F.No.4(3)-W&M/2010 dated October 21, 2010, repurchase of (i) 8.75 per cent Government Stock 2010 for the entire outstanding amount of ₹500.22 crore, (ii) 12.32 per cent Government Stock 2011 for the entire outstanding amount of ₹9,462 crore and (iii) 6.57 per cent Government Stock 2011 for the entire outstanding amount for ₹18,590.50 crore, for their cash management operations. The repurchase of the Government Stocks will be undertaken in one or more tranches. The repurchase operations would be purely of *ad hoc* in nature and will be funded through the current surplus cash balances of the Government of India.

Accordingly, it has been decided to repurchase the above Government Stocks for an aggregate amount of ₹12,000.00 crore through multi-security auction using the multiple price method on October 25, 2010 (Monday). The settlement would be on October 26, 2010 (Tuesday).

The repurchase operations of the Government will have the following features:

(a) There is an overall aggregate ceiling amount of ₹12,000 crore for all the securities in the basket put together. There is no security-wise notified amount.

(b) The Reserve Bank of India reserves the right to:

i. Decide on the quantum of purchase of individual securities,

ii. Accept less than the aggregate amount of ₹12,000.00 crore

iii. Purchase marginally higher than the aggregate amount due to rounding off effects,

iv. Accept or reject any or all of the offers either wholly or partially if deemed fit without assigning reason.

(c) The auction shall be conducted by the Reserve Bank of India, Mumbai Office, Fort, Mumbai on October 25, 2010 (Monday).

(d) Offers for the auction should be submitted in electronic format using Open Market Operation (OMO) module of NDS. The bids should be submitted between 10.30 A.M. and 12.30 P.M.

(e) The result of the auction will be announced on October 25, 2010 and payment to successful offerers will be made during the banking hours on October 26, 2010 (Tuesday). Successful offerers may note to make available the requisite amount of securities in their SGL account in the forenoon on October 26, 2010 (Tuesday).

RBI Sub-Committee of the Central Board of Directors to Study Issues and Concerns in MFI sector

October 28, 2010

The Sub-Committee of the Reserve Bank's Central Board of Directors has finalised its terms of reference. The Sub-Committee chaired by Shri Y H Malegam, a senior member of the Reserve Bank's

Central Board of Directors was set up after the Board's October meeting to study issues and concerns in the micro finance sector. The terms of reference are:

1. To review the definition of 'microfinance' and 'Micro Finance Institutions (MFIs)' for the purpose of regulation of non-banking finance companies (NBFCs) undertaking microfinance by the Reserve Bank of India and make appropriate recommendations.
2. To examine the prevalent practices of MFIs in regard to interest rates, lending and recovery practices to identify trends that impinge on borrowers' interests.
3. To delineate the objectives and scope of regulation of NBFCs undertaking microfinance by the Reserve Bank and the regulatory framework needed to achieve those objectives.
4. To examine and make appropriate recommendations in regard to applicability of money lending legislation of the States and other relevant laws to NBFCs/MFIs.
5. To examine the role that associations and bodies of MFIs could play in enhancing transparency disclosure and best practices
6. To recommend a grievance redressal machinery that could be put in place for ensuring adherence to the regulations recommended at 3 above.
7. To examine the conditions under which loans to MFIs can be classified as priority sector lending and make appropriate recommendations.
8. To consider any other item that is relevant to the terms of reference.

There have been some concerns in the recent past expressed in the media about high interest rates, coercive recovery processes and multiple lending practised by some microfinance institutions. In order to study these and other related issues and implications for its policies and given the useful role played by the microfinance institutions in providing access to financial services to the poor and excluded, the Reserve Bank of India set up a Sub-Committee of the Central Board of Directors of the Reserve Bank to study the issues and concerns in this sector, including ways and means of making interest rates charged by them reasonable. Shri Y H Malegam, a senior member on the Central Board of Directors of the Reserve Bank of India will chair the Sub-Committee. Other members of the Sub-Committee include, Smt. Shashi Rajagopalan, Shri U R Rao, Shri Kumar Mangalam Birla and Dr. K C Chakrabarty, Deputy Governor. Shri V K Sharma, Executive Director, Reserve Bank of India will be the Member Secretary to the Sub-Committee. The Sub-Committee will submit its report in three months.

The Reserve Bank of India regulates only those microfinance institutions which are registered with it as non-banking finance companies. Although the registered companies cover over 80 per cent of the microfinance business, in terms of number of companies they constitute a small percentage of the total number of MFIs in the country. The Reserve Bank, however, does not prescribe lending rates for these institutions.

RBI announces Liquidity Easing Measures

October 29, 2010

The liquidity adjustment facility (LAF) window of the Reserve Bank has been in the deficit mode in the recent period. In order to provide liquidity comfort arising out of frictional liquidity pressure, the Reserve Bank has today announced the following temporary measures:

- A special second LAF (SLAF) will be conducted on two days at 2.30 p.m. on October 29, 2010 and at 4.15 p.m. on November 1, 2010.
- A special 2-day repo auction under the LAF will be conducted at 10.30 a.m. on Saturday, October 30, 2010. Scheduled commercial banks may avail of additional liquidity support under the LAF to the extent of up to 1.0 per cent of their net demand and time liabilities (NDTL) as on October 8, 2010. For any shortfall in maintenance of statutory liquidity ratio (SLR) on October 30-31, 2010 arising out of availment of this facility, banks may seek waiver of penal interest purely as an *ad hoc,* temporary measure. This facility will be available only on Saturday, October 30, 2010.

RBI extends Liquidity Easing Measures

October 31, 2010

With a view to alleviating frictional liquidity pressure, the Reserve Bank of India had announced two liquidity easing measures on October 29, 2010.

As the frictional liquidity pressure may persist and in order to provide liquidity comfort, it has been decided to extend the liquidity easing measures announced on October 29, 2010 on all days during November 1 - 4, 2010. Accordingly,

- Scheduled commercial banks may avail of additional liquidity support under the liquidity adjustment facility (LAF) to the extent of up to 1.0 per cent of their net demand and time liabilities (NDTL) as on October 8, 2010. As the LAF auction on November 4, 2010 will be for four days, banks may seek waiver of penal interest for any shortfall in maintenance of statutory liquidity ratio (SLR) arising out of availment of this facility up to November 7, 2010 purely as an *ad hoc,* temporary measure.
- A special second LAF (SLAF) will be conducted at 4.15 p.m. on all days during November 1- 4, 2010.

Regulatory and Other Measures

October 2010

RBI/2010-11/ 222 Ref. No. DBOD.BP.BC.No.47/ 21.01.001/2010-11 dated October 1, 2010

Collection of Third Party Account Payee Cheques – Prohibition on Crediting Proceeds to Third Party Accounts

The Chairmen/Chief Executives of All Scheduled Commercial Banks (excluding RRBs & LABs)

Please refer to our circular DBOD.BP.BC.No.32/21.01.001/2009-10 dated August 27, 2009 on the captioned subject, in which it has been stated that the practice of collection of cheques crossed 'account payee' through third party accounts (of co-operative credit societies) is not permissible. However, to facilitate collection of cheques from a payment system angle, it has been clarified therein that sub-members of the clearing houses may collect the cheques of their customers for the credit to their accounts through the sponsor member, under certain circumstances referred to therein.

2. It has been brought to our notice that since co-operative credit societies are not even sub-members of clearing houses, members of such co-operative credit societies who do not have bank accounts have difficulties in collection of account payee cheques drawn in their name. With a view to mitigate the difficulties faced by the members of co-operative credit societies in collection of account payee cheques, it is further clarified that collecting banks may consider collecting account payee cheques drawn for an amount not exceeding ₹50,000/- to the account of their customers who are co-operative credit societies, if the payees of such cheques are the constituents of such co-operative credit societies. While

collecting the cheques as aforesaid, banks should have a clear representation in writing given by the co-operative credit societies concerned that, upon realisation, the proceeds of the cheques will be credited only to the account of the member of the co-operative credit society who is the payee named in the cheque. This shall, however, be subject to the fulfillment of the requirements of the provisions of Negotiable Instruments Act, 1881, including Section 131 thereof.

3. The collecting bank shall also carry out proper due diligence with respect to such co-operative credit societies and ensure that KYC documents of the customers are preserved in the society's records and are available to the bank for scrutiny.

4. The collecting banks should, however, be aware that in the event of a claim by the true owner of the cheque, the rights of the true owner of the cheque are not in any manner affected by this circular and banks will have to establish that they acted in good faith and without negligence while collecting the cheque in question.

RBI/2010-11/223 Ref. No. DBOD.No.BP.BC.48/ 21.06.001/2010-11 dated October 1, 2010

Prudential Norms for Off-Balance Sheet Exposures of Banks – Bilateral Netting of Counterparty Credit Exposures

All Scheduled Commercial Banks (Excluding Local Area Banks and Regional Rural Banks)

As you are aware, in terms of our extant instructions issued vide our Master Circular – 'Prudential Guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy', DBOD.No.,BP.BC.15/ 21.06.001/2010 - 11 dated July 1, 2010, banks have been advised to adopt 'Current Exposure Method' for estimating their credit equivalent amount for interest rate and foreign exchange derivative transactions and gold. The credit equivalent amount is used for the purposes of capital adequacy and exposure norms.

2. On receipt of requests from banks, the issue of allowing bilateral netting of counterparty credit exposures, in such derivative contracts, has been examined within the existing legal framework. Since the legal position regarding bilateral netting is not unambiguously clear, it has been decided that bilateral netting of mark-to-market (MTM) values arising on account of such derivative contracts cannot be permitted. Accordingly, banks should count their gross positive MTM value of such contracts for the purposes of capital adequacy as well as for exposure norms.

RBI/2010-11/228 Ref. No. DBOD.BP.No. 49/ 21.04.132/2010-11 dated October 7, 2010

Prudential Guidelines on Restructuring of Advances by Banks

The Chairmen and Managing Directors /
Chief Executive Officers of
All Scheduled Commercial Banks
(excluding RRBs)

Please refer to our Master Circular DBOD. No. BP. BC.21/21.04.048/2010-11 dated July 1, 2010 on 'Prudential Norms on

Income Recognition, Asset Classification and Provisioning pertaining to Advances'.

2. In terms of para 14.2.2 (iv) of the above circular, promoters' sacrifice and additional funds brought by them should be a minimum of 15 per cent of banks' sacrifice. The additional funds are required to be brought in by the promoters upfront and not be phased over a period of time.

3. It has been represented to us by banks and Indian Banks' Association that corporates under stress are finding it difficult to bring in the promoters' share of sacrifice and additional funds upfront on some occasions. Therefore, it has been decided that:

i) The promoter's sacrifice and additional funds required to be brought in by the promoters should generally be brought in upfront. However, if banks are convinced that the promoters face genuine difficulty in bringing their share of the sacrifice immediately and need some extension of time to fulfil their commitments, the promoters could be allowed to bring in 50 per cent of their sacrifice, i.e. 50 per cent of 15 per cent, upfront and the balance within a period of one year.

ii) However, in case the promoters fail to bring in their balance share of sacrifice within the extended time limit of one year, the asset classification benefits derived by banks in terms of para 14.2.2 of the above circular will cease to accrue and the banks will have to revert to classifying such accounts as per the asset classification norms specified under para 11.2 of our above circular.

4. We further clarify that contribution by the promoter need not necessarily be brought in cash and can be brought in the form of de-rating of equity, conversion of unsecured loan brought by the promoter into equity and interest free loans.

RBI/2010-11/229 Ref. No. DGBA.GAD.No. H. 2444 /42.01.011/2010-11 dated October 8, 2010

The Chairman & Managing Director/
Managing Director
State Bank of India and its Associates/
All Nationalised Banks and
Jammu & Kashmir Bank Ltd.

Permissible Period for Remittance of E-payments into Government account by Public Sector Banks

Please refer to our circular letter No.RBI./2008/09/97 (Ref. DGBA. GAD. No.H-549/42.01.011/2008-09 dated July 18, 2008) on the above subject.

2. In this context, we advise that a Committee was constituted by the Controller General of Accounts, Ministry of Finance, Government of India, to review the permissible period for transfer of funds to Government account in case of e-payment and other related issues. The Committee recommended that the remittance norm of T+1 working day (including put through date) for e-payment as applicable for Private Sector Banks may also be made applicable for the Public Sector Banks.

3. Based on the recommendations of the Committee, it has now been decided that the remittance period in respect of all

Government transactions made through e-payments in respect of Public Sector Banks will be T+1 working day (including put through date) w.e.f. November 1, 2010.

4. You may, therefore, arrange to remit the Government revenue accordingly.

RBI/2010-11/230 Ref. No. DPSS (CO) EPPD No. 788/ 04.03.01/2010-11 dated October 8, 2010

The Chairman and Managing Director/ Chief Executive Officer
of member banks participating in NEFT/ NECS/ECS

Furnishing Remitter Details in Pass Book/Pass Sheet /Account Statement for Credits Received by Customers through NEFT/NECS/ECS

The volumes handled by the retail electronic payment products, viz. National Electronic Funds Transfer (NEFT), National Electronic Clearing Service (NECS) and Electronic Clearing Service (ECS) variants are considerably increasing, which is indicative of their acceptability and popularity. Concomitant service delivery levels at banks should match customer requirements and expectations.

2. Complaints about incomplete details about the remitter (or beneficiary) and/or the source of credit (or debit) in the pass books/pass sheets/account statements, as also lack of uniformity across banks in providing even such minimal information are rising. A very generic mention as 'NEFT' or 'NECS' does not help customers in identifying the source of credits, particularly where multiple credits are afforded to their accounts through these products. The Procedural Guidelines on NEFT/NECS/ECS and various circulars issued from time to time clearly highlight the minimum information that should be provided to customers.

3. The Core Banking Solutions (CBS) of banks should be enabled to capture complete information from the relevant fields in the messages/data files which can be displayed to customers when they access their accounts online or provided to them additionally when they approach the branch counters/help desks/call centres. In the interest of straight-through capture of details from messages/data files and standardising the minimum information to be given in the pass books/pass sheets/ account statements issued to customers, banks are advised to ensure the following –

a) NEFT

Message N-02 - Inward transactions

The mandatory field 6091 contains the remitter's name, which should be picked up for the source of credit and information contained should be printed in the pass book/account statement. Banks originating transactions should ensure proper and meaningful details are provided in this field. Description of field 6091 is -

M	6091	Sending customer a/c name	50x	Sender's account name

There is an optional field with tag 7495 that enables inclusion of additional sender-to-receiver information. Destination banks should capture and store this information in their CBS/other systems as appropriate, to be provided to the customer on request.

Message N-07 - Return transactions

M	2006	Related reference number	16x	Transaction reference number of the received inward credit message at bank branch that is returned
M	6366	Rejection code	50x	Description of the reason for rejection

Destination banks may also explore the possibility of using the Unique Transaction Reference (UTR) number to link/retrieve the original message received by them, based on which additional information can be provided as a service initiative when customers make requests online or through call centres.

The extant prescriptions relating to the information to be provided (a) to the remitters for transactions originated by them, and (b) transactions that are returned, shall continue to be applicable.

b) NECS/ECS Variants

The fields "user name" and "user credit reference" (serial numbers '9' and '10' in the credit contra record) have a length of 33 (20 and 13) characters which should be printed in the pass book/account statement.

Sponsor banks need to advise user institutions to fill in these fields meaningfully, so that relevant information is passed on to the customers.

4. In addition to the above, banks are free to provide any additional details as they deem necessary or useful.

5. It is incumbent on the originating banks to ensure that all the relevant information as is provided to them is captured in the relevant fields in messages/ data files.

6. Please acknowledge and ensure compliance with the requirements latest by January 1, 2011. These instructions are being issued under the powers conferred on the Reserve Bank of India by the Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

RBI/2010-11/232 Ref. No. RPCD.CO.RRB.BC No. 23/ 03.05.33/2010-11 dated October 13, 2010

The Chairmen
All Regional Rural Banks

Opening of No-Frills Accounts by Students for Availing Various Government Scholarships

It has been brought to our notice by the Secretary, Government of India, Ministry of Minority Affairs that banks are not opening 'no-frills' accounts in favour of students from minority communities who wish to avail of the scholarships being awarded by the Ministry through the State/ UT Governments. This is causing hardship to the applicants for scholarship schemes of the Government and is inviting criticism.

2. In this connection, we draw your attention to our circular RPCD.CO.No. RRB.BC.58/03.05.33(F)/2005-06 dated December 27, 2005 with regard to opening of no-frills accounts by Regional Rural Banks. You are advised to ensure opening of no-frills accounts or other accounts for

students from minority communities and other disadvantaged groups to enable them to avail of various scholarships or other benefits offered by the Government. However, while opening such accounts, KYC norms as appropriate may be followed for the purpose.

RBI/2010-11/234 Ref. No. DBOD.FID. FIC.No.6 /01.02.00 /2010-11 dated October 14, 2010

The CEOs of select All-India Term Lending and Refinancing Institutions
(Exim Bank, NABARD, NHB and SIDBI)

Prudential Guidelines on Restructuring of Advances by Select All-India Financial Institutions (AIFIs)

In continuation of our letter DBOD.No.FID.FIC.5 /01.02.00/2008-09 dated February 26, 2009 on the captioned subject, please find enclosed Circular DBOD No.BP.No. 49/ 21.04.132/2010-11 dated October 7, 2010 on 'Prudential Guidelines on Restructuring of Advances by Banks' issued to scheduled commercial banks. In this connection, it is advised that these guidelines, shall apply mutatis mutandis to the select All-India Financial Institutions (AIFIs).

2. However, certain activities are generally not undertaken by FIs, such as extending working capital, overdrafts and personal loans, etc. The provision of the circular relating to such activities shall not be applicable to the AIFIs.

RBI/2010-11/235 Ref. No. DPSS (CO) EPPD No./863/04.03.01/2010-11 dated October 14, 2010

The Chairman and Managing Director/ Chief Executive Officer
of member banks participating in RTGS/ NEFT/NECS/ECS

Electronic Payment Products - Processing Inward Transactions based Solely on Account Number Information

As you are aware, the Reserve Bank of India has introduced various electronic payment products (RTGS, NEFT, NECS and the ECS variants) to facilitate electronic transfer of funds in a secure and efficient manner. The volume of transactions routed through these products has witnessed substantial growth, indicating the acceptance and ease of use, by bank branches and customers alike.

2. The electronic payment products rely extensively on technology for origination, movement, processing and ultimate settlement of instructions. You would agree that any manual intervention not only delays completion of the instruction but also provides scope for error and fraudulent intent. Implementation of core banking solutions (CBS) in banks, software interfaces connecting the CBS platform to the payment system gateways and internet access to customers have been major enablers towards providing a straight-through-processing (STP) environment and, thus, popularising these products.

3. In the CBS environment customers of a bank can be uniquely identified by their account number across branches. In terms

of the extant Procedural Guidelines for RTGS/NEFT/NECS/ECS Credit, however, banks are generally expected to match the name and account number information of the beneficiary before affording credit to the account. In the Indian context, given the many different ways in which beneficiary names can be written, it becomes extremely challenging to perfectly match the name field contained in the electronic transfer instructions with the name on record in the books of the destination bank. This leads to manual intervention hindering STP and causing delay in credit or due return of uncredited instructions.

4. Being essentially credit-push in nature, responsibility for accurate input and successful credit lies with the remitting customers and the originating banks. The role of destination banks is limited to affording credit to beneficiary's account based on details furnished by the remitter/originating bank. In order to handle surging volumes in a limited time window, some banks use name matching software, while a few others employ a risk-based approach based on the nature and value of transfer.

5. Keeping in view the foregoing, in the RTGS/NEFT/NECS/ECS Credit products, it has since been decided as under :

i. Responsibility to provide correct inputs in the payment instructions, particularly the beneficiary account number information, rests with the remitter/originator. While the beneficiary's name shall be compulsorily mentioned in the instruction request, and carried as part of the funds transfer message, reliance will be only on the account number for the purpose of affording credit. This is applicable both for transaction requests emanating at branches and those originated through the online/internet delivery channel. The name field in the message formats will, however, be a parameter to be used by the destination bank based on risk perception and/or use for post-credit checking or otherwise.

ii. Originating banks may put in place an appropriate maker-checker system to ensure that the account number information furnished by their customers is correct and free from errors. This may entail advising customers enjoying online/internet banking facilities to input the account number information more than once (with the first time feed being masked as in case of change of password requirements) or such other prescriptions. Customers submitting funds transfer requests at branches may be required to write down the account number information twice in the application form.

iii. For transactions requested at branches, the originating bank shall put in place a maker-checker process with one employee expected to input the transaction and the other checking the input.

iv. Banks should put suitable disclaimers on the funds transfer screens in the online/internet banking platform and funds transfer request forms advising customers that credit will be effected based solely on the beneficiary account number information and the beneficiary name particulars will not be used therefor.

v. Destination banks may afford credit to the beneficiary's account based on the account number as furnished by remitter/originating bank in the message/data file. The beneficiary's name details may be used for verification based on risk perception, value of transfer, nature of transaction, post-credit checking, etc.

vi. Member banks shall take necessary steps to create awareness amongst their customers about the need for providing correct account number information while making payments through RTGS/NEFT/NECS/ECS Credit.

vii. The system of providing mobile/e-mail alerts to customers for debit/credit to their accounts will be another way of ensuring that the debits/credits are genuine and put through/expected by them, and preferably, should be extended to all customers for all funds transfer transactions irrespective of value.

viii. The above notwithstanding, in cases where it is found that credit has been afforded to a wrong account, banks need to establish a robust, transparent and quick grievance redressal mechanism to reverse such credits and set right the mistake and/or return the transaction to the originating bank. This particularly needs to function very efficiently and pro-actively till such time customers are comfortable with the new arrangements.

6. These modifications are equally applicable to ECS Debit transactions to be used by destination banks for debiting their customer accounts based on details furnished by the user institutions/sponsor banks.

7. Banks are hereby advised to put in place appropriate systems and procedures to ensure compliance with the above prescriptions. The guidelines are issued under the powers vested with Reserve Bank of India under Section 10(2) of the Payment & Settlement Systems Act, 2007 and would come into effect from January 1, 2011. The instructions would be reviewed and suitable changes will be effected, if necessary, based on operational experience and general feedback.

8. Please confirm receipt of this circular.

RBI/2010-11/236 Ref. No. UBD.BPD.(PCB). Cir. No 4 /16.12.000/2010-11 dated October 11, 2010

The Chief Executive Officer,
All AD Category – I Primary (Urban) Co-operative Banks.

Guidelines on Trading of Currency Options on Recognised Stock/ New Exchanges – Participation of UCBs

Reserve Bank of India has issued Guidelines on Trading of Currency Options on Recognised Stock/New Exchanges vide A.P (DIR Series) Circular No.05 dated July 30, 2010 (copy enclosed). Accordingly it has been decided to allow AD Category – I UCBs, fulfilling the norms for AD – I license (listed in Annexure I of Circular UBD.PCB.Cir No. 21/16.12.000/06-07 dated November 27, 2006) to participate in the exchange traded currency option market of a designated exchange recognized by SEBI, only as clients, subject to RBI (Foreign Exchange Department) Guidelines, referred to above. Participation will be allowed only for hedging underlying forex exposure arising from customer transactions.

2. UCBs which are authorized to undertake forex business as AD category – I and desirous of participating in the exchange traded currency option market may approach Reserve Bank of India, Urban Banks Department, Central Office, Mumbai for specific approval in this regard.

RBI/2010-11/242 Ref. No. DNBS (PD) CC.No.203/03.10.001/2010-2011 dated October 22, 2010

All Infrastructure Finance Companies

Long Term Infrastructure Finance Bonds issued by Infrastructure Finance Companies (IFCs) under Section 80CCF of the Income Tax Act, 1961 - Exemption from the definition of "public deposit"

It may be recalled that the Central Government, vide Notification No.48/2010/ F.No.149/84/2010-SO (TPL) dated July 09, 2010, has specified certain bonds as long term infrastructure bonds for the purposes of Section 80CCF of Income Tax Act, 1961 viz., bonds issued by Industrial Finance Corporation of India, Life Insurance Corporation, Infrastructure Development Finance Company and a Non-Banking Finance Company classified as an Infrastructure Finance Company by the Reserve Bank of India.

2. It is accordingly advised that amount raised by issue of infrastructure bonds by Infrastructure Finance Companies, as specified in the notification issued from time to time by the Central Government under Section 80CCF of the Income Tax Act, 1961, shall not be treated as 'public deposit' within the meaning of paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

3. Notification issued in this regard, DNBS (PD) Notification No.216(US)/2010 dated October 22, 2010, amending the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, is enclosed.

Reserve Bank of India
Department of Non-banking Supervision
Central Office
Centre I, World Trade Centre,
Cuffe Parade, Colaba,
Mumbai 400 005.

Notification No. DNBS.(PD) 216/ CGM(US)-2010 dated October 22 , 2010

The Reserve Bank of India, having considered it necessary in public interest and being satisfied that, for the purpose of enabling the Bank to regulate the credit system to the advantage of the country, it is necessary to amend the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, contained in Notification No.DFC.118/DG

(SPT)/98 dated January 31, 1998, in exercise of the powers conferred by sections 45J, 45K, 45L and 45-MA of the Reserve Bank of India Act, 1934 (2 of 1934) and of all the powers enabling it in this behalf, hereby directs that the said directions shall be amended with immediate effect as follows -

Amendment of paragraph 2 -

In clause (xii) of sub-paragraph (1), after sub-clause (l), the following sub-clause (m) shall be inserted –

"(m) any amount raised by the issue of infrastructure bonds by an Infrastructure Finance Company, as specified in the notification issued from time to time by the Central Government under section 80CCF of the Income Tax Act, 1961."

RBI/2010-2011/243 Ref. No. RBI/DPSS No.914/02.14.003/2010-2011 dated October 25, 2010

The Chairman and Managing Director/
Chief Executive Officers
All Scheduled Commercial Banks
including RRBs/
Urban Co-operative Banks/
State Co-operative Banks/
District Central Co-operative Banks
Authorised card payment networks

Credit/Debit Card transactions-Security Issues and Risk mitigation measures for Card Not Present Transactions

We had vide our circular RBI/2008-2009/ 387, DPSS No. 1501/02.14.003/2008-2009, dated February 18, 2009, mandated that with effect from August 01, 2009, banks shall provide an "additional authentication/ validation based on information not visible on the cards for all on-line card not present transactions". (*This mandate has been extended to all IVR transactions with effect from January 01, 2011, vide our circular RBI/ 2009-2010/420, DPSS No. 2303/ 02.14.003/ 2009-2010 April 23, 2010*)

2. We have been receiving references regarding the applicability of this mandate for online transactions effected using cards issued by banks outside India on Indian merchant sites, and the use of Indian cards for transactions on foreign websites.

3. In this regard, it is clarified that the mandate shall apply to all transactions using cards issued in India, for payments on merchant site where no outflow of foreign exchange is contemplated. The linkage to an overseas website/payment gateway cannot be the basis for permitting relaxations from implementing the mandate.

4. The mandate is not presently applicable for use of cards issued outside India, on Indian merchant sites.

RBI/ 2010-11/245 Ref. No. DBOD. AML. BC. No. 50/14.01.001/2010-11 dated October 26, 2010

The Chairmen/CEOs of all Scheduled
Commercial Banks (excluding RRBs) /
All India Financial Institutions

Opening of Bank Accounts - Salaried Employees

Please refer to our Master Circular on Know Your Customer (KYC) norms /Anti-Money Laundering (AML) standards/

Combating of Financing of Terrorism (CFT)/ Obligation of banks under PMLA, 2002 issued to banks vide DBOD.AML.BC.No.2/ 14.01.001/2010 – 11 dated July 01, 2010. In Annex I to the circular an indicative list of the nature and type of documents/ information that may be relied upon for customer identification and address verification for opening bank accounts has been given.

2. It has been brought to our notice that for opening bank accounts of salaried employees some banks rely on a certificate/ letter issued by the employer as the only KYC document for the purposes of certification of identity as well as address proof. Such a practice is open to misuse and fraught with risk. It is, therefore, clarified that with a view to containing the risk of fraud, banks need to rely on such certification only from corporates and other entities of repute and should be aware of the competent authority designated by the concerned employer to issue such certificate/letter. Further, in addition to the certificate from employer, banks should insist on at least one of the officially valid documents as provided in the Prevention of Money Laundering Rules (viz. passport, driving licence, PAN Card, Voter's Identity card etc.) or utility bills for KYC purposes for opening bank account of salaried employees of corporates and other entities.

3. These guidelines are issued under Section 35A of the Banking Regulation Act, 1949 and Rule 7 of Prevention of Money-Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005. Any contravention thereof or non-compliance shall attract penalties under Banking Regulation Act.

RBI/2010-11/247 Ref. No. DBOD.FID.FIC.No 7/01.02.00 /2010-11 dated October 28, 2010

The CEOs of select All-India Term Lending and Refinancing Institutions
(Exim Bank, NABARD, NHB and SIDBI)

Prudential Norms on Investment in Zero Coupon Bonds

Please find enclosed circular DBOD No. BP .BC .44 /21.04.141/ 2010-11 dated September 29, 2010 on the above subject. In this connection, it is advised that the above guidelines issued to banks, shall mutatis mutandis apply to the select All-India Financial Institutions (AIFIs)

RBI/2010-11/248 Ref. No. DBOD.No.BP.BC.51/21.06.101/2010-11 dated October 28, 2010

The Chairman and Managing Directors / Chief Executive Officers of
All Scheduled Commercial Banks
(excluding RRBs and LABs)

Banks permitted to Participate in Currency Options on Recognised Stock/New Exchanges

Introduction of Exchange Traded Currency Options –
Permitting Banks to Participate in Currency Options
on Recognized Stock/New Exchanges

Please refer to RBI/2010-11/147 A.P. (DIR Series) Circular No. 05 dated July 30, 2010 containing guidelines on Trading of Currency Options on Recognised Stock/ New Exchanges issued by Foreign Exchange Department (copy enclosed). In this connection, we advise as under:

i. AD Category - I commercial banks which fulfill the minimum prudential requirements under para 6(ii) of the Foreign Exchange Department circular referred to above, are hereby permitted to become trading and clearing members of the exchange traded currency options market of the recognized stock exchanges, on their own account and on behalf of their clients.

ii. All other scheduled commercial banks are permitted to participate in the exchange traded currency options market only as clients.

RBI/2010-11/249 Ref. No. DBOD.Dir.BC.52 / 13.03.00/2010-11 dated October 28, 2010

All Scheduled Commercial Banks (excluding RRBs)

Banks' Exposure to Capital Market - Issue of Irrevocable Payment Commitments (IPCs)

Please refer to our circular No. DBOD.Dir.BC.46/13.03.00/2010-11 dated September 30, 2010 in terms of which certain risk mitigation measures were prescribed in the context of banks issuing IPCs to various Stock Exchanges on behalf of Mutual Funds and FIIs, as a transitionary arrangement upto October 31, 2011.

2. Custodian banks have expressed operational difficulties in complying with the requirement of incorporating a clause in the agreement with their clients which gives them an inalienable right over the securities to be received as payout in any settlement before November 1, 2010. Accordingly, it has been decided to grant an additional period of two months i.e. upto December 31, 2010, to the custodian banks to fulfil this requirement.

3. It is also clarified that in cases where transactions are pre-funded i.e. there are clear INR funds in the customer's account and, in case of FX deals, the bank's nostro account has been credited before the issuance of the IPC by custodian banks, the requirement of the clause of inalienable right over the security to be received as payout in the agreement with the clients will not be insisted upon.

RBI/2010-11/251Ref.DBOD.No.Ret.BC. 54/ 12.02.001/2010-11 dated October 29, 2010

All Scheduled Commercial Banks

Section 24 of Banking Regulation Act, 1949- Shortfall in Maintenance of Statutory Liquidity Ratio (SLR) – Additional Liquidity Support under Liquidity Adjustment Facility (LAF)

As stated in the Reserve Bank's press release issued today, in order to provide liquidity comfort arising out of frictional liquidity pressure, a special 2-day repo auction under the LAF will be conducted at 10.30 a.m. on Saturday, October 30, 2010.

Scheduled Commercial Banks may avail of additional liquidity support under the LAF to the extent of up to 1.0 per cent of their net demand and time liabilities (NDTL) as on October 8, 2010. It is advised that for any shortfall in maintenance of statutory liquidity ratio (SLR) on October 30-31, 2010 arising out of availment of this facility, banks may seek waiver of penal interest purely as an *ad hoc,* temporary measure. This facility will be available only on Saturday, October 30, 2010.

Foreign Exchange Developments

October 2010

i) Exim Bank's Line of Credit of USD 21.72 million to the Government of the Republic of Ghana

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated May 6, 2010 with the Government of the Republic of Ghana making available to the latter, a Line of Credit (LOC) of USD 21.72 million (USD twenty one million seven hundred and twenty thousand) for financing eligible goods and services including consultancy services from India for (i) improved fish harvesting and fish processing project, and (ii) waste management equipment and management support project in the Republic of Ghana.

The Credit Agreement under the LOC is effective from September 3, 2010 and the date of execution of the Agreement is May 6, 2010. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in the case of project exports and 72 months (May 05, 2016) from the execution date of the Credit Agreement in the case of supply contracts.

[A.P. (DIR Series) Circular No. 14 dated October 13, 2010]

ii) Exim Bank's Line of Credit of USD 21.80 million to the Government of the Islamic Republic of Mauritania

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated February 09, 2010 with the Government of the Islamic Republic of Mauritania making available to the latter, a Line of Credit (LOC) of USD 21.80 million (USD twenty one million eight hundred thousand) for financing eligible goods and services including consultancy services from India for the purpose of financing (i) Potable drinking water project (USD 6.80 million); and (ii) Agriculture development project (USD 15 million) in Mauritania.

The Credit Agreement under the LOC is effective from September 03, 2010 and the date of execution of Agreement is February 09, 2010. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in the case of project exports and 72 months (February 08, 2016) from the execution date of the Credit Agreement in the case of supply contracts.

[A.P. (DIR Series) Circular No. 15 dated October 13, 2010]

Current Statistics

Contents

Notes:
(1) The coverage of data will be expanded from time to time to include new statistical information as and when it becomes available.
(2) Some of the figures included in the tables are provisional and may be revised in later issues. Each issue contains all the revisions made upto the date of publication of the Bulletin.
(3) The following symbols have been used throughout this Section:
.. = Figure is not available.
– = Figure is nil or negligible.
P = Provisional.
(4) Where necessary, each figure has been rounded off to the nearest final digit. For this reason, there may be, in some tables, a slight discrepancy between the sum of the constituent items and the total.
(5) A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different basis and are not strictly comparable. In each case, a suitable footnote is added.
(6) For definitions of important items, sources of data, coverage, scope, method of compilation, *etc.* a reference may be made to the Explanatory Notes, issued as a supplement to the October 1978 issue of the Bulletin.
(7) 1 Lakh = 1,00,000, 1 Million = 10 lakh, 1 Crore = 10 Million.

General

No. 1: Selected Economic Indicators

Item	Unit / Base	1990-91	2007-08	2008-09	2009-10	2010		
						Jul.	Aug.	Sep.
1	2	3	4	5	6	7	8	9
Output								
1. Gross Domestic Product at Factor Cost (at 2004-05 prices)	₹ crore	10,83,572 **	38,93,457	41,54,973 (Q.E.)	44,64,081 (R.E.)			
2. Index number of Agricultural Production (All crops)	Triennium ended 1993-94=100	148.4	173.1	161.2	150.4 £			
a. Foodgrains Production	Million tonnes	176.4	230.8	234.5	218.2 £			
3. General Index of Industrial Production (1)	1993-94=100	212.6 *	268.0	275.4	304.2 (P)	330.8 (P)	309.1 (P)	
Money and Banking								
Reserve Bank of India (2)								
4. Notes in Circulation	₹ crore	53,784	5,82,055	6,81,058	7,90,223	8,36,216	8,44,980	8,48,684
5. Rupee Securities (3)	"	86,035	83,707	1,21,962	1,76,755	2,22,577	2,07,318	2,22,219
6. Loans and Discount	"	19,900	4,579	21,562	3,822	2,066	1,281	2,371
(a) Scheduled Commercial Banks (4)	"	8,169	4.000	11,728	42	2,041	895	2,316
(b) Scheduled State Co-operative Banks (4)	"	38	–	–	–	–	–	30
(c) Bills Purchased and Discounted (internal)	"	–	–	–	–	–	–	–
Scheduled Commercial Banks								
7. Aggregate Deposits (5)	₹ crore	1,92,541	31,96,939	38,34,110	44,92,826	46,74,743	46,74,117	47,07,293 (P)
8. Bank Credit (5)	"	1,16,301	23,61,914	27,75,549	32,44,788	33,79,999	33,53,977	34,22,291 (P)
9. Investment in Govt. Securities (5)	"	49,998	9,58,661	11,55,786	13,78,395	14,48,907	14,72,339	14,67,095 (P)
10. Cheque Clearances (6)	₹ thousand crore	1,703	7,044	6,020	4,528 (P)	330 (P)	346 (P)	319 (P)
11. Money Stock Measures (7)								
(a) M_1	₹ crore	92,892	11,55,837	12,59,707	14,94,611	15,09,277	14,97,275	15,11,175
(b) M_3	"	2,65,828	40,17,883	47,94,812	55,99,762	58,32,155	58,33,253	58,72,194
Cash Reserve Ratio and Interest Rates								
12. Cash Reserve Ratio (2), (14)	Per cent	15.00	7.50	5.00	5.75	6.00	6.00	6.00
13. Bank Rate	Per cent Per annum	10.00	6.00	6.00	6.00	6.00	6.00	6.00
14. Inter-bank Call Money Rate (Mumbai) (8)	"	4.00-70.00	6.15-9.30	2.50-5.75	2.25-5.75	3.40-6.00	3.60-5.15	4.50-7.40
15. Deposit Rate (9)								
(a) 30 days and 1 year	"	8.00 (11)	3.00-7.50	3.25-8.00	1.50-6.50	1.50-5.75	1.50-6.00	2.50-6.00
(b) 1 year and above	"	9.00-11.00	8.25-9.00	8.00-8.50	6.00-7.50	6.00-7.50	6.75-7.75	6.75-7.75

Q.E. : Quick Estimate. R.E. : Revised Estimate. ** : Data for 1990-91 corresponds to 1999-2000 base. R: Revised.
£ Forth Advance Estimates for 2009-10. * Base : 1980-81 = 100. + Base : Triennium ending 1981-82=100. ‡ Base 1982=100.
^ Base : 2001 = 100 from January 2006 onwards. ^^ CPI (UNME) are Linked All - India Index from the April 2008 onwards.
@ As the security 12.50% 2004 had matured on March 23, 2004, it has been substituted by 11.40% Loan 2008, with effect from March 2004, to represent the short-term yield.
# As the maturity of the security 11.50% 2008, which represents the trends in long term yield, had become less than 5 years, it has been substituted by 7.40% Loan 2012, with effect from April 2004.

Also see 'Notes on Tables'.

No. 1: Selected Economic Indicators *(Concld.)*

Item	Unit / Base	1990-91	2007-08	2008-09	2009-10	2010		
						Jul.	Aug.	Sep.
1	2	3	4	5	6	7	8	9
16. Base Rate (10)	"		12.25-12.75	11.50-12.50		7.50-8.00	7.50-8.00	7.50-8.00
17. Yield on 11.40% Loan 2008 @	"		7.26					
18. Yield on 7.40% Loan 2012 #	"		7.83	7.26	6.08			
Government Securities Market (2)								
19. Govt. of India 91-day Treasury Bills (Total outstandings)	₹ crore		39,957	75,549	71,503	49,854	55,279	56,279
Price Indices								
20. Wholesale Prices (11)	2004-05=100							
(a) All Commodities	"	182.7 +	116.5	125.9	130.4	140.6	140.3 (P)	141.1 (P)
(b) Primary Articles	"	184.9 +	123.9	137.5	154.9	177.8	177.0 (P)	179.7 (P)
(c) Fuel and Power	"	175.8 +	121.0	135.0	132.1	147.8	148.0 (P)	147.6 (P)
(d) Manufactured Products	"	182.8 +	113.3	120.2	122.4	127.4	127.2 (P)	127.6 (P)
(e) Foodgrains (Cereals + Pulses)	"	179.2 +	130.9	145.3	166.4	174.2	175.4 (P)	173.9 (P)
(f) Edible Oils	"	223.3 +	116.0	121.6	114.4	116.5	117.9 (P)	118.8 (P)
(g) Sugar, Khandsari & Gur	"	152.3 +	90.9	106.8	161.9	159.8	153.5 (P)	156.5 (P)
(h) Raw Cotton	"	145.5 +	111.8	141.2	138.6	153.1	153.1 (P)	169.8 (P)
21. Consumer Prices (All-India) (1)								
(a) Industrial Workers ^	2001=100	193	133	145	163	178	178	179
(b) Urban Non-Manual Employees ^^	1984-85=100	161	515	561	634	696	696	
(c) Agricultural Labourers	July 1986-June 1987=100	..	417	462	530	554	557	562
Foreign Trade								
22. Value of Imports	U.S. $ Million	24,073	251,439	303,696	286,823	29,170 (P)	29,679 (P)	
23. Value of Exports	"	18,145	162,904	185,295	178,662	16,240 (P)	16,644 (P)	
24. Balance of Trade	"	–5,927	-88,535	-118,401	-108,161	-12,930 (P)	-13,035 (P)	
25. Foreign Exchange Reserves (12)								
(a) Foreign Currency Assets	U.S. $ Million	2,236	299,230	241,426	254,685	258,551	256,227	265,231
(b) Gold	"	3,496	10,039	9,577	17,986	19,278	20,008	20,516
(c) SDRs	"	102	18	1	5,006	5,006	4,974	5,130
Employment Exchange Statistics (13)								
26. Number of Registrations	Thousand	6,541	5,434.2	..	..	..	..	..
27. Number of Applicants								
(a) Placed in Employment	"	265	263.5	..	..	..	..	..
(b) On live Register (12)	"	34,632	39,974.0	..	..	..	..	..

Note : Data for 2007-08 Employment Exchange Statistics are End-Decemeber 2007.

Money and Banking

No. 2: Reserve Bank of India

(₹ crore)

Last Friday / Friday	1990-91	2008-09	2009-10	2009	2010									
				Oct.	May	Jun.	Jul.	Aug.	Sep.	Oct. 1	Oct. 8	Oct. 15	Oct. 22	Oct. 29
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Issue Department														
Liabilities														
Notes in Circulation	53,784	6,81,058	7,90,223	7,25,984	8,42,681	8,46,829	8,36,216	8,44,980	8,48,684	8,41,317	8,54,034	8,66,107	8,64,528	8,61,891
Notes held in Banking Department	23	16	16	23	12	21	20	15	17	14	17	16	17	22
Total Liabilities (Total Notes Issued) or Assets	**53,807**	**6,81,074**	**7,90,239**	**7,26,007**	**8,42,693**	**8,46,851**	**8,36,237**	**8,44,996**	**8,48,701**	**8,41,331**	**8,54,051**	**8,66,123**	**8,64,544**	**8,61,913**
Assets														
Gold Coin and Bullion	6,654	40,390	43,411	41,434	43,166	47,275	46,932	46,932	49,360	48,291	48,291	48,291	48,291	50,571
Foreign Securities	200	6,39,531	7,45,491	6,83,498	7,98,228	7,98,393	7,88,059	7,96,944	7,98,134	7,91,862	8,04,608	8,16,713	8,14,963	8,10,087
Rupee Coin (1)	29	106	291	29	252	136	199	74	160	131	106	73	244	208
Government of India Rupee Securities	46,924	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046
Banking Department														
Liabilities														
Deposits	**38,542**	**3,52,156**	**3,18,934**	**3,06,574**	**3,41,602**	**3,65,174**	**3,31,810**	**3,27,865**	**3,38,150**	**3,64,770**	**3,27,749**	**3,82,277**	**3,31,405**	**4,18,262**
Central Government	61	101	3,933	19,491	100	26,531	100	101	15,577	10,202	20,580	24,410	25,662	36,559
Market Stabilisation Scheme	–	88,077	2,737	18,773	317	317	–	–	–	–	–	–	–	–
State Governments	33	1,045	41	41	41	41	41	41	41	41	41	41	41	41
Scheduled Commercial Banks	33,484	2,38,195	2,81,390	2,42,199	3,10,326	3,07,570	3,00,305	2,96,830	2,91,765	3,22,931	2,75,559	3,25,904	2,74,736	3,49,160
Scheduled State Co-operative Banks	244	3,142	3,917	3,250	4,337	4,234	3,969	3,952	3,718	3,852	3,752	4,045	3,751	3,852
Non-Scheduled State Co-operative Banks	13	96	77	71	72	76	89	65	65	70	69	70	67	72
Other Banks	88	9,732	13,120	10,751	14,249	14,563	14,010	14,074	14,190	14,710	14,364	15,092	14,427	15,189
Others	4,619	11,768	13,719	11,998	12,160	11,841	13,295	12,802	12,794	12,963	13,383	12,715	12,719	13,390
Other Liabilities (2)	28,342	3,96,402	3,16,642	4,04,065	3,06,607	3,36,526	3,62,614	3,44,176	3,50,278	3,33,696	3,30,449	3,26,432	3,30,624	3,44,728
Total Liabilities or Assets	**66,884**	**7,48,557**	**6,35,577**	**7,10,639**	**6,48,210**	**7,01,700**	**6,94,424**	**6,72,040**	**6,88,428**	**6,98,467**	**6,58,198**	**7,08,709**	**6,62,029**	**7,62,990**

See 'Notes on Tables.'

No. 2: Reserve Bank of India *(Concld.)*

(₹ crore)

Last Friday / Friday	1990-91	2008-09	2009-10	2009	2010									
				Oct.	May	Jun.	Jul.	Aug.	Sep.	Oct. 1	Oct. 8	Oct. 15	Oct. 22	Oct. 29
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Assets														
Notes and Coins	23	16	17	23	12	22	21	15	18	14	17	16	17	22
Balances held Abroad (3)	4,008	5,82,537	4,01,429	5,70,194	3,53,492	3,72,503	4,14,119	4,06,672	4,07,460	3,99,800	3,86,123	3,67,188	3,76,108	3,89,361
Loans and Advances														
Central Government	–	–	–	–	7,531	–	–	–	–	–	–	–	–	–
State Governments (4)	916	–	558	169	258	80	–	361	–	116	1,291	1,705	2,049	1,439
Scheduled Commercial Banks	8,169	11,728	42	–	–	2,332	2,041	895	2,316	5,697	2,535	3,958	4,094	5,576
Scheduled State Co-op.Banks	38	–	–	20	–	–	–	–	30	30	30	30	30	30
Industrial Dev. Bank of India	3,705	–	–	–	–	–	–	–	–	–	–	–	–	–
NABARD	3,328	–	–	–	–	–	–	–	–	–	–	–	–	–
EXIM Bank	745	–	–	–	–	–	–	–	–	–	–	–	–	–
Others	1,615	9,834	3,222	4,734	28	219	25	25	25	59	55	207	207	308
Bills Purchased and Discounted														
Internal	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Government Treasury Bills	1,384	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	40,286	1,23,891	1,78,663	1,09,771	2,36,505	2,73,371	2,24,490	2,09,232	2,24,131	2,40,301	2,15,837	2,83,897	2,29,542	3,14,449
Other Assets (5)	2,666	20,552	51,646	25,727	50,384	53,174	53,728	54,840	54,448	52,448	52,310	51,707	49,982	51,805
	(–)	(9,050)	(39,434)	(9,284)	(39,211)	(42,944)	(42,632)	(42,632)	(44,838)	(43,867)	(43,867)	(43,867)	(43,867)	(45,938)

No. 3: All Scheduled Banks – Business in India

(₹ crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2008-09	2009-10	2009	2010						
				Sep.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.(P)
1	2	3	4	5	6	7	8	9	10	11	12
Number of Reporting Banks	299	235	232	234	232	233	233	234	234	232	232
Liabilities to the Banking System (1)	**6,673**	**1,04,419**	**1,05,729**	**85,036**	**1,05,729**	**93,587**	**95,311**	**99,784**	**1,03,300**	**97,999**	**99,228**
Demand and Time Deposits from Banks (2)	5,598	53,134	67,371	58,898	67,371	63,757	63,625	65,517	65,829	64,624	68,544
Borrowings from Banks (3)	998	29,504	32,376	19,924	32,376	22,272	24,379	27,126	30,030	26,290	21,840
Other Demand and Time Liabilities (4)	77	21,780	5,983	6,214	5,983	7,558	7,307	7,140	7,441	7,085	8,844
Liabilities to Others (1)	**2,13,125**	**43,79,668**	**50,76,365**	**46,68,524**	**50,76,365**	**51,82,746**	**51,83,093**	**51,61,355**	**52,92,654**	**52,77,917**	**53,07,000**
Aggregate Deposits (5)	**1,99,643**	**39,52,603**	**46,35,225**	**42,49,067**	**46,35,225**	**47,05,144**	**47,15,624**	**47,05,121**	**48,19,511**	**48,18,590**	**48,51,213**
Demand	34,823	5,34,791	6,60,446	5,67,090	6,60,446	6,12,983	6,22,329	6,04,585	6,36,860	6,19,972	6,28,687
Time (5)	1,64,820	34,17,813	39,74,778	36,81,978	39,74,778	40,92,160	40,93,295	41,00,536	41,82,651	41,98,618	42,22,526
Borrowings (6)	645	1,15,355	1,06,191	95,823	1,06,191	1,29,416	1,33,525	1,23,114	1,30,259	1,30,188	1,21,389
Other Demand and Time Liabilities (4)	12,838	3,11,709	3,34,950	3,23,634	3,34,950	3,48,187	3,33,944	3,33,120	3,42,883	3,29,139	3,34,398
Borrowings from Reserve Bank (7)	**3,483**	**11,728**	**42**	–	**42**	–	–	**2,373**	**2,041**	**895**	**2,346**
Against Usance Bills / Promissory Notes	–	–	–	–	–	–	–	–	–	–	–
Others (8)	3,483	11,728	42	–	42	–	–	2,373	2,041	895	2,346
Cash in Hand and Balances with Reserve Bank	**25,995**	**2,65,699**	**3,16,120**	**2,58,069**	**3,16,120**	**3,50,109**	**3,48,561**	**3,46,058**	**3,38,883**	**3,35,472**	**3,30,909**
Cash in Hand	1,847	20,825	26,296	25,449	26,296	29,045	28,881	29,039	29,790	29,867	30,552
Balances with Reserve Bank (9)	24,147	2,44,874	2,89,824	2,32,620	2,89,824	3,21,064	3,19,680	3,17,019	3,09,093	3,05,605	3,00,357

See "Notes on Tables"

No. 3: All Scheduled Banks – Business in India *(Concld.)*

(₹ crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2008-09	2009-10	2009	2010						
				Sep.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.(P)
1	2	3	4	5	6	7	8	9	10	11	12
Assets with the Banking System	**6,848**	**1,47,546**	**1,66,945**	**1,24,710**	**1,66,945**	**1,44,853**	**1,40,749**	**1,51,837**	**1,50,443**	**1,42,012**	**1,42,696**
Balances with Other Banks	3,347	59,896	70,372	60,231	70,372	63,278	57,435	61,282	55,776	52,831	56,012
In Current Account	1,926	13,280	14,853	12,342	14,853	13,620	11,690	11,695	10,781	9,913	10,680
In Other Accounts	1,421	46,616	55,520	47,889	55,520	49,658	45,745	49,587	44,996	42,919	45,332
Money at Call and Short Notice	2,201	26,295	33,135	21,047	33,135	23,963	27,835	25,460	31,592	25,761	23,813
Advances to Banks (10)	902	3,215	10,149	2,662	10,149	9,847	7,014	9,790	5,985	6,628	4,843
Other Assets	398	58,140	53,289	40,770	53,289	47,766	48,465	55,305	57,089	56,792	58,027
Investment	**76,831**	**12,05,544**	**14,37,770**	**14,18,247**	**14,37,770**	**14,73,721**	**14,91,434**	**14,59,145**	**15,06,940**	**15,30,283**	**15,24,677**
Government Securities (11)	51,086	11,93,456	14,28,470	14,08,431	14,28,470	14,64,059	14,82,265	14,51,316	14,99,623	15,23,173	15,17,772
Other Approved Securities	25,746	12,089	9,300	9,816	9,300	9,662	9,169	7,829	7,317	7,110	6,905
Bank Credit	**1,25,575**	**28,59,554**	**33,37,548**	**29,57,035**	**33,37,548**	**33,29,447**	**33,41,123**	**34,49,702**	**34,78,734**	**34,54,737**	**35,24,528**
Loans, Cash-credits and Overdrafts	1,14,982	27,57,577	32,12,787	28,51,807	32,12,787	32,05,556	32,19,235	33,27,756	33,52,637	33,31,033	33,98,580
Inland Bills-Purchased	3,532	12,470	12,686	11,418	12,686	12,234	11,150	10,649	10,714	10,829	11,331
Inland Bills-Discounted	2,409	43,987	63,322	49,884	63,322	63,883	63,130	62,752	66,762	64,395	63,171
Foreign Bills-Purchased	2,788	18,651	16,205	17,310	16,205	15,588	16,061	16,627	17,215	16,452	17,222
Foreign Bills-Discounted	1,864	26,868	32,548	26,616	32,548	32,186	31,547	31,918	31,405	32,028	34,224
Cash-Deposit Ratio	13.0	6.7	6.8	6.1	6.8	7.4	7.4	7.4	7.0	7.0	6.8
Investment-Deposit Ratio	38.5	30.5	31.0	33.4	31.0	31.3	31.6	31.0	31.3	31.8	31.4
Credit-Deposit Ratio	62.9	72.3	72.0	69.6	72.0	70.8	70.9	73.3	72.2	71.7	72.7

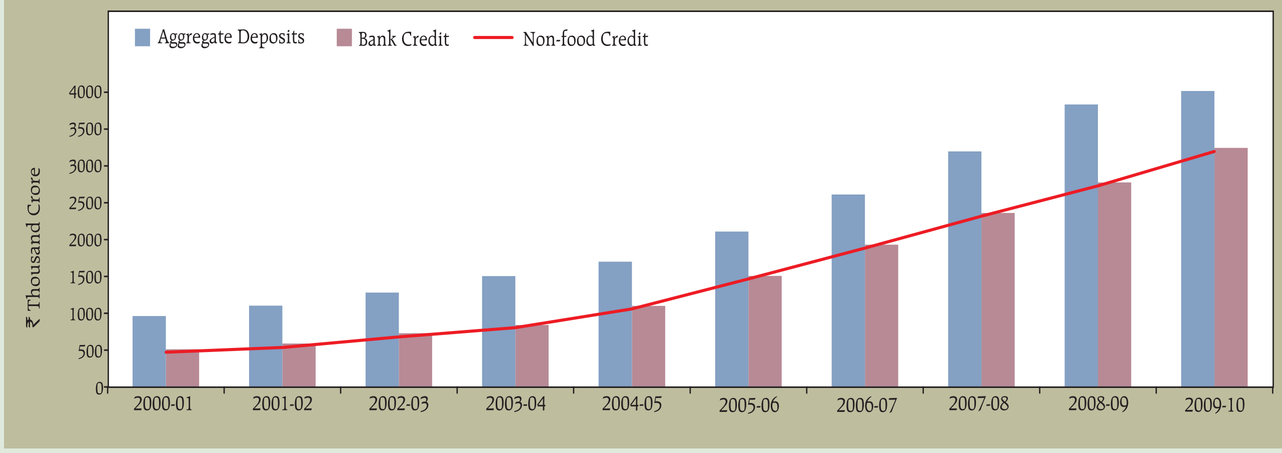
No. 4: All Scheduled Commercial Banks – Business in India

(₹ crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2008-09	2009-10	2009	2010						
				Sep.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep. (P)
1	2	3	4	5	6	7	8	9	10	11	12
Number of Reporting Banks	271	166	163	165	163	164	164	165	165	163	163
Liabilities to the Banking System (1)	**6,486**	**1,00,116**	**1,03,267**	**80,412**	**1,03,267**	**90,857**	**92,454**	**97,037**	**1,00,428**	**95,075**	**96,278**
Demand and Time Deposits from Banks **(2), (12)**	5,443	48,856	64,931	54,304	64,931	61,093	60,913	62,787	63,048	61,829	65,737
Borrowings from Banks (3)	967	29,487	32,358	19,898	32,358	22,209	24,237	27,113	29,944	26,166	21,702
Other Demand and Time Liabilities (4)	76	21,773	5,978	6,209	5,978	7,555	7,304	7,136	7,436	7,080	8,839
Liabilities to Others (1)	**2,05,600**	**42,55,566**	**49,26,524**	**45,32,201**	**49,26,524**	**50,29,770**	**50,32,521**	**50,09,706**	**51,40,949**	**51,27,149**	**51,56,416**
Aggregate Deposits (5)	**1,92,541**	**38,34,110**	**44,92,826**	**41,18,603**	**44,92,826**	**45,59,182**	**45,71,839**	**45,61,200**	**46,74,743**	**46,74,117**	**47,07,293**
Demand	33,192	5,23,085	6,45,610	5,54,660	6,45,610	5,98,249	6,07,793	5,89,704	6,21,634	6,04,671	6,13,446
Time (5)	1,59,349	33,11,025	38,47,216	35,63,943	38,47,216	39,60,933	39,64,046	39,71,496	40,53,108	40,69,446	40,93,847
Borrowings (6)	470	1,13,936	1,04,278	94,442	1,04,278	1,27,796	1,31,683	1,20,809	1,28,832	1,28,961	1,19,955
Other Demand and Time Liabilities (4), (13)	12,589	3,07,520	3,29,420	3,19,156	3,29,420	3,42,791	3,28,999	3,27,697	3,37,374	3,24,071	3,29,168
Borrowings from Reserve Bank (7)	**3,468**	**11,728**	**42**	**–**	**42**	**–**	**–**	**2,332**	**2,041**	**895**	**2,316**
Against Usance Bills/ Promissory Notes	–	–	–	–	–	–	–	–	–	–	–
Others	3,468	11,728	42	–	42	–	–	2,332	2,041	895	2,316

See 'Notes on Tables'.

