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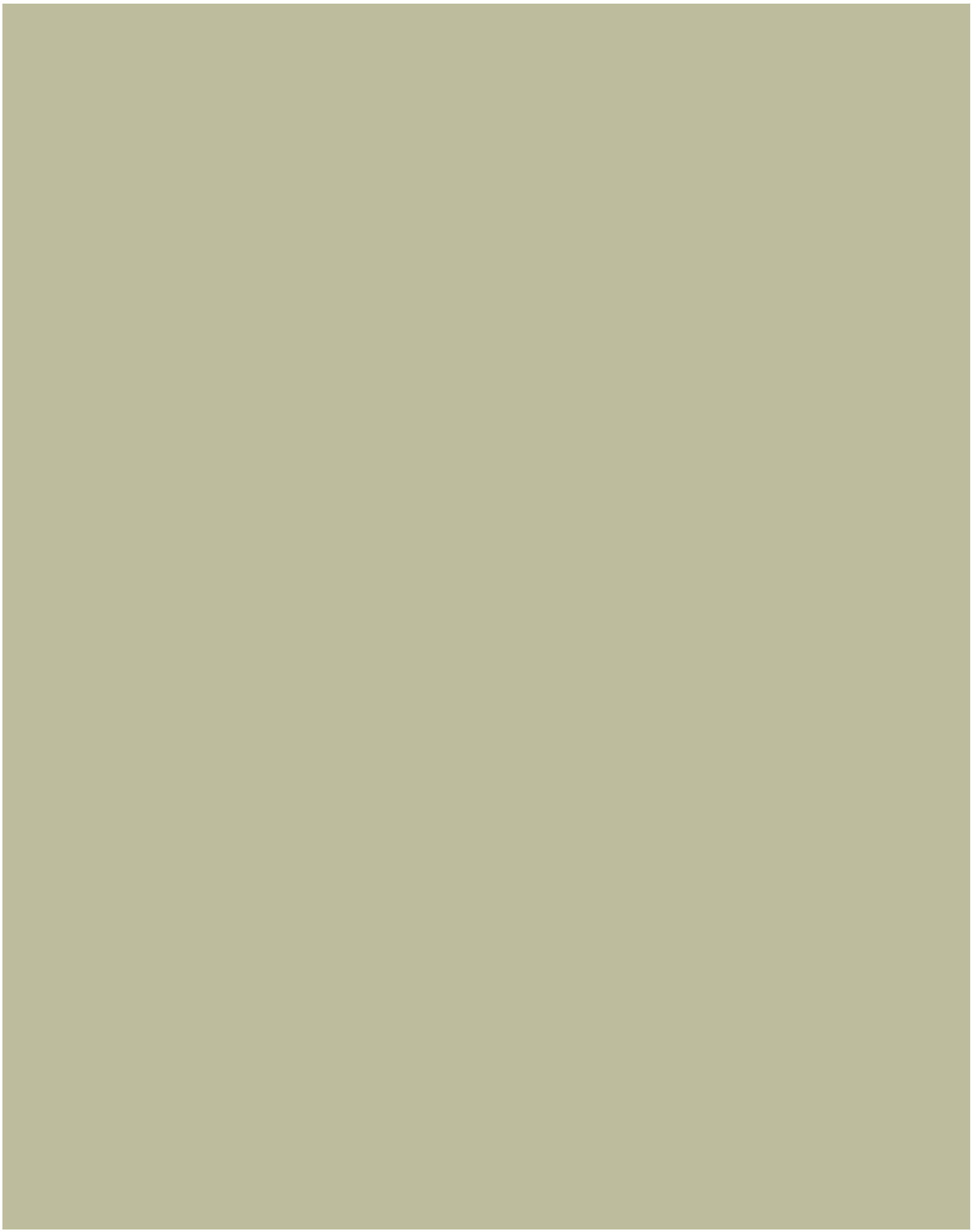
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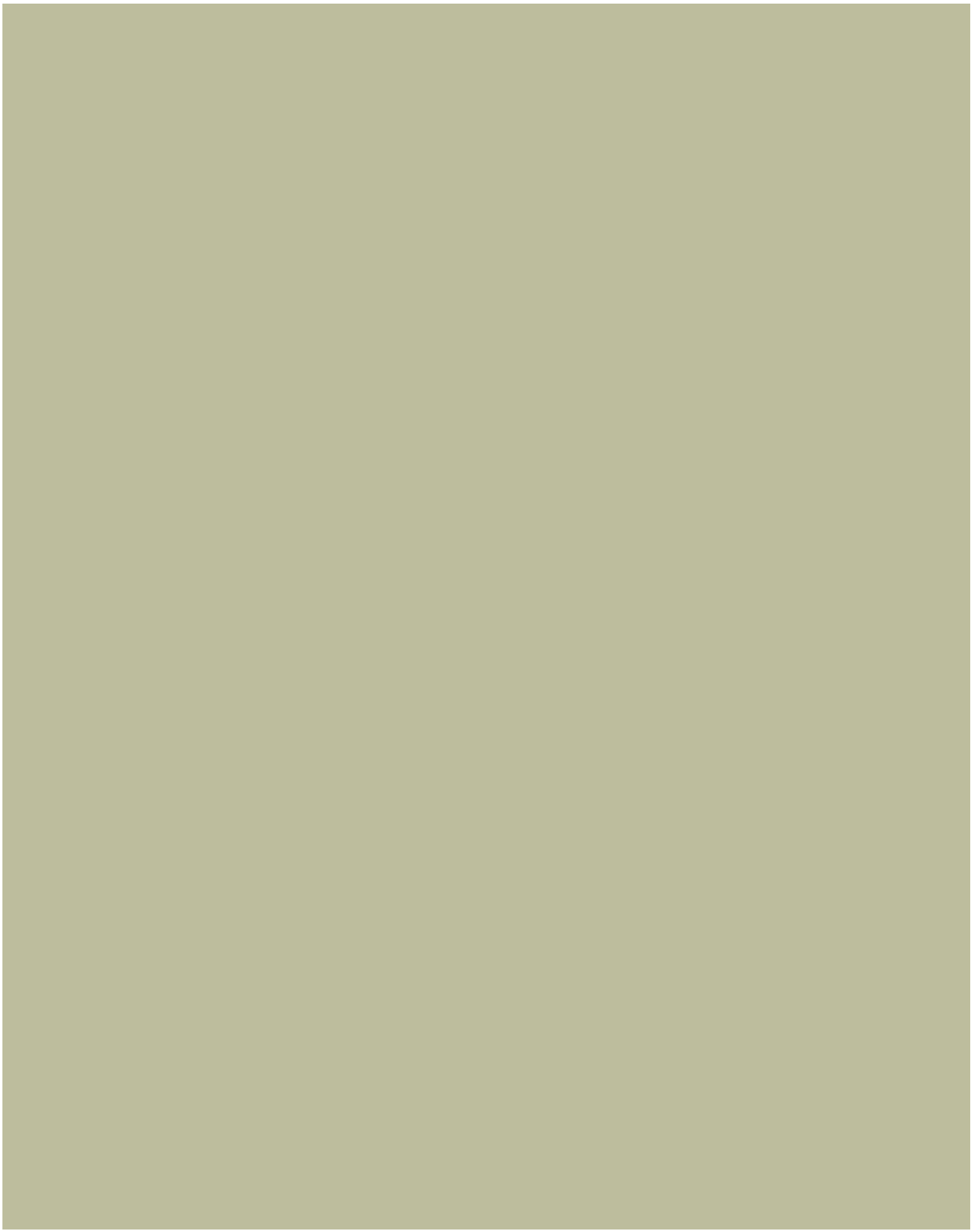
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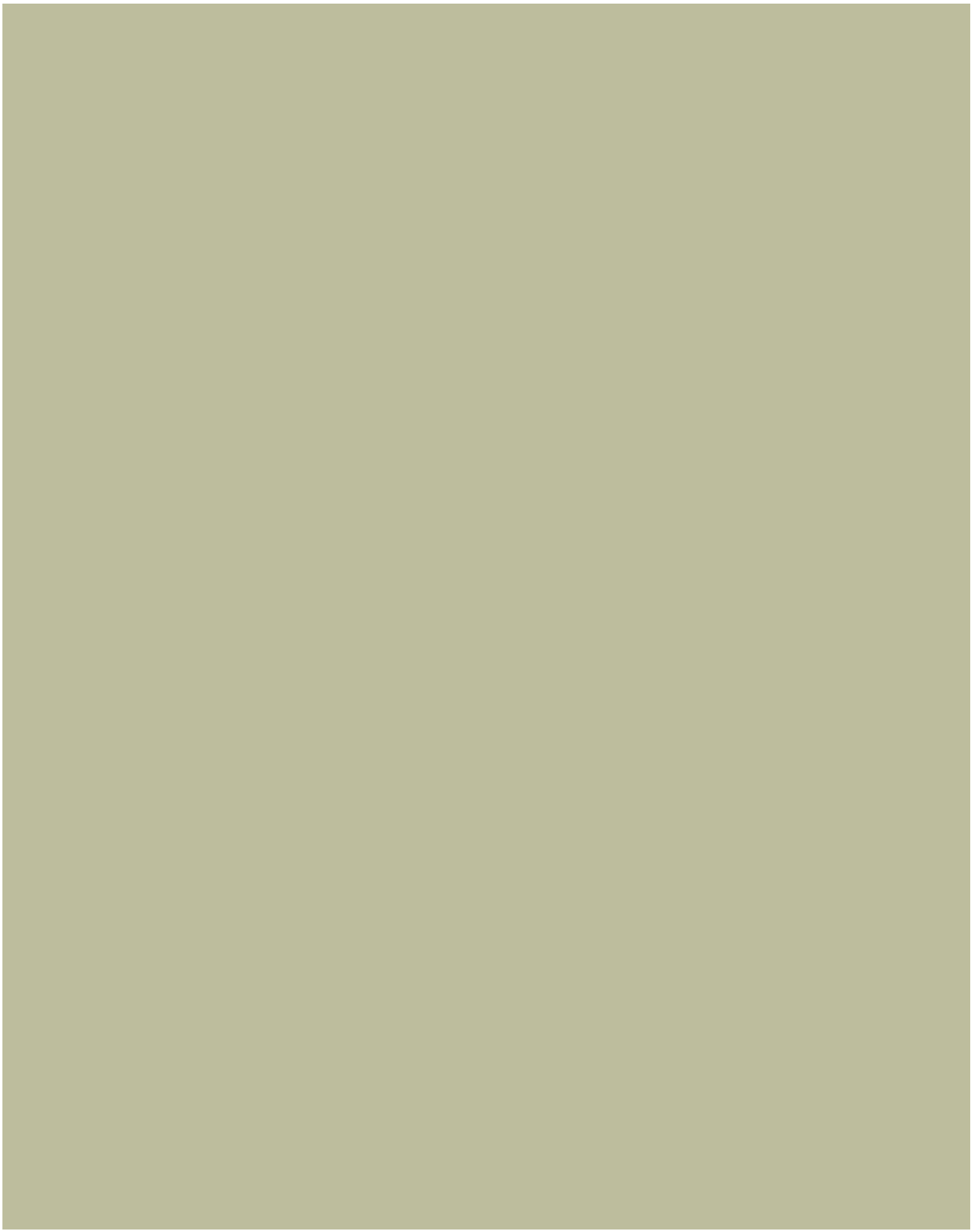


Platinum Jubilee Celebrations

Inaugural Address
by Duvvuri Subbarao

Keynote Address
by Andrew Michael Spence

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by Deepak Mohanty



*Inaugural Address**

Duvvuri Subbarao

Central banks and central bankers have been at the heart of the global financial crisis. We have been blamed for policies and actions that got the world into the crisis; we are also being praised for leading from the front in getting the world out of the crisis. I believe this is fair critique - central banks have been a part of the problem and a part of the solution.

2. As we emerge out of the crisis, central banks have their task cut out for them: to distil the lessons of the crisis, translate them into concrete reform measures and get cracking on implementing them. I believe this involves central banks changing in important ways both in terms of what they do and how they do it. It is against this backdrop that the Reserve Bank of India thought it fit to organise this conference on the challenges for central banks in the context of the crisis as a flagship event of our Platinum Jubilee celebrations. I have great pleasure in welcoming all our invitees - colleague governors of central banks, leading international and domestic policy makers and experts - to this conference, the First International Conference being organised by the Reserve Bank. I want to specially acknowledge noted economist and Nobel Laureate Prof. Michael Spence who will be delivering the keynote address in a short while.

3. I struggled quite a lot in defining what I should say in this opening address. Given the breadth and depth of expertise that you all collectively bring to this forum, it would be presumptuous on my part to lay out the agenda of deliberations over the next two days. I will attempt something much less ambitious - just by way of a curtain raiser, I will set out the major challenges to central

* Inaugural Address by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India at the First International Research Conference on 'Challenges to Central Banking in the Context of Financial Crisis', Mumbai, February 12, 2010.

banks in the wake of the crisis. In particular, I will put forward five challenges. My effort, as you will notice, will be to flag the issues rather than argue them out extensively.

First Challenge: Managing Monetary Policy in a Globalising Environment

4. The crisis has clearly demonstrated the challenges of macroeconomic management in a globalising world. Even as governments and central banks acted with unusual show of policy force, they found that they were not able to get the situation under control because of the interconnectedness of the financial system and the positive and negative cross-border externalities to domestic policy actions. Most importantly, they found that sentiment and confidence were remarkably correlated across countries around the world. When the history of this crisis is written, the London G-20 summit in April 2009 will be marked as a clear turning point, showing that in the age of globalisation, a financial crisis cannot be managed without global cooperation and global response.

5. The question is, with the benefit of that hindsight, how are central banks going to manage the challenges from globalisation to their macroeconomic policies. Experience shows that external developments interact with domestic macro variables in complex, uncertain and even capricious ways, and central banks need to deepen their understanding of these interactions. Some of the channels through which cross border transmission occurs are quite familiar - global prices including commodity price movements, synchronisation of business cycles, capital flows, strong co-movement of asset prices, not necessarily correlated with the degree of a country's financial integration, exchange rates of key international currencies and interest rate policies of major central banks. Some of the transmission channels are not so familiar. For example, we now know that even differences in regulatory regimes can trigger arbitrage based action and dilute the efficiency of domestic policies.

6. Is the challenge posed by globalisation similar for all central banks? Obviously, the more open the economy, the greater the impact of globalisation on domestic policies. Beyond that, it seems logical to conjecture that the broader the mandate of a central bank, the larger the influence of globalisation on the effectiveness of its policies. There is a view that open economies can retain strong control over the medium and long term inflation trends even in the face of globalisation. This is a debatable proposition, and at best true only in the case of pure inflation targeting central banks. Central banks with wider mandates need necessarily to factor in external developments into their domestic policy calculus.

7. Let me illustrate the challenge of globalisation with the issue of managing capital flows. Emerging market economies (EMEs) saw 'sudden stop' capital outflows during the crisis as a result of global deleveraging. Now the trend has reversed once again and many EMEs are seeing net inflows - a consequence of a global system awash with liquidity, the assurance of a low interest rate regime in advanced countries over an 'extended period' and the promise of growth in EMEs.

8. One little known aspect of capital flows, what could perhaps be called the law of capital flows, is that they never come in at the precise time or in the exact quantity you want them. Managing these flows, especially if they are volatile, is going to test the effectiveness of central bank policies of semi-open EMEs. If central banks do not intervene in the foreign exchange market, they incur the cost of currency appreciation unrelated to fundamentals. If they intervene in the forex market to prevent appreciation, they will have additional systemic liquidity and potential inflationary pressures to contend with. If they sterilise the resultant liquidity, they will run the risk of pushing up interest rates which will hurt the growth prospects. Capital flows can also potentially impair financial stability. How EMEs manage the impossible trinity - the impossibility of having an open capital account, a fixed exchange rate and independent monetary policy - is going to have an impact on their prospects for growth, price stability and financial stability.

9. Globalisation is not new; its risks and rewards are also not new. What is new, and what the crisis has revealed, is the ferocity with which the forces of globalisation can strike and the diversity of channels through which they can transmit across borders. The challenge for central banks is to better understand the interplay of global factors and domestic variables, and factor that into their policy calculus.

Second Challenge: Redefining the Mandate of Central Banks

10. Let me now move on to the second issue which is the challenge of redefining the mandate of central banks. The crisis has triggered a vigorous and wide ranging debate on the role and responsibilities of central banks. Let me focus on three main, and largely interrelated issues:

i. Should central banks persist with pure inflation targetting?

ii. What is the role of central banks in preventing asset price bubbles?

iii. Should central banks also be doing regulation and supervision of banks?

11. Let me take them up one by one.

(i) Should central banks persist with pure inflation targetting?

12. The first question is, should central banks persist with inflation targetting. The years before the crisis saw a powerful intellectual consensus building around inflation targeting. A growing number of central banks, starting with New Zealand in the late 1980s and currently numbering over 20, geared monetary policy almost exclusively to stabilising inflation. Even where central banks did not target a precise inflation rate, their policy objectives were informed, if not dominated, by price stability. This approach seemed successful. There was an extended period of price stability accompanied by stable growth and low unemployment. In the world that existed before the crisis, central bankers were a triumphant lot. They had discovered the holy grail.

13. The unravelling of the Great Moderation during the crisis has diluted, if not dissolved, the consensus around the minimalist formula of inflation targetting. The mainstream view before the crisis was that price stability and financial stability

reinforce each other. The crisis has proved that wrong. We have seen that price stability does not necessarily ensure financial stability. Indeed there is an even stronger assertion - that there is a trade-off between price stability and financial stability and that the more successful a central bank is with price stability, the more likely it is to imperil financial stability.

14. All in all, the crisis has given fresh impetus to the 'new environment hypothesis' that pure inflation targetting is inadvisable and that the mandate of central banks should extend beyond just price stability. Let me therefore turn to what the mandate should extend to.

(ii) What is the role of central banks in preventing asset price bubbles?

15. A dominant issue in the wake of the crisis has been the role of central banks in preventing asset price bubbles. The monetary stance of studied indifference to asset price inflation stemmed from the famous Greenspan orthodoxy which can be summarised as follows. First, asset price bubbles are hard to identify on a real time basis, and the fundamental factors that drive asset prices are not directly observable. A central bank should not therefore second guess the market. Second, monetary policy is too blunt an instrument to counteract asset price booms. And third, central banks can 'clean up the mess' after the bubble bursts. The surmise therefore was that the cost-benefit calculus of a more activist monetary stance of "leaning against the wind" was clearly negative. In other words, it is not the job of central bankers to remove the punch bowl no matter that the party is getting wild.