Select Banking Aggregates



No. 4: All Scheduled Commercial Banks – Business in India *(Concld.)*

(₹ crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2008-09	2009-10	2009	2010						
				Sep.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep. (P)
1	2	3	4	5	6	7	8	9	10	11	12
Cash in Hand and Balances with Reserve Bank	**25,665**	**2,58,475**	**3,06,968**	**2,50,480**	**3,06,968**	**3,40,165**	**3,38,430**	**3,35,822**	**3,29,275**	**3,25,909**	**3,21,624**
Cash in Hand	1,804	20,281	25,578	24,798	25,578	28,404	28,104	28,252	28,970	29,079	29,860
Balances with Reserve Bank (9)	23,861	2,38,195	2,81,390	2,25,681	2,81,390	3,11,761	3,10,326	3,07,570	3,00,305	2,96,830	2,91,765
Assets with the Banking System	**5,582**	**1,22,571**	**1,34,444**	**93,319**	**1,34,444**	**1,14,531**	**1,13,613**	**1,24,389**	**1,23,900**	**1,17,365**	**1,19,627**
Balances with Other Banks	2,846	52,909	62,421	50,810	62,421	54,317	49,979	53,452	47,955	45,199	48,298
In Current Account	1,793	11,810	13,210	11,052	13,210	11,012	10,314	10,181	9,288	8,457	9,267
In Other Accounts	1,053	41,099	49,211	39,759	49,211	43,306	39,665	43,271	38,667	36,742	39,031
Money at Call and Short Notice	1,445	15,038	17,668	9,906	17,668	10,486	15,468	12,939	19,381	14,545	13,404
Advances to Banks (10)	902	2,904	9,892	2,384	9,892	9,584	6,751	9,526	5,721	6,364	4,591
Other Assets	388	51,721	44,463	30,218	44,463	40,144	41,414	48,472	50,843	51,257	53,334
Investment	**75,065**	**11,66,410**	**13,84,752**	**13,72,085**	**13,84,752**	**14,26,091**	**14,39,927**	**14,08,048**	**14,54,604**	**14,77,883**	**14,72,511**
Government Securities (11)	49,998	11,55,786	13,78,395	13,64,083	13,78,395	14,19,882	14,33,720	14,01,814	14,48,907	14,72,339	14,67,095
Other Approved Securities	25,067	10,624	6,358	8,003	6,358	6,210	6,207	6,234	5,697	5,544	5,416
Bank credit (14)	**1,16,301**	**27,75,549**	**32,44,788**	**28,74,670**	**32,44,788**	**32,34,595**	**32,47,061**	**33,54,193**	**33,79,999**	**33,53,977**	**34,22,291**
	(4,506)	**(46,211)**	**(48,489)**	**(42,418)**	**(48,489)**	**(54,273)**	**(50,592)**	**(53,710)**	**(51,427)**	**(47,285)**	**(50,232)**
Loans,Cash-Credits and Overdrafts	1,05,982	26,75,677	31,22,158	27,71,417	31,22,158	31,12,801	31,27,202	32,34,157	32,56,184	32,32,764	32,98,895
Inland Bills-Purchased	3,375	11,714	12,014	10,387	12,014	11,405	10,358	9,866	9,775	9,728	10,166
Inland Bills-Discounted	2,336	43,157	62,218	49,296	62,218	62,956	62,213	61,967	65,748	63,303	62,106
Foreign Bills-Purchased	2,758	18,522	16,132	17,270	16,132	15,503	15,994	16,544	17,143	16,397	17,150
Foreign Bills-Discounted	1,851	26,479	32,266	26,300	32,266	31,930	31,294	31,659	31,149	31,785	33,975
Cash-Deposit Ratio	13.3	6.7	6.8	6.1	6.8	7.5	7.4	7.4	7.0	7.0	6.8
Investment- Deposit Ratio	39.0	30.4	30.8	33.3	30.8	31.3	31.5	30.9	31.1	31.6	31.3
Credit-Deposit Ratio	60.4	72.4	72.2	69.8	72.2	70.9	71.0	73.5	72.3	71.8	72.7

No. 5: Scheduled Commercial Banks' Investments

(₹ crore)

Outstanding as on	SLR Securities	Commercial Paper	Shares Issued by			Bonds / Debentures issued by			Instruments Issued by	
			PSUs	Private Corporate Sector	Others	PSUs	Private Corporate Sector	Others	Mutual Funds	Financial Institutions
1	2	3	4	5	6	7	8	9	10	11
March 19, 2004	6,77,588	3,835	1,565	7,400	41	49,720	27,966	5,232	11,930	32,988
March 18, 2005	7,39,154	3,944	1,886	10,289	44	46,939	31,994	6,980	12,744	31,557
March 31, 2006	7,17,454	4,837	2,627	10,502	41	33,018	29,550	15,153	10,410	29,203
March 30, 2007	7,91,516	9,038	2,129	16,225	74	29,232	27,641	17,787	11,761	26,568
March 28, 2008	9,71,715	13,270	3,025	23,389	294	27,935	28,700	29,230	18,824	25,942
March 27, 2009	11,66,410	20,001	2,769	25,060	407	25,456	33,131	31,073	37,035	32,585
March 26, 2010	13,84,752	25,188	4,625	25,481	86	22,710	40,067	30,902	52,887	32,597
September 11, 2009	13,46,824	12,859	2,329	24,765	95	22,918	35,027	32,332	1,57,503	26,563
September 25, 2009	13,72,085	14,830	2,229	24,677	88	23,212	35,273	34,744	62,434	25,887
October 9, 2009	13,65,433	11,454	2,542	27,358	149	23,110	31,518	32,511	1,46,785	26,839
October 23, 2009	13,55,400	10,917	2,512	23,771	82	23,175	34,952	31,444	1,56,630	26,094
November 6, 2009	13,67,833	11,078	2,664	23,815	80	22,613	35,207	31,602	1,61,279	25,980
November 20, 2009	13,62,435	10,837	2,694	23,892	78	22,977	35,607	31,703	1,65,791	27,053
December 4, 2009	13,86,444	11,297	2,721	24,305	78	23,456	36,380	31,040	1,69,568	27,000
December 18, 2009	13,49,540	12,707	2,796	25,249	64	23,322	36,526	30,109	1,45,224	28,784
January 1, 2010	14,15,697	18,583	2,749	25,539	63	25,101	37,345	30,078	46,668	28,433
January 15, 2010	13,81,417	14,077	2,676	25,296	63	22,885	36,531	29,647	1,03,756	26,896
January 29, 2010	14,02,421	15,219	2,962	25,475	85	22,902	37,220	30,113	1,08,946	28,033
February 12, 2010	13,94,915	15,623	3,037	25,935	106	21,566	38,807	29,308	1,21,008	27,816
February 26, 2010	13,80,674	16,372	4,147	26,188	100	21,930	38,674	30,022	1,11,994	30,285
March 12, 2010	13,88,424	21,799	4,069	25,782	88	23,228	39,563	31,827	1,08,990	31,244
March 26, 2010	13,84,752	25,188	4,625	25,481	86	22,710	40,067	30,902	52,887	32,597
April 9, 2010	14,64,987	19,600	5,318	27,192	87	21,768	36,773	31,569	1,12,415	30,804
April 23, 2010	14,39,858	17,158	5,351	27,870	83	21,034	37,342	30,936	1,05,758	28,928
May 7, 2010	14,30,211	16,419	7,150	26,145	80	22,449	41,293	33,680	1,14,481	25,971
May 21, 2010	14,47,258	16,856	7,148	27,189	29	21,469	42,144	34,511	1,09,207	25,662
June 4, 2010	14,39,722	26,926	7,113	27,146	29	22,071	42,081	40,315	47,853	26,247
June 18, 2010	14,15,850	27,125	6,950	26,943	304	21,865	44,495	38,339	35,181	27,115
July 2, 2010	14,33,331	27,502	6,804	26,839	443	21,169	45,858	37,410	20,752	27,379
July 16, 2010	14,41,573	27,830	6,954	27,394	327	23,273	45,968	32,906	26,209	28,227
July 30, 2010	14,54,604	31,152	7,030	27,383	375	22,589	48,009	33,698	36,787	26,615
August 13, 2010	14,52,444	34,645	7,163	27,474	650	20,972	48,732	34,559	42,454	25,214
August 27, 2010	14,76,119	37,863	7,195	27,478	4,226	21,177	49,780	39,308	59,984	26,068
September 10, 2010	14,58,819	39,698	7,194	27,439	4,226	21,054	49,400	38,875	81,767	26,620
September 24, 2010	14,72,511	43,818	7,070	27,029	3,605	20,153	50,332	35,178	33,534	26,725

PSUs : Public Sector Undertakings.

Note : Data on Investments are based on Statutory Section 42(2) Returns.
Final data upto : July 30, 2010.

No. 6: State Co-operative Banks - Maintaining Accounts with the Reserve Bank of India

(₹ crore)

Last Reporting Friday (in case of March)/ Last Friday/ Reporting Friday	1990-91	2008-09	2009-10	2009		2010							
				Jun.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.4	Jun.18	Jun.25
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Number of Reporting Banks	28	31	31	31	31	31	31	31	31	31	31	31	31
Demand and Time Liabilities													
Aggregate Deposits (1)	**2,152**	**22,588**	**26,896**	**24,030**	**25,962**	**26,055**	**26,659**	**26,896**	**27,646**	**27,383**	**27,489**	**27,423**	**26,917**
Demand Liabilities	**1,831**	**8,051**	**9,746**	**7,442**	**7,995**	**7,998**	**8,503**	**9,746**	**10,025**	**9,299**	**9,380**	**9,820**	**9,651**
Deposits													
Inter-Bank	718	1,936	2,021	1,299	1,404	1,400	1,493	2,021	1,502	1,395	1,402	1,838	1,487
Others	794	4,058	4,887	4,198	4,473	4,471	4,595	4,887	5,586	5,335	5,323	5,319	5,421
Borrowings from Banks	181	367	905	346	532	452	549	905	1,084	783	848	809	806
Others	139	1,689	1,933	1,599	1,586	1,675	1,866	1,933	1,853	1,785	1,807	1,854	1,936
Time Liabilities	**3,963**	**59,625**	**71,485**	**64,472**	**70,256**	**70,180**	**70,450**	**71,485**	**73,718**	**72,239**	**71,952**	**71,068**	**70,953**
Deposits													
Inter-Bank	2,545	40,589	48,489	44,164	48,298	48,087	47,799	48,489	50,947	49,489	49,052	48,248	48,747
Others	1,359	18,530	22,010	19,832	21,490	21,584	22,064	22,010	22,060	22,048	22,166	22,104	21,496
Borrowings from Banks	–	7	205	10	8	58	55	205	205	205	205	205	205
Others	59	500	780	466	460	452	532	780	505	497	528	511	505
Borrowing from Reserve Bank	**15**	–	–	**10**	–	–	–	–	–	–	–	–	–
Borrowings from the State Bank and / or a Notified bank (2) and State Government	**1,861**	**11,879**	**13,505**	**11,309**	**9,823**	**10,747**	**10,870**	**13,505**	**12,198**	**12,037**	**11,696**	**12,595**	**12,685**
Demand	116	3,057	3,687	2,646	2,507	2,877	3,084	3,687	3,707	3,708	3,707	3,706	3,701
Time	1,745	8,822	9,817	8,663	7,317	7,871	7,786	9,817	8,491	8,328	7,989	8,889	8,984
Assets													
Cash in Hand and Balances with Reserve Bank	**334**	**3,387**	**4,140**	**3,496**	**3,780**	**3,427**	**4,087**	**4,140**	**4,539**	**4,562**	**4,359**	**4,351**	**4,464**
Cash in Hand	24	149	151	161	147	148	144	151	155	151	156	149	154
Balance with Reserve Bank	310	3,238	3,988	3,335	3,633	3,279	3,943	3,988	4,384	4,410	4,203	4,202	4310
Balances with Other Banks in Current Account	93	554	683	498	460	608	590	683	1,237	572	629	560	568
Investments in Government Securities (3)	1,058	18,432	24,896	21,148	23,847	24,156	24,908	24,896	25,260	25,627	25,938	25,741	25,893
Money at Call and Short Notice	498	15,801	19,010	17,620	16,444	15,789	15,494	19,010	17,383	15,991	15,963	16,242	16,126
Bank Credit (4)	**2,553**	**18,501**	**19,449**	**17,451**	**20,070**	**18,616**	**19,159**	**19,449**	**22,238**	**21,630**	**21,669**	**21,640**	**21,574**
Advances													
Loans, Cash-Credits and Overdrafts	2,528	18,490	19,436	17,441	20,060	18,604	19,143	19,436	22,224	21,616	21,655	21,624	21,560
Due from Banks (5)	5,560	27,239	28,288	25,416	27,409	25,744	26,991	28,288	27,020	27,458	27,713	28,332	28,741
Bills Purchased and Discounted	25	10	13	10	10	12	16	13	14	15	14	16	14
Cash - Deposit Ratio	15.5	15.0	15.4	14.5	14.6	13.2	15.3	15.4	16.4	16.7	15.9	15.9	16.6
Investment - Deposit Ratio	49.2	81.6	92.6	88.0	91.9	92.7	93.4	92.6	91.4	93.6	94.4	93.9	96.2
Credit - Deposit Ratio	118.6	81.9	72.3	72.6	77.3	71.4	71.9	72.3	80.4	79.0	78.8	78.9	80.2

See 'Notes on Tables'.

No. 7: Reserve Bank's Standing Facilities to Scheduled Commercial Banks

(₹ crore)

As on last reporting Friday of	Export Credit Refinance (1)		General Refinance (2)		Special Liquidity Support (3)		Total Refinance (4)	
	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding
1	2	3	4	5	6	7	8	9
1996-97	6,654.40	559.97	–	–			6,654.40	559.97
1997-98	2,402.96	394.52	1,115.02	0.11			3,517.98	394.63
1998-99	7,269.27	2,616.57	1,115.02	19.23	3,235.02	258.00	11,619.31	2,893.80
March 1999	7,269.27	2,616.57	1,115.02	19.23	3,235.02	258.00	11,619.31	2,893.80
April 1999	8,638.29	5,164.76	1,115.02	56.31	3,235.02	–	9,753.31	5,221.07

As on last reporting Friday of	Export Credit Refinance (1)						Others @						Total Standing Facility	
	Normal *		Back Stop **		Total ***		Normal *		Back Stop **		Total			
	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing
1	2	3	4	5	6 =(2+4)	7 =(3+5)	8	9	10	11	12 =(8+10)	13 =(9+11)	14 =(6+12)	15 =(7+13)
2001-02	6,060.29	3,144.11	3,025.60	49.83	9,085.89	3,193.94	837.62	422.35	218.7	–	1,056.27	422.35	10,142.16	3,616.29
2002-03	2,524.13	61.51	2,524.13	23.00	5,048.26	84.51	399.66	–	–	–	399.66	–	5,447.92	84.51
2003-04	1,553.25	–	3,111.17	–	4,664.42	–	399.66	–	–	–	399.66	–	5,064.08	–
2004-05	–	–	–	–	4,912.13	50.00	399.66	–	–	–	399.66	–	5,311.79	50.00
2005-06	–	–	–	–	6,050.63	1,567.68	–	–	–	–	–	–	6,050.63	1,567.68
2006-07	–	–	–	–	8,110.33	4,984.94	–	–	–	–	–	–	8,110.33	4,984.94
2007-08	–	–	–	–	9,103.46	2,825.00	–	–	–	–	–	–	9,103.46	2,825.00
2008-09	–	–	–	–	34,951.79	3,106.62	–	–	–	–	–	–	34,951.79	3,106.62
2009-10	–	–	–	–	9,072.20	42.00	–	–	–	–	–	–	9,072.20	42.00
Mar. 2008	–	–	–	–	9,103.46	2,825.00	–	–	–	–	–	–	9,103.46	2,825.00
Jun. 2008	–	–	–	–	9,052.03	1,132.14	–	–	–	–	–	–	9,052.03	1,132.14
Aug. 2008	–	–	–	–	9,449.95	976.58	–	–	–	–	–	–	9,449.95	976.58
Sep. 2008	–	–	–	–	9,434.35	4,481.44	–	–	–	–	–	–	9,434.35	4,481.44
Oct. 2008	–	–	–	–	9,653.48	91.00	–	–	–	–	–	–	9,653.48	91.00
Nov. 2008	–	–	–	–	34,740.28	2,697.63	–	–	–	–	–	–	34,740.28	2,697.63
Dec. 2008	–	–	–	–	35,991.95	5,330.51	–	–	–	–	–	–	35,991.95	5,330.51
Jan. 2009	–	–	–	–	37,367.21	1,037.00	–	–	–	–	–	–	37,367.00	1,037.00
Feb. 2009	–	–	–	–	35,173.13	1,531.59	–	–	–	–	–	–	35,173.13	1,531.59
Mar. 2009	–	–	–	–	34,951.79	3,106.62	–	–	–	–	–	–	34,951.79	3,106.62
Apr. 2009	–	–	–	–	36,432.22	1,322.35	–	–	–	–	–	–	36,432.22	1,322.35
May 2009	–	–	–	–	34,542.21	715.18	–	–	–	–	–	–	34,542.21	715.18
Jun. 2009	–	–	–	–	33,195.57	1,800.00	–	–	–	–	–	–	33,195.57	1,800.00
Jul. 2009	–	–	–	–	33,293.12	–	–	–	–	–	–	–	33,293.12	–
Aug. 2009	–	–	–	–	31,855.00	–	–	–	–	–	–	–	31,855.00	–
Sep. 2009	–	–	–	–	31,996.53	–	–	–	–	–	–	–	31,996.53	–
Oct. 2009	–	–	–	–	32,534.90	–	–	–	–	–	–	–	32,534.90	–
Nov. 2009	–	–	–	–	9,321.95	–	–	–	–	–	–	–	9,321.95	–
Dec. 2009	–	–	–	–	9,055.76	–	–	–	–	–	–	–	9,055.76	–
Jan. 2010	–	–	–	–	9,221.13	–	–	–	–	–	–	–	9,221.13	–
Feb. 2010	–	–	–	–	8,839.29	240.00	–	–	–	–	–	–	8,839.29	240.00
Mar. 2010	–	–	–	–	9,072.20	42.00	–	–	–	–	–	–	9,072.20	42.00
Apr. 2010	–	–	–	–	9,937.67	–	–	–	–	–	–	–	9,937.67	–
May 2010	–	–	–	–	9,663.93	–	–	–	–	–	–	–	9,663.93	–
Jun. 2010	–	–	–	–	9,080.69	1,869.68	–	–	–	–	–	–	9,080.69	1,869.68
Jul. 2010	–	–	–	–	8,875.62	2,042.00	–	–	–	–	–	–	8,875.62	2,042.00
Aug. 2010	–	–	–	–	8,675.16	895.00	–	–	–	–	–	–	8,675.16	895.00

@ 'Others' include Collateralised Lending Facility (CLF) (withdrawn completely effective from October 5, 2002) / Additional CLF (withdrawn effective from June 5, 2000), *etc.*

* Normal Limit = 1/2 of total limit effective from November 16, 2002; 1/3 rd of the total limit effective from December 27, 2003.

** Back-Stop Limit = 1/2 of total limit effective from November 16, 2002; 2/3 rd of the total limit effective from December 27, 2003.

*** Total limits under Normal Facility and Back-Stop facility merged into a single facility effective from March 29, 2004.

Also see 'Notes on Tables'.

No. 8: Cheque Clearing Data

(Number in Lakhs and Amount in ₹ crore)

Month/Year	Total		Total MICR* Centres		Total Non-MICR** Centres		Total of RBI Centres		RBI Centres***					
									Ahmedabad		Bangalore		Bhopal	
1	2 = (3+4)		3 = (5+22)		4		5		6		7		8	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	9,015.0	1,25,75,254.0	5,377.0	1,09,47,391.0	3,638.0	16,27,863.0	5,377.0	1,09,47,391.0	414.0	2,07,524.0	445.0	2,69,346.0	–	–
2002-03	10,139.0	1,34,24,313.0	5,980.0	1,09,78,762.0	4,159.0	24,45,551.0	5,980.0	1,09,78,762.0	434.0	2,25,060.0	485.0	3,07,577.0	–	–
2003-04	10,228.0	1,15,95,960.0	6,241.0	91,78,751.0	3,987.0	24,17,209.0	6,241.0	91,78,751.0	473.0	2,80,649.0	547.0	3,75,885.0	–	–
2004-05	11,668.5	1,04,58,894.9	9,414.6	93,56,252.2	2,253.9	11,02,642.7	7,384.8	84,93,320.7	525.5	3,52,696.6	601.6	4,77,810.1	59.3	47,188.1
2005-06	12,867.6	1,13,29,133.5	10,318.4	94,74,370.8	2,549.2	18,54,762.8	7,942.4	81,94,976.7	603.7	4,06,598.7	656.1	4,98,344.5	71.9	32,181.0
2006-07	13,672.8	1,20,42,425.7	11,441.0	1,04,35,436.1	2,231.8	16,06,989.5	8,309.9	85,99,494.3	594.4	4,29,955.8	702.5	5,58,675.6	71.7	52,224.6
2007-08	14605.6	1,33,96,065.9	12,229.6	1,15,28,690.2	2,376.0	18,67,375.7	8,775.9	94,51,748.3	647.3	5,06,759.2	734.5	6,32,327.8	77.4	62,651.9
2008-09	13,973.9	1,24,69,134.9	11,638.2	1,04,08,242.0	2,335.7	20,60,892.9	8,347.2	82,97,385.3	570.3	4,77,112.7	687.6	5,46,017.8	74.5	70,837.6
2009-10 (P)	13,802.7	1,04,09,941.5	11,497.1	85,31,516.9	2305.7	18,78,424.7	8,126.9	65,22,135.0	588.3	4,52,170.4	661.9	4,57,973.1	71.1	65,326.2
2009-10														
April	1,108.9	9,37,769.0	922.5	7,78,434.1	186.5	1,59,335.0	657.2	6,08,919.0	44.6	36,015.6	54.8	42,179.6	5.6	5,131.8
May	1,102.3	8,51,448.4	910.9	6,92,706.9	191.4	1,58,741.5	643.2	5,32,225.1	46.2	35,614.5	54.4	35,229.2	5.5	4,.726.4
June	1,122.4	8,58,216.7	935.1	7,24,654.8	187.3	1,33,561.9	662.1	5,56,784.7	46.1	36,102.4	54.0	39,237.0	5.5	5,774.7
July	1,200.9	9,00,803.8	1,002.7	7,60,467.7	198.2	1,40,336.1	711.4	5,89,480.4	50.1	35,569.2	59.2	42,623.4	6.4	5,355.0
August	1,115.1	8,11,856.3	927.7	6,86,446.9	187.5	1,25,409.3	671.3	5,45,345.9	49.8	35,295.9	54.7	37,459.0	6.4	5,355.0
September	1,091.7	8,22,903.8	914.3	6,86,109.6	177.4	1,36,794.2	634.1	5,27,335.8	47.4	36,866.3	50.8	35,811.8	5.6	5,507.3
October	1,250.5	9,16,009.3	1044.5	7,63,886.0	206.0	1,52,123.3	730.2	5,88,533.1	54.1	38,656.5	59.6	41,451.9	6.8	6,210.9
November	1,092.1	7,43,478.1	903.3	6,03,578.3	188.8	1,39,899.8	643.5	4,55,116.9	45.7	23,802.2	51.5	32,738.6	5.8	4,326.0
December	1,177.2	8,33,489.5	976.5	6,78,375.9	200.8	1,55,113.5	687.7	5,09,715.8	49.6	38,898.2	56.5	37,100.2	5.3	5,218.4
January	1,124.7	8,00,047.0	937.6	6,57,045.0	187.1	1,43,002.0	660.5	4,81,833.9	47.0	38,402.9	53.2	35,191.4	5.8	5,224.1
February	1,076.3	7,77,185.4	903.3	6,27,412.5	173.1	1,49,772.9	635.9	4,70,122.4	48.0	41,152.3	49.6	33,121.9	5.3	4,572.8
March (P)	1,340.5	11,56,734.2	1,118.8	8,72,399.1	221.7	2,84,335.1	789.8	6,56,722.0	59.6	55,794.2	63.5	45,829.3	7.0	7,924.0
Total (upto Mar, 10)	13,802.7	1,04,09,941.5	11,497.1	85,31,516.9	2305.7	18,78,424.7	8,126.9	65,22,135.0	588.3	4,52,170.4	661.9	4,57,973.1	71.1	65,326.2
2010-11														
April (P)	1,175.3	8,59,982.7	970.9	7,04,089.1	204.4	1,55,893.6	681.8	5,26,360.6	51.4	33,501.5	56.9	41,679.3	6.1	4,874.9
May (P)	1,110.5	8,21,772.7	919.8	6,72,732.2	190.7	1,49,040.5	648.5	5,00,302.6	47.2	30,193.2	56.1	35,361.5	5.5	4,711.5
June (P)	1,104.4	8,35,896.5	914.7	6,92,640.5	189.7	1,43,256.0	650.1	5,24,954.7	47.7	30,320.1	55.5	37,180.6	5.7	5,950.5
July (P)	1,187.5	8,10,268.7	996.6	6,73,800.9	190.8	1,36,467.7	701.0	5,02,033.3	50.8	31,052.1	57.0	38,879.4	6.3	5,764.3
August (P)	1,164.4	8,11,607.0	973.1	6,63,801.5	191.3	1,47,805.5	683.6	4,97,097.0	52.1	31,489.0	55.5	39,435.3	6.1	4,633.0
September (P)	1,084.6	7,75,861.9	906.9	6,25,642.4	177.7	1,50,219.5	638.2	4,67,211.2	48.0	29,792.0	52.3	37,412.0	5.6	5,247.7
Total (upto Sep, 10)	**8,563.4**	**59,15,616.6**	**7,418.8**	**50,32,933.7**	**1,144.6**	**8,82,682.9**	**4,003.2**	**30,17,959.4**	**297.1**	**1,86,347.9**	**333.2**	**2,29,948.1**	**35.2**	**31,182.0**

* MICR - Magnetic Ink Character Recognition - automated CPC (Cheque Processing Centres).

** Non MICR - Clearing done at the clearing house where MICR cheque processing centres have not been setup. The processing is done either using magnetic media based clearing system (MMBCS) or is done manually.

*** RBI Centres (MICR) refers to all centres where RBI is the manager of Clearing House.

No. 8: Cheque Clearing Data *(Contd.)*

(Number in Lakhs and Amount in ₹ crore)

Month/Year	RBI Centres***													
	Bhubaneswar		Chandigarh		Chennai		Guwahati		Hyderabad		Jammu $		Jaipur	
1	9		10		11		12		13		14		15	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	27.0	21,625.0	–	–	522.0	5,00,872.0	30.0	19,592.0	305.0	1,82,764.0	–	–	123.0	54,432.0
2002-03	33.0	26,349.0	–	–	557.0	5,52,913.0	34.0	22,436.0	337.0	2,15,035.0	–	–	130.0	58,202.0
2003-04	37.0	37,136.0	–	–	602.0	6,12,158.0	37.0	27,840.0	369.0	2,75,503.0	–	–	148.0	70,122.0
2004-05	41.8	47,252.7	112.8	1,11,091.8	735.1	7,59,883.1	42.4	32,713.9	390.2	3,01,678.8	–	–	168.0	89,086.6
2005-06	48.6	53,649.7	123.8	1,27,037.9	813.2	6,55,277.9	48.2	39,660.5	416.8	3,63,317.1	–	–	187.4	1,13,452.5
2006-07	56.2	64,833.9	140.7	1,98,205.1	803.5	6,92,201.6	55.1	49,100.5	438.9	3,95,911.4	–	–	197.8	1,37,784.8
2007-08	60.0	80,993.5	141.4	1,61,218.5	854.1	7,78,853.6	59.5	55,169.2	454.6	4,52,498.8	–	–	219.3	1,62,021.8
2008-09	57.9	88,061.5	131.8	1,45,451.1	832.0	8,01,963.7	59.7	62,085.7	447.8	4,34,737.4	–	–	197.6	1,50,889.6
2009-10 (P)	58.6	62,721.5	133.7	1,40,965.9	790.2	6,31,101.1	63.6	58,772.8	414.9	3,51,392.3	11.9	7,967.6	199.9	1,31,192.6
2009-10														
April	4.5	5,308.6	11.5	14,123.3	64.1	63,050.0	4.6	5,704.3	34.6	32,461.9	–	–	16.0	11,286.1
May	4.5	4,607.0	10.5	12,097.6	61.7	54,521.9	5.1	5,035.9	33.6	27,842.7	–	–	15.4	10,283.0
June	4.3	5,330.6	10.3	11,231.1	65.7	54,603.2	5.1	4,790.2	34.7	30,336.9	–	–	15.6	10,714.8
July	5.4	5,258.2	11.4	10,576.6	71.7	60,060.5	5.2	4,962.7	37.3	33,317.0	–	–	17.3	10,421.8
August	5.0	4,682.1	10.5	10,176.4	66.7	51,118.9	5.3	4,342.2	33.3	27,933.7	–	–	16.8	10,087.0
September	4.8	4,586.5	10.4	10,176.9	61.7	52,474.5	5.0	4,745.2	30.6	26,893.9	–	–	15.7	10,052.8
October	5.5	5,285.1	12.3	13,388.3	71.6	57,171.6	5.9	4,641.1	38.9	31,921.1	–	–	18.5	12,215.8
November	4.5	4,966.9	10.4	12,375.3	61.2	52,212.9	5.1	3,922.2	32.8	27,181.2	2.3	1,414.6	14.9	9,023.7
December	5.1	5,298.1	11.8	12,174.4	66.0	53,928.2	5.8	4,682.9	35.1	27,209.9	2.3	1,532.4	16.9	11,074.3
January	4.6	5,099.1	10.3	10,357.5	61.0	41,672.9	5.0	4,514.7	33.3	28,450.4	2.3	1,711.1	16.6	10,976.5
February	4.7	5,548.9	11.5	10,276.7	62.3	39,576.6	5.3	4,728.8	31.6	24,444.0	2.1	1,375.3	16.4	11,066.3
March (P)	5.7	6,750.5	12.9	14,011.7	76.5	50,709.9	6.2	6,702.7	39.3	33,399.6	2.8	1,934.2	19.8	13,990.5
Total (upto Mar, 10)	**58.6**	**62,721.5**	**133.7**	**1,40,965.9**	**790.2**	**6,31,101.1**	**63.6**	**58,772.8**	**414.9**	**3,51,392.3**	**11.9**	**7,967.6**	**199.9**	**1,31,192.6**
2010-11														
April (P)	5.0	4,858.8	11.4	13,908.4	65.7	47,080.2	4.9	4,749.8	31.0	27,119.3	2.5	1,924.4	17.3	11,253.3
May (P)	4.5	4,334.4	10.6	12,848.8	62.7	41,454.9	5.2	4,100.8	33.9	25,660.3	2.4	1,772.1	16.7	10,489.5
June (P)	4.5	4,805.4	10.7	10,731.6	65.3	44,002.3	5.0	4,532.1	33.6	27,384.6	2.4	1,438.5	15.9	10,981.1
July (P)	5.2	5,737.6	12.1	21,184.4	70.6	47,035.7	5.1	5,058.3	35.8	30,315.1	2.4	1,619.8	17.9	11,508.4
August (P)	5.0	4,817.7	11.3	10,250.3	69.0	46,678.3	5.3	4,106.8	34.5	26,879.9	2.5	1,381.8	17.0	10,161.9
September (P)	4.7	5,572.2	10.7	10,666.4	63.1	44,434.8	4.8	4,480.5	31.6	23,836.4	2.4	1,298.0	16.6	10,771.9
Total (upto Sep, 10)	**28.8**	**30,126.2**	**66.7**	**79,589.9**	**396.4**	**2,70,686.2**	**30.3**	**27,028.3**	**200.5**	**1,61,195.6**	**14.5**	**9,434.6**	**101.3**	**65,166.1**

$ The settlement of MICR clearing is being done in the books of Reserve Bank of India effective November 2009.

No. 8: Cheque Clearing Data *(Contd.)*

(Number in Lakhs and Amount in ₹ crore)

Month/Year	RBI Centres***													
	Kanpur		Kolkata		Mumbai		Nagpur		New Delhi $$		Patna		Thiruvananthapuram	
1	16		17		18		19		20		21		22	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	67.0	32,369.0	523.0	37,3131.0	1,679.0	82,17,816.0	102.0	41,151.0	1,079.0	9,90,315.0	27.0	17,421.0	34.0	19,032.0
2002-03	73.0	34,532.0	531.0	41,9164.0	2,019.0	76,94,748.0	109.0	46,924.0	1,164.0	13,19,625.0	37.0	19,506.0	37.0	36,691.0
2003-04	78.0	41,397.0	470.0	46,5308.0	2,162.0	55,11,293.0	120.0	56,330.0	1,107.0	13,54,677.0	50.0	26,739.0	41.0	43,714.0
2004-05	87.1	47,225.8	599.9	56,0659.9	2,304.1	37,53,670.3	124.4	63,495.1	1,479.3	17,73,610.1	65.0	30,861.7	48.2	44,396.1
2005-06	92.7	55,328.7	642.4	65,8639.7	2,391.9	33,42,829.4	134.8	75,772.3	1,597.2	16,97,583.2	59.2	36,819.8	54.6	38,484.0
2006-07	96.9	64,396.1	684.2	68,2358.0	2,518.3	33,19,090.1	145.6	92,546.6	1,690.9	17,73,548.3	56.8	47,968.8	56.2	40,,693.0
2007-08	100.0	69,885.1	730.5	77,8304.3	2,651.6	36,85,407.3	151.3	1,06,351.7	1,775.7	18,00,975.6	62.6	61,006.5	56.0	57,323.4
2008-09	92.8	72,692.4	692.3	75,3067.8	2,512.7	27,99,764.9	146.2	1,06,246.5	1,726.9	16,64,709.4	62.0	67,977.2	55.0	55,769.9
2009-10 (P)	89.6	68,011.3	678.9	65,8229.3	2,482.2	19,39,326.9	141.2	90,252.2	1,624.6	12,98,999.7	63.2	64,423.6	53.0	43,308.5
2009-10														
April	6.9	6,478.5	54.6	59,580.7	198.3	1,86,379.5	11.6	8,391.5	136.2	1,22,837.9	4.9	5,936.5	4.2	4,053.4
May	7.7	6,668.5	51.6	48,641.7	194.5	1,64,609.0	11.3	7,241.1	132.1	1,07,565.6	4.7	4,388.7	4.2	3,152.3
June	7.2	6,535.7	55.4	52,890.9	206.2	1,70,059.4	11.3	7,770.9	131.3	1,11,993.3	5.0	5,250.5	4.5	4,163.0
July	7.7	6,830.0	57.8	56,100.5	214.5	1,86,871.2	12.2	8,357.6	144.9	1,13,810.1	5.5	5,342.2	4.7	4,024.2
August	7.6	5,121.6	56.9	51,771.9	205.3	1,86,392.4	11.1	7,152.2	132.1	99,454.4	5.1	4,767.8	4.7	4,235.3
September	6.8	4,925.8	52.8	51,425.9	196.1	1,73,285.5	10.9	7,388.9	126.5	95,083.7	5.2	4,974.1	3.7	3,136.7
October	8.5	5,581.8	59.8	52,062.5	218.5	1,91,283.4	12.7	8,241.8	147.3	1,11,068.6	5.4	5,569.0	4.9	3,783.8
November	7.9	4,852.1	54.0	48,556.8	200.3	1,21,056.0	11.2	6,931.4	126.3	93,648.1	5.2	5,285.5	4.2	2,823.5
December	7.3	5,241.5	57.8	54,578.4	209.5	1,33,465.1	12.4	7,347.7	136.3	1,03,186.1	5.6	5,317.6	4.4	3,462.4
January	7.0	5,376.2	53.4	49,815.1	206.6	1,29,988.0	11.7	6,679.7	133.0	1,00,010.2	5.2	4,849.8	4.3	3,514.4
February	6.6	4,506.2	55.4	51,799.3	192.5	1,25,510.0	10.9	6,396.7	124.4	98,259.2	5.4	5,091.5	3.9	2,696.2
March (P)	8.2	5,893.6	69.4	81,005.7	239.9	1,70,427.3	13.9	8,352.6	154.1	1,42,082.5	6.0	7,650.5	5.1	4,263.3
Total (upto Mar, 10)	**89.6**	**68,011.3**	**678.9**	**6,58,229.3**	**2,482.2**	**19,39,326.9**	**141.2**	**90,252.2**	**1,624.6**	**12,98,999.7**	**63.2**	**64,423.6**	**53.0**	**43,308.5**
2010-11														
April (P)	7.3	5,051.5	54.2	45,697.8	209.4	1,48,993.5	12.2	8,382.8	136.6	1,16,625.4	5.4	6,970.5	4.4	3,689.2
May (P)	6.9	4,833.7	56.1	44,235.1	188.7	1,28,278.5	11.2	6,806.6	131.3	1,37,038.3	5.0	5,579.9	4.5	2,603.3
June (P)	6.7	4,708.7	52.4	40,798.1	197.0	1,27,945.8	11.4	7,524.0	127.3	1,57,570.6	4.7	5,990.6	4.5	3,090.0
July (P)	7.8	4,777.5	57.4	42,641.5	206.8	1,30,380.8	12.4	7,880.2	143.5	1,09,930.9	5.1	5,246.1	4.8	3,021.1
August (P)	7.3	4,626.2	58.7	43,293.0	207.4	1,35,918.4	11.6	6,721.9	131.2	1,19,876.4	5.1	4,054.7	4.4	2,772.3
September (P)	6.7	4,619.6	54.8	41,612.6	191.6	1,31,096.9	11.0	6,531.7	125.0	1,01,796.3	5.1	5,246.4	4.3	2,795.9
Total (upto Sep, 10)	**42.7**	**28,617.3**	**333.6**	**2,58,278.2**	**1,200.8**	**8,02,613.9**	**69.9**	**43,847.2**	**794.9**	**7,42,837.9**	**30.3**	**33,088.2**	**27.0**	**17,971.9**

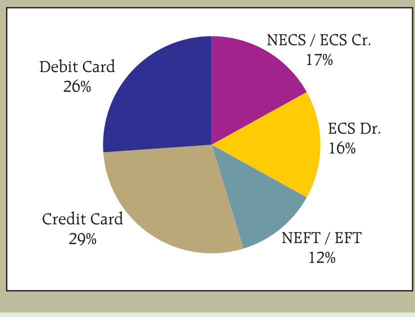
$$ Cheque Truncation System (CTS) implemented at NCR since February 2008 and complete cheque clearing volume has been migrated to CTS from July 2009.

No. 8: Cheque Clearing Data *(Concld.)*

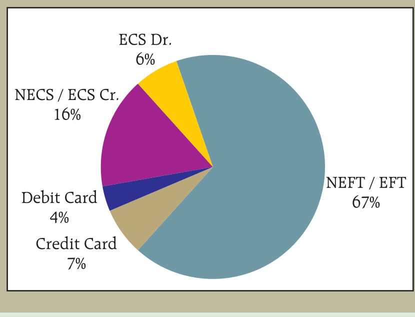
(Number in Lakhs and Amount in ₹ crore)

Month/Year	Other MICR Centres	
1	23	
	Number	Amount
2001-02	–	–
2002-03	–	–
2003-04	–	–
2004-05	2,029.8	8,62,931.5
2005-06	2,375.9	12,79,394.1
2006-07	3,131.1	18,35,941.8
2007-08	3,453.7	20,76,941.9
2008-09	3,291.0	21,10,856.7
2009-10 (P)	3,370.2	20,09,381.9
2009-10		
April	265.3	1,69,515.0
May	267.7	1,60,481.8
June	273.0	1,67,870.2
July	291.3	1,70,987.3
August	256.4	1,41,101.1
September	280.3	1,58,773.9
October	314.3	1,75,352.9
November	259.8	1,48,461.4
December	288.8	1,68,660.1
January	277.1	1,75,211.1
February	267.3	1,57,290.1
March (P)	329.0	2,15,677.1
Total (upto Mar, 10)	**3,370.2**	**20,09,381.9**
2010-11		
April (P)	289.1	1,77,728.6
May (P)	271.3	1,72,429.6
June (P)	264.6	1,67,685.8
July (P)	295.6	1,71,767.6
August (P)	289.5	1,66,704.5
September (P)	268.6	1,58,431.2
Total (upto Sep, 10)	**3,415.6**	**20,14,974.3**

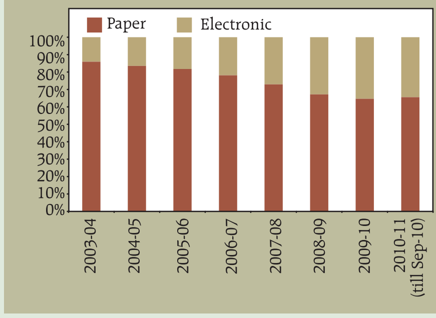
Retail Electronic Transactions - Volume in percentage in September 10



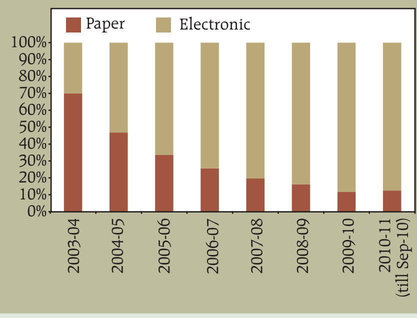
Retail Electronic Transactions - Value in percentage in September 10



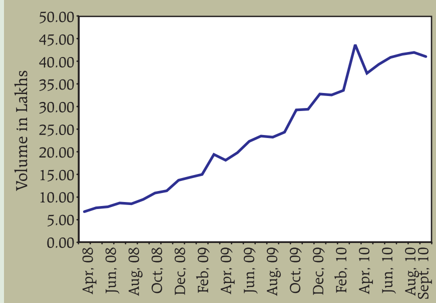
Representation of Electronic Transactions Volume in Total



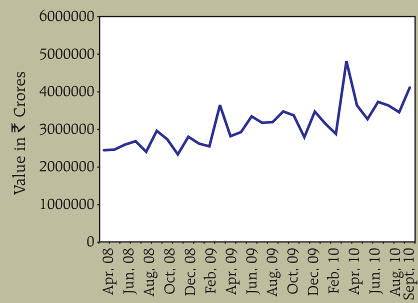
Representation of Electronic Transaction Value in Total



Growth in RTGS Volume



Growth in RTGS Value



No. 9A: Retail Electronic Payment Systems

(Number in Lakh and Amount in ₹ crore)

Year / Period	Total Electronic Payments		Electronic Clearing Services (ECS)				National Electronic Funds Transfer		Card Payments#					
			NECS/ECS (Credit)		ECS (Debit)		(NEFT/EFT)		Credit			Debit*		
1	2=(3+4+5+6+7)		3		4		5		6			7		
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number of Out-standing Cards**	Number	Amount	Number of Out-standing Cards**	Number	Amount
2003-04	1669.44	52,142.78	203.15	10,228.00	78.74	2,253.58	8.19	17,124.81	–	1,001.79	17,662.72	–	377.57	4,873.67
2004-05	2289.04	1,08,749.83	400.51	20,179.81	153.00	2,921.24	25.49	54,601.38	–	1,294.72	25,686.36	–	415.32	5,361.04
2005-06	2850.13	1,46,382.68	442.16	32,324.35	359.58	12,986.50	30.67	61,288.22	173.27	1,560.86	33,886.47	497.63	456.86	5,897.14
2006-07	3787.09	2,35,693.12	690.19	83,273.09	752.02	25,440.79	47.76	77,446.31	231.23	1,695.36	41,361.31	749.76	601.77	8,171.63
2007-08	5353.09	10,41,991.93	783.65	7,82,222.30	1271.20	48,937.20	133.15	1,40,326.48	275.47	2,282.03	57,984.73	1,024.37	883.06	12,521.22
2008-09	6678.24	5,00,321.79	883.94	97,486.58	1600.55	66,975.89	321.61	2,51,956.38	246.99	2,595.61	65,355.80	1,374.31	1,276.54	18,547.14
2009-10 (P)	7181.62	6,84,886.20	981.33	1,17,612.60	1492.81	69,523.87	663.38	4,09,507.47	183.31	2,342.42	61824.15	1,819.72	1,701.68	26,418.11
2009-10														
April	505.71	55,380.45	38.20	11,134.18	122.17	5,807.17	39.42	31,728.54	243.67	185.44	4,932.37	1,405.51	120.47	1,778.20
May	520.52	42,635.99	51.19	6,665.42	121.27	5,792.75	38.94	23,474.15	240.54	182.04	4,815.94	1,430.33	127.08	1,887.71
June	550.17	51,609.91	60.72	8,668.65	127.46	5,750.13	45.04	30,513.06	228.44	191.02	4,863.35	1,463.92	125.93	1,814.71
July	637.01	63,785.64	115.45	12,797.93	126.22	5,671.51	50.97	38,261.03	222.56	202.11	4,957.33	1,512.59	142.27	2,097.84
August	633.43	57,344.37	118.95	15,037.64	117.64	5,714.31	52.22	29,400.62	219.49	196.68	4,858.34	1,550.99	147.94	2,333.46
September	607.92	54,091.91	114.20	11,420.36	116.13	6,069.78	49.49	29,582.34	213.08	191.25	4,905.47	1,590.17	136.86	2,113.96
October	673.66	67,922.96	134.34	10,983.93	130.98	5,051.28	59.48	43,654.55	211.18	204.65	5,660.93	1,628.09	144.22	2,572.28
November	589.37	48,798.49	75.89	7,311.27	122.19	5,815.54	55.82	28,151.66	208.41	194.16	5,263.15	1,658.30	141.32	2,256.87
December	607.09	57,128.01	58.27	7,385.70	126.52	6,035.36	63.07	35,766.61	206.45	204.84	5,506.55	1,705.68	154.39	2,433.80
January	613.65	59,993.14	65.14	7,733.98	125.68	5,895.96	61.95	38,446.69	204.39	202.63	5,425.51	1,741.27	158.25	2,491.00
February	582.12	58,440.82	78.08	9,051.96	111.90	5,623.81	64.22	36,630.78	201.63	181.15	4,923.11	1,779.80	146.78	2,211.16
March	660.97	67,754.52	70.91	9,421.60	144.66	6,296.26	82.77	43,897.45	183.31	206.45	5,712.09	1,819.72	156.18	2,427.12
Total (upto Mar. 10)	**7181.62**	**6,84,886.20**	**981.33**	**1,17,612.60**	**1492.81**	**69,523.87**	**663.38**	**4,09,507.47**	**183.31**	**2,342.42**	**61,824.15**	**1,819.72**	**1,701.68**	**26,418.11**
2010-11														
April (P)	639.14	84,186.80	78.66	12,819.03	127.39	5,873.66	74.84	57,512.21	192.88	198.27	5,473.58	1,847.91	159.97	2,508.32
May (P)	657.89	80,562.98	65.72	10,061.09	126.22	5,740.50	77.42	55,867.16	190.24	209.50	5,935.54	1,882.49	179.03	2,958.70
June (P)	671.84	79,686.57	89.20	12,912.23	128.24	6,190.89	84.20	52,447.21	189.44	201.97	5,538.75	1,919.12	168.23	2,597.49
July (P)	753.97	1,05,467.21	122.40	23,792.09	129.59	5,902.97	94.63	67,051.68	189.27	218.98	5,817.46	1,956.99	188.37	2,903.02
August (P)	789.95	91,954.89	133.93	14,941.75	1,26.39	5,790.79	98.04	61,641.84	188.54	226.08	6,259.42	2,000.92	205.52	3,321.09
September (P)	734.19	88,570.02	107.92	12,789.98	126.66	5,960.05	98.36	60,986.94	184.26	210.87	5,847.83	2038.33	190.37	2,985.23
Total (upto Sep. 10)	4,246.98	5,30,428.48	597.82	87,316.17	764.50	35,458.84	527.50	3,55,507.04	188.54	1,265.67	34,872.58	2,000.92	1,091.48	17,273.84

No. 9B: Large Value Clearing and Settlement Systems

(Number in Lakh and Amount in ₹ crore)

Year / Period	Real Time Gross Settlement System									
	Total		Customer Remittance		Inter-Bank Remittance		Inter-bank Clearing Settlement**		Total Inter-bank	
1	2=(3+4+5)		3		4		5		6=(4+5)	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2003-04	0.001	1,965.49	0.00	0.00	0.001	1,965.49	–	–	0.001	1,965.49
2004-05	4.60	40,66,184.00	0.68	2,49,662.00	3.92	38,16,522.00	–	–	3.92	38,16,522.00
2005-06	17.67	1,15,40,836.25	7.13	25,70,212.29	10.54	89,70,623.96	–	–	10.54	89,70,623.96
2006-07	38.80	2,46,19,179.99	24.82	71,67,807.91	13.94	1,13,13,346.69	0.04	61,38,025.39	13.98	17,451,372.08
2007-08	58.54	4,82,94,558.97	41.46	1,61,00,172.88	16.94	1,12,18,157.41	0.14	2,09,76,228.68	17.08	3,21,94,386.10
2008-09	133.84	6,11,39,912.44	112.34	2,00,04,107.80	21.32	1,22,75,773.49	0.19	2,88,60,031.15	21.50	4,11,35,804.65
2009-10	332.53	10,11,69,930.98	304.40	2,95,16,777.47	28.01	99,36,581.54	0.12	6,17,16,571.98	28.13	7,16,53,153.52
2009-10										
April	18.15	74,83,009.75	16.20	18,82,570.44	1.94	9,38,518.59	0.014	46,61,920.71	1.95	56,00,439.31
May	19.81	93,67,548.14	17.72	20,05,120.69	2.07	9,26,922.08	0.017	64,35,505.38	2.09	73,62,427.46
June	22.32	1,00,45,166.89	20.10	24,14,892.93	2.20	9,32,255.88	0.017	66,98,018.08	2.22	76,30,273.96
July	23.48	99,66,068.81	21.24	23,61,696.14	2.23	8,17,679.51	0.015	67,86,693.16	2.25	76,04,372.67
August	23.24	92,48,113.39	21.13	24,51,621.30	2.10	7,44,363.88	0.008	60,52,128.20	2.11	67,96,492.08
September	24.34	92,58,141.64	22.18	26,39,052.07	2.16	8,39,448.23	0.008	57,79,641.34	2.16	66,19,089.57
October	29.26	84,49,696.31	26.79	26,11,319.99	2.46	7,62,282.04	0.007	50,76,094.28	2.46	58,38,376.33
November	29.40	77,80,524.10	27.03	21,22,556.52	2.36	6,72,712.97	0.007	49,85,254.61	2.37	56,57,967.58
December	32.76	76,68,126.33	30.27	26,98,071.73	2.48	7,76,396.36	0.007	41,93,658.24	2.49	49,70,054.60
January	32.56	73,34,900.73	30.06	23,91,646.42	2.49	7,62,906.61	0.006	41,80,347.70	2.50	49,43,254.31
February	33.57	69,00,931.55	31.10	22,09,498.00	2.46	6,75,175.29	0.006	40,16,258.25	2.47	46,91,433.54
March	43.65	76,67,703.33	40.58	37,28,731.22	3.07	10,87,920.10	0.008	28,51,052.01	3.08	39,38,972.11
Total (upto Mar, 10)	**332.53**	**10,11,69,930.98**	**304.40**	**2,95,16,777.47**	**28.01**	**99,36,581.54**	**0.12**	**6,17,16,571.98**	**28.13**	**7,16,53,153.52**
2010-11										
April	37.35	70,71,981.51	34.66	28,02,542.10	2.68	8,39,052.16	0.007	34,30,387.25	2.68	42,69,439.41
May	39.31	56,77,873.95	36.54	24,80,707.11	2.76	7,94,852.15	0.008	24,02,314.70	2.77	31,97,166.84
June	40.87	68,40,564.36	37.97	28,72,284.41	2.88	8,61,089.86	0.009	31,07,190.09	2.89	39,68,279.96
July	41.55	67,16,065.89	38.64	26,64,682.44	2.90	9,72,517.76	0.009	30,78,865.70	2.91	40,51,383.45
August	41.95	50,39,022.01	39.04	25,56,679.28	2.90	9,02,025.37	0.008	15,80,317.35	2.91	24,82,342.72
September	41.04	65,60,843.48	38.26	30,70,013.19	2.77	1,043,680.22	0.008	24,47,150.08	2.78	3490830.30
Total (upto Sep, 10)	**242.06**	**3,79,06,351.21**	**225.12**	**1,64,46,908.53**	**16.89**	**5,41,321,7.52**	**0.05**	**16,046,225.17**	**16.94**	**2,14,59,442.68**

* Inter-Bank Clearing Settlement pertains to the MNSB batches. MNSB settlement in RTGS started from 12 August, 2006.

** The MNSB Settlement relates to the settlement of NECS, ECS, EFT, NEFT, REPO, Outright, FOREX, CBLO and Cheque Clearing at Mumbai.

No. 9B: Large Value Clearing and Settlement Systems *(Concld.)*

(Number in Lakh and Amount in ₹ crore)

Year / Period	CCIL Operated Systems							
	Government Securities Settlement				Forex Settlement		CBLO Settlement	
	Outright		Repo					
1	7		8		9		10	
	Number of Trades	Value	Number of Trades	Value	Number of Trades	Value	Number of Trades	Value
2003-04	2.44	15,75,133.00	0.21	9,43,189.00	3.31	23,18,530.80	0.03	76,850.70
2004-05	1.61	11,34,222.08	0.24	15,57,906.55	4.66	40,42,434.86	0.29	9,76,757.10
2005-06	1.25	8,64,751.40	0.25	16,94,508.70	4.90	52,39,673.90	0.68	29,53,133.90
2006-07	1.37	10,21,535.70	0.30	25,56,501.50	6.06	80,23,078.00	0.86	47,32,271.30
2007-08	1.89	16,53,851.30	0.27	39,48,750.70	7.57	1,27,26,831.90	1.13	81,10,828.60
2008-09	2.46	21,60,233.30	0.24	40,94,285.90	8.38	1,69,37,488.60	1.19	88,24,784.30
2009-10	3.17	29,13,890.40	0.29	60,72,827.50	8.84	1,42,11,486.10	1.42	1,55,41,378.40
2009-10								
April	0.30	2,84,512.00	0.02	4,10,899.00	0.59	12,26,979.40	0.09	8,79,157.70
May	0.27	2,59,204.90	0.03	5,38,787.60	0.72	13,15,408.80	0.11	11,64,123.10
June	0.27	2,49,716.30	0.03	5,64,048.70	0.74	12,61,790.90	0.12	13,92,384.30
July	0.35	3,04,702.70	0.03	5,26,596.50	0.78	11,98,562.10	0.12	12,09,014.80
August	0.19	1,70,488.90	0.02	5,59,288.90	0.66	10,21,144.80	0.12	13,70,383.70
September	0.29	2,82,081.60	0.03	6,43,526.40	0.68	10,77,227.40	0.12	14,34,930.10
October	0.25	2,36,007.80	0.02	5,39,220.20	0.75	10,58,821.70	0.12	13,41,205.60
November	0.33	3,00,251.80	0.02	5,18,161.90	0.79	10,35,551.10	0.12	12,62,123.40
December	0.27	2,45,506.40	0.02	5,12,490.30	0.75	11,42,151.90	0.13	13,83,446.70
January	0.25	2,34,273.00	0.02	3,64,133.00	0.80	12,04,118.00	0.11	12,64,283.00
February	0.21	1,81,384.00	0.02	4,36,071.00	0.79	12,75,948.00	0.12	14,00,191.00
March	0.19	1,65,761.00	0.02	4,59,604.00	0.80	13,93,782.00	0.14	14,40,135.00
Total (upto Mar, 10)	3.17	29,13,890.40	0.29	60,72,827.50	8.84	1,42,11,486.10	1.42	1,55,41,378.40
2010-11								
April	0.27	2,69,331.00	0.02	4,67,332.00	0.88	14,02,692.00	0.12	11,70,497.00
May	0.46	4,18,093.00	0.02	4,22,637.00	0.95	14,51,519.00	0.11	10,14,579.00
June	0.39	3,48,132.00	0.02	2,46,496.00	1.06	16,32,882.00	0.12	8,08,928.00
July	0.25	2,31,917.00	0.02	3,12,297.00	0.92	14,44,247.00	0.11	7,56,653.00
August	0.31	2,82,295.00	0.02	3,88,768.00	0.89	16,16,675.00	0.14	11,29,515.00
September	0.29	2,50,498.00	0.02	3,64,877.00	0.91	15,10,707.00	0.13	12,24,126.00
Total (upto Sep, 10)	**1.96**	**18,00,266.00**	**0.13**	**22,02,407.00**	**5.62**	**90,58,722.00**	**0.72**	**61,04,298.00**

No. 10: Money Stock Measures

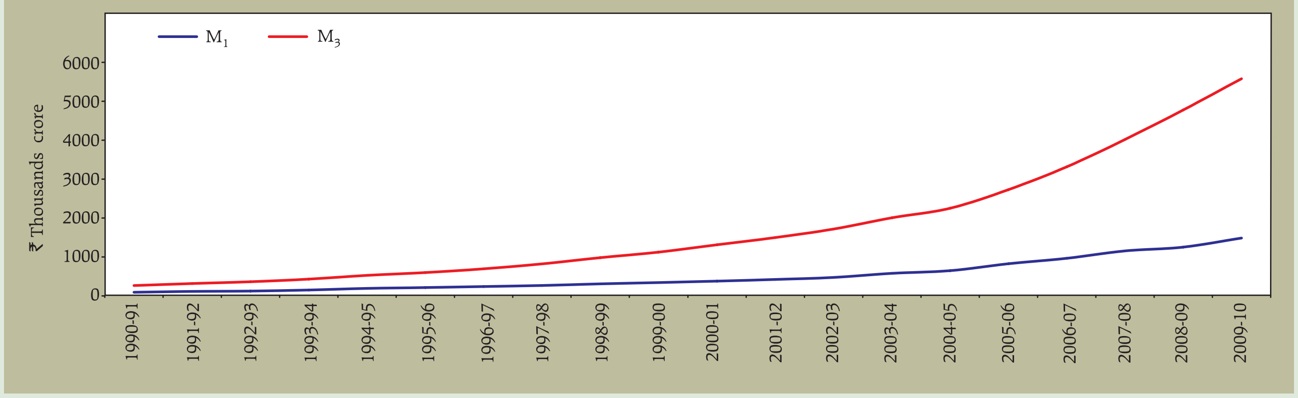
(₹ crore)

March 31/ Reporting Fridays of the month/ Last reporting Friday of the month	Currency with the Public					Deposit money of the Public			M_1 (6+9)	Post Office Savings Bank Deposits	M_2 (10+11)	Time Deposits with Banks	M_3 (10+13)	Total Post Office Deposits	M_4 (14+15)
	Notes in Circulation(1)	Circulation of		Cash on Hand with Banks	Total (2+3+4-5)	Demand Deposits with Banks	'Other' Deposits with Reserve Bank (3)	Total (7+8)							
		Rupee Coins (2)	Small Coins (2)												
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
2007-2008	5,81,577	7,656	1,567	22,390	5,68,410	5,78,372	9,054	5,87,427	**11,55,837**	5,041	**11,60,878**	28,62,046	**40,17,883**	25,969	**40,43,852**
2008-2009	6,81,099	8,487	1,567	25,703	6,65,450	5,88,688	5,570	5,94,258	**12,59,707**	5,041	**12,64,748**	35,35,105	**47,94,812**	25,969	**48,20,781**
2009-2010	7,88,279	9,702	1,568	31,516	7,68,033	7,22,739	3,839	7,26,578	**14,94,611**	5,041	**14,99,652**	41,05,151	**55,99,762**	25,969	**56,25,731**
September 11, 2009	7,05,900	8,937	1,567	26,125	6,90,279	5,84,046	14,994	5,99,039	**12,89,318**	5,041	**12,94,359**	38,03,530	**50,92,848**	25,969	**51,18,817**
September 25, 2009	7,11,316	9,043	1,567	28,766	6,93,160	6,14,097	4,071	6,18,168	**13,11,328**	5,041	**13,16,369**	38,09,241	**51,20,569**	25,969	**51,46,538**
May 2010	8,44,469	9,940	1,568	30,825	8,25,152	6,41,075	3,819	6,44,893	**14,70,045**	5,041	**14,75,086**	42,15,645	**56,85,690**	25,969	**57,11,659**
June 2010	8,52,826	10,057	1,568	32,001	8,32,449	6,36,329	3,104	6,39,433	**14,71,882**	5,041	**14,76,923**	42,13,982	**56,85,864**	25,969	**57,11,833**
July 2010	8,36,216	10,194	1,568	33,451	8,14,526	6,90,284	4,467	6,94,750	**15,09,277**	5,041	**15,14,318**	43,22,878	**58,32,155**	25,969	**58,58,124**
August 2010	8,44,980	10,194	1,568	33,729	8,23,013	6,70,256	4,007	6,74,262	**14,97,275**	5,041	**15,02,316**	43,35,978	**58,33,253**	25,969	**58,59,222**
September 10, 2010	8,56,908	10,194	1,568	34,172	8,34,497	6,56,896	3,876	6,60,771	**14,95,268**	5,041	**15,00,309**	43,69,837	**58,65,105**	25,969	**58,91,074**
September 24, 2010	8,48,684	10,194	1,568	34,232	8,26,213	6,80,963	3,999	6,84,962	**15,11,175**	5,041	**15,16,216**	43,61,019	**58,72,194**	25,969	**58,98,163**

Note : Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.

Also see 'Notes on Tables'.

Money Stock Measures



No. 11: Sources of Money Stock (M_3)

(₹ crore)

Source	Outstandings as on March 31/Reporting Fridays of the Month/Last Reporting Friday of the Month				
	2007-08	2008-09	2009-10	September 11, 2009	September 25, 2009
1	2	3	4	5	6
1. Net Bank Credit to Government (A+B)	**8,99,518**	**12,77,333**	**16,67,096**	**14,50,282**	**14,69,852**
A. RBI's net credit to Government (i-ii)	-113,209	61,580	2,11,586	41,861	35,482
(i) Claims on Government (a+b)	1,16,194	1,59,166	2,22,719	60,775	85,171
(a) Central Government (1)	1,14,725	1,57,488	2,22,673	60,133	84,944
(b) State Governments	1,468	1,678	46	642	227
(ii) Government deposits with RBI (a+b)	2,29,403	97,586	11,134	18,915	49,689
(a) Central Government	2,29,361	95,727	11,092	18,874	49,648
(b) State Governments	41	1,859	41	41	41
B. Other Banks' Credit to Government	10,12,727	12,15,753	14,55,511	14,08,421	14,34,370
2. Bank Credit to Commercial Sector (A+B)	**25,78,990**	**30,14,893**	**34,92,781**	**30,61,701**	**31,14,798**
A. RBI's credit to commercial sector (2)	1,788	13,820	1,328	9,726	10,807
B. Other banks' credit to commercial sector (i+ii+iii)	25,77,201	30,01,073	34,91,453	30,51,975	31,03,991
(i) Bank credit by commercial banks	23,61,914	27,75,549	32,44,788	28,24,537	28,74,670
(ii) Bank credit by co-operative banks	1,98,816	2,10,893	2,34,655	2,15,800	2,17,977
(iii) Investments by commercial and co-operative banks in other securities	16,472	14,631	12,010	11,638	11,343
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**12,95,131**	**13,52,184**	**12,81,469**	**13,83,523**	**13,62,168**
A. RBI's net foreign exchange assets (i-ii)(3)	12,36,130	12,80,116	12,31,949	13,32,628	13,13,485
(i) Gross foreign assets	12,36,147	12,80,133	12,31,966	13,32,646	13,13,503
(ii) Foreign liabilities	17	17	17	17	17
B. Other banks' net foreign exchange assets	59,001	72,068	49,520	50,895	48,683
4. Government's Currency Liabilities to the Public	9,224	10,054	11,270	10,504	10,610
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**7,64,980**	**8,59,652**	**8,52,854**	**8,13,163**	**8,36,859**
A. Net non-monetary liabilities of RBI(3)	2,10,221	3,87,930	3,01,615	4,22,871	4,05,097
B. Net non-monetary liabilities of other banks(residual)	5,54,759	4,71,723	5,51,239	3,90,292	4,31,762
M_3 (1+2+3+4-5)	**40,17,883**	**47,94,812**	**55,99,762**	**50,92,848**	**51,20,569**

No. 11: Sources of Money Stock (M_3) *(Concld.)*

(₹ crore)

Source	Outstandings as on March 31/Reporting Fridays of the Month/Last Reporting Friday of the Month					
	May 2010	June 2010	July 2010	August 2010	Sep 10, 2010	Sep 24, 2010
1	7	8	9	10	11	12
1. Net Bank Credit to Government (A+B)	**17,30,394**	**17,14,120**	**17,54,158**	**17,56,369**	**17,73,391**	**17,51,050**
A. RBI's net credit to Government (i-ii)	2,12,485	2,27,382	2,22,635	2,07,611	2,42,093	2,06,761
(i) Claims on Government (a+b)	2,12,944	2,33,427	2,22,776	2,07,753	2,42,422	2,22,379
(a) Central Government (1)	2,12,944	2,33,392	2,22,776	2,07,392	2,42,415	2,22,379
(b) State Governments	0	35	0	361	7	0
(ii) Government deposits with RBI (a+b)	459	6,045	141	142	329	15,618
(a) Central Government	418	6,004	100	101	202	15,577
(b) State Governments	41	41	41	41	127	41
B. Other Banks' Credit to Government	15,17,909	14,86,738	15,31,523	15,48,757	15,31,299	15,44,289
2. Bank Credit to Commercial Sector (A+B)	**34,75,868**	**35,61,481**	**36,30,739**	**36,03,700**	**36,35,507**	**36,73,461**
A. RBI's credit to commercial sector (2)	1,328	1,478	1,325	1,325	1,325	1,325
B. Other banks' credit to commercial sector (i+ii+iii)	34,74,540	35,60,003	36,29,414	36,02,374	36,34,182	36,72,136
(i) Bank credit by commercial banks	32,30,178	33,10,417	33,79,999	33,51,396	33,82,928	34,22,291
(ii) Bank credit by co-operative banks	2,33,263	2,36,935	2,39,632	2,41,603	2,41,928	2,40,604
(iii) Investments by commercial and co-operative banks in other securities	11,099	12,650	9,783	9,375	9,325	9,240
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**13,00,404**	**12,88,435**	**13,33,807**	**13,35,245**	**13,36,459**	**13,41,857**
A. RBI's net foreign exchange assets (i-ii)(3)	12,50,884	12,46,562	12,91,934	12,93,372	12,94,586	12,99,984
(i) Gross foreign assets	12,50,901	12,46,580	12,91,952	12,93,390	12,94,603	13,00,001
(ii) Foreign liabilities	17	17	17	17	17	17
B. Other banks' net foreign exchange assets	49,520	41,873	41,873	41,873	41,873	41,873
4. Government's Currency Liabilities to the Public	**11,508**	**11,625**	**11,761**	**11,761**	**11,761**	**11,761**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**8,32,483**	**8,89,797**	**8,98,311**	**8,73,822**	**8,92,014**	**9,05,936**
A. Net non-monetary liabilities of RBI(3)	3,16,812	3,18,105	3,58,880	3,39,295	3,41,747	3,47,996
B. Net non-monetary liabilities of other banks(residual)	5,15,671	5,71,691	5,39,431	5,34,526	5,50,268	5,57,940
M_3 (1+2+3+4-5)	**56,85,690**	**56,85,864**	**58,32,155**	**58,33,253**	**58,65,105**	**58,72,194**

Notes : 1. Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.

2. Net Foreign Exchange Assets of the RBI includes investment in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.

Also see 'Notes on Tables'.

No. 11A: Commercial Bank Survey

(₹ crore)

Item		Outstanding as on						
		Mar 28, 2008	Mar 27, 2009	Sep 11, 2009	Sep 25, 2009	Mar 26, 2010	Sep 10, 2010	Sep 24, 2010
1		2	3	4	5	6	7	8
Components								
C.I	**Aggregate Deposits of Residents** (C.I.1+C.I.2)	**31,40,004**	**37,66,842**	**40,16,421**	**40,50,115**	**44,27,824**	**46,21,467**	**46,38,439**
C.I.1	Demand Deposits	5,24,310	5,23,085	5,25,764	5,54,660	6,45,610	5,89,787	6,13,446
C.I.2	Time Deposits of Residents (C.I.2.1+C.I.2.2)	26,15,695	32,43,757	34,90,657	34,95,455	37,82,214	40,31,680	40,24,992
C.I.2.1	Short-term Time Deposits	11,77,063	14,59,691	15,70,796	15,72,955	17,01,996	18,14,256	18,11,247
C.I.2.1.1	Certificates of Deposits (CDs)	1,66,642	1,98,931	2,25,566	2,19,830	3,43,103	3,53,558	3,43,351
C.I.2.2	Long-term Time Deposits	14,38,632	17,84,067	19,19,861	19,22,500	20,80,218	22,17,424	22,13,746
C.II	**Call/Term Funding from Financial Institutions**	**1,06,504**	**1,13,936**	**1,05,714**	**94,442**	**1,04,278**	**1,35,173**	**1,19,955**
Sources								
S.I	**Domestic Credit (S.I.1+S.I.2)**	**35,07,759**	**41,51,147**	**44,86,584**	**44,75,044**	**48,66,593**	**51,39,257**	**51,42,449**
S.I.1	Credit to the Government	9,58,661	11,55,786	13,38,651	13,64,083	13,78,395	14,53,335	14,67,095
S.I.2	Credit to the Commercial Sector (S.I.2.1+S.I.2.2+S.I.2.3+S.I.2.4)	25,49,097	29,95,361	31,47,933	31,10,961	34,88,198	36,85,922	36,75,355
S.I.2.1	Bank Credit	23,61,914	27,75,549	28,24,537	28,74,670	32,44,788	33,82,928	34,22,291
S.I.2.1.1	Non-food Credit	23,17,515	27,29,338	27,76,765	28,32,253	31,96,299	33,31,810	33,72,059
S.I.2.2	Net Credit to Primary Dealers	3,521	1,671	832	4,915	2,509	1,236	3,434
S.I.2.3	Investments in Other Approved Securities	13,053	10,624	8,172	8,003	6,358	5,484	5,416
S.I.2.4	Other Investments (in non-SLR Securities)	1,70,609	2,07,517	3,14,392	2,23,373	2,34,543	2,96,273	2,44,214
S.II	**Net Foreign Currency Assets of Commercial Banks (S.II.1-S.II.2-S.II.3)**	**-70,196**	**-53,359**	**-56,136**	**-51,865**	**-56,073**	**-70,939**	**-53,377**
S.II.1	Foreign Currency Assets	31,189	55,312	41,876	44,288	44,165	44,417	60,909
S.II.2	Non-resident Foreign Currency Repatriable Fixed Deposits	56,935	67,268	70,049	68,489	65,002	69,236	68,854
S.II.3	Overseas Foreign Currency Borrowings	44,451	41,404	27,963	27,665	35,237	46,119	45,431
S.III	**Net Bank Reserves (S.III.1+S.III.2-S.III.3)**	**2,71,166**	**2,46,748**	**2,48,342**	**2,50,480**	**3,06,926**	**3,46,210**	**3,19,309**
S.III.1	Balances with the RBI	2,57,122	2,38,195	2,26,207	2,25,681	2,81,390	3,17,349	2,91,765
S.III.2	Cash in Hand	18,044	20,281	22,135	24,798	25,578	29,738	29,860
S.III.3	Loans and Advances from the RBI	4,000	11,728	–	–	42	877	2,316
S.IV	**Capital Account**	**2,72,622**	**3,32,444**	**3,80,687**	**3,80,472**	**3,90,373**	**4,33,798**	**4,33,236**
S.V.	**Other items (net) (S.I+S.II+S.III-S.IV-C.I-C.II)**	**1,89,598**	**1,31,313**	**1,75,968**	**1,48,629**	**1,94,971**	**2,24,089**	**2,16,752**
S.V.1	Other Demand & Time Liabilities (net of S.II.3)	2,53,905	2,66,116	2,99,802	2,91,491	2,94,184	2,86,406	2,83,737
S.V.2	Net Inter-Bank Liabilities (other than to PDs)	10,797	-20,785	-5,991	-7,992	-28,668	-18,478	-19,916

Note : Data are provisional.

No. 11B: Monetary Survey

(₹ crore)

Item		Outstanding as on						
		Mar 31, 2008	Mar 31, 2009	Sep 11, 2009	Sep 25, 2009	Mar 31, 2010	Sep 10, 2010	Sep 24, 2010
1		2	3	4	5	6	7	8
Monetary Aggregates								
M_1 (C.I+C.II.1+C.III)		11,54,454	12,57,598	12,85,976	13,07,576	14,86,271	14,87,344	15,04,022
NM_2 (M_1+C.II.2.1)		24,06,796	28,00,491	29,42,501	29,66,701	32,75,630	33,91,702	34,05,942
NM_3 (NM_2+C.II.2.2+C.IV = S.I+S.II+S.III-S.IV-S.V)		**40,43,940**	**48,00,185**	**50,72,856**	**50,88,962**	**55,66,902**	**58,54,424**	**58,50,465**
Components								
C.I	**Currency with the Public**	**5,68,401**	**6,65,553**	**6,90,552**	**6,93,401**	**7,68,437**	**8,35,003**	**8,26,603**
C.II	**Aggregate Deposits of Residents** (C.II.1+C.II.2)	**33,59,981**	**40,15,126**	**42,61,597**	**42,97,048**	**46,90,347**	**48,80,372**	**48,99,908**
C.II.1	Demand Deposits	5,76,999	5,86,475	5,80,430	6,10,104	7,13,995	6,48,465	6,73,420
C.II.2	Time Deposits of Residents (C.II.2.1+C.II.2.2)	27,82,982	34,28,650	36,81,167	36,86,945	39,76,352	42,31,907	42,26,488
C.II.2.1	Short-term Time Deposits	12,52,342	15,42,893	16,56,525	16,59,125	17,89,358	19,04,358	19,01,919
C.II.2.1.1	Certificates of Deposits (CDs)	1,66,642	1,98,931	2,25,566	2,19,830	3,43,103	3,53,558	3,43,351
C.II.2.2	Long-term Time Deposits	15,30,640	18,85,758	20,24,642	20,27,820	21,86,994	23,27,549	23,24,568
C.III	**'Other' Deposits with RBI**	**9,054**	**5,570**	**14,994**	**4,071**	**3,839**	**3,876**	**3,999**
C.IV	**Call/Term Funding from Financial Institutions**	**1,06,504**	**1,13,936**	**1,05,714**	**94,442**	**1,04,278**	**1,35,173**	**1,19,955**
Sources								
S.I	**Domestic Credit (S.I.1+S.I.2)**	**36,38,516**	**44,71,009**	**47,88,673**	**47,73,424**	**53,41,249**	**56,46,059**	**56,16,645**
S.I.1	Net Bank Credit to the Government (S.I.1.1+S.I.1.2)	8,94,995	12,68,549	14,36,166	14,55,173	16,47,075	17,52,416	17,31,480
S.I.1.1	Net RBI credit to the Government	-113,209	61,580	41,861	35,482	2,11,586	2,42,093	2,06,761
S.I.1.2	Credit to the Government by the Banking System	10,08,204	12,06,969	13,94,305	14,19,691	14,35,490	15,10,323	15,24,719
S.I.2	Bank Credit to the Commercial Sector (S.I.2.1+S.I.2.2)	27,43,521	32,02,460	33,52,507	33,18,252	36,94,174	38,93,643	38,85,165
S.I.2.1	RBI Credit to the Commercial Sector	1,788	13,820	9,726	10,807	1,328	1,325	1,325
S.I.2.2	Credit to the Commercial Sector by the Banking System	27,41,733	31,88,640	33,42,781	33,07,444	36,92,846	38,92,318	38,83,840
S.I.2.2.1	Other Investments (Non-SLR Securities)	1,79,572	2,16,479	3,23,354	2,32,335	2,43,506	3,05,236	2,53,176
S.II	**Government's Currency Liabilities to the Public**	**9,224**	**10,054**	**10,504**	**10,610**	**11,270**	**11,761**	**11,761**
S.III	**Net Foreign Exchange Assets of the Banking Sector (S.III.1+S.III.2)**	**11,65,934**	**12,26,757**	**12,76,492**	**12,61,620**	**11,75,875**	**12,23,647**	**12,46,607**
S.III.1	Net Foreign Exchange Assets of the RBI	12,36,130	12,80,116	13,32,628	13,13,485	12,31,949	12,94,586	12,99,984
S.III.2	Net Foreign Currency Assets of the Banking System	-70,196	-53,359	-56,136	-51,865	-56,073	-70,939	-53,377
S.IV	**Capital Account**	**4,75,973**	**7,16,693**	**8,20,065**	**7,98,425**	**7,02,199**	**7,84,621**	**7,86,086**
S.V	**Other items (net)**	**2,93,760**	**1,90,943**	**1,82,748**	**1,58,267**	**2,59,293**	**2,42,423**	**2,38,462**

Notes : 1. Data are provisional.
2. Monetary Aggregates as at end-march incorporate data on i) scheduled commercial banks as on Last Reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.

No. 11C: Reserve Bank of India Survey

(₹ crore)

Item		Outstanding as on						
		Mar 31, 2008	Mar 31, 2009	Sep 11, 2009	Sep 25, 2009	Mar 31, 2010	Sep 10, 2010	Sep 24, 2010
1		2	3	4	5	6	7	8
Components								
C.I	Currency in Circulation	5,90,801	6,91,153	7,16,404	7,21,926	7,99,549	8,68,669	8,60,445
C.II	Bankers' Deposits with the RBI	3,28,447	2,91,275	2,40,451	2,39,290	3,52,299	3,36,351	3,09,738
C.II.1	Scheduled Commercial Banks	3,11,880	2,77,462	2,26,207	2,25,681	3,33,936	3,17,349	2,91,765
C.III	'Other' Deposits with the RBI	9,054	5,570	14,994	4,071	3,839	3,876	3,999
C.IV	**Reserve Money (C.I+C.II+C.III = S.I + S.II + S.III - S.IV - S.V)**	**9,28,302**	**9,87,998**	**9,71,849**	**9,65,287**	**11,55,686**	**12,08,896**	**11,74,181**
Sources								
S.I	**RBI's Domestic Credit (S.I.1+S.I.2+S.I.3)**	**-106,831**	**85,757**	**51,587**	**46,289**	**2,14,083**	**2,44,295**	**2,10,432**
S.I.1	Net RBI credit to the Government (S.I.1.1+S.I.1.2)	-113,209	61,580	41,861	35,482	2,11,586	2,42,093	2,06,761
S.I.1.1	Net RBI credit to the Central Government (S.I.1.1.1+S.I.1.1.2+S.I.1.1.3+S.I.1.1.4-S.I.1.1.5)	-114,636	61,761	41,260	35,296	2,11,581	2,42,213	2,06,802
S.I.1.1.1	Loans and Advances to the Central Government	–	–	–	–	–	–	–
S.I.1.1.2	Investments in Treasury Bills	–	–	–	–	–	–	–
S.I.1.1.3	Investments in dated Government Securities	1,14,593	1,57,389	59,930	84,793	2,22,404	2,42,196	2,22,219
S.I.1.1.3.1	Central Government Securities	1,13,547	1,56,343	58,883	83,747	2,21,357	2,41,150	2,21,173
S.I.1.1.4	Rupee Coins	132	99	204	150	270	218	160
S.I.1.1.5	Deposits of the Central Government	2,29,361	95,727	18,874	49,648	11,092	202	15,577
S.I.1.2	Net RBI credit to State Governments	1,427	-181	601	186	5	-120	-41
S.I.2	RBI's Claims on Banks	4,590	10,357	–	–	1,169	877	2,346
S.I.2.1	Loans and Advances to Scheduled Commercial Banks	4,571	10,164	–	–	1,169	877	2,316
S.I.3	RBI's Credit to Commercial Sector	1,788	13,820	9,726	10,807	1,328	1,325	1,325
S.I.3.1	Loans and Advances to Primary Dealers	405	750	–	–	–	–	–
S.I.3.2	Loans and Advances to NABARD	–	–	–	–	–	–	–
S.II	**Government's Currency Liabilities to the Public**	**9,224**	**10,054**	**10,504**	**10,610**	**11,270**	**11,761**	**11,761**
S.III	**Net Foreign Exchange Assets of the RBI**	**12,36,130**	**12,80,116**	**13,32,628**	**13,13,485**	**12,31,949**	**12,94,586**	12,99,984
S.III.1	Gold	40,124	48,793	48,041	48,041	81,188	94,199	94,199
S.III.2	Foreign Currency Assets	11,96,023	12,31,340	12,84,605	12,65,462	11,50,778	12,00,405	12,05,803
S.IV	**Capital Account**	**1,79,181**	**3,60,078**	**4,15,207**	**3,93,782**	**2,87,656**	**3,26,652**	**3,28,680**
S.V	**Other Items (net)**	**31,040**	**27,852**	**7,664**	**11,315**	**13,959**	**15,094**	**19,316**

Note: Data are provisional.

No. 11D: Liquidity Aggregates (Outstanding Amounts)

(₹ crore)

Month/Year	NM_3	Postal Deposits	L_1	Liabilities of Financial Institutions: Term Money Borrowings	CDs	Term Deposits	Total	L_2	Public Deposits with NBFCs	L_3
1	2	3	**4=(2+3)**	5	6	7	8=(5+6+7)	**9=(4+8)**	10	**11=(9+10)**
2008 - 09										
April	40,60,194	1,14,497	**41,74,691**	2,656	31	245	2,932	**41,77,623**		
May	41,10,950	1,15,131	**42,26,081**	2,656	31	245	2,932	**42,29,013**		
June	41,28,575	1,15,471	**42,44,046**	2,656	31	245	2,932	**42,46,978**	24,647	**42,71,625**
July	41,65,104	1,15,714	**42,80,818**	2,656	31	245	2,932	**42,83,750**		
August	42,47,373	1,15,507	**43,62,880**	2,656	31	245	2,932	**43,65,812**		
September	43,02,978	1,15,451	**44,18,429**	2,656	31	245	2,932	**44,21,361**	24,647	**44,46,008**
October	43,78,543	1,15,441	**44,93,984**	2,656	31	245	2,932	**44,96,916**		
November	44,14,019	1,15,157	**45,29,176**	2,656	31	245	2,932	**45,32,108**		
December	44,63,076	1,14,988	**45,78,064**	2,656	31	245	2,932	**45,80,996**	24,647	**46,05,643**
January	45,87,579	1,13,965	**47,01,544**	2,656	31	245	2,932	**47,04,476**		
February	46,70,399	1,13,471	**47,83,870**	2,656	31	245	2,932	**47,86,802**		
March	48,00,185	1,14,076	**49,14,261**	2,656	31	245	2,932	**49,17,193**	24,647	**49,41,840**
2009-10										
April	48,92,417	1,13,894	**50,06,311**	2,656	31	245	2,932	**50,09,243**		
May	49,44,748	1,14,140	**50,58,888**	2,656	31	245	2,932	**50,61,820**		
June	49,37,552	1,14,429	**50,51,981**	2,656	31	245	2,932	**50,54,913**	24,647	**50,79,560**
July	50,28,951	1,14,309	**51,43,260**	2,656	31	245	2,932	**51,46,192**		
August	50,59,462	1,14,199	**51,73,661**	2,656	31	245	2,932	**51,76,593**		
September	50,88,962	1,14,543	**52,03,505**	2,656	31	245	2,932	**52,06,437**	24,647	**52,31,084**
October	51,54,644	1,14,434	**52,69,078**	2,656	31	245	2,932	**52,72,010**		
November	51,98,226	1,14,556	**53,12,782**	2,656	31	245	2,932	**53,15,714**		
December	52,26,631	1,15,434	**53,42,065**	2,656	31	245	2,932	**53,44,997**	24,647	**53,69,644**
January	53,31,487	1,14,972	**54,46,459**	2,656	31	245	2,932	**54,49,391**		
February	54,11,046	1,15,077	**55,26,123**	2,656	31	245	2,932	**55,29,055**		
March	55,66,901	1,16,893	**56,83,794**	2,656	31	245	2,932	**56,86,726**	24,647	**57,11,373**
2010-11										
April	56,18,762	1,17,511	**57,36,273**	2,656	31	245	2,932	**57,39,205**		
May	56,59,818	1,18,114	**57,77,932**	2,656	31	245	2,932	**57,80,864**		
June	56,64,546	1,18,813	**57,83,359**	2,656	31	245	2,932	**57,86,291**	24,647	**58,10,938**
July	58,12,134	1,19,482	**59,31,616**	2,656	31	245	2,932	**59,34,548**		
August	58,16,919	1,19,482	**59,36,401**	2,656	31	245	2,932	**59,39,333**		
September	58,50,465	1,19,482	**59,69,947**	2,656	31	245	2,932	**59,72,879**	24,647	**59,97,526**

CDs: Certificates of Deposit; L_1, L_2 and L_3: Liquidity Aggregates; NBFCs: Non-Banking Financial Companies

Notes :

1. Postal Deposits comprise post office savings bank deposits, post office time deposits, post office recurring deposits, other deposits and post office cumulative time deposits.
2. Financial Institutions (FIs), here, comprise IFCI, EXIM Bank, IIBI, SIDBI, NABARD, NHB, TFCI and IDFC. Since October 2004, data on FI's do not include that of IDBI reflecting its conversion into a banking entity.
3. Since July 2001, the term money borrowings of the FIs comprise borrowings from corporate and others.
4. Since August 2002,Term Deposits include CP and Others.
5. Estimates of public deposits are generated on the basis of returns received from all NBFCs with public deposits of Rs. 20 crore and more as had been recommended by the Working Group.
6. While L_1 and L_2 are compiled on a monthly basis, L_3 is compiled on a quarterly basis.
7. Data are provisional. Wherever data are not available, the estimates for the last available month have been repeated.

No. 12: Reserve Money and its Components

(₹ crore)

Outstandings as on March 31/each Friday/ last reporting Friday of the month			Currency in Circulation		'Other' Deposits with RBI	Bankers' Deposits with RBI	**Reserve Money (2+4+5)**
			Total	o / w cash with banks			
1			2	3	4	5	6
2007-2008			5,90,801	22,390	9,054	3,28,447	**9,28,302**
2008-2009			6,91,153	25,703	5,570	2,91,275	**9,87,998**
2009-2010			7,99,549	31,516	3,839	3,52,299	**11,55,686**
September	4,	2009	7,10,955	–	4,068	2,22,727	**9,37,750**
September	11,	2009	7,16,404	26,125	14,994	2,40,451	**9,71,849**
September	18,	2009	7,19,013	–	14,263	2,21,607	**9,54,883**
September	25,	2009	7,21,926	28,766	4,071	2,39,290	**9,65,287**
May		2010	8,55,977	30,825	3,819	2,99,597	**11,59,393**
Jun		2010	8,64,450	32,001	3,104	3,03,257	**11,70,811**
Jul		2009	8,47,977	33,451	4,467	3,18,373	**11,70,817**
Aug		2009	8,56,742	33,729	4,007	3,14,921	**11,75,669**
September	3,	2010	8,57,101	–	4,015	3,14,190	**11,75,307**
September	10,	2010	8,68,669	34,172	3,876	3,36,351	**12,08,896**
September	17,	2010	8,67,627	–	4,529	3,08,671	**11,80,827**
September	24,	2010	8,60,445	34,232	3,999	3,09,738	**11,74,181**

Note: Data are provisional.

See 'Notes on Table'.

No. 13: Sources of Reserve Money

(₹ crore)

Outstanding as on March 31/each Friday/ last reporting Friday of the month	Reserve Bank's claims on				Net Foreign Exchange Assets of RBI (3)	Government's Currency Liabilities to the Public	Net Non-Monetary Liabilities of RBI (3)	**Reserve Money (2+3+4+5 +6+7-8)**
	Government (net)(1)	Commercial & Co-operative banks	National Bank for Agriculture and Rural Development	Commercial sector(2)				
1	2	3	4	5	6	7	8	9
2007-2008	-113,209	4,590	0	1,788	12,36,130	9,224	2,10,221	9,28,302
2008-2009	61,580	10,357	0	13,820	12,80,116	10,054	3,87,930	9,87,998
2009-2010	2,11,586	1,169	0	1,328	12,31,949	11,270	3,01,615	11,55,686
September 4, 2009	4,755	0	0	9,266	13,28,485	10,504	4,15,262	9,37,750
September 11, 2009	41,861	0	0	9,726	13,32,628	10,504	4,22,871	9,71,849
September 18, 2009	27,357	0	0	8,552	13,22,881	10,504	4,14,412	9,54,883
September 25, 2009	35,482	0	0	10,807	13,13,485	10,610	4,05,097	9,65,287
May 2010	2,12,485	0	0	1,328	12,50,884	11,508	3,16,812	11,59,393
Jun 2010	2,27,382	1,870	0	1,478	12,46,562	11,625	3,18,105	11,70,811
Jul 2009	2,22,635	2,041	0	1,325	12,91,934	11,761	3,58,880	11,70,817
Aug 2009	2,07,611	895	0	1,325	12,93,372	11,761	3,39,295	11,75,669
September 3, 2010	2,05,521	938	0	1,325	13,01,225	11,761	3,45,465	11,75,307
September 10, 2010	2,42,093	877	0	1,325	12,94,586	11,761	3,41,747	12,08,896
September 17, 2010	2,15,595	1,101	0	1,325	12,93,987	11,761	3,42,943	11,80,827
September 24, 2010	2,06,761	2,346	0	1,325	12,99,984	11,761	3,47,996	11,74,181

See 'Notes on Tables'.

Note : 1. Net Foreign Exchange Assets of the RBI includes investments in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.

No. 14: Daily Call Money Rates

As on			Range of Rates		Weighted Average Rates	
			Borrowings	Lendings	Borrowings	Lendings
1			2	3	4	5
September	1,	2010	3.50 – 5.10	3.50 – 5.10	4.87	4.87
September	2,	2010	3.20 – 5.10	3.20 – 5.10	4.62	4.62
September	3,	2010	3.20 – 5.20	3.20 – 5.20	4.54	4.54
September	4,	2010	3.20 – 4.80	3.20 – 4.80	4.34	4.34
September	6,	2010	2.90 – 5.10	2.90 – 5.10	4.76	4.76
September	7,	2010	2.92 – 5.50	2.92 – 5.50	4.62	4.62
September	8,	2010	2.95 – 5.00	2.95 – 5.00	4.64	4.64
September	9,	2010	3.20 – 5.75	3.20 – 5.75	4.89	4.89
September	10,	2010	3.20 – 5.75	3.20 – 5.75	4.89	4.89
September	11,	2010	3.20 – 5.75	3.20 – 5.75	4.89	4.89
September	13,	2010	3.50 – 6.00	3.50 – 6.00	5.67	5.67
September	14,	2010	4.00 – 5.90	4.00 – 5.90	5.78	5.78
September	15,	2010	4.00 – 5.95	4.00 – 5.95	5.79	5.79
September	16,	2010	3.50 – 6.10	3.50 – 6.10	5.89	5.89
September	17,	2010	4.00 – 6.25	4.00 – 6.25	6.11	6.11
September	18,	2010	4.00 – 6.20	4.00 – 6.20	5.84	5.84
September	20,	2010	4.00 – 6.25	4.00 – 6.25	6.15	6.15
September	21,	2010	4.50 – 6.25	4.50 – 6.25	6.13	6.13
September	22,	2010	4.50 – 6.40	4.50 – 6.40	6.14	6.14
September	23,	2010	4.00 – 6.25	4.00 – 6.25	6.09	6.09
September	24,	2010	4.25 – 6.25	4.25 – 6.25	6.00	6.00
September	25,	2010	6.00 – 6.25	6.00 – 6.25	6.17	6.17
September	27,	2010	4.00 – 7.25	4.00 – 7.25	6.19	6.19
September	28,	2010	4.50 – 7.25	4.50 – 7.25	6.26	6.26
September	29,	2010	4.50 – 7.40	4.50 – 7.40	7.04	7.04
October	1,	2010	4.75 – 6.60	4.75 – 6.60	6.26	6.26
October	2,	2010	4.75 – 6.60	4.75 – 6.60	6.26	6.26
October	4,	2010	3.25 – 6.30	3.25 – 6.30	6.11	6.11
October	5,	2010	3.30 – 6.35	3.30 – 6.35	6.01	6.01
October	6,	2010	4.00 – 6.50	4.00 – 6.50	5.89	5.89
October	7,	2010	4.00 – 6.15	4.00 – 6.15	5.87	5.87
October	8,	2010	4.00 – 6.00	4.00 – 6.00	5.81	5.81
October	9,	2010	4.50 – 6.50	4.50 – 6.50	5.80	5.80
October	11,	2010	3.25 – 6.40	3.25 – 6.40	6.21	6.21
October	12,	2010	4.80 – 6.40	4.80 – 6.40	6.24	6.24
October	13,	2010	4.50 – 6.75	4.50 – 6.75	6.25	6.25
October	14,	2010	4.75 – 6.45	4.75 – 6.45	6.27	6.27
October	15,	2010	3.50 – 6.50	3.50 – 6.50	6.38	6.38

No. 15: Average Daily Turnover in Call Money Market

(₹ crore)

Fortnight ended			Average Daily Call Money Turnover				
			Banks		Primary Dealers		**Total**
			Borrowings	Lendings	Borrowings	Lendings	
1			2	3	4	5	6
September	11,	2009	6,860	7,855	1,028	32	**15,774**
September	25,	2009	8,051	8,816	766	1	**17,634**
October	9,	2009	5,198	6,034	835	–	**12,067**
October	23,	2009	7,900	9,139	1,244	5	**18,287**
November	6,	2009	5,146	5,986	847	8	**11,987**
November	20,	2009	6,554	7,511	959	1	**15,025**
December	4,	2009	5,744	6,910	1,168	2	**13,824**
December	18,	2009	4,784	5,645	867	6	**11,302**
January	1,	2010	7,261	7,971	713	4	**15,948**
January	15,	2010	5,243	6,016	777	3	**12,038**
January	29,	2010	6,332	7,291	961	2	**14,586**
February	12,	2010	4,642	5,431	790	–	**10,864**
February	26,	2010	5,921	6,671	766	17	**13,376**
March	12,	2010	7,698	8,587	889	–	**17,174**
March	26,	2010	9,109	9,883	774	–	**19,765**
April	9,	2010	6,178	6,968	796	6	**13,949**
April	23,	2010	7,637	8,379	767	25	**16,808**
May	7,	2010	8,014	9,457	1,447	4	**18,921**
May	21,	2010	7,915	8,981	1,066	–	**17,962**
June	4,	2010	6,129	7,002	872	–	**14,003**
June	18,	2010	5,556	6,236	682	2	**12,475**
July	2,	2010	7,622	8,124	521	18	**16,285**
July	16,	2010	8,744	9,301	557	–	**18,603**
July	30,	2010	9,468	10,131	663	–	**20,263**
August	13,	2010	6,134	7,298	1,164	–	**14,596**
August	27,	2010	7,531	8,675	1,144	–	**17,351**
September	10,	2010	6,704	7,818	1,114	–	**15,637**
September	24,	2010	7,900	9,107	1,207	–	**18,214**
October	8,	2010	8,129	9,380	1,258	7	**18,774**

Notes : 1. Data are provisional.
2. Since August 6, 2005 eligible participants are Banks and Primary Dealers.

No. 16: Issue of Certificates of Deposit by Scheduled Commercial Banks

(Amount in ₹ crore)

Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @	Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @	Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @
1		2	3	1		2	3	1		2	3
2008-09				**2009-10**				**2010-11**			
April	11	1,49,986	8.00-9.72	April	10	1,98,497	5.90-11.50	April	9	3,41,830	4.35-8.95
	25	1,50,865	7.70-9.96		24	2,10,954	3.90-11.50		23	3,36,807	4.15-6.90
May	9	1,53,410	7.75-10.20	May	8	2,11,370	3.75-6.20	May	7	3,40,757	4.22-7.01
	23	1,56,780	8.00-10.20		22	2,18,437	3.65-7.60		21	3,40,343	4.24-6.30
June	6	1,59,696	8.60-10.20	June	5	2,18,079	3.90-6.60	June	4	3,37,006	4.73-7.50
	20	1,63,143	8.62-9.79		19	2,21,491	3.60-8.00		18	3,21,589	5.75-7.50
July	4	1,64,557	8.30-10.60	July	3	2,28,638	3.34-8.25	July	2	3,42,362	5.92-7.05
	18	1,64,892	8.92-10.95		17	2,35,715	3.34-8.00		16	3,27,720	6.05-7.19
August	1	1,63,546	8.92-11.05		31	2,40,395	3.55-8.00		30	3,24,810	6.25-7.50
	15	1,66,996	8.92-11.11	August	14	2,30,198	3.75-8.00	August	13	3,27,582	6.25-7.90
	29	1,71,966	10.00-11.57		28	2,32,522	3.60-8.00		27	3,41,616	6.41-8.00
September	12	1,78,280	8.92-12.00	September	11	2,26,756	3.70-6.21	September	10	3,48,203	6.41-8.06
	26	1,75,522	8.92-12.35		25	2,16,691	3.75-6.51		24	3,37,322	6.41-8.25
October	10	1,74,975	8.92-21.00	October	9	2,25,781	3.70-6.05				
	24	1,58,562	8.80-12.90		23	2,27,227	3.74-6.41				
November	7	1,54,172	8.92-11.50	November	6	2,35,859	3.55-7.00				
	21	1,51,493	8.80-11.75		20	2,45,101	3.15-7.00				
December	5	1,50,779	8.50-11.00	December	4	2,43,584	3.50-6.50				
	19	1,51,214	7.00-11.50		18	2,48,440	3.60-6.75				
January	2	1,52,901	7.00-11.50	January	1	2,64,246	3.75-6.75				
	16	1,62,883	6.10-11.50		15	2,64,698	3.38-6.61				
	30	1,64,979	5.25-11.50		29	2,82,284	3.09-6.51				
February	13	1,74,088	5.40-11.50	February	12	2,78,388	3.35-6.76				
	27	1,75,057	5.40-11.50		26	3,09,390	3.24-8.25				
March	13	1,67,320	5.45-11.50	March	12	3,39,279	4.00-7.36				
	27	1,92,867	6.00-11.50		26	3,41,054	4.52-7.12				

@ Effective discount rate range per annum.

No. 17: Issue of Commercial Paper* By Companies

(Amount in ₹ crore)

Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @
1		2	3	1		2	3	1		2	3
2008-09				**2009-10**				**2010-11**			
April	15	35,793.55	7.74-10.25	April	15	46,550.90	6.00-12.50	April	15	83,165.00	3.85-8.40
	30	37,583.55	7.35-10.10		30	52,880.90	3.30-10.25		30	98,769.10	3.97-9.40
May	15	41,005.55	7.15-10.75	May	15	57,844.90	2.83-9.90	May	15	1,00,364.00	3.85-8.45
	31	42,031.55	7.70-10.50		31	60,739.90	3.32-9.00		31	1,09,039.00	4.50-9.45
June	15	45,982.80	8.25-11.60	June	15	67,238.75	3.50-9.15	June	15	1,06,580.00	4.75-8.65
	30	46,847.30	9.00-12.25		30	68,720.55	3.20-12.00		30	99,792.00	6.00-8.50
July	15	48,342.30	9.50-12.25	July	15	77,559.58	3.04-8.85	July	15	1,07,755.00	6.02-8.75
	31	51,569.30	9.60-12.00		31	79,582.05	3.25-8.90		31	1,12,704.00	6.10-9.00
August	15	52,830.55	9.54-12.50	August	15	77,352.05	3.43-9.20	August	15	1,27,271.00	4.65-9.10
	31	55,035.55	10.20-14.75		31	83,025.90	3.05-9.35		31	1,26,549.00	4.40-9.60
September	15	54,181.95	10.25-14.25	September	15	88,161.00	3.20-9.05	September	15	1,23,225.00	5.40-9.25
	30	52,037.60	11.40-13.95		30	79,228.10	3.90-8.35		30	1,12,003.00	6.65-9.90
October	15	49,359.00	11.90-17.75	October	15	91,930.00	2.98-9.00				
	31	48,442.00	11.55-16.90		31	98,835.00	3.07-7.90				
November	15	45,382.10	11.50-15.50	November	15	1,03,315.00	3.00-8.85				
	30	44,487.10	9.00-15.50		30	1,03,915.00	2.85-8.40				
December	15	40,166.00	10.40-16.00	December	15	1,06,676.50	3.00-9.25				
	31	38,055.00	8.96-14.00		31	90,305.00	3.72-10.00				
January	15	48,802.60	7.75-14.00	January	15	92,363.00	3.15-7.55				
	31	51,668.00	6.75-13.00		31	91,564.00	3.35-7.50				
February	15	53,614.60	5.25-12.50	February	15	96,152.00	3.30-8.00				
	28	52,559.60	5.80-11.75		28	97,000.00	3.20-8.50				
March	15	49,952.75	7.50-12.50	March	15	91,025.00	4.00-8.90				
	31	44,171.25	6.40-12.50		31	76,056.00	5.30-9.00				

* Issued at face value by companies.

@ Typical effective discount rate range per annum on issues during the fortnight.

Government Accounts

No. 18: Union Government Accounts at a Glance

(Amount in ₹ crore)

Item	Financial Year	April-September			
	2010-11 (Budget Estimates)	2009-10 (Actuals)	2010-11 (Actuals)	Percentage to Budget Estimates	
				2009-10	2010-11
1	2	3	4	5	6
1. Revenue Receipts	**6,82,212**	**2,44,471**	**3,98,234**	**39.8**	**58.4**
2. Tax Revenue (Net)	5,34,094	1,85,669	2,33,415	39.2	43.7
3. Non-Tax Revenue	1,48,118	58,802	1,64,819	41.9	111.3
4. Capital Receipts	**4,26,537**	**2,04,377**	**1,39,743**	**50.3**	**32.8**
5. Recovery of Loans	5,129	2,302	4,256	54.5	83.0
6. Other Receipts	40,000	4,300	2,235	383.9	5.6
7. Borrowings and Other Liabilities	3,81,408	1,97,775	1,33,252	49.3	34.9
8. Total Receipts (1+4)	**11,08,749**	**4,48,848**	**5,37,977**	**44.0**	**48.5**
9. Non-Plan Expenditure	**7,35,657**	**3,22,070**	**3,68,270**	**46.3**	**50.1**
10. On Revenue Account	6,43,599	3,01,291	3,28,308	48.7	51.0
of which :,					
(i) Interest Payments	2,48,664	86,669	1,02,779	38.4	41.3
11. On Capital Account	92,058	20,779	39,962	27.0	43.4
12. Plan Expenditure	**3,73,092**	**1,26,778**	**1,69,707**	**39.0**	**45.5**
13. On Revenue Account	3,15,125	1,08,163	1,44,847	38.9	46.0
14. On Capital Account	57,967	18,615	24,860	39.8	42.9
15. Total Expenditure (9+12)	**11,08,749**	**4,48,848**	**5,37,977**	**44.0**	**48.5**
16. Revenue Expenditure (10+13)	9,58,724	4,09,454	4,73,155	45.6	49.4
17. Capital Expenditure (11+14)	1,50,025	39,394	64,822	31.9	43.2
18. Revenue Deficit (16-1)	**2,76,512**	**1,64,983**	**74,921**	**58.4**	**27.1**
19. Fiscal Deficit {15-(1+5+6)}	**3,81,408**	**1,97,775**	**1,33,252**	**49.3**	**34.9**
20. Gross Primary Deficit [19-10(i)]	**1,32,744**	**1,11,106**	**30,473**	**63.3**	**23.0**

Notes : 1. Financial year runs from "April to March".
2. Actuals are unaudited figures.

Source: Controller General of Accounts, Ministry of Finance, Government of India.

Government Securities Market

No. 19: Government of India : 91 Day Treasury Bills (Outstanding at Face Value)

(₹ crore)

March 31/ Last Friday/ Friday	Reserve Bank of India			Banks		State Governments		Others		Foreign Central Banks	
	Tap*		Auction	Tap*	Auction	Tap*	Auction	Tap*	Auction	Tap*	Auction
	Re-discounted	Ad hocs									
1	2	3	4	5	6	7	8	9	10	11	12
Mar. 31, 2000	–	–	288	–	557	–	–	–	455	–	220
Mar. 31, 2001	–	–	67	–	868	–	–	–	153	–	630
Mar. 31, 2002	–	–	154	–	2,292	–	450	–	360	–	1,301
Mar. 31, 2003	–	–	–	–	6,427	–	800	–	780	–	700
Mar. 31, 2004	–	–	–	–	3,948	–	600	–	1,452	–	39
Mar. 31, 2005	–	–	–	–	21,176	–	1,755	–	4,829	–	32
Mar. 31, 2006	–	–	–	–	5,943	–	9,762	–	576	–	37
Mar. 31, 2007	–	–	–	–	12,684	–	24,250	–	6,743	–	5
Mar. 31, 2008	–	–	–	–	6,057	–	23,825	–	10,075	–	–
Mar. 31, 2009	–	–	–	–	49,914	–	544	–	25,092	–	–
Mar. 31, 2010	–	–	–	–	30,875	–	–	–	40,628	–	–
Aug. 2008	–	–	–	–	12,874	–	28,939	–	16,626	–	–
Sep. 2008	–	–	–	–	18,140	–	23,706	–	18,110	–	–
Oct. 2008	–	–	–	–	28,100	–	20,456	–	18,650	–	–
Nov. 2008	–	–	–	–	33,507	–	16,029	–	22,243	–	–
Dec. 2008	–	–	–	–	36,193	–	15,846	–	17,807	–	–
Jan. 2009	–	–	–	–	40,741	–	10,446	–	25,261	–	–
Feb. 2009	–	–	–	–	43,910	–	7,020	–	25,094	–	–
Mar. 2009	–	–	–	–	49,914	–	544	–	25,092	–	–
Apr. 2009	–	–	–	–	44,190	–	5,544	–	30,814	–	–
May 2009	–	–	–	–	39,653	–	5,000	–	35,347	–	–
Jun. 2009	–	–	–	–	38,979	–	5,000	–	36,021	–	–
Jul. 2009	–	–	–	–	25,841	–	–	–	50,309	–	350
Aug. 2009	–	–	–	–	26,840	–	–	–	49,185	–	475
Sep. 2009	–	–	–	–	37,133	–	–	–	38,892	–	475
Oct. 2009	–	–	–	–	25,250	–	–	–	46,925	–	325
Nov. 2009	–	–	–	–	21,635	–	–	–	49,825	–	40
Dec. 2009	–	–	–	–	27,154	–	–	–	44,306	–	40
Jan. 2010	–	–	–	–	25,428	–	–	–	46,074	–	–
Feb. 2010	–	–	–	–	25,292	–	–	–	46,211	–	–
Mar. 2010	–	–	–	–	30,875	–	–	–	40,628	–	–
Apr. 2010	–	–	–	–	25,089	–	–	–	46,412	–	–
May 2010	–	–	–	–	31,219	–	–	–	46,231	–	50
Jun. 2010	–	–	–	–	28,558	–	1,000	–	37,392	–	50
Jul. 2010	–	–	–	–	20,920	–	3,854	–	25,080	–	–
Aug. 2010	–	–	–	–	15,352	–	9,279	–	30,648	–	–
Week Ended											
Sep. 3, 2010	–	–	–	–	14,901	–	9,779	–	31,099	–	–
Sep. 10, 2010	–	–	–	–	15,029	–	10,279	–	30,971	–	–
Sep. 17, 2010	–	–	–	–	16,832	–	10,279	–	29,168	–	–
Sep. 24, 2010	–	–	–	–	17,626	–	10,279	–	28,374	–	–

* The rate of discount is 4.60 per cent –per annum.

No. 20: Auctions of 91-day Government of India Treasury Bills

(Amount in ₹ crore)

Date of Auction		Date of Issue		Notified Amount	Bids Received			Bids Accepted			Devolvement on PDs/ SDs*	Total Issue (8+9+10)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
					Number	Total Face Value		Number	Total Face Value						
						Competitive	Non-Competitive		Competitive	Non-Competitive					
1		2		3	4	5	6	7	8	9	10	11	12	13	14
2009-10															
Sep.	2	Sep.	4	4,500	72	15,258.50	–	33	4,500.00	–	–	4,500.00	99.16	3.3978	76,500.00
Sep .	9	Sep.	11	5,000	69	18,112.76	–	18	5,000.00	–	–	5,000.00	99.16	3.3978	76,500.00
Sep.	16	Sep.	18	5,000	55	15,635.00	–	22	5,000.00	–	–	5,000.00	99.16	3.3978	76,500.00
Sep.	23	Sep.	25	5,000	55	14,990.00	–	22	5,000.00	–	–	5,000.00	99.16	3.3978	76,500.00
Sep.	29	Oct.	1	2,000	45	10,375.00	–	6	2,000.00	–	–	2,000.00	99.22	3.1532	76,500.00
Oct.	7	Oct.	9	7,000	92	24,495.15	–	21	7,000.00	–	–	7,000.00	99.20	3.2347	75,500.00
Oct.	14	Oct.	16	7,000	74	19,518.44	–	23	7,000.00	–	–	7,000.00	99.20	3.2347	74,500.00
Oct.	21	Oct.	23	7,000	62	23,751.00	–	22	7,000.00	–	–	7,000.00	99.20	3.2347	73,500.00
Oct.	28	Oct.	30	7,000	52	20,386.55	–	28	7,000.00	–	–	7,000.00	99.20	3.2347	72,500.00
Nov.	4	Nov.	6	7,000	56	21,453.70	–	42	7,000.00	–	–	7,000.00	99.19	3.2754	71,500.00
Nov.	11	Nov.	13	5,000	45	22,125.00	–	34	5,000.00	–	–	5,000.00	99.19	3.2754	71,500.00
Nov.	18	Nov.	20	5,000	46	18,221.12	–	32	5,000.00	–	–	5,000.00	99.19	3.2754	71,500.00
Nov.	25	Nov.	27	5,000	47	14,393.25	–	27	5,000.00	–	–	5,000.00	99.19	3.2754	71,500.00
Dec.	2	Dec.	4	4,500	55	13,927.91	–	25	4,500.00	–	–	4,500.00	99.18	3.3162	71,500.00
Dec.	9	Dec.	11	5,000	59	14,574.61	–	24	5,000.00	–	–	5,000.00	99.16	3.3978	71,500.00
Dec.	16	Dec.	18	5,000	78	12,201.00	–	36	5,000.00	–	–	5,000.00	99.09	3.6835	71,500.00
Dec.	23	Dec.	24	5,000	62	13,267.80	–	25	5,000.00	–	–	5,000.00	99.07	3.7652	71,500.00
Dec.	30	Jan.	1	2,000	50	8,954.08	–	12	2,000.00	–	–	2,000.00	99.09	3.6835	71,500.00
Jan.	6	Jan.	8	7,000	95	14,966.90	–	67	7,000.00	–	–	7,000.00	99.09	3.6835	71,500.00
Jan.	13	Jan.	15	7,000	82	13,273.49	–	59	7,000.00	–	–	7,000.00	99.06	3.8061	71,500.00
Jan.	20	Jan.	22	7,000	86	10,921.30	2.00	70	7,000.00	2.00	–	7,002.00	99.03	3.9288	71,502.00
Jan.	27	Jan.	29	7,000	94	16,091.55	0.50	66	7,000.00	0.50	–	7,000.50	99.01	4.0106	71,502.50
Feb.	3	Feb	5	7,000	91	13,315.70	–	66	7,000.00	–	–	7,000.00	98.99	4.0924	71,502.50
Feb.	10	Feb	11	5,000	94	11,365.52	–	51	5,000.00	–	–	5,000.00	98.99	4.0924	71,502.50
Feb.	17	Feb	19	5,000	90	9,728.62	–	70	5,000.00	–	–	5,000.00	98.98	4.1334	71,502.50
Feb.	24	Feb	26	5,000	64	11,289.85	0.50	31	5,000.00	0.50	–	5,000.50	98.98	4.1334	71,503.00

No. 20: Auctions of 91-day Government of India Treasury Bills *(Concld.)*

(Amount in ₹ crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on PDs/ SDs*	Total Issue (8+9+10)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value						
				Competitive	Non-Competitive		Competitive	Non-Competitive					
1	2	3	4	5	6	7	8	9	10	11	12	13	14
2009-10													
Mar. 3	Mar. 5	4,500	75	7,740.25	–	52	4,500.00	–	–	4,500.00	98.96	4.2153	71,503.00
Mar. 10	Mar. 12	5,000	59	7,682.86	–	51	5,000.00	–	–	5,000.00	98.93	4.3382	71,503.00
Mar. 17	Mar. 19	5,000	85	15,754.65	–	44	5,000.00	–	–	5,000.00	98.91	4.4202	71,503.00
Mar. 23	Mar. 26	5,000	96	17,770.10	–	37	5,000.00	–	–	5,000.00	98.91	4.4202	71,503.00
Mar. 30	Mar. 31	2,000	53	4,910.50	–	16	2,000.00	–	–	2,000.00	98.92	4.3792	71,503.00
2010-11													
Apr. 4	Apr. 9	7,000	128	27,842.20	–	41	7,000.00	–	–	7,000.00	99.02	3.9697	71,503.00
Apr. 13	Apr. 16	7,000	95	15,857.41	–	71	7,000.00	–	–	7,000.00	98.95	4.2562	71,503.00
Apr. 21	Apr. 23	7,000	116	21,965.97	–	29	7,000.00	–	–	7,000.00	98.97	4.1743	71,501.00
Apr. 28	Apr. 30	7,000	95	21,054.50	–	67	7,000.00	–	–	7,000.00	98.97	4.1743	71,500.50
May 5	May 7	7,000	103	26,195.70	–	67	7,000.00	–	–	7,000.00	98.98	4.1334	71,500.50
May 12	May 14	7,000	89	18,195.72	–	47	7,000.00	–	–	7,000.00	98.97	4.1743	73,500.50
May 19	May 21	7,000	73	15,336.95	–	44	7,000.00	–	–	7,000.00	98.96	4.2153	75,500.50
May 26	May 28	7,000	92	11,380.75	–	72	7,000.00	–	–	7,000.00	98.76	5.0361	77,500.00
Jun. 2	Jun. 4	2,000	92	8,243.50	–	36	2,000.00	–	–	2,000.00	98.72	5.2006	75,000.00
Jun. 9	Jun. 11	2,000	68	4,931.00	–	29	2,000.00	–	–	2,000.00	98.71	5.2418	72,000.00
Jun. 16	Jun. 18	2,000	66	6,441.50	500.00	35	2,000.00	500.00	–	2,500.00	98.68	5.3653	69,500.00
Jun. 23	Jun. 25	2,000	79	8,671.30	500.00	40	2,000.00	500.00	–	2,500.00	98.68	5.3653	67,000.00
Jun. 30	Jul. 2	2,000	68	7,854.20	500.00	8	2,000.00	500.00	–	2,500.00	98.70	5.2830	67,500.00
Jul. 7	Jul. 9	2,000	81	8,361.25	500.00	24	2,000.00	500.00	–	2,500.00	98.68	5.3653	63,000.00
Jul. 14	Jul. 16	2,000	63	5,500.43	500.00	31	2,000.00	500.00	–	2,500.00	98.67	5.4065	58,500.00
Jul. 21	Jul. 23	2,000	81	5,521.00	500.00	50	2,000.00	500.00	–	2,500.00	98.59	5.7364	54,000.00
Jul. 28	Jul. 30	2,000	92	9,511.00	854.10	7	2,000.00	854.10	–	2,854.10	98.59	5.7364	49,854.10
Aug. 4	Aug. 6	7,000	111	15,563.50	2,875.00	77	7,000.00	2,875.00	–	9,875.00	98.53	5.9841	52,729.10
Aug. 11	Aug. 13	7,000	122	12,872.17	550.00	91	7,000.00	550.00	–	7,550.00	98.49	6.1495	53,279.10
Aug. 18	Aug. 20	7,000	99	13,208.75	1,000.00	67	7,000.00	1,000.00	–	8,000.00	98.46	6.2735	54,279.10
Aug. 25	Aug. 27	7,000	97	18,257.70	1,000.00	38	7,000.00	1,000.00	–	8,000.00	98.48	6.1908	55,279.10
Sep. 1	Sep. 3	2,000	77	6,431.00	500.00	32	2,000.00	500.00	–	2,500.00	98.51	6.0668	55,779.10
Sep. 8	Sep. 9	2,000	74	6,030.60	500.00	29	2,000.00	500.00	–	2,500.00	98.52	6.0254	56,279.10
Sep. 15	Sep. 17	2,000	72	5,501.10	500.00	43	2,000.00	500.00	–	2,500.00	98.49	6.1495	56,279.10
Sep. 22	Sep. 24	2,000	62	5,834.30	500.00	34	2,000.00	500.00	–	2,500.00	98.48	6.1908	56,279.10

* Effective from auction dated May 14, 1999, devolvement amount would be on RBI only.

Note : Outstanding amount is net of redemption during the week.

No. 20A: Auctions of Government of India Cash Management Bills

(Amount in ₹ crore)

Date of Auction	Date of Issue	Date of Maturity	Notified Amount	Bids Received			Bids Accepted			Total Issue (9+10)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
				Number	Total Face Value		Number	Total Face Value					
					Competitive	Non-Competitive		Competitive	Non-Competitive				
1	2	3	4	5	6	7	8	9	10	11	12	13	14
2010-11													
May 11	May 12	June 16	6,000	74	27,405.00	–	41	6,000.00	–	6,000.00	99.63	3.8729	6,000.00
May 18	May 19	June 16	6,000	57	27,927.00	–	26	6,000.00	–	6,000.00	99.70	3.9225	12,000.00

No. 21: Auctions of 182-day Government of India Treasury Bills

(Amount in ₹ crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on PDs	Total Issue (8+9+10)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value						
				Competitive	Non-Competitive		Competitive	Non-Competitive					
1	2	3	4	5	6	7	8	9	10	11	12	13	14
2009-10													
Apr. 28	Apr. 29	2,000	78	5,530.00	–	37	2,000.00	–	–	2,000.00	98.26	3.5514	20,375.00
May 13	May 15	2,000	63	4,955.00	–	19	2,000.00	–	–	2,000.00	98.29	3.4891	20,375.00
May 27	May 29	2,000	52	4,045.00	–	23	2,000.00	–	–	2,000.00	98.24	3.5929	20,375.00
Jun. 10	Jun. 12	500	35	2,645.00	–	5	500.00	–	–	500.00	98.24	3.5929	20,375.00
Jun. 24	Jun. 26	500	36	3,000.00	–	2	500.00	–	–	500.00	98.27	3.5306	20,375.00
Jul. 8	Jul. 10	1,500	52	4,717.00	–	5	1,500.00	–	–	1,500.00	98.32	3.4268	20,375.00
Jul. 22	Jul. 24	1,500	47	3,870.00	–	28	1,500.00	–	–	1,500.00	98.30	3.4683	20,375.00
Aug. 5	Aug. 7	1,500	45	2,745.00	–	31	1,500.00	–	–	1,500.00	98.16	3.7593	20,375.00
Aug. 18	Aug. 21	1,500	67	3,800.00	–	16	1,500.00	–	–	1,500.00	98.08	3.9259	20,375.00
Sep. 2	Sep. 4	1,500	62	7,365.00	–	11	1,500.00	–	–	1,500.00	98.05	3.9885	20,375.00
Sep. 16	Sep. 18	3,000	77	13,615.00	–	21	3,000.00	–	–	3,000.00	98.03	4.0302	20,375.00
Sep. 29	Oct. 1	1,000	34	3,075.00	–	9	1,000.00	–	–	1,000.00	98.14	3.8009	20,500.00
Oct. 14	Oct. 16	2,000	88	6,155.00	–	35	2,000.00	–	–	2,000.00	98.02	4.0511	20,500.00
Oct. 28	Oct. 30	2,000	79	9,365.50	–	22	2,000.00	–	–	2,000.00	98.06	3.9676	20,500.00
Nov. 11	Nov. 13	2,000	89	9,050.50	–	11	2,000.00	–	–	2,000.00	98.13	3.8217	20,500.00
Nov. 25	Nov. 27	2,000	92	5,295.00	–	51	2,000.00	–	–	2,000.00	98.17	3.7385	20,500.00
Dec. 9	Dec. 11	1,000	57	3,410.00	–	51	1,000.00	–	–	1,000.00	98.13	3.8217	21,000.00
Dec. 23	Dec. 24	1,000	44	2,560.00	–	29	1,000.00	–	–	1,000.00	97.88	4.3437	21,500.00
Jan. 6	Jan. 8	1,500	74	5,896.50	–	9	1,500.00	–	–	1,500.00	98.01	4.0720	21,500.00
Jan. 20	Jan. 22	1,500	68	4,888.22	–	27	1,500.00	–	–	1,500.00	97.95	4.1973	21,500.00
Feb. 3	Feb. 5	1,500	52	2,775.00	–	38	1,500.00	–	–	1,500.00	97.81	4.4904	21,500.00
Feb. 17	Feb. 19	1,500	79	4,745.12	–	32	1,500.00	–	–	1,500.00	97.78	4.5533	21,500.00
Mar. 3	Mar. 5	1,500	64	3,942.71	–	38	1,500.00	–	–	1,500.00	97.71	4.7002	21,500.00
Mar. 17	Mar. 19	3,000	114	15,690.00	–	8	3,000.00	–	–	3,000.00	97.72	4.6792	21,500.00
Mar. 30	Mar. 31	1,000	34	2,670.00	–	5	1,000.00	–	–	1,000.00	97.75	4.6162	21,500.00
2010-11													
Apr. 13	Apr. 16	2,000	47	3,220.45	–	35	2,000.00	–	–	2,000.00	97.70	4.7212	21,500.00
Apr. 28	Apr. 30	2,000	68	10,035.00	–	11	2,000.00	–	–	2,000.00	97.78	4.5533	21,500.00
May 12	May 14	2,000	52	5,700.00	–	23	2,000.00	–	–	2,000.00	97.78	4.5533	21,500.00
May 26	May 28	2,000	54	5,570.00	–	15	2,000.00	–	–	2,000.00	97.58	4.9737	21,500.00
Jun. 9	Jun. 11	1,000	47	3,580.55	–	14	1,000.00	–	–	1,000.00	97.45	5.2478	21,500.00
Jun. 23	Jun. 25	1,000	41	3,460.00	–	2	1,000.00	–	–	1,000.00	97.39	5.3746	21,500.00
Jul. 7	Jul. 9	1,500	42	2,746.50	300.00	30	1,500.00	300.00	–	1,800.00	97.20	5.7771	21,800.00
Jul. 21	Jul. 23	1,500	53	4,561.00	–	29	1,500.00	–	–	1,500.00	97.12	5.9471	21,800.00
Aug. 4	Aug. 6	1,500	40	2,898.00	–	30	1,500.00	–	–	1,500.00	96.93	6.3519	21,800.00
Aug. 18	Aug. 20	1,500	56	3,755.20	500.00	23	1,500.00	500.00	–	2,000.00	96.88	6.4587	22,300.00
Sep. 1	Sep. 3	1,500	58	4,335.50	–	27	1,500.00	–	–	1,500.00	96.92	6.3732	22,300.00
Sep. 15	Sep. 17	1,500	47	3,740.50	–	19	1,500.00	–	–	1,500.00	96.89	6.4373	20,800.00

Notes :
1. Outstanding amount is net of redemption during the week.
2. The presentation of implicit yield at cut-off price has been changed from actual/364-day count convention to actual / 365-day count convention from auction dated April 6, 2005.
3. The auctions of 182-day Treasury Bills (TBs) which were discontinued effective May 14, 2001 have been reintroduced from April 6, 2005 onwards.