16. The crisis has dented the credibility of the Greenspan orthodoxy. The emerging view post-crisis is that preventing an asset price build up should be within the remit of a central bank. Opinion is divided, however, on whether central banks should prevent asset bubbles through monetary policy action or through regulatory action. On one side, there is a purist view that the case for monetary tightening to check speculative bubbles is questionable. Opposed to this is the argument that a necessary condition for speculative excesses is abundant liquidity, and that controlling liquidity should be the first line of defence against 'irrational exuberance'.

17. Some economists take a more granular position on this, and the argument goes as follows. It is important to differentiate between speculative excesses fuelled by bank lending and those that are not such as, for example, the IT bubble. Central banks have a role in preventing "bank centred" bubbles, but the instrument for this is not monetary policy but regulatory intervention.

18. No matter how this debate settles, if it will at all, what is beyond debate is that central banks' efforts to check asset price bubbles demand not just analytical capability but mature judgement of the nature of the risk.

(iii) Should central banks also be doing bank regulation and supervision?

19. The third issue that I want to address in regard to the mandate of central banks is the question of whether central banks should also be doing bank regulation and supervision.

20. This is yet another issue on which the crisis has triggered a vigorous debate. There is a variety of regulatory models around including those where the central bank is a pure monetary authority with bank regulation and supervision vested with another agency. Post-crisis, the emerging view is that the crisis was caused, at least in part, by the lack of coordination and communication between the separate bodies and that it is optimal, in the interest of financial stability, to entrust the function of regulation and supervision of banks also to central banks.

21. The case for this is made mainly on two arguments. The first argument is that regardless of the regulatory architecture, there is no dispute that the central bank has to remain the lender of last resort (LOLR) for the financial system. A central bank can discharge its LOLR function more efficiently if its mandate extends beyond merely monitoring financial institutions to taking preventive action. This becomes possible if the central bank also has responsibility for bank supervision.

22. The second and broader argument is that there is a natural synergy between monetary policy which is macro-prudential and bank supervision which is micro-prudential. The micro-level information coming from supervision of individual institutions can be a valuable input for shaping the macro perspective. Vice versa, a broad macro level understanding of trends can be effective in instituting prudential safeguards at the micro institutional level.

23. Admittedly, there are strong arguments to the contrary, in support of keeping bank regulation and supervision away from central banks. By far the most persuasive argument stems from the moral hazard perspective. There is a risk that a central bank may extend regulatory forbearance to a weak bank instead of allowing it to fail since a failed bank could aggravate instability. Such action becomes more likely if the overall macroeconomic situation is weak. In an extreme case, it is possible that the monetary stance of the central bank may be dominated by concerns about protecting weak banks since central banks may view a 'failed bank' as a blot on their reputation.

24. Whether central banks should also be regulating and supervising banks is an issue that has frowned on moderation. Evidently, there is no one size fits all answer as indeed evidenced by the variety of regulatory models around. Going forward, every country and every central bank has to confront and resolve this issue in light of their specific circumstances.

Third Challenge: Responsibility of Central Banks Towards Financial Stability

25. Let me move on to the third challenge on my list concerning what responsibility, if any, should central banks have towards financial stability. Although this question belongs to the mandate of central banks that I have just spoken about, I have decided to address financial stability as a separate and distinct challenge because post-crisis, financial stability has become the elephant in the room.

26. While there is broad agreement that financial stability is neither automatic nor inevitable, there is less agreement on whether it should be explicitly included in

the mandate of central banks. There is an argument that explicit inclusion would be redundant since financial stability is a necessary, although not sufficient, condition for achieving the conventional central bank objectives relating to inflation, output and employment. On the other hand, post-crisis, there is a growing view that unless financial stability is explicitly included in the mandate of central banks, it is likely to fall through the cracks.

27. But how does one define financial stability in a precise, comprehensive and measurable manner? This is something that is proving to be quite intractable. Be that as it may, we now know that two attributes of financial instability are: (i) excessive volatility of macro variables such as interest rates and exchange rates which have a direct impact on the real economy; and (ii) financial institutions and markets threatened by illiquidity to the extent of jeopardising systemic stability.

28. One clear instrument available to central banks for preserving financial stability is the lender of last resort or LOLR function. Over the years we have come to believe that LOLR is a fairly robust instrument for combating threats of illiquidity. Note that one of the important ways in which this crisis has been different from past financial crises is that this one arose from the asset side of banks' balance sheets whereas past crises had all arisen from the liability side. This crisis hence has shown that the LOLR instrument loses much of its potency in a 'bank run' from the asset side.

29. Let me explain. During the crisis, central banks pumped in enormous amounts of liquidity to defreeze the system through the LOLR window. While this made individual institutions liquid, the market still remained illiquid, thereby showing up the limitation of the LOLR instrument in combating illiquidity. Much like taking a horse to water, a central bank can infuse liquidity, but how can it ensure that the cheap and abundant money thus available is used to purchase assets whose value is rapidly eroding? The only option then is for the central bank itself to buy the assets. This means that in addition to being the Lender of Last Resort, a central bank also has to be the Market Maker of Last Resort (MMLR).

30. To sum up, the main issues surrounding the role of central banks in financial stability are the following.

- How does one define financial stability?
- Should central bank mandates include financial stability as an explicit objective?
- Should this be an exclusive or shared responsibility?
- Do central banks have the instruments to address the mandate of financial stability?
- In what ways does responsibility for financial stability encroach on the independence of central banks?

31. All of these issues are yet to be clearly defined, let alone resolved. Given that the lessons of the crisis relating to financial stability have been forceful, it is important that governments and central banks resolve these questions soon.

Fourth Challenge: Managing the Costs and Benefits of Regulation

32. Nearly everyone now has her or his own list of causes for the crisis; and almost every

list includes the failure of regulation as a leading cause. Quite unsurprisingly, the post-crisis reform agenda is dominated by regulatory reforms at macro and micro levels. Admittedly, these reforms are being thought through carefully through international consultative processes. Even so, there is a risk of going overboard on the rebound and getting the balance between costs and benefits wrong.

33. In order to safeguard financial stability, in the Reserve Bank, we have traditionally used a variety of prudential measures such as specifying exposure norms and pre-emptive tightening of risk weights and provisioning requirements. But these measures are not always costless. For instance, tightening of risk weights arguably tempers the flow of credit to certain sectors, but excessive, premature or unnecessary tightening could blunt growth. Similarly, exposure norms offer protection against concentration risks; however, such limits could restrict the availability of credit for important growth sectors. Thus, as in the case of price stability, central banks face the challenge of managing the trade-off between financial stability and growth.

34. It needs to be recognised that after a crisis, with the benefit of hindsight, all conservative policies appear safe. But is there a risk of throwing away the baby with the bathwater? Excessive conservatism in order to be prepared to ride out a potential crisis could thwart growth and stifle innovation. The question is what price are we willing to pay, or put another way, what potential benefits are we willing to give up, in order to cope with a black swan event? Experience shows that managing this challenge, that is balancing the costs and benefits of regulation, is more a question of good judgement rather than analytical skill. This judgement skill is the one that central banks, especially those of developing countries such as India, need to hone as they simultaneously pursue the objectives of growth and financial stability.

Fifth Challenge: Managing the Balance Between the Autonomy and Accountability of Central Banks

35. Finally, let me turn to the fifth challenge, as I see, which is to do with managing the balance between the autonomy and accountability of central banks. This is a broad spectrum topic that draws from several issues that I have touched upon earlier.

36. The seventy odd years since the Great Depression saw a famous rivalry between fiscal and monetary policies for influence. Historically central banks suffered from fiscal dominance since they had to acquiesce in governments 'borrowing as much as required at as low a cost as possible'. This state of affairs started changing in the 1980s with a wave of support for central bank independence. The support was largely in response to the damage inflicted by the stagflation of the 1970s and the clear lesson that high inflation is detrimental to sustainable growth. So, fiscal dominance gradually yielded to independent central banks targetting largely, and in some cases exclusively, price stability, free of short-term political imperatives. Empirical work shows that in the two decades during which central bank independence gained ascendancy, there was a negative correlation between

inflation and the degree of independence of the central bank across both developed and developing economies. In some cases though, reverse causality - low inflation performance leading to central bank independence - cannot be ruled out.

37. Notwithstanding their record on price stability, the crisis has dented the credibility of central banks. The blame on central banks is wide ranging - loose monetary policies coupled with neglect of asset price developments, exclusive focus on inflation to the detriment of financial stability and lax and inept regulation that failed to keep pace with innovation. There is resentment, if not outrage, against the famed independence of central banks; and there is an outcry for clipping their mandates and tightening the accountability mechanisms.

38. Beyond the short-term, the threat to the independence of central banks emanates from factors apart from public anger. Notably, the crisis saw unprecedented expansionary fiscal and monetary policies launched by governments and central banks in coordination. As countries contemplate exit from these expansionary policies, the familiar tensions between monetary and fiscal policies are showing up again. Many believe that these tensions are temporary, and will melt away once recovery takes root.

39. That may not well be the case. There is wide spread apprehension that many advanced country governments will not be able to wind down borrowing because of demographic factors and consequent growing social security payments. IMF studies estimate that even if the governments in the advanced economies reverse the crisis induced fiscal stimulus, these economies will still end up with a structural primary deficit of 2 per cent of GDP. Government debt in the advanced economies is projected to jump from the pre-crisis level of 78 per cent of GDP in 2007 to 118 per cent by 2014 assuming some discretionary tightening beginning this year. In such a scenario, what are now seen as cyclical fiscal deficits may, in fact, morph into structural fiscal deficits. We may then see the return of fiscal dominance and undermining of the independence of central banks.

40. I spoke earlier about the role of central banks in preserving financial stability, and in particular, about how the responsibility for financial stability may be delineated. By its very nature, the responsibility for financial stability has to be shared by the government, the central bank and other regulators. In and of itself, that sharing is no problem. But there are two related concerns. The first is that rescuing financial institutions is an inherently political act and getting involved in such decisions may compromise the technocratic credentials of central banks. The second concern is the risk that coordination with governments in the area of financial stability may spill over into other areas within central bank purview thereby undermining their independence.

41. All in all, the case for central bank independence is coming under increasing assault as a result of crisis led developments. The challenge for central banks is to make the case for independence not through weighty arguments but through more vigorous and voluntary efforts to be transparent, responsive and accountable.

Conclusion

42. Let me now conclude. I have raised, what are in my view, five challenges that central banks will have to address. They are the following:

i. Managing monetary policy in a globalising environment

ii. Redefining the mandate of central banks

iii. Responsibility of central banks towards financial stability

iv. Managing the costs and benefits of regulation

v. Managing the balance between the autonomy and accountability of central banks

43. This listing of challenges is by no means exhaustive. And many different nuances are possible. I hope that our deliberations over the next two days will give us greater clarity on the challenges that we face collectively and individually, and a better understanding of how to begin addressing them.

44. A final thought. In his recent best seller, 'The Ascent of Money', Niall Ferguson says that sometimes the most important historical events are the non-events: the things that did not occur. The spectacular non-event of this crisis is that the Great Recession did not turn into the second Great Depression as we had feared. For this central banks should get a part of the credit. But they cannot rest on their laurels - they have big challenges ahead as the crisis winds down. Their biggest challenge by far is to regain their credibility.

*Keynote Address**

Andrew Michael Spence

Thank you Governor Subbarao, for a wonderful speech. And I am a little bit tempted to say something like, are there any other questions? But I suppose I ought to say something. I feel rather fortunate to be here. On Tuesday, my two young children were in the hospital on IVs, and I was not sure I was going to get on a plane, so I am really quite delighted to be here. I would like to congratulate RBI on its 75th Anniversary . Congratulations on the long history of many jobs well done, and in particular, in the context of the present crisis. I am going to thoroughly endorse several times Governor Subbarao's conclusion that this central bank and other central banks had a major role in preventing a repeat depression.

And it is also quite clear now, when we are ten months out of the depths of the crisis, India and China,have weathered the storm better than any other countries in the world. This is noteworthy and impressive. I am not a central banker, and I am not going to stand before you today and pretend to have either the insight or the experience that most of the people in this room do. So my plan for this morning instead is to try to interpret the experience of growth in the post-war period, which has been really quite remarkable by historical standards in the developing world and then make some comments on what the lessons of the crisis are, and then maybe perhaps turn to some pressing questions relating to central banks, globalisation and policy going forward.

I am relying on the commission on growth and development, which has been functioning since 2006 and has issued two reports. This is a commission populated

* Keynote Address by Prof. Andrew Michael Spence, Phillip H. Knight Professor Emiritus, Graduate School of Business, Stanford University, USA on the occasion of First International Research Conference organised by the Reserve Bank of India in Mumbai on February 12, 2010.

Keynote Address

Andrew Michael Spence

mainly by political and policy leaders from the developing world, and I had the privilege of sharing it. So this is a perspective, I think, from the developing world.

In the postwar period, there are 13 countries that have managed to grow at the rate of 7 per cent or more on average for 25 years or more. There are two other countries that most of us are quite sure are going to enter that group. India is one, it is just a matter of time, and probably Vietnam is in that category. There was a pattern coming into the crisis of expanding real growth in the developing world on quite a broad front, but the journey I think is held in terms of the structural dynamics as to whether or not that growth will return and be sustained in the post crisis period. This is really quite a small number of countries as compared with the whole developing world, and I will talk a little bit later about what the basis of this kind of growth is and how it relates to the crisis and the environment that we are going to face in the future.

The G20, however you define it, probably should be the G14, you know, the EU offshoots that Angus Maddison says, the BRIC said and the other developing country members. The G20 accounts for about 85 per cent of global GDP at this point. It is clearly the main event, it is also the place where the incomes are either high or the rates of growth are predictably high. It is two-thirds of the world's population, and it is clearly going to be the dominant influence in policy.

Now, let me talk about this pattern of high growth. The strategies and policies employed by these 13 countries were in a sense designed to take advantage of the growing integration and resources available in the global economy, and that global economy provided essentially two essential ingredients. One was knowledge, technology, management skills and so on, which was being transferred around, and that increased the productive potential of economies much faster than that can be done on a stand alone basis, and then a vast global market in which one could sell without turning the terms of trade against oneself in almost all cases with the possible exception of China. So the strategies leveraged the global economy.

On the domestic side, what went into that? Well, a key ingredient was a stable macroeconomic environment that was conducive to investment. This growth, which is driven by private sector investment, both domestic and multinational, foreign direct investment. A second key ingredient of this kind of growth was very high levels of investment including public sector investment. As a kind of benchmark, the commission felt that to sustain growth at that kind of rate, you needed public sector investment of the order of 5 per cent-7 per cent of GDP. It is very difficult to be very precise about that, but many, many countries fall short of that standard.

We were not able to find a case in which most of that investment was not funded primarily from domestic savings, that is, it looks as an empirical matter as if funding that kind of investment in relatively poor countries using foreign capital and foreign savings is a risky proposition, and there are lots of examples of that. To sustain that kind of growth, you really need as a primary asset,

people, and so a key component of that was very heavy investment in human capital. Think of education, and human capital where the investment is efficient, that is, the output is what you want, the development of cognitive and non-cognitive skills.

If my fellow commissioners were here, they would say the other key ingredient at this level would be what Indians have taught us to call, inclusiveness. We cannot find an example of sustained high growth that does not have both the intent and to some extent, the accomplishment of overtime including everybody in the process. There are two reasons for that. The economic reason is that you have to take advantage of the people in the economy and their potential increase and productivity in order to sustain those high levels of growth. And the second one is if you leave a whole lot of people out, then you will develop political economy problems. So think of Latin America. The large Latin American economies are called middle income economies. Why? Because the average income is a middle income level, $5,000 to $10,000 dollars, that turns out to be an average of very high incomes at one end and very low incomes at the other. The high income part is going to have growth potential on the same order as the advanced countries, and the low income part has been left out of the economy. It is a dual economy structure, and so the growth just simply can't go up and stay up at those 7 per cent to 9 per cent levels.

The other key economic ingredient of this, I think, is the willingness to sustain and support and promote what I would call the chaotic microeconomic dynamics of the competitive process. This involves competition, entry, exit, continuous diversification, and structural change in the economy. It is uncomfortable. There are all kinds of pressures to resist it, and the most obvious one that you can see in many countries is, countries that reach the middle income transition, as it is sometimes called, are at the point in which the drivers of growth in that economy are about to be killed off by the natural forces for competition in the global economy. You can't run labour intensive goods and services, industries and sell them to the global economy and have income levels of say, $8,000. And there is a tremendous tendency to try to resist that.

On the political economy side, I guess I would say two things. One, it appears, first of all, the government is a key component of this. It is an investor, but more importantly, the leadership function, is important. This is a very difficult process that people have to, in some sense, buy into. It is also a process that requires a great deal of pragmatism, a willingness to use judgement, a willingness to make mistakes, a willingness to experiment. This is a world in which the models are incomplete. We do not, we simply do not know, although we sometimes pretend we do, the necessary and sufficient conditions for growth and development and poverty reduction, and successful governments are ones that take that in stride and act accordingly.

I was going to say something about the Washington consensus; I think I will just very briefly. John Williamson wrote down in 1989, a list of guidelines for growth and development. They had a somewhat macroeconomic focus, but they were very intelligent, and I think they have stood the

test of time rather well. The problem with the Washington consensus was in its application. People interpreted it as a formula for success, which means essentially an assumption that there were necessary and sufficient conditions. So that turns out not to be a good assumption. It also was interpreted in parts of the world as a prescription for limited government on the ground that government make mistakes and sort of gets in the way, and a fairly extreme form of privatisation and liberalisation that I don't think any of us think is the wise course now.

There are in this process subtle areas of judgement, industrial policy, these are controversial. The industrial policy is one, exchange rate management, that is, the governor just mentioned, is another, the pace and sequencing of the opening of the capital account is a third, and we will come back to these in just a minute, and finally the pace of opening up of the real economy in order to somehow balance the job creation and the job destruction process in the course of growth, is another area. What about governments? Well if you look at these 13 economies or 15, let us say, what you find is that they are all over the map in terms of forms of government. Some are democracies, some are quite autocratic, some started out quite autocratic and turned into with dominant political parties and so on. If you look at the failures, the people, the countries that didn't grow very well, you see a similar pattern of extreme variability in the form of governments. So I think the useful conclusion to draw from this is the form of governance is not the explanatory variable, at least with respect to economic performance. It has more to do with the intent and the conduct of the government whether it intends to grow and reduce poverty, whether it, you know, proceeds in a fairly inclusive way and so on. It is an important subject by the way. I think I would say as a plug, that the work on political economy that is now going on than some of the more important work in the area of development.