No. 22: Auctions of 364-day Government of India Treasury Bills

(Amount in ₹ crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on PDs/ SDs*	Total Issue (8+9+10)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value						
				Competitive	Non-Competitive		Competitive	Non-Competitive					
1	2	3	4	5	6	7	8	9	10	11	12	13	14
2009-10													
Sep. 9	Sep. 11	4,000	128	12,380.00	–	39	4,000.00	–	–	4,000.00	95.61	4.6042	41,979.64
Sep. 23	Sep. 25	1,000	55	5,000.00	33.30	3	1,000.00	33.30	–	1,033.30	95.86	4.3307	42,012.94
Oct. 7	Oct. 9	2,000	76	6,040.00	–	27	2,000.00	–	–	2,000.00	95.62	4.5932	42,012.94
Oct. 21	Oct. 23	2,000	100	5,402.00	–	34	2,000.00	–	–	2,000.00	95.67	4.5384	41,980.94
Nov. 4	Nov. 6	2,000	96	4,890.00	33.80	41	2,000.00	33.80	–	2,033.80	95.68	4.5275	42,014.74
Nov. 18	Nov. 20	2,000	110	8,555.00	–	3	2,000.00	–	–	2,000.00	95.75	4.4508	42,014.74
Dec. 2	Dec. 4	1,000	71	4,575.00	–	12	1,000.00	–	–	1,000.00	95.71	4.4946	42,014.74
Dec. 16	Dec. 18	1,000	79	4,890.00	–	8	1,000.00	–	–	1,000.00	95.54	4.6810	41,764.74
Dec. 30	Jan. 1	1,000	56	2,827.00	–	19	1,000.00	–	–	1,000.00	95.50	4.7250	41,764.74
Jan. 13	Jan. 15	1,000	69	4,503.00	–	8	1,000.00	–	–	1,000.00	95.55	4.6700	41,764.74
Jan. 27	Jan. 29	1,000	72	4,725.00	–	8	1,000.00	–	–	1,000.00	95.55	4.6700	41,751.24
Feb. 10	Feb. 11	3,000	96	8,422.00	14.40	40	3,000.00	14.40	–	3,014.40	95.36	4.8791	41,765.64
Feb. 24	Feb. 26	3,000	82	6,540.00	–	45	3,000.00	–	–	3,000.00	95.24	5.0116	41,657.14
Mar. 10	Mar. 12	3,000	101	9,135.00	113.85	36	3,000.00	113.85	–	3,113.85	95.14	5.1223	41,520.99
Mar. 23	Mar. 26	3,000	101	11,726.00	–	27	3,000.00	–	–	3,000.00	95.12	5.1445	41,497.14
2010-11													
Apr. 7	Apr. 9	2,000	67	5,410.00	25.20	34	2,000.00	25.20	–	2,025.20	95.20	5.0559	42,522.34
Apr. 21	Apr. 23	2,000	88	8,060.00	–	17	2,000.00	–	–	2,000.00	95.17	5.0891	43,522.34
May 5	May 7	2,000	122	11,140.00	–	8	2,000.00	–	–	2,000.00	95.33	4.9122	44,522.34
May 19	May 21	2,000	55	5,250.00	–	12	2,000.00	–	–	2,000.00	95.31	4.9343	45,522.34
Jun. 2	Jun. 4	1,000	48	4,725.00	–	13	1,000.00	–	–	1,000.00	95.05	5.2221	45,522.34
Jun. 16	Jun. 18	1,000	50	1,930.25	157.00	36	1,000.00	157.00	–	1,157.00	94.71	5.6008	45,679.34
Jun. 30	Jul. 2	1,000	41	2,065.00	194.00	23	1,000.00	194.00	–	1,194.00	94.67	5.6456	45,873.34
Jul. 14	Jul. 16	1,000	61	5,460.00	–	14	1,000.00	–	–	1,000.00	94.63	5.6903	45,613.92
Jul. 28	Jul. 30	1,000	43	3,050.00	–	26	1,000.00	–	–	1,000.00	94.09	6.2985	45,613.92
Aug. 11	Aug. 13	1,000	49	3,370.00	16.80	5	1,000.00	16.80	–	1,016.80	93.98	6.4232	45,588.35
Aug. 25	Aug. 27	1,000	45	2,445.00	46.30	23	1,000.00	46.30	–	1,046.30	93.88	6.5369	45,634.65
Sep. 8	Sep. 9	1,000	45	3,775.00	–	14	1,000.00	–	–	1,000.00	93.93	6.4800	42,634.65
Sep. 22	Sep. 24	1,000	38	2,371.17	–	18	1,000.00	–	–	1,000.00	93.74	6.6964	42,601.35

* Effective from auction dated May 19, 1999, devolvement would be on RBI only.

Note : 1. Outstanding amount is net of redemption during the week.

2. The presentation of implicit yield at cut-off price has been changed from actual/364-day count convention to actual/365-day count convention from auction dated October 27, 2004.

No. 23: Turnover in Government Securities Market (Face Value) at Mumbai @

(₹ crore)

Week / Month +	Govt. of India Dated Securities	State Govt. Securities	Treasury Bills				RBI*
			Cash Management Bills	91 Day	182 Day	364 Day	
1	2	3	4	5	6	7	8
2007-08							
April	1,29,393.26	3,090.88	–	9,866.80	2,869.22	5,782.54	333.23
May	1,14,658.96	2,481.32	–	7,160.10	1,498.68	3,183.70	680.35
June	2,20,172.02	2,078.77	–	29,236.33	7,998.44	10,091.95	266.57
July	3,83,106.46	1,906.39	–	19,820.37	3,291.27	22,143.25	715.20
August	2,41,706.99	2,514.20	–	11,899.43	6,877.99	13,643.66	482.50
September	1,74,533.46	1,201.42	–	5,521.11	8,768.86	10,539.40	428.36
October	1,45,814.85	1,714.00	–	22,191.32	13,299.05	20,733.58	531.41
November	1,73,573.07	3,058.32	–	8,788.56	6,219.26	14,338.14	193.03
December	2,12,467.87	2,344.34	–	5,998.32	2,498.72	13,450.44	5,372.60
January	5,54,272.55	4,412.28	–	5,581.92	6,000.66	21,903.31	5,344.63
February	4,34,802.32	4,730.56	–	2,810.06	4,485.10	11,915.60	2,998.80
March	1,72,568.68	1,962.38	–	2,892.25	2,054.68	8,168.54	3,429.97
2008-09							
April	1,63,277.17	2,403.36	–	8,859.66	2,530.12	8,201.96	1,590.93
May	3,18,354.85	11,798.94	–	11,537.89	2,526.64	4,653.10	350.87
June	1,95,337.16	1,445.24	–	10,065.13	1,546.76	4,919.92	13,982.55
July	1,44,355.59	4,278.14	–	4,681.45	2,666.96	7,285.49	7,236.53
August	2,67,462.66	1,453.34	–	14,490.32	2,031.75	6,843.56	8,110.26
September	2,98,155.18	658.34	–	16,333.94	2,676.00	5,348.22	2,680.46
October	2,81,273.77	3,210.06	–	12,052.81	2,694.73	6,280.86	1,264.93
November	3,52,322.10	2,854.11	–	20,603.48	3,193.06	11,987.06	883.69
December	6,07,851.56	8,459.43	–	28,399.05	2,698.80	8,698.45	9,436.27
January	6,95,344.05	5,979.19	–	28,907.53	3,098.29	12,589.53	5,833.07
February	3,31,881.02	3,012.96	–	39,519.13	5,003.80	8,568.70	6,254.99
March	2,73,558.86	24,942.96	–	29,000.26	4,899.04	9,781.90	54,278.76
2009-2010							
April	4,39,334.81	13,969.46	–	49,924.92	8,997.86	17,185.16	22,578.72
May	5,44,075.82	19,920.06	–	49,034.98	6,473.99	10,832.37	17,388.35
June	3,89,434.91	8,234.85	–	33,481.31	4,614.14	13,476.32	6,859.93
July	5,97,737.07	11,736.36	–	54,879.39	6,226.76	9,033.52	10,426.58
August	2,80,993.15	13,700.45	–	24,210.32	6,638.70	7,161.74	14,030.00
September	4,98,808.92	10,488.85	–	37,849.04	6,224.68	9,621.84	14,769.46
October	4,15,134.87	8,468.81	–	64,368.86	10,016.73	16,962.75	3,913.79
November	5,04,784.77	12,239.23	–	39,211.18	7,837.40	14,610.40	1,373.25
December	4,13,982.37	12,248.37	–	41,767.78	4,453.32	2,318.84	818.10
January	4,38,066.63	17,305.43	–	70,223.12	6,776.76	10,363.70	2,232.39
February	2,97,462.88	14,467.02	–	39,539.74	5,383.48	10,081.08	617.13
March	2,23,961.35	10,087.94	–	40,413.06	3,808.22	6,218.50	587.34
2010-2011							
April	4,68,156.79	18,838.06	–	93,888.38	13,452.04	17,217.64	2,909.05
May	6,97,267.04	8,562.98	6,175.42	38,201.67	8,032.70	9,342.30	2,004.23
June	5,92,459.67	9,367.58	5,287.08	29,810.61	8,983.82	12,100.36	248.50
July	5,11,224.67	7,463.25	–	33,921.16	15,238.43	12,333.02	3,871.33
August	4,65,033.57	4,818.08	–	28,939.56	5,641.52	5,547.70	1,276.52
Week Ended							
September 3, 2010	1,55,202.64	2,365.20	–	10,135.20	2,671.48	1,595.66	493.92
September 10, 2010	79,446.07	1,243.72	–	6,003.92	159.10	1,898.47	194.21
September 17, 2010	1,20,222.02	990.00	–	4,340.96	435.56	2,050.00	–
September 24, 2010	99,953.74	3,421.34	–	10,721.70	423.02	1,880.00	108.04

@ Based on SGL outright transactions in government securities in secondary market at Mumbai. It excludes repo transactions.

\+ Turnover upto the last Friday of the month over the last Friday of preceding month.

* RBI's Sales and Purchases include transactions in other offices and transactions on behalf of the State Governments and others. It excludes transactions relating to the Government of India and the Welfare Commissioner, Bhopal.

No. 24: Repo / Reverse Repo Auctions under Liquidity Adjustment Facility

(Amount in ₹ crore)

LAF Date	Repo/ Reverse Repo Period (Day(s))	REPO (INJECTION)					REVERSE REPO (ABSORPTION)					Net Injection (+)/ Absorption (–) of liquidity [(6) – (11)]	Outstanding Amount @
		Bids Received		Bids Accepted		Cut-off Rate (%)	Bids Received		Bids Accepted		Cut-off Rate (%)		
		Number	Amount	Number	Amount		Number	Amount	Number	Amount			
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Sep. 1, 2010	1	-	-	-	-	-	2	745	2	745	4.50	-745	745
Sep. 2, 2010	1	-	-	-	-	-	17	18,500	17	18,500	4.50	-18,500	18,500
Sep. 3, 2010	3	-	-	-	-	-	24	31,140	24	31,140	4.50	-31,140	31,140
Sep. 6, 2010	1	-	-	-	-	-	14	17,860	14	17,860	4.50	-17,860	17,860
Sep. 7, 2010	1	-	-	-	-	-	18	18,910	18	18,910	4.50	-18,910	18,910
Sep. 8, 2010	1	-	-	-	-	-	11	7,660	11	7,660	4.50	-7,660	7,660
Sep. 9, 2010	4	-	-	-	-	-	1	1,180	1	1,180	4.50	-1,180	
Sep. 9, 2010 $	4	11	18,270	11	18,270	5.75	1	300	1	300	4.50	17,970	-16,790
Sep. 13, 2010	1	6	14,345	6	14,345	5.75	-	-	-	-	-	14,345	-14,345
Sep. 14, 2010	1	10	22,210	10	22,210	5.75	1	75	1	75	4.50	22,135	-22,135
Sep. 15, 2010	1	10	16,155	10	16,155	5.75	-	-	-	-	-	16,155	-16,155
Sep. 16, 2010	1	26	51,850	26	51,850	5.75	-	-	-	-	-	51,850	-51,850
Sep. 17, 2010	3	20	42,290	20	42,290	6.00	-	-	-	-	-	42,290	-42,290
Sep. 20, 2010	1	22	45,695	22	45,695	6.00	-	-	-	-	-	45,695	-45,695
Sep. 21, 2010	1	20	48,130	20	48,130	6.00	-	-	-	-	-	48,130	-48,130
Sep. 22, 2010	1	14	26,670	14	26,670	6.00	-	-	-	-	-	26,670	-26,670
Sep. 23, 2010	1	28	53,690	28	53,690	6.00	-	-	-	-	-	53,690	-53,690
Sep. 24, 2010	3	8	8,585	8	8,585	6.00	-	-	-	-	-	8,585	
Sep. 24, 2010 $	3	17	28,645	17	28,645	6.00	19	6,980	19	6,980	5.00	21,665	-30,250
Sep. 27, 2010	1	29	68,135	29	68,135	6.00	-	-	-	-	-	68,135	-68,135
Sep. 28, 2010	1	25	70,310	25	70,310	6.00	-	-	-	-	-	70,310	-70,310
Sep. 29, 2010	2	51	89,925	51	89,925	6.00	-	-	-	-	-	89,925	-89,925

$ Second LAF.

@ Net of Repo. '–' No bid was received in the auction.

Note: 1. The second LAF is being conducted on Reporting Fridays with effect from May 8, 2009.

2. The Special Fiexed Rate Repo and Forex Swap facilities for banks have been discontinued with effect from October 27, 2009.

No. 25: Open Market Operations of Reserve Bank of India*

(₹ crore)

Year / Month	Government of India Dated Securities - Face Value					Treasury bills				
	Purchase		Sale		Net purchase (+)/net sale (-)	Purchase		Sale		Net purchase (+)/net sale (-)
	Market	State Government and others	Market	State Government and others		Market	State Government and others	Market	State Government and others	
1	2	3	4	5	6	7	8	9	10	11
2007-08										
April	10.00	–	–	332.24	-322.24	–	–	–	–	–
May	–	–	–	742.80	-742.80	–	–	–	–	–
June	–	–	–	254.86	-254.86	–	–	–	–	–
July	25.00	–	–	656.74	-631.74	–	–	–	–	–
August	–	–	–	456.28	-456.28	–	–	–	–	–
September	15.00	–	–	413.35	-398.35	–	–	–	–	–
October	–	–	–	539.93	-539.93	–	–	–	–	–
November	–	–	–	184.51	-184.51	–	–	–	–	–
December	5,485.00	–	–	167.44	5,317.56	–	–	–	–	–
January	2,535.00	–	–	2,577.82	-42.82	–	–	–	–	–
February	2,660.00	–	–	290.27	2,369.73	–	–	–	–	–
March	2,780.00	–	–	970.93	1,809.07	–	–	–	–	–
2008-09										
April	745.58	–	–	861.19	-115.61	–	–	–	–	–
May	127.50	–	–	216.63	-89.13	–	–	–	–	–
June	15,238.80	–	–	310.18	14,928.62	–	–	–	–	–
July	5,218.50	–	–	701.20	4,517.30	–	–	–	–	–
August	4,338.00	–	–	4,446.59	-108.59	–	–	–	–	–
September	922.17	–	–	930.92	-8.75	–	–	–	–	–
October	627.75	–	–	530.30	97.46	–	–	–	–	–
November	757.20	–	–	127.51	629.69	–	–	–	–	–
December	11,901.38	–	–	295.74	11,605.64	–	–	–	–	–
January	2,568.00	–	–	504.21	2,063.79	–	–	–	–	–
February	6,027.80	–	–	236.59	5,791.22	–	–	–	–	–
March	56,007.66	–	–	770.98	55,236.68	–	–	–	–	–
2009-10										
April	21,130.00	–	–	747.03	20,382.97	–	–	–	–	–
May	15,374.40	–	–	207.91	15,166.49	–	–	–	–	–
June	6,765.60	–	–	315.25	6,450.35	–	–	–	–	–
July	7,724.37	–	–	2,479.71	5,244.66	–	–	–	–	–
August	13,462.09	–	–	982.68	12,479.41	–	–	–	–	–
September	14,111.64	–	–	243.85	13,867.79	–	–	–	–	–
October	2,497.90	–	–	1,415.89	1,082.01	–	–	–	–	–
November	777.70	–	–	601.74	175.96	–	–	–	–	–
December	920.00	–	–	284.85	635.15	–	–	–	–	–
January	1,194.09	–	–	1,200.78	-6.70	–	–	–	–	–
February	306.48	–	–	310.65	-4.17	–	–	–	–	–
March	1,135.52	–	–	1,141.02	-5.50	–	–	–	–	–
2010-11										
April	614.75	–	–	605.09	9.66	–	–	–	–	–
May	1,022.29	–	–	1,010.96	11.33	–	–	–	–	–
June	253.29	–	–	266.44	-13.15	–	–	–	–	–
July	1,777.31	–	–	1,793.77	-16.46	–	–	–	–	–
August	697.94	–	–	705.96	-8.02	–	–	–	–	–
September	483.44 +	–	–	477.76	5.68	–	–	–	–	–

* RBI's sales, purchases include transactions in other offices and transactions on behalf of the State Governments and Others.

* Excluding transactions of RBI with the Government of India and the Welfare Commissioner, Bhopal.

\+ Includes purchase of Oil Marketing Companies Government of India Special Bonds (Oil Bonds) of ₹ NIL (face value) under Special Market Operations (SMOs).

No. 26 A: Secondary Market Outright Transactions in Government Dated Securities (Face Value)

(Amount in ₹ crore)

Week ended	Government of India Dated Securities – Maturing in the year										State Govt. Securities
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-19	2019-20	2020-21	Beyond 2021	
1	2	3	4	5	6	7	8	9	10	11	12
I. September 3, 2010											
a. Amount	–	575.00	695.01	1,115.00	240.00	12,118.20	2,239.38	307.10	37,267.76	23,043.87	1182.60
b. YTM *											
Min.	–	3.3697	6.7787	6.8402	7.6111	7.6283	7.8600	8.0492	7.9103	7.9618	7.0016
Max.	–	6.3992	7.2500	7.2132	8.0394	8.0404	8.3989	8.0800	8.1608	8.6373	8.4177
II. September 10, 2010											
a. Amount	–	25.00	725.36	300.00	10.00	3,655.00	1,851.92	–	17,311.00	15,844.34	621.86
b. YTM *											
Min.	–	6.5000	6.7230	7.1183	7.4600	7.6749	7.8637	–	7.9177	8.0088	5.4924
Max.	–	6.5000	7.2500	7.2124	7.4888	7.7504	8.0778	–	8.0130	8.3996	8.4100
III September 17, 2010											
a. Amount	–	70.00	1,260.63	400.26	655.00	6,472.73	1,131.78	355.12	30,315.04	19,450.45	495.00
b. YTM *											
Min.	–	6.2558	6.8012	7.1625	7.4610	7.6655	7.8593	7.8776	7.8765	8.0016	7.1100
Max.	–	6.3826	7.3911	7.6906	8.0501	7.9302	8.0503	8.0532	7.9946	8.4009	8.3739
IV September 24, 2010											
a. Amount	55.00	350.32	1,415.70	185.20	250.00	8,239.34	1,321.12	75.02	23,183.00	14,902.17	1,710.67
b. YTM *											
Min.	6.3976	6.4761	6.8192	7.1908	7.5050	7.4131	7.6486	8.0002	7.5163	8.0117	6.8006
Max.	6.5770	7.3500	7.5255	7.4584	7.6359	7.8114	8.3800	8.0625	8.0170	8.4327	8.4132

* Minimum and maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than ₹ 5 Crore).

No. 26 B: Secondary Market Outright Transactions in Treasury Bills#

(Amount in ₹ crore, YTM in per cent per annum)

Week ended	Treasury Bills Residual Maturity in Days			
	up to 14 days	15 - 91 days	92 - 182 days	183 - 364 days
1	2	3	4	5
I. September 3, 2010				
a. Amount	677.74	4,562.05	1,460.74	500.64
b. YTM *				
Min.	4.3440	5.3995	6.1399	6.3200
Max.	5.2510	6.1907	6.3732	6.4100
II. September 10, 2010				
a. Amount	235.00	2,767.86	79.55	948.34
b. YTM *				
Min.	4.7500	4.6991	6.1000	6.2000
Max.	5.0026	6.2644	6.1500	6.4389
III. September 17, 2010				
a. Amount	6.00	2,274.48	697.78	435.00
b. YTM *				
Min.	4.6486	5.3998	6.1101	6.2000
Max.	4.6486	6.1495	6.4159	6.4599
IV. September 24, 2010				
a. Amount	580.00	5,065.85	181.51	685.00
b. YTM *				
Min.	5.9003	5.8504	6.3000	6.4200
Max.	6.2071	6.1908	6.3700	6.6500

* Minimum and maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than ₹ 5 crore).

Includes transactions of Cash Management Bills.

No. 26 C: Month-end Yield to Maturity of SGL Transactions in Central Government Dated Securities for Various Residual Maturities

(Per cent)

Term to Maturity (in years)	2009			2010								
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.
1	2	3	4	5	6	7	8	9	10	11	12	13
1	4.6422	4.7407	5.1304	5.4382	4.8537	4.9270	5.0253	5.2199	5.4713	6.3008	6.4900	6.6385
2	6.1403	5.7709	6.1123	5.9962	5.9237	6.0252	5.9062	5.7731	6.2598	6.8782	6.8853	7.0402
3	6.6949	6.5567	6.6742	6.5542	6.5828	6.5467	6.3955	6.4002	6.6774	7.0627	7.1341	7.2261
4	6.9754	6.7920	7.0227	6.9340	7.1481	6.9477	6.8631	6.8003	6.9854	7.3425	7.4327	7.4889
5	7.1328	7.0092	7.3081	7.2528	7.4894	7.2541	7.2820	7.2405	7.2768	7.5427	7.7054	7.7148
6	7.4270	7.1976	7.4253	7.3929	7.6131	7.4669	7.4902	7.5074	7.5758	7.7089	7.8787	7.8157
7	7.4334	7.2891	7.4439	7.4051	7.6728	7.5149	7.6367	7.6095	7.5953	7.7858	7.9584	7.7901
8	7.5113	7.4394	7.5088	7.4355	7.7297	7.3728	7.7957	7.5834	7.5770	7.7908	7.9547	7.8083
9	7.3874	7.3112	7.6097	7.4713	7.7866	7.3075	7.9548	7.5447	7.5588	7.7903	7.9509	7.8265
10	7.5877	7.4580	7.7366	7.5814	7.8570	7.8250	7.7766	7.5206	7.5758	7.8286	7.9863	7.8963
11	7.8282	7.6542	7.8922	7.7629	8.0039	7.9590	7.8811	7.6701	7.7798	7.9884	8.1020	7.9875
12	7.9177	7.8333	8.0478	7.9443	8.1476	8.0738	7.9846	7.8272	7.9335	8.0996	8.0404	7.9813
13	8.0073	8.0330	8.2033	8.0775	8.1902	8.0575	8.0536	8.0028	8.0031	8.1532	8.0915	8.1548
14	8.0968	8.2198	7.9874	8.1231	8.2328	8.0411	8.1226	8.0855	8.0727	8.2069	8.1579	8.3208
15	8.1653	8.1889	8.0201	8.1688	8.2754	8.0959	8.1916	8.0946	8.1423	8.2605	8.2244	8.3011
16	8.1958	8.1580	8.1205	8.2145	8.3180	8.1713	8.2605	8.1038	8.1919	8.3142	8.2909	8.2813
17	8.2264	8.1271	8.2210	8.2601	8.3606	8.2467	8.3295	8.1129	8.1822	8.3075	8.3523	8.2665
18	8.2309	8.1349	8.2423	8.2638	–	–	8.3562	8.1285	8.1968	8.3113	8.3557	8.2777
19	8.2248	8.1527	8.2526	8.2655	–	–	8.3683	8.1453	8.2137	8.3155	8.3591	8.2889
20	8.2187	8.1706	8.2628	8.2672	–	–	8.3805	8.1621	8.2307	8.3197	8.3625	8.3002
21	8.2126	8.1885	8.2731	8.2689	–	–	8.3926	8.1186	8.2476	8.3239	8.3659	8.3114
22	8.2065	8.2064	8.2833	8.2706	–	–	8.4048	8.2209	8.2309	8.3398	8.3694	8.3219
23	8.2083	8.2243	8.2830	8.2725	–	–	–	8.2089	8.1581	8.2960	8.3728	8.3284
24	8.2477	8.2421	8.2812	8.2743	–	–	–	8.1736	8.0854	8.2517	8.3760	8.3349
25	8.2872	8.2600	8.2794	8.2606	–	–	–	8.1384	8.0126	8.2634	8.3765	8.3413
26	8.3266	–	–	8.2293	–	–	–	8.1031	–	8.2768	8.3769	8.3439
27	8.3661	–	–	8.1980	–	–	–	8.0678	–	8.2901	8.3773	8.3376
28	–	–	–	–	–	–	–	–	–	8.3034	8.3777	8.3313
29	–	–	–	–	–	–	–	–	–	8.3167	8.3782	8.3250
30	–	–	–	–	–	–	–	–	–	8.3300	8.3786	8.3187

No. 26 D: Secondary Market Repo Transactions# (Other than with RBI)

(Amount in ₹ crore)

Week ended	Govt. Of India Dated Securities	State Govt. Securities	Cash Management Bills	91 Day Treasury Bills	182 Day Treasury Bills	364 Day Treasury Bills
1	2	3	4	5	6	7
I. September 3, 2010						
Amount	80,291	183	–	16,135	1,245	12,302
Repo Rate Min.	2.00	4.50	–	4.35	4.50	4.35
Repo Rate Max.	5.25	5.10	–	5.25	5.20	5.20
Repo Period Min.	1	1	–	1	1	1
Repo Period Max.	9	2	–	3	3	3
II. September 10, 2010						
Amount	79,823	205	–	11,023	4,800	7,318
Repo Rate Min.	2.00	4.40	–	4.35	4.40	4.30
Repo Rate Max.	5.50	4.40	–	5.50	5.60	5.50
Repo Period Min.	1	1	–	1	1	1
Repo Period Max.	5	2	–	4	4	4
III. September 17, 2010						
Amount	74,346	489	–	6,470	1,672	1,355
Repo Rate Min.	3.50	5.55	–	5.55	5.75	5.55
Repo Rate Max.	6.10	5.90	–	6.10	6.00	6.20
Repo Period Min.	1	1	–	1	1	1
Repo Period Max.	5	3	–	3	3	3
IV. September 24, 2010						
Amount	97,283	782	–	13,735	1,653	8,328
Repo Rate Min.	3.00	5.98	–	4.10	4.00	5.50
Repo Rate Max.	6.15	6.00	–	6.10	6.07	6.25
Repo Period Min.	1	1	–	1	1	1
Repo Period Max.	3	1	–	3	3	3

Represent the First Leg of Transactions.

Note : Repo rate in per cent per annum and repo period in days.

Table No. 27: Month-end Secondary Market Yield on Government of India Securities

(Per cent)

Coupon	Date of Maturity	Yield (Semi-annual) as on					
		Mar. 31, 2009 (Year-end)	Mar. 31, 2010 (Year-end)	Jun. 30, 2010	Jul. 31, 2010	Aug. 31, 2010	Sep. 30, 2010
1	2	3	4	5	6	7	8
6.72 *	Jul. 18, 2012	4.76	4.36	5.08	5.52	5.96	6.08
8.75	Dec. 13, 2010	5.42	4.48	5.30	6.05	6.38	6.49
12.32	Jan. 29, 2011	5.48	4.87	5.32	6.16	6.43	6.54
6.57	Feb.24, 2011	5.54	5.06	5.30	6.17	6.56	6.67
8.00	Apr. 27, 2011	5.60	5.30	5.45	5.92	6.34	6.43
10.95	May 30, 2011	5.67	5.36	5.43	6.26	6.39	6.49
9.39	Jul. 2, 2011	5.74	5.18	5.40	6.27	6.60	6.47
11.50	Aug. 5, 2011	5.80	5.27	5.58	6.31	6.61	6.64
FRB	Aug. 8, 2011	8.40	4.22	3.91	3.91	6.25	6.28
12.00	Oct. 21, 2011	5.96	5.47	5.74	6.51	6.77	6.80
11.50	Nov. 24, 2011	6.03	5.68	5.94	6.56	6.80	6.92
6.85	Apr. 5, 2012	6.32	6.19	6.18	6.94	6.80	6.94
7.40	May 3, 2012	6.14	6.17	6.17	6.97	6.78	6.91
10.25	Jun. 1, 2012	6.34	6.34	6.29	6.98	7.04	7.08
11.03	Jul. 18, 2012	6.37	6.30	6.30	6.99	7.09	7.14
9.40	Sep. 11, 2012	6.42	6.49	6.31	6.86	7.00	7.11
FRB	Nov. 10, 2012	6.34	4.79	4.62	4.76	4.71	4.55
9.00	May 24, 2013	6.59	6.51	6.86	7.16	7.25	7.24
9.81	May 30, 2013	6.59	6.71	6.74	7.15	7.28	7.26
12.40	Aug. 20, 2013	7.29	6.79	6.85	7.22	7.30	7.28
7.27	Sep. 3, 2013	6.59	6.74	6.75	7.09	7.18	7.21
FRB	Sep. 10, 2013	8.63	4.54	4.38	4.60	4.37	6.41
5.32	Feb. 16, 2014	6.74	7.04	7.05	7.33	7.39	7.37
6.72	Feb. 24, 2014	6.73	7.23	6.95	7.34	7.38	7.39
7.37	Apr. 16, 2014	6.74	7.14	7.01	7.25	7.42	7.43
6.07	May 15, 2014	-	7.22	6.96	7.30	7.81	7.51
FRB	May 20, 2014	7.36	4.01	5.06	5.39	5.30	5.14
10.00	May 30, 2014	6.75	7.33	7.10	7.40	7.51	7.58
7.32	Oct. 20, 2014	-	7.25	7.06	7.40	7.50	7.55
10.50	Oct. 29, 2014	6.82	7.39	7.17	7.45	7.52	7.58
7.56	Nov. 3, 2014	6.72	7.17	7.04	7.47	7.54	7.60
11.83	Nov. 12, 2014	6.81	7.50	7.25	7.49	7.58	7.61
10.47	Feb. 12, 2015	6.87	7.82	7.46	7.57	7.63	7.63
10.79	May 19, 2015	6.92	7.67	7.48	7.67	7.67	7.67
11.50	May 21, 2015	6.91	7.67	7.40	7.72	7.70	7.73
6.49	Jun. 8, 2015	-	7.51	7.36	7.64	7.72	7.77
7.17	Jun. 14, 2015	-	-	7.27	7.63	7.65	7.69
FRB	Jul. 2, 2015	7.56	4.08	3.87	5.69	5.68	5.68
11.43	Aug. 7, 2015	6.95	7.60	7.49	7.72	7.76	7.79
FRB	Aug. 10, 2015	8.80	3.98	3.80	4.01	5.99	6.02
7.38	Sep. 3, 2015	6.83	7.49	7.34	7.52	7.73	7.80
9.85	Oct. 16, 2015	7.00	7.65	7.50	7.71	7.79	7.85
7.59	Apr. 12, 2016	7.12	7.43	7.11	7.83	7.81	7.86
10.71	Apr. 19, 2016	7.08	7.63	7.64	7.76	7.81	7.84
FRB	May 7, 2016	6.74	3.97	5.05	5.34	5.20	5.13
5.59	Jun. 4, 2016	7.17	7.72	7.66	7.96	7.94	7.88
12.30	Jul. 2, 2016	7.08	7.73	7.69	7.97	7.95	7.89
7.02	Aug. 17, 2016	-	7.60	7.60	7.77	7.88	7.82
8.07	Jan. 15, 2017	7.10	7.57	7.72	7.87	7.94	7.89
7.49	Apr. 16, 2017	7.19	7.43	7.74	7.77	7.95	7.90

Table No. 27: Month-end Secondary Market Yield on Government of India Securities *(Concld.)*

(Per cent)

Coupon	Date of Maturity	Yield (Semi-annual) as on					
		Mar. 31, 2009 (Year-end)	Mar. 31, 2010 (Year-end)	Jun. 30, 2010	Jul. 31, 2010	Aug. 31, 2010	Sep. 30, 2010
1	2	3	4	5	6	7	8
FRB	Jul. 2, 2017	6.22	4.65	4.54	5.44	5.27	5.30
7.99	Jul. 9, 2017	7.21	7.72	7.74	7.95	8.00	7.80
7.46	Aug. 28, 2017	7.19	7.49	7.70	7.80	7.95	7.87
6.25	Jan. 2, 2018	7.05	7.82	7.72	7.98	8.06	8.02
8.24	Apr. 22, 2018	6.99	7.60	7.64	7.89	8.06	8.03
10.45	Apr. 30, 2018	6.97	7.75	7.71	8.00	8.08	8.09
5.69	Sep. 25, 2018	7.01	7.83	7.77	8.03	8.06	8.09
12.60	Nov. 23, 2018	6.98	7.78	7.78	8.04	8.07	8.10
5.64	Jan. 2, 2019	7.07	7.88	7.80	8.05	8.11	8.08
6.05	Feb. 2, 2019	7.01	7.29	7.80	7.94	8.13	8.09
6.05	Jun. 12, 2019	7.05	7.90	7.84	8.07	8.15	8.10
6.90	Jul. 13, 2019	-	7.82	7.72	7.74	7.98	7.91
10.03	Aug. 9, 2019	7.05	7.90	7.88	8.06	8.17	8.08
6.35	Jan. 2, 2020	7.15	7.85	7.86	7.93	8.06	8.00
10.70	Apr. 22, 2020	7.16	7.92	7.83	8.04	8.10	8.00
7.80	May 3, 2020	-	-	7.55	7.80	7.93	7.85
FRB	Dec. 21, 2020	-	4.62	5.92	5.94	5.94	5.96
11.60	Dec. 27, 2020	7.26	7.94	7.85	8.05	8.09	8.02
7.94	May 24, 2021	7.49	7.94	7.90	8.00	8.10	8.03
10.25	May 30, 2021	7.35	8.17	7.92	8.16	8.19	8.08
8.20	Feb. 15, 2022	7.63	8.10	7.92	8.10	8.15	8.05
8.35	May 14, 2022	7.69	8.18	7.99	8.27	8.23	8.09
8.08	Aug. 2, 2022	7.60	8.19	8.00	8.18	8.22	7.99
5.87	Aug. 28, 2022	7.69	8.14	8.03	8.29	8.25	8.11
8.13	Sep. 21, 2022	7.63	8.05	7.98	8.14	8.02	7.99
6.30	Apr. 9, 2023	7.70	8.16	8.02	8.30	8.27	8.16
6.17	Jun. 12, 2023	7.71	8.17	8.03	8.32	8.28	8.20
7.35	Jun. 22, 2024	-	8.03	8.04	8.17	8.28	8.21
5.97	Sep. 25, 2025	7.73	8.34	8.18	8.48	8.49	8.39
10.18	Sep. 11, 2026	7.74	8.37	8.23	8.52	8.48	8.40
8.24	Feb. 15, 2027	7.75	8.25	8.21	8.35	8.39	8.34
8.26	Aug. 2, 2027	7.88	8.27	8.18	8.36	8.35	8.28
8.28	Sep. 21, 2027	7.88	8.40	8.29	8.60	8.52	8.39
6.01	Mar. 25, 2028	7.93	8.47	8.35	8.65	8.57	8.45
6.13	Jun. 4, 2028	7.92	8.46	8.35	8.66	8.58	8.46
8.28	Feb. 15, 2032	7.81	8.30	8.25	8.34	8.30	8.33
8.32	Aug. 2, 2032	7.83	8.41	8.29	8.34	8.35	8.32
7.95	Aug. 28, 2032	7.81	8.32	8.30	8.34	8.16	8.21
8.33	Sep. 21, 2032	7.82	8.41	8.32	8.52	8.49	8.41
7.50	Aug. 10, 2034	7.78	8.27	8.08	8.25	8.38	8.30
7.40	Sep. 9, 2035	7.78	8.24	8.35	8.53	8.42	8.35
8.33	Jun. 7, 2036	7.85	8.30	8.37	8.35	8.39	8.36
6.83	Jan. 19, 2039	7.77	8.28	8.42	8.42	8.42	8.37
8.30	Jul. 2, 2040	-	-	-	8.33	8.38	8.31

FRB: Floating Rate Bond.

* 6.72% GS 2012 with call/ put option on coupon dates.

Source : Fixed Income Money Market and Derivatives Association of India (FIMMDA).

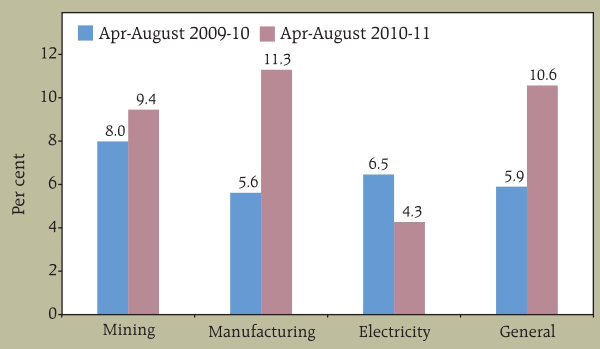
Production

No. 28: Group-wise Index Number of Industrial Production
(Base: 1993-94=100)

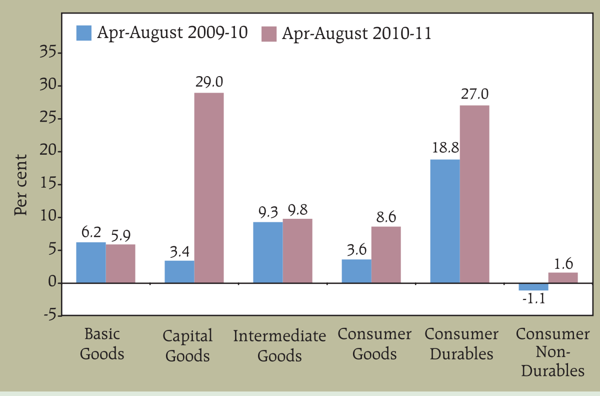
Sr. No.	Industry	Weight	Annual			Cumulative		Monthly	
			2007-08	2008-09	2009-10 P	April - August		August	
						2009-10	2010-11 P	2009	2010 P
1	2	3	4	5	6	7	8	9	10
	General Index	**100.00**	**268.0**	**275.4**	**304.2**	**285.0**	**315.1**	**292.8**	**309.1**
I.	**Sectoral Classification**								
1	Mining and Quarrying	**10.47**	171.6	176.0	193.4	179.1	196.0	178.1	190.6
2	Manufacturing	**79.36**	287.2	295.1	327.3	305.0	339.5	314.0	332.6
3	Electricity	**10.17**	217.7	223.7	237.2	237.0	247.1	245.1	247.6
II.	**Use-Based Classification**								
1	Basic Goods	**35.57**	223.9	229.7	246.2	239.3	253.3	243.3	252.4
2	Capital Goods	**9.26**	370.8	397.9	474.8	371.2	478.7	406.4	395.8
3	Intermediate Goods	**26.51**	264.1	259.0	294.3	289.4	317.9	295.6	325.2
4	Consumer Goods	**28.66**	293.6	307.5	329.9	309.6	336.2	314.8	336.6
4(a)	Consumer Durables	**5.36**	378.0	395.0	498.6	454.7	577.6	491.8	622.2
4(b)	Consumer Non-Durables	**23.30**	274.2	287.3	291.1	276.2	280.6	274.1	270.8

Source : Central Statistical Organisation, Government of India.

Sectoral Growth of Industrial Production



Growth in IIP: Use-based Classification

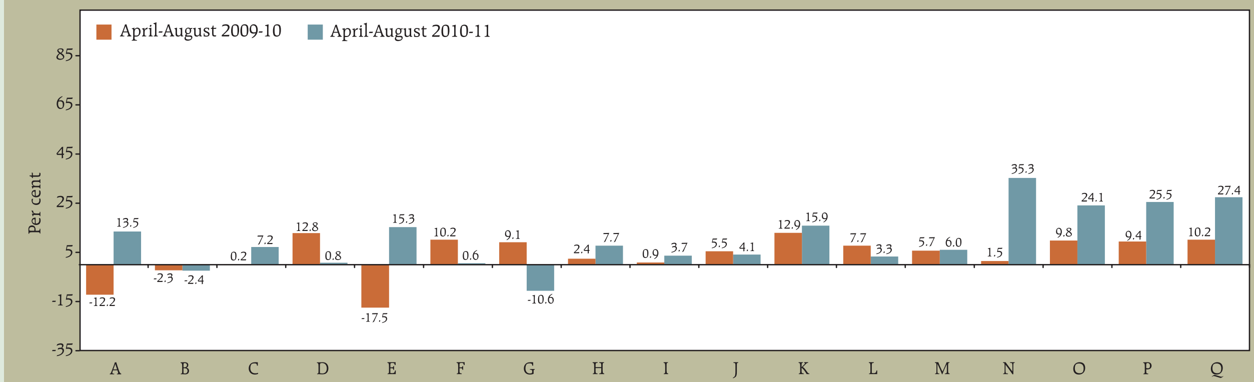


No. 29: IIP — Seventeen Major Industry Groups of Manufacturing Sector
(Base : 1993-94 = 100)

Sr. No.	Industry	Weight	Annual			Cumulative April-August		Monthly August	
			2007-08	2008-09	2009-10 P	2009-10	2010-11 P	2009	2010 P
1	2	3	4	5	6	7	8	9	10
	Manufacturing Index	**79.36**	**287.2**	**295.1**	**327.3**	**305.0**	**339.5**	**314.0**	**332.6**
20-21	Food Products	9.08	198.2	178.9	176.2	132.8	150.7	126.9	148.2
22	Beverages, Tobacco and Related Products	2.38	498.0	578.5	577.2	574.4	560.4	529.3	542.3
23	Cotton Textiles	5.52	164.0	160.9	169.7	166.1	178.0	170.1	176.9
24	Wool, Silk and Man-made Fibre Textiles	2.26	281.2	281.2	304.1	311.2	313.6	309.8	324.1
25	Jute and Other Vegetable Fibre Textiles (Except Cotton)	0.59	120.7	108.6	82.1	92.4	106.5	104.7	112.0
26	Textile Products (Including Wearing Apparel)	2.54	295.5	312.5	338.9	340.8	342.7	347.3	336.8
27	Wood and Wood Products, Furniture and Fixtures	2.70	127.9	115.6	126.8	131.9	117.9	150.3	127.3
28	Paper and Paper Products and Printing, Publishing and Allied Industries	2.65	255.3	260.0	270.2	263.7	284.1	267.4	298.1
29	Leather and Leather & Fur Products	1.14	167.8	156.3	159.8	166.9	173.0	155.4	185.8
30	Chemicals and Chemical Products (Except Products Of Petroleum and Coal)	14.00	313.4	326.3	360.1	360.4	375.0	375.5	368.1
31	Rubber, Plastic, Petroleum and Coal Products	5.73	246.4	242.6	279.9	267.6	310.1	281.2	315.5
32	Non-metallic Mineral Products	4.40	323.2	327.0	352.4	347.1	358.7	336.0	347.8
33	Basic Metal and Alloy Industries	7.45	312.7	325.1	346.3	338.1	358.4	342.8	364.6
34	Metal Products and Parts, Except Machinery and Equipment	2.81	172.9	165.9	192.0	160.9	217.7	163.2	217.7
35-36	Machinery and Equipment Other Than Transport Equipment	9.57	394.4	429.1	519.2	439.7	545.8	474.0	476.0
37	Transport Equipment and Parts	3.98	378.4	387.9	484.9	430.7	540.6	464.8	570.7
38	Other Manufacturing Industries	2.56	357.4	358.9	396.8	332.4	423.6	347.6	444.5

Source : Central Statistical Organisation, Government of India.

Growth Performance of Manufacturing Industries



A Food products
B Beverages-tobacco and related products
C Cotton textiles
D Wool.silk and man-made fibre textiles
E Jute and other vegetable fibre textiles (except cotton)
F Textile products (including wearing apparel)
G Wood and wood products-furniture & fixtures
H Paper and paper products and printing-publishing and allied industries
I Leather and leather & fur products
J Chemicals and chemical products (except products of petroleum & coal)
K Rubber-plastic-petroleum and coal products
L Non-metallic mineral products
M Basic metal and alloy industries
N Metal products and parts-except machinery and equipment)
O Machinery and equipment other than transport equipment
P Transport equipment and parts
Q Other manufacturing industries

Capital Market

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

(Amount in ₹ crore)

Security & Type of Issue	2008-09 (April-March)		2009-10 (April-March)		April-July 2009		April-July 2010	
	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
1) Equity Shares (a+b)	45 (39)	14,670.6 (13,022.0)	67 (64)	25,298.7 (20,759.4)	8 (8)	3,414.4 (3,077.5)	17 (16)	8,833.0 (5,595.0)
a) Prospectus	25 (24)	2,673.3 (1,966.5)	39 (38)	17,160.1 (13,203.7)	5 (5)	3,385.3 (3,053.6)	12 (11)	6,152.1 (3,049.8)
b) Rights	20 (15)	11,997.3 (11,055.5)	28 (26)	8,138.6 (7,555.7)	3 (3)	29.1 (23.9)	5 (5)	2,680.9 (2,545.2)
2) Preference Shares (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
3) Debentures (a+b)	–	–	1	180.0	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights *of which:*	–	–	1	180.0	–	–	–	–
I) Convertible (a+b)	–	–	1	180.0	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	1	180.0	–	–	–	–
II) Non-Convertible (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
4) Bonds (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
5) TOTAL (1+2+3+4)	**45**	**14,670.6**	**68**	**25,478.7**	**8**	**3,414.4**	**17**	**8,833.0**
a) Prospectus	25	2,673.3	39	17,160.1	5	3,385.3	12	6,152.1
b) Rights	20	11,997.3	29	8,318.6	3	29.1	5	2,680.9

Note : Figures in brackets indicate data in respect of premium on capital issues which are included in respective totals.

Source : Data are compiled from prospectus/circulars/advertisements issued by companies, replies given by the companies to the Reserve Bank's questionnaire, information received from SEBI, stock exchanges, press reports, *etc.*

Also see 'Notes on Tables'.

No. 31: Index Numbers of Ordinary Share Prices

Year / Month	BSE Sensitive Index (Base : 1978 - 79 = 100)			BSE - 100 (Base : 1983 - 84 = 100)			S & P CNX Nifty (Base : November 3, 1995 = 1000)		
	Average	High	Low	Average	High	Low	Average	High	Low
1	2	3	4	5	6	7	8	9	10
2005-06	8280.08	11307.04	6134.86	4393.54	5904.17	3310.14	2513.44	3418.95	1902.50
2006-07	12277.33	14652.09	8929.44	6242.73	7413.22	4535.00	3572.44	4224.25	2632.80
2007-08	16568.89	20873.33	12455.37	8691.47	11509.96	6287.69	4896.60	6287.85	3633.60
2008-09	12365.55	17600.12	8160.40	6433.13	9348.64	4160.43	3731.03	5228.20	2524.20
2009-10	15585.21	17711.35	9901.99	8187.25	9419.46	5028.39	4657.77	5302.85	3060.35
September 2009	16338.45	17126.84	15398.33	8546.26	8930.31	8093.88	4859.31	5083.95	4593.55
October 2009	16825.66	17326.01	15896.28	8832.86	9128.35	8333.18	4994.11	5142.15	4711.70
November 2009	16684.29	17198.95	15404.94	8783.46	9042.23	8068.05	4953.54	5108.15	4563.90
December 2009	17090.31	17464.81	16601.20	9055.44	9229.71	8809.14	5099.74	5201.05	4952.60
January 2010	17260.41	17701.13	16289.82	9193.05	9419.46	8633.65	5156.22	5281.80	4853.10
February 2010	16183.81	16496.05	15790.93	8633.77	8805.16	8427.48	4839.57	4931.85	4718.65
March 2010	17302.72	17711.35	16772.56	9183.03	9368.31	8926.16	5178.15	5302.85	5017.00
April 2010	17678.64	17970.02	17380.08	9391.39	9529.43	9229.47	5294.76	5374.65	5203.65
May 2010	16844.54	17386.08	16022.48	8988.47	9304.40	8539.58	5052.97	5222.75	4806.75
June 2010	17299.75	17876.55	16572.03	9215.65	9480.25	8851.90	5187.78	5353.30	4970.20
July 2010	17847.83	18130.98	17441.44	9528.31	9670.34	9323.76	5359.75	5449.10	5235.90
August 2010	18176.86	18454.94	17971.12	9719.18	9874.06	9627.72	5457.24	5543.50	5402.40
September 2010	19352.86	20117.38	18205.87	10315.38	10674.30	9759.42	5811.48	6035.65	5471.85

Sources : 1. Bombay Stock Exchange Ltd.
2. National Stock Exchange of India Ltd.

No. 32: Volume in Corporate Debt Traded at NSE*

(₹ crore)

Week / Month / Year (April-March)			Volume
1			2
2005 - 06			**10,619.36**
2006 - 07			**6,639.78**
2007 - 08			**8,576.11**
2008 - 09			**11,934.44**
2009 - 10			**54,476.53**
2009-10			
April		2009	4,178.12
May		2009	2,703.44
June		2009	2,168.95
July		2009	3,876.68
August		2009	4,388.71
September		2009	4,405.57
October		2009	4,938.30
November		2009	7,432.69
December		2009	2,260.34
January		2010	7,583.90
February		2010	3,420.74
March		2010	7,119.09
2010-11			
April		2010	6,334.81
May		2010	6,016.03
June		2010	4,065.18
July		2010	2,265.40
August		2010	4,314.17
September		2010	3,263.18
Week ended			
Aug	6,	2010	2,014.35
Aug	13,	2010	775.38
Aug	20,	2010	357.16
Aug	27,	2010	851.06
Sep	03,	2010	859.59
Sep	10,	2010	586.88
Sep	17,	2010	755.64
Sep	24,	2010	995.61

* Excluding trade in commercial papers.

Source : National Stock Exchange of India Ltd.

No. 33: Assistance Sanctioned and Disbursed by All - India Financial Institutions

(₹ crore)

	April-September		April-March	
	2003-04	2004-05	2002-03	2003-04
1	2	3	4	5
Sanctions				
All-India Development Banks	**9,831.9**	**12,860.0**	**22,318.1**	**23,444.3**
1. IDBI	2,860.2	6,314.4	5,898.2	5,630.8
2. IFCI	132.1	–	2,005.8	1,451.9
3. SIDBI	2,607.9	2,991.8	10,903.7	8,223.7
4. IIBI	1,392.8	0.9	1,206.4	2,411.9
5. IDFC	2,838.9	3,552.9	2,304.0	5,726.0
Investment Institutions	13,025.1	7,805.5	5,666.5	29,479.2
6. LIC	12,291.1	7,135.3	4,341.5	27,748.0
7. GIC	324.3	93.0	369.3	674.0
8. National Ins. Co. Ltd.	115.6	87.3	200.0	373.0
9. New India Ass. Co Ltd.	84.1	179.3	138.0	199.1
10. Oriental Ins. Co. Ltd.	93.3	28.2	123.9	134.8
11. United India Ins. Co. Ltd.	116.7	282.4	493.8	350.3
Total	**22,857.0**	**20,665.5**	**27,984.6**	**52,923.5**
Disbursements				
All India Development Banks	5,750.2	5,027.1	17,225.2	14,056.6
1. IDBI	637.2	2,085.1	6,614.9	4,409.1
2. IFCI	176.3	43.8	1,779.9	279.0
3. SIDBI	1,742.2	1,358.3	6,789.5	4,412.7
4. IIBI	1,216.5	7.6	1,091.9	2,251.8
5. IDFC	978.0	1,532.3	949.0	2,704.0
Investment Institutions	4,615.6	5,421.3	7,487.6	17,400.2
6. LIC	3,829.2	4,871.0	6,205.7	15,781.6
7. GIC	328.4	108.0	328.4	657.7
8. National Ins. Co. Ltd.	118.4	17.3	177.6	224.4
9. New India Ass. Co Ltd.	85.6	115.2	78.0	195.6
10. Oriental Ins. Co. Ltd.	135.0	27.4	241.5	187.1
11. United India Ins. Co. Ltd.	119.0	282.4	456.4	353.8
Total	**10,365.8**	**10,448.4**	**24,712.8**	**31,456.8**

Note : Data are provisional. Monthly data are not adjusted for inter-institutional flows.
Source : Industrial Development Bank of India.

Prices

No. 34: Monthly Average price of Gold and Silver in Mumbai

Month / Year		Standard Gold (₹ per 10 grams)	Silver (₹ per kilogram)
1		2	3
2000-01		4,474	7,868
2001-02		4,579	7,447
2002-03		5,332	7,991
2003-04		5,719	8,722
2004-05		6,145	10,681
2005-06		6,901	11,829
2006-07		9,240	19,057
2007-08		9,996	19,427
2008-09		12,905	21,272
2009-10		15,755	25,417
October	2008	12,766	18,687
November	2008	12,207	17,174
December	2008	12,897	17,327
January	2009	13,508	19,115
February	2009	14,781	21,442
March	2009	15,255	22,311
April	2009	14,501	21,336
May	2009	14,610	22,553
June	2009	14,620	23,069
July	2009	14,749	22,334
August	2009	14,996	23,646
September	2009	15,723	26,323
October	2009	15,864	27,360
November	2009	17,040	28,225
December	2009	17,138	28,345
January	2010	16,684	28,165
February	2010	16,535	25,677
March	2010	16,603	27,048
April	2010	16,679	28,027
May	2010	17,997	29,330
June	2010	18,741	29,821
July	2010	18,300	29,387
August	2010	18,490	29,677
September	2010	19,087	32,592
October	2010	19,493	36,020

Source : Bombay Bullion Association Ltd.
Also see 'Notes on Tables'.

No. 35: Consumer Price Index Numbers for Industrial Workers – All-India and Selected Centres

(Base : 2001 = 100)

Centre	New Linking Factor (1)	1990-91 @	2008-09	2009-10	2010						
					Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.
1	2	3	4	5	6	7	8	9	10	11	12
All India (2)	**4.63**	**193**	145	163	**170**	**170**	**172**	**174**	**178**	**178**	**179**
Ahmedabad	4.62	196	141	157	164	164	165	169	175	173	176
Alwaye (Ernakulam)	4.52	176	145	156	161	161	164	166	169	170	170
Asansol	4.37	189	155	178	188	191	191	192	195	199	200
Bangalore	4.51	183	154	171	175	179	182	182	183	182	185
Bhavnagar	4.76	198	137	154	164	166	167	170	181	181	179
Bhopal	4.83	196	148	168	177	179	180	183	189	191	188
Chandigarh	5.26	189	143	161	168	167	167	168	178	179	182
Chennai	4.95	189	139	153	155	156	160	162	162	161	162
Coimbatore	4.49	178	140	156	161	159	162	166	164	163	166
Delhi	5.60	201	140	152	157	158	159	159	164	164	169
Faridabad	4.79	187	149	167	176	178	177	178	187	185	187
Guwahati	4.80	195	132	147	152	153	153	154	155	157	159
Howrah	5.42	212	142	159	163	166	167	169	173	173	175
Hyderabad	4.79	182	139	156	162	162	165	166	167	165	166
Jaipur	4.25	190	148	165	174	175	174	177	183	182	183
Jamshedpur	4.23	187	145	165	175	175	176	177	186	184	185
Kolkata	5.12	203	145	161	166	168	170	172	175	175	176
Ludhiana	4.12	193	149	165	172	170	171	170	178	179	181
Madurai	4.51	192	137	152	156	158	160	162	163	162	163
Monghyr-Jamalpur	4.30	189	148	169	178	177	176	176	180	184	185
Mumbai	5.18	201	148	163	166	167	169	171	175	175	178
Mundakayam	4.37	184	150	162	167	169	170	174	177	176	177
Nagpur	4.68	201	155	183	194	195	197	200	206	207	210
Pondicherry	4.88	204	151	167	172	170	168	171	171	172	172
Rourkela	4.03	179	153	172	177	180	182	184	190	190	190
Kanpur	4.50	195	144	166	176	178	179	182	187	186	187
Solapur	4.73	197	151	166	171	172	175	175	180	180	181
Srinagar	5.62	184	137	149	156	155	156	157	160	160	161

@ Base 1982=100.

Note : New series of Consumer Price Index for Industrial Workers with base 2001 = 100 was released in January 2006 by Labour Bureau, Shimla. Linking Factors between old and new series as published by the Labour Bureau are reproduced in column 2.

For (1) and (2) See 'Notes on Tables'.

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

No. 36: Consumer Price Index Numbers for Urban Non-manual Employees – All-India and Selected Centres

(Base : 1984 - 85 = 100)

Centre	1990-91	2006-07	2007-08	2007					2008		
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1	2	3	4	5	6	7	8	9	10	11	12
All India (1)	**161**	**486**	**515**	**498**	**516**	**520**	**519**	**518**	**520**	**523**	**528**
Mumbai	154	478	504	490	502	506	508	510	509	510	513
Delhi	156	499	521	508	522	528	523	523	525	529	532
Kolkata	164	439	476	449	481	486	480	479	479	482	484
Chennai	168	569	605	585	606	607	609	607	610	611	618
Hyderabad	164	526	560	541	558	561	565	564	564	568	574
Bangalore	161	513	546	527	545	544	547	551	559	563	566
Lucknow	158	465	484	471	488	487	482	480	480	486	492
Ahmedabad	153	426	449	435	450	454	453	454	452	453	459
Jaipur	165	477	515	491	517	519	521	519	527	532	545
Patna	167	451	484	466	490	494	495	492	496	496	501
Srinagar	150	475	513	496	511	517	515	513	524	528	538
Thiruvananthapuram	152	507	535	512	528	530	535	542	548	552	555
Cuttack	154	479	507	492	507	511	512	510	510	509	510
Bhopal	166	458	482	461	481	488	490	488	490	493	502
Chandigarh	176	637	665	649	672	672	669	666	668	671	678
Shillong	179	499	565	528	566	571	572	571	580	582	584
Shimla	163	490	511	506	517	519	511	508	507	508	513
Jammu	161	480	511	492	512	514	512	507	515	523	533
Amritsar	152	402	423	412	431	433	425	422	423	427	431
Kozhikode (Calicut)	150	447	465	452	462	464	469	469	473	475	483
Kanpur	165	450	481	462	490	489	483	479	478	483	489
Indore	170	485	507	490	513	515	510	507	510	516	526
Pune	162	509	547	517	546	549	555	555	554	560	563
Jabalpur	164	437	467	452	473	476	473	471	467	471	478
Jodhpur	168	465	487	476	490	492	489	490	489	492	501

Linked All-India Consumer Price Index Number for Urban Non-Manual Employees (UNME)

(Base : 1984 - 85 = 100)

	2009	2010			
	Aug.	May	Jun.	Jul.	Aug.
1	2	3	4	5	6
General Index	631	672	679	696	696

Note : The CPI (UNME) for base 1984-85 = 100 has been discontinued due to outdated base year with effect from April 2008 onwards. Linked all-India CPI (UNME) number are available for meeting the requirement of users.

See 'Notes on Tables'.

Source : Central Statistical Organisation, Government of India.

No. 37: Consumer Price Index Numbers for Agricultural / Rural Labourers

A : Consumer Price Index Numbers for Agricultural Labourers
(Base : July 1986 - June 1987 = 100)

State	1990-91(1)	Linking Factor (2)	2008-09	2009-10	2009	2010					
					Sep.	Apr.	May	Jun.	Jul.	Aug.	Sep.
1	2	3	4	5	6	7	8	9	10	11	12
All India	**830**	**5.89**	**462**	**530**	**515**	**538**	**540**	**547**	**554**	**557**	**562**
Andhra Pradesh	657	4.84	484	552	534	561	569	580	578	578	582
Assam	854	(3)	451	520	512	523	533	540	550	561	570
Bihar	858	6.22	446	500	490	511	504	507	515	513	517
Gujarat	742	5.34	459	538	525	545	550	558	573	575	575
Haryana		(5)	498	588	563	604	601	610	617	627	636
Himachal Pradesh		(5)	406	455	447	460	464	464	475	484	486
Jammu & Kashmir	843	5.98	453	524	497	539	538	539	546	543	545
Karnataka	807	5.81	458	535	523	541	543	547	554	564	568
Kerala	939	6.56	454	496	477	509	513	521	530	539	544
Madhya Pradesh	862	6.04	459	525	512	531	534	541	548	550	559
Maharashtra	801	5.85	475	562	551	567	574	584	586	593	591
Manipur		(5)	407	455	444	462	473	482	491	502	508
Meghalaya		(5)	484	540	538	537	542	550	553	562	563
Orissa	830	6.05	438	495	486	502	508	511	515	521	529
Punjab	930	(4)	501	586	569	592	593	595	603	608	618
Rajasthan	885	6.15	490	573	558	577	577	580	588	589	591
Tamil Nadu	784	5.67	455	514	497	521	528	534	542	543	544
Tripura		(5)	433	466	465	469	469	472	480	486	493
Uttar Pradesh	960	6.60	469	535	524	534	534	542	548	550	560
West Bengal	842	5.73	432	504	481	525	522	530	545	543	558

See 'Notes on Tables'.

No. 37: Consumer Price Index Numbers for Agricultural / Rural Labourers

B : Consumer Price Index Numbers for Rural Labourers
(Base : July 1986 - June 1987 = 100)

State	1995-96 (7)	2008-09	2009-10	2009	2010						
				Sep.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.
1	2	3	4	5	6	7	8	9	10	11	12
All India	**240**	**462**	**529**	**514**	**536**	**538**	**540**	**547**	**554**	**556**	**562**
Andhra Pradesh	244	482	550	532	552	559	567	577	576	575	579
Assam	243	454	524	514	524	527	537	543	553	564	572
Bihar	223	447	500	491	509	511	505	508	515	514	517
Gujarat	241	460	538	525	541	545	550	558	572	574	574
Haryana	237	495	583	558	603	600	597	606	613	624	631
Himachal Pradesh	221	420	474	463	478	482	485	485	495	505	506
Jammu & Kashmir	225	451	521	492	538	535	535	536	543	540	543
Karnataka	250	459	534	522	535	541	543	547	553	564	568
Kerala	260	456	502	482	512	515	519	527	536	545	548
Madhya Pradesh	239	463	532	518	539	539	542	549	556	558	566
Maharashtra	247	470	557	546	562	563	569	578	581	587	585
Manipur	245	407	456	445	459	463	474	483	492	503	509
Meghalaya	250	481	535	533	529	534	539	547	550	558	559
Orissa	236	439	496	486	496	502	509	511	515	521	529
Punjab	247	501	585	568	600	592	593	595	602	607	616
Rajasthan	239	486	567	552	580	571	572	574	581	582	584
Tamil Nadu	244	452	509	493	512	516	523	528	536	537	538
Tripura	219	429	462	462	462	464	464	468	477	484	491
Uttar Pradesh	231	469	532	521	537	532	531	539	545	548	558
West Bengal	232	435	506	485	523	526	525	532	546	545	561

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

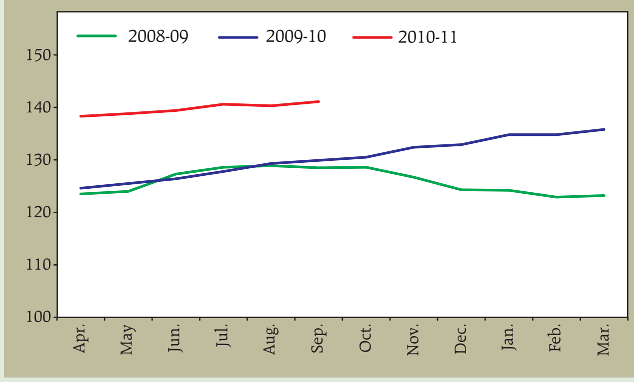
No. 38: Index Numbers of Wholesale Prices in India – by Groups and Sub-Groups

(Base : 2004-05= 100)

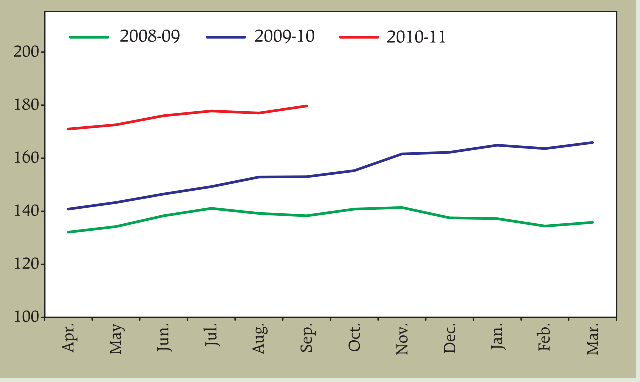
Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2008-09	2009-10	2009	2010					
		April-March			Sep.	Apr.	May	Jun.	Jul.	Aug.(P)	Sep.(P)
1	2	3	4	5	6	7	8	9	10	11	12
ALL COMMODITIES	**100.000**	**104.4**	**125.9**	**130.4**	**129.9**	**138.3**	**138.8**	**139.4**	**140.6**	**140.3**	**141.1**
I. PRIMARY ARTICLES	**20.118**	**104.3**	**137.5**	**154.9**	**153.0**	**171.0**	**172.6**	**176.0**	**177.8**	**177.0**	**179.7**
(A) Food Articles	**14.337**	**105.4**	**134.8**	**155.4**	**154.7**	**168.8**	**172.1**	**175.4**	**178.2**	**176.2**	**179.0**
a. Foodgrains (Cereals+Pulses)	4.090	107.3	145.3	166.4	164.1	171.8	172.2	173.4	174.2	175.4	173.9
a1. Cereals	3.373	106.0	143.1	161.2	158.7	165.2	165.0	166.3	167.4	169.3	168.6
a2. Pulses	0.717	113.3	155.8	190.8	189.2	202.5	206.2	206.8	205.8	204.5	198.8
b. Fruits & Vegetables	3.843	108.0	134.9	147.8	150.9	153.3	157.6	168.3	171.3	159.3	164.5
b1. Vegetables	1.736	113.7	141.9	161.8	170.7	143.9	150.9	175.1	172.0	172.3	181.0
b2. Fruits	2.107	103.3	129.1	136.2	134.7	161.1	163.0	162.7	170.7	148.5	150.9
c. Milk	3.238	101.0	123.2	146.4	142.7	170.5	171.9	171.9	174.6	176.0	176.9
d. Eggs, Meat & Fish	2.414	106.3	125.4	151.5	151.4	175.9	185.1	184.3	188.2	190.3	198.2
e. Condiments & Spices	0.569	94.5	151.2	182.7	182.2	208.9	214.0	220.5	231.7	237.2	244.0
f. Other Food Articles	0.183	107.8	175.0	196.2	192.6	174.8	176.8	173.7	176.8	179.6	179.4
(B) Non-Food Articles	**4.258**	**96.7**	**129.2**	**136.2**	**133.0**	**151.5**	**150.8**	**152.9**	**152.2**	**154.1**	**157.2**
a. Fibres	0.877	96.4	137.9	140.0	134.9	152.6	154.3	157.6	157.1	156.7	172.1
b. Oil seeds	1.781	90.4	131.2	135.0	133.4	138.6	137.7	137.7	137.1	141.0	140.4
c. Other Non-Food Articles	1.386	103.9	117.5	128.7	123.7	167.9	164.6	167.6	170.5	168.9	167.3
d. Flowers	0.213	103.8	152.3	179.2	181.9	148.9	156.7	165.1	138.8	158.3	170.1
(C) Minerals	**1.524**	**115.2**	**186.5**	**202.9**	**193.5**	**245.7**	**238.4**	**246.0**	**246.1**	**248.5**	**248.6**
a. Metallic Minerals	0.489	127.9	266.2	258.3	232.3	343.8	350.8	371.7	372.1	371.9	372.3
b. Other Minerals	0.135	104.8	144.2	146.0	145.7	143.2	145.9	144.0	144.0	144.0	144.0
c. Crude Petroleum	0.900	109.8	149.7	181.4	179.6	207.8	191.2	192.9	193.1	197.1	197.1
II. FUEL & POWER	**14.910**	**113.6**	**135.0**	**132.1**	**132.9**	**141.1**	**142.8**	**143.2**	**147.8**	**148.0**	**147.6**
a. Coal	2.094	117.6	151.3	156.5	151.0	163.0	163.0	163.0	163.0	163.0	163.0
b. Mineral Oils	9.364	116.7	141.8	135.8	137.8	148.2	148.9	149.5	156.9	157.2	156.6
c. Electricity	3.452	102.6	106.4	107.4	108.6	108.6	114.0	114.0	114.0	114.0	114.0

See 'Notes on Tables'.

Monthly Movement of the Index of WPI-All Commodities



Monthly Movement in the Index of WPI-Primary Articles

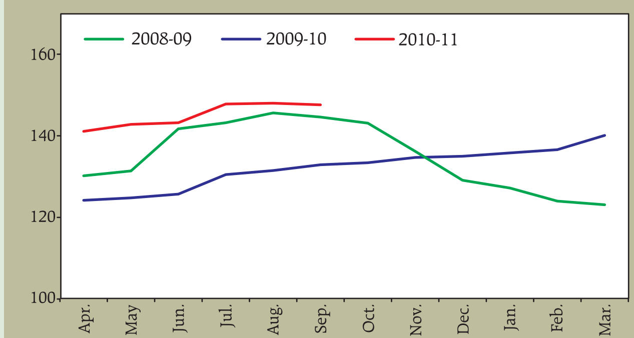


No. 38: Index Numbers of Wholesale Prices in India – by Groups and Sub-Groups *(Contd.)*

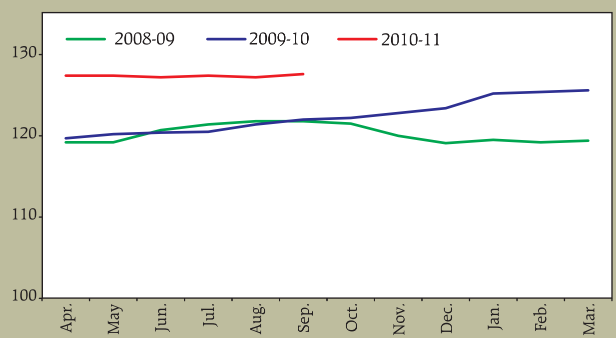
(Base : 2004-05= 100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2008-09	2009-10	2009	2010					
		April-March			Sep.	Apr.	May	Jun.	Jul.	Aug.(P)	Sep.(P)
1	2	3	4	5	6	7	8	9	10	11	12
III. MANUFACTURED PRODUCTS	**64.972**	**102.3**	**120.2**	**122.4**	**122.0**	**127.4**	**127.4**	**127.2**	**127.4**	**127.2**	**127.6**
(A) Food Products	**9.974**	**101.2**	**119.9**	**136.1**	**135.5**	**138.0**	**137.5**	**136.8**	**139.0**	**138.3**	**139.3**
a. Dairy Products	0.568	99.5	122.9	138.8	140.3	151.1	152.1	152.1	151.8	151.3	150.8
b. Canning, Preserving & Processing of Fish	0.358	101.7	106.3	121.1	121.5	120.9	125.0	125.1	126.4	125.1	127.5
c. Grain Mill Products	1.340	104.8	130.1	138.0	134.9	143.2	142.1	142.6	144.3	145.1	145.0
d. Bakery Products	0.444	101.3	109.9	116.3	115.0	126.1	126.3	126.3	126.3	126.3	126.3
e. Sugar, Khandsari & Gur	2.089	108.8	106.8	161.9	162.4	161.9	158.7	152.8	159.8	153.5	156.5
f. Edible Oils	3.043	94.1	121.6	114.4	113.3	114.3	114.4	115.2	116.5	117.9	118.8
g. Oil Cakes	0.494	97.7	145.1	167.3	169.8	165.9	160.9	161.2	161.2	163.7	166.3
h. Tea & Coffee Proccessing	0.711	99.4	125.1	144.8	144.2	142.3	145.6	147.2	149.1	149.5	149.6
i. Manufacture of Salt	0.048	104.4	172.4	170.2	163.6	180.2	186.9	186.9	173.0	186.9	166.9
j. Other Food Products	0.879	106.5	117.4	134.8	134.8	138.2	138.9	139.5	139.7	139.8	140.0
(B) Beverages, Tobacco & Tobacco Products	**1.762**	**104.7**	**128.3**	**136.2**	**135.8**	**144.0**	**143.7**	**143.8**	**143.7**	**143.6**	**143.8**
a. Wine Industries	0.385	105.8	114.0	116.3	115.9	117.9	117.8	117.9	117.9	117.9	117.9
b. Malt liquor	0.153	108.8	130.1	150.5	150.2	158.6	155.2	159.8	159.8	159.8	159.8
c. Soft drinks & Carbonated Water	0.241	111.5	132.3	135.1	132.6	143.3	143.5	143.3	143.3	143.3	143.3
d. Manufacture of Bidi, Cigarettes, Tobacco & Zarda	0.983	101.9	132.7	142.0	142.1	152.1	152.2	151.7	151.4	151.2	151.6
(C) Textiles	**7.326**	**98.9**	**103.2**	**106.7**	**105.7**	**114.5**	**115.4**	**115.5**	**115.7**	**115.3**	**116.0**
a. Cotton Textiles	2.605	97.1	102.7	108.8	105.9	120.0	121.5	121.4	121.3	121.2	121.7
a1. Cotton Yarn	1.377	95.2	102.7	110.6	105.3	128.9	130.2	129.9	129.8	129.4	130.3
a2. Cotton Fabric	1.228	99.2	102.6	106.8	106.5	110.0	111.7	111.9	111.8	112.1	112.0

Monthly Movement of the Index of WPI-Fuel & Power



Monthly Movement in the Index of WPI-Manufactured Products



No. 38: Index Numbers of Wholesale Prices in India – by Groups and Sub-Groups *(Contd.)*

(Base : 2004-05= 100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2008-09	2009-10	2009	2010					
		April-March			Sep.	Apr.	May	Jun.	Jul.	Aug.(P)	Sep.(P)
1	2	3	4	5	6	7	8	9	10	11	12
b. Man Made Textiles	2.206	98.4	102.0	102.9	102.6	109.9	110.1	109.6	111.8	109.4	112.2
b1. Man Made Fibre	1.672	97.7	100.2	101.9	101.8	110.1	110.3	109.7	112.7	109.3	113.0
b2. Man Made Fabric	0.533	100.5	107.6	105.8	105.1	109.1	109.5	109.6	109.0	109.7	109.5
c. Woolen Textiles	0.294	102.2	108.3	109.4	109.4	113.0	113.3	114.8	114.8	114.5	113.7
d. Jute, Hemp & Mesta Textiles	0.261	111.6	116.6	145.8	144.8	156.8	158.0	158.3	155.6	156.6	157.2
e. Other Misc. Textiles	1.960	99.9	102.6	102.6	103.0	106.9	107.8	108.6	107.3	108.5	107.5
(D) Wood & Wood Products	**0.587**	**105.7**	**130.7**	**143.3**	**145.1**	**148.8**	**147.5**	**146.8**	**147.7**	**149.1**	**149.7**
a. Timber / Wooden Planks	0.181	103.0	120.5	127.2	129.5	129.5	130.0	129.9	130.3	130.5	133.5
b. Processed Wood	0.128	105.3	127.9	141.0	143.7	146.4	146.7	146.8	150.1	151.8	152.1
c. Plywood & Fibre Board	0.241	108.4	142.4	160.2	161.3	168.8	165.8	164.3	164.1	166.5	165.6
d. Others	0.038	103.2	114.8	120.2	122.1	121.3	117.9	117.7	118.4	119.0	117.5
(E) Paper & Paper Products	**2.034**	**103.6**	**116.3**	**118.9**	**119.3**	**122.4**	**121.9**	**122.0**	**123.4**	**121.9**	**123.4**
a. Paper & Pulp	1.019	103.2	117.1	117.2	116.6	121.8	122.6	122.8	123.2	122.5	122.8
b. Manufacture of Boards	0.550	101.6	113.7	117.7	120.2	121.2	122.9	122.2	122.1	122.4	122.5
c. Printing & Publishing	0.465	107.0	117.6	123.8	124.2	125.2	119.1	120.0	125.5	119.8	125.7
(F) Leather & Leather Products	**0.835**	**104.3**	**122.3**	**128.4**	**128.3**	**126.9**	**128.3**	**127.8**	**128.7**	**128.6**	**128.2**
a. Leathers	0.223	99.8	120.0	123.0	123.4	121.4	122.2	123.0	123.3	122.7	123.2
b. Leather Footwear	0.409	107.8	124.1	134.7	136.1	134.8	136.3	135.1	136.7	136.8	135.8
c. Other Leather Products	0.203	102.1	121.4	121.4	117.7	117.1	119.0	118.4	118.4	118.4	118.4
(G) Rubber & Plastic Products	**2.987**	**101.9**	**117.3**	**118.2**	**118.5**	**121.9**	**122.9**	**123.0**	**123.7**	**124.2**	**124.8**
a. Tyres & Tubes	0.541	103.2	125.9	130.1	128.8	135.9	140.4	141.1	141.2	145.1	148.4
a1. Tyres	0.488	103.1	125.1	129.2	128.0	135.1	139.5	140.2	140.2	144.3	148.0
a2. Tubes	0.053	104.3	132.9	138.2	136.5	143.6	148.1	149.4	150.6	152.6	152.6
b. Plastic Products	1.861	101.1	113.8	113.4	114.2	116.3	116.7	116.6	117.3	116.9	116.9
c. Rubber Products	0.584	103.2	120.7	122.4	122.8	126.9	126.7	127.1	127.9	128.2	127.9
(H) Chemicals & Chemical Products	**12.018**	**103.8**	**118.1**	**117.8**	**117.4**	**122.6**	**122.6**	**122.4**	**122.1**	**122.3**	**122.5**
a. Basic Inorganic Chemicals	1.187	106.4	126.2	125.0	125.4	124.9	125.2	125.8	125.3	126.6	125.2
b. Basic Organic Chemicals	1.952	103.6	118.0	115.7	117.2	122.7	123.5	122.9	121.6	121.6	122.2
c. Fertilizers & Pesticides	3.145	102.2	107.4	108.5	107.6	114.6	115.0	115.0	115.0	114.9	114.9
c1. Fertilizers	2.661	102.2	106.8	108.2	107.1	114.6	115.2	115.3	115.3	115.3	115.1
c2. Pesticides	0.483	102.2	110.5	110.6	110.4	114.6	113.6	113.6	113.4	112.6	113.7
d. Paints, Varnishes & Lacquers	0.529	104.3	117.6	117.5	115.0	122.4	122.6	122.6	123.0	123.2	123.1
e. Dyestuffs & Indigo	0.563	102.3	115.5	111.9	112.8	114.6	114.9	115.1	115.2	115.6	115.7
f. Drugs & Medicines	0.456	101.3	111.4	112.7	112.2	114.3	114.6	114.6	114.8	114.6	114.6
g. Perfumes, Cosmetics, Toiletries etc.	1.130	104.5	129.2	134.8	135.1	138.5	137.0	136.5	136.4	136.3	136.7
h. Turpentine, Plastic Chemicals	0.586	109.6	116.9	117.4	116.6	121.5	121.4	121.3	121.7	121.4	121.9
i. Polymers including Synthetic Rubber	0.970	103.0	119.6	116.3	112.3	121.9	120.9	121.1	120.8	120.9	123.3
j. Petrochemical Intermediates	0.869	105.1	133.5	127.7	129.1	134.3	134.2	132.8	131.3	131.3	131.9
k. Matches, Explosives & other Chemicals	0.629	102.7	121.6	123.8	123.0	127.6	128.0	127.8	128.4	128.7	128.3

No. 38: Index Numbers of Wholesale Prices in India – by Groups and Sub-Groups *(Concld.)*

(Base : 2004-05= 100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2008-09	2009-10	2009	2010					
		April-March			Sep.	Apr.	May	Jun.	Jul.	Aug.(P)	Sep.(P)
1	2	3	4	5	6	7	8	9	10	11	12
(I) Non-Metallic Mineral Products	**2.556**	**103.4**	**131.7**	**140.9**	**141.2**	**143.7**	**145.0**	**143.3**	**145.1**	**144.6**	**144.3**
a. Structural Clay Products	0.658	105.0	126.9	136.7	137.1	140.7	143.8	141.0	141.1	140.9	141.0
b. Glass, Earthernware, Chinaware & their Products	0.256	104.2	114.3	118.1	117.7	119.8	119.6	119.7	119.9	120.1	120.2
c. Cement & Lime	1.386	102.3	138.6	149.0	149.2	151.6	152.2	150.2	153.4	152.5	151.8
d. Cement, Slate & Graphite Products	0.256	104.3	123.5	129.9	131.8	132.7	133.9	135.5	135.5	135.8	135.8
(J) Basic Metals Alloys & Metals Products	**10.748**	**101.4**	**137.0**	**125.6**	**125.8**	**136.0**	**135.4**	**134.8**	**133.1**	**133.1**	**133.3**
a. Ferrous Metals	8.064	100.1	135.3	123.1	123.2	133.7	133.1	132.6	130.7	130.6	130.8
a1. Iron & Semis	1.563	97.9	136.9	119.0	118.1	126.2	125.2	123.4	123.2	123.4	123.7
a2. Steel: Long	1.630	100.9	144.4	128.4	127.4	143.0	140.7	139.0	134.0	134.5	134.4
a3. Steel: Flat	2.611	99.0	130.1	118.3	119.3	134.2	134.3	134.1	132.3	132.1	132.4
a4. Steel: Pipes & Tubes	0.314	97.8	123.2	115.0	117.4	118.0	117.8	117.9	117.4	116.5	116.0
a5. Stainless Steel & alloys	0.938	106.2	138.8	137.9	136.9	142.4	143.0	143.1	143.6	142.6	142.9
a6. Castings & Forgings	0.871	103.8	128.8	121.7	122.2	121.3	121.7	124.5	121.5	121.1	121.6
a7. Ferro alloys	0.137	79.9	150.2	126.8	131.6	155.8	147.4	147.1	146.8	146.6	146.6
b. Non-Ferrous Metals	1.004	111.9	150.6	145.8	146.4	154.2	153.9	152.3	152.5	153.2	153.0
b1. Aluminium	0.489	108.3	127.2	121.4	122.1	127.0	127.7	125.1	125.4	126.1	126.1
b2. Other Non-Ferrous Metals	0.515	115.2	172.8	169.0	169.5	180.1	178.7	178.2	178.2	178.9	178.6
c. Metal Products	1.680	106.6	143.4	150.5	150.4	154.4	156.5	157.2	159.2	156.6	160.3
(K) Machinery & Machine Tools	**8.931**	**103.6**	**117.4**	**118.0**	**117.1**	**120.5**	**120.2**	**120.4**	**120.5**	**120.4**	**120.5**
a. Agricultural Machinery & Implements	0.139	106.4	120.4	123.2	121.2	135.8	134.2	133.7	133.7	133.7	133.7
b. Industrial Machinery	1.838	108.2	129.3	130.9	130.2	138.2	137.7	138.2	138.6	138.2	138.3
c. Construction Machinery	0.045	106.4	127.4	130.5	132.2	131.9	132.1	132.1	131.8	132.1	131.8
d. Machine Tools	0.367	105.8	116.0	120.4	120.3	127.2	128.6	129.5	129.7	130.2	130.5
e. Air Conditioner & Refrigerators	0.429	96.8	102.1	111.2	111.3	111.4	111.3	111.4	111.4	111.4	111.4
f. Non-Electrical Machinery	1.026	104.6	111.4	115.1	112.8	118.8	117.6	117.8	117.9	117.8	117.8
g. Electrical Machinery, Equipment & Batteries	2.343	103.1	123.6	122.1	120.3	122.8	123.1	123.2	123.3	123.3	123.5
h. Electrical Accessories, Wires, Cables etc.	1.063	108.4	134.9	132.6	132.8	131.8	131.9	131.9	131.7	131.8	131.9
i. Electrical Apparatus & Appliances	0.337	103.0	107.1	108.1	106.3	110.7	108.6	110.3	109.3	110.8	109.7
j. Electronics Items	0.961	94.9	87.8	86.2	87.2	85.6	84.1	84.1	84.1	84.1	84.2
k. IT Hardware	0.267	93.7	87.8	86.6	86.2	87.0	87.0	87.0	87.0	87.0	87.0
l. Communication Equipments	0.118	96.3	95.8	95.7	95.8	92.3	91.9	91.9	91.9	91.9	91.9
(L) Transport Equipment & Parts	**5.213**	**102.7**	**113.3**	**116.8**	**115.9**	**120.1**	**120.1**	**120.2**	**120.4**	**120.4**	**120.8**
a. Automotives	4.231	102.2	111.9	115.9	114.8	119.8	120.0	120.0	120.3	120.3	120.4
b. Auto Parts	0.804	103.8	118.0	118.6	118.1	120.4	119.1	119.2	119.3	119.3	121.3
c. Other Transport Equipments	0.178	109.1	127.1	130.4	131.6	127.6	127.9	127.9	127.9	127.9	127.9

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

Trade and Balance of Payments

No. 39(A): Foreign Trade (Annual and Monthly)

(₹ Crore)

Year/ Month	Exports			Imports			Trade Balance		
	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil
1	2	3	4	5	6	7	8	9	10
2003-04	2,93,367	16,397	2,76,969	3,59,108	94,520	2,64,588	-65,741	-78,123	12,382
2004-05	3,75,340	31,404	3,43,935	5,01,065	1,34,094	3,66,971	-125,725	-102,690	-23,035
2005-06	4,56,418	51,533	4,04,885	6,60,409	1,94,640	4,65,769	-203,991	-143,107	-60,884
2006-07	5,71,779	84,520	4,87,259	8,40,506	2,58,572	5,81,935	-268,727	-174,052	-94,675
2007-08	6,55,864	1,14,192	5,41,672	10,12,312	3,20,655	6,91,657	-356,448	-206,463	-149,985
2008-09	8,40,755	1,23,398	7,17,357	13,74,436	4,19,968	9,54,468	-533,680	-296,570	-237,111
2009-10	8,45,125	1,32,616	7,12,509	13,56,469	4,11,579	9,44,890	-511,343	-278,963	-232,381
2008-09									
April	73,883	11,376	62,507	1,21,335	35,742	85,593	-47,453	-24,366	-23,087
May	78,717	11,498	67,220	1,24,031	44,211	79,820	-45,314	-32,713	-12,601
June	82,133	15,361	66,772	1,23,967	43,332	80,635	-41,834	-27,971	-13,863
July	81,523	16,083	65,439	1,35,477	54,299	81,178	-53,955	-38,215	-15,739
August	76,254	13,972	62,281	1,43,940	49,467	94,474	-67,686	-35,494	-32,192
September	71,941	11,635	60,306	1,41,865	43,483	98,382	-69,925	-31,848	-38,077
October	68,754	10,335	58,420	1,25,868	35,445	90,423	-57,114	-25,111	-32,003
November	54,699	6,403	48,296	1,15,091	29,174	85,917	-60,391	-22,771	-37,621
December	65,015	6,382	58,633	94,625	22,277	72,347	-29,609	-15,895	-13,714
January	62,844	6,633	56,212	89,015	22,091	66,924	-26,171	-15,458	-10,712
February	58,822	5,919	52,904	74,198	19,059	55,139	-15,376	-13,141	-2,235
March	66,169	7,801	58,368	85,022	21,387	63,636	-18,854	-13,586	-5,268
2009-10 R									
April	62,456	7,592	54,863	96,824	23,729	73,096	-34,369	-16,136	-18,232
May	59,776	7,281	52,495	97,244	25,757	71,487	-37,468	-18,476	-18,992
June	64,999	6,773	58,227	1,10,137	31,539	78,598	-45,138	-24,767	-20,371
July	69,521	8,768	60,753	1,05,312	35,596	69,716	-35,791	-26,828	-8,963
August	65,670	10,199	55,471	1,08,506	33,516	74,990	-42,836	-23,317	-19,519
September	70,835	11,655	59,180	1,03,968	31,707	72,262	-33,134	-20,052	-13,082
October	69,172	12,799	56,373	1,18,626	39,179	79,447	-49,454	-26,380	-23,074
November	69,537	13,709	55,828	1,15,428	35,146	80,282	-45,891	-21,436	-24,454
December	76,993	14,374	62,620	1,31,452	38,449	93,003	-54,459	-24,075	-30,384
January	71,555	11,409	60,146	1,16,023	39,126	76,897	-44,468	-27,717	-16,751
February	72,813	11,010	61,803	1,20,358	38,172	82,186	-47,545	-27,162	-20,383
March	91,816	17,047	74,769	1,33,721	39,674	94,047	-41,905	-22,627	-19,277
2010-11 P									
April	73,807	12,274	61,533	1,24,800	42,039	82,761	-50,993	-29,765	-21,228
May	72,011	11,643	60,368	1,21,773	39,260	82,514	-49,762	-27,617	-22,146
June	89,656	15,181	74,475	1,20,636	36,124	84,512	-30,980	-20,943	-10,037
July	76,064	..	..	1,36,625	35,900	1,00,725	-60,561	..	..
August	77,509	..	..	1,38,211	36,300	1,01,911	-60,702	..	..

R: Revised. P: Provisional. .. Not available.

Source : DGCI & S and Ministry of Commerce & Industry.

Notes: Monthly data may not add up to the annual data on account of revision in monthly figures.
Also see 'Notes on Tables'.

No. 39(B): Foreign Trade (Annual and Monthly)

(US $ Million)

Year/ Month	Exports			Imports			Trade Balance		
	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil
1	2	3	4	5	6	7	8	9	10
2003-04	63,843	3,568	60,274	78,149	20,569	57,580	-14,307	-17,001	2,694
2004-05	83,536	6,989	76,547	1,11,517	29,844	81,673	-27,981	-22,855	-5,127
2005-06	1,03,091	11,640	91,451	1,49,166	43,963	1,05,203	-46,075	-32,323	-13,752
2006-07	1,26,414	18,635	1,07,779	1,85,735	56,945	1,28,790	-59,321	-38,311	-21,011
2007-08	1,62,904	28,363	1,34,541	2,51,439	79,645	1,71,795	-88,535	-51,281	-37,254
2008-09	1,85,295	27,547	1,57,748	3,03,696	93,672	2,10,025	-118,401	-66,125	-52,277
2009-10	1,78,662	28,131	1,50,531	2,86,823	87,121	1,99,702	-108,161	-58,990	-49,171
2008-09 R									
April	18,460	2,842	15,618	30,317	8,931	21,386	-11,857	-6,088	-5,768
May	18,687	2,729	15,957	29,444	10,495	18,948	-10,757	-7,766	-2,991
June	19,181	3,587	15,594	28,951	10,120	18,831	-9,770	-6,532	-3,237
July	19,030	3,754	15,276	31,625	12,675	18,950	-12,595	-8,921	-3,674
August	17,759	3,254	14,505	33,523	11,521	22,003	-15,764	-8,266	-7,497
September	15,789	2,554	13,236	31,136	9,543	21,592	-15,347	-6,990	-8,357
October	14,131	2,124	12,007	25,869	7,285	18,584	-11,738	-5,161	-6,577
November	11,163	1,307	9,856	23,488	5,954	17,534	-12,325	-4,647	-7,678
December	13,368	1,312	12,056	19,456	4,581	14,876	-6,088	-3,268	-2,820
January	12,869	1,358	11,511	18,228	4,524	13,704	-5,359	-3,165	-2,194
February	11,941	1,201	10,739	15,062	3,869	11,193	-3,121	-2,668	-454
March	12,916	1,523	11,394	16,597	4,175	12,422	-3,680	-2,652	-1,028
2009-10 P									
April	12,475	1,517	10,958	19,341	4,740	14,601	-6,865	-3,223	-3,642
May	12,316	1,500	10,816	20,037	5,307	14,730	-7,720	-3,807	-3,913
June	13,606	1,418	12,188	23,055	6,602	16,453	-9,449	-5,184	-4,264
July	14,341	1,809	12,532	21,724	7,344	14,380	-7,383	-5,535	-1,848
August	13,586	2,110	11,475	22,449	6,936	15,513	-8,862	-4,826	-4,036
September	14,624	2,406	12,217	21,464	6,546	14,918	-6,840	-4,140	-2,701
October	14,805	2,739	12,066	25,390	8,386	17,004	-10,585	-5,646	-4,939
November	14,933	2,944	11,989	24,787	7,547	17,240	-9,855	-4,603	-5,251
December	16,512	3,083	13,429	28,191	8,246	19,945	-11,679	-5,163	-6,516
January	15,569	2,482	13,087	25,245	8,513	16,731	-9,675	-6,031	-3,645
February	15,717	2,377	13,340	25,980	8,240	17,740	-10,263	-5,863	-4,400
March	20,181	3,747	16,434	29,391	8,720	20,671	-9,211	-4,973	-4,237
2010-11 P									
April	16,586	2,758	13,828	28,045	9,447	18,598	-11,459	-6,689	-4,771
May	15,719	2,542	13,177	26,581	8,570	18,012	-10,862	-6,028	-4,834
June	19,253	3,260	15,993	25,906	7,757	18,148	-6,653	-4,497	-2,155
July	16,240	..	..	29,170	7,665	21,505	-12,930	..	..
August	16,644	..	..	29,679	7,795	21,884	-13,035	..	..

R: Revised. P: Provisional. .. Not available.

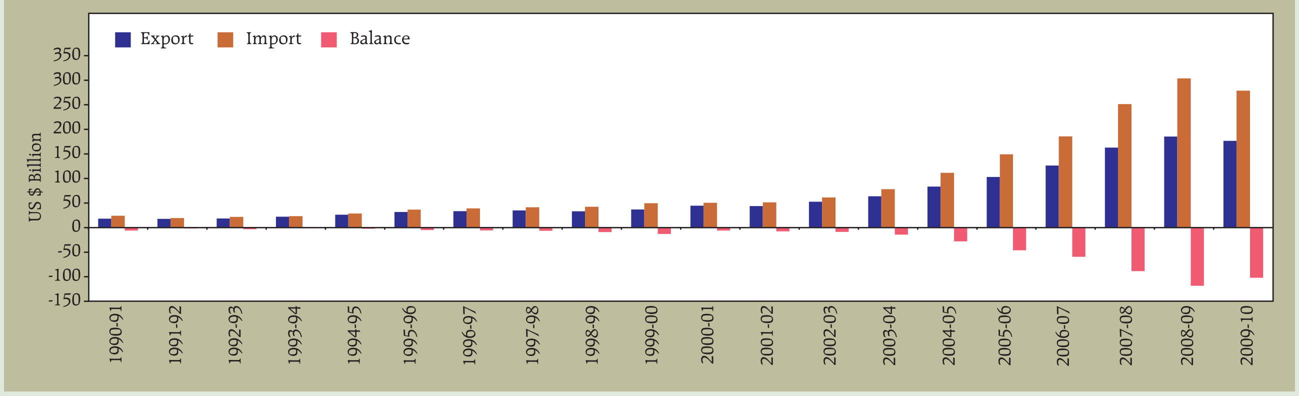
Source : DGCI & S and Ministry of Commerce & Industry.

Notes: 1. Data conversion has been done using period average exchange rates.

2. Monthly data may not add up to the annual data on account of revision in monthly figures.

Also see 'Notes on Tables'

Foreign Trade



No. 40: India's Overall Balance of Payments

(₹ crore)

Item	2006-07			2007-08		
	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7
A. CURRENT ACCOUNT						
I. Merchandise	**5,82,871**	**8,62,833**	**-2,79,962**	**6,68,008**	**10,35,672**	**-3,67,664**
II. Invisibles (a+b+c)	**5,17,146**	**2,81,567**	**2,35,579**	**5,98,088**	**2,93,902**	**3,04,185**
a) Services	3,33,093	2,00,029	1,33,064	3,63,042	2,06,798	1,56,244
i) Travel	41,127	30,249	10,878	45,526	37,191	8,335
ii) Transportation	36,049	36,504	-455	40,199	46,278	-6,079
iii) Insurance	5,403	2,903	2,500	6,586	4,192	2,393
iv) G.n.i.e.	1,143	1,825	-682	1,331	1,518	-186
v) Miscellaneous	2,49,371	1,28,548	1,20,823	2,69,400	1,17,618	1,51,781
of which						
Software Services	1,41,356	10,212	1,31,144	1,62,020	13,494	1,48,526
Business Services	65,738	71,500	-5,762	67,430	66,469	961
Financial Services	14,010	13,460	550	12,917	12,560	357
Communication Services	10,227	3,589	6,638	9,682	3,462	6,220
b) Transfers	142,037	6,288	1,35,749	1,77,745	9,293	1,68,452
i) Official	2,864	1,723	1,141	3,024	2,073	951
ii) Private	139,173	4,565	1,34,608	1,74,721	7,220	1,67,501
c) Income	42,016	75,250	-33,234	57,300	77,811	-20,511
i) Investment Income	40,297	70,955	-30,658	55,451	73,410	-17,959
ii) Compensation of Employees	1,719	4,295	-2,576	1,849	4,402	-2,552
Total Current Account (I+II)	**11,00,017**	**11,44,400**	**-44,383**	**12,66,096**	**13,29,575**	**-63,479**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**6,00,951**	**5,34,160**	**66,791**	**10,86,530**	**9,12,135**	**1,74,395**
a) Foreign Direct Investment (i+ii)	1,06,464	71,554	34,910	1,49,902	86,125	63,776
i) In India	1,03,037	385	1,02,652	1,39,885	465	1,39,420
Equity	74,354	385	73,969	1,07,749	434	1,07,315
Reinvested Earnings	26,371	-	26,371	30,916	-	30,916
Other Capital	2,312	-	2,312	1,220	31	1,189
ii) Abroad	3,427	71,169	-67,742	10,017	85,660	-75,644
Equity	3,427	60,138	-56,711	10,017	67,956	-57,939
Reinvested Earnings	-	4,868	-4,868	-	4,365	-4,365
Other Capital	-	6,163	-6,163	-	13,340	-13,340
b) Portfolio Investment	4,94,487	4,62,606	31,881	9,36,628	8,26,009	1,10,619
i) In India	4,94,102	4,62,472	31,630	9,35,683	8,25,715	1,09,968
of which						
FIIs	4,77,132	4,62,472	14,660	9,07,936	8,25,715	82,221
GDRs/ADRs	16,961	-	16,961	26,556	0	26,556
ii) Abroad	385	134	251	945	294	651
2. Loans (a+b+c)	**2,46,525**	**1,36,091**	**1,10,434**	**3,30,331**	**1,66,840**	**1,63,491**
a) External Assistance	16,978	9,005	7,973	17,019	8,553	8,466
i) By India	90	144	-54	94	112	-18
ii) To India	16,888	8,861	8,027	16,925	8,441	8,484
b) Commercial Borrowings	93,932	21,567	72,365	1,21,942	30,855	91,086
i) By India	2,837	4,361	-1,524	6,412	6,538	-126
ii) To India	91,095	17,206	73,889	1,15,529	24,317	91,212
c) Short Term To India	1,35,615	1,05,519	30,096	1,91,370	1,27,432	63,939
i) Suppliers' Credit >180 days & Buyers' Credit	1,15,125	1,00,196	14,929	1,71,184	1,27,432	43,752
ii) Suppliers' Credit up to 180 days	20,490	5,323	15,167	20,187	-	20,187
3. Banking Capital (a+b)	**1,67,494**	**1,59,017**	**8,477**	**2,23,979**	**1,76,824**	**47,155**
a) Commercial Banks	1,65,656	1,58,660	6,996	2,23,664	1,75,113	48,551
i) Assets	64,972	80,726	-15,754	78,366	50,734	27,632
ii) Liabilities	1,00,684	77,934	22,750	1,45,298	1,24,379	20,919
of which: Non-Resident Deposits	89,950	70,376	19,574	1,18,077	1,17,372	705
b) Others	1,838	357	1,481	315	1,712	-1,397
4. Rupee Debt Service	**-**	**725**	**-725**	**-**	**492**	**-492**
5. Other Capital	**36,797**	**18,101**	**18,696**	**117,094**	**73,716**	**43,377**
Total Capital Account (1 to 5)	**10,51,767**	**8,48,094**	**2,03,673**	**17,57,933**	**13,30,007**	**4,27,926**
C. ERRORS & OMISSIONS	**4,344**	**-**	**4,344**	**5,241**	**-**	**5,241**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**21,56,128**	**19,92,494**	**1,63,634**	**30,29,270**	**26,59,582**	**3,69,689**
E. MONETARY MOVEMENTS (i+ii)	**-**	**163,634**	**-1,63,634**	**-**	**3,69,689**	**-3,69,689**
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	163,634	-1,63,634	-	3,69,689	-3,69,689

P: Preliminary. PR: Partially Revised.

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	2008-09 PR			2009-10 P		
	Credit	Debit	Net	Credit	Debit	Net
1	8	9	10	11	12	13
A. CURRENT ACCOUNT						
I. Merchandise	**857,960**	**1,401,118**	**-543,158**	**862,023**	**14,17,681**	**-555,659**
II. Invisibles (a+b+c)	**750,333**	**338,789**	**411,544**	**764,230**	**389,329**	**374,901**
a) Services	467,915	239,606	228,309	443,881	281,356	162,525
i) Travel	50,226	43,336	6,890	56,045	44,239	11,805
ii) Transportation	51,952	58,531	-6,578	52,760	56,397	-3,637
iii) Insurance	6,518	5,230	1,288	7,584	6,103	1,481
iv) G.n.i.e.	1,771	3,777	-2,006	2,083	2,487	-404
v) Miscellaneous	357,447	128,731	228,716	325,410	172,130	153,280
of which						
Software Services	212,242	12,702	199,540	235,162	6,991	228,170
Business Services	75,632	71,436	4,195	55,041	88,126	-33,085
Financial Services	18,060	13,568	4,492	17,716	22,382	-4,666
Communication Services	9,903	5,025	4,878	5,859	6,574	-715
b) Transfers	216,906	12,568	204,338	258,332	10,967	247,365
i) Official	3,029	1,900	1,129	2,491	2,239	252
ii) Private	213,877	10,668	203,209	255,841	8,729	247,112
c) Income	65,512	86,615	-21,103	62,016	97,005	-34,989
i) Investment Income	61,722	80,597	-18,875	57,685	88,952	-31,267
ii) Compensation of Employees	3,790	6,018	-2,228	4,332	8,053	-3,722
Total Current Account (I+II)	**1,608,293**	**1,739,907**	**-131,614**	**1,626,253**	**1,807,010**	**-180,757**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**743,513**	**731,726**	**11,786**	**940,694**	**692,468**	**248,225**
a) Foreign Direct Investment (i+ii)	164,487	87,656	76,831	180,432	86,174	94,258
i) In India	159,401	773	158,628	176,969	25,787	151,182
Equity	126,128	773	125,355	129,327	19,976	109,350
Reinvested Earnings	29,713	–	29,713	38,334	–	38,334
Other Capital	3,560	–	3,560	9,308	5,811	3,497
ii) Abroad	5,086	86,882	-81,796	3,463	60,386	-56,924
Equity	5,086	68,601	-63,514	3,463	38,419	-34,956
Reinvested Earnings	–	4,986	-4,986	–	5,143	-5,143
Other Capital	–	13,296	-13,296	–	16,825	-16,825
b) Portfolio Investment	5,79,026	6,44,071	-65,045	7,60,262	6,06,295	1,53,967
i) In India	5,78,346	6,42,543	-64,197	7,59,004	6,05,119	1,53,885
of which						
FIIs	5,73,451	6,42,547	-69,096	7,43,017	6,05,120	1,37,897
GDRs/ADRs	4,891	0	4,757	15,994	–	15,994
ii) Abroad	680	1,528	-848	1,258	1,175	82
2. Loans (a+b+c)	**2,84,926**	**2,48,538**	**36,388**	**3,45,306**	**2,88,670**	**56,636**
a) External Assistance	23,532	11,102	12,430	23,441	13,839	9,602
i) By India	108	153	-45	247	1,993	-1,746
ii) To India	23,424	10,949	12,475	23,194	11,846	11,348
b) Commercial Borrowings	70,947	34,016	36,931	69,078	57,213	11,865
i) By India	9,225	3,644	5,581	4,611	7,101	-2,491
ii) To India	61,722	30,372	31,350	64,467	50,111	14,356
c) Short Term To India	1,90,448	2,03,420	-12,972	2,52,788	2,17,618	35,170
i) Suppliers' Credit >180 days & Buyers' Credit	1,77,843	1,77,676	167	2,29,568	2,07,865	21,703
ii) Suppliers' Credit up to 180 days	12,605	25,744	-13,138	23,220	9,753	13,467
3. Banking Capital (a+b)	**2,95,408**	**3,14,613**	**-19,205**	**2,92,106**	**2,82,262**	**9,844**
a) Commercial Banks	2,94,842	3,11,869	-17,027	2,89,281	2,80,091	9,190
i) Assets	1,14,752	1,30,576	-15,823	81,517	72,633	8,884
ii) Liabilities	1,80,090	1,81,293	-1,203	2,07,764	2,07,458	305
of which: Non-Resident Deposits	1,71,047	1,50,617	20,430	1,96,434	1,82,181	14,253
b) Others	565	2,744	-2,179	2,825	2,171	655
4. Rupee Debt Service	**–**	**472**	**-472**	**–**	**452**	**-452**
5. Other Capital	**93,704**	**93,712**	**-8**	**53,409**	**1,14,605**	**-61,196**
Total Capital Account (1 to 5)	**14,17,551**	**13,89,060**	**28,490**	**16,31,515**	**13,78,458**	**2,53,058**
C. ERRORS & OMISSIONS	**6,009**	**–**	**6,009**	**–**	**8,063**	**-8,063**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**30,31,853**	**31,28,967**	**-97,115**	**32,57,768**	**31,93,531**	**64,237**
E. MONETARY MOVEMENTS (i+ii)	**97,115**	**–**	**97,115**	**–**	**64,237**	**-64,237**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	97,115	–	97,115	–	64,237	-64,237
of which: SDR Allocation	–	–	–	–	24,983	-24,983

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Apr-Jun 2006			Jul-Sep 2006		
	Credit	Debit	Net	Credit	Debit	Net
1	14	15	16	17	18	19
A. CURRENT ACCOUNT						
I. Merchandise	**1,34,880**	**2,11,953**	**-77,073**	**1,51,636**	**225,903**	**-74,267**
II. Invisibles (a+b+c)	**1,13,377**	**56,479**	**56,898**	**1,15,305**	**67,687**	**47,618**
a) Services	72,944	38,537	34,407	76,122	46,213	29,909
i) Travel	7,766	6,766	1,000	8,328	8,398	-70
ii) Transportation	7,798	9,081	-1,283	9,149	9,172	-23
iii) Insurance	1,082	587	495	1,461	714	747
iv) G.n.i.e.	182	359	-177	283	566	-283
v) Miscellaneous	56,116	21,744	34,372	56,901	27,363	29,538
of which						
Software Services	32,007	1,887	30,120	33,020	1,878	31,142
Business Services	15,396	12,032	3,364	15,933	15,302	631
Financial Services	2,314	1,446	868	3,320	3,260	60
Communication Services	2,160	491	1,669	2,638	835	1,803
b) Transfers	32,603	1,314	31,289	28,833	1,674	27,159
i) Official	314	373	-59	552	464	88
ii) Private	32,289	941	31,348	28,281	1,210	27,071
c) Income	7,830	16,628	-8,798	10,350	19,800	-9,450
i) Investment Income	7,544	15,737	-8,193	10,016	18,743	-8,727
ii) Compensation of Employees	286	891	-605	334	1,057	-723
Total Current Account (I+II)	**2,48,257**	**2,68,432**	**-20,175**	**2,66,941**	**2,93,590**	**-26,649**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**1,55,960**	**1,50,357**	**5,603**	**1,04,262**	**84,482**	**19,780**
a) Foreign Direct Investment (i+ii)	15,810	7,906	7,904	21,074	11,263	9,811
i) In India	15,519	36	15,483	20,402	9	20,393
Equity	8,849	36	8,813	13,382	9	13,373
Reinvested Earnings	6,625	–	6,625	6,756	–	6,756
Other Capital	45	–	45	264	–	264
ii) Abroad	291	7,870	-7,579	672	11,254	-10,582
Equity	291	5,406	-5,115	672	8,662	-7,990
Reinvested Earnings	–	1,223	-1,223	–	1247	-1,247
Other Capital	–	1,241	-1,241	–	1,345	-1,345
b) Portfolio Investment	1,40,150	1,42,451	-2,301	83,188	73,219	9,969
i) In India	1,40,055	1,42,446	-2,391	83,137	73,214	9,923
of which						
FIIs	1,34,321	1,42,446	-8,125	81,004	73,214	7,790
GDRs/ADRs	5,734	–	5,734	2,133	–	2,133
ii) Abroad	95	5	90	51	5	46
2. Loans (a+b+c)	**52,288**	**28,591**	**23,697**	**52,065**	**29,890**	**22,175**
a) External Assistance	2,624	2,391	233	3,654	2,082	1,572
i) By India	23	36	-13	23	37	-14
ii) To India	2,601	2,355	246	3,631	2,045	1,586
b) Commercial Borrowings	22,968	4,879	18,089	12,428	4,266	8,162
i) By India	396	1,014	-618	529	788	-259
ii) To India	22,572	3,865	18,707	11,899	3,478	8,421
c) Short Term To India	26,696	21,321	5,375	35,983	23,542	12,441
i) Suppliers' Credit >180 days & Buyers' Credit	23,108	21,321	1,787	30,507	23,542	6,965
ii) Suppliers' Credit up to 180 days	3,588	–	3,588	5,476	–	5,476
3. Banking Capital (a+b)	**45,057**	**22,044**	**23,013**	**26,682**	**34,648**	**-7,966**
a) Commercial Banks	44,730	22,044	22,686	26,682	34,444	-7,762
i) Assets	23,904	8,535	15,369	7,271	16,475	-9,204
ii) Liabilities	20,826	13,509	7,317	19,411	17,969	1,442
of which: Non-Resident Deposits	19,307	13,387	5,920	19,406	15,196	4,210
b) Others	327	–	327	–	204	-204
4. Rupee Debt Service	**–**	**305**	**-305**	**–**	**–**	**–**
5. Other Capital	**1,555**	**4,793**	**-3,238**	**5,027**	**2,569**	**2,458**
Total Capital Account (1 to 5)	**2,54,860**	**2,06,090**	**48,770**	**1,88,036**	**1,51,589**	**36,447**
C. ERRORS & OMISSIONS	**411**	**–**	**411**	**728**	**–**	**728**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**5,03,528**	**4,74,522**	**29,006**	**4,55,705**	**4,45,179**	**10,526**
E. MONETARY MOVEMENTS (i+ii)	**–**	**29,006**	**-29,006**	**–**	**10,526**	**-10,526**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	29,006	-29,006	–	10,526	-10,526

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Oct-Dec 2006			Jan-Mar 2007		
	Credit	Debit	Net	Credit	Debit	Net
1	20	21	22	23	24	25
A. CURRENT ACCOUNT						
I. Merchandise	**1,38,660**	**2,12,583**	**-73,923**	**1,57,695**	**2,12,394**	**-54,699**
II. Invisibles (a+b+c)	**1,33,622**	**75,911**	**57,711**	**1,54,842**	**81,490**	**73,352**
a) Services	83,001	55,650	27,351	1,01,026	59,629	41,397
i) Travel	11,790	7,368	4,422	13,243	7,717	5,526
ii) Transportation	9,411	9,456	-45	9,691	8,795	896
iii) Insurance	1,296	904	392	1,564	698	866
iv) G.n.i.e.	391	436	-45	287	464	-177
v) Miscellaneous	60,113	37,486	22,627	76,241	41,955	34,286
of which						
Software Services	34,197	3,077	31,120	42,132	3,370	38,762
Business Services	16,599	19,195	-2,596	17,810	24,971	-7,161
Financial Services	3,725	2,910	815	4,651	5,844	-1,193
Communication Services	2,686	1,075	1,611	2,743	1,188	1,555
b) Transfers	40,311	1,498	38,813	40,290	1,802	38,488
i) Official	1,291	400	891	707	486	221
ii) Private	39,020	1,098	37,922	39,583	1,316	38,267
c) Income	10,310	18,763	-8,453	13,526	20,059	-6,533
i) Investment Income	9,865	17,706	-7,841	12,872	18,769	-5,897
ii) Compensation of Employees	445	1,057	-612	654	1,290	-636
Total Current Account (I+II)	**2,72,282**	**2,88,494**	**-16,212**	**3,12,537**	**2,93,884**	**18,653**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**1,73,846**	**1,44,755**	**29,091**	**1,66,883**	**1,54,566**	**12,317**
a) Foreign Direct Investment (i+ii)	45,020	31,983	13,037	24,560	20,402	4,158
i) In India	44,332	31	44,301	22,784	309	22,475
Equity	36,901	31	36,870	15,222	309	14,913
Reinvested Earnings	6,554	–	6,554	6,436	–	6,436
Other Capital	877	–	877	1,126	–	1,126
ii) Abroad	688	31,952	-31,264	1,776	20,093	-18,317
Equity	688	29,033	-28,345	1,776	17,037	-15,261
Reinvested Earnings	–	1,210	-1,210	–	1,188	-1,188
Other Capital	–	1,709	-1,709	–	1,868	-1,868
b) Portfolio Investment	1,28,826	1,12,772	16,054	1,42,323	1,34,164	8,159
i) In India	1,28,768	1,12,745	16,023	1,42,142	1,34,067	8,075
of which						
FIIs	1,27,837	1,12,745	15,092	1,33,970	1,34,067	-97
GDRs/ADRs	931	–	931	8,163	–	8,163
ii) Abroad	58	27	31	181	97	84
2. Loans (a+b+c)	**66,266**	**37,112**	**29,154**	**75,906**	**40,498**	**35,408**
a) External Assistance	5,006	2222	2,784	5,694	2,310	3,384
i) By India	22	36	-14	22	35	-13
ii) To India	4,984	2,186	2,798	5,672	2,275	3,397
b) Commercial Borrowings	24,373	6,158	18,215	34,163	6,264	27,899
i) By India	1,912	1,552	360	–	1,007	-1,007
ii) To India	22,461	4,606	17,855	34,163	5,257	28,906
c) Short Term To India	36,887	28,732	8,155	36,049	31,924	4,125
i) Suppliers' Credit >180 days & Buyers' Credit	25,461	28,732	-3,271	36,049	26,601	9,448
ii) Suppliers' Credit up to 180 days	11,426	–	11,426	–	5,323	-5,323
3. Banking Capital (a+b)	**32,209**	**46,213**	**-14,004**	**63,546**	**56,112**	**7,434**
a) Commercial Banks	31,237	46,060	-14,823	63,007	56,112	6,895
i) Assets	2,501	20,378	-17,877	31,296	35,338	-4,042
ii) Liabilities	28,736	25,682	3,054	31,711	20,774	10,937
of which: Non-Resident Deposits	28,453	21,871	6,582	22,784	19,922	2,862
b) Others	972	153	819	539	–	539
4. Rupee Debt Service	**–**	**9**	**-9**	**–**	**411**	**-411**
5. Other Capital	**8,889**	**4471**	**4,418**	**21,326**	**6,268**	**15,058**
Total Capital Account (1 to 5)	**281,210**	**2,32,560**	**48,650**	**3,27,661**	**2,57,855**	**69,806**
C. ERRORS & OMISSIONS	**1323**	**–**	**1,323**	**1,882**	**–**	**1,882**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**5,54,815**	**5,21,054**	**33,761**	**6,42,080**	**5,51,739**	**90,341**
E. MONETARY MOVEMENTS (i+ii)	**–**	**33,761**	**-33,761**	**–**	**90,341**	**-90,341**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	33,761	-33,761	–	90,341	-90,341

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Apr-Jun 2007			Jul-Sep 2007		
	Credit	Debit	Net	Credit	Debit	Net
1	26	27	28	29	30	31
A. CURRENT ACCOUNT						
I. Merchandise	**1,50,923**	**2,32,347**	**-81,424**	**1,55,733**	**2,42,761**	**-87,028**
II. Invisibles (a+b+c)	**1,23,379**	**60,641**	**62,739**	**1,39,576**	**69,800**	**69,776**
a) Services	78,062	40,927	37,134	85,167	47,002	38,165
i) Travel	8,610	7,859	750	9,111	8,296	815
ii) Transportation	8,054	10,417	-2,363	8,475	10,371	-1,896
iii) Insurance	1,536	761	775	1,381	1,149	232
iv) G.n.i.e.	387	453	-66	277	520	-243
v) Miscellaneous	59,475	21,437	38,038	65,923	26,666	39,258
of which						
Software Services	36,435	2,800	33,635	36,675	3,248	33,427
Business Services	15,496	13,287	2,209	15,781	14,334	1,447
Financial Services	2,175	1,850	326	3,713	2,843	870
Communication Services	2,115	954	1,161	2,483	730	1,753
b) Transfers	35,578	1,781	33,797	39,342	1,653	37,688
i) Official	631	679	-47	641	454	187
ii) Private	34,947	1,103	33,844	38,701	1,199	37,502
c) Income	9,740	17,932	-8,192	15,067	21,144	-6,077
i) Investment Income	9,399	17,115	-7,716	14,621	19,937	-5,316
ii) Compensation of Employees	340	817	-477	446	1,208	-761
Total Current Account (I+II)	**2,74,302**	**2,92,988**	**-18,685**	**2,95,309**	**3,12,561**	**-17,252**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**1,78,023**	**1,35,072**	**42,951**	**2,20,226**	**1,66,871**	**53,355**
a) Foreign Direct Investment (i+ii)	34,674	22,822	11,852	22,854	13,673	9,181
i) In India	31,403	85	31,319	19,716	75	19,641
Equity	22,983	85	22,898	11,435	75	11,360
Reinvested Earnings	7,916	–	7,916	7,780	–	7,780
Other Capital	505	–	505	501	–	501
ii) Abroad	3,271	22,737	-19,467	3,138	13,598	-10,459
Equity	3,271	19,620	-16,350	3,138	10,193	-7,055
Reinvested Earnings	–	1,118	-1,118	–	1,098	-1,098
Other Capital	–	2,000	-2,000	–	2,306	-2,306
b) Portfolio Investment	1,43,349	1,12,250	31,099	1,97,372	1,53,198	44,174
i) In India	1,43,110	1,12,224	30,885	1,97,350	1,53,106	44,244
of which						
FIIs	1,41,456	1,12,224	29,232	1,87,221	1,53,106	34,116
GDRs/ADRs	1,303	–	1,303	10,038	–	10,038
ii) Abroad	239	25	214	22	92	-70
2. Loans (a+b+c)	**69,025**	**31,308**	**37,717**	**81,084**	**42,260**	**38,824**
a) External Assistance	3,016	2,023	993	3,984	2,086	1,897
i) By India	24	29	-5	24	28	-5
ii) To India	2,992	1,994	998	3,960	2,058	1,902
b) Commercial Borrowings	34,150	5,516	28,634	25,483	8,394	17,088
i) By India	1,482	1,423	59	1,797	2,039	-243
ii) To India	32,668	4,093	28,575	23,686	6,355	17,331
c) Short Term To India	31,858	23,769	8,089	51,618	31,780	19,838
i) Suppliers' Credit >180 days & Buyers' Credit	28,382	23,769	4,613	44,627	31,780	12,847
ii) Suppliers' Credit up to 180 days	3,476	–	3,476	6,991	–	6,991
3. Banking Capital (a+b)	**35,300**	**39,086**	**-3,786**	**55,575**	**28,653**	**26,922**
a) Commercial Banks	35,300	39,063	-3,763	55,479	28,367	27,113
i) Assets	10,488	11,799	-1,312	17,846	1,452	16,395
ii) Liabilities	24,812	27,264	-2,452	37,633	26,915	10,718
of which: Non-Resident Deposits	21,657	23,499	-1,842	28,265	26,770	1,494
b) Others	–	23	-23	95	286	-191
4. Rupee Debt Service	**–**	**179**	**-179**	**–**	**9**	**-9**
5. Other Capital	**11,636**	**23,611**	**-11,974**	**36,574**	**21,024**	**15,549**
Total Capital Account (1 to 5)	**2,93,983**	**2,29,255**	**64,728**	**3,93,459**	**2,58,817**	**1,34,642**
C. ERRORS & OMISSIONS	**140**	**–**	**140**	**1,089**	**–**	**1,089**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**5,68,425**	**5,22,243**	**46,183**	**6,89,856**	**5,71,378**	**1,18,479**
E. MONETARY MOVEMENTS (i+ii)	**–**	**46,183**	**-46,183**	**–**	**1,18,479**	**-1,18,479**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	46,183	-46,183	–	1,18,479	-1,18,479