If you look at the fairly large collection of countries that at least for an extended period of time did not seem to grow and did not seem to be able to take advantage of the global economy, what do you see by way of explanation of the shortage of performance? Well, you see fiscal and monetary instability, quite frequently, and that I think, most of us agree is destructive. Hyperinflation, unsustainable fiscal positions, defaults, crisis of a variety of kinds are fatal to the investment process and to growth. Second, you see low public sector investment to a surprising degree. Almost everybody agrees now, that the government and the private sector are complementary inputs to a dynamic process, when the public sector policies and investments create an environment in which both the private sector dynamics can work. An important part of that is public sector investment in hard and soft infrastructure, and yet those things fall short.

A third explanation are major failures of inclusiveness, and I have already adverted to the Latin American case, I would just add to that the comment that I made there. If you take as a measure of whether or not things are inclusive of the Gini coefficient and ask yourself where are the high Gini coefficients in the world? The

answer is-to the extent that we can measure them accurately,-they are in Latin America and Africa. And that is probably not a surprising correlation.

A fourth possible explanation is excessive reliance on foreign savings, which I have already mentioned. The fifth explanation, and probably the one that explains the largest number of failures, is relating to political economic dynamics, that are destructive. Because of veering away of the goal of growth and development, and these last ones where the political economy fails, and it is not really an economic problem where the hardest ones can solve. Because they basically have to be solved from within and the dynamics are such that it is very hard to know where to get a handle on that.

So this spreading pattern of growth is something that is going to change the world, we hope it continues in the post crisis period. What was the role of central banks in all of that? Well, central banks became increasingly competent at getting control of inflation, and that was an important contribution. It became increasingly good at managing shocks, both those generated internally and externally, and the crisis is an excellent illustration of that, but certainly not the only one. They managed volatility with skill and judgement, and that is critical for the investment environment to drive the growth process. And they achieved a level of autonomy that allowed them to make politically unpopular choices and apply the kind of credibility that is an important and tangible asset.

I will tell you one thing, there is a balance to be struck between autonomy and independence on the one hand and what is sometimes called accountability on the other hand. One of my fellow commissioners, whom I will not name, in a fit of frustration privately described the central bank in his country as an independent republic. I mentioned that only to say I actually think this is a fairly hard problem. You do need independence, you do need to be able to act autonomously both in and out of crisis, on the other hand you know, the strategy, if it is going to work, has to actually fit together and the central bank has a critical role to play in that.

Let me turn to the crisis. The implicit assumption I think going into the crisis, was that the global economy was a relatively stable place. There were partakes of instability, sometimes fairly serious, there were contagions and other things, but I think most of us assumed that the basic structure was there and that the growth model that I just described that was being deployed on a wider and wider front, and so successfully was a pretty safe bet. That turns out ,I think with the benefit of hindsight, not to be true. What we had instead in the advanced countries, particularly the United States, was a dangerous asset inflation fueled by largely unregulated excess leverage accumulation. The epicenter of this was the United States economy and to some extent, Europe, and although the pattern of leverage does differ across the countries that were the origin of this.

This instability, if you like gave rise to an unsustainable pattern of consumption and savings in the United States' economy and therefore deficits that were also unsustainable and then the system broke. I

mean, my personal opinion is that it was going to break.The problem for contrarians in investment is you never know when it is going to break and so it is hard to be credible, because we can't say precisely when it would break. A contrarian who says it is going to break year after year after year, loses his or her credibility. When it broke, we had a balance sheet originating near depression, which spread to the real economy by the balance sheet effects and then it spread to the rest of the world very quickly via two principle channels. One was financial - the withdrawal of capital to show up damaged balance sheets in the advanced economies and then the nearly instantaneous credit tightening that had to be encountered in the rest of the world and was done so very successfully in the major developing countries. I will take an aside here, there are many, many countries in the world that do not have the resources, think of it as the non-G20 to stabilise in the context of a situation like that.

I think one of the lessons of the crisis is that the IMF is incredibly important. It's capitalisation is important, getting it's government structure jiggle around so that everybody is happy with it and certainly trust in the institution, which is growing, is incredibly important.

The second channel was rapidly following a demand, aggregate demand in the global economy and that was fairly dramatic, but what was really dramatic and I think still somewhat mysterious was the drop of in trade. We have had sort of trade drop numbers in various parts of the world 30, 40, the case of Japan more and it is not entirely clear why, to put in the language of finance, the beta of trade is so much larger than one. I think it is an issue that, you know, in the context of stability in the global economy, deserves to be addressed. I think there are bits and pieces of explanation like drying up of letters of credit, protectionism and so on, so I am not suggesting nobody has had any ideas about it, but they don't add up to an explanation of you know, 6 per cent drops in economic activity, corresponding to 25 per cent to 30 per cent drops on the trade side and those turned out to be the really large effects.

Central banks, I am going to perhaps repeat a couple of things, but I think it is useful for an outsider to save them. Debtwatch and brickbats being yielded about the role of central banks in monetary policy in the origins of a crisis, but the central banks were the heroes of the crisis response. They used their autonomy to act aggressively, quickly, and speed was of unbelievable importance in a panic situation. The political system simply cannot act that quickly. It does not matter how it's configured. It has to debate and discuss things and you just don't have time. It acted unconventionally. Being a lender I have encountered the same terms, but became a substitute lender when at least in the American situation, virtually all of the channels accredited into mediation disappeared including the shadow banking system at the same moment. So the federal reserve through the agents was buying commercial paper and whole lot of other things. I am sure that was uncomfortable territory for the central bankers and something that they'd rather not do, but there was not anybody left standing to accomplish it and then the credit had been restored to avoid the indiscriminate destruction of the economic activity and

businesses. So I think it is the majority view that the central bankers had the lead role in saving us from a very serious depression like scenario.

I think it is important as we go forward to try to learn some lessons from the crisis and so I would like to turn to that. I think the challenge right now is to exit from the crisis and response mechanisms. I think the central banks, if allowed to, can do this in a measured way reasonably well. My concern is that the central banks because of fiscal problems will have their independence undercut in the course of trying to do the exit. But I do think that is a subject that will come up in the course of the days ahead. I will come back to it in a minute.

The growth commission met after the crisis to ask ourselves the question whether everything that we just said four months ago was wrong. We had the great good sense of timing to publish our main reports called the growth report in May of 2008, brilliant. We like everybody else did not see this coming and not everybody else, I apologize, there were notable exceptions and we did not listen to them, and so we met again in April of 2009 with the benefit of hindsight we had just bottomed out in the crisis part of the recession. And we asked ourselves the question, what modifications are required in developing countries in terms of growth strategies and what are lessons that we have learnt that are important going forward? I will try to give you a flavor of that and then we are going to talk about some challenges that are coming up.

First of all the developing countries, on balance, withstood the crisis remarkably well and beyond I think anybody's expectations, with India and China in the lead. There are a number of reasons for that and I think they hold lessons for at least the medium term going forward. One, developing country's financial institutions and other entities did not hold what are now called toxic assets and other peculiar items on the balance sheets including excess leverage. That was an important factor in being able to respond quickly to the credit challenge.

Second, for the most part, the dominant presence in the developing country's financial systems is still banks and they are dominantly domestically owned. I don't mean—I am not taking a position on whether they should be owned by the government and hold their own part, but domestically owned and I think that is important. And the reason is the central bank needs working partners in responding to a crisis and then sort of working its way out of it. And the simple truth is that in a crisis of this magnitude in the advanced countries, the government and the central banks change the role from referee and regulator to referee and regulator and major player and partially in charge depending on what portion of the system you are talking about. And the multinational entities who are based in those countries are then marching to a drum that's being beaten by the government and that is the domestic agenda. So I guess, what I am trying to say is as a matter of prudence and safety even though I once countered to that kind of tradition of increasing globalisation, it really is important at least for a period of time here in the absence of a kind of global regulatory mechanisms to have a domestic

presence. And I think it is clearly true and I hope, I am saying something slightly controversial, there are, you know, fairly obvious limits to financial globalisation with the underlying structure that we have.

Another thing that the developing countries did not have and this is a point Martin Wolf makes, they did not have financial entities who had carried major liabilities associated with foreign either people or entities and so they did not acquire when those institutions get into potential trouble, which they could have, liabilities to foreigners—public liabilities to foreigners as some of the advanced countries did. That problem is important, I mean in Europe there are lots of examples of entities that cross borders to an extent that they are too big to save, if the responsibility for saving it falls on the government in which they are based.

Shadow banking, the process of, you know, delivering credits outside the banking system, securitisation and so on. I think it is not something we felt should be stifled so that the recommendation was and I think this is consistent with behavior that what one wants to do is have that proceed at a major pace with appropriate attention to the legal and other infrastructure and that the product should be what I would call plain vanilla, that is to avoid, you know, the complex highly leveraged derivative versions of that.

Finally, this I think is controversial, some version of the utility banking model in which there is a restraint on what the banking sector can do in other parts of the financial system. We did not take a position on whether the Volcker Rule is right or something more traditional, but I think the idea is right that it is not a good idea to have a financial systems in which all the channels of credit intermediation can fail at the same time.

Montek Ahluwalia, who is the member of this commission, is the Deputy Chairman of Planning Commission in India told me and I am repeating something I said yesterday, he said if you want to say something say something that somebody disagrees with or it is not worth saying, so let me take a short at that. By the way he attributed that view to Larry Summers and I think that sounds right in the given history. I believe one of the lessons and again I am not a central banker is that there is a singular focus on inflation targeting or even you know price stability narrowly defined is not a wise course of action. In the global economy, there are lots of reasons why inflation can be under control. If you look at the pre-crisis period, China in the manufacturing area was becoming a major force, it is fairly easy to demonstrate that they drove down the relative price of manufactured goods in the global economy because of the scale of the operation that took one element of potential inflationary pressure out of the system. So the question really is what is the default? If there is no inflationary pressure, do you sort of leave interest rates down and not worry about it too much or do you do something else. I have tried to understand the pre-crisis build up. My amateurish take at least in the new American context is that we lower the interest rates in response to the bursting of the internet bubble followed by 9/11, we left them down for a period of time, the

economy leveraged itself up for a variety of reasons including either nonexistence or lax regulation and then we started to raise the interest rates into an overleveraged environment creating something that looks almost like a time bomb that eventually went off.

Now, I think second proposition is, I think, a central bank or somebody; well I am going to make it for the moment the central bank, has to pay attention to the balance sheet dimensions of an economy. That means leverage, that means asset prices and it means judgement, it means making mistakes and it means we do not have a formula that tells us when we have an asset bubble. I think we are pretty sure that we do not want to have an asset bubble turbocharged by leverage again. One of the reasons that Alan Greenspan's arguments held sway for such a long time is it was hard to answer the question how do you know it is an asset bubble. So it depends a little bit on where the burden of proof lies and in my view is that one of the lessons of the crisis is that the starting point where the burden of proof lies on the person who has to prove there is an asset bubble or some thing is out of balance is a bad starting point because it leads to inaction and dangerous results.

The hedge fund and proprietary trading sector, I think, is a major problem. It seems to me without being terribly precise about this is the Volcker Rule is not a bad idea. If you combine the Volcker Rule, which roughly speaking is to remove the hedge funds proprietary trading from the sort of other side of the system, produce a new dividing line and then you introduce a set of fairly pragmatic reasonable restrictions on leverage margin, you know reserves, reserve requirements and so on, on the one side of the ledger that you have at least taken a step forward in increasing the stability of the system. But the hedge fund side has the potential all by itself to destabilise the system. You know before we, some of us remember long-term capital. Long-term capital was a potentially destabilising event and that was basically a highly leveraged hedge fund. So I think we cannot duck the question of what kinds of regulation are needed on the proprietary trading hedge funds sort of side of the business and regardless of who it falls to, we are going to have to wrestle with that problem. I actually think this is an area that requires serious additional academic research. I don't think we know how to do that nor do I think we normally equip ourselves with the data to do it. Many of you are in this world that I have talked to people at the New York Fed who in the middle of the crisis said we were just flying blind or we had no clue what the actual connectedness of the balance sheets of these institutions was and therefore we could not assess whether or not the solvency of one was a threat or much of a threat or not much of a threat to the solvency of others.

This brings me back, I think that I covered that, it brings me back then to the central bank role and I will just express some opinions, which I think will be discussed in much greater detail in the rest of the conference. The central bank will surely continue to have monetary policy inflation interest rates and so on and perhaps for at least in some cases, some attention to growth

Keynote Address

Andrew Michael Spence

and employment as a primary mandate and for that it needs to continue to have autonomy. I, like a lot of other people, am worried about the potential threat to the autonomy of central banks as part of the sort of post crisis process. I think that the crisis taught us that the central bank needs a wide range of discretion in responding to serious shocks of the type that we just experienced.

I also believe as I think Governor Subbarao, you know, hinted out that the central bank has a comparative advantage in the area of macroprudential supervision, which means assessing whether the system is becoming unstable at least in my terms. It has an informational advantage because of the work it does and it has the same kind of human capital advantage that an entity like the IMF has - superb analytical talent. When I went around the developing world in course of the growth commission work, I was very struck, country after country that concentration of highly analytical talent that is located in the central banks and that is a crucial input to this. So, I think for all kinds of reasons it makes sense to have the central bank at least as an important player in the management of an oversight of the stability of the system, which means paying attention to balance sheets, asset prices, leverage and other things that may seem to be relevant.

But that raises two issues, I think, and these I haven't had discussed yet. If that expanded mandate is for central banks relative to the practice at least in the advanced countries going into the crisis, where we assumed that the rest of the system was self regulating and have decided that probably isn't true, then what instruments, what facilities and what authorisations does the central bank need to discharge all those responsibilities. It surely cannot be true that monetary policy and a few other variables that are closely associated with it are the main instruments that give you the ability to deal with all of those things. And perhaps more fundamentally, I think question is will governments delegate that much power to an entity that is the power to manage, monitor a policy, respond with rate discretion in a crisis, you know, monitoring the balance sheet and then being the arbiter of whether the system is unstable, you know, in a world in which we, I think, all admit that we're making judgments. I think the jury saw it on that question and there is lots of evidence that people are sort of worried about it.

I do not know what to do about that. There are of course alternative proposals that will be discussed in the next two days. I rather like Andy Law's idea, that is the financial version of NTSB, not as a substitute for the central bank's involvement but as a compliment. For those of you who do not know the NTSB is the entity in the United States that investigates airline accidents or near accidents. The advantage of that system as described by Andy Law is that their only function and because it is their only function, they do not have conflict of interest. And so if over time, if an entity like that became competent or highly competent, authoritative, and listened to, it would be an important input and it might provide some coverage for the entities that have the responsibility not only to assess, but to act, because it is not conflicted in that way, it

has only the analytical and informational function. Anyway, it seems to me worth discussing.

Beyond that and I will sort of wind up here with a couple of comments. We spent some time thinking about what constitutes resilience on the real economy side in a developing country. We spent sometime on this, because resilience springs out in a relatively potentially unstable global economy to be a pretty important set of things. If we are going to rewrite the first report, I think we would have increased the priority attached to things that fallen under the heading of resilience. Where does resilience come from, as we learned in the course of the crisis? One, reserve turned out to be fairly important. There isn't yet a clear alternative to that and so that is one. Second, current account balance. A persistent relatively high deficit is a reliance on external financing to keep the economy running and it seems to me that both that and a big current account surplus for different reasons are bad ideas. The current account deficit is a vulnerable position and the current account surplus is a waste. There is no strategic reason whatsoever. If your investment rates are high of running and savings at a level well above that, then lending the rest to the rest of the world for poor to middle income developing countries is appropriate as far as I can see.

Low deficits in debt seem clearly important and therefore provide the capacity for physical stimulus. What this really means, and I think this is a very general point that I want to make this morning. There is a widespread pattern of inability to deeply embed counter cyclical policies and attitudes and cultures. It happens in the investment world for a set of reasons and a lot of other things that people study and that happens in governments. I mean, I still live for a few days of the year in California, when I am not in Milan. California is a perfect example of a procyclical governmental entity. I mean it's to the point of being sort of ridiculous. It is subject to bigger booms and bursts because of the nature of the economic activity in California.

The international dimensions are important. I mentioned the IMF before. I will just say it again that a very well capitalised IMF and I might add World Bank for some of the poor, less, more vulnerable developing countries that is governed in a way that, you know, allows all the participants to be comfortable with and is trusted is very important. So one of the achievements of the G20, and it is not a long list yet, is probably the recapitalisation of the IMF.

Now, finally let me turn to some comments, which I hope, provoke some discussion about the global economy coming out of the crisis. I think we've largely rejected the self regulatory model. It does not work for a variety of reasons. One of which is that their externalities that run from the financial sector to the real economy and those externalities are never internalised and cannot be except by a regulation coming from the central bank or the regulatory authorities to government.But there are reasons because of which the system apparently, subject to lots of additional study, gets out of whack. I think the regulatory momentum is being lost. I will say some words in a minute about

the situation in the United States. The real economy in the United States and Europe is in terrible shape. The unemployment rates are in the order of 10 per cent, much higher for younger people, much higher if you count people, who have gotten discouraged and dropped out of the market. The progress on regulatory reform is negligible. In the United States, regulatory reform so far has consisted of a potential threat to the independence of the Central Bank and attacks on executive compensation, which does not seem to me directly addresses the issue.

There is a growing fiscal problem, the ones in Europe are very visible and the one in United States is also very visible and there is a risk of instability to the dollar, which I think, is probably, ought to be a central concern to many developing countries, particularly the holders of reserves and the politics are very discouraging. In my view, the post crisis agenda you know, mid and post crisis agenda has been mismanaged. I think it is very hard to address either important domestic issues or important global issues without a strong economy that has reestablished its capacity to grow and create employment and that is not the course we followed. I am no politician, so I do not mean to suggest that I know exactly what we should have done, but lots of advice to the administration in the United States is, to get this behind us before tackling a bunch of other admittedly important issues, both politically and economically and that really was not done and now, we appear to be in a situation in which it looks like it is getting increasingly hard to get anything done regardless of whether it is climate change, regulatory reform, or other things. And that is relevant to the rest of the world, because domestically focussed and partially paralyzed American system means that addressing global issues is very, very problematic.