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Oct-Dec 2007			Jan-Mar 2008		
	Credit	Debit	Net	Credit	Debit	Net
1	32	33	34	35	36	37
A. CURRENT ACCOUNT						
I. Merchandise	**1,69,900**	**2,65,558**	**-95,658**	**1,91,452**	**2,95,007**	**-1,03,554**
II. Invisibles (a+b+c)	**1,54,076**	**72,270**	**81,806**	**1,81,057**	**91,192**	**89,865**
a) Services	95,139	50,365	44,775	1,04,674	68,504	36,171
i) Travel	13,398	9,940	3,458	14,407	11,095	3,312
ii) Transportation	11,044	12,009	-965	12,627	13,482	-855
iii) Insurance	1,730	1,032	698	1,939	1,250	689
iv) G.n.i.e.	356	294	61	311	250	62
v) Miscellaneous	68,613	27,090	41,523	75,389	42,426	32,963
of which						
Software Services	37,917	3,362	34,556	50,993	4,084	46,909
Business Services	18,106	16,754	1,352	18,048	22,095	-4,048
Financial Services	3,481	3,012	469	3,548	4,855	-1,307
Communication Services	2,371	720	1,650	2,713	1,057	1,656
b) Transfers	45,094	1,946	43,148	57,731	3,912	53,819
i) Official	768	478	290	984	462	522
ii) Private	44,327	1,469	42,858	56,747	3,450	53,297
c) Income	13,842	19,959	-6,116	18,652	18,776	-124
i) Investment Income	13,422	18,906	-5,484	18,009	17,452	557
ii) Compensation of Employees	420	1,053	-632	643	1,324	-681
Total Current Account (I+II)	**3,23,976**	**3,37,828**	**-13,852**	**3,72,509**	**3,86,199**	**-13,689**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**3,33,402**	**2,74,812**	**58,590**	**3,54,879**	**3,35,380**	**19,499**
a) Foreign Direct Investment (i+ii)	33,131	24,764	8,367	59,242	24,866	34,376
i) In India	31,553	171	31,383	57,212	135	57,078
Equity	23,763	171	23,593	49,568	104	49,464
Reinvested Earnings	7,576	–	7,576	7,645	–	7,645
Other Capital	214	–	214	–	31	-31
ii) Abroad	1,578	24,593	-23,015	2,030	24,731	-22,702
Equity	1,578	20,545	-18,967	2,030	17,597	-15,567
Reinvested Earnings	–	1,069	-1,069	–	1,079	-1,079
Other Capital	–	2,979	-2,979	–	6,056	-6,056
b) Portfolio Investment	3,00,271	2,50,048	50,223	2,95,637	3,10,514	-14,877
i) In India	2,99,803	2,49,974	49,829	2,95,421	3,10,411	-14,990
of which						
FIIs	2,85,347	2,49,974	35,374	2,93,911	3,10,411	-16,500
GDRs/ADRs	13,705	–	13,705	1,509	–	1,509
ii) Abroad	468	74	394	215	102	113
2. Loans (a+b+c)	**81,517**	**41,778**	**39,739**	**98,705**	**51,494**	**47,211**
a) External Assistance	4,377	2,147	2,230	5,642	2,297	3,346
i) By India	23	27	-4	23	28	-4
ii) To India	4,354	2,120	2,234	5,619	2,269	3,350
b) Commercial Borrowings	33,255	8,632	24,623	29,054	8,313	20,741
i) By India	1,433	1,516	-83	1,701	1,560	141
ii) To India	31,822	7,115	24,706	27,354	6,754	20,600
c) Short Term To India	43,886	30,999	12,887	64,009	40,884	23,125
i) Suppliers' Credit >180 days & Buyers' Credit	40,374	30,999	9,375	57,801	40,884	16,917
ii) Suppliers' Credit up to 180 days	3,512	–	3,512	6,208	–	6,208
3. Banking Capital (a+b)	**49,677**	**48,860**	**817**	**83,428**	**60,226**	**23,202**
a) Commercial Banks	49,665	47,469	2,196	83,220	60,214	23,005
i) Assets	22,242	15,544	6,699	27,790	21,939	5,850
ii) Liabilities	27,423	31,925	-4,502	55,430	38,275	17,155
of which: Non-Resident Deposits	25,478	28,845	-3,367	42,678	38,258	4,420
b) Others	11	1,391	-1,380	208	12	197
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**304**	**-304**
5. Other Capital	**37,122**	**19,305**	**17,817**	**31,761**	**9,776**	**21,985**
Total Capital Account (1 to 5)	**5,01,718**	**3,84,755**	**1,16,964**	**5,68,773**	**4,57,180**	**1,11,593**
C. ERRORS & OMISSIONS	**2,403**	**–**	**2,403**	**1,608**	**–**	**1,608**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**8,28,097**	**7,22,582**	**1,05,515**	**9,42,890**	**8,43,379**	**99,512**
E. MONETARY MOVEMENTS (i+ii)	**–**	**1,05,515**	**-1,05,515**	**–**	**99,512**	**-99,512**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	1,05,515	-1,05,515	–	99,512	-99,512

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Apr-Jun 2008 PR			Jul-Sep 2008 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	38	39	40	41	42	43
A. CURRENT ACCOUNT						
I. Merchandise	**2,39,332**	**3,44,624**	**-1,05,292**	**2,34,792**	**4,06,064**	**-1,71,272**
II. Invisibles (a+b+c)	**1,64,224**	**72,569**	**91,655**	**2,00,699**	**84,481**	**1,16,219**
a) Services	96,033	51,421	44,612	1,22,256	59,213	63,043
i) Travel	10,431	9,012	1,419	12,196	11,868	329
ii) Transportation	10,894	13,863	-2,969	13,314	16,421	-3,107
iii) Insurance	1,457	946	511	1,652	1,340	312
iv) G.n.i.e.	541	460	81	355	418	-63
v) Miscellaneous	72,710	27,140	45,570	94,739	29,167	65,572
of which						
Software Services	50,324	3,514	46,810	53,061	4,092	48,968
Business Services	14,846	13,403	1,443	21,215	17,659	3,556
Financial Services	2,563	2,583	-20	7,323	4,229	3,094
Communication Services	2,125	944	1,182	3,239	1,298	1,942
b) Transfers	53,307	2,726	50,581	60,297	3,636	56,661
i) Official	616	447	168	222	424	-201
ii) Private	52,691	2,278	50,413	60,075	3,213	56,863
c) Income	14,883	18,422	-3,538	18,146	21,631	-3,486
i) Investment Income	14,239	17,053	-2,815	16,878	20,182	-3,305
ii) Compensation of Employees	644	1,368	-724	1,268	1,449	-181
Total Current Account (I+II)	**4,03,555**	**4,17,192**	**-13,637**	**4,35,491**	**4,90,545**	**-55,053**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,20,365**	**2,00,548**	**19,817**	**2,26,676**	**2,10,953**	**15,723**
a) Foreign Direct Investment (i+ii)	50,543	13,203	37,340	40,041	18,578	21,463
i) In India	49,561	89	49,472	38,660	229	38,431
Equity	42,654	89	42,564	31,975	229	31,746
Reinvested Earnings	6,217	–	6,217	6,534	–	6,534
Other Capital	691	–	691	151	–	151
ii) Abroad	982	13,114	-12,132	1,382	18,349	-16,967
Equity	982	9,774	-8,792	1,382	15,001	-13,619
Reinvested Earnings	–	1,129	-1,129	–	1,187	-1,187
Other Capital	–	2,211	-2,211	–	2,161	-2,161
b) Portfolio Investment	1,69,822	1,87,345	-17,524	1,86,634	1,92,375	-5,740
i) In India	1,69,728	1,87,129	-17,401	1,86,579	1,92,277	-5,698
of which						
FIIs	1,65,566	1,87,131	-21,565	1,85,984	1,92,276	-6,291
GDRs/ADRs	4,161	–	4,161	595	–	595
ii) Abroad	93	216	-123	56	98	-42
2. Loans (a+b+c)	**66,448**	**40,066**	**26,382**	**71,256**	**59,841**	**11,415**
a) External Assistance	3,787	2,327	1,461	4,794	2,525	2,268
i) By India	24	35	-10	26	36	-11
ii) To India	3,763	2,292	1,471	4,768	2,489	2,279
b) Commercial Borrowings	11,498	5,335	6,163	15,638	8,253	7,385
i) By India	1,680	793	886	2,327	605	1,722
ii) To India	9,818	4,541	5,277	13,311	7,648	5,663
c) Short Term To India	51,163	32,404	18,759	50,825	49,063	1,762
i) Suppliers' Credit >180 days & Buyers' Credit	38,558	32,404	6,154	50,825	42,754	8,070
ii) Suppliers' Credit up to 180 days	12,605	–	12,605	–	6,309	-6,309
3. Banking Capital (a+b)	**91,589**	**80,359**	**11,231**	**71,625**	**61,666**	**9,959**
a) Commercial Banks	91,588	79,728	11,860	71,625	61,655	9,970
i) Assets	47,726	43,876	3,851	28,879	22,564	6,315
ii) Liabilities	43,862	35,852	8,010	42,747	39,091	3,655
of which: Non-Resident Deposits	37,898	34,509	3,389	40,172	39,040	1,133
b) Others	1	631	-630	–	11	-11
4. Rupee Debt Service	**–**	**123**	**-123**	**–**	**12**	**-12**
5. Other Capital	**14,823**	**51,914**	**-37,091**	**24,496**	**30,502**	**-6,006**
Total Capital Account (1 to 5)	**3,93,226**	**3,73,010**	**20,216**	**3,94,053**	**3,62,974**	**31,079**
C. ERRORS & OMISSIONS	**2,731**	**–**	**2,731**	**3,249**	**–**	**3,249**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,99,512**	**7,90,203**	**9,310**	**8,32,794**	**8,53,519**	**-20,725**
E. MONETARY MOVEMENTS (i+ii)	**–**	**9,310**	**-9,310**	**20,725**	**–**	**20,725**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	9,310	-9,310	20,725	–	20,725

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Oct-Dec 2008 PR			Jan-Mar 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	44	45	46	47	48	49
A. CURRENT ACCOUNT						
I. Merchandise	**192,300**	**358,331**	**-166,031**	**191,536**	**292,099**	**-100,563**
II. Invisibles (a+b+c)	**200,605**	**91,467**	**109,139**	**184,805**	**90,274**	**94,531**
a) Services	131,417	63,875	67,543	118,208	65,097	53,111
i) Travel	14,260	9,487	4,773	13,339	12,969	369
ii) Transportation	13,231	15,806	-2,575	14,514	12,441	2,072
iii) Insurance	1,678	1,305	373	1,730	1,639	91
iv) G.n.i.e.	471	1,134	-663	404	1,765	-1,361
v) Miscellaneous	101,777	36,142	65,635	88,221	36,282	51,939
of which						
Software Services	54,975	2,828	52,146	53,882	2,267	51,615
Business Services	20,408	17,397	3,011	19,163	22,978	-3,815
Financial Services	4,337	3,607	730	3,838	3,150	688
Communication Services	2,402	1,252	1,151	2,136	1,533	603
b) Transfers	53,624	4,123	49,502	49,677	2,084	47,594
i) Official	1,390	477	912	801	552	249
ii) Private	52,235	3,645	48,589	48,876	1,532	47,345
c) Income	15,564	23,469	-7,905	16,920	23,093	-6,174
i) Investment Income	14,628	21,820	-7,193	15,978	21,541	-5,563
ii) Compensation of Employees	936	1,649	-713	942	1,552	-610
Total Current Account (I+II)	**392,905**	**449,797**	**-56,892**	**376,341**	**382,373**	**-6,032**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**161,720**	**187,926**	**-26,207**	**134,752**	**132,299**	**2,453**
a) Foreign Direct Investment (i+ii)	32,021	29,846	2,174	41,882	26,028	15,853
i) In India	30,995	141	30,853	40,185	314	39,872
Equity	20,035	141	19,893	31,465	314	31,152
Reinvested Earnings	8,394	–	8,394	8,568	–	8,568
Other Capital	2,566	–	2,566	152	–	152
ii) Abroad	1,026	29,705	-28,679	1,697	25,715	-24,018
Equity	1,026	21,891	-20,865	1,697	21,935	-20,238
Reinvested Earnings	–	1,321	-1,321	–	1,349	-1,349
Other Capital	–	6,492	-6,492	–	2,431	-2,431
b) Portfolio Investment	129,699	158,080	-28,381	92,871	106,271	-13,400
i) In India	129,556	157,771	-28,215	92,483	105,365	-12,882
of which						
FIIs	129,520	157,773	-28,253	92,381	105,368	-12,986
GDRs/ADRs	34	–	34	100	–	100
ii) Abroad	143	309	-166	388	906	-518
2. Loans (a+b+c)	**77,022**	**74,348**	**2,674**	**70,200**	**74,282**	**-4,082**
a) External Assistance	8,068	3,233	4,835	6,883	3,017	3,866
i) By India	29	41	-12	29	41	-12
ii) To India	8,039	3,192	4,847	6,854	2,976	3,878
b) Commercial Borrowings	26,456	8,035	18,421	17,355	12,393	4,962
i) By India	3,230	721	2,509	1,988	1,524	464
ii) To India	23,226	7,314	15,912	15,367	10,869	4,498
c) Short Term To India	42,498	63,080	-20,583	45,962	58,872	-12,910
i) Suppliers' Credit >180 days & Buyers' Credit	42,498	50,504	-8,007	45,962	52,013	-6,051
ii) Suppliers' Credit up to 180 days	–	12,576	-12,576	–	6,859	-6,859
3. Banking Capital (a+b)	**72,314**	**96,483**	**-24,169**	**59,879**	**76,105**	**-16,226**
a) Commercial Banks	72,303	94,381	-22,078	59,326	76,105	-16,779
i) Assets	25,317	36,772	-11,456	12,831	27,364	-14,533
ii) Liabilities	46,986	57,609	-10,622	46,495	48,741	-2,246
of which: Non-Resident Deposits	46,532	41,453	5,079	46,445	35,615	10,829
b) Others	12	2,102	-2,091	553	–	553
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**336**	**-336**
5. Other Capital	**23,704**	**5,816**	**17,887**	**30,680**	**5,479**	**25,202**
Total Capital Account (1 to 5)	**334,759**	**364,574**	**-29,815**	**295,512**	**288,502**	**7,010**
C. ERRORS & OMISSIONS	**–**	**487**	**-487**	**515**	**–**	**515**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**727,665**	**814,858**	**-87,193**	**672,368**	**670,875**	**1,493**
E. MONETARY MOVEMENTS (i+ii)	**87,193**	**–**	**87,193**	**–**	**1,493**	**-1,493**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	87,193	–	87,193	–	1,493	-1,493

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Apr-June 2009 PR			July-Sept 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	50	51	52	53	54	55
A. CURRENT ACCOUNT						
I. Merchandise	**1,91,076**	**3,16,147**	**-1,25,070**	**2,10,703**	**3,51,733**	**-1,41,030**
II. Invisibles (a+b+c)	**1,83,524**	**80,184**	**1,03,340**	**1,95,137**	**96,583**	**98,554**
a) Services	1,04,027	53,419	50,609	1,03,061	66,361	36,700
i) Travel	11,207	9,929	1,278	13,165	11,412	1,753
ii) Transportation	12,148	13,549	-1,400	12,424	10,754	1,670
iii) Insurance	1,888	1,532	356	1,859	1,651	208
iv) G.n.i.e.	488	503	-15	484	629	-145
v) Miscellaneous	78,296	27,907	50,389	75,129	41,915	33,214
of which						
Software Services	53,687	1,908	51,780	54,261	2,121	52,141
Business Services	12,617	18,891	-6,274	12,124	22,330	-10,206
Financial Services	5,445	4,528	917	3,544	5,495	-1,951
Communication Services	2,039	1,522	517	1,486	1,515	-29
b) Transfers	65,104	2,293	62,811	69,082	2,750	66,332
i) Official	224	537	-312	247	523	-276
ii) Private	64,879	1,756	63,123	68,835	2,227	66,608
c) Income	14,393	24,472	-10,080	22,993	27,472	-4,479
i) Investment Income	13,285	22,760	-9,475	22,001	25,816	-3,815
ii) Compensation of Employees	1,108	1,712	-605	993	1,656	-663
Total Current Account (I+II)	**3,74,600**	**3,96,331**	**-21,731**	**4,05,839**	**4,48,316**	**-42,477**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,36,245**	**1,66,043**	**70,202**	**2,70,126**	**1,91,825**	**78,301**
a) Foreign Direct Investment (i+ii)	47,798	17,935	29,864	55,346	23,899	31,447
i) In India	47,189	4,518	42,671	54,886	3,060	51,826
Equity	35,567	4,391	31,176	41,382	2,891	38,492
Reinvested Earnings	9,855	–	9,855	9,780	–	9,780
Other Capital	1,766	127	1,639	3,723	169	3,554
ii) Abroad	610	13,417	-12,807	460	20,839	-20,379
Equity	610	10,016	-9,406	460	12,656	-12,196
Reinvested Earnings	–	1,322	-1,322	–	1,312	-1,312
Other Capital	–	2,078	-2,078	–	6,870	-6,870
b) Portfolio Investment	1,88,447	1,48,108	40,339	2,14,780	1,67,926	46,854
i) In India	1,88,335	1,47,986	40,348	2,14,760	1,67,790	46,970
of which						
FIIs	1,88,127	1,47,987	40,140	2,01,867	1,67,790	34,076
GDRs/ADRs	210	–	210	12,898	–	12,898
ii) Abroad	112	122	-10	19	136	-116
2. Loans (a+b+c)	**63,035**	**71,944**	**-8,909**	**77,584**	**65,320**	**12,264**
a) External Assistance	4,006	3,537	468	5,989	3,573	2,416
i) By India	63	512	-449	63	508	-445
ii) To India	3,942	3,025	917	5,926	3,065	2,861
b) Commercial Borrowings	9,626	11,865	-2,239	15,590	9,838	5,752
i) By India	1,190	1,625	-434	997	1,041	-44
ii) To India	8,436	10,241	-1,805	14,593	8,797	5,796
c) Short Term To India	49,404	56,541	-7,138	56,004	51,908	4,096
i) Suppliers' Credit >180 days & Buyers' Credit	49,404	46,788	2,615	53,230	51,908	1,322
ii) Suppliers' Credit up to 180 days	–	9,753	-9,753	2,774	–	2,774
3. Banking Capital (a+b)	**75,998**	**92,421**	**-16,422**	**80,097**	**58,740**	**21,357**
a) Commercial Banks	75,998	91,255	-15,256	80,097	58,048	22,049
i) Assets	21,311	33,889	-12,578	29,685	8,376	21,308
ii) Liabilities	54,687	57,366	-2,679	50,412	49,671	741
of which: Non-Resident Deposits	54,507	45,637	8,870	50,073	45,004	5,069
b) Others	–	1,166	-1,166	–	692	-692
4. Rupee Debt Service	**–**	**112**	**-112**	**–**	**5**	**-5**
5. Other Capital	**864**	**26,014**	**-25,151**	**34,154**	**55,055**	**-20,902**
Total Capital Account (1 to 5)	**3,76,142**	**3,56,534**	**19,608**	**4,61,960**	**3,70,945**	**91,015**
C. ERRORS & OMISSIONS	**2,683**	**–**	**2,683**	**–**	**2,939**	**-2,939**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,53,426**	**7,52,865**	**561**	**8,67,800**	**8,22,200**	**45,600**
E. MONETARY MOVEMENTS (i+ii)	–	561	-561	–	45,600	-45,600
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	561	-561	–	45600	-45600
of which: SDR Allocation	–	–	–	–	24983	-24,983

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Oct-Dec 2009 PR			Jan-Mar 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	56	57	58	59	60	61
A. CURRENT ACCOUNT						
I. Merchandise	**2,19,493**	**3,64,415**	**-1,44,922**	**2,40,751**	**3,85,387**	**-1,44,637**
II. Invisibles (a+b+c)	**1,88,800**	**1,00,717**	**88,083**	**1,96,770**	**1,11,844**	**84,926**
a) Services	1,13,058	74,809	38,249	1,23,735	86,767	36,968
i) Travel	16,044	10,783	5,261	15,629	12,116	3,513
ii) Transportation	13,950	15,699	-1,749	14,238	16,396	-2,159
iii) Insurance	1,903	1,422	480	1,934	1,497	436
iv) G.n.i.e.	578	625	-47	533	730	-197
v) Miscellaneous	80,583	46,280	34,303	91,402	56,028	35,374
of which						
Software Services	61,550	1,553	59,997	65,663	1,410	64,253
Business Services	12,765	21,319	-8,554	17,535	25,587	-8,051
Financial Services	3,661	5,391	-1,730	5,066	6,967	-1,901
Communication Services	1,208	1,777	-569	1,125	1,759	-634
b) Transfers	63,448	2,976	60,472	60,699	2,949	57,750
i) Official	1,441	527	914	579	652	-73
ii) Private	62,007	2,449	59,558	60,120	2,296	57,823
c) Income	12,294	22,932	-10,638	12,336	22,128	-9,792
i) Investment Income	11,123	20,507	-9,384	11,275	19,868	-8,593
ii) Compensation of Employees	1,171	2,425	-1,255	1,061	2,260	-1,199
Total Current Account (I+II)	**4,08,293**	**4,65,132**	**-56,839**	**4,37,520**	**4,97,231**	**-59,711**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,07,828**	**1,63,027**	**44,802**	**2,26,494**	**1,71,574**	**54,921**
a) Foreign Direct Investment (i+ii)	40,949	22,662	18,287	36,338	21,678	14,660
i) In India	40,044	6,851	33,193	34,850	11,358	23,492
Equity	27,792	5,751	22,042	24,585	6,944	17,641
Reinvested Earnings	9,421	–	9,421	9,277	–	9,277
Other Capital	2,831	1,101	1,730	987	4,414	-3,426
ii) Abroad	905	15,811	-14,906	1,488	10,320	-8,832
Equity	905	11,566	-10,662	1,488	4,179	-2,691
Reinvested Earnings	–	1,264	-1,264	–	1,245	-1,245
Other Capital	–	2,980	-2,980	–	4,896	-4,896
b) Portfolio Investment	1,66,879	1,40,365	26,514	1,90,156	1,49,896	40,261
i) In India	1,66,828	1,40,109	26,720	1,89,081	1,49,234	39,847
of which						
FIIs	1,64,613	1,40,109	24,504	1,88,411	1,49,234	39,177
GDRs/ADRs	2,215	–	2,215	671	–	671
ii) Abroad	51	257	-205	1,075	661	413
2. Loans (a+b+c)	**92,439**	**66,545**	**25,894**	**1,12,248**	**84,861**	**27,387**
a) External Assistance	6,198	3,321	2,878	7,247	3,408	3,840
i) By India	61	490	-429	60	482	-423
ii) To India	6,138	2,831	3,307	7,188	2,926	4,262
b) Commercial Borrowings	20,778	13,068	7,709	23,083	22,440	643
i) By India	1,059	2,658	-1,600	1,364	1,777	-413
ii) To India	19,719	10,410	9,309	21,719	20,663	1,056
c) Short Term To India	65,463	50,156	15,307	81,917	59,013	22,904
i) Suppliers' Credit >180 days & Buyers' Credit	56,223	50,156	6,068	70,711	59,013	11,698
ii) Suppliers' Credit up to 180 days	9,239	–	9,239	11,206	–	11,206
3. Banking Capital (a+b)	**70,761**	**61,713**	**9,048**	**65,250**	**69,388**	**-4,138**
a) Commercial Banks	67,990	61,400	6,590	65,195	69,388	-4,193
i) Assets	14,304	8,740	5,564	16,217	21,628	-5,410
ii) Liabilities	53,686	52,660	1,026	48,978	47,761	1,217
of which: Non-Resident Deposits	47,465	44,624	2,840	44,390	46,916	-2,526
b) Others	2,770	312	2,458	55	–	55
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**335**	**-335**
5. Other Capital	**7,999**	**19,211**	**-11,212**	**10,394**	**14,325**	**-3,931**
Total Capital Account (1 to 5)	**3,79,027**	**3,10,495**	**68,531**	**4,14,386**	**3,40,483**	**73,903**
C. ERRORS & OMISSIONS	**–**	**3,449**	**-3,449**	**–**	**4,359**	**-4,359**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,87,319**	**7,79,076**	**8,243**	**8,51,907**	**8,42,074**	**9,833**
E. MONETARY MOVEMENTS (i+ii)	–	8243	-8243	–	9,833	-9,833
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	8,243	-8,243	–	9,833	-9,833
of which: SDR Allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Concld.)*

(₹ crore)

Item	Apr-June 2009 PR			Apr-June 2010 P		
	Credit	Debit	Net	Credit	Debit	Net
1	62	63	64	65	66	67
A. CURRENT ACCOUNT						
I. Merchandise	**1,91,076**	**3,16,147**	**-1,25,071**	**2,45,130**	**4,01,144**	**-1,56,014**
II. Invisibles (a+b+c)	**1,83,523**	**80,185**	**1,03,338**	**1,94,938**	**1,01,577**	**93,361**
a) Services	1,04,027	53,420	50,607	1,19,157	73,270	45,887
i) Travel	11,207	9,929	1,278	13,460	10,316	3,144
ii) Transportation	12,148	13,549	-1,401	14,130	14,299	-169
iii) Insurance	1,888	1,532	356	1,843	1,414	429
iv) G.n.i.e.	488	503	-15	429	652	-223
v) Miscellaneous	78,296	27,907	50,389	89,295	46,589	42,706
of which						
Software Services	53,687	1,908	51,779	57,740	2,623	55,117
Business Services	12,617	18,891	-6,274	21,987	26,928	-4,941
Financial Services	5,445	4,528	917	5,603	6,406	-803
Communication Services	2,039	1,522	517	1,483	1,100	383
b) Transfers	65,103	2,293	62,810	62,754	3,194	59,560
i) Official	224	537	-313	269	525	-256
ii) Private	64,879	1,756	63,123	62,485	2,669	59,816
c) Income	14,393	24,472	-10,079	13,027	25,113	-12,086
i) Investment Income	13,285	22,760	-9,475	11,991	23,005	-11,014
ii) Compensation of Employees	1,108	1,712	-604	1,036	2,108	-1,072
Total Current Account (I+II)	**3,74,599**	**3,96,332**	**-21,733**	**4,40,068**	**5,02,721**	**-62,653**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,36,245**	**1,66,042**	**70,203**	**2,40,153**	**2,04,769**	**35,384**
a) Foreign Direct Investment (i+ii)	47,798	17,934	29,864	39,097	24,725	14,372
i) In India	47,188	4,518	42,670	37,756	10,504	27,252
Equity	35,567	4,391	31,176	27,335	10,394	16,941
Reinvested Earnings	9,855	–	9,855	9,883	–	9,883
Other Capital	1,766	127	1,639	538	110	428
ii) Abroad	610	13,416	-12,806	1,341	14,221	-12,880
Equity	610	10,016	-9,406	1,341	8,733	-7,392
Reinvested Earnings	–	1,322	-1,322	–	1,236	-1,236
Other Capital	–	2,078	-2,078	–	4,252	-4,252
b) Portfolio Investment	1,88,447	1,48,108	40,339	2,01,056	1,80,044	21,012
i) In India	1,88,335	1,47,986	40,349	2,00,627	1,79,401	21,226
of which						
FIIs	1,88,127	1,47,987	40,140	1,95,544	1,79,401	16,143
GDRs/ADRs	210	–	210	5,083	–	5,083
ii) Abroad	112	122	-10	429	643	-214
2. Loans (a+b+c)	**63,035**	**71,944**	**-8,909**	**1,12,678**	**64,378**	**48,300**
a) External Assistance	4,005	3,537	468	14,099	3,440	10,659
i) By India	63	512	-449	64	91	-27
ii) To India	3,942	3,025	917	14,035	3,349	10,686
b) Commercial Borrowings	9,626	11,866	-2,240	20,627	8,441	12,186
i) By India	1,190	1,625	-435	844	1,109	-265
ii) To India	8,436	10,241	-1,805	19,783	7,332	12,451
c) Short Term To India	49,404	56,541	-7,137	77,952	52,497	25,455
i) Suppliers' Credit >180 days & Buyers' Credit	49,404	46,788	2,616	71,081	52,497	18,584
ii) Suppliers' Credit up to 180 days	–	9,753	-9,753	6,871	–	6,871
3. Banking Capital (a+b)	**75,998**	**92,421**	**-16,423**	**76,410**	**58,137**	**18,273**
a) Commercial Banks	75,998	91,255	-15,257	76,401	58,027	18,374
i) Assets	21,311	33,889	-12,578	14,888	11,671	3,217
ii) Liabilities	54,687	57,366	-2,679	61,513	46,356	15,157
of which: Non-Resident Deposits	54,507	45,637	8,870	51,348	46,233	5,115
b) Others	–	1,166	-1,166	9	110	-101
4. Rupee Debt Service	**–**	**112**	**-112**	**–**	**73**	**-73**
5. Other Capital	**864**	**26,014**	**-25,150**	**5,502**	**23,502**	**-18,000**
Total Capital Account (1 to 5)	**3,76,142**	**3,56,533**	**19,609**	**4,34,743**	**3,50,859**	**83,884**
C. ERRORS & OMISSIONS	**2685**	**–**	**2,685**	**–**	**4,162**	**-4,162**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,53,426**	**7,52,865**	**561**	**8,74,811**	**8,57,742**	**17,069**
E. MONETARY MOVEMENTS (i+ii)	–	561	-561	–	17,069	-17,069
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	561	-561	–	17,069	-17,069
of which: SDR Allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments

(US $ million)

Item	2006-07			2007-08		
	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7
A. CURRENT ACCOUNT						
I. Merchandise	**128,888**	**190,670**	**-61,782**	**166,162**	**257,629**	**-91,467**
II. Invisibles (a+b+c)	**114,558**	**62,341**	**52,217**	**148,875**	**73,144**	**75,731**
a) Services	73,780	44,311	29,469	90,342	51,490	38,853
i) Travel	9,123	6,684	2,439	11,349	9,258	2,091
ii) Transportation	7,974	8,068	-94	10,014	11,514	-1,500
iii) Insurance	1,195	642	553	1,639	1,044	595
iv) G.n.i.e.	253	403	-150	331	376	-45
v) Miscellaneous	55,235	28,514	26,721	67,010	29,298	37,712
of which						
Software Services	31,300	2,267	29,033	40,300	3,358	36,942
Business Services	14,544	15,866	-1,322	16,772	16,553	219
Financial Services	3,106	2,991	115	3,217	3,133	84
Communication Services	2,262	796	1,466	2,408	860	1,548
b) Transfers	31,470	1,391	30,079	44,261	2,316	41,945
i) Official	635	381	254	753	514	239
ii) Private	30,835	1,010	29,825	43,508	1,802	41,706
c) Income	9,308	16,639	-7,331	14,272	19,339	-5,068
i) Investment Income	8,926	15,688	-6,762	13,811	18,244	-4,433
ii) Compensation of Employees	382	951	-569	461	1,095	-635
Total Current Account (I+II)	**243,446**	**253,011**	**-9,565**	**315,037**	**330,774**	**-15,737**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**133,210**	**118,457**	**14,753**	**271,122**	**227,796**	**43,326**
a) Foreign Direct Investment (i+ii)	23,590	15,897	7,693	37,321	21,429	15,893
i) In India	22,826	87	22,739	34,844	116	34,728
Equity	16,481	87	16,394	26,865	108	26,757
Reinvested Earnings	5,828	–	5,828	7,679	–	7,679
Other Capital	517	–	517	300	8	292
ii) Abroad	764	15,810	-15,046	2,477	21,312	-18,835
Equity	764	13,368	-12,604	2,477	16,899	-14,422
Reinvested Earnings	–	1,076	-1,076	–	1,084	-1,084
Other Capital	–	1,366	-1,366	–	3,330	-3,330
b) Portfolio Investment	109,620	102,560	7,060	233,800	206,367	27,433
i) In India	109,534	102,530	7,004	233,564	206,294	27,270
of which						
FIIs	105,756	102,530	3,226	226,621	206,294	20,327
GDRs/ADRs	3,776	–	3,776	6,645	–	6,645
ii) Abroad	86	30	56	236	73	163
2. Loans (a+b+c)	**54,642**	**30,152**	**24,490**	**82,192**	**41,539**	**40,653**
a) External Assistance	3,767	1,992	1,775	4,241	2,126	2,114
i) By India	20	32	-12	23	28	-4
ii) To India	3,747	1,960	1,787	4,217	2,098	2,119
b) Commercial Borrowings	20,883	4,780	16,103	30,293	7,684	22,609
i) By India	626	966	-340	1,593	1,624	-31
ii) To India	20,257	3,814	16,443	28,700	6,060	22,640
c) Short Term To India	29,992	23,380	6,612	47,658	31,729	15,930
i) Suppliers' Credit >180 days & Buyers' Credit	25,482	22,175	3,307	42,641	31,729	10,913
ii) Suppliers' Credit up to 180 days	4,510	1,205	3,305	5,017	–	5,017
3. Banking Capital (a+b)	**37,209**	**35,296**	**1,913**	**55,814**	**44,055**	**11,759**
a) Commercial Banks	36,799	35,218	1,581	55,735	43,623	12,112
i) Assets	14,466	17,960	-3,494	19,562	12,668	6,894
ii) Liabilities	22,333	17,258	5,075	36,173	30,955	5,217
of which: Non-Resident Deposits	19,914	15,593	4,321	29,400	29,222	179
b) Others	410	78	332	79	432	-353
4. Rupee Debt Service	**–**	**162**	**-162**	**–**	**122**	**-122**
5. Other Capital	**8,230**	**4,021**	**4,209**	**29,229**	**18,261**	**10,969**
Total Capital Account (1 to 5)	**233,291**	**188,088**	**45,203**	**438,357**	**331,772**	**106,585**
C. ERRORS & OMISSIONS	**968**	**–**	**968**	**1,316**	**–**	**1,316**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**477,705**	**441,099**	**36,606**	**754,710**	**662,546**	**92,164**
E. MONETARY MOVEMENTS (i+ii)	**–**	**36,606**	**-36,606**	**–**	**92,164**	**-92,164**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	36,606	-36,606	–	92,164	-92,164

P : Preliminary. PR : Partially Revised.

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Item	2008-09 PR			2009-10 P		
	Credit	Debit	Net	Credit	Debit	Net
1	8	9	10	11	12	13
A. CURRENT ACCOUNT						
I. Merchandise	**189,001**	**307,651**	**-118,650**	**182,163**	**299,491**	**-117,328**
II. Invisibles (a+b+c)	**163,534**	**73,612**	**89,923**	**161,246**	**82,329**	**78,917**
a) Services	101,678	52,047	49,631	93,792	59,586	34,208
i) Travel	10,894	9,425	1,469	11,859	9,343	2,516
ii) Transportation	11,286	12,820	-1,534	11,147	11,933	-786
iii) Insurance	1,419	1,130	289	1,600	1,286	314
iv) G.n.i.e.	389	793	-404	441	525	-84
v) Miscellaneous	77,691	27,879	49,812	68,744	36,499	32,246
of which						
Software Services	46,300	2,814	43,486	49,705	1,468	48,237
Business Services	16,445	15,435	1,010	11,645	18,626	-6,981
Financial Services	3,948	2,958	990	3,737	4,735	-998
Communication Services	2,172	1,087	1,084	1,229	1,389	-161
b) Transfers	47,547	2,749	44,798	54,432	2,318	52,114
i) Official	645	413	232	531	473	58
ii) Private	46,903	2,336	44,567	53,901	1,845	52,056
c) Income	14,309	18,816	-4,507	13,024	20,427	-7,403
i) Investment Income	13,483	17,506	-4,023	12,108	18,721	-6,613
ii) Compensation of Employees	825	1,309	-484	915	1,705	-791
Total Current Account (I+II)	**352,535**	**381,263**	**-28,728**	**343,409**	**381,820**	**-38,411**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**164,915**	**161,448**	**3,467**	**198,088**	**145,963**	**52,125**
a) Foreign Direct Investment (i+ii)	36,261	18,763	17,498	37,919	18,190	19,729
i) In India	35,158	166	34,992	37,181	5,499	31,682
Equity	27,973	166	27,807	27,149	4,241	22,908
Reinvested Earnings	6,428	–	6,428	8,079	–	8,079
Other Capital	757	–	757	1,953	1,258	695
ii) Abroad	1,103	18,597	-17,495	738	12,691	-11,953
Equity	1,103	14,669	-13,566	738	8,057	-7,319
Reinvested Earnings	–	1,084	-1,084	–	1,084	-1,084
Other Capital	–	2,844	-2,844	–	3,550	-3,550
b) Portfolio Investment	128,654	142,685	-14,030	160,169	127,773	32,396
i) In India	128,512	142,365	-13,853	159,897	127,521	32,376
of which						
FIIs	127,349	142,366	-15,017	156,569	127,521	29,048
GDRs/ADRs	1,162	–	1,162	3,328	–	3,328
ii) Abroad	142	319	-177	272	252	20
2. Loans (a+b+c)	**62,126**	**53,458**	**8,669**	**73,201**	**60,984**	**12,217**
a) External Assistance	5,041	2,405	2,637	4,963	2,919	2,044
i) By India	23	33	-10	51	422	-371
ii) To India	5,018	2,371	2,647	4,912	2,497	2,415
b) Commercial Borrowings	15,244	7,303	7,941	14,673	12,152	2,521
i) By India	1,997	783	1,214	973	1,505	-532
ii) To India	13,248	6,521	6,727	13,700	10,647	3,053
c) Short Term To India	41,841	43,750	-1,909	53,565	45,913	7,652
i) Suppliers' Credit >180 days & Buyers' Credit	38,815	38,352	463	48,571	43,914	4,657
ii) Suppliers' Credit up to 180 days	3,026	5,398	-2,372	4,994	1,999	2,995
3. Banking Capital (a+b)	**65,207**	**68,453**	**-3,245**	**61,499**	**59,415**	**2,084**
a) Commercial Banks	65,094	67,868	-2,774	60,893	58,966	1,927
i) Assets	25,823	28,725	-2,902	17,097	15,259	1,838
ii) Liabilities	39,270	39,142	128	43,796	43,707	88
of which: Non-Resident Deposits	37,147	32,858	4,290	41,355	38,433	2,922
b) Others	114	585	-471	606	449	157
4. Rupee Debt Service	**–**	**100**	**-100**	**–**	**97**	**-97**
5. Other Capital	**20,179**	**21,723**	**-1,545**	**11,209**	**23,941**	**-12,732**
Total Capital Account (1 to 5)	**312,427**	**305,181**	**7,246**	**343,997**	**290,400**	**53,597**
C. ERRORS & OMISSIONS	**1,402**	**–**	**1,402**	**–**	**1,745**	**-1,745**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**666,364**	**686,444**	**-20,080**	**687,406**	**673,965**	**13,441**
E. MONETARY MOVEMENTS (i+ii)	**20,080**	**–**	**20,080**	**–**	**13,441**	**-13,441**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	20,080	–	20,080	–	13,441	-13,441
of which: SDR Allocation	–	–	–	–	5,160	-5,160

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Item	Apr-Jun 2006			Jul-Sep 2006		
	Credit	Debit	Net	Credit	Debit	Net
1	14	15	16	17	18	19
A. CURRENT ACCOUNT						
I. Merchandise	**29,663**	**46,613**	**-16,950**	**32,701**	**48,717**	**-16,016**
II. Invisibles (a+b+c)	**24,934**	**12,421**	**12,513**	**24,866**	**14,597**	**10,269**
a) Services	16,042	8,475	7,567	16,416	9,966	6,450
i) Travel	1,708	1,488	220	1,796	1,811	-15
ii) Transportation	1,715	1,997	-282	1,973	1,978	-5
iii) Insurance	238	129	109	315	154	161
iv) G.n.i.e.	40	79	-39	61	122	-61
v) Miscellaneous	12,341	4,782	7,559	12,271	5,901	6,370
of which						
Software Services	7,039	415	6,624	7,121	405	6,716
Business Services	3,386	2,646	740	3,436	3,300	136
Financial Services	509	318	191	716	703	13
Communication Services	475	108	367	569	180	389
b) Transfers	7,170	289	6,881	6,218	361	5,857
i) Official	69	82	-13	119	100	19
ii) Private	7,101	207	6,894	6,099	261	5,838
c) Income	1,722	3,657	-1,935	2,232	4,270	-2,038
i) Investment Income	1,659	3,461	-1,802	2,160	4,042	-1,882
ii) Compensation of Employees	63	196	-133	72	228	-156
Total Current Account (I+II)	**54,597**	**59,034**	**-4,437**	**57,567**	**63,314**	**-5,747**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**34,299**	**33,067**	**1,232**	**22,485**	**18,219**	**4,266**
a) Foreign Direct Investment (i+ii)	3,477	1,739	1,738	4,545	2,429	2,116
i) In India	3,413	8	3,405	4,400	2	4,398
Equity	1,946	8	1,938	2,886	2	2,884
Reinvested Earnings	1,457	–	1,457	1,457	–	1,457
Other Capital	10	–	10	57	–	57
ii) Abroad	64	1,731	-1,667	145	2,427	-2,282
Equity	64	1,189	-1,125	145	1,868	-1,723
Reinvested Earnings	–	269	-269	–	269	-269
Other Capital	–	273	-273	–	290	-290
b) Portfolio Investment	30,822	31,328	-506	17,940	15,790	2,150
i) In India	30,801	31,327	-526	17,929	15,789	2,140
of which						
FIIs	29,540	31,327	-1,787	17,469	15,789	1,680
GDRs/ADRs	1,261	–	1261	460	–	460
ii) Abroad	21	1	20	11	1	10
2. Loans (a+b+c)	**11,499**	**6,288**	**5,211**	**11,228**	**6,446**	**4,782**
a) External Assistance	577	526	51	788	449	339
i) By India	5	8	-3	5	8	-3
ii) To India	572	518	54	783	441	342
b) Commercial Borrowings	5,051	1,073	3,978	2,680	920	1,760
i) By India	87	223	-136	114	170	-56
ii) To India	4,964	850	4,114	2,566	750	1,816
c) Short Term To India	5,871	4,689	1,182	7,760	5,077	2,683
i) Suppliers' Credit >180 days & Buyers' Credit	5,082	4,689	393	6,579	5,077	1,502
ii) Suppliers' Credit up to 180 days	789	–	789	1,181	–	1,181
3. Banking Capital (a+b)	**9,909**	**4,848**	**5,061**	**5,754**	**7,472**	**-1,718**
a) Commercial Banks	9,837	4,848	4,989	5,754	7,428	-1,674
i) Assets	5,257	1,877	3,380	1,568	3,553	-1,985
ii) Liabilities	4,580	2,971	1,609	4,186	3,875	311
of which: Non-Resident Deposits	4,246	2,944	1,302	4,185	3,277	908
b) Others	72	–	72	–	44	-44
4. Rupee Debt Service	**–**	**67**	**-67**	**–**	**–**	**–**
5. Other Capital	**342**	**1,054**	**-712**	**1,084**	**554**	**530**
Total Capital Account (1 to 5)	**56,049**	**45,324**	**10,725**	**40,551**	**32,691**	**7,860**
C. ERRORS & OMISSIONS	**91**	**–**	**91**	**157**	**–**	**157**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**110,737**	**104,358**	**6,379**	**98,275**	**96,005**	**2,270**
E. MONETARY MOVEMENTS (i+ii)	**–**	**6,379**	**-6,379**	**–**	**2,270**	**-2,270**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase – / Decrease +)	–	6,379	-6,379	–	2,270	-2,270

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Item	Oct-Dec 2006			Jan-Mar 2007		
	Credit	Debit	Net	Credit	Debit	Net
1	20	21	22	23	24	25
A. CURRENT ACCOUNT						
I. Merchandise	**30,824**	**47,257**	**-16,433**	**35,700**	**48,083**	**-12,383**
II. Invisibles (a+b+c)	**29,704**	**16,875**	**12,829**	**35,054**	**18,448**	**16,606**
a) Services	18,451	12,371	6,080	22,871	13,499	9,372
i) Travel	2,621	1,638	983	2,998	1,747	1,251
ii) Transportation	2,092	2,102	-10	2,194	1,991	203
iii) Insurance	288	201	87	354	158	196
iv) G.n.i.e.	87	97	-10	65	105	-40
v) Miscellaneous	13,363	8,333	5,030	17,260	9,498	7,762
of which						
Software Services	7,602	684	6,918	9,538	763	8,775
Business Services	3,690	4,267	-577	4,032	5,653	-1,621
Financial Services	828	647	181	1,053	1,323	-270
Communication Services	597	239	358	621	269	352
b) Transfers	8,961	333	8,628	9,121	408	8,713
i) Official	287	89	198	160	110	50
ii) Private	8,674	244	8,430	8,961	298	8,663
c) Income	2,292	4,171	-1,879	3,062	4,541	-1,479
i) Investment Income	2,193	3,936	-1,743	2,914	4,249	-1,335
ii) Compensation of Employees	99	235	-136	148	292	-144
Total Current Account (I+II)	**60,528**	**64,132**	**-3,604**	**70,754**	**66,531**	**4,223**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**38,646**	**32,179**	**6,467**	**37,780**	**34,992**	**2,788**
a) Foreign Direct Investment (i+ii)	10,008	7,110	2,898	5,560	4,619	941
i) In India	9,855	7	9,848	5,158	70	5,088
Equity	8,203	7	8,196	3,446	70	3,376
Reinvested Earnings	1,457	–	1,457	1,457	–	1,457
Other Capital	195	–	195	255	–	255
ii) Abroad	153	7,103	-6,950	402	4,549	-4,147
Equity	153	6,454	-6,301	402	3,857	-3,455
Reinvested Earnings	–	269	-269	–	269	-269
Other Capital	–	380	-380	–	423	-423
b) Portfolio Investment	28,638	25,069	3,569	32,220	30,373	1,847
i) In India	28,625	25,063	3,562	32,179	30,351	1,828
of which						
FIIs	28418	25063	3355	30329	30351	-22
GDRs/ADRs	207	–	207	1848	–	1848
ii) Abroad	13	6	7	41	22	19
2. Loans (a+b+c)	**14,731**	**8,250**	**6,481**	**17,184**	**9,168**	**8,016**
a) External Assistance	1,113	494	619	1,289	523	766
i) By India	5	8	-3	5	8	-3
ii) To India	1,108	486	622	1,284	515	769
b) Commercial Borrowings	5,418	1,369	4,049	7,734	1,418	6,316
i) By India	425	345	80	–	228	-228
ii) To India	4,993	1,024	3,969	7,734	1,190	6,544
c) Short Term To India	8,200	6,387	1,813	8,161	7,227	934
i) Suppliers' Credit >180 days & Buyers' Credit	5,660	6,387	-727	8,161	6,022	2,139
ii) Suppliers' Credit up to 180 days	2,540	–	2,540	–	1,205	-1,205
3. Banking Capital (a+b)	**7,160**	**10,273**	**-3,113**	**14,386**	**12,703**	**1,683**
a) Commercial Banks	6,944	10,239	-3,295	14,264	12,703	1,561
i) Assets	556	4,530	-3,974	7,085	8,000	-915
ii) Liabilities	6,388	5,709	679	7,179	4,703	2,476
of which: Non-Resident Deposits	6,325	4,862	1,463	5,158	4,510	648
b) Others	216	34	182	122	–	122
4. Rupee Debt Service	**–**	**2**	**-2**	**–**	**93**	**-93**
5. Other Capital	**1,976**	**994**	**982**	**4,828**	**1,419**	**3,409**
Total Capital Account (1 to 5)	**62,513**	**51,698**	**10,815**	**74,178**	**58,375**	**15,803**
C. ERRORS & OMISSIONS	**294**	**–**	**294**	**426**	**–**	**426**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**123,335**	**115,830**	**7,505**	**145,358**	**124,906**	**20,452**
E. MONETARY MOVEMENTS (i+ii)	**–**	**7,505**	**-7,505**	**–**	**20,452**	**-20,452**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	7,505	-7,505	–	20,452	-20,452

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Item	Apr-Jun 2007			Jul-Sep 2007		
	Credit	Debit	Net	Credit	Debit	Net
1	26	27	28	29	30	31
A. CURRENT ACCOUNT						
I. Merchandise	**36,601**	**56,348**	**-19,747**	**38,429**	**59,904**	**-21,475**
II. Invisibles (a+b+c)	**29,921**	**14,706**	**15,215**	**34,442**	**17,224**	**17,218**
a) Services	18,931	9,926	9,006	21,016	11,598	9,418
i) Travel	2,088	1,906	182	2,248	2,047	201
ii) Transportation	1,953	2,526	-573	2,091	2,559	-468
iii) Insurance	373	185	188	341	284	57
iv) G.n.i.e.	94	110	-16	68	128	-60
v) Miscellaneous	14,424	5,199	9,225	16,267	6,580	9,687
of which						
Software Services	8,836	679	8,157	9,050	801	8,248
Business Services	3,758	3,222	536	3,894	3,537	357
Financial Services	528	449	79	916	702	215
Communication Services	513	231	282	613	180	433
b) Transfers	8,628	432	8,196	9,708	408	9,300
i) Official	153	165	-11	158	112	46
ii) Private	8,475	267	8,208	9,550	296	9,254
c) Income	2,362	4,349	-1,987	3,718	5,218	-1,500
i) Investment Income	2,279	4,151	-1,871	3,608	4,920	-1,312
ii) Compensation of Employees	83	198	-116	110	298	-188
Total Current Account (I+II)	**66,523**	**71,054**	**-4,532**	**72,871**	**77,128**	**-4,257**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**43,173**	**32,757**	**10,416**	**54,343**	**41,177**	**13,166**
a) Foreign Direct Investment (i+ii)	8,409	5,535	2,874	5,640	3,374	2,266
i) In India	7,616	20	7,595	4,865	19	4,847
Equity	5,574	20	5,553	2,822	19	2,803
Reinvested Earnings	1,920	–	1,920	1,920	–	1,920
Other Capital	122	–	122	124	–	124
ii) Abroad	793	5,514	-4,721	774	3,355	-2,581
Equity	793	4,758	-3,965	774	2,515	-1,741
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	485	-485	–	569	-569
b) Portfolio Investment	34,764	27,222	7,542	48,704	37,803	10,900
i) In India	34,706	27,216	7,490	48,698	37,781	10,918
of which						
FIIs	34,305	27,216	7,089	46,199	37,781	8,418
GDRs/ADRs	316	–	316	2,477	–	2,477
ii) Abroad	58	6	52	5	23	-17
2. Loans (a+b+c)	**16,740**	**7,593**	**9,147**	**20,008**	**10,428**	**9,580**
a) External Assistance	731	491	241	983	515	468
i) By India	6	7	-1	6	7	-1
ii) To India	726	484	242	977	508	469
b) Commercial Borrowings	8,282	1,338	6,944	6,288	2,071	4,217
i) By India	359	345	14	443	503	-60
ii) To India	7,923	993	6,930	5,845	1,568	4,277
c) Short Term To India	7,726	5,764	1,962	12,737	7,842	4,895
i) Suppliers' Credit >180 days & Buyers' Credit	6,883	5,764	1,119	11,012	7,842	3,170
ii) Suppliers' Credit up to 180 days	843	–	843	1,725	–	1,725
3. Banking Capital (a+b)	**8,561**	**9,479**	**-918**	**13,714**	**7,070**	**6,643**
a) Commercial Banks	8,561	9,473	-913	13,690	7,000	6,690
i) Assets	2,543	2,861	-318	4,404	358	4,046
ii) Liabilities	6,017	6,612	-595	9,286	6,642	2,645
of which: Non-Resident Deposits	5,252	5,699	-447	6,975	6,606	369
b) Others	–	6	-6	24	71	-47
4. Rupee Debt Service	**–**	**43**	**-43**	**–**	**2**	**-2**
5. Other Capital	**2,822**	**5,726**	**-2,904**	**9,025**	**5,188**	**3,837**
Total Capital Account (1 to 5)	**71,296**	**55,598**	**15,698**	**97,090**	**63,866**	**33,224**
C. ERRORS & OMISSIONS	**34**	**–**	**34**	**269**	**–**	**269**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**137,852**	**126,652**	**11,200**	**170,230**	**140,994**	**29,236**
E. MONETARY MOVEMENTS (i+ii)	**–**	**11,200**	**-11,200**	**–**	**29,236**	**-29,236**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	11,200	-11,200	–	29,236	-29,236

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Item	Oct-Dec 2007			Jan-Mar 2008		
	Credit	Debit	Net	Credit	Debit	Net
1	32	33	34	35	36	37
A. CURRENT ACCOUNT						
I. Merchandise	**43,054**	**67,294**	**-24,241**	**48,079**	**74,084**	**-26,005**
II. Invisibles (a+b+c)	**39,044**	**18,314**	**20,730**	**45,468**	**22,901**	**22,567**
a) Services	24,109	12,763	11,346	26,286	17,203	9,083
i) Travel	3,395	2,519	876	3,618	2,786	832
ii) Transportation	2,799	3,043	-245	3,171	3,386	-215
iii) Insurance	438	261	177	487	314	173
iv) G.n.i.e.	90	75	16	78	63	15
v) Miscellaneous	17,387	6,865	10,522	18,932	10,654	8,278
of which						
Software Services	9,608	852	8,757	12,806	1,026	11,780
Business Services	4,588	4,245	343	4,532	5,549	-1,016
Financial Services	882	763	119	891	1,219	-328
Communication Services	601	183	418	681	265	416
b) Transfers	11,427	493	10,934	14,498	982	13,515
i) Official	195	121	73	247	116	131
ii) Private	11,233	372	10,861	14,251	866	13,384
c) Income	3,508	5,058	-1,550	4,684	4,715	-31
i) Investment Income	3,401	4,791	-1,390	4,523	4,383	140
ii) Compensation of Employees	106	267	-160	161	333	-171
Total Current Account (I+II)	**82,097**	**85,607**	**-3,511**	**93,546**	**96,984**	**-3,438**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**84,486**	**69,639**	**14,847**	**89,119**	**84,222**	**4,897**
a) Foreign Direct Investment (i+ii)	8,396	6,275	2,120	14,877	6,245	8,633
i) In India	7,996	43	7,953	14,367	34	14,334
Equity	6,022	43	5,978	12,448	26	12,422
Reinvested Earnings	1,920	–	1,920	1,920	–	1,920
Other Capital	54	–	54	–	8	-8
ii) Abroad	400	6,232	-5,832	510	6,211	-5,701
Equity	400	5,206	-4,806	510	4,419	-3,909
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	755	-755	–	1,521	-1,521
b) Portfolio Investment	76,090	63,364	12,727	74,242	77,978	-3,736
i) In India	75,972	63,345	12,627	74,188	77,952	-3,764
of which						
FIIs	72,309	63,345	8,964	73,808	77,952	-4,144
GDRs/ADRs	3,473		3,473	379	–	379
ii) Abroad	119	19	100	54	26	28
2. Loans (a+b+c)	**20,657**	**10,587**	**10,070**	**24,787**	**12,931**	**11,856**
a) External Assistance	1,109	544	565	1,417	577	840
i) By India	6	7	-1	6	7	-1
ii) To India	1,103	537	566	1,411	570	841
b) Commercial Borrowings	8,427	2,187	6,240	7,296	2,088	5,209
i) By India	363	384	-21	427	392	35
ii) To India	8,064	1,803	6,261	6,869	1,696	5,173
c) Short Term To India	11,121	7,855	3,266	16,074	10,267	5,807
i) Suppliers' Credit >180 days & Buyers' Credit	10,231	7,855	2,376	14,515	10,267	4,248
ii) Suppliers' Credit up to 180 days	890	–	890	1,559	–	1,559
3. Banking Capital (a+b)	**12,588**	**12,381**	**207**	**20,951**	**15,124**	**5,827**
a) Commercial Banks	12,586	12,029	557	20,899	15,121	5,777
i) Assets	5,636	3,939	1,698	6,979	5,510	1,469
ii) Liabilities	6,949	8,090	-1,141	13,920	9,612	4,308
of which: Non-Resident Deposits	6,456	7,309	-853	10,718	9,608	1,110
b) Others	3	352	-350	52	3	49
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**76**	**-76**
5. Other Capital	**9,407**	**4,892**	**4,515**	**7,976**	**2,455**	**5,521**
Total Capital Account (1 to 5)	**127,138**	**97,499**	**29,639**	**142,833**	**114,809**	**28,024**
C. ERRORS & OMISSIONS	**609**	**–**	**609**	**405**	**–**	**405**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**209,844**	**183,106**	**26,738**	**236,783**	**211,794**	**24,990**
E. MONETARY MOVEMENTS (i+ii)	**–**	**26,738**	**-26,738**	**–**	**24,990**	**-24,990**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	26,738	-26,738	–	24,990	-24,990

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Item	Apr-Jun 2008 PR			Jul-Sep 2008 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	38	39	40	41	42	43
A. CURRENT ACCOUNT						
I. Merchandise	**57,454**	**82,731**	**-25,277**	**53,630**	**92,752**	**-39,121**
II. Invisibles (a+b+c)	**39,424**	**17,421**	**22,003**	**45,843**	**19,297**	**26,546**
a) Services	23,054	12,344	10,710	27,925	13,525	14,400
i) Travel	2,504	2,164	341	2,786	2,711	75
ii) Transportation	2,615	3,328	-713	3,041	3,751	-710
iii) Insurance	350	227	123	377	306	71
iv) G.n.i.e.	130	110	19	81	95	-14
v) Miscellaneous	17,455	6,515	10,940	21,640	6,662	14,978
of which						
Software Services	12,081	844	11,237	12,120	935	11,185
Business Services	3,564	3,217	346	4,846	4,034	812
Financial Services	615	620	-5	1,673	966	707
Communication Services	510	227	284	740	296	444
b) Transfers	12,797	654	12,143	13,773	831	12,942
i) Official	148	107	40	51	97	-46
ii) Private	12,649	547	12,102	13,722	734	12,988
c) Income	3,573	4,422	-849	4,145	4,941	-796
i) Investment Income	3,418	4,094	-676	3,855	4,610	-755
ii) Compensation of Employees	155	328	-174	290	331	-41
Total Current Account (I+II)	**96,878**	**100,152**	**-3,274**	**99,474**	**112,049**	**-12,575**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**52,901**	**48,144**	**4,757**	**51,777**	**48,185**	**3,591**
a) Foreign Direct Investment (i+ii)	12,134	3,170	8,964	9,146	4,244	4,903
i) In India	11,898	21	11,876	8,831	52	8,778
Equity	10,240	21	10,218	7,304	52	7,251
Reinvested Earnings	1,492	–	1,492	1,492	–	1,492
Other Capital	166	–	166	35	–	35
ii) Abroad	236	3,148	-2,912	316	4,191	-3,876
Equity	236	2,346	-2,111	316	3,426	-3,111
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	531	-531	–	494	-494
b) Portfolio Investment	40,768	44,975	-4,207	42,630	43,942	-1,311
i) In India	40,745	44,923	-4,177	42,618	43,919	-1,302
of which						
FIIs	39,746	44,923	-5,177	42,482	43,919	-1,437
GDRs/ADRs	999	–	999	136	–	136
ii) Abroad	22	52	-29	13	22	-10
2. Loans (a+b+c)	**15,952**	**9,618**	**6,333**	**16,276**	**13,669**	**2,607**
a) External Assistance	909	559	351	1,095	577	518
i) By India	6	8	-2	6	8	-2
ii) To India	903	550	353	1,089	569	521
b) Commercial Borrowings	2,760	1,281	1,479	3,572	1,885	1,687
i) By India	403	190	213	532	138	393
ii) To India	2,357	1,090	1,267	3,040	1,747	1,294
c) Short Term To India	12,282	7,779	4,503	11,609	11,207	402
i) Suppliers' Credit >180 days & Buyers' Credit	9,256	7,779	1,477	11,609	9,766	1,843
ii) Suppliers' Credit up to 180 days	3,026	–	3,026	–	1,441	-1,441
3. Banking Capital (a+b)	**21,987**	**19,291**	**2,696**	**16,360**	**14,086**	**2,275**
a) Commercial Banks	21,987	19,140	2,847	16,360	14,083	2,277
i) Assets	11,457	10,533	924	6,596	5,154	1,442
ii) Liabilities	10,530	8,607	1,923	9,764	8,929	835
of which: Non-Resident Deposits	9,098	8,284	814	9,176	8,917	259
b) Others	–	151	-151	–	3	-3
4. Rupee Debt Service	**–**	**30**	**-30**	**–**	**3**	**-3**
5. Other Capital	**3,559**	**12,463**	**-8,904**	**5,595**	**6,967**	**-1,372**
Total Capital Account (1 to 5)	**94,399**	**89,546**	**4,853**	**90,008**	**82,909**	**7,099**
C. ERRORS & OMISSIONS	**656**	**–**	**656**	**742**	**–**	**742**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**191,933**	**189,698**	**2,235**	**190,224**	**194,958**	**-4,734**
E. MONETARY MOVEMENTS (i+ii)	**–**	**2,235**	**-2,235**	**4,734**	**–**	**4,734**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	2,235	-2,235	4,734	–	4,734

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Item	Oct-Dec 2008 PR			Jan-Mar 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	44	45	46	47	48	49
A. CURRENT ACCOUNT						
I. Merchandise	**39,436**	**73,484**	**-34,049**	**38,481**	**58,685**	**-20,204**
II. Invisibles (a+b+c)	**41,139**	**18,757**	**22,381**	**37,128**	**18,137**	**18,992**
a) Services	26,950	13,099	13,851	23,749	13,078	10,670
i) Travel	2,924	1,946	979	2,680	2,606	74
ii) Transportation	2,713	3,241	-528	2,916	2,499	416
iii) Insurance	344	268	77	348	329	18
iv) G.n.i.e.	97	233	-136	81	355	-273
v) Miscellaneous	20,872	7,412	13,460	17,724	7,289	10,435
of which						
Software Services	11,274	580	10,694	10,825	455	10,370
Business Services	4,185	3,568	618	3,850	4,616	-766
Financial Services	889	740	150	771	633	138
Communication Services	493	257	236	429	308	121
b) Transfers	10,997	845	10,151	9,980	419	9,562
i) Official	285	98	187	161	111	50
ii) Private	10,712	748	9,964	9,820	308	9,512
c) Income	3,192	4,813	-1,621	3,399	4,640	-1,240
i) Investment Income	3,000	4,475	-1,475	3,210	4,328	-1,118
ii) Compensation of Employees	192	338	-146	189	312	-123
Total Current Account (I+II)	**80,574**	**92,241**	**-11,668**	**75,609**	**76,821**	**-1,212**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**33,164**	**38,539**	**-5,374**	**27,073**	**26,580**	**493**
a) Foreign Direct Investment (i+ii)	6,567	6,121	446	8,414	5,229	3,185
i) In India	6,356	29	6,327	8,073	63	8,010
Equity	4,109	29	4,080	6,322	63	6,259
Reinvested Earnings	1,721	–	1,721	1,721	–	1,721
Other Capital	526	–	526	31	–	31
ii) Abroad	210	6,092	-5,881	341	5,166	-4,825
Equity	210	4,489	-4,279	341	4,407	-4,066
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	1,331	-1,331	–	488	-488
b) Portfolio Investment	26,598	32,418	-5,820	18,658	21,350	-2,692
i) In India	26,568	32,355	-5,786	18,580	21,169	-2,588
of which						
FIIs	26,561	32,355	-5,794	18,560	21,169	-2,609
GDRs/ADRs	7	–	7	20	–	20
ii) Abroad	29	63	-34	78	182	-104
2. Loans (a+b+c)	**15,795**	**15,247**	**548**	**14,104**	**14,924**	**-820**
a) External Assistance	1,654	663	992	1,383	606	777
i) By India	6	8	-2	6	8	-2
ii) To India	1,649	655	994	1,377	598	779
b) Commercial Borrowings	5,426	1,648	3,778	3,487	2,490	997
i) By India	662	148	514	399	306	93
ii) To India	4,763	1,500	3,263	3,087	2,184	904
c) Short Term To India	8,715	12,936	-4,221	9,234	11,828	-2,594
i) Suppliers' Credit >180 days & Buyers' Credit	8,715	10,357	-1,642	9,234	10,450	-1,216
ii) Suppliers' Credit up to 180 days	–	2,579	-2,579	–	1,378	-1,378
3. Banking Capital (a+b)	**14,830**	**19,786**	**-4,956**	**12,030**	**15,290**	**-3,260**
a) Commercial Banks	14,827	19,355	-4,528	11,919	15,290	-3,371
i) Assets	5,192	7,541	-2,349	2,578	5,498	-2,920
ii) Liabilities	9,636	11,814	-2,178	9,341	9,792	-451
of which: Non-Resident Deposits	9,543	8,501	1,042	9,331	7,155	2,176
b) Others	2	431	-429	111	–	111
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**68**	**-68**
5. Other Capital	**4,861**	**1,193**	**3,668**	**6,164**	**1,101**	**5,063**
Total Capital Account (1 to 5)	**68,650**	**74,764**	**-6,114**	**59,370**	**57,962**	**1,408**
C. ERRORS & OMISSIONS	**–**	**100**	**-100**	**104**	**–**	**104**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**149,224**	**167,105**	**-17,881**	**135,083**	**134,783**	**300**
E. MONETARY MOVEMENTS (i+ii)	**17,881**	**–**	**17,881**	**–**	**300**	**-300**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	17,881	–	17,881	–	300	-300

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Item	Apr-June 2009 PR			July-Sept 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	50	51	52	53	54	55
A. CURRENT ACCOUNT						
I. Merchandise	**39,164**	**64,799**	**-25,635**	**43,518**	**72,646**	**-29,128**
II. Invisibles (a+b+c)	**37,616**	**16,435**	**21,181**	**40,303**	**19,948**	**20,355**
a) Services	21,322	10,949	10,373	21,286	13,706	7,580
i) Travel	2,297	2,035	262	2,719	2,357	362
ii) Transportation	2,490	2,777	-287	2,566	2,221	345
iii) Insurance	387	314	73	384	341	43
iv) G.n.i.e.	100	103	-3	100	130	-30
v) Miscellaneous	16,048	5,720	10,328	15,517	8,657	6,860
of which						
Software Services	11,004	391	10,613	11,207	438	10,769
Business Services	2,586	3,872	-1,286	2,504	4,612	-2,108
Financial Services	1,116	928	188	732	1,135	-403
Communication Services	418	312	106	307	313	-6
b) Transfers	13,344	470	12,874	14,268	568	13,700
i) Official	46	110	-64	51	108	-57
ii) Private	13,298	360	12,938	14,217	460	13,757
c) Income	2,950	5,016	-2,066	4,749	5,674	-925
i) Investment Income	2,723	4,665	-1,942	4,544	5,332	-788
ii) Compensation of Employees	227	351	-124	205	342	-137
Total Current Account (I+II)	**76,780**	**81,234**	**-4,454**	**83,821**	**92,594**	**-8,773**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**48,422**	**34,033**	**14,389**	**55,791**	**39,619**	**16,172**
a) Foreign Direct Investment (i+ii)	9,797	3,676	6,121	11,431	4,936	6,495
i) In India	9,672	926	8,746	11,336	632	10,704
Equity	7,290	900	6,390	8,547	597	7,950
Reinvested Earnings	2,020	–	2,020	2,020	–	2,020
Other Capital	362	26	336	769	35	734
ii) Abroad	125	2,750	-2,625	95	4,304	-4,209
Equity	125	2,053	-1,928	95	2,614	-2,519
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	426	-426	–	1,419	-1,419
b) Portfolio Investment	38,625	30,357	8,268	44,360	34,683	9,677
i) In India	38,602	30,332	8,270	44,356	34,655	9,701
of which						
FIIs	38,559	30,332	8,227	41,693	34,655	7,038
GDRs/ADRs	43	–	43	2,664	–	2,664
ii) Abroad	23	25	-2	4	28	-24
2. Loans (a+b+c)	**12,920**	**14,746**	**-1,826**	**16,024**	**13,491**	**2,533**
a) External Assistance	821	725	96	1,237	738	499
i) By India	13	105	-92	13	105	-92
ii) To India	808	620	188	1,224	633	591
b) Commercial Borrowings	1,973	2,432	-459	3,220	2,032	1,188
i) By India	244	333	-89	206	215	-9
ii) To India	1,729	2,099	-370	3,014	1,817	1,197
c) Short Term To India	10,126	11,589	-1,463	11,567	10,721	846
i) Suppliers' Credit >180 days & Buyers' Credit	10,126	9,590	536	10,994	10,721	273
ii) Suppliers' Credit up to 180 days	–	1,999	-1,999	573	–	573
3. Banking Capital (a+b)	**15,577**	**18,943**	**-3,366**	**16,543**	**12,132**	**4,411**
a) Commercial Banks	15,577	18,704	-3,127	16,543	11,989	4,554
i) Assets	4,368	6,946	-2,578	6,131	1,730	4,401
ii) Liabilities	11,209	11,758	-549	10,412	10,259	153
of which: Non-Resident Deposits	11,172	9,354	1,818	10,342	9,295	1,047
b) Others	–	239	-239	–	143	-143
4. Rupee Debt Service	**–**	**23**	**-23**	–	**1**	**-1**
5. Other Capital	**177**	**5,332**	**-5,155**	**7,054**	**11,371**	**-4,317**
Total Capital Account (1 to 5)	**77,096**	**73,077**	**4,019**	**95,412**	**76,614**	**18,798**
C. ERRORS & OMISSIONS	**550**	**–**	**550**	**–**	**607**	**-607**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**154,426**	**154,311**	**115**	**179,233**	**169,815**	**9,418**
E. MONETARY MOVEMENTS (i+ii)	**–**	**115**	**-115**	–	**9,418**	**-9,418**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	115	-115	–	9,418	-9,418
of which: SDR Allocation	–	–	–	–	5160	-5160

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Item	Oct-Dec 2009 PR			Jan- Mar 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	56	57	58	59	60	61
A. CURRENT ACCOUNT						
I. Merchandise	**47,062**	**78,135**	**-31,073**	**52,419**	**83,911**	**-31,492**
II. Invisibles (a+b+c)	**40,481**	**21,595**	**18,886**	**42,845**	**24,351**	**18,494**
a) Services	24,241	16,040	8,201	26,942	18,890	8,052
i) Travel	3,440	2,312	1,128	3,403	2,638	766
ii) Transportation	2,991	3,366	-375	3,100	3,570	-470
iii) Insurance	408	305	103	421	326	96
iv) G.n.i.e.	124	134	-10	116	159	-42
v) Miscellaneous	17,278	9,923	7,355	19,901	12,199	7,703
of which						
Software Services	13,197	333	12,864	14,297	307	13,990
Business Services	2,737	4,571	-1,834	3,818	5,571	-1,753
Financial Services	785	1,156	-371	1,103	1,517	-414
Communication Services	259	381	-122	245	383	-139
b) Transfers	13,604	638	12,966	13,216	642	12,574
i) Official	309	113	196	126	142	-16
ii) Private	13,295	525	12,770	13,090	500	12,590
c) Income	2,636	4,917	-2,281	2,686	4,818	-2,132
i) Investment Income	2,385	4,397	-2,012	2,455	4,326	-1,871
ii) Compensation of Employees	251	520	-269	231	492	-261
Total Current Account (I+II)	**87,543**	**99,730**	**-12,187**	**95,264**	**108,262**	**-12,998**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**44,561**	**34,955**	**9,606**	**49,315**	**37,357**	**11,958**
a) Foreign Direct Investment (i+ii)	8,780	4,859	3,921	7,912	4,719	3,193
i) In India	8,586	1,469	7,117	7,588	2,473	5,115
Equity	5,959	1,233	4,726	5,353	1,512	3,841
Reinvested Earnings	2,020	–	2,020	2,020	–	2,020
Other Capital	607	236	371	215	961	-746
ii) Abroad	194	3,390	-3,196	324	2,246	-1,922
Equity	194	2,480	-2,286	324	910	-585
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	639	-639	–	1,066	-1,066
b) Portfolio Investment	35,781	30,096	5,685	41,403	32,638	8,765
i) In India	35,770	30,041	5,729	41,169	32,493	8,675
of which						
FIIs	35,295	30,041	5,254	41,023	32,493	8,529
GDRs/ADRs	475	–	475	146	–	146
ii) Abroad	11	55	-44	234	144	89
2. Loans (a+b+c)	**19,820**	**14,268**	**5,552**	**24,439**	**18,477**	**5,962**
a) External Assistance	1,329	712	617	1,577	742	835
i) By India	13	105	-92	13	105	-93
ii) To India	1,316	607	709	1,565	637	928
b) Commercial Borrowings	4,455	2,802	1,653	5,026	4,886	140
i) By India	227	570	-343	297	387	-90
ii) To India	4,228	2,232	1,996	4,729	4,499	230
c) Short Term To India	14,036	10,754	3,282	17,836	12,849	4,987
i) Suppliers' Credit >180 days & Buyers' Credit	12,055	10,754	1,301	15,396	12,849	2,547
ii) Suppliers' Credit up to 180 days	1,981	–	1,981	2,440	–	2,440
3. Banking Capital (a+b)	**15,172**	**13,232**	**1,940**	**14,207**	**15,109**	**-902**
a) Commercial Banks	14,578	13,165	1,413	14,195	15,109	-914
i) Assets	3,067	1,874	1,193	3,531	4,709	-1,179
ii) Liabilities	11,511	11,291	220	10,664	10,399	265
of which: Non-Resident Deposits	10,177	9,568	609	9,665	10,215	-551
b) Others	594	67	527	12	–	12
4. Rupee Debt Service	–	–	–	–	73	-73
5. Other Capital	**1,715**	**4,119**	**-2,404**	**2,263**	**3,119**	**-856**
Total Capital Account (1 to 5)	**81,268**	**66,574**	**14,694**	**90,224**	**74,136**	**16,088**
C. ERRORS & OMISSIONS	**–**	**740**	**-740**	–	**949**	**-949**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**168,811**	**167,044**	**1,767**	**185,487**	**183,346**	**2,141**
E. MONETARY MOVEMENTS (i+ii)	**–**	**1767**	**-1767**	**–**	**2,141**	**-2,141**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	1767	-1767	–	2,141	-2,141
of which: SDR Allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Concld.)*

(US $ million)

Item	Apr-Jun 2009 PR			Apr-Jun 2010 P		
	Credit	Debit	Net	Credit	Debit	Net
1	62	63	64	65	66	67
A. CURRENT ACCOUNT						
I. Merchandise	**39,164**	**64,799**	**-25,635**	**53,726**	**87,920**	**-34,194**
II. Invisibles (a+b+c)	**37,616**	**16,435**	**21,181**	**42,725**	**22,263**	**20,462**
a) Services	21,322	10,949	10,373	26,116	16,059	10,057
i) Travel	2,297	2,035	262	2,950	2,261	689
ii) Transportation	2,490	2,777	-287	3,097	3,134	-37
iii) Insurance	387	314	73	404	310	94
iv) G.n.i.e.	100	103	-3	94	143	-49
v) Miscellaneous	16,048	5,720	10,328	19,571	10,211	9,360
of which						
Software Services	11,004	391	10,613	12,655	575	12,080
Business Services	2,586	3,872	-1,286	4,819	5,902	-1,083
Financial Services	1,116	928	188	1,228	1,404	-176
Communication Services	418	312	106	325	241	84
b) Transfers	13,344	470	12,874	13,754	700	13,054
i) Official	46	110	-64	59	115	-56
ii) Private	13,298	360	12,938	13,695	585	13,110
c) Income	2,950	5,016	-2,066	2,855	5,504	-2,649
i) Investment Income	2,723	4,665	-1,942	2,628	5,042	-2,414
ii) Compensation of Employees	227	351	-124	227	462	-235
Total Current Account (I+II)	**76,780**	**81,234**	**-4,454**	**96,451**	**1,10,183**	**-13,732**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**48,422**	**34,033**	**14,389**	**52,635**	**44,880**	**7,755**
a) Foreign Direct Investment (i+ii)	9,797	3,676	6,121	8,569	5,419	3,150
i) In India	9,672	926	8,746	8,275	2,302	5,973
Equity	7,290	900	6,390	5,991	2,278	3,713
Reinvested Earnings	2,020	–	2,020	2,166	–	2,166
Other Capital	362	26	336	118	24	94
ii) Abroad	125	2,750	-2,625	294	3,117	-2,823
Equity	125	2,053	-1,928	294	1,914	-1,620
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	426	-426	–	932	-932
b) Portfolio Investment	38,625	30,357	8,268	44,066	39,461	4,605
i) In India	38,602	30,332	8,270	43,972	39,320	4,652
of which						
FIIs	38,559	30,332	8,227	42,858	39,320	3,538
GDRs/ADRs	43	–	43	1,114	–	1,114
ii) Abroad	23	25	-2	94	141	-47
2. Loans (a+b+c)	**12,920**	**14,746**	**-1,826**	**24,696**	**14,110**	**10,586**
a) External Assistance	821	725	96	3,090	754	2,336
i) By India	13	105	-92	14	20	-6
ii) To India	808	620	188	3,076	734	2,342
b) Commercial Borrowings	1,973	2,432	-459	4,521	1,850	2,671
i) By India	244	333	-89	185	243	-58
ii) To India	1,729	2,099	-370	4,336	1,607	2,729
c) Short Term To India	10,126	11,589	-1,463	17,085	11,506	5,579
i) Suppliers' Credit >180 days & Buyers' Credit	10,126	9,590	536	15,579	11,506	4,073
ii) Suppliers' Credit up to 180 days	–	1,999	-1,999	1,506	–	1,506
3. Banking Capital (a+b)	**15,577**	**18,943**	**-3,366**	**16,747**	**12,742**	**4,005**
a) Commercial Banks	15,577	18,704	-3,127	16,745	12,718	4,027
i) Assets	4,368	6,946	-2,578	3,263	2,558	705
ii) Liabilities	11,209	11,758	-549	13,482	10,160	3,322
of which: Non-Resident Deposits	11,172	9,354	1,818	11,254	10,133	1,121
b) Others	–	239	-239	2	24	-22
4. Rupee Debt Service	**–**	**23**	**-23**	**–**	**16**	**-16**
5. Other Capital	**177**	**5,332**	**-5,155**	**1,206**	**5,151**	**-3,945**
Total Capital Account (1 to 5)	**77,096**	**73,077**	**4,019**	**95,284**	**76,899**	**18,385**
C. ERRORS & OMISSIONS	**550**	**–**	**550**	**–**	**912**	**-912**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**1,54,426**	**154,311**	**115**	**191,735**	**187,994**	**3,741**
E. MONETARY MOVEMENTS (i+ii)	**–**	**115**	**-115**	**–**	**3,741**	**-3,741**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	115	-115	–	3,741	-3,741
of which: SDR Allocation	–	–	–	–	–	–

No. 42: Foreign Exchange Reserves

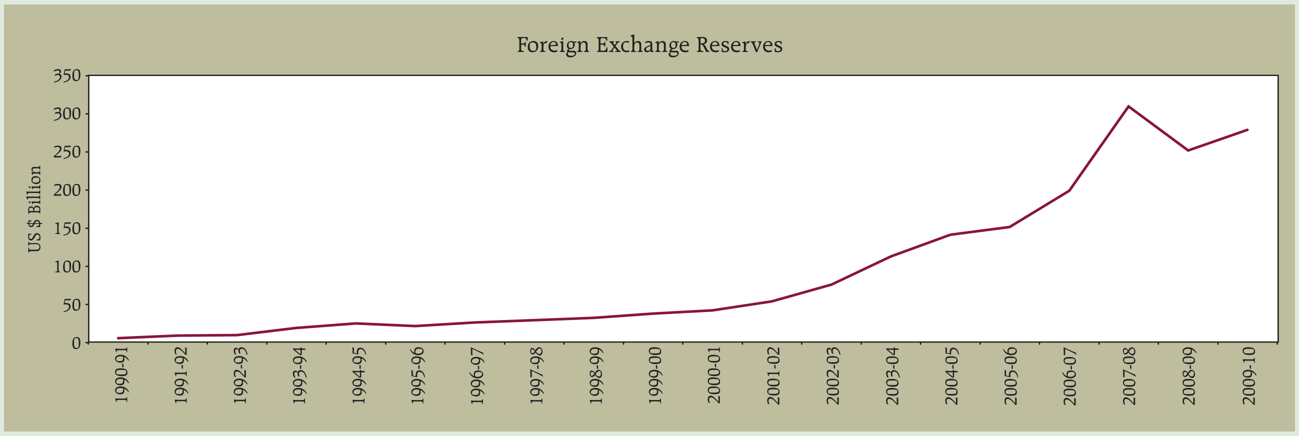
End of	Foreign Currency Assets*		Gold #		SDRs ##			Reserve Tranche Position in IMF		**Total**	
	₹ crore	In millions of US $	₹ crore	In millions of US $	In millions of SDRs	₹ crore	In millions of US $	₹ crore	In millions of US $	**₹ crore**	**In millions of US $**
1	2	3	4	5	6	7	8	9	10	**11=(2+4+7+9)**	**12=(3+5+8+10)**
2005-06	6,47,327	145,108	25,674	5,755	2	12	3	3,374	756	6,76,387	151,622
2006-07	8,36,597	191,924	29,573	6,784	1	8	2	2,044	469	8,68,222	199,179
2007-08	11,96,023	299,230	40,124	10,039	11	74	18	1,744	436	12,37,965	309,723
2008-09	12,30,066	241,426	48,793	9,577	1	6	1	5,000	981	12,83,865	251,985
2009-10	11,49,650	254,685	81,188	17,986	3,297	22,596	5,006	6,231	1,380	12,59,665	279,057
2008-09											
April	12,30,896	304,225	38,141	9,427	11	74	18	1,961	485	12,71,072	314,155
May	12,98,464	304,875	39,190	9,202	7	47	11	2,242	526	13,39,943	314,614
June	12,98,552	302,340	39,548	9,208	7	48	11	2,269	528	13,40,417	312,087
July	12,57,357	295,918	41,366	9,735	7	47	11	2,177	512	13,00,947	306,176
August	12,52,904	286,117	38,064	8,692	2	16	4	2,173	496	12,93,157	295,309
September	13,01,645	277,300	40,205	8,565	2	17	4	2,194	467	13,44,061	286,336
October	12,01,920	244,045	41,281	8,382	6	43	9	2,200	447	12,45,444	252,883
November	11,91,016	238,968	39,177	7,861	2	13	3	4,254	854	12,34,460	247,686
December	11,94,790	246,603	41,110	8,485	2	13	3	4,248	877	12,40,161	255,968
January	11,71,060	238,894	43,549	8,884	2	15	3	4,068	830	12,18,692	248,611
February	12,11,002	238,715	49,440	9,746	1	6	1	4,141	816	12,64,589	249,278
March	12,30,066	241,426	48,793	9,577	1	6	1	5,000	981	12,83,865	251,985
2009-10											
April	12,12,747	241,487	46,357	9,231	1	6	1	4,938	983	12,64,048	251,702
May	11,89,136	251,456	45,417	9,604	–	2	1	5,886	1,245	12,40,441	262,306
June	12,16,345	254,093	46,914	9,800	–	2	1	5,974	1,248	12,69,235	265,142
July	12,55,197	260,631	46,576	9,671	–	3	1	6,444	1,338	13,08,220	271,641
August	12,76,976	261,247	48,041	9,828	3,083	23,597	4,828	6,595	1,349	13,55,209	277,252
September	12,70,049	264,373	49,556	10,316	3,297	25,096	5,224	6,557	1,365	13,51,258	281,278
October	12,52,740	266,768	50,718	10,800	3,297	24,618	5,242	7,426	1,581	13,35,502	284,391
November	12,23,313	263,191	84,508	18,182	3,297	24,676	5,309	6,806	1,464	13,39,303	288,146
December	12,07,065	258,583	85,387	18,292	3,297	24,128	5,169	6,655	1,426	13,23,235	283,470
January	11,88,753	256,362	83,724	18,056	3,297	23,762	5,124	6,554	1,413	13,02,793	280,955
February	11,74,202	253,991	82,845	17,920	3,297	23,360	5,053	6,441	1,393	12,86,848	278,357
March	11,49,650	254,685	81,188	17,986	3,297	22,596	5,006	6,231	1,380	12,59,665	279,057
2010-11											
April	11,32,211	254,773	82,377	18,537	3,297	22,142	4,982	5,961	1,341	12,42,691	279,633
May	11,51,731	247,951	90,220	19,423	3,297	22,580	4,861	6,079	1,309	12,70,610	273,544
June	11,63,266	249,628	92,704	19,894	3,297	22,719	4,875	6,118	1,313	12,84,807	275,710
July	12,01,227	258,551	89,564	19,278	3,297	23,257	5,006	6,263	1,348	13,20,311	284,183
August	12,06,317	256,227	94,199	20,008	3,297	23,420	4,974	9,098	1,932	13,33,033	283,142
September	11,91,418	265,231	92,157	20,516	3,297	23,046	5,130	8,953	1,993	13,15,574	292,870
September 3, 2010	12,05,877	258,384	94,199	20,008	3,297	23,314	4,995	9,057	1,941	13,32,447	285,328
September 10, 2010	11,99,241	257,569	94,199	20,008	3,297	23,217	4,986	9,019	1,937	13,25,676	284,500
September 17, 2010	11,98,657	260,748	94,199	20,008	3,297	23,105	5,026	8,976	1,952	13,24,937	287,734
September 24, 2010	12,04,664	264,529	94,199	20,008	3,297	23,148	5,083	8,992	1,975	13,31,003	291,595
October 1, 2010	11,90,753	266,507	92,157	20,516	3,297	22,960	5,139	8,919	1,996	13,14,789	294,158
October 8, 2010	11,89,829	268,100	92,157	20,516	3,297	22,938	5,168	8,911	2,008	13,13,835	295,792

– Negligible. See 'Notes on tables'.

* FCA excludes US $ 250.00 millon (as also its equivalent value in Indian Rupee) invested in foreign currency denominated bonds issued by IIFC (UK) since March 20, 2009.

Includes ₹ 31,463 crore (US$ 6,699 million) reflecting the purchase of 200 metric tonnes of gold from IMF on November 3, 2009.

Includes SDRs 3,082.5 million allocated under general allocation and SDRs 214.6 million allocated under special allocation by the IMF done on August 28, 2009 and Sepetember 9, 2009, respectively.



No. 43: NRI Deposits- Outstanding and Inflows (+) /Outflows (-) @

(As at End March) (US $ million)

Scheme	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. FCNR(A) *	7,051	4,255	2,306	1	–	–	–	–	–	–	–	–	–	–	–	–
2. FCNR(B) **	3,063	5,720	7,496	8,467	7,835	8,172	9,076	9,673	10,199	10,961	11,452	13,064	15,129	14,168	13,211	14,258
3. NR(E)RA	4,556	3,916	4,983	5,637	6,045	6,758	7,147	8,449	14,923	20,559	21,291	22,070	24,495	26,716	23,570	26,251
4. NR(NR)RD +	2,486	3,542	5,604	6,262	6,618	6,754	6,849	7,052	3,407	1,746	232	–	–	–	–	–
5. NRO	–	–	–	–	–	–	–	–	–	–	–	1,148	1,616	2,788	4,773	7,381
Total	**17,156**	**17,433**	**20,389**	**20,367**	**20,498**	**21,684**	**23,072**	**25,174**	**28,529**	**33,266**	**32,975**	**36,282**	**41,240**	**43,672**	**41,554**	**47,890**

(US $ million)

Scheme	2009-10 End Month											
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1	2	3	4	5	6	7	8	9	10	11	12	13
1. FCNR(B) **	13,384	14,017	14,014	14,156	14,053	14,188	14,625	14,698	14,665	14,534	14,358	14,258
2. NR(E)RA	23,935	25,418	24,952	25,369	24,931	25,434	25,715	26,079	25,905	25,769	25,836	26,251
3. NRO	5,063	5,613	5,613	5,971	6,003	6,350	6,652	6,962	6,920	7,063	7,153	7,381
Total	**42,382**	**45,048**	**44,579**	**45,496**	**44,987**	**45,972**	**46,992**	**47,739**	**47,490**	**47,366**	**47,347**	**47,890**

(US $ million)

Scheme	2010-11 (P) End Month					
	Apr.	May	June	July	August	September
1	2	3	4	5	6	7
1. FCNR(B) **	14,466	14,159	14,369	14,697	14,753	15,015
2. NR(E)RA	26,686	26,031	26,067	26,595	26,110	26,584
3. NRO	7,724	7,643	7,672	7,829	7,885	8,309
Total	**48,876**	**47,833**	**48,108**	**49,121**	**48,748**	**49,908**

Inflow (+) /Outflow (–) During the Month

(US $ million)

Scheme	2009-10												
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.-Mar.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. FCNR(B)	173	633	-3	142	-103	135	437	73	–33	–131	–176	–100	1,047
	(-140)	(-151)	(124)	(-235)	(-291)	(29)	(-809)	(39)	(202)	(45)	(133)	(97)	(-957)
2. NR(E)RA	67	128	187	234	-68	38	-270	-31	44	–286	–11	–103	–71
	(-71)	(462)	(160)	(-39)	(-205)	(527)	(645)	(124)	(-220)	-(192)	(607)	(710)	(2508)
3. NRO	229	257	146	316	120	233	166	207	16	104	68	84	1,946
	(204)	(148)	(77)	(163)	(128)	(182)	(302)	(445)	(314)	(246)	(–98)	(627)	(2738)
Total	**469**	**1,018**	**330**	**692**	**-51**	**406**	**333**	**249**	**27**	**–313**	**-–119**	**–119**	**2,922**
	(-7)	**(459)**	**(361)**	**(-111)**	**(-368)**	**(738)**	**(138)**	**(608)**	**(296)**	**(99)**	**(642)**	**(1,434)**	**(4,289)**

Inflow (+) /Outflow (–) During the Month

(US $ million)

Scheme	2010-11 (P)						
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Apr.-Sep.
1	2	3	4	5	6		7
1. FCNR(B)	207	-307	210	329	55	262	756
	(173)	(633)	(-3)	(142)	(-103)	(135)	(977)
2. NR(E)RA	-85	558	39	468	-248	-280	452
	(67)	(128)	(187)	(234)	(-68)	(38)	(586)
3. NRO	197	272	29	139	127	193	957
	(229)	(257)	(146)	(316)	(120)	(233)	(1301)
Total	**319**	**523**	**278**	**936**	**-66**	**175**	**2,165**
	(469)	**(1018)**	**(330)**	**(692)**	**(-51)**	**(406)**	**(2864)**

P : Provisional. * Withdrawn effective August 1994. ** Introduced in May 1993.

@ All figures are inclusive of accrued interest. + Introduced in June 1992 and discontinued w.e.f April 2002. – Not available.

Notes : 1. FCNR(A) : Foreign Currency Non-Resident (Accounts). 2. FCNR(B) : Foreign Currency Non-Resident (Banks).

3. NR(E)RA : Non-Resident (External) Rupee Accounts. 4. NR(NR)RD : Non-Resident (Non-Repatriable) Rupee Deposits.

5. NRO : Non-Resident Ordinary Rupee Account.

6. Figures in the brackets represent inflows (+)/outflows(–) during the corresponding month/period of the previous year.

No. 44: Foreign Investment Inflows

(US $ million)

Item	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09 (P)	2009-10 (P)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
A. Direct Investment (I+II+III)	**2,144**	**2,821**	**3,557**	**2,462**	**2,155**	**4,029**	**6,130**	**5,035**	**4,322**	**6,051**	**8,961**	**22,826**	**34,835**	**35,180**	**37,182**
I. Equity (a+b+c+d+e)	2,144	2,821	3,557	2,462	2,155	2,400	4,095	2,764	2,229	3,778	5,975	16,481	26,864	27,995	27,149
a. Government (SIA/FIPB)	1,249	1,922	2,754	1,821	1,410	1,456	2,221	919	928	1,062	1,126	2,156	2,298	4,699	3,471
b. RBI	169	135	202	179	171	454	767	739	534	1,258	2,233	7,151	17,127	17,998	18,990
c. NRI	715	639	241	62	84	67	35	–	–	–	–	–	–	–	–
d. Acquisition of shares *	11	125	360	400	490	362	881	916	735	930	2,181	6,278	5,148	4,632	3,148
e. Equity capital of unincorporated bodies #	..	..	..	..	..	61	191	190	32	528	435	896	2,291	666	1,540
II. Reinvested earnings +	..	..	..	..	..	1,350	1,645	1,833	1,460	1,904	2,760	5,828	7,679	6,428	8,080
III. Other capital ++	..	..	..	..	..	279	390	438	633	369	226	517	292	757	1,953
B. Portfolio Investment (a+b+c)	**2,748**	**3,312**	**1,828**	**-61**	**3,026**	**2,760**	**2,021**	**979**	**11,377**	**9,315**	**12,492**	**7,003**	**27,271**	**-13,855**	**32,375**
a. GDRs/ADRs # #	683	1,366	645	270	768	831	477	600	459	613	2,552	3,776	6,645	1,162	3,328
b. FIIs **	2,009	1,926	979	-390	2,135	1,847	1,505	377	10,918	8,686	9,926	3,225	20,328	-15,017	29,047
c. Offshore funds and others	56	20	204	59	123	82	39	2	–	16	14	2	298	–	–
Total (A+B)	**4,892**	**6,133**	**5,385**	**2,401**	**5,181**	**6,789**	**8,151**	**6,014**	**15,699**	**15,366**	**21,453**	**29,829**	**62,106**	**21,325**	**69,557**

(US $ million)

Item	2009-10 (P)												
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.– Mar.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. Direct Investment (I+II+III)	**2,339**	**2,095**	**2,471**	**3,476**	**3,174**	**1,512**	**2,332**	**1,700**	**1,542**	**2,042**	**1,717**	**1,209**	**37,182**
I. Equity (a+b+c+d)	2,339	2,095	2,471	3,476	3,174	1,512	2,332	1,700	1,542	2,042	1,717	1,209	27,149
a. Government (SIA/FIPB)	931	101	85	248	643	111	302	179	51	588	93	139	3,471
b. RBI	1,150	1,916	2,337	1,757	2,477	1,355	1,726	1,367	1,233	1,292	1,364	1,016	18,990
c. Acquisition of shares *	258	78	49	1,471	54	46	304	154	258	162	260	54	3,148
d. Equity capital of unincorporated bodies #	..	..	..	..	..	..	..	..	..	..	..	..	1,540
II. Reinvested earnings +	..	..	..	..	..	..	..	..	..	..	..	..	8,080
III. Other capital ++	..	..	..	..	..	..	..	..	..	..	..	..	1,953
B. Portfolio Investment (a+b+c)	**2,278**	**5,639**	**353**	**3,032**	**1,574**	**5,095**	**2,922**	**1,274**	**1,533**	**3,139**	**230**	**5,306**	**32,375**
a. GDRs/ADRs # #	33	–	10	965	1,603	96	–	381	94	46	–	100	3,328
b. FIIs **	2,245	5,639	343	2,067	-29	4,999	2,922	893	1,439	3,093	230	5,206	29,047
c. Offshore funds and others	–	–	–	–	–	–	–	–	–	–	–	–	–
Total (A+B)	**4,617**	**7,734**	**2,824**	**6,508**	**4,748**	**6,607**	**5,254**	**2,974**	**3,075**	**5,181**	**1,947**	**6,515**	**69,557**

(US $ million)

Item	2010-11 (P)						
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Apr.- Sep.
1	2	3	4	5	6	7	8
A. Direct Investment (I+II+III)	**2,179**	**2,213**	**1,380**	**1,785**	**1,330**	**2,118**	**13,508**
I. Equity (a+b+c+d)	2,179	2,213	1,380	1,785	1,330	2,118	**11,224**
a. Government (SIA/FIPB)	440	555	159	49	151	61	**1,415**
b. RBI	1,361	1,274	914	1,387	998	565	**6,499**
c. Acquisition of shares *	378	384	307	349	181	1,492	**3,091**
d. Equity capital of unincorporated bodies #	..	..	..	..	..	..	219
II. Reinvested earnings +	..	..	..	..	..	..	2,166
III. Other capital ++	..	..	..	..	..	..	118
B. Portfolio Investment (a+b+c)	**3,315**	**41**	**1,297**	**9,114**	**-440**	**10,577**	**23,904**
a. GDRs/ADRs # #	156	532	426	364	-	128	**1,606**
b. FIIs **	3,159	-491	871	8,750	-440	10,449	**22,298**
c. Offshore funds and others	–	–	–	–	–	–	–
Total (A+B)	**5,494**	**2,254**	**2,677**	**10,899**	**890**	**12,695**	**37,412**

* Relates to acquisition of shares of Indian companies by non-residents under Section 6 of FEMA, 1999. Data on such acquisitions have been included as part of FDI since January 1996.

** Represents inflow of funds (net) by Foreign Institutional Investors (FIIs).

Figures for equity capital of unincorporated bodies for 2009-10 are estimates.

Represents the amount raised by Indian Corporates through Global Depository Receipts (GDRs) and American Depository Receipts (ADRs).

\+ Data for 2009-10 are estimated as average of previous two years.

++ Data pertain to inter company debt transactions of FDI entities.

Notes : 1. Data for equity capital of unincorporated bodies, reinvested earnings and other capital in the column of the monthly table, pertain to April-June 2010 . Which are included in the last column (cumulative FDI).As a result the monthly total of FDI may not match with the cumulative FDI given in the last column.

2. Data on FDI have been revised since 2000-01 with expanded coverage to approach international best practices.
3. These data, therefore, are not comparable with FDI data for previous years. Also see 'Notes on Tables' of Table No 40 & 41.
4. Monthly data on components of FDI as per expanded coverage are not available.

No. 44A: Outward Remittances under the Liberalised Remittance Scheme for Resident Individuals

(US $ million)

Purpose	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	2	3	4	5	6	7
1. Deposit	9.1	23.2	19.7	24.0	30.4	37.4
2. Purchase of immovable property	0.5	1.9	8.5	39.5	55.9	47.6
3. Investment in equity/debt	–	–	20.7	144.7	151.4	206.5
4. Gift	–	–	7.4	70.3	133.0	159.9
5 . Donations	–	–	0.1	1.6	1.4	5.3
6. Travel	–	–	–	–	–	17.4
7. Maintenance of close relatives	–	–	–	–	–	170.9
8. Medical Treatment	–	–	–	–	–	18.3
9. Studies Abroad	–	–	–	–	–	217.8
10. Others**	–	–	16.4	160.4	436.0	101.8
Total (1 to10)	**9.6**	**25.0**	**72.8**	**440.5**	**808.1**	**983.0**

(US $ million)

Purpose	2009-10											
	April	May	June	July	August	September	October	November	December	January	February	March
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Deposit	2.3	2.8	3.2	1.9	1.7	3.0	2.7	2.0	3.6	1.9	3.3	9.0
2. Purchase of immovable property	4.2	3.8	3.4	2.5	4.7	3.7	2.9	2.9	3.6	3.2	2.1	10.6
3. Investment in equity/debt	12.6	12.2	14.8	10.7	15.4	12.6	20.2	12.8	16.6	10.4	16.0	52.2
4. Gift	13.6	11.7	13.7	13.0	11.2	11.5	12.6	11.7	12.3	11.9	14.7	22.0
5. Donations	0.1	0.2	0.6	0.1	0.2	0.4	2.3	0.2	0.1	0.6	0.2	0.3
6. Travel	1.4	1.5	1.1	2.5	1.2	2.3	1.8	1.8	0.6	0.8	0.8	1.6
7. Maintenance of close relatives	10.5	10.0	8.8	9.7	13.3	10.8	19.5	16.5	17.6	15.9	13.4	24.9
8. Medical Treatment	1.3	2.3	2.4	2.3	1.6	1.9	1.6	1.4	1.0	0.9	0.7	0.9
9. Studies Abroad	6.1	6.8	89.3	12.7	21.0	18.5	7.7	11.0	10.6	13.9	11.2	9.0
10. Others**	6.0	6.4	7.6	9.5	8.5	7.5	6.2	5.5	6.7	10.2	8.5	19.2
Total (1 to 10)	**58.1**	**57.7**	**145.0**	**64.9**	**78.8**	**72.2**	**77.5**	**65.8**	**72.7**	**69.7**	**70.9**	**149.7**

(US $ million)

Purpose	2010-11				
	April	May	June	July	August
1	2	3	4	5	6
1. Deposit	3.6	2.5	2.3	1.5	1.3
2. Purchase of immovable property	7.5	5.8	5.9	4.4	4.6
3. Investment in equity/debt	22.2	21.6	18.2	17.6	17.5
4. Gift	24.5	16.6	16.5	15.1	19.2
5. Donations	0.5	0.1	0.2	0.1	0.4
6. Travel	1.6	1.5	1.2	2.2	2.6
7. Maintenance of close relatives	61.1	19.7	15.1	14.7	20.7
8. Medical Treatment	0.8	0.6	0.7	0.7	0.5
9. Studies Abroad	7.7	9.6	6.9	13.0	18.6
10. Others**	11.7	12.2	10.1	7.6	9.5
Total (1 to 10)	**141.2**	**90.2**	**77.1**	**76.9**	**94.7**

– Not available.

** Include items such as subscription to journals, maintenance of investment abroad, student loan repayments, credit card payments etc. (till 2008-09 also includes education, travel, maintenance of close relatives and medical treatment).

Notes : (i) The data from 2004 to 2007 are on calendar basis.

(ii) Under Liberalised Remittance Scheme (LRS), currently, the residents are permitted to remit up to an amount of US $ 2, 00,000 per financial year (April-March) for any permitted current or capital account transactions or a combination of both with effect from September 26, 2007. The LRS Scheme was introduced in February 2004 to facilitate resident individuals to freely remit up to US $ 25,000 per calendar year, which was enhanced to US $ 50,000 per financial year in December 2006; to US $ 1, 00,000 per financial year in May 2007; and to US $ 2, 00,000 per financial year in September 2007.

No. 45: Daily Foreign Exchange Spot Rates

(₹ per Unit of Foreign Currency)

Date	RBI's Reference Rate ₹ Per Foreign Currency		FEDAI Indicative Rates							
	US Dollar	Euro	US Dollar		Pound Sterling		Euro		One Hundred Japanese Yen	
			Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
1	2	3	4	5	6	7	8	9	10	11
September 1, 2010	46.8700	59.6000	46.8650	46.8750	72.1900	72.2350	59.5900	59.6150	55.5000	55.5450
September 2, 2010	46.7800	59.9400	46.7750	46.7850	72.1175	72.1600	59.9525	59.9775	55.5600	55.5900
September 3, 2010	46.6700	59.8200	46.6700	46.6800	71.9750	72.0075	59.8350	59.8625	55.3825	55.4125
September 6, 2010	46.4800	60.0100	46.4750	46.4850	71.9425	71.9825	59.9950	60.0225	55.0925	55.1350
September 7, 2010	46.7100	59.7600	46.7000	46.7100	71.7550	71.7975	59.7475	59.7700	55.5550	55.6000
September 8, 2010	46.7000	59.4300	46.7000	46.7100	71.8675	71.9000	59.4250	59.4425	55.8825	55.9075
September 9, 2010	46.5600	59.1100	46.5500	46.5600	71.8325	71.8700	59.0850	59.1275	55.6075	55.6475
September 10, 2010+										
September 13, 2010	46.3100	59.3900	46.3100	46.3200	71.6550	71.6900	59.3825	59.4050	55.1700	55.1900
September 14, 2010	46.3700	59.6300	46.3600	46.3700	71.2175	71.2525	59.6325	59.6500	55.4350	55.4725
September 15, 2010	46.3700	60.1700	46.3650	46.3750	71.8275	71.8625	60.1625	60.1900	54.6425	54.6800
September 16, 2010	46.3000	60.1400	46.2900	46.3000	72.1700	72.2150	60.1225	60.1525	54.2225	54.2675
September 17, 2010	45.9700	60.3400	45.9650	45.9750	72.1525	72.1900	60.3300	60.3550	53.6275	53.6725
September 20, 2010	45.6100	59.6300	45.6100	45.6200	71.4025	71.4275	59.6025	59.6350	53.2150	53.2450
September 21, 2010	45.7300	59.8400	45.7250	45.7350	71.2350	71.2700	59.8225	59.8450	53.4425	53.4600
September 22, 2010	45.5300	60.5800	45.5350	45.5450	71.4300	71.4750	60.6250	60.6475	53.6325	53.6650
September 23, 2010	45.5900	61.1000	45.5900	45.6000	71.4175	71.4600	61.0725	61.1075	53.8950	53.9325
September 24, 2010	45.5400	60.7500	45.5425	45.5525	71.3800	71.4225	60.7450	60.7750	53.7625	53.8075
September 27, 2010	45.0400	60.6200	45.0500	45.0600	71.2950	71.3300	60.6200	60.6375	53.4600	53.5025
September 28, 2010	45.1300	60.6600	45.1350	45.1450	71.2950	71.3375	60.6650	60.6850	53.5800	53.6175
September 29, 2010	44.9200	61.0000	44.9200	44.9300	71.1175	71.1500	61.0050	61.0475	53.6925	53.7125
September 30, 2010	44.9200	61.0000	44.9200	44.9300	71.1175	71.1500	61.0050	61.0475	53.6925	53.7125

+ : Market closed.

FEDAI: Foreign Exchange Dealers' Association of India.

Note : Euro Reference rate was announced by RBI with effect from January 1, 2002.

Source : FEDAI for FEDAI rates.

No. 46: Sale/Purchase of U.S. Dollar by The Reserve Bank of India

Month		Foreign Currency (US $ million)			₹ equivalent at contract rate (₹ crore)	Cumulative (over end-April 2009)		Outstanding Net Forward Sales (-)/ Purchase (+) at the end of month (US $ million)
		Purchase (+)	Sale (-)	Net (+/-)		(US $ million)	(₹ crore)	
1		2	3	4	5	6	7	8
2009-10								
April	2009	204.00	2,691.00	(–) 2,487.00	(–) 12,063.87	(–) 2,487.00	(–) 12,063.87	(–) 1,071.00
May	2009	923.00	2,360.00	(–) 1,437.00	(–) 6,902.22	(–) 3,924.00	(–) 18,966.08	131.00
June	2009	1,279.00	235.00	1,044.00	4,974.19	(–) 2,880.00	(–) 13,991.90	745.00
July	2009	570.00	625.00	(–) 55.00	(–) 217.19	(–) 2,935.00	(–) 14,209.09	800.00
August	2009	415.00	234.00	181.00	837.52	(–) 2,754.00	(–) 13,371.58	619.00
September	2009	260.00	180.00	80.00	377.37	(–) 2,674.00	(–) 12,994.21	539.00
October	2009	125.00	50.00	75.00	372.04	(–) 2,599.00	(–) 12,622.16	435.00
November	2009	234.00	270.00	(–) 36.00	(–) 102.18	(–) 2,635.00	(–) 12,724.34	500.00
December	2009					(–) 2,660.00	(–) 12,794.21	525.00
January	2010					(–) 2,660.00	(–) 12,791.44	525.00
February	2010					(–) 2,660.00	(–) 12,771.67	525.00
March	2010					(–) 2,505.00	(–) 12,005.17	370.00

Month		Foreign Currency (US $ million)			₹ equivalent at contract rate (₹ crore)	Cumulative (over end-April 2010)		Outstanding Net Forward Sales (-)/ Purchase (+) at the end of month (US $ million)
		Purchase (+)	Sale (-)	Net (+/-)		(US $ million)	(₹ crore)	
1		2	3	4	5	6	7	8
2010-11								
April	2010							370.00
May	2010							370.00
June	2010					110	491.73	260.00
July	2010					110	491.73	260.00
August	2010					110	491.73	260.00
September	2010					370	1,707.48	

(+) Implies Purchase including purchase leg under swaps and outright forwards.

(-) Implies Sales including sale leg under swaps and outright forwards.

Note : This table is based on value dates.

No. 47: Turnover in Foreign Exchange Market

(US $ million)

Position Date	Merchant						Inter-bank					
	FCY / INR			FCY / FCY			FCY/INR			FCY/FCY		
	Spot	Forward	Forward Cancellation	Spot	Forward	Forward Cancellation	Spot	Swap	Forward	Spot	Swap	Forward
1	2	3	4	5	6	7	8	9	10	11	12	13
Purchases												
Sep. 1, 2010	2,254	1,022	582	210	1,805	1,625	7,236	5,959	525	5,860	1,278	76
Sep. 2, 2010	2,049	570	224	47	679	608	4,903	5,691	1,334	2,653	1,408	318
Sep. 3, 2010	2,086	820	551	113	750	646	6,540	4,823	383	3,622	954	94
Sep. 6, 2010	1,482	1,192	650	218	940	702	4,703	3,338	450	3,346	544	37
Sep. 7, 2010	1,744	1,332	747	155	863	628	5,399	4,343	434	3,853	1,581	43
Sep. 8, 2010	2,140	1,048	869	132	712	897	6,372	6,096	891	3,980	1,404	107
Sep. 9, 2010	2,046	949	1,209	181	755	615	6,494	5,526	1,053	3,698	1,564	123
Sep. 10, 2010	69	14	18	1	2	6	45	90	1	331	84	1
Sep. 13, 2010	2,450	1,492	638	137	1,583	1,195	7,665	5,526	1,323	4,048	1,432	48
Sep. 14, 2010	2,197	1,507	620	202	1,138	1,032	6,568	7,185	1,113	4,830	1,383	84
Sep. 15, 2010	1,958	949	470	127	1,344	982	5,759	5,839	644	4,621	1,352	182
Sep. 16, 2010	2,181	1,672	938	149	1,011	808	7,349	8,407	723	3,860	1,491	241
Sep. 17, 2010	2,695	2,433	1,425	123	812	607	9,147	7,160	732	4,292	1,015	80
Sep. 20, 2010	3,550	1,574	730	215	1,081	766	8,195	7,010	797	3,099	1,170	46
Sep. 21, 2010	2,693	1,463	709	156	772	580	8,145	7,698	684	3,620	1,619	87
Sep. 22, 2010	2,065	1,854	929	225	1,233	1,056	8,773	7,794	710	4,477	1,554	229
Sep. 23, 2010	2,416	1,394	841	146	1,365	1,113	8,046	7,502	762	5,178	1,370	89
Sep. 24, 2010	2,399	1,696	1,051	63	1,306	1,277	7,005	7,266	1,309	4,366	1,336	144
Sep. 27, 2010	4,666	2,923	4,108	354	1,039	1,174	9,348	9,212	910	4,155	2,776	161
Sep. 28, 2010	3,313	2,596	1,584	592	1,995	2,351	7,794	8,347	2,060	5,540	1,855	451
Sep. 29, 2010	3,400	3,224	2,475	234	1,503	1,650	9,948	6,941	1,253	5,674	2,801	403
Sep. 30, 2010	9	-	-	66	214	198	-	10	-	998	278	2
Sales												
Sep. 1, 2010	2,057	1,320	1,173	216	1,791	1,631	6,788	5,617	634	5,855	1,454	51
Sep. 2, 2010	1,153	877	755	52	726	552	4,737	4,938	1,620	2,651	1,732	300
Sep. 3, 2010	2,069	1,580	625	100	920	690	5,955	4,346	552	3,314	1,138	68
Sep. 6, 2010	1,403	1,451	575	218	900	746	4,589	3,455	568	3,355	558	29
Sep. 7, 2010	2,229	1,687	648	166	939	673	5,296	3,835	429	3,838	1,966	27
Sep. 8, 2010	1,912	1,735	702	133	726	832	6,155	4,970	983	3,986	1,955	88
Sep. 9, 2010	1,862	1,949	726	176	772	652	6,345	5,557	974	3,718	2,002	123
Sep. 10, 2010	13	1	2	1	-	10	10	90	-	328	84	1
Sep. 13, 2010	2,658	2,318	675	136	1,575	1,322	7,508	5,173	1,003	4,056	1,741	54
Sep. 14, 2010	2,168	1,793	443	204	1,243	977	6,522	5,833	875	4,837	1,436	89
Sep. 15, 2010	1,672	1,256	397	134	1,337	957	5,664	5,160	692	4,601	1,675	177
Sep. 16, 2010	1,748	2,534	860	144	1,046	755	7,010	7,723	909	3,922	1,765	190
Sep. 17, 2010	2,089	3,338	1,422	129	798	601	8,724	6,977	954	4,301	1,313	74
Sep. 20, 2010	2,177	2,564	994	217	1,178	716	7,899	6,088	724	3,078	1,346	60
Sep. 21, 2010	2,364	1,914	917	167	858	531	7,490	7,349	1,032	3,593	1,838	90
Sep. 22, 2010	1,945	2,112	1,244	233	1,271	920	8,689	7,153	745	4,486	1,714	231
Sep. 23, 2010	1,622	1,719	766	129	1,404	1,075	7,669	6,841	748	5,182	1,423	92
Sep. 24, 2010	2,431	2,350	1,377	96	1,364	1,150	6,983	6,767	864	4,386	1,477	141
Sep. 27, 2010	3,464	3,611	4,159	330	1,091	1,107	9,550	8,487	896	4,149	2,972	142
Sep. 28, 2010	2,527	2,894	1,721	605	2,053	2,224	7,521	7,499	2,251	5,657	2,246	319
Sep. 29, 2010	3,424	3,480	2,711	247	1,634	1,433	9,959	7,410	1,081	5,664	3,013	392
Sep. 30, 2010	6	1	-	66	214	198	-	10	-	998	386	2

INR : Indian Rupees. FCY : Foreign Currency. + : Market Closed

Note : Data relate to sales and purchases of foreign exchange on account of merchant and inter-bank transactions. Data are provisional.

No. 48: Indices of Real Effective Exchange Rate (REER) and Nominal Effective Exchange Rate (NEER) of the Indian Rupee

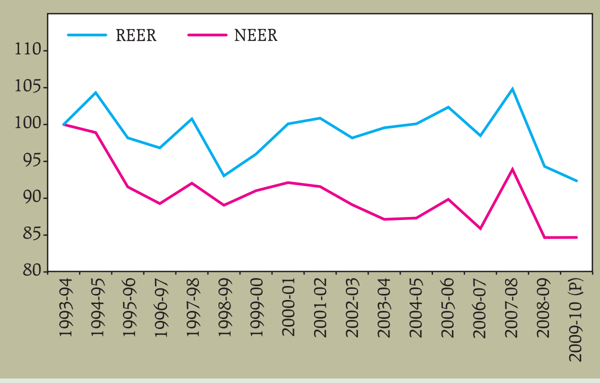
(36-Currency Export and Trade Based Weights)
(Base: 1993-94=100)*

Year	Trade Based Weights		Export Based Weights	
	REER	NEER	REER	NEER
1	2	3	4	5
1993-94	100.00	100.00	100.00	100.00
1994-95	104.32	98.91	104.88	98.18
1995-96	98.19	91.54	100.10	90.94
1996-97	96.83	89.27	98.95	89.03
1997-98	100.77	92.04	103.07	91.97
1998-99	93.04	89.05	94.34	90.34
1999-00	95.99	91.02	95.28	90.42
2000-01	100.09	92.12	98.67	90.12
2001-02	100.86	91.58	98.59	89.08
2002-03	98.18	89.12	95.99	87.01
2003-04	99.56	87.14	99.07	87.89
2004-05	100.09	87.31	98.30	88.41
2005-06	102.35	89.85	100.54	91.17
2006-07	98.48	85.89	97.42	87.46
2007-08	104.81	93.91	104.12	95.30
2008-09	94.32	84.66	94.12	84.67
2009-10 (P)	92.43	84.69	92.03	81.88

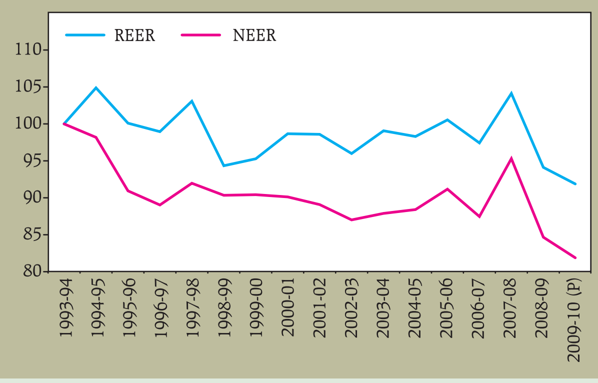
Year		Trade Based Weights		Export Based Weights	
		REER	NEER	REER	NEER
1		2	3	4	5
2007-08	April	102.60	91.80	101.88	92.89
	May	106.01	94.69	105.24	95.83
	June	105.92	94.97	105.03	96.07
	July	105.99	94.84	105.19	96.08
	August	105.34	94.38	104.47	95.52
	September	105.90	94.65	105.12	95.91
	October	106.09	95.29	105.35	96.73
	November	104.63	94.27	104.01	95.83
	December	104.94	94.68	104.19	96.11
	January	104.85	94.29	104.26	95.91
	February	103.51	93.11	103.04	94.82
	March	101.94	90.01	101.72	91.92
2008-09 (P)	April	101.67	91.51	101.60	91.92
	May	97.55	87.39	97.33	87.69
	June	97.58	86.03	97.49	86.36
	July	97.22	85.41	97.34	85.83
	August	99.45	87.04	99.47	87.27
	September	95.69	83.96	95.68	84.06
	October	92.01	81.91	91.99	81.81
	November	92.17	83.39	92.04	83.16
	December	90.01	82.47	89.81	82.25
	January	89.80	82.27	89.28	81.85
	February	90.59	83.84	90.14	83.47
	March	88.05	80.75	87.28	80.37
2009-10 (P)	April	87.48	83.61	87.14	80.73
	May	89.61	84.43	89.12	81.59
	June	90.04	84.78	89.54	81.86
	July	89.59	83.40	89.05	80.48
	August	90.15	83.13	89.57	80.21
	September	89.79	82.17	89.24	79.35
	October	91.89	84.29	91.34	81.51
	November	93.39	84.27	92.90	81.48
	December	94.18	84.77	93.81	81.96
	January	96.71	86.30	96.42	83.54
	February	96.69	86.85	96.65	84.16
	March	99.69	88.28	99.62	85.69
2010-11 (P)	April	100.39	90.75	100.87	87.37
	May	100.64	90.19	101.20	86.84
	June	99.44	89.44	100.25	86.16
	July	97.20	86.89	98.62	84.15
	August	96.53	86.80	97.47	83.66
	September	98.12	87.56	99.12	84.48

* For "Note on Methodology" and time series data on the indices presented here, please see December 2005 issue of this Bulletin.

Indices of REER and NEER of the Indian Rupee
(Trade Based Weights)



Indices of REER and NEER of the Indian Rupee
(Export Based Weights)



No. 49: Indices of Real Effective Exchange Rate (REER) and Nominal Effective Exchange Rate (NEER) of the Indian Rupee

(6-Currency Trade Based Weights)

Year/Month/Day		Base: 1993-94 (April-March) =100		Base: 2008-09 (April-March) =100	
		NEER	REER	NEER	REER
1993-94		100.00	100.00	153.76	95.88
1993-94		100.00	100.00	153.76	95.88
1994-95		96.96	105.82	149.01	101.42
1995-96		88.56	101.27	136.11	97.06
1996-97		86.85	101.11	133.47	96.91
1997-98		87.94	104.41	135.15	100.07
1998-99		77.49	96.14	119.09	92.15
1999-00		77.16	97.69	118.59	93.62
2000-01		77.43	102.82	119.00	98.55
2001-02		76.04	102.71	116.87	98.44
2002-03		71.27	97.68	109.53	93.62
2003-04		69.97	99.17	107.53	95.05
2004-05		69.58	101.78	106.93	97.55
2005-06		72.28	107.30	111.09	102.84
2006-07		69.49	105.57	106.80	101.18
2007-08		74.76	114.23	114.89	109.49
2008-09		65.07	104.34	100.00	100.00
2009-10 (P)		62.87	104.56	96.62	100.21
2007-08	April	73.33	111.87	112.69	107.22
	May	75.79	116.00	116.46	111.17
	June	75.95	115.38	116.72	110.58
	July	75.75	115.20	116.40	110.39
	August	75.03	114.20	115.30	109.44
	September	75.24	115.18	115.62	110.39
	October	76.08	115.98	116.92	111.16
	November	74.97	114.11	115.21	109.36
	December	75.25	114.72	115.65	109.94
	January	74.88	114.25	115.08	109.51
	February	73.96	113.03	113.65	108.33
	March	70.94	110.98	109.01	106.35
2008-09	April	71.49	112.24	109.87	107.57
	May	68.27	108.39	104.92	103.88
	June	67.11	108.21	103.15	103.71
	July	66.56	107.84	102.30	103.35
	August	67.88	111.12	104.33	106.50
	September	65.02	106.88	99.92	102.44
	October	62.50	101.95	96.06	97.71
	November	63.38	102.23	97.41	97.98
	December	62.48	99.73	96.03	95.59
	January	62.60	98.93	96.21	94.81
	February	63.08	99.15	96.95	95.03
	March	60.45	95.44	92.90	91.47
2009-10	April	61.60	98.34	94.68	94.26
	May	62.45	101.22	95.97	97.01
	June	62.59	100.97	96.20	96.77
	July	61.52	100.45	94.55	96.27
	August	61.39	101.37	94.35	97.16
	September	60.78	101.12	93.41	96.92
	October	62.57	103.82	96.16	99.50
	November	62.48	105.69	96.02	101.29
	December	62.96	106.90	96.76	102.45
	January	64.46	109.79	99.07	105.23
	February	65.02	110.50	99.93	105.91
	March (P)	66.59	114.49	102.34	109.73
2010-11	April (P)	68.40	118.91	105.13	113.97
	May (P)	68.07	120.00	104.62	115.02
	June (P)	67.55	118.79	103.81	113.85
	July (P)	65.70	116.18	100.97	111.35
	August (P)	65.66	116.35	100.91	111.52
	September (P)	66.00	117.17	101.44	112.30
	As on				
	September 17 (P)	66.05	117.27	101.52	112.39
	September 24 (P)	66.17	117.47	101.69	112.58
	October 01 (P)	66.81	118.61	102.68	113.68
	October 08 (P)	66.64	118.30	102.42	113.38
	October 15 (P)	66.89	118.74	102.80	113.81

(P) : Provisional.

Notes : 1. Rise in indices indicate appreciation of rupee and vice versa.
2. For "Note on Methodology" on the indices presented here, please see December 2005 issue of this Bulletin.
3. Base year 2008-09 is a moving one, which gets updated every year.

Notes on Tables

Table No. 1

(1) Annual data are averages of the months.
(2) Figures relate to last Friday of the month/year.
(3) Total of Rupee Securities held in Issue and Banking Departments.
(4) Relates to loans and advances only.
(5) Figures relate to the last Friday/last reporting Friday (in case of March).
(6) Total for Mumbai, Chennai, Kolkata and New Delhi only.
(7) Figures relate to last reporting Friday/March 31.
(8) Rates presented as low/high for the period indicated. The source of data prior to April 2000 issue of the Bulletin has been DFHI. The data from April 2000 issue of the Bulletin are not strictly comparable with that pertaining to earlier periods due to wider coverage of Call Market business.
(9) Relating to major banks.
(10) Base Rate relates to five major banks since July 1, 2010. Earlier figures relate to Benchmark Prime Lending Rate (BPLR).
(11) Annual data are averages of the months.
(12) Figures relate to the end of the month/year.
(13) Data relate to January – December.
(14) Cash Reserve Ratio of Scheduled Commercial Banks (excluding Regional Rural Banks).

Table No. 2

The gold reserves of Issue Department were valued at ₹84.39 per 10 grams up to October 16, 1990 and from October 17, 1990 they are valued close to international market prices.
(1) Includes Government of India one rupee notes issued from July 1940.
(2) Includes (i) Paid-up Capital of ₹5 crore (ii) Reserve Fund of ₹6,500 crore (iii) National Industrial Credit (Long-Term Operations): Fund of ₹16 crore and (iv) National Housing Credit (Long-Term Operations) Fund of ₹190 crore from the week ended November 30, 2007.
(3) Includes cash, short-term securities and fixed deposits. This also includes investment in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.
(4) Includes temporary overdrafts to State Governments.
(5) Figures in bracket indicate the value of gold held under other assets.

Table Nos. 3 & 4

The expression 'Banking System' or 'Banks' means (a) State Bank of India and its associates (b) Nationalised Banks (c) Banking companies as defined in clause 'C' of Section 5 of the Banking Regulation Act, 1949 (d) Co-operative banks (as far as scheduled co-operative banks are concerned) (e) Regional Rural Banks and (f) any other financial institution notified by the Central Government in this regard.
(1) Excludes borrowings of any scheduled state co-operative bank from the State Government and any Reserve Fund deposit required to be maintained with such bank by any co-operative society within the area of operation of such bank.
(2) Deposits of co-operative banks with scheduled state co-operative banks are excluded from this item but are included under 'Aggregate deposits'.
(3) Excludes borrowings of regional rural banks from their sponsor banks.