One of those global issues, well people have different versions of this, but I think rebalancing and restoring global aggregate demand, with the attendant benefit of reducing the rather strong and worrisome protectionist pressures would be very high on the list, I do not know how to rank order it. China and other major surplus countries need to get rid of the surpluses as a part of that process. The dialogue that leads up to that has to be a lot deeper, then it appears to be at least from the outside. John Lipsky and others have been more centrally involved in that and can give you a better sense of where that lies. I do think I know the Chinese side pretty well and they do understand that it is in their own interest as well as the global interest to get rid of the current account surplus in a way that does not damage growth, but they understand and I think the rest of the world does not completely understand that is not mainly an exchange rate issue that is a sort of very, very complex internal set of structural transformations that involve increasing household income, reducing household savings, you know, flowing income through the financial system and allowing people to sort of not save and consume. In China, the government directly or indirectly simply controls too much of the income and it is an investment machine, an investment saving machine on autopilot.

I think they understand that. That is the good news. The bad news is that they understood it in the 11th five-year plan,

which is almost over and they have not done anything about it yet and there are probably political differences of opinion within China. China is not the only player in this, but it is the third of the global imbalances, at least judged by pre-crisis levels, so it is important. Finally, I think the protectionist pressures in the environment that we are likely to have, are very great, and I worry about that tremendously. For the same reasons, I suspect many of you do.

The openness of the global economy is the single most important asset available to the developing world. It will determine the extent to which this spreading pattern of growth and prosperity that we saw for much of the postwar period gets to resume. Now, you may be a little more sanguine about that if you are sitting in China or India, but that is because in a world in which not everybody can achieve their aspirations, the strong and the big will likely achieve their aspirations, but they will do it, you know, by virtue of gaining market share, to put it in business terms, and so I want to assure you the growth aspirations of the developing world are not achievable in a global economy that is configured the way it is now and so we need to restore the aggregate demand and avoid the protectionist pressures.

I will say one final thing on the US side; this is a personal judgement. I think we ran out the string on fiscal action some time ago and now the politics are telling us to continue it at a moment where we should just recede, and when we recede, it will be painful process of slow healing, to use the medical analogy. We are not going to bounce back from this quickly, but that does not mean that we should go on indefinitely de-levering on the private side and levering up on the public sector site. It just does not really make sense, so that the notion that you intervene to stop the panic overshoot in the crisis, do a little bit to jump start the economy and and then plan to exit is something that I think should be a high priority. I am not sure it is going to happen.

The final thing I will say is this. You might have expected in the period following a crisis, in a shock of this magnitude, at least in United States, that there would be an ongoing kind of serious discussion of what structural changes and policy changes and changes in the pattern of investment are required to restore a pattern of growth that is clearly got to be different than the pre-crisis one. And as I go around the world, I persistently find an implicit assumption, sometimes it is even explicit that while this was a very big shock, you know, we are going to back from it and then we will go back to what might be called the old normal, that is, something that looks like the way we were before. But at least for somewhere between 5 and 10 years, the old normal, we now know with the benefit of hindsight was unsustainable on the consumption saving side in the United States, so that is not going to happen. And if it does happen, it will only happen because we have another asset inflation in which case, we are in more trouble than we were then.

So we are going to be in a new normal, and I think that new normal should be thought of in two ways. One, I think, we have to make realistic forecasts about it. Mine are that the growth in the advanced countries is going to be lower for an extended period of time. Other people

disagree. I do not think it is clear-cut, but there are a lots of structural reasons for thinking that we cannot just kind of bounce out of this with the amount of deleveraging and balance sheet restoration that is required on the household housing side. The housing sector is still essentially functioning because of government support. The commercial real estate sector may be showing moderate signs of improvement, but there are huge problems awaiting on that side, so it is very hard to be sort of optimistic about that.

The second thing, they say, about the new normal, or whatever term you want to apply to it, is that it is a work-in-progress. I mean, it is going to be determined by the effectiveness of domestic policies in advanced and developing countries, and it is going to be determined by the success or lack of it with which we tackle the major global issues that are before us in the next few years. I know you can tell where I am coming out on that. I am, at the moment, pretty pessimistic for the reasons that I have outlined, but I think the point that needs to be made here is that we are now at a point where the architects of that new normal are going to be the major developing countries as well as the advanced countries and that is a major item on the agenda.

What I was going to say when I started out there was that you might have expected in a country like the United States that there would be an ongoing debate about the going forward sort of basis of growth. I think, the thing that most worries me right now is that I do not see that debate occurring, and I do not know why. It is puzzling and it is worrying. Thank you very much for listening to me.

*Welcome Address**

Deepak Mohanty

Professor Michael Spence, Governor Dr. Subbarao, Deputy Governors, distinguished invitees and friends. On behalf of the Reserve Bank of India, I extend a hearty welcome to you all to our First International Research Conference in this great city of Mumbai.

2. Mumbai, a fishing hamlet was gifted in dowry by Portugal to England, and later leased to the East India Company for £10. Today you can't get even a square inch of land in Mumbai for that price. Mumbai has moved on and gained in value and stature. Mumbai is the gateway to modern India and India's commercial capital. Home to the world's largest film industry, this 'city of dreams' has been popularised by Danny Boyle's "Slumdog Millionnaire" and in A.R. Rahman's tunes - "Jai Ho". Mumbai is a city that never sleeps. This you may have experienced by now, as most international flights land in the middle of the night. I hope you had some rest and are ready for the day. The city has weathered many adversities only to spring back to life with greater vigour - that is the spirit of Mumbai. I hope during your stay you will get to experience Mumbai's vibrancy.

3. Let me say a few words about this event. As you know, the Reserve Bank is celebrating its Platinum Jubilee year – an important milestone in the history of this ever-evolving institution. The Bank was established on 1st April 1935. It transitioned from being a privately owned institution to government owned institution in 1949. In these 75 years, the Bank has witnessed momentous changes securing its preeminent position in the economic policy space of the country.

* Welcome Remarks by Shri Deepak Mohanty, Executive Director, Reserve Bank of India at the First International Research Conference on 'Challenges to Central Banking in the Context of Financial Crisis' in Mumbai on February 12, 2010.

Welcome Address

Deepak Mohanty

4. The Reserve Bank of India in many ways is a full service central bank. It has a broad spectrum mandate extending beyond monetary policy, such as currency management, regulation of banks and non-bank financial institutions, regulation of money, foreign exchange and government securities markets and public debt management. Our research focus too therefore has a wider canvas than that of most central banks.

5. To mark and celebrate the Bank's Platinum Jubilee year, we have taken a series of initiatives and organised a number of events. The celebrations have run parallely in three directions. First is a series of learning events to build support for the Reserve Bank's agenda and to showcase the Bank as a knowledge institution. Second is a set of internal events involving current and former Reserve Bank staff to reinforce a sense of belonging and inclusiveness among members of the Reserve Bank family. Third is the outreach programme of financial inclusion and financial literacy with an overall objective of connecting with the common person of this country. In this Platinum Jubilee year, we are thus trying to cover a vast expanse by reaching out from the remotest village to the global intellectual opinion as yours.

6. The global reach of the financial crisis reminds us that irrespective of the degree of globalisation of a country and the soundness of its domestic policies, no economy can insulate itself from the financial turmoil. The crisis has challenged many of our fundamental beliefs and could well turn out to be the defining moment for a paradigm shift in macro-financial policy framework. In this context, the theme of the Conference "Challenges to Central Banking in the Context of Financial Crisis" is perhaps apt.

7. With the benefit of hindsight, the crisis has been a great learning experience for all. Although the jury is still out on many issues, some broad lessons can still be drawn from the crisis. First, there is increasing support for the view that policy objectives of central banks would have to be broader than price stability as conventionally defined. Second, the crisis has reminded us of the virtues of fiscal consolidation in good times to generate the fiscal space to deal with crisis conditions. Third and perhaps the most widely agreed lesson is that financial institutions would have to be less leveraged and better regulated. This does not imply more regulation but sharper regulation. Finally, preventing and dealing with a crisis in an increasingly globalised world need far-reaching reforms in the international financial architecture.

8. Against this backdrop, let me now turn to the format of the Conference. We will cover the conference theme in two special talks and four technical sessions. We begin with the inaugural address by our Governor Dr.Subbarao followed by the keynote speech by Professor Michael Spence. Then we move on to the presentation of papers and discussions. The first technical session will deal with the experience and lessons from the conduct of monetary policy in the wake of the crisis. The second session will explore how globalisation of financial markets on the one hand and financial innovation on the other impinge on the conduct of monetary policy. The third session will deal with the

challenges to regulation and supervision in the context of developments in the financial sector. The fourth and final session of the day will discuss the design of appropriate exit policy from the current expansionary monetary and fiscal stance.

9. After a good night's rest, we resume tomorrow with two sessions of panel discussion of Governors. Both the panels will be moderated by noted economist and columnist Mr.Martin Wolf.

10. The first panel will focus on the areas of monetary policy. It will cover issues such as the implications of the crisis for inflation targeting; the role of asset prices in monetary policy; the changing role of central banks from managing the crisis to managing the recovery.

11. The second panel will focus on the global financial architecture. It will cover issues such as the reform of the International Monetary Fund (IMF); regional monetary arrangements; the future of global reserve currency system; and capital flows and exchange rate policies.

12. I think this is an opportune time, as the world is finding its feet after the storm, to introspect and think out of the box to make the financial world a safer place. I am sure that this high level Conference, benefiting from your vast experience and wisdom would contribute immensely to our understanding of the challenges to central banking in the coming times.

13. As a house keeping matter, I may mention that the proceedings of the Conference are being webstreamed on the Reserve Bank website (rbi.org.in).

14. Let me conclude by welcoming you once again in the local language which is Marathi: *Amchya Mumbait Tumha Sarvanche Swagat Aahe*. You are welcome in our Mumbai.



Speeches/Interview

Welcome Remarks: Fourteenth C. D. Deshmukh Memorial Lecture
by Duvvuri Subbarao

After the Crises: Assessing the Costs and Benefits of Financial Liberalisation
by Adair Turner

Welcome Address: Eleventh L. K. Jha Memorial Lecture
by Duvvuri Subbarao

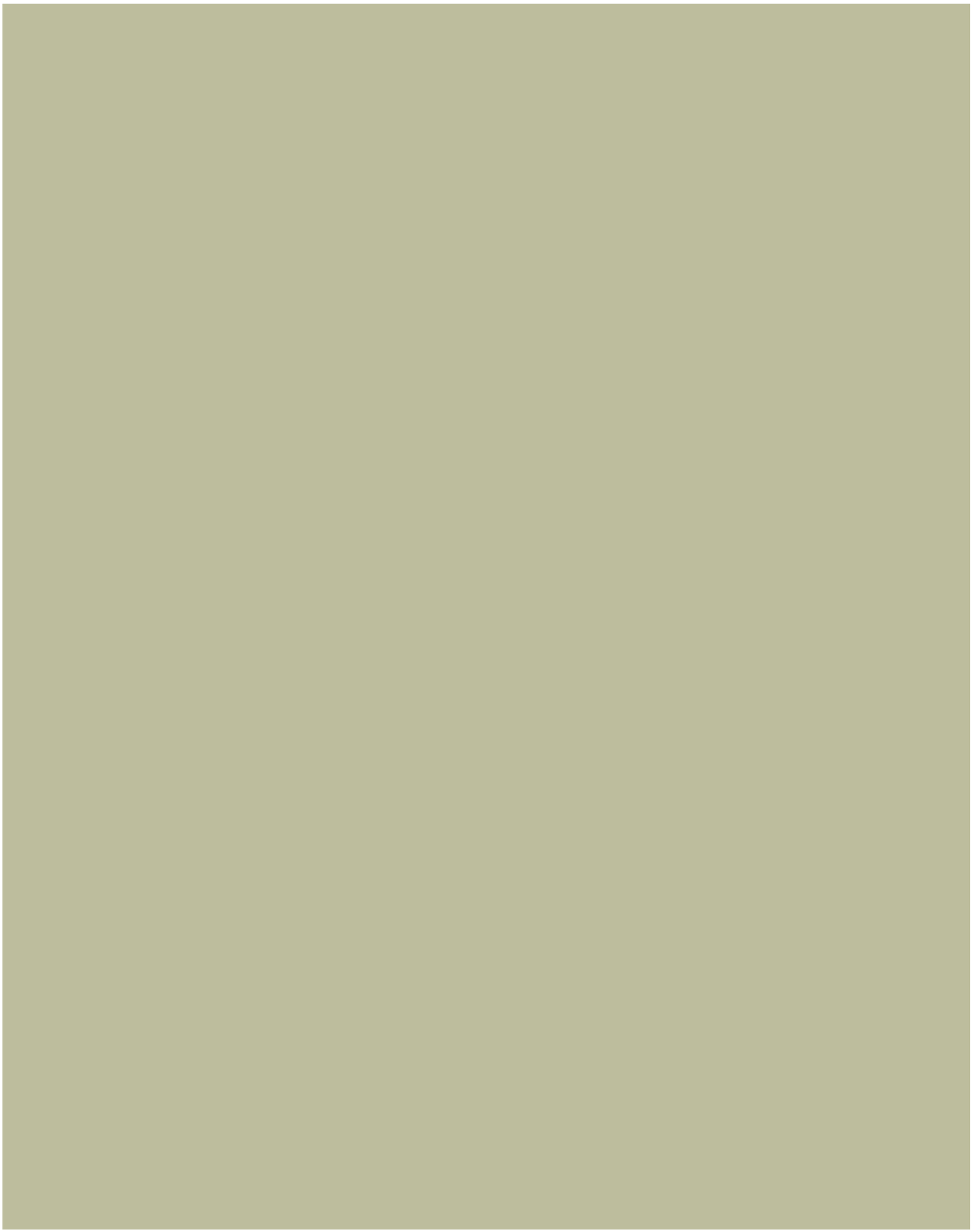
Lessons from the Financial Crisis for Monetary Policy in Emerging Markets
by John Brian Taylor

Pursuit of Complete Markets – The Missing Perspectives
by Shyamala Gopinath

Infrastructure Finance: Experiences and the Road Ahead
by K. C. Chakrabarty

'Exit from the Crisis cannot be Drastic' – Interview of Dr. Subir Gokarn

Monetary Policy Framework in India: Experience with Multiple-Indicators Approach
by Deepak Mohanty



*Welcome Remarks**

Duvvuri Subbarao

On behalf of Reserve Bank of India, I have great pleasure in welcoming Lord Turner, Chairman of the Financial Services Authority of the UK, who will shortly be delivering the C.D. Deshmukh Memorial Lecture. I also want to specially acknowledge the family members of late Sir C.D. Deshmukh – Smt. and Shri Atul Deshmukh, Shri Ashish Deshmukh and Smt. and Shri Chitnis - who are here with us today. Thank you very much to all of you for rejoining the Reserve Bank family today. And, of course, a hearty welcome to all our invitees.

2. Sir Chintaman D. Deshmukh has a special place in the history of the Reserve Bank of India. He was the first Indian Governor of the Reserve Bank, and served here from August 1943 to June 1949. He presided over the transformation of the Reserve Bank from a private shareholders' bank to a nationalised institution and was the intellectual force behind the enactment of a comprehensive legislation for the regulation of banking companies. Shri Deshmukh participated actively in the establishment of the Bretton Woods institutions in 1945 and played a critical role in managing the nascent economy as we confronted the challenges of war financing following the Second World War. After leaving the Reserve Bank, Shri Deshmukh went on to become the Finance Minister of India, a career graph repeated by our current Prime Minister, Dr. Manmohan Singh nearly forty years later. Shri Deshmukh brought to the office of the Finance Minister a passion for newly independent India's development and a humane and inclusive vision for nation building.

3. The Reserve Bank instituted the C.D. Deshmukh Memorial Lecture in 1984 to

* Welcome remarks by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India at the fourteenth C. D. Deshmukh Memorial Lecture on February 15, 2010 at Mumbai.

honour the memory of this illustrious Governor of the Bank and a great citizen of India. This year's lecture, to be delivered by Lord Turner, is of special significance as it forms part of our Platinum Jubilee celebrations.

4. Lord Turner, who has been the Chairman of FSA since September 2008, is a familiar, and also a famous, name in financial circles. He has had a multi-faceted career background straddling business, public policy and academia. He became a cross-bench member of the House of Lords in 2005, and has been the Chairman of the Climate Change Committee since January 2008. He is a Visiting Professor at the London School of Economics and the Cass Business School of the City University. Prior to that, he held prominent positions, such as the Chairman of the Pensions Commission and the Low Pay Commission. Outside of the Government, Lord Turner was associated with the Standard Chartered Bank, Merrill Lynch Europe, Confederation of British Industry, and McKinsey and Company. Lord Turner's 2001 book - 'Just Capital - The Liberal Economy' has been acclaimed for its insights and lateral thinking.

5. There is a deluge of analysis and writing on what caused the crisis and on how to prevent a recurrence. It is not possible for anyone to keep track of all that. But if you want one source from which you can get the diagnosis and prescription for regulatory reforms following the crisis, I suggest you read the Turner Review conducted under the intellectual leadership of Lord Turner. Spread over four chapters, the Review describes what went wrong, and the extent to which the crisis challenges past intellectual assumptions about the self-correcting nature of financial markets. The Review sets out the actions required to create an effective banking system, better able to serve the needs of the businesses and households and less likely to be susceptible to financial instability.

6. I want to spend a couple of minutes giving Lord Turner a brief synopsis of the crisis and the aftermath in India.

7. The crisis that erupted with the collapse of Lehman Brothers in September 2008 spread rapidly thereafter - sector by sector and economy by economy. Almost every country in the world has been impacted, although to a different extent. India was no exception.

8. Largely driven by the then intellectually fashionable decoupling theory, there was dismay in India that we were hit by the crisis. This dismay arose from two factors. First, there was surprise that we were hit by a crisis with origins in the banking system even as our banks, and indeed our entire financial system, had minimal exposure to tainted assets. Second, there was also concern that we were hit by global recession even though our export sector, at 15 per cent of GDP, was relatively small.

9. The answer to both these points is that India was hit by the crisis because we are more globally integrated than we tend to acknowledge. We were impacted through all channels - the financial channel, the real sector channel and the confidence channel. The impact of crisis on India was, however, relatively muted. India's financial sector remained safe and sound, and our financial markets continued to function normally highlighting the stability enhancing features of our policy and regulatory framework.

10. Just to highlight a few features of our approach to safeguarding financial stability. On financial globalization, our stance has been gradualist. We view capital account liberalisation as a process and not an event. The extent of opening is contingent upon progress in other sectors. Our policy framework encourages equity flows, especially direct investment flows. But debt flows are subject to restrictions, and these are reviewed and fine-tuned periodically. The exchange rate is largely market-determined and we intervene in the foreign exchange market in times of excessive volatility. Our approach to financial sector regulation has been informed by the fact that our system is dominated by commercial banks. Thus, as early as mid-1990s, the Reserve Bank instituted the prudential framework governing banks, especially commercial banks, as a part of the overall structural reforms. As of April 2009, all our commercial banks are Basel II compliant.

11. The Reserve Bank has been proactive in adopting a counter-cyclical approach to financial regulations. Notably, in the years before the crisis, we increased the risk weights and provisioning norms on a selective basis. The intent was to limit the exposure of the banking system to sensitive sectors of the economy posting high credit growth and thereby prevent mispricing of risk. Again, in another counter cyclical measure, as part of crisis management, we reversed the earlier tightening and normalized the risk weights and provisioning norms to facilitate credit flow to these sectors.

12. India's banking system has remained remarkably well capitalised with capital to risk weighted asset ratio (CRAR) much above the minimum prescribed under Basel II. The asset quality post-crisis also remained sound though there has been a slight deterioration in recent months. In recognition of the fact that banks should build up provisioning and capital buffers in good times which can be used for absorbing losses in a downturn, recently, banks have been advised to ensure that the provisioning coverage ratio, *i.e.*, the ratio of provisioning to gross NPA, is not less than 70 per cent. In view of the heightened concerns with regard to financial stability during the recent years, the Reserve Bank is retooling itself to safeguard financial stability. We have also set up a Financial Stability Unit which will make regular and systematic assessment of the stability of the Indian financial system.

13. Lord Turner will be speaking to us today on '*After the crises: Assessing the costs and Benefits of Financial Liberalisation*", a topic of great obvious relevance.

14. A study of financial crises shows that almost every crisis is preceded by, if I may use what is by now a cliché, 'irrational exuberance' of the financial sector with the growth of the financial sector outstripping the growth of the real sector engendering a belief, bordering on hubris, that real value can be created by sheer financial engineering. Take this crisis for example.

15. In the world that existed before the crisis - a benign global environment of easy liquidity, stable growth and low inflation - profits kept coming, and everyone got lulled into a false sense of security in the firm belief that profits will keep rolling in forever. Herb Stein, an economist, pointed out the truism that, "if something cannot go on for ever, it

will eventually stop." But no one paid attention. The magic of the financial sector gave it such a larger than life profile that we began to believe that for every real life problem, no matter how complex, there is a financial sector solution. Now, of course, we know better – for every real life problem, no matter how complex, there is a financial sector solution, which is wrong.

16. Take the case of the United States. Over the last 50 years, the share of value added from manufacturing in GDP shrank by more than half from 25 per cent to 11 per cent while the share of financial sector more than doubled from 3.6 per cent to 7.5 per cent. The job share of the manufacturing sector declined by more than half from 29 per cent to 11 per cent while the job share of the financial sector increased by over a third from 3.5 per cent to 4.6 per cent. The same trend is reflected in profits too. Over the last 50 years, the share of manufacturing sector profits in total profits declined by more than half from 49 per cent to 21 per cent while the share of profits of the financial sector increased by more than half from 17 per cent to 27 per cent. Clearly, the excessive risk-taking behaviour of the financial sector raised the value-added of the sector beyond a sustainable level making the melt down, in retrospect, inevitable.

17. Forgotten in the euphoria of financial alchemy is the basic tenet that the financial sector has no standing of its own; it derives its strength and resilience from the real economy. It is the real sector that should drive the financial sector, not the other way round.

18. Financial crises are not uncommon. Then how come we don't learn? I can do no better than quote Reinhart and Rogoff. In their recent seminal book - *This Time is Different: Eight centuries of Financial Folly*, they say, [I quote]:

> "Finance professionals and, all too often, government leaders explain that we are doing things better than before, we are smarter, and we have learned from past mistakes. Each time, society convinces itself that the current boom, unlike the many booms that preceded catastrophic collapses in the past, is built on sound fundamentals, structural reforms, technological innovation, and good policy". [unquote]

19. Having said that, we must remember that not all financial liberalisation is bad; the world has benefitted from financial innovation and liberalization. True, the damage inflicted by the crisis has been colossal, but the world enjoyed the benefits of the Great Moderation - over 15 years of unprecedented growth, price stability and low unemployment.

20. It is important therefore to take a balanced view. Who better then than a person with the scholarship and stature of Lord Turner to approach that balanced view.

21. Lord Turner incidentally is the second Chairman of FSA to deliver the C.D. Deshmukh Memorial Lecture. Mr. Howard Davies, the then Chairman of FSA, had delivered the tenth C.D. Deshmukh Memorial Lecture in February 2000 on the subject of 'International Financial Regulation: The Quiet Revolution'. In his concluding statement, Mr. Davies had said, "I wish you a volatile, but not too volatile, future". In many ways, Mr. Davies prediction

has come true. We had our share of volatility, and I believe it has been good for us, giving us as it did, an opportunity for us to work on Schumpeterian 'creative destruction'.

22. Lord Turner has two important responsibilities. Apart from being the Chairman of FSA, he is also the Chairman of the Committee on Climate Change (CCC). I believe that is a fair balance. As Chairman of FSA, his job is to save capitalism from well, the onslaught of capitalists. As Chairman of CCC, his job is to save the planet from the onslaught of capitalism. In short, Lord Turner handles recessions with one hand and emissions with the other.

23. Lord Turner, once again, I want to say, we are delighted that you have accepted our invitation. I now have great pleasure in inviting you to deliver the 14th C. D. Deshmukh lecture.

*After the Crises: Assessing the Costs and Benefits of Financial Liberalisation**

Adair Turner

Mr Governor, ladies and gentlemen, it is a great honour to have been invited to give the fourteenth Chintaman Deshmukh memorial lecture, and a great pleasure to be with you here in Mumbai. The Reserve Bank of India (RBI) has a great reputation as a centre of thoughtful analysis of the important issues of financial stability and optimal policy which concern policy makers throughout the world, and a great reputation for having helped steer India through the recent financial turmoil. It is about the origins of that turmoil and how we respond to it that I will talk tonight.

In autumn 2008, the world financial system suffered a huge crisis, which imposed great harm on the world economy and on the employment, wealth and welfare of many people throughout the world. In its wake, there is strong determination to learn the lessons of what went wrong and to build a more stable global financial system for the future. This has involved a new institutional structure, with the creation of the international Financial Stability Board, bringing together developed and emerging market central bankers, regulators and financial ministers. We are striving to ensure a strong and globally agreed response.

But we have been here before. Indeed, only 11 years before 2008, in summer 1997, the global financial system had also been rocked by an enormous financial crisis – the emerging market and primarily Asian crisis of 1997 to 1998. And after that crisis there was a determination to learn lessons, to improve the quality of regulation. And there were new institutional structures: the Financial Stability Forum, which was the direct pre-cursor of the Financial Stability

* Speech by Lord Adair Turner, Chairman, Financial Services Authority, UK the fourteenth Chintaman Deshmukh Memorial Lecture, Reserve Bank of India, Mumbai, February 15, 2010.

Board, was established in 1998 to ensure better surveillance of emerging risks and identify the policy responses needed to avoid future crises. Sadly that institutional response was ineffective.

In part that is because the latest crisis came from a quite different direction. And just as many generals are said to have a tendency to fight the last war, so regulators and central bankers may have a tendency to address the problems revealed by the latest crisis. We must avoid that mistake. And one way to avoid that mistake is to draw lessons not just from this latest crisis, but from previous crises as well, identifying the general factors underlying both this latest manifestation of financial instability and crises that went before. So my aim this evening is to ask what common lessons we can learn both from the Asian crisis of the 1990s and the latest developed world crisis. And India is a very pertinent country in which to attempt that analysis, since India managed in both crises to escape with relatively little financial instability and relatively slight economic harm.

There are of course important differences between the two crises. 1997 was essentially a crisis of emerging markets and a crisis in which instability of cross-border capital flows played a crucial role. Swings in nominal and real exchange rates, first rising to unsustainably high levels and then crashing dramatically, played a key role. And the sudden depreciations produced inflationary pressures and capital flight, for which the prescribed medicine was tighter fiscal and monetary policies.

By contrast, 2008 was in its origins a crisis of the US and European financial systems: rooted in over-exuberant credit extension in developed markets, and in the development of complex and opaque forms of securitised credit and of new and risky forms of maturity transformation. Exchange rate movements and international capital flows played only an incidental role: capital flows to emerging markets did turn volatile in late 2008, but only in response to the crisis, having played no fundamental causative role. And the consequences of the crash were deflationary rather than inflationary, in price as well as in output terms – so that the prescribed medicine has been fiscal and monetary loosening.

But despite these major differences, the two crises also have strong common features, and in particular both were rooted in, or at least followed after, sustained increases in the relative importance of financial activity relative to real non-financial economic activity – an increasing 'financialisation' of the economy.

The Asian crisis came after a strong upsurge in the scale of financial capital flows to and from emerging countries: an upsurge which was seen in equity portfolio flows, debt security flows, and cross-border bank capital flows. This upsurge was also matched by a longer term growth of financial capital flows between developed nations. And after the setback of the 1997 crisis, these capital flows, both between developed countries and between developed and emerging countries, have resumed an even stronger upward path. Finally, this upsurge has been accompanied over the last 30 years by a quite striking increase in the volume of foreign exchange trading activity relative to global GDP and trade.

The crisis of 2008, meanwhile, came after several decades in which financial activity within developed economies – whether measured by total bank assets to GDP, or by the scale of credit and derivatives trading, or the scale of interest rate derivatives trading, had increased dramatically (slide 5).

On a whole series of measures, therefore, the sheer scale of financial activity has increased dramatically, both in absolute terms and relative to real economic variables such as GDP, over the last 30 years. This followed several decades in which no such trend had been apparent.

Of course, that increasing scale of financial activity reflects in part the globalisation of world trade and long-term capital flows, and the world of floating exchange rates which followed the breakdown of the Bretton Wood system in the early 1970s. But it has also been deliberately fostered by policies of financial liberalisation, with the size and sophistication of financial sectors seen by an increasingly dominant conventional wisdom – the Washington Consensus as it was labelled – as important positive drivers of national and global growth.

The crucial issue which we now need to address, after two terrible crashes in just 12 years, is whether this increasing scale of financial activity truly has been beneficial, which elements are beneficial and which are harmful, and what trade-offs are required in public policy between any benefits of increased financial liberalisation and sophistication and the instability which seems at times to accompany it.

It is useful to begin that analysis by looking at the most macro and long-term indicators. Is there in economic history a clear correlation between the financial intensity of an economy – measured in all the different possible ways – and the overall rate of economic growth? The answer is that at this macro level there is no clear and universal positive relationship. Carmen Reinhart and Ken Rogoff in their recently published and excellent survey of eight centuries of financial folly, crashes and debt defaults ('This Time it's Different'), identify the period 1945 to the early 1970s as one of 'financial repression' in which the role of the financial system was subdued in many countries.[1] And in some countries, for instance one might argue in India, that 'financial repression' probably was one among a package of market restrictive policies which hampered economic growth. But equally there were countries which in that period achieved historically rapid growth with fairly 'repressed' financial systems (for instance Korea). And in the developed economies – the US, Europe and Japan – this period of financial repression was one of significant and relatively stable growth, comparing fairly well with the subsequent 30 years of increased financial activity and financial liberalisation.

And there does not appear to be any compelling proof that increased financial innovation over the last 30 years in the developed world has had a beneficial effect on output growth. Indeed, a recent paper by Moritz Shularick and Alan Taylor documents the growth of leverage and credit extension which liberalisation and innovation has helped facilitate, but finds little empirical

[1] C. Reinhart and K. Rogoff This time its different: Eight centuries of financial folly, Princeton , 2009

support for the proposition that this liberalisation and innovation has led to a corresponding increase in trend growth rates for the countries in their sample.[2]

So the broad historical macro facts do not provide compelling evidence that an increase in the financial intensity of market economies is necessarily, always and limitlessly beneficial for growth or welfare.

To progress beyond this very general conclusion, however, we need to consider both the economic theory of why, and under what circumstances, financial liberalisation might deliver economic benefit, and to consider the specific categories of financial activity which played important roles in the crisis of 1997 and then the developed world crisis of 2007 to 2009.

This lecture is therefore structured in five sections:

1. Contrasting economic theories: the neoclassical and the Keynes/Minsky approach
2. The Asian crisis of 1997: are short-term capital flows economically value-added?
3. The developed world crisis of 2007 to 2009: did financial innovation deliver economic value?
4. Possible implications for specific policies
5. Implications for our overall approach to financial deepening and liberalisation.

The predominant neoclassical school of economics has perceived increased financial activity – greater market liquidity, more active trading, and financial innovation – as a broadly positive development.[3] This is because extensive financial activity is essential to complete markets. The first fundamental theorem of welfare economics, demonstrated mathematically by Kenneth Arrow and Gerard Debreu[4], illustrates that a competitive equilibrium is efficient. But this is only true if markets are complete, *i.e.* if there are markets which strike all possible desired contracts, including insurance contracts and investment contracts linking the present and the future, as well as markets for current goods, services and labour. Therefore, the more liquid are financial markets and the more extensive is financial innovation, the more efficient the economy will be.

- More liquid commodity futures markets are beneficial because they enable users and producers of commodities to hedge their risk more efficiently.
- Liquidity in the credit default swaps market enables investors and issuers of corporate debt to achieve and continuously adapt their desired risk profile.
- The complex structured credit markets which grew from the mid 1990s were beneficial because they enabled investors to select precisely that combination of risk, return and liquidity which matched their specific preferences.

[2] M. Schularick and A.M. Taylor : Credit booms gone bust: Monetary policy , leverage cycles and financial crises 1870-2008 ,NBER Working Paper No15512, November 2009.

[3] I am indebted to Jonathan Portes , Chief Economist at the UK Cabinet Office for sharing with me an unpublished article which provides a particularly clear description of the differences between the Neoclassical and Keynes / Minsky approaches

[4] K. Arrow and G.Debreu, Existence of an equilibrium for a competitive economy, Econometrica,vol.22, 1954

- And the wider the set of options for linking suppliers of funds with users of funds – including via the provision of market liquidity which enables investors' time horizons to diverge from the contractual maturity of the instruments themselves – the more efficient will be the allocation of capital.
- In each case therefore 'innovation brings us closer to the Arrow-Debreu nirvana where all possible markets exist and are complete'.[5]

Moreover, these advantages of financial markets apply not merely within an economy, but between countries. The less restricted and the deeper the markets for capital flows between countries, the more efficient the international allocation of capital will be, with globalisation and financial liberalisation therefore naturally and beneficially linked.

Of course, these propositions do not mean that there is no role for regulation of financial services and financial markets. Neoclassical theory specifically identifies that competitive equilibrium conditions can be prevented by the existence of market imperfections and recognises, as per the Lancaster-Lipsey conditions, that if a specific market is imperfect, liberalisation of other markets might be suboptimal.[6] But the neoclassical approach does tend to dictate a particular regulatory philosophy, in which policymakers ideally seek to identify the specific market imperfections preventing the attainment of complete and efficient markets, and in which regulatory intervention should ideally be focused – not on banning products or dampening down the volatility of markets – but on disclosure and transparency requirements which will ensure that markets are as efficient as possible.

These propositions, and the strongly free market implications drawn from them, have played a somewhat dominant role in academic economics over the last several decades, though with dissenting voices always present. But they have been even more dominant among policymakers in some of the finance ministries, central banks and regulators of the developed world. Keynes famously suggested that 'practical men, who believe themselves quite exempt from any intellectual influences, are normally the slaves of some defunct economist'. But the bigger danger may be that the reasonably intellectual men and women who play key policy-making roles, are often the slaves to a simplified version of the predominant conventional wisdom of the current generation of academic economists. Certainly in the case of the UK Financial Services Authority, the idea that greater market liquidity is in almost all cases beneficial, that financially innovation was to be encouraged because it was likely to expand investor and issuer choice, and that regulatory interventions have to be specifically justified by reference to the specific market imperfections which they are designed to overcome, formed key elements in our institutional DNA in the years ahead of the crisis. And the predominant tendency of the International Monetary Fund, both at the time of the Asian crisis and in the run up to 2007 to 2009, was to stress the advantages of free capital flows and financial

[5] The quote is from Jonathan Portes's paper

[6] Richard Lipsey and Kelvin Lancaster "The General Theory of the Second Best , Review of Economic Studies 1956

innovation, making reference to theories of market completion and allocative efficiency.

However, this benign view of limitless financial deepening – of increased trading activity and innovation – is rejected by the Keynes/Minsky school of thought. Keynes, most famously in Chapter 12 of The General Theory, argued that liquid financial markets did not ensure allocative efficiency through the attainment of a rational competitive equilibrium, but were instead subject, for inherent and unavoidable reasons, to self-reinforcing herd/momentum effects. Professional investment was, he famously said, like a 'pick the prettiest girl photo competition', in which the successful competitor was the one who correctly and most rapidly predicted the preferences of the other competitors. 'It is not a case of choosing those which, to the best of one's judgment, are really the prettiest, nor even those which average opinion genuinely thinks the prettiest. We have reached the third degree where we devote our intelligences to anticipating what average opinion expects the average opinion to be. And there are some, I believe, who practice the fourth, fifth and higher degrees'. [7]

Keynes therefore believed that the professional investor or trader, be it in equity markets, currency markets, or, he would have said today, the CDS market, is 'forced to concern himself with the anticipation of impending changes, in the news and in the atmosphere, of the kind by which experience shows that the mass psychology of the market is most influenced'. And he argued that pure speculation, unattached to fundamentals, could drive self-reinforcing bubbles, which not only served no useful allocative role, but which produced important destabilising effects.

Keynes's argument received strong empirical support from Charles Kindelberger's analysis of market manias, panics, and crashes through the ages.[8] Hyman Minsky developed a theory of the dynamics of the capitalist economy and of its financial institutions, in which sustained good economic times were likely to produce a shift in the relative balance of financial activity away from hedging and rational allocative activities towards purely speculative activities, which in turn could lead to sudden collapses in values, debt deflation traps and major real economic disruption.[9] And indeed, some of the world's most successful financial speculators – in particular George Soros – have themselves argued that major liquid financial markets are not driven to equilibrium by fundamental factors, but are subject to endlessly reflexive disequilibrium dynamics.[10]

There are different ways of explaining these disequilibrium dynamics:

- Keynes himself stressed the importance of inherent irreducible uncertainty about the future, under which condition a detached and nonrecursive assessment of future market prospects is close to impossible.[11]

[7] John Maynard Keynes , The General Theory of Employment , Interets and Money , 1936 , Chapter 12.

[8] Charles Kindelberger , Manias,panics and markets , 1978.

[9] Hyman Minsky, Stabilising an Unstable Economy , 1986.

[10] George Soros, The new paradigm for financial markets , 2008.

[11] The distinction between mathematically modellable risk and inherent irreducible uncertainty is fundamental to this insight,. See Frank Knight Risk, Uncertainty and Profit , 19, 21 , for the classic statement of this distinction

- Other writers stress the role of market imperfections, such as disruptive principal/ agent relationships, as between end investors and the agents making trading decisions on their behalf.[12] These principal/agent relationships can make it rational for individual decision-makers to act in ways that result in price movements which in their collective effect appear irrational and cause economic harm. In a sense, therefore, these writers draw on the 'rational economic man' assumptions of the neoclassical school, but differ simply because they believe that the imperfections are so deep rooted as to be inherent and that no amount of clever regulatory intervention will ever overcome them: the potential instability and self-referential nature of liquid financial markets therefore being for all practical purposes inherent, even if not absolutely inherent in the way that Keynes implied.

- Finally, the school of behavioural economics, associated in particular with the work of Daniel Kahnemann, stresses the fact that human decision-making, for reasons rooted in evolutionary biology and the design of our brains, cannot be seen as an entirely rational process, but is at times inherently instinctive and influenced by crowd psychology effects.

It is therefore notable that the school of thought which we can broadly label as Keynes/Minsky is not characterised by a single unifying theory equivalent to that of neoclassical equilibrium. As a result, as I will discuss in Sections 4 and 5, it is not easy to derive from this way of seeing the world a simple and universally applicable set of criteria for deciding appropriate regulatory intervention, such as can be derived from the neoclassical approach. But I will argue in Section 5 that it is better to live in the real world of complexities imperfectly understood, than to construct for ourselves an intellectually elegant set of assumptions which do not fit real world phenomena. And the evidence of the crises of 1997 and of 2007 to 2009, to which I will now turn, suggest that we should be highly sceptical of the benefits of general and limitless financial liberalisation.

Regarding the 1997 crisis, the crucial contested issue in economics is the benefits and disadvantages of short-term financial capital flows. As already shown, these flows increased dramatically in the decade running up to the 1997 crisis and the dominant conventional wisdom of the time – as expressed for instance in the attitude of the International Monetary Fund (IMF) – was that these flows were positive. This was based on the neoclassical argument that capital flows in general (including short-term portfolio flows as well as long-term direct investment) help achieve a more efficient global allocation of capital, linking savers to business investments in a more efficient fashion.[13]

Indeed it was right in the middle of the Asian crisis – at its Hong Kong meeting in

[12] See e.g. An institutional theory of momentum and reversal, Vayanos and Woolley, LSE , November 2008

[13] See Stanley Fischer Capital account liberalisation and the role of the IMF in Should the IMF pursue capital accounting convertibility? Essays in International Finance, Princeton 1998.

September 1997 – that the IMF proposed that capital account liberalisation should be made a binding commitment of IMF membership, going beyond the commitment to current account convertibility included within the IMF's original founding articles.

But while this was the conventional wisdom, a wide variety of studies have cast doubt on whether free movement of capital, and in particular of short-term capital, is at all positive for growth. The challenge has been launched on both empirical and theoretical grounds.

- The empirical evidence has been very usefully assessed by a working group of the Committee on the Global Financial System (CGFS), chaired by Rakesh Mohan, former deputy governor of the RBI.[14] It notes that 'despite the numerous cross country attempts to analyse the effects of capital account liberalisation, there appears to be only limited evidence that supports the notion that liberalisation enhances growth' and some of the protagonists in this debate, such as Dani Rodrik and Jagdish Bhagwati would go further and say that there is no compelling evidence at all.[15],[16] Even those who broadly support capital account liberalisation have therefore tended to argue that liberalisation could be beneficial under specific circumstances, rather than that it has been demonstrably beneficial in all cases

- Rodrik and Subramanian have highlighted one reason why the apparent case for financial globalisation might not apply in today's circumstances. In the first period of financial globalisation – the 40 years or so before the First World War – international capital flows, to a significant extent, took the form of outflows from rich developed countries (in particular the UK) and inflows to commodity producing countries which lacked adequate domestic savings to develop their industries. But as Rodrik and Subramanian point out, this is not the recent pattern. Net capital flows indeed have been as likely to be from poorer developing countries to rich developed ones as vice versa, and developing countries' savings rates have usually not been a binding constraint on growth. The case in favour of capital flows, therefore, has to assert that intensive two-way flows of capital facilitate a more efficient allocation, rather than asserting that net flows of finance to developing countries is key to the development process.

- Meanwhile, many analyses have illustrated that short-term financial capital flows (into debt securities and via cross border bank lending) can be extremely volatile, subject to what Reinhart and Rogoff label 'bonanzas' followed by 'sudden stops'. Bonanzas seem to be strongly influenced by self-reinforcing herd effects, with some investors caught up in over optimistic stories about a country's prospects, while others quite rationally seek to ride the self-reinforcing appreciation of the

[14] Capital flows and emerging market economies , CGFS Papers No 33, January 2009

[15] D. Rodrik and A. Subramaniam, Why did financial liberalisation disappoint , March 2008

[16] J. Bhagwati, "The capital myth: the difference between trade in widgets and dollars" , Foreign Affairs, May 1998

local currency or asset markets for as long as the bonanza lasts. Sudden stops and outflows meanwhile are even more strongly self-reinforcing, with a contagious collapse of confidence affecting not only countries where there is a least some new information which might reasonably carry inference, but other countries treated by investors as in the same broad category. As a result, domestic asset markets in emerging countries and foreign exchange markets can be characterised by multiple and fragile equilibria, such as illustrated in the movement of Thai bhat, Korean won and Indonesian rupee rates in 1997 (slide 6).

- In addition, volatile short-term capital flows can complicate the conduct of domestic monetary policy, facing authorities with a choice between allowing undesirably rapid growth of domestic credit and money, or of accepting an exchange rate appreciation which can undermine the competitiveness of traded sectors in a fashion not justified by long-term fundamentals. Moreover, short-term capital inflows, in particular of bank debt, can drive disruptive asset price booms in local markets, such as commercial real estate.
- As a result, a compelling argument has been developed that the balance of benefits and disadvantages of capital flows varies by type of flow – an argument well summarised in the Committee on the Global Financial System (CGFS) paper. This suggests a hierarchy in which long-term capital flows are better than short term; direct investment is better than portfolio; and equity is better than debt, with short-term inter-bank flows the least beneficial and potentially most disruptive.

These arguments together make a compelling case for:

- Believing that the positive benefits of short-term capital flows may be very slight, even in the absence of shocks.
- Believing that these benefits can be significantly outweighed by the adverse impact of financial shocks.

Against this criticism, the counter defense of capital flow liberalisation has not sought to deny the reality of potentially volatile capital flows, but has argued that this potential arises only because of fundamental deficiencies in, for instance, the credibility of government's fiscal and monetary policy, or the quality of domestic financial system regulation and governance. These arguments recognise – in line with the Lancaster and Lipsey second best theory – that market liberalisation can be harmful if applied in a context where many other market imperfections and distortions exist. But this insight is then used to support the argument that capital flow liberalisation can be a good thing, provided that appropriate supplementary reforms are made, and in the appropriate sequence. An argument which enables believers in the free market creed to hold that the faults in the system revealed by 1997 ultimately lay not in too much market liberalisation, nor in the inherent instability of markets, but in inadequately complete application of good free-market precepts.

This argument between those who believe that the potentially harmful volatility of financial markets is inherent and unfixable, and those who believe that it can be fixed if credible policies are in place and well communicated, is an old one. In 1943, in a paper which input to the Bretton Woods deliberations, the economist Ragnar Nurkse reviewed the floating exchange rate regimes of the early 1920s, and concluded in particular that movements in the French franc exchange rate between 1924 and 1926 illustrated 'the dangers of cumulative and self-aggravating movements... (which)... instead of promoting adjustments in the balance of payments, are apt to intensify any natural disequilibrium and to produce what may be termed "explosive" conditions of instability'. But Nurkse's account was met by the counter-argument of Friedman et al, that this apparently self-fulfilling unstable speculation was a rational response to the uncertainties of French policy, and that the key lesson, therefore, is the need for policy to be appropriate, well communicated and credible.[17]

Faced with these alternative arguments, it becomes impossible, as Barry Eichengreen has noted, ever to prove which argument is correct, except if we were able to look directly into the minds of financial speculators and possibly not even then. But while proof is ultimately unattainable, there are three compelling arguments for not seeing the 'conditions and sequencing' argument as at all conclusive:

- Rodrik and Subramaniam's point that even if such 'conditions and sequencing' could in theory remove the disadvantages of short-term capital flows, we have to make decisions in a real world, where governments are equipped with imperfect tools and are subject to short-term political pressures, and where their ability ever to get 'conditions and sequencing' right is inherently imperfect.
- The evidence of economic historians, such as Kindelberger, who have documented the tendency of many different types of markets to be subject to manias, panics and crashes.
- And the explanations advanced by Keynes, Minsky, Soros, Kahneman and others, as to how a combination of rational incentives and psychological tendencies can be expected to produce self-reinforcing momentum effects.

Overall, therefore, I believe that the case that short-term capital flow liberalisation is beneficial is (as Jagdish Bhagwati argued in his famous 1998 article, The Capital Myth: The Difference between Trade and Widgets and Dollars) based more on ideology and argument by axiom than on any empirical evidence. Though it is also undoubtedly, as Bhagwati argued, based on interests. For what we saw in respect to capital flow liberalisation in the 1990s (regarding domestic financial liberalisation in developed countries) was the assertion of a self-confident ideology, which also happened to be in the direct commercial interest of major financial services firms with powerful political influence in the major and developed economies and, in particular, the US.

[17] See Barry Eichengreen Globalising Capital, Princeton 2008 page 49-55 for discussion of this debate.

That combination of ideology and interests has proposed an over-simplistic conventional wisdom of self-equilibrating exchange rates and optimal capital flows. Instead we need to recognise that in global short-term capital and related FX markets we face the risk of potential instability and overshoot. What we should do about that is less obvious. It does not necessarily follow that comprehensive capital flow controls are the required answer: there is a reasonable argument that while the theoretical and empirical case against constraints on short-term capital flows is quite poor, the pragmatic case against them (or at least against their comprehensive application) is quite strong, simply because they may be unenforceable and tend to produce other distortions.[18] But I will return to that issue in Section 4, simply arguing for now that foreign exchange markets and short-term capital flows are not self-equilibrating, but at times subject to inherent and self reinforcing instability.

Acute awareness of that potential instability, revealed by the 1997 crash, produced a policy reaction in some emerging market countries which played a contributory role in the origins of the 2008 crash. Developing countries sought to insure themselves against future crises via policies that delivered large current account surpluses and the accumulation of Forex reserves. And the investment of these reserves in low-risk instruments – such as US treasury bonds and agency debt – drove down global risk-free rates, facilitating credit extension in several developed countries – in particular the US – and provoking a search for yield uplift, which was met (so it seemed) by the cleverness of complex financial innovation.

But these macro imbalance-driven developments interacted with, and gave further impetus to, trends in developed economy financial systems which were already underway and whose common feature was a quite startling increase in the scale and complexity of financial activities. I showed earlier (slide 4) the huge increases in the value of foreign exchange trading activity relative to global GDP from the early 1970s on: some of this related to emerging market currencies, but most of it to the currencies of the major developed economies. I also showed the huge increase in inter-financial institution balance sheet claims, which began in the 1970s and continued up to the crisis (slide 5). From the 1980s and 1990s on, these trends were accompanied by:

- The emergence of a huge market in interest rate derivatives, with the notional value of over- the- counter (OTC) interest rate contracts rising from close to zero in 1987 to over $400 trillion in 2007 (slide 7).
- Huge growth from the mid-1990s in a series of inter-related credit markets. New 'technologies' of pooling and tranching enabled the growth of an over $2 trillion market in private label asset-backed securities, supporting a new 'originate and distribute' model of credit extension (slide 8). Global credit derivative contracts (CDS) outstanding

[18] See Richard Cooper, "Should capital-account convertibility be a world objective?" in "Should the IMF Pursue capital account convertibility?", Princeton 1998, for a discussion of this argument.

grew from zero in the mid-1990s to over $60 trillion in 2007, with the scale of this 'hedging' activity massively outpacing the growth of the underlying credit instruments which CDS enabled investors or issuers to hedge (slide 9). And Collateralised Debt Obligations (CDOs) grew from zero in the early 1990s to over $250 billion by 2005, with the notable development of synthetic CDOs – credit exposures manufactured through the use of the CDS market, rather than out of the underlying liabilities of non-financial counterparties (slide 10).

- And the immense growth of commodities futures trading: for example, with the volume of oil futures trading growing from far less than the volume of physical oil produced and consumed in the world in the early 1980s to over ten times the volume in 2008 (slide 11).

As with the growth of international capital flows and of related Forex trading, with a whole series of other financial activities the last two decades has seen a dramatic increase in the scale of financial activity relative to the real economy, accompanied by a wave of complex financial innovation.

And as with international capital flows, so with increased financial intensity and innovation, the predominant official point of view before the crisis was that this increased financial intensity had delivered important economic benefits.

A chapter in the IMF's Global Financial Stability Review (GFSR) of April 2006, devoted to assessing 'The influence of credit derivatives and structured credit markets on financial stability' set out clearly the policymakers' conventional wisdom, which in turn rested quite explicitly on the key assumptions of neoclassical theory:

- It noted with approval that credit derivatives 'enhance the transparency of the market's collective view of credit risks…[and thus]…provide valuable information about broad credit conditions and increasingly set the marginal price of credit'. In the neoclassical model, such price transparency delivers greater market efficiency and takes us closer to the efficiency-maximising equilibrium.
- It also noted with approval that such greater transparency 'improves market discipline', mirroring the arguments for short-term capital flows, which see market discipline on domestic policy makers as a strongly positive function.
- And it argued that these benefits, far from being accompanied by any dangers of instability, were likely to be accompanied by greater financial stability, since more complete markets make a better dispersion of credit and liquidity risks possible to those investors whose preferences and own liabilities make them the most suitable holders. 'There is a growing recognition', it therefore noted, 'that the dispersion of credit risk by banks to a broader and more diverse group of investors has helped make the banking and overall financial system more resilient… The improved resilience may be seen in fewer bank failures and more consistent credit provision'.

In this confidence in the benefits of financial liberalisation, the IMF was not alone. There were of course some economists who raised fundamental objections to the conventional wisdom – Nouriel Roubini and Robert Shiller in particular – and specific concerns were often expressed, including within the IMF Global Financial Stability Report (GFSR) from which I have quoted, about developments, in particular credit markets and about the capacity of risk management systems always to cope with increased complexity. But the predominant view in policy-making circles was not only sanguine about increased financial intensity and financial innovation, but positive. And the dominant intellectual ideology of the day was largely embraced by regulators who as a result were highly susceptible to the argument that if a particular regulation threatened financial innovation or market liquidity it was by definition inappropriate. An argument often reinforced of course by the influence of self-interested political lobbying: Bhagwati's combination of 'ideology and interests' was clearly influential in relation to some key measures of domestic financial liberalisation, (such as the removal of leverage restrictions on investment banks in the US), as well as in its assertion of the benefits of short-term capital flows.

Of course, it is now obvious that the conventional wisdom, in favor of increased financial intensity and innovation failed to allow for the potential downside of induced instability. This was because it was based on the assumption that financial markets are rational and equilibrating, and rejected or ignored the Keynes/Minsky insight that financial markets can be subject to self-reinforcing swings of irrational exuberance and then despair.

As we have seen, the IMF, along with many other authorities, welcomed the increased transparency of credit prices provided by the CDS market, and saw it as a benefit that the marginal price of credit (*i.e.* the pricing of loans to the real economy) could more accurately reflect 'the market's collective view of credit risk'. But that market collective view of credit risk proved to be subject to an extreme irrationality which played havoc with the real economy. This chart (slide 12) shows CDS spreads for a composite of major financial groups between 2002 and 2008. It illustrates that the collective view of the market was that risks to bank credit-worthiness had fallen steadily between 2002 and 2007, reaching a historical low in the early summer of 2007, the very eve of the worst financial crisis for 70 years. Neither CDS spreads nor equity prices for banks provided any forewarning of impending disaster: instead they validated and strongly reinforced a surge of over-exuberant and under-priced credit extension to the real economy. CDS prices indeed helped bring the marginal price of credit in line with the collective judgement of the market: the problem was that they set too low a price because the market overshot a rational level. Just as with international capital flows, so in the market for credit securities and credit derivatives, intense financial activity can generate bonanzas of over-exuberant financing, followed by sudden stops and a contagious lack of confidence.

But alongside this now obvious point, it is also worth noting that even the supposed

benefits of increased financial intensity – the benefits which we might wish to trade off against the dangers of instability – are at best unproven. As with capital flow liberalisation, so with the explosion of the complexity of structured credit and credit derivatives, the argument that it delivered allocative efficiency benefits or direct welfare benefits because investors were better able to meet their preferences for precise combinations of risk, return and liquidity, has tended to be made by axiom, with no attempt to consider how great the value of such benefits could possibly be.

Admittedly, it would be extremely difficult to measure that benefit in any empirical fashion, other than via very macro analysis, for instance that of Schularick and Taylor to which I referred earlier. But we should at least recognise that any benefits must be subject to declining marginal returns: that if liquidity up to a point is beneficial, there must be a point beyond which still further increases in liquidity can only deliver the most minimal incremental benefit. In an article in the Financial Times last August, Professor Benjamin Friedman of Harvard University questioned how much economic value added could possibly arise from arbitrageurs being able to spot microscopic divergences in market prices a few seconds (or now with algorithmic trading, milliseconds) before other arbitrageurs do the same – reaching as it were, a Keynesian 'pretty girl' judgement minutely before everybody else reaches the same judgement.[19] Professor Friedman's challenge has, I believe, been too often absent in our response to arguments which condemn possible regulatory approaches on the grounds that they will reduce liquidity in specific markets.

The crucial issue looking forward is how we create a more stable financial system for the future. There is considerable agreement on key measures required: more capital within the banking system, counter-cyclical capital, higher levels of liquidity, more capital against trading books in particular. And there is a focus on the problems of moral hazard and lack of market discipline created if market participants believe that some banks are 'too big to fail'.

But as we pursue this agenda, it is important that we keep thinking not just about the latest crisis, but about the common features of this and past financial crises, and that we are adequately radical in our analysis of what went wrong. In particular we need to keep asking whether we believe that the financial system could be made self-equilibrating if only we could identify and remove specific market imperfections and poor incentives, or whether complex financial systems and markets are potentially unstable for inherent reasons, in which case we need tools to lean against irrational exuberance and tools perhaps to limit the scale of financial activity.

Implications for specific policy may follow in at least three areas:

i. First, while action to deal with systemically important 'too big to fail' banks is necessary, we must not assume that it is sufficient. Any idea that it is sufficient rests on strong confidence in the neoclassical propositions.

[19] Benjamin Friedman , Over mighty finance levies a tithe on growth, Financial Times , 26 August 2009.

ii. Second, developed countries need to design new tools to control the volatility of the credit cycle, identifying credit extension itself as a crucial variable of macroeconomic and financial stability policy.

iii. Third, we need to develop a balanced approach to the benefits of market liquidity, using higher capital requirements against trading activity to reduce unnecessary propriety trading, and not excluding a potential role for financial transaction taxes.

(i) Addressing 'too big to fail': necessary but not sufficient

In response to the financial crisis of 2007 to 2009, authorities in many developed countries have ensured the stability of the financial system by underpinning the liquidity and solvency of major banks. This has typically entailed a combination of capital injections, exceptional central bank liquidity provision, and government guarantees of medium-term bank funding. These measures have played a crucial role in restoring confidence. But they have also reinforced the problem of moral hazard. For whereas when some smaller banks have become insolvent, authorities have been able and willing to impose losses on non-insured depositors and wholesale funds providers, in the case of large systemically important banks, authorities have in all cases chosen to rescue the entire bank group and to impose losses only on equity holders (through dilution) and on no other category of funds providers, not even on those who have subscribed to subordinated debt capital. This threatens to reinforce the belief that some banks are 'too big to fail', undermining any market discipline on the risk-taking of banks in that category.

Finding a solution to the 'too big to fail' problem is therefore a vitally important part of the international regulatory agenda, and a key priority of the Financial Stability Board and in particular of its Standing Committee on Regulatory and Supervisory Cooperation, which I chair. The options under consideration include capital surcharges for large systemically important banks to reduce the probability of failure; the development of contingent capital instruments which would automatically convert to loss-absorbing equity well before failure; and the development of recovery and resolution plans (living wills) which require banks to be internally organised in a fashion that would make it possible for the authorities to execute options other than the rescue of the entire group as a single entity. An important related set of policy options are those which might limit the extent to which deposit-taking banks are involved in risky propriety-trading activities, an area where the Obama administration has recently brought forward proposals.

These policies to restrict or more efficiently manage the risks created by size or breadth of activities are rightly seen as means by which to protect taxpayers against the risk that they will in future have to repeat the expensive rescue operations of the last two years. They are a necessary part of the regulatory response. But they are not a sufficient response to the crisis for four reasons:

- First, because the most important economic costs of the crisis did not actually derive from the direct costs of

taxpayer rescue. Central bank liquidity support is typically provided at a mix of market and penal rates and will in many cases turn out to be profitable for the public authorities; debt guarantees will in most cases not be called; and public equity stakes in banks, even if sold at a loss, typically amount to only a few percentage points of GDP. The direct public costs of rescuing insolvent or illiquid banks in developed countries are therefore unlikely to exceed at most 5-10% of GDP, and may well be much less. That was the case in Sweden in the 1990s and will likely be the case in the UK and the US after this crisis. But consensus forecasts suggest that, for instance, UK government debt to GDP is likely to increase from less than 40% before the crisis to something like 90% after. The vast majority of this 50% increase therefore derives not from the explicit cost of rescue, but from macro- economic volatility, essentially caused by volatility in the supply of and demand for credit, first excessively exuberant and then excessively constrained.

- Second, we should note that over-exuberant supply of credit could be provided by multiple mid-size banks as much as by large ones. In the US, while the early stages of the crisis were dominated by the large universal banks involved in both commercial banking and trading – such as Citibank or Bank of America – in the present stage of the crisis, large bad debt losses are arising among numerous mid-size regional banks excessively involved in commercial real-estate lending. In the UK, while some of our problems arose in the very large combined commercial and trading bank RBS, equally large problems arose in the fairly straightforward commercial bank HBOS, involved in plain old-fashioned bad commercial real estate lending. And there is no reason to believe that those problems would have been any less if HBOS had been two to three smaller banks rather than one large one.

- Third, while limits on the proprietary trading activity of major commercial banks could play a role in reducing their probability of failure, and of cost to the taxpayer, we cannot ignore the systemic risks and volatility which can be created by non-bank financial institutions which are heavily involved in trading activities, particularly if they take majority transformation risks. Lehman Brothers was not a deposit- taking bank, but its failure still provoked the extreme stage of the crisis.

- Fourth, the problems of over-exuberant supply of credit could arise even if all credit was extended in securitised form, rather than on balance sheets. It would be possible to make the banking system utterly safe, but still face the problem of volatile credit extension. Indeed one of the origins of the crisis was the fact that the development of securitised credit, by creating more transparent prices of credit, and by making it possible to lay off credit risk in liquid markets, increased the extent to which credit pricing and credit risk assessment became self-referential and circular. Some bankers were no longer asking themselves 'what does credit analysis

tell me about the appropriate price for this credit given the inherent risks?' but instead were simply observing the transparent price of credit in securitised credit and CDS markets and treating this as definitionally appropriate, treating a low price of credit risk as proof that credit risks were low, rather than using credit analysis to reach judgements on credit risk independent of the unwisdom of liquid markets. These problems could exist in an entirely securitised credit system and are not removed simply by making it possible to wind up banks without cost to the taxpayer.

As a result, while the 'too big to fail' agenda is extremely important, we should be very wary of assuming that it will in itself solve the problems of financial instability. Indeed, any idea that it is a sufficient response rests on strong confidence in the neoclassical proposition that financial markets can be made self-equilibrating if only we can discover and correct the crucial imperfections that prevent the attainment of the Arrow-Debreu nirvana – in this case the poor incentives and lack of market discipline created by 'too big to fail' banks. If instead we believe – in line with the Keynes/Minsky school – that financial systems and markets are inherently subject to self-reinforcing herd and momentum effects that create instability, then we will need to combine the 'too big to fail' agenda with other policy responses.

(ii) New tools to address volatile credit extension

A central focus of such policy tools should be the dynamics of credit extension and related asset bubbles, particularly in residential and commercial real estate.[20] Where credit is both supplied and demanded on the basis of expectations of capital gain (rather than solely on the basis of debt servicing capability deriving from cash flow), prices and quantities in both the market for assets (e.g. commercial real estate) and the market for credit can be subject to self-reinforcing bubble effects (bonanzas of credit) followed by sudden stops (falling asset prices, credit crunches and debt deflation) which, unless offset with aggressive fiscal and monetary policy, can cause severe economic harm. Excessive and under-priced credit extension to commercial real estate sectors in particular has played a major role in almost all banking crises of the last several decades.

However, constraining such excessive credit extension through the classic monetary policy tool of the interest rate is unlikely to be effective given the huge divergence in the interest rate elasticity of demand for credit between different sectors. This pertains during periods of over-exuberant asset price inflation with, for example, an interest rate rise likely to cause harmful effects in the traded goods sector (both through direct interest cost effects and via the exchange rate) long before it slows lending to commercial real estate.

Constraint will therefore almost certainly require the development of new macro-prudential tools – new mechanisms to take away the punch bowl before the

[20] These dynamics are described here only at a very high level but will be addressed in much greater detail in a lecture to Cass Business School , London on March 17th 2010 , entitled " What do banks do, what should they do?"

party gets out of hand. These could include discretionary variation of capital requirements through the cycle, either across the board or in relation to specific sectors, such as commercial real estate. Or new regulations that seek to directly influence borrower as well as lender behaviour, such as limitations on allowable loan-to-value ratios: new tools which entail moving away from the belief that a stable equilibrium will be delivered if only markets are efficient and classic monetary policy tools appropriately aligned.[21]

But while I say 'new' tools, they are of course not new in India, and you have been using them recently and very effectively. Nor are they entirely new to developed countries. Rather they were tools we used to have 30 to 40 years ago, but rejected as old-fashioned and unneeded in our over-confident embrace of neoclassical propositions.

(iii) A balanced approach to market liquidity

Alongside these tools of macro-prudential management, we also need a more open mind about the benefits and the potential downside of increased market liquidity, and a more balanced regulatory approach.

For many years, the benefits of increased market liquidity have been an article of faith, frequently deployed to argue against tighter regulation. And increasing liquidity clearly is valuable up to a point. It widens the set of contractual options available to individuals and corporates. In current or close-to-current markets such as Forex and commodities spot and forward, it reduces the cost of operations for end-users in the market. In markets that form part of the capital allocation mechanism, linking savers to investments (e.g. via equities and bonds), it provides a wider set of options for investors, enabling them to provide funds that are long-term contractually committed to issuers, while allowing them the option of only holding for a short period of time. This in theory has a direct welfare benefit (by providing a closer matching of available options to investor preferences), and may under some circumstances foster a higher rate of savings and investment than would otherwise result. And we need to recognise honestly that more liquid markets require speculators – traders taking positions specifically in order to make trading profit, and these speculators may under some conditions be well informed, provide market discipline and help generate prices that inform efficient decisions.

But Keynes believed that 'Of the maxims of orthodox finance, none, surely, is more anti-social than the fetish of liquidity, the doctrine that it is a positive virtue on the part of institutional investors to concentrate their resources upon the holding of "liquid" securities'.[22] And scepticism about the limitless benefits of market liquidity and of the speculation required to make it possible, is justified on two grounds:

- First, the fact that the benefits of market liquidity must, as already discussed, be

[21] The case for such tools and the complexities involved in their application are discussed in a Bank of England Discussion Paper "The role of macroprudential policy", November 2009.

[22] J M Keynes, The General Theory, Chapter 12

subject to declining marginal utility. The benefits deliverable by the extra liquidity which derives from flash and algorithmic trading, exploiting price divergences present for a fraction of a second, are clearly of minimal value compared with the provision of reasonable liquidity on a day-by-day basis.

- And second, the fact that, to a degree which is difficult to predict and unstable over time, greater market liquidity and a greater role for speculators can produce destabilising and harmful herd and momentum effects.

Our mental model of the benefits of extra liquidity should, therefore, not be one in which more liquidity is always beneficial, but perhaps as shown on this chart (slide 13), one in which the benefits are subject to diminishing marginal utility and in which there is an offsetting and rising danger of a negative effect arising from the potential for destabilising speculative activity – but with the severe complication that the point of optimal benefit is impossibly difficult to define with any precision, that it varies by market and over time, and that we have highly imperfect instruments through which to gain the benefits without the disadvantages. There is, for instance, no economic value that I can discern from the operation of speculation in currency 'carry trades', which are among purest examples of what Professor John Kay labels 'tailgating strategies' – riding an unsustainable trend in the hope that you will be clever enough to get out just ahead of the crash.[23] But there may be no instruments that can eliminate carry-trade activities without undermining useful Forex market liquidity of value to non-financial corporations.

But the fact that we do not have perfect discriminatory instruments does not mean that a more nuanced assessment of the benefits of market liquidity will have no implications for public policy. Instead three implications follow:

- The first is that in setting trading book capital requirements for commercial and investment banks, we should shift from a bias in favour of liquidity to a bias to conservatism. If regulators believe that the level of capital required for prudential purposes needs to increase, and the industry argues that this will restrict liquidity in some specific markets, we should be more willing to question whether the liquidity serves a useful economic purpose and more willing in some cases to wave it goodbye.
- The second is that policymakers need to be concerned with the potential danger of destabilising speculative activity, even if it is performed by non-banks. Speculative trading activity can cause harm, even when it poses no threat to commercial bank solvency. If necessary, highly leveraged hedge fund speculation should be constrained by leverage limits.
- And third, we should certainly not exclude the potential role for financial transaction taxes which might, in James Tobin's words, 'throw some sand in the wheels' of speculative activity. Now it may well be the case that a generalised and internationally agreed financial transactions tax, whether on Forex flows or on a wider set of financial

[23] See John Kay , "Tailgating blights markets and motorways", Financial Times, January 19 , 2010.

transactions, is not achievable. One of the interesting features of the transaction tax debate is that it is littered with articles by academics who have been convinced of the theoretical case in favour of a financial transaction tax, but who have subsequently failed to promote the idea. In 1989, Larry Summers co-authored an article entitled 'When financial markets work too well: a cautious case for securities transaction tax'[24] but in office subsequently he did not pursue it. Rudi Dornbusch argued in 1990 that 'it's time for a financial transactions tax', but was subsequently sceptical about the feasibility of comprehensive capital controls.[25] But at very least we should take financial transaction taxes out of the 'index of forbidden thoughts' and we should certainly be open to the application by emerging countries of tax constraints on inward speculative capital flows, such as that Chile imposed in the 1990s and Brazil has recently introduced.

And more generally, the sensible conclusion on the overall benefits of financial intensity and financial liberalisation, would seem to be that it is valuable up to a point in some markets, but not in all markets and not limitlessly. There is a strong case that the development of a modern financial system, combining banks and corporate bond and equity markets, and basic retail and wholesale insurance services, is strongly favorable for economic growth. Walter Bagehot argued in Lombard Street that the sophistication of the nineteenth century British banking system enabled the UK more effectively than some continental European countries to mobilise savings that might otherwise have lain dormant, and there are a number of studies that illustrate either cross sectional or time series correlations between the development of basic banking and financial systems and economic growth.[26] It is highly likely that, in India, financial deepening, in the sense of the extension of basic banking services and sound credit extension to sectors of the population currently largely outside the banking system, would be positive for welfare and growth. Well developed corporate bond markets that enable non-bank finance to flow in a simple transparent form to companies can play a major role in financing investment. And competition in basic banking services, including the competition provided by global banks with transferable skills willing to make a long-term commitment to a country, is likely to prove a beneficial form of liberalisation.

But we cannot extrapolate from the beneficial impact of financial deepening and sophistication up to a point, and assume that still more financial deepening, innovation and complexity is limitlessly

[24] L.H Summers and V.P. Summers , Journal of Financial Service Research , 1989

[25] Rudiger Dornbusch, "It's time for a financial transactions tax", The International Economy , August/ September 1990. Note that while Dani Rodrik has argued that Dornbusch's subsequent scepticism about capital controls ("Capital controls: an idea whose time is past" 1997) is inconsistent with Dornbusch's earlier position, in fact it is quite possible to be consistently opposed to legislated prohibition of capital flows but in favour of taxing them .

[26] See , e.g. I.R.G.King and R.Levine Finance and growth: Schumpeter might be right, Quarterly Journal of Economics" 1993 , or Rouseeau and Sylla, Emerging Financial Markets and Early US Growth, NBER WP 7448.

beneficial. That if a good basic banking system benefits a country, so too does ever more active trading in all categories of derivative. And it is possible (slide 14) that beyond some point, increased financial intensity, measured by the many sorts of indicators which I considered earlier, may cease to deliver positive benefits or indeed have negative effects.

We do not know for sure and the truth is likely to differ between different markets. The problem for regulators and central bankers is that this conclusion does not provide us with nice easy answers on which to base policy. It might be optimal simultaneously to seek to make one market (say spot equities) more liquid and more efficient in a technical sense, while in another market (e.g. complex bi-lateral CDS contracts) to be indifferent if capital requirements and collateral management rules result in the market dwindling in size. Such a nuanced conclusion will make many people uneasy. It is much easier to proceed in life on the basis of a clearly defined and simple belief, which provides the answer to all specific issues. But it is more likely to produce good results if we live in the real world of complex trade-offs and of relationships which are true up to a point.

*Welcome Address**

Duvvuri Subbarao

On behalf of the Reserve Bank of India, I have great pleasure in welcoming Prof. John Brian Taylor who will shortly be delivering the L. K. Jha Memorial Lecture. We are very happy to welcome also Ms. Raye Allyn Taylor who has accompanied Prof. Taylor. I also want to acknowledge the family members of late Dr. L.K. Jha - Smt. Dipika Maharaj Singh, Smt. and Shri. Aditya Maharaj Singh, Trisha Maharaj Singh. Many thanks to all of you for rejoining the RBI family. And of course, a hearty welcome to all our invitees who have made the time to come for this lecture. This year's L.K. Jha Memorial Lecture has special significance as it forms part of the Platinum Jubilee celebrations of the Reserve Bank.

2. Dr. Lakshmi Kant Jha was an outstanding economist and a distinguished civil servant. A member of the ICS, he was Governor of the Reserve Bank from July 1967 to May 1970. Prior to his appointment as Governor, Dr. Jha served as secretary to the Prime Minister. He headed the Reserve Bank during one of the most challenging phases of the Indian economy. The country was shaken by food security concerns, and initiatives to redress this eventually resulted in the much celebrated 'Green Revolution'. The Reserve Bank, under Dr. Jha, was an influential force in shaping these initiatives. The overall scarcity situation renewed the urgency for focusing public policy towards poverty reduction. This led to several path breaking policies, including the nationalisation of fourteen major commercial banks in 1969 on Dr. Jha's watch. Subsequently, he served as India's Ambassador to the United States and as Governor of Jammu and Kashmir. Dr. Jha was also member of the Brandt Commission.

* Welcome Address by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India at the eleventh L. K. Jha Memorial Lecture on February 24, 2010.

In recognition of Dr. Jha's extraordinary services to the Reserve Bank and to the nation, the Reserve Bank of India instituted this lecture series in 1990. So far, there have been 10 lectures, and the lecture by Professor Taylor this evening will be the 11th in the series.

3. It is perhaps presumptuous to introduce Prof. Taylor, especially since his views and writings have been so central to shaping the debate on the resolution of the crisis that we have just gone through. Regardless, I will indulge in the pleasure of introducing Prof. Taylor, if also because the occasion demands it.

4. Prof. John Taylor is presently the Mary and Robert Raymond Professor of Economics at Stanford University. Prof. Taylor has straddled a wide academic canvas and is famous for his work on the development of rational expectation models with staggered wage setting, the design of monetary policy rules for the conduct of economic policy and international policy co-ordination.

5. Prof. Taylor's writings have had a profound impact on policy making particularly in the area of monetary policy. He has contributed to the development of mathematical methods for solving macroeconomic models under the assumption of rational expectations. In 1977, Prof. Taylor and Edmund Phelps, simultaneously with Stanley Fischer, showed that monetary policy is useful for stabilising an economy if wages are sticky, even when all workers and firms have rational expectations. This was insightful and path breaking research as it demonstrated that the theory of rational expectations was not inconsistent with Keynesian economics.

6. In the academia, reputations are built on pushing the frontiers of knowledge. A common metric for this is the quantum and quality of publications. But the ultimate recognition for an academic is to enter text books, and quite understandably very few make it. Prof. Taylor is among those select few, and the celebrated Taylor rule, that he propounded in 1992, is now part of standard macroeconomic text books.

7. The Taylor rule is a simple equation to describe the response of the Fed's interest rate target to inflation and business cycles. The equation succeeded in serving both as a description and as a prescription: it described how the Fed had been setting its interest rate target and prescribed what the Fed ought to - and indeed might - do next. The equation quickly gained wide acceptance among central banks as a useful guide for policy. Viewed as a prescription, the equation says that a central bank ought to raise the target interest rate above its neutral level when inflation is above the central bank's (explicit or implicit) target, or when output is above potential. In short, the equation requires of central banks to "lean against the wind." The equation also embodies what has come to be known as the Taylor principle: that a central bank should respond to an increase in inflation with a more-than-proportional increase in the policy interest rate.

8. Monetary policy has embraced the Taylor Rule so firmly that there has been an intense debate in the wake of the crisis on the policy stance of the US Fed *vis-à-vis* the Taylor rule. Some analysts used the

Taylor Rule to argue that the Fed funds rate, even at this historically low level, was not low enough and made out a case for doing a lot more to stimulate the economy. Prof. Taylor himself weighed in on the issue suggesting that those analysts were not applying his rule correctly. He contended that, quite to the contrary, his measure shows just the opposite: that the Fed policy is appropriate, the policy rate cannot remain low for too long, that central bankers are right to be considering withdrawal of their unprecedented monetary stimulus, and that critics who say otherwise are misinterpreting his rule. According to him, the formula is designed to show the best rate for spurring growth without stoking inflation.

9. If the Taylor rule is so time tested in prescribing the policy interest rate, it is legitimate to ask what role there is left for central bankers. I do not have a simple answer for this; perhaps Prof. Taylor does. I do have a complex and somewhat longish answer and here it is.

10. For my long and complex answer, it is necessary to refer to the interesting debate on whether economics can be a deterministic and exact science like physics. Indeed, some people argue that one of the great follies of economics - the reason it often lost direction, if also credibility is because it had pretense to being like physics. I have no intention of getting into that debate, but in the context of the Taylor rule, I can't resist the temptation of drawing upon a comparison of economics with physics, if at an altogether different level.

11. Sir Issac Newton gave us the three laws of motion and the law of gravity. The mathematical formulation of these laws embodies a complete description of the universe. All you need to specify are the initial conditions and using Newton's laws, you can calculate the state of the universe for eternity with absolute determinism. This is classical Cartesian reductionist framework in its quintessence. People, therefore, asked, if God has decided on the laws and decided on the initial conditions, he has determined the course of the universe for eternity. Besides, he gave us Newton to let us know of the laws so that we can estimate the course of the universe with immutable precision. After he has performed his initial and only task, what need then for God, a question that Stephen Hawking poses powerfully in his 'Brief History of Time'?

12. In a similar vein, it is possible to ask, if the Taylor rule is so deterministic, and monetary policy is just a question of plugging in numbers into an equation, and using the results for the policy, what need then for central banks?

13. Here again, I suppose, the analogy with physics will help. Even though Newtonian mechanics held intellectual sway for nearly 250 years, we now know that the physical universe is not as deterministic as implied by Newton's laws. Newtonian physics does not work at the extremely small scale where we need quantum mechanics and at the extremely large scale where we need the relativity theory. So, Newtonian physics works and works effectively as a very good approximation for understanding the known universe. At the extremes, we need the sophistication of quantum mechanics or relativistic mechanics. Similarly, the Taylor rule, I believe, gives us a basis for determining the monetary policy stance,

but central banks need to superimpose their judgement in applying it to practical policy.

14. Prof. Taylor will be speaking to us today on 'Lessons from the Financial Crisis for Monetary Policy in Emerging Markets'. Frankly, he could not have chosen a more relevant topic. The monetary policy challenges of emerging economies are clearly quite distinct from those of advanced economics. But we tend to forget this. During the crisis, for example, there was quite a bit of pressure on us to do everything that advanced economy central banks were doing notwithstanding the fact that our situation was different in many respects. Of course, the decoupling theory did not work and all emerging economies were impacted by the crisis, although to different extents. But our banks and financial institutions did not have significant exposure to sub-prime assets and therefore were not threatened by illiquidity or insolvency. Even at the height of the crisis, our financial markets continued to function normally. Our concern was not so much rescuing a collapsing financial sector but rather arresting the moderation in economic growth. Second, we never had a fear of deflation although WPI inflation was negative for a short period; in fact, inflation has been and continues to be our dominant concern. Third, in advanced economies, the crisis spread from the financial sector to the real sector whereas in emerging economies, the direction was the reverse - the fault lines spread from the real sector to the financial sector. Finally, much of our pressures came from the supply side, not the demand side. For all these reasons and more, the challenges we faced were different and the responses called for from us had to be different. It is important for us as well as the rest of the world to appreciate these differences between advanced and emerging economies. What better person than Prof. Taylor to look at monetary policy responses from the special perspective of emerging economies?

15. Prof. Taylor's career has been marked by a seamless back-and-forth between the academia and policymaking, most recently as the U.S. Treasury's top official for international affairs. When in academia, he jumps into teaching and research with an abandon that seems uncharacteristic of a Washington policymaker. To grab students' attention in a class on agricultural supply and demand, he once pranced around the classroom in a California raisin costume to the tune of Marvin Gaye's "I heard it through the Grapevine."

16. Having a concept named after oneself is as much a mark of honor in economics as it is in other sciences. By this standard, Prof. Taylor is among the most honoured macroeconomists of his generation. Indeed, concepts bearing his name have become so pervasive that the U.S. Federal Reserve Board Chairman Ben Bernanke once remarked that "with our appetites whetted by the Taylor rule, the [Taylor] principle, and the [Taylor] curve, we now look forward to the Taylor dictum, the Taylor hyperbola, and maybe even the Taylor conundrum."

17. Here in Mumbai, and in a more immediate sense, we look forward to the Taylor lecture.

18. Ladies and gentlemen, I have great pleasure in inviting Prof. Taylor to deliver the eleventh L.K. Jha Memorial Lecture.

*Lessons from the Financial Crisis for Monetary Policy in Emerging Markets**

John Brian Taylor

I am honoured to give this lecture in memory of L.K. Jha. It is a particular privilege to deliver it at this Platinum Jubilee celebration of the Reserve Bank of India. L. K. Jha was a truly outstanding economist and public servant, with experience at all levels of government. He rose up through the Indian Civil Service to become the Principal Secretary to the Prime Minister, after which he became Governor of the Reserve Bank of India, and then Ambassador to the United States and Governor of Jammu and Kashmir. He also took time to write books and serve on important commissions, including the Willy Brandt Commission on the interdependence between developed and developing economies. I admire how L.K. Jha worked to make good economic policy a reality and how he focused on helping people.

I never met L. K. Jha, but I feel I have come to know him through his writings. Two of his books are a particular delight, in part because they are short, which is unusual for economics books.

North South Debate is about policy principles.[1] Jha focused on the deteriorating relationship between the developed and developing world in the 1970s. He argued that the confrontation was caused by the poor economic performance in the United States and other developed countries during the Great Inflation of the 1970s. He characterised the policy that eventually led to the poor economic performance with a catchy phrase: it was a policy of "following Keynes at home and Adam Smith abroad" (p.28), and while Jha argued that this worked

* Speech by Prof. John Brian Taylor, Stanford University, USA at the eleventh L.K. Jha Memorial Lecture in Mumbai on February 24, 2010.

[1] L.K. Jha, *North South Debate,* Chanakya Publications, Delhi, 1981.

for a while, it eventually led to the high inflation and high unemployment of the late 1960s and 1970s. But policy principles changed after that turbulent period. In my view it was a move away from Keynes, perhaps one could say toward Adam Smith both at home and abroad, and we then had more than two decades of prosperity and enormous growth in much of the developed world, as well as India.

I should say, especially in light of the Platinum Jubilee, that Keynes recommended the creation of a central bank for India in his 1913 book, *Indian Currency and Finance*. Even if one has doubts about Keynesian macroeconomic remedies, his original ideas in monetary economics were sound, carefully reasoned with data and practical examples, and exposited clearly. This first book of his on Indian finance is an example, and I am happy to say that it too is very short.[2]

L.K Jha's *Mr. Redtape* is about policy implementation.[3] It shows how government fails when it loses sight of its objectives—which to Jha was serving the people. There is a story of how the Indian Civil Service (ICS) in 1958 wanted to exclude some lines on a memorial stone tablet being installed in Westminster Abbey in honour of those who served in the ICS. The first line of the plaque, which read, "Let them not be forgotten for they served India well," was approved by the ICS association. But the second line, which read "They walked humbly among the people," did not meet their approval. In fact, they strongly opposed it, and in the end the quote was not included. It was an example of how the government can sometimes lose track of the people it is serving.

These two themes–policy principles and policy implementation–are the themes of my lecture today. I will first describe what, in my opinion, caused the recent financial crisis, and then draw lessons for economics and for economic policy in general and monetary policy in emerging market countries in particular. But since the crisis began in the developed world, I must start there and in particular in the United States.

I have been doing research on the financial crisis for a long time, at least since before the crisis flared up in 2007. My approach has been empirical. I wrote one of the first books[4] on the crisis, and it's as short as those L.K. Jha books. I did not focus on who said what to whom when, however interesting and ultimately important that story is. Rather I looked at the timing of events and at data–interest rates, credit flows, money supply, housing starts, income, consumption–using statistical techniques from regressions to simple charts and focusing on what is amenable to economic analysis. I also tried to use the discipline of "counterfactuals," or stating what would have happened in the absence of certain events. Professor T.N. Srinivasan gives a good example of a counterfactual which is related to L.K. Jha. As you know L.K. Jha was the adviser to Prime Minister Lal Bahadur Shastri.

2 J.M. Keynes, *Indian Finance and Currency*, Macmillan, London, 1913.

3 L.K. Jha, *Mr. Redtape*.

4 John B. Taylor, Getting *Off Track*, Hoover Press,Stanford, 2009.

Professor Srinivasan wonders whether, if Shastri had not died in office, L.K. Jha might have persuaded him to follow the kind of economic reforms which took place some twenty years later. If so, GDP might be more than it is now.

This analytical process has led to some strong conclusions. I divided my analysis of what went wrong in the crisis into separate questions: what started it, what prolonged it, what made it so severe during the fall of 2008. Recall that while the initial flare-up of the crisis occurred during the summer of 2007, it went on for more than a year and the culmination was the incredible panic that hit in September and October of 2008. For each question, I found that certain government actions and interventions came to the top of the list of what went wrong. There were other causes on the lists, of course, but the actions by government were either more important or were catalysts or prerequisites for the other causes.

Origins of the Crisis

In my view, the crisis was precipitated by monetary excesses. These excesses took the form of interest rates that were held too low for too long by the Federal Reserve and some other central banks. The low interest rates led to a housing boom which eventually ended in a bust and was a significant factor in the crisis. The low interest rates also were a probable factor in excessive risk-taking as people searched for higher yields.

I used a benchmark called the Taylor rule to measure the excesses. While I lose some objectivity in using the Taylor rule, it does describe how monetary policy worked for nearly two decades of good economic performance in the United States in the 1980s and 1990s. The policy systematically sought to keep inflation down and to fend off boom-bust cycles. However, between 2003 and 2005 the interest rate was held usually low compared to the Taylor rule, and at levels that we had not seen since the turbulent 1970s. Of course, policy makers realised this; they were purposely deviating from the earlier policy, perhaps trying to prevent downside risks such as a Japanese style deflation.

You do not have to rely on the Taylor rule to come to this conclusion. Other analysts have looked at alternative measures, including that the real interest rate was negative for an unusually long time. I think there is growing agreement that an excessively easy monetary policy was a key factor leading to the boom and thus to the bust and the crisis. The housing bust had impacts on the financial markets as falling house prices lead to delinquencies and foreclosures.

I also tried to see if these low interest rates could be directly related to the housing boom. Here is where the counterfactual comes in. I built a model in which I related the federal funds rates to the housing market. I did a counter-factual simulation to find out what would have happened if rates were not held that low, but had followed the rule that we observed, roughly speaking, in the previous 20 years. My findings are that this severe boom would have been attenuated and, therefore, we would not have had the severe bust.

It is important to note that the excessive risk taking and the low interest rate monetary policy decisions are connected. Delinquency rates and foreclosure rates are inversely related to housing price inflation during this period. During the years of the rapidly rising housing prices, delinquency and foreclosure rates declined rapidly. The benefits of holding onto a house, perhaps working longer hours to make the payments, are higher when the price of the house is rising rapidly. When prices are falling, the incentives to do so are much less and turn negative if the price of the house falls below the value of the mortgage. Hence, delinquencies and foreclosures rose.

Since mortgage underwriting programs take account of the actual realisations of foreclosure rates and delinquency rates in cross section data, the programs would have been overly optimistic during the period when prices were rising unless they took account of the time series correlation. Thus, there is an interaction between the monetary excesses and the risk-taking excesses. The rapidly rising housing prices and the resulting low delinquency rates likely threw the underwriting programs off track and misled many people.

Some have put forth alternative explanations for the origins of the crisis. One explanation is a global savings glut. I do not see this as a plausible explanation. Long-term interest rates are globally determined. No matter how you think about it, there was no global savings glut. Savings rates were high in some countries and low in other countries, but globally, savings rates were low. In order to argue that a savings glut occurred, one must show that desired saving was high relative to desired investment, but these "desired" concepts cannot be measured very well.

Another critique of my analysis is that mortgages are based on long-term interest rates, while the Fed sets the short rate. However, over 30 percent of mortgages at that point were adjustable rate mortgages. In fact, there was a huge move into adjustable rate mortgages. That enabled the so called "teaser rates" which made the adjustable rate mortgages attractive to people. The Organisation for Economic Co-operation and Development (OECD) has done a study looking at countries that had relatively low interest rates using the Taylor rule measure. Generally speaking, those countries had a more serious housing boom.

While I focus on monetary policy, other government actions were probable factors. In the United States, the government sponsored agencies Fannie Mae and Freddie Mac were encouraged to expand and buy mortgage backed securities, including those formed with the risky sub-prime mortgages. Such actions should be added to the list of what went wrong.

The Year before the Panic

Why did the crisis last so long? The crisis was evident in the summer of 2007, when the money markets started behaving strangely. In particular interest rate spreads between three month LIBOR and the overnight federal funds rate jumped to unprecedented levels in August 2007 and remained high for over a year.

In addition to being a measure of financial stress, these interest rate spreads affect the transmission mechanism of

monetary policy to the economy because trillions of dollars of loans and securities are indexed to LIBOR. An increase in the spread, holding the overnight interest rate constant, will increase the cost of such loans and have a negative effect on the economy. Bringing this spread down therefore became a major objective of policy, as well as a measure of its success in dealing with the market turmoil.

I started researching this event as soon as I observed it. Using data on the interbank loan market, I tried to determine whether the flare-up was caused by a liquidity shortage or counterparty risk in the banking system due to defaults and expected defaults of securities on the bank's balance sheets. In other words, was the Fed providing inadequate liquidity or were banks unwilling to lend to each other? Counterparty risk did not seem plausible to many at the time, but that is the explanation my research led to. If you looked at measures of counterparty risk, it was clear that counterparty risk was the culprit. Today it seems obvious.

I believe that the policy makers misdiagnosed the problem, treating it as a shortage of liquidity rather than an increase in risk. As a result their policy interventions–and there were many–either delayed treatment or were harmful. For example, the Fed introduced a new term auction facility (TAF) in December 2007. With this facility banks could avoid going to the discount window if they needed to borrow. The aim of the TAF was to reduce the spreads in the money markets and thereby increase the flow of credit and lower interest rates. I found that the Fed's TAF did not affect the interest rate spreads in the money markets.

There were other actions. The Fed cut rates sharply in the winter of 2007-2008. By my measure, again the Taylor rule, they overdid it. The result was some rapid dollar depreciation, and oil prices went up sharply, helping bring on the recession. Thus, I think that the government's initial reaction exacerbated the problem. Fiscal policy was also tried. The Economic Stimulus Act of 2008 was passed in February. This package sent cash totaling over $100 billion to individuals and families in the United States; the hope was that they would have more to spend and thus jump-start consumption and the economy. Most of the checks were sent in May, June, and July 2008. As predicted by the permanent income theory of consumption, people spent little of the temporary infusion of cash, and consumption was not jump-started. Personal disposable income jumped at the time the checks were sent, but personal consumption expenditures did not increase. Formal statistical work shows that the effect was not significantly different from zero.

The Panic

Now let us consider the panic. Why did the crisis get so much worse in the fall of 2008? You need to go back to the Fed's intervention with the investment bank Bear Stearns in March 2008. Having worked in the U.S. Treasury during the emerging market crises and the 9/11 attacks, and having sat in rooms making decisions with little information and huge pressure, I sympathise tremendously with the decision

makers during times of crisis. When it comes to the Bear Stearns operation, let us assume for the sake of argument that there was not much else people could have done than intervene. We can debate this, but let's take that decision as a given. In the aftermath of that decision, however, regulators should have tried to clarify the policy, telling people "Here is what we think is going on, and here is what we are trying to do." Instead, there was little discussion or explanation. It was reasonable to guess that the government would repeat its intervention into Bear Stearns with another firm, such as Lehman Brothers.

During the six months between the collapse of Bear Stearns and Lehman Brothers, regulators made little effort to articulate a strategy. It became increasingly obvious that things were *ad hoc*. Severe damage came with the realisation that there was really no policy at all. The rollout of the Troubled Asset Relief Program (TARP) scared people with the claims that they were confronting another Great Depression.

Understanding the events surrounding the Lehman bankruptcy is particularly important for assessing what went wrong. Many in government now argue that the cause of the panic in the fall of 2008 was the failure of the government to intervene and prevent the bankruptcy of Lehman. This view gives a rationale for continued extensive government intervention–starting the very next day with AIG–and to proposals for a more expansive resolution process, perhaps in the hands of a new systemic risk regulator. However, in my view, the problem was not the failure to bail out Lehman Brothers but rather the failure of the government to articulate a clear predictable strategy for lending and intervening into a financial sector. This strategy could have been put forth in the weeks after the Bear Stearns rescue, but was not. Instead market participants were led to guess what the government would do in other similar situations. According