(4) Wherever it has not been possible to provide the data against the item 'Other demand and time liabilities' under 'Liabilities to the Banking System' separately, the same has been included in the item 'Other demand and time liabilities' under 'Liabilities to others'.

(5) Data reflect redemption of India Millennium Deposits (IMDs) on December 29, 2005.

(6) Other than from the Reserve Bank of India, NABARD and Export-Import Bank of India.

(7) Figures relating to scheduled banks' borrowings in India are those shown in the statement of affairs of the Reserve Bank of India. Borrowings against usance bills and/or promissory notes are under section 17(4) of the Reserve Bank of India Act, 1934.

(8) Includes borrowings by scheduled state co-operative banks under Section 17(4AA) of the Reserve Bank of India Act, 1934.

(9) As per the Statement of Affairs of the Reserve Bank of India.

(10) Advances granted by scheduled state co-operative banks to co-operative banks are excluded from this item but included under 'Loans, cash-credits and overdrafts'.

(11) At book value; it includes treasury bills and treasury receipts, treasury savings certificates and postal obligations.

(12) Includes participation certificates (PCs) issued by scheduled commercial banks to other banks and financial institutions.

(13) Includes participation certificates (PCs) issued by scheduled commercial banks to others.

(14) Figures in brackets relate to advances of scheduled commercial banks for financing food procurement operations.

Table No. 6

(1) Total of demand and time deposits from 'Others'.

(2) Includes borrowings from the Industrial Development Bank of India and National Bank for Agriculture and Rural Development.

(3) At book value; includes treasury bills and treasury receipts, treasury savings certificates and postal obligations.

(4) Total of 'Loans, cash credits and overdrafts' and 'Bills purchased and discounted'.

(5) Includes advances of scheduled state co-operative banks to central co-operative banks and primary co-operative banks.

Table No. 7

With a view to enable the banks to meet any unanticipated additional demand for liquidity in the context of the century date change, a 'Special Liquidity Support' (SLS) facility was made available to all scheduled commercial banks (excluding RRBs) for a temporary period from December 1, 1999 to January 31, 2000.

(1) With effect from April 13,1996, banks are provided export credit refinance against their rupee export credit and post-shipment export credit denominated in U.S. Dollars taken together.

(2) General Refinance Facility was replaced by Collateralised Lending Facility (CLF)/Additional Collateralised Facility (ACLF) effective April 21, 1999. ACLF was withdrawn with the introduction of Liquidity Adjustment Facility (LAF), effective June 5, 2000. CLF was withdrawn completely effective October 5, 2002.

(3) Special Liquidity Support Facility which was introduced effective September 17, 1998 was available upto March 31, 1999.

(4) Post-shipment credit denominated in US dollars (PSCFC) scheme was withdrawn effective February 8, 1996 and the refinance facility thereagainst was withdrawn effective April 13, 1996. The scheme of government securities refinance was terminated effective July 6, 1996.

Table No. 8

(a) The data includes cheque clearing for both i.e. clearing houses managed by Reserve Bank of India and clearing houses managed by other banks. Paper based inter-bank clearing has been discontinued at all the centres since June, 2005.

The other MICR Centres are Agra, Allahabad, Amritsar, Aurangabad, Baroda, Belgaum, Bhavnagar, Bhilwara, Calicut, Coimbatore, Cuttak, Dehradun, Ernakulum, Erode, Gorakhpur, Gwalior, Hubli, Indore ,Jabalpur, Jalandhar, Jamshedpur, Jammu, Jamnagar, Jodhpur, Kolhapur, Kozhikode, Kota, Lucknow, Ludhiana, Madurai, Mangalore, Mysore, Nasik, Panaji, Pondicherry, Pune, Raipur, Rajkot, Ranchi, Salem, Sholapur, Surat, Thiruchirapalli, Tirupur, Thrissur, Tirunelveli, Udaipur, Varanasi, Vijayawada and Vishakhapatnam.

(b) Graphs: The graphs 3 and 4 on Paper and Electronic payments - the Electronic Payment System data include Retail Electronic Payment Systems, RTGS (customer and inter-bank) and CCIL operated systems.

(c) Non MICR Data pertains to the Clearing Houses managed by 10 banks namely SBI, SBBJ, SB Indore, PNB, SBT, SBP, SBH, SBM, Jammu and Kashmir Bank and United Bank of India.

(d) The other MICR Centres includes 50 centres managed by 12 PSBs namely Andhra Bank, Bank of Baroda, Bank of India, Canara Bank, Corporation Bank, Oriental Bank of Commerce, Punjab National Bank, State Bank of India, State Bank of Indore, State Bank of Travancore, State Bank of Hyderabad and Union Bank of India.

Table No. 9A

The data pertains to retail electronic payment.

Table No. 9B

The data pertains to Large Value Payment Systems. The figures for CCIL, insofar as the operations pertain to selected services, are taken from the CCIL published data.

Table No. 10

(a) For details of money stock measures according to the revised series, reference may be made to January 1977 issue of this Bulletin (pages 70-134).

(b) Banks include commercial and co-operative banks.

(c) Financial year data relate to March 31, except scheduled commercial banks' data which relate to the last reporting Friday of March. For details, see the note on page S 963 of October 1991 issue of this Bulletin.

(d) Scheduled commercial banks' time deposits reflect redemption of Resurgent India Bonds (RIBs), since October 1, 2003 and of India Millennium Deposits (IMDs) since December 29, 2005.

(e) Data are provisional.

(1) Net of return of about ₹43 crore of Indian notes from Pakistan upto April 1985.

(2) Estimated : ten-rupee commemorative coins issued since October 1969, two-rupee coins issued since November 1982 and five-rupee coins issued since November 1985 are included under rupee coins.

(3) Exclude balances held in IMF Account No.1, Reserve Bank of India Employees' Provident Fund, Pension Fund, Gratuity and Superannuation Fund and Co-operative Guarantee Fund, the amount collected under the Additional Emoluments (Compulsory Deposit) Act, 1974 and the Compulsory Deposit Scheme (Income-Tax Payers') Act.

(f) Revised in line with the new accounting standards and consistent with the Methodology of Compilation (June 1998). The revision is in respect of pension and provident funds with commercial banks which are classified as other demand and time liabilities and includes those banks which have reported such changes so far.

Table Nos. 11 & 13

(a) On the establishment of National Bank for Agriculture and Rural Development (NABARD), on July 12, 1982, certain assets and liabilities of the Reserve Bank were transferred to NABARD, necessitating some reclassification of aggregates in the sources of money stock from that date.

(b) Please see item (c) of notes to Table 10.

(c) Data are provisional.

(1) Includes special securities and also includes ₹751.64 crore (equivalent of SDRs 211.95 million) incurred on account of Reserve Assets subscription to the IMF towards the quota increase effective December 11, 1992.

(2) Represents investments in bonds/shares of financial institutions, loans to them and holdings of internal bills purchased and discounted. Excludes since the establishment of NABARD, its refinance to banks.

(3) Inclusive of appreciation in the value of gold following its revaluation close to international market price effective October 17, 1990. Such appreciation has a corresponding effect on Reserve Bank's net non-monetary liabilities.

Table No. 11A

The conceptual basis of the compilation of the Commercial Bank Survey are available in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998, which recommended changes in the reporting system of commercial banks and the article entitled "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999.

(1) Time Deposits of Residents : These do not reckon non-residents' foreign currency repatriable fixed deposits (such as FCNR(B) deposits, Resurgent India Bonds (RIBs) and India Millennium Deposits (IMDs)) based on the residency criterion and exclude banks' pension and provident funds because they are in the nature of other liabilities and are included under 'other demand and time liabilities'.

(2) Short-term Time Deposits : Refers to contractual maturity of time deposits of up to and including one year. This is presently estimated at 45.0 per cent of total domestic time deposits.

(3) Domestic Credit : It includes investments of banks in non-SLR securities, comprising commercial paper, shares and bonds issued by the public sector undertakings, private sector and public financial institutions and net lending to primary dealers in the call/term money market, apart from investment in government and other approved securities and conventional bank credit (by way of loans, cash credit, overdrafts and bills purchased and discounted).

(4) Net Foreign Currency Assets of Commercial Banks : Represent their gross foreign currency assets netted for foreign currency liabilities to non-residents.

(5) Capital Account : It consists of paid-up capital and reserves.

(6) Other Items (net) : It is the residual balancing the components and sources of the Commercial Banking Survey and includes scheduled commercial banks' other demand and time liabilities, net branch adjustments, net inter-bank liabilities *etc.*

Table No. 11B

The conceptual basis of the compilation of new monetary aggregates are available in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998. A link series between the old and present monetary series has been published in the article entitled "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999.

(1) NM_2 and NM_3 : Based on the residency concept and hence does not directly reckon non-resident foreign currency repatriable fixed deposits in the form of FCNR(B) deposits, Resurgent India Bonds (RIBs) and India Millennium Deposits (IMDs).

(2) NM_2 : This includes M_1 and residents' short-term time deposits (including and up to the contractual maturity of one year) with commercial banks.

(3) Domestic Credit : Consistent with the new definition of bank credit which includes investments of banks in non-SLR securities, comprising of commercial paper, shares and bonds issued by the public sector undertakings, private sector and public financial institutions and net lending to primary dealers in the call/term money market. The RBI's loans and advances to NABARD would be included in the RBI credit to commercial sector. Other components such as credit to Government, investments in other approved securities and conventional bank credit remain unchanged.

(4) Net Foreign Assets of The Banking Sector : It comprises the RBI's net foreign assets and scheduled commercial banks' net foreign currency assets (refer to note 4 of Table 11A).

(5) Capital Account : It consists of paid-up capital and reserves.

(6) Other Items (net) of the Banking System : It is the residual balancing the components and sources of money stock, representing other demand and time liabilities *etc.* of the banking system.

Table No. 11C

The conceptual basis of the compilation of the Reserve Bank Survey is given in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998 and the article "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999. The components of reserve money (to be referred as M_0) remain unchanged. On the sources side, the RBI's refinance to the National Bank for Agriculture and Rural Development (NABARD), which was hitherto part of RBI's claims on banks has been classified as part of RBI credit to commercial sector. The Reserve Bank's net non-monetary liabilities are classified into capital account (comprising capital and reserves) and other items (net).

Table No. 12

Please see item (c) of notes to Table 10.

Table No. 26C

(a) Month-end yields for different integer valued residual maturities are estimated using interpolation technique on weighted average yields of select indicative securities derived from SGL transactions data on government securities observed during a select month-end day. Yield corresponding to each transaction in a security is calculated from the following Yield to Maturity (YTM) and price relationship.

$$P + bpi = \sum_{i=1}^{n} \frac{c/v}{(1+{}^{y}/_{v})^{vt_i}} + \frac{F}{(1+{}^{y}/_{v})^{vt_n}}$$

Where,

P = price of the bond

bpi = broken period interest

c = annual coupon payment

y = yield to maturity

v = number of coupon payments in a year

n = number of coupon payments till maturity

F = Redemption payment of the bond

t_i = time period in year till i^{th} coupon payment

(b) The weighted average yield corresponding to each traded security on that particular day is calculated from the yields of all transactions on that security using amount (Face Value) traded as the weights.

(c) Broken period (number of days) is based on day count convention of 30 days a month and 360 days a year.

Table Nos. 28 & 29

Table 28 presents Index Numbers of Industrial Production (Sectoral and Use-based Classification). Due to revision of the indices of the mining sector and also the deletion of four items, *viz.*, radio receivers, photosensitised paper, chassis (assembly) for HCVs (bus, truck) and engines from the item–basket of the manufacturing sector, the IIP data have been revised from 1994-95 onwards. This has also resulted in the change in redistribution of weights in use-based classification of IIP. Table 29 contains data on manufacturing sector at two digit level of 17 groups along with general index and sectoral indices, *viz.*, Mining and Quarrying, Manufacturing and Electricity.

Table No. 30

(a) Figures exclude data on private placement and offer for sale but include amounts raised by private financial institutions.

(b) Equity shares exclude bonus shares.

(c) Preference shares include cumulative convertible preference shares and equi-preference shares.

(d) Debentures include bonds.

(e) Convertible debentures include partly convertible debentures.

(f) Non-convertible debentures include secured premium notes and secured deep discount bonds.

(g) Figures in brackets indicate data in respect of premium on capital issues which are included in respective totals.

Table No. 34

The ban on forward trading in gold and silver, effective November 14, 1962 and January 10, 1963, has been lifted with effect from April 1, 2003.

(1) In case Friday is a holiday, prices relate to the preceding working day.

Table No. 35

Annual data relate to average of the months April to March.

(1) The new series of index numbers with base 2001=100 was introduced from January 2006 and with that the compilation of the index numbers with the base year 1982 was discontinued. The linking factor can be used to work out the index numbers with the base year 2001 for data from January 2006 onwards.

(2) Based on indices relating to 78 centres.

Table No. 36

Annual data relate to average of the months April to March. The new series of index numbers with base 1984-85=100 was introduced from November 1987.

(1) Based on indices relating to 59 centres.

Table No. 37

Annual data relate to the average of the months July to June.

(1) With respect to base: July 1960-June 1961=100.

(2) The new series of index numbers with base : July 1986 to June 1987 = 100 was introduced from November 1995 and with that the compilation of index numbers with base : July 1960 to June 1961 was discontinued. The linking factor given in this column can be used to work out the index numbers with old base (i.e., 1960-61 = 100) for November 1995 and subsequent months.

(3) In the case of Assam, the old series (i.e., with base 1960-61 = 100) was being compiled for the composite region viz. Assam, Manipur, Meghalaya and Tripura while the index of the new series (i.e., with base 1986-87 = 100) has been compiled for each of the constituent States separately. The index for Assam region on old base can be estimated from the corresponding indices of the new series as under :

$I^{A}_{O} = 5.89\ [\ (0.8126\ X\ I^{A}_{N}) + (0.0491\ X\ I^{Ma}_{N}) + (0.0645\ X\ I^{Me}_{N}) + (0.0738\ X\ I^{T}_{N})]$

where I_O and I_N represent the index numbers for old and new series, respectively, and superscripts A, Ma, Me and T indicate Assam, Manipur, Meghalaya and Tripura, respectively.

(4) Similarly, in the case of Punjab, where the old series (i.e., with base 1960-61 = 100) was being compiled for the composite region, viz., Punjab, Haryana and Himachal Pradesh, the index for the Punjab region on old base can be estimated as under :

$I^{P}_{O} = 6.36\ [(0.6123\ X\ I^{P}_{N}) + (0.3677\ X\ I^{Ha}_{N}) + (0.0200\ X\ I^{Hi}_{N})]$

where I_O and I_N represent the index numbers for old and new series, respectively, and superscripts P, Ha and Hi indicate Punjab, Haryana and Himachal Pradesh, respectively.

(5) Indices for the State compiled for the first time from November, 1995.

(6) Consumer Price Index for Rural Labourers (including agricultural labourers) are compiled from November 1995 only.

(7) Average of 8 months (November 1995 - June 1996).

Table Nos. 38

The new series of index numbers with base 2004-05=100 was introduced in September 2010 and was first published in the October 2010 issue of the Bulletin. An article giving the details regarding the scope and coverage of new series is published in October 2010 issue of the Bulletin.

As per the press release dated October 19, 2009 of the Cabinet Committee of Economic Affairs (CCEA), Government of India, the weekly release of WPI will cover only the 'Primary Articles' and the 'Fuel, Power, Light & Lubricants' groups. Now on, the WPI for 'All commodities' and 'Manufactured Products' will be released only on a monthly basis.

Table No. 39

(a) The foreign trade data relate to total sea, air and land trade, on private and government accounts. Exports are on f.o.b. basis and imports are on c.i.f. basis. Exports include re-exports of foreign merchandise previously imported to India and imports relate to foreign merchandise whether intended for home consumption, bonding or re-exportation. Direct transit trade, transshipment trade, passengers baggage, ship's stores, defence goods and transactions in treasure i.e. gold and current coins and notes, diplomatic goods, "proscribed substances" under Atomic Energy Act, 1962, are excluded from the trade data, while indirect transit trade, transactions in silver (other than current coins) and in notes and coins not yet in circulation or withdrawn from circulation are included.

Table Nos. 40 & 41

(1) Data up to 1980-81 are final, subsequent data are preliminary actuals.

(2) Interest accrued during the year and credited to NRI deposits has been treated as notional outflow under invisible payments and added as reinvestment in NRI deposits under Banking Capital – NRD.

(3) The item "Non-monetary Gold Movement" has been deleted from Invisibles in conformity with the IMF Manual on BOP (5th edition) from May 1993 onwards; these entries have been included under merchandise.

(4) Since 1990-91 the value of defence related imports are recorded under imports (merchandise debit) with credits financing such imports shown under "Loans (External commercial Borrowings to India)" in the capital account. Interest payments on defence debt owed to the General Currency Area (GCA) are recorded under Investment Income debit and principal repayments under debit to "Loans (External commercial Borrowings to India)". In the case of the Rupee Payment Area (RPA), interest payment on and principal repayment of debt is clubbed together and shown separately under the item "Rupee Debt Service" in the capital account. This is in line with the recommendations of the High Level Committee on Balance of Payments (Chairman : Dr. C. Rangarajan).

(5) In accordance with the provisions of IMF's Balance of Payments Manual (5th Edition), gold purchased from the Government of India by the RBI has been excluded from the BOP statistics. Data from the earlier years have, therefore, been amended by making suitable adjustments in "Other Capital Receipts" and "Foreign Exchange Reserves". Similarly, item "SDR Allocation" has been deleted from the table.

(6) In accordance with the recommendations of the Report of the Technical Group on Reconciling of Balance of Payments and DGCI & S Data on Merchandise Trade, data on gold and silver brought in by the Indians returning from abroad have been included under import payments with contra entry under Private Transfer Receipts since 1992-93.

(7) In accordance with the IMF's Balance of Payments Manual (5^{th} edition), 'compensation of employees' has been shown under head, "income" with effect from 1997-98; earlier, 'compensation of employees' was recorded under the head "Services – miscellaneous".

(8) Since April 1998, the sales and purchases of foreign currency by the Full Fledged Money Changers (FFMC) are included under "travel" in services.

(9) Exchange Rates : Foreign currency transactions have been converted into rupees at the par/central rates up to June 1972 and on the basis of average of the Bank's spot buying and selling rates for sterling and the monthly averages of cross rates of non-sterling currencies based on London market thereafter. Effective March 1993, conversion is made by crossing average spot buying and selling rate for US dollar in the forex market and the monthly averages of cross rates of non-dollar currencies based on the London market.

Explanatory Notes

Balance of payments is a statistical statement that systematically summarises, for a specific time period, the economic transactions of an economy with the rest of the world.

Merchandise credit relate to export of goods while ***merchandise debit*** represent import of goods.

Travel covers expenditure incurred by non-resident travellers during their stay in the country and expenditure incurred by resident travellers abroad.

Transportation covers receipts and payments on account of international transportation services.

Insurance comprises receipts and payments relating to all types of insurance services as well as reinsurance.

Government not included elsewhere (G.n.i.e.) relates to receipts and payments on government account not included elsewhere as well as receipts and payments on account of maintenance of embassies and diplomatic missions and offices of international institutions.

Miscellaneous covers receipts and payments in respect of all other services such as communication services, construction services, software services, technical know-how, royalties etc.

Transfers (official, private) represent receipts and payments without a quid pro quo.

Investment Income transactions are in the form of interest, dividend, profit and others for servicing of capital transactions. Investment income receipts comprise interest received on loans to non-residents, dividend/profit received by Indians on foreign investment, reinvested earnings of Indian FDI companies abroad, interest received on debentures, floating rate notes (FRNs), Commercial Papers (CPs), fixed deposits and funds held abroad by ADs out of foreign currency loans/export proceeds, payment of taxes by non-residents/refunds of taxes by foreign governments, interest/discount earnings on RBI investment etc. Investment income payments comprise payment of interest on non-resident deposits, payment of interest on loans from non-residents, payment of dividend/profit to non-resident share holders, reinvested earnings of the FDI companies, payment of interest on debentures, FRNs, CPs, fixed deposits, Government securities, charges on Special Drawing Rights (SDRs) etc.

Foreign investment has two components, namely, foreign direct investment and portfolio investment.

Foreign direct investment (FDI) to and by India up to 1999-2000 comprise mainly equity capital. In line with international best practices, the coverage of FDI has been expanded since 2000-01 to include, besides equity capital reinvested earnings (retained earnings of FDI companies) and 'other direct capital' (inter-corporate debt transactions between related entities). Data on equity capital include equity of unincorporated entities (mainly foreign bank branches in India and Indian bank branches operating abroad) besides equity of incorporated bodies. Data on reinvested earnings for the latest year are estimated as average of the previous two years as these data are available with a time lag of one year. In view of the above revision, FDI data are not comparable with similar data for the previous years. In terms of standard practice of BoP compilation, the above revision of FDI data would not affect India's overall BoP position as the accretion to the foreign exchange reserves would not undergo any change. The composition of BoP, however, would undergo changes. These changes relate to investment income, external commercial borrowings and errors and omissions. In case of reinvested earnings, there would be a contra entry (debit) of equal magnitude under investment income in the current account. 'Other Capital' reported as part of FDI inflow has been carved out from the figure reported under external commercial borrowings by the same amount. 'Other Capital' by Indian companies abroad and equity capital of unincorporated entities have been adjusted against the errors and omissions for 2000-01 and 2001-02.

Portfolio investment mainly includes FIIs' investment, funds raised through ADRs/GDRs by Indian companies and through offshore funds. Data on investment abroad, hitherto reported, have been split into equity capital and portfolio investment since 2000-01.

External assistance by India denotes aid extended by India to other foreign Governments under various agreements and repayment of such loans. External Assistance to India denotes multilateral and bilateral loans received under the agreements between Government of India and other Governments/International institutions and repayments of such loans by India, except loan repayment to erstwhile "Rupee area" countries that are covered under the Rupee Debt Service.

Commercial borrowings covers all medium/long term loans. Commercial Borrowings by India denote loans extended by the Export Import Bank of India (EXIM bank) to various countries and repayment of such loans. Commercial Borrowings to India denote drawals/repayment of loans including buyers' credit, suppliers' credit, floating rate notes (FRNs), commercial paper (CP), bonds, foreign currency convertible bonds (FCCBs) issued abroad by the Indian corporate etc. It also includes India Development Bonds (IDBs), Resurgent India Bonds (RIBs), India Millennium Deposits (IMDs).

Short term loans denotes drawals in respect of loans, utilized and repayments with a maturity of less than one year.

Banking capital comprises of three components : a) foreign assets of commercial banks (ADs), b) foreign liabilities of commercial banks (ADs), and c) others. 'Foreign assets' of commercial banks consist of (i) foreign currency holdings, and (ii) rupee overdrafts to non-resident banks. 'Foreign liabilities' of commercial banks consists of (i) Non-resident deposits, which comprises receipt and redemption of various non-resident deposit schemes, and (ii) liabilities other than non-resident deposits which comprises rupee and foreign currency liabilities to non-resident banks and official and semi-official institutions. 'Others' under banking capital include movement in balances of foreign central banks and international institutions like IBRD, IDA, ADB, IFC, IFAD etc. maintained with RBI as well as movement in balances held abroad by the embassies of India in London and Tokyo.

Rupee debt service includes principal repayments on account of civilian and non-civilian debt in respect of Rupee Payment Area (RPA) and interest payment thereof.

Other capital comprises mainly the leads and lags in export receipts (difference between the custom data and the banking channel data). Besides this, other items included are funds held abroad, India's subscription to international institutions, quota payments to IMF, remittances towards recouping the losses of branches/subsidiaries and residual item of other capital transactions not included elsewhere.

Movement in reserves comprises changes in the foreign currency assets held by the RBI and SDR balances held by the Government of India. These are recorded after excluding changes on account of valuation. Valuation changes arise because foreign currency assets are expressed in US dollar terms and they include the effect of appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen) held in reserves.

Table No. 42

1. Gold is valued at average London market price during the month.
2. Conversion of SDRs into US dollars is done at exchange rates released by the International Monetary Fund (IMF).
3. Conversion of foreign currency assets into US dollars is done at week-end (for week-end figures) and month-end (for month-end figures) New York closing exchange rates.
4. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI Holding rates.
5. Reserve Tranche Position (RTP) in IMF has been included in foreign exchange reserves from April 2, 2004 to match the international best practices. Foreign exchange reserves figures have accordingly been revised for 2002-03 and 2003-04 to include RTP position in the IMF.

Table No. 49

The 5-country indices of REER/NEER were replaced with new 6-currency indices in December 2005. The RBI Bulletin December 2005 carried a detailed article on the rationale and methodology for the replacement. A revision has now been undertaken in the construction of the 6-currency REER indices. This revision was necessitated by a sudden spurt in Chinese inflation indices during April-May, 2006. It may be mentioned that Chinese inflation indices are not readily available in the public domain. The National Bureau of Statistics provides only point-to-point inflation rates on a monthly basis in the public domain. In view of this, inflation indices were constructed taking into account the inflation rates with 1993-94 as the base year. It may be further mentioned that the period from January 1993 to December 1995 was marked by continuous double digit inflation rates in China. This lent an upward bias to the Chinese inflation indices (base: 1993-94=100) leading to a sharp fall in the value of 6-currency REER in April 2006. In order to remove the distortion in REER on account of sudden spurt in Chinese inflation numbers, a new series of Chinese inflation indices has been constructed taking 1990 as the base year (a year with much less volatility in inflation rates). Subsequently, the base year of the new series of Chinese inflation indices has been changed from 1990 to 1993-94 through splicing to facilitate the construction of the 6-currency REER (base 1993-94=100).

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	(c) Print Version alongwith CD-ROM			400 450 * 300 *** 350 **	40 □	
xi) 2008-09	(a) Print Version		2009	175 240 * 130*** 190 **		
	(b) CD-ROM			185 210 * 140 *** 160 **		
	(c) Print Version alongwith CD-ROM			350 450 * 250 *** 350 **		
4. State Finances - A Study of Budgets		do				
i) 1999-00			2000	110 * 90 **	20	
ii) 2000-01			2000	110 * 90 **	20	
iii) 2001-02 (English £ & Hindi)			2002	110 *£ 90 **	20	
iv) 2002-03			2003	110 * 90 **	20	
v) 2003-04			2004	100 125 * 90 **	 15 * 12 *	
vi) 2004-05 (English & Hindi)			2005	120 150 * 100 **	 15 □	
vii) 2005-06 (English & Hindi)			2006	170 200 * 130 **	15 *	
viii) 2006-07 (English & Hindi)			2007	200 230 * 150 *** 175 **	20*	
ix) 2007-08			2008	320 350 * 250 *** 280 **	 30 □	
x) 2008-09 (English & Hindi)			2009	215 245 * 160 *** 190 **	 23 □	
5. Handbook of Statistics on State Government Finances 2004		do	2004			
(a) Print version				170 200 * 125 **	 25 □ 20 *	
(b) CD ROM				120 140 * 90 **	15 □ 10 *	

Reserve Bank of India Publications

	Title of the Publication	Department	Year of publication	Price (₹)	Price US $	Weight in gms. & RBP Charges of Single copy in ₹
	1	2	3	4	5	6
6.	Handbook of Monetary Statistics in India 2006	DEAP	2006			
	(a) Print version			130	20 *	
				155 *		
				120 **		
	(b) CD ROM			100	15 *	
				90 **		
				120 *		
	(c) Print version along with CD ROM			200	25 *	
				250 *		
				190 **		
B.	**Banking Statistics**					
1.	Basic Statistical Returns of Scheduled Commercial Banks in India (Formerly Banking Statistics (BSR) till March 1999 Vol. 28 issue)	DSIM				
	i) Dec. 76-77 - Vol. 7	(Formerly known	1981	65 * £		
	ii) June 79 to Dec. 79 Vol. 9	as DESACS)	1984	150 * £		
	iii) June 80 to June 81 Vol. 10		1986	125 * £		
	iv) March 1990 - Vol. 19		1992	210	65	
	v) March 1994 - Vol. 23		1997	220 *	70	
	vi) March 1995 - Vol. 24		1997	220 *	70	
	vii) March 1996 - Vol. 25		1998	220 *	70	
	viii) March 1997 - Vol. 26		1999	220 *	70	
	ix) March 1998 - Vol. 27		1999	220 *	70	
	x) March 1998 - Vol. 27 (Hindi Edition)		1999	220 *		
	xi) March 1999 - Vol. 28		2000	220 *	70	
	xii) March 2000 - Vo. 29 (English Hindi)		2000	220 *	70	
	xiii) March 2001 - Vol. 30 (Hindi English)		2002	220 *	70	
	xiv) March 2002 - Vol. 31 (Print Version)		2003	225 *	70	
	(a) CD-ROM		2003	225 *	70	
	xv) March 2003 - Vol. 32 (Print Version)		2004	210	55 □	
				250 *	20 *	
	(a) CD-ROM			210	55 □	
				250 *	20 *	
	xvi) March 2004 - Vol. 33 (Print Version)		2005	180	55 □	
				220 *	20 *	
	(a) CD-ROM			180	55 □	
				220 *	20 *	
	xvii) March 2005 - Vol. 34 (Print Version)		2006	180	55 □	
				220 *	20 *	
	(a) CD-ROM			180	55 □	
				220 *	20 *	
	xviii) March 2006 - Vol. 35 (Print Version)		2007	280	60 □	
				320 *	25 *	
	xix) March 2007 - Vol. 36 (Print Version)		2008	280	60 □	
				320 *	25 *	
	xx) March 2008 - Vol. 37 (Print Version)		2009	300	60 □	
				340 *	25 *	
2.	Basic Statistical Return 1 & 2	do				
	i) Handbook of Instructions (English)		1996	20 * £		
	ii) Handbook of Instructions (Hindi)		1996	20 * £		
	iii) Basic Statistical Returns 1 and 2 Handbook of Instructions		2002	35 *		
3.	i) Form A-1 (Revised)	do	1996	2 £		13
	ii) Form A-2 (Revised)		1996	3 £		38
	iii) BSR-1 A forms (1 pad contains 25 sheets)		1996	14 £		200 19
	iv) BSR-1 B forms (1 pad contains 25 sheets) (Revised)		1996	14 £		
	v) BSR-2 forms (1 pad contains 25 Sheets) (Revised)		1996	14 £		200 19
	(The Regional Rural Banks from Western region may please contact DESACS, RBI, B.K. Complex, Bandra (E), Mumbai 400 051 for BSR-1A, BSR-1B & BSR-2 forms.)					

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	Title of the Publication	Department	Year of publication	Price (₹)	Price US $	Weight in gms. & RBP Charges of Single copy in ₹
	1	2	3	4	5	6
4.	Banking Statistics Basic Statistical Returns 1 & 2 Vol. 1 to 31, 1972 to 2002 DISC 1 & 2	DSIM	2004	420 475 *	59 □ 27 *	
5.	Banking Statistics-Summary Tables,	do				
	i) March 1995		1997	25 *		
	ii) March 1996		1998	25 *		
	iii) March 1997		1999	25 *		
	iv) March 1998		1999	25 *		
	v) March 1999		2000	25 *		
	vi) March 2000		2001	25 *		
6.	Banking Statistics - Quarterly Handout #	do				
	i) 1990 (4 Issues)		1990	40 * £		
	ii) March 1991		1991	10 * £		
	iii) June 1991		1991	12 * £		
	iv) September 1991		1991	15 * £		
	v) December 1991		1991	12 * £		
	vi) 1992 (3 Issues)		1992	75 *		
	vii) 1993 (4 Issues)		1993	120 *		
	viii) 1994 (4 Issues)		1994	120 *		
	ix) 1995 (4 Issues)		1995	120 *		
	x) 1996 (4 Issues)		1996	120 *		
	xi) 1997 (4 Issues)		1997	100 *		
	xii) 1998 (4 Issues)		1998	100 *		
	xiii) 1999 (4 Issues)		1999	100 *		
	xiv) 2000 (4 Issues)		2000	100 *		
	xv) 2001 (4 Issues)		2001	100 *		
	xvi) 2002 (4 Issues)		2002	100 *		
	xvii) 2003 (4 Issues)		2003	100 *		
	xviii) 2004 (4 Issues)		2004	140 *		
	xix) 2005 (4 Issues)		2005	140 *		
	xx) 2006 (4 Issues)		2006	140 *		
	xxi) 2007 (4 Issues)		2007	140 *		
	xxii) 2008 (4 Issues)		2008	140 *		
	xxiii) 2009 (4 Issues)		2009	240 *		
	Name changed w.e.f. Sept. 2003 issue as Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks.					
	xxiii) 2009 (4 Issues)		2009	240 *		
7.	Banking Statistics - Bank Credit	do				
	i) June 1987		1989	20 * £		
	ii) December 1987 - June 1988		1989	40 * £		
	iii) December 1988		1989	20 * £		
	iv) June 1989		1989	25 * £		
8.	Banking Statistics 1972-95	do	1998	120 *		
9.	Branch Banking Statistics - Vol. 1 March 1999	do	1999	130 *	40	
10.	Branch Banking Statistics - Vol. 2 March 2001	do	2001	130 * 50 **	40	
11.	Branch Banking Statistics - Vol. 3 March 2002 (On CD-ROM)	do	2003	300 *	40	
12.	Branch Banking Statistics - Vol. 3 March 2002	do	2003	185 *	40	
13.	Statistical Tables Relating to Banks in India	do				
	i) 1988-89		1993	106 £ 123 *	12	
	ii) 1990-91		1999	130 180 *	 50	
	iii) 1992-93		1998	135 £ 200 *	50	
	iv) 1994-95		1997	125 185 *	45	

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Title of the Publication		Department	Year of publication	Price (₹)	Price US $	Weight in gms. & RBP Charges of Single copy in ₹
1		2	3	4	5	6
v) 1995-96		DSIM	1998	125 185 *	45	
vi) 1996-97			1999	130 180 *	50	
vii) 1997-98			1999	130 180 *	50	
viii) 1998-99			1999	130 180 *	50	
ix) 1999-00			2000	175 225 *	50	
x) 2000-01	(a) Print version		2001	150 200 *	50	
	(b) CD-ROM		2001	150 225 *	50	
xi) 2001-02	(a) Print version		2002	150 200 *	50	
	(b) CD-ROM		2002	100 150 *	 50	
xii) 2002-03	(a) Print version		2003	200 250 *	50 *	
	(b) CD-ROM		2003	200 250 *	50 *	
xiii) 2003-04	(a) Print version		2004	230 280 *	25 □ 15 *	
	(b) CD-ROM		2004	175 225 *	25 □ 15 *	
xiv) 2004-05	(a) Print version		2005	190 240 *	55 □ 20*	
	(b) CD-ROM			200 250 *	55 □ 20*	
xv) 2005-06	(a) Print version		2006	250 300 *	55 □ 20*	
	(b) CD-ROM			200 250 *	55 □ 20*	
xvi) 2006-07	(a) Print version		2007	180 230 *	55 □ 20*	
	(b) CD-ROM			150 200 *	55 □ 20*	
xvii) 2007-08	(a) Print version		2008	200 250 *	80 □ 20*	
	(b) CD-ROM			225 250 *	15 □ 45*	
14. Selected Banking Indicators, 1947-1997 (Print Version)		do	1998	45 £	15 105 *	
(a) CD -ROM			1998	50		
15. Selected Banking Indicators 1981 to 2002		do	2003	320 460 *	75	
16. Selected Banking Indicators 1981 to 2002 (On CD-ROM)		do	2003	250 300 *	75	
17. Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks 1981-2003 (on CD-ROM)		do	2004	185 240 *	55 □ 20 *	
18. Annual Accounts of Scheduled Commercial Banks (Including Regional Rural Banks) 1989-90 to 2000-01 (on CD-ROM)		do	2002	200 250 *	50	

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	Title of the Publication	Department	Year of publication	Price (₹)	Price US $	Weight in gms. & RBP Charges of Single copy in ₹
	1	2	3	4	5	6
19.	Annual Accounts of Scheduled Commercial Bank (Including Regional Rural Banks 1979-2004) CD-Rom	DSIM	2004	85 £ 135	25	
20.	Directory of Commercial Bank Offices in India Vol. 1-0 December 2000 (on CD-ROM)	do	2000	500 * £	100	
21.	Directory of Commercial Bank offices in India Vol. 2 September 2003 (On CD-ROM)	do	2003	200 * £	40 *	
22.	All-India Debt and Investment Survey 1981-82	do				
	i) Assets and liabilities of households as on 30th June 1981		1987	75 85 * 60 **	15	
	ii) Statistical tables relating to capital expenditure and capital formation of households during the year ended 30th June 1982		1987	125 £ 135 * 100 **	25	
	iii) Statistical tables relating to cash borrowings and repayments of households during July 1981 to June 1982 and cash dues outstanding as on 30th June 1982		1990	100 £ 110 * 80 **	32	
23.	A Profile of Banks					
	i) 2004-05	do	2005	100 130 *	20 *	
	ii) 2005-06		2006	90 120 *	55 □ 20 *	
	iii) 2006-07		2007	90 120 *	55 □ 20 *	
	iv) 2007-08		2008	40 70 *	5 * 45 □	
	v) 2008-09		2009	60 90 *	5 * 45 □	
C.	**Public/Private Limited Companies**					
1.	Selected Financial Statistics Public Ltd. Companies 1974-75 to 1999-2000 (Selected Industries) on CD-ROM	do	2001	350 *	70	
2.	Selected Financial Statistics Public Ltd. Companies 1974-75 to 1999-2000 (Selected Industries)	do				
	1974-75 To 1982-1983 Vol.I 1982-83 To 1990-1991 Vol.II 1990-91 To 1999-2000 Vol.III		2001 2001 2001	700 *	140	1700 1500 2000
	(₹ 700 for three volums)					
3.	Selected financial and other ratios-public limited companies	do				
	1980-81 to 1987-88 Vol.I		1990	45 £	15	
	Vol.II		1990	60 £	20	
	1988-89 to 1990-91 (Part I)		1996	90 £	50	
4.	Selected financial & other ratios-private limited companies 1988-89 to 1990-91 (Part II)	do	1996	80	45	
5.	Private Corporate Business Sector in India Selected Financial Statistics from 1950-51 to 1997-98 (All-Industries) (Print Version)	do	2000	300 *	60 *	
	(a) CD-ROM			500 *	100 *	
D.	**Reports of Committees/Working Groups**					
1.	Study group on deployment of resources by State and Central co-operative banks (Hate committee report)	UBD	1982	25 * £		
2.	Capital formation and savings in India 1950-51 to 1979-80 Report of the working group on savings (Raj committee report)	DEAP	1982	18 £		400 21

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	Title of the Publication	Department	Year of publication	Price (₹)	Price US $	Weight in gms. & RBP Charges of Single copy in ₹	
	1	2	3	4	5		6
3.	Report of the working group to consider feasibility of introducing MICR/ OCR technology for cheque processing (Damle committee report)	DBOD	1983	7 £ (Amt. rounded off)		200	19
4.	Report of the committee to review the working of the monetary system (Sukhamoy Chakravarty committee report)	DEAP	1985	35 £ 25 **	10		
5.	Report of the committee to consider final accounts of banks (Ghosh committee report)	DBOD	1985	56 £		500	22
6.	Report of the committee on agricultural productivity in Eastern India	DEAP					
	(Sen Committee Report) Vol. I		1985	70 * £	15		
	(Hard Bound) Vol. II		1985	85 * £	20		
7.	Report of the working group on the money market (Vaghul committee report)	MPD	1987	15 *			
8.	Report of the committee to review the working of credit authorisation scheme (Marathe committee report)	IECD (Old)	1988	10 *	10		
9.	Co-ordination between term lending institutions and commercial banks (Bucher committee report)	do	1988	10 *	1		
10.	Report of the working group to review the system of cash credit (Chore committee report)	do	1988	12 * £			
11.	Report of the study group to frame guidelines for follow-up of bank credit (Tandon committee report)	do	1988	16 * £			
12.	Report of the study group for examining introduction of factoring services in India (Kalyansundaram committee report)	do	1989	30 *			
13.	Report of the committee on computerization in banks (Rangarajan committee report)	DSIM	1989	40 £		500	22
14.	Report of the Committee on Financial System (Narasimham Committee Report)	DBOD	1991 (Reprint)	60 £		170	19
15.	Report of the working group on financial companies (Shah committee report)	DFC	1992	30 £		300	20
16.	Report of the task force on money market mutual funds (Basu committee report)	MPD	1992	10 * £	5		
17.	Report of the committee on the licensing of new urban co-operative banks (Marathe committee report) (Hindi Edition)	UBD	1992	40		400	21
18.	Report of the committee to examine the legal and other difficulties faced by banks and financial institutions in rehabilitation of sick industrial undertakings and suggestremedial measures including changes in the law (Tiwari committee report)	IECD (Old)	1993 (Reprint)	90 £		500	22
19.	Report of the committee on structure of export credit (Sundaram committee report) (English & Hindi Edition)	do	1993	36	25	200	19
20.	Report of the committee to review the system of lending under consortium arrangement (Shetty committee report)	do	1993	50 £			
21.	Report of the committee to examine the adequacy of institutional credit to the SSI sector & related aspects (Nayak committee report)	RPCD	1993 (Reprint)	55	9	300	20
22.	Review of the agricultural credit system in India (Khusro committee report)	do	1993 (Reprint)	270 £ 315 *	80		
23.	Report of the committee to enquire into securities transactions of banks and financial institutions (Jankiraman committee report)	DOC	1994	85 £ 100 *			
24.	Committee on technology issues relating to payments system, cheque clearing and securities settlement in the banking industry (Saraf committee report) (Hindi Edition)	DIT	1994	50 *£	20		
25.	Report of the committee to study the problems of sick/weak units in leather industry and to suggest measures to overcome them (Balsubramanian committee report)	IECD (Old)	1994	69 £			
26.	Report of the working group for examining the schemes and incentives available to NRIs for investment in India (Sodhani Committee Report)	FED	1995	50 *£	10		

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	Title of the Publication	Department	Year of publication	Price (₹)	Price US $	Weight in gms. & RBP Charges of Single copy in ₹	
	1	2	3	4	5	6	
27.	Report of the expert group for designing a supervisory framework for non-banking financial companies (Khanna Committee Report)	DBOD	1996	35		307	21
28.	Report of the committee for proposing legislation on electronic funds transfer and other electronic payments (Shere Committee Report)	DIT	1996	150	15	333	21
29.	Report of the Committee on Capital Account Convertibility (Tarapore Committee Report)	DEIO	1997	100 *	35		
30.	Money Supply : Analystics and Methodology of Compilation- Report of the working group (Reddy Committee Report)	DEAP	1998	35 £	20		
31.	Report of the high level Committee on agricultural credit through commercial banks(Gupta Committee Report)	RPCD	1998	30 £		200	19
32.	Report of the high level Committee on credit to SSI (Kapur Committee Report)	do	1998	50 £	10	277	20
33.	Report of the Technical Committee on external debt (Nair Committee Report)	DEAP	1998	20 *£	15		
34.	Report of the Committee on Banking Sector Reforms (Narasimham Committee Report)	DBOD	1998	32		244	20
35.	Report of the Working Group on Euro (Subramanyam Committee Report)	DEIO	1998	100 £	30		
36.	Report of the Committee on Hedging through International Commodity Exchange (Gupta Committee Report)	FED	1998	100 *	50		
37.	Report of the Committee on Tecnnology Upgradation in the Banking Sector (Vasudevan Committee Report)	DIT	1999	100 *	25		
38.	Report of the High Power Committee on Urban Co-operative Banks (Madhava Rao Committee Report)	UBD	1999	80		490	22
39.	Report of the Advisory Group on Payment and Settlement System Part (I) June 2000	MPD	2000	40 * 30 **	15		
40.	Report of the Advisory Group on Payment and Settlement System (Part II)	do	2000	20 * 15 **	10		
41.	Report of the Advisory Group on Payment and Settlement System (Part III)	do	2001	20 * 15 **	10		
42.	Report of the Advisory Group on "Transparency in Monetary and Financial Policies".	do	2001	45 * 35 **	20		
43.	Report of the Advisory Group on Corporate Governance	do	2001	40 * 30 **	15		
44.	Report of the Advisory Group on Fiscal Transperency	do	2001	30 * 20 **	15		
45.	Report of the Advisory Group on Data Dissemination	do	2001	35 * 25 **	20		
46.	Report of the Advisory Group on Banking Supervision	do	2001	90 * 60 **	40		
47.	Report of the Advisory Group on Securities Market Regulation	do	2001	25 * 20 **	10		
48.	Report of the Advisory group on Bankruptcy Laws (Volume-I & II)	do	2001	90 * 75 **	45		
49 .	Report of the Advisory Group on Insurance Regulation	MPD	2001	35 * 25 **	20		
50	Report of the Advisory group on Accounting & Auditing	do	2001	40 *	20		
51.	Report of the Technical Group on Market Integrity	do	2002	65 * 50 **	20		
52	Standing Committee on International Financial Standards and Codes on CD-ROM	do	2002	200 * 150 **	60		
53.	Report of the Standing Committee on International Financial Standards and Codes	do	2002	65 * 50 **	20		

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	Title of the Publication	Department	Year of publication	Price (₹)	Price US $	Weight in gms. & RBP Charges of Single copy in ₹	
	1	2	3	4	5	6	
54.	The Standing Advisory Committee for Urban Co-operative Banks	UBD					
	i) First meeting		1983	5		200	19
	ii) Second meeting		1984	6 £		200	19
	iii) Third meeting		1985	6		200	19
	iv) Fourth meeting		1985	9		300	20
	v) Fifth meeting		1986	9 £		200	19
	vi) Sixth meeting		1988	12 £		200	19
	vii) Seventh meeting		1989	12		200	19
	viii) Eighth meeting		1990	21		300	20
	ix) Ninth meeting (Bilingual edition)		1992	24		200	19
	x) Tenth meeting		1994	95		300	20
	xi) Eleventh meeting		1995	90		300	20
	xii) Twelfth meeting		1996	52		100	18
E.	**Manuals**						
1.	Manual for urban co-operative banks	do	1984	15 £		400	21
2.	Manual on costing exercise in commercial banks	MSD	1987	5 £		200	19
3.	Manual on costing exercises in private sector and urban banks (Reprint)	do	1989	27 £		200	19
4.	RBI-Exchange Control Manual- (Reprint of 1993 edition) (Vol.I & II) (updated upto July, 1998)	FED	1998	400 £		2200	39
	i) RBI - Exchange Control Manual on floppy Disc - size 3.5 (Upadated upto June, 1999)		1999	400 £			
	ii) RBI - Exchange Control Manual - on C.D. Rom (updated upto 31st May, 2000)		1999	400 £			
F.	**Compendium of Circulars**						
1.	i) Compendium of A.D. (M.A. Series) circulars No. 1	do	1997	75 £			
	ii) Compendium of A.D. (M.A. Series) circulars No. 2		1998	120 £			
	iii) Compendium of A.D. (M.A. Series) circulars No. 3		1999	200			
2.	A. D. (M.A. Series) Circular No. 11 Foreign Exchange Management Act 1999	do	2000	185		900	26
3.	MPD Circulars						
	i) August 1970 to December 1981 - Vol. I	MPD	1989	75 *			
	ii) January 1982 to March 1989 - Vol.II		1989	75 *			
	iii) April 1989 to April 1995 Vol.III		1996	200		1530	33
4.	i) Circulars on Monetary and Credit Policy Vol. 4 (From May 1995 to April 1997)		2002	165 * 130 **	50		
	ii) Circular on Monetary and Credit Policy Vol. No. 5 (From May 1997 to March 1999)		2002	235 422 * 372 ** 185 ***	70		
	iii) Circulars on Monetary and Credit Policy Vol. No. 6. Part I & II (from April 1999 to March 2003) (English & Hindi)						
	a) Print Version (A set of four books)		2003	900 1300 * 1100 ** 700 ***	170		
	b) CD-ROM			400 * 300 **	80		
	iv) Circulars on Monetary and Credit Policy Vol. No. 7 (from April 2003 to March 2004) (English & Hindi)						
	a) Print Version		2004	250 275 * 200 **	25 □ 20 *		
	b) CD-ROM			180 200 * 140 **	5 □ 12 *		

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Title of the Publication	Department	Year of publication	Price (₹)	Price US $	Weight in gms. & RBP Charges of Single copy in ₹	
1	2	3	4	5	6	
v) Circulars on Monetary and Credit Policy Vol. No. 8	MPD	2005				
(from April 2004 to March 2005)			375	30 *		
(a) Print Version (Billingual)			400 *			
			280 **			
(b) CD-ROM			180	15 *		
			200 *			
			140 **			
vi) Compendium of MPD Circulars - Vol. No. 9		2006	480	35 *		
(April 2005 - March 2006) (Billingual)			500 *			
			375 **			
vii) Circulars on Monetary Policy Vol. No. 10		2007	600	40		
(April 2006 to March 2007) Billingual			620 *			
			450 **			
viii) Circulars on Monetary Policy Vol. No. 11 (CD-ROM)		2008	210	8 *		
(April 2007 to March 2008)			230 *			
			160 ***			
			180 **			
ix) Circulars on Monetary and Credit Policy Vol. No. 12 (CD-ROM)		2009	335	9 *		
(from April 2008 to March 2009)			355 *	43 □		
			275 ***			
			255 **			
5. IECD circulars	IECD (Old)					
i) July 1978 to June 1986 bilingual (Vol.I & II)		1993	250	10	2114	39
ii) 1986-89		1990	70		1325	31
iii) 1989-94 (Vol. I&II)		1995	250 £		2295	40
iv) 1994-95		1995	80		700	24
v) 1995-96		1996	55		380	21
vi) 1996-97		1997	65		445	22
6. Rural Planning and Credit Department (RPCD) Circulars (Bilingual edition)	RPCD					
i) July 1994 to June 1995 (Vol. X)		1998	180			
			200 *			
ii) July 1995 to June 1996 (Vol. XI)			180 £			
			200 *			
iii) July 1996 to June 1997 (Vol. XII)		1999	180			
			200 *			
iv) July 1997 to June 1998 (Vol. XIII)		1999	180			
			200 *			
v) July 1998 to June 1999 (Vol. XIV)		2000	180			
			200 *			
vii) July 1999 to June 2000 (Vo. XV)		2001	210			
			240 *			
7. Compendium of Circulars on Small Scale Industries	do	2000	120	25		
			150 *			
8. RPCD Circular (on CD-ROM) (1st July 1982 to 31 March 2004)	do	2004	120			
			150 *			
9. RPCD Circulars on Small Scale Industries (upto 30-09-2004)	do	2004	120			
on CD-ROM			150 *			
10. Compendium of Circulars on Small Scale Industries	do	2004	140			
(January 2000 - March 2004)			170 *			
11. UBD circulars	UBD					
i) June 1985		1986	115		274	20
ii) 1985-1992 (Vol.I & II)		1995	250		3195	49
iii) 1992-1994		1995	165		1792	35
iv) 1995-96		1997	55		735	25

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	Title of the Publication	Department	Year of publication	Price (₹)	Price US $	Weight in gms.	& RBP Charges of Single copy in ₹
	1	2	3	4	5		6
12.	i) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (July 1996-December 1997)	UBD	2000	85 £		742	25
	ii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 1998-December 1999)		2003	100 £		1032	68
	iii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 2000-December 2001)		2003	120 £		1300	68
G.	**Memorandum**						
1.	Memorandum of Exchange Control Manual, 1993 containing detailed procedural instructions	FED					
	a) Relating to general insurance in India (GIM)		1994	20		70	19
	b) Relating to channeling transactions through Asian Clearing Union (ACM)		1996	20		70	19
	c) Relating to co-operative/commercial banks (other than authorised dealers) authorised to maintain non-resident rupee accounts (ABM)		1994	20 £			
	d) Memorandum of Instructions to full-fledged money changers (FLM)		1999	30 £		110	19
	e) Memorandum of Instructions to restricted money changers (RLM)		1999	30 £		90	18
	f) Memorandum of Instruction on project & service exports (PEM)		1997	40 £		280	20
2.	Memorandum of Exchange Control Regulations Relating to general insurance in India (GIM)	do	2002	30			26
3.	Memorandum of instructions to Authorised Money Changers (AMC)	do	2002	30			
4.	Memorandum of Procedure for channelling transaction through Asian Clearing Union (ACU) Memorandum ACM	do	2003	30			21
5.	Memorandum of Instructions on Project and Service Exports (PEM)	do	2003	40			
H.	**Reserve Bank of India Occasional Papers (Quarterly)**	DEAP	–				
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	viii) 2000 (Yearly 2 issues) Summer - Vol. 21 No. 1			80 * @	45 @		
	ix) (Monsoon & Winter Combined Issue) - Vol. 21 No. 2 & 3			80 * @	45 @		
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	xi) 2003 Vol. 24 Nos. 1 & 2 (Summer & Monsoon Combined Issue)			80 * @ £	45 * @		
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	xiv) 2006 Vol. 27 No.1 and 2 (Summer and Monsoon Combined Issue)			80 * @	45 * @		
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	xvi) 2007 Vol. 28 (Yearly Three Issues)			80 * @	45 * @		
	xvii) 2008 Vol. 29 (Yearly Three Issues)			80 * @ £	45 * @		
	xviii) 2009 Vol. 30 (Yearly Three Issues)			80 * @	45 * @		
I.	**Others Important Publications**						
1.	Small Scale Industries-Policy & Guidelines	RPCD	1997	20		200	19
2.	Regulatory Framework for Non-Banking Financial Companies	DNBS	1998	40 £		365	21
3.	Question/Answer New NBFC Policy	do	1998	10 £		50	18
4.	Payment Systems in India	DIT	1998	60 * 150 *	10		
5.	Mechanised Cheque Processing Using MICR Technology Procedural Guidelines	do	1999	50 *£			
6.	Mechanised Cheque Processing using MICR Technology Procedural Guidelines. (Second Edition)	do	2002	50 *			
7.	Indian Financial Network Banking Applications Message Formats (INFINET)	do	2000	100 *			
8.	Indian Financial Network (INFINET) Banking Applications Messages Formats Vol. II	do	2002	100 *			

Reserve Bank of India Publications

	Title of the Publication	Department	Year of publication	Price (₹)	Price US $	Weight in gms. & RBP Charges of Single copy in ₹	
	1	2	3	4	5		6
9.	Balance of Payments compilation	DEAP	1987	45 *	30		
10.	New Series on Wholesale Price Index Numbers	do	1990	11 * £			
11.	India's Balance of Payments monograph – 1948-49 to 1988-89	do	1993	90 £	40		
12.	Centenary Commemorative Volume (C.D. Deshmukh Memorial Lecture series)	do	1996	100	25	400	21
13.	50 years of Central Banking : Governors Speak	do	1997	400		800	25
14.	Indian Economy – Basic Statistics – 1997	do	1997	4 £			
15.	External Debt-Management : Issues, Lessons and Preventive Measures	do	1999	250 *	20		
16.	Foreign Collaboration in Indian Industry - Sixth Survey Report	do	1999	60 *	20		
17.	Foreign Collabration in Indian Industry Seventh Survey Report 2007 (1994-95 to 2000-01)	do	2007	75 90 * 70 **	15 □	–	
18.	Flow of Funds Accounts of the Indian Economy 1951-52 to 1995-96	do	2000	75 *	20		
19.	Exchange facilities for foreign travel	FED	1996	8 £		35	18
20.	Exchange facilities for resident Indians	do	1997	15 £		32	18
21.	A Handbook on foreign Collaboration	do	1997	50 £ 65 *	15 *		
22.	Indian Overseas Investment Handbook of Policies and Procedures	do	1998	100 £ 125 *			
23.	Facilities for Non-resident Indians	do	1999	35 £ 50 *	8		
24.	RBI Remittance Facilities Scheme - 1975	DGBA	1989	3 £		25	
25.	Karyalayeen Shabdavli (English-Hindi)	DAPM	1994	15		166	19
26.	Directory of Bank Offices 1993 (English)	DBOD	1996	485 568 *	36		
27.	Computer Paribhasha Kosh (Hindi)	do	1999	100		528	23
28.	Your Guide to Money Matters	DCM	1999	5 £		44	
29.	The Paper & The Promise: A Brief History of Currency & Bank notes in India (Revised Edition)	do	2009	200	30	370	36
30.	Functions and Working of RBI (Hindi)	CO	1984	30 £		719	25
31.	RBI 50 years - 1935-85	do	1985	50 £ 35 **	15	428	22
32.	Banking Glossary (English-Hindi)	Rajbhasha	1995	38		471	22
33.	Banking Glossary (English-Hindi)	do	2003	50	5		24
34.	Banking Glossary (English-Hindi)	do	2007	75 100 *			
35.	Reserve Bank of India Functions and working	RBI Staff College, Chennai	2001	120			68
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Dear Reader,

With a view to improving the format and content of RBI Bulletin, we approach you with the following questionnaire. We greatly appreciate your sparing time to answer the questionnaire and mail it to the address given below:

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(2) Please indicate the items in the Bulletin that you find useful:

- Studies/Articles on various aspects of banking, corporate sector, Government finances, etc. ☐
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Readers' Views on the Monthly Bulletin

(3) Please indicate, with reference to the answer given for (2) above, your suggestions for improvements in regard to items other than the 'Current Statistics' portion of the Bulletin.

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(4) What in your opinion, should be done to improve the get up or coverage of the "Current Statistics" portion ?

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(5) Do you think it would be advisable to separate 'Current Statistics' portion from the rest of the Bulletin and have 'Monthly Statistics' separately brought out ?

Yes ☐ No ☐

(6) If the answer to Q.(5) is Yes, do you think it would be sufficient to have a Quarterly Bulletin of articles, speeches, and policy measures ?

Yes ☐ No ☐

(7) Are you a user of our web site (http://www/rbi.org.in) ? Yes ☐ No ☐

Thank you very much for your cooperation.

Editor

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To facilitate quicker access to RBI documents available on the RBI Website (URL : www.rbi.org.in), frequently accessed documents have been given a special URL. By keying-in the URL which can also be saved in 'Favourites', the visitor can directly reach the desired document on the RBI site.

Advance release calenders relating to data categories pertaining to: (i) analytical accounts of the banking sector, (ii) analytical accounts of the central bank, (iii) share price index, (iv) balance of payments, (v) international reserves, and (vi) exchange rates under the Special Data Dissemination Standards (SDDS) of the IMF are also posted on the RBI Website (http://www.rbi.org.in).

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– Editor

RBI provides Web based Access to its Database on Indian Economy

The Reserve Bank of India has released a number of long time series data on several aspects of Indian economy covering key macro economic aggregates to the public in user-friendly manner through dynamic web based application.

Objective : The Database on Indian Economy is built for the convenience of researchers, analysts and other users. It is created to provide the public with an access to the published data series, with additional details on some series as available in the Reserve Bank of India's enterprise wide data warehouse.

Coverage : Data available on published time series, can be accessed through a completely browser based software include data on:

- financial sector,
- real sector,
- financial market,
- external sector,
- public finance and
- corporate finance

Features :

- All the data series are accompanied with data definitions, i.e. metadata, which allow the user to view the definitions/concepts of the underlying variables;
- The data definitions provides search feature;
- Extract data through standard reports which allows the users to select and view the preformatted reports or
- Dynamic 'data query', which enables user to define list of data series and allows the user to choose the time period for data extraction.
- Data files can be downloaded in the form of CSV / pdf format.

Access : The data can be accessed from the home page of the RBI website (www.rbi.org.in) through the static headline "Database on Indian Economy" List of data series available on the site is available on the homepage of the site, i.e. Database on Indian Economy.

This list will be proggressively enlarged on the basis of feedback received and availability of relevant data series in the RBI data warehouse. Feedback may please be sent to dbiehelpdesk@rbi.org.in or through the feedback option on the home page of the website.

– Editor

India's Financial Sector – An Assessment

A comprehensive assessment of India's financial sector by the **Committee on Financial Sector Assessment (CFSA)**, constituted by the Government of India and the Reserve Bank of India, evaluating financial sector stability and development, identifying gaps in compliance with various international financial standards and codes, and suggesting corrective policy measures. The Report contains six volumes. Volume III – VI contain independent reports by the four Advisory Panels assisting the CFSA as follows:

- **Financial Stability Assessment and Stress Testing**, covering macro-prudential analysis, stability assessment and stress-testing of the financial sector **(Volume III).**
- **Financial Regulation and Supervision**, covering assessment of standards pertaining to banking regulation and supervision, securities market regulation and insurance regulation **(Volume IV).**
- **Institutions and Market Structure**, covering assessment of financial infrastructure including legal, regulatory and liquidity management aspects and standards regarding accounting and auditing, corporate governance, payment and settlement systems and effective insolvency and creditor rights systems **(Volume V).**
- **Transparency Standards**, covering assessments of standards regarding transparency in monetary and financial policies, fiscal transparency and data dissemination **(Volume VI).**

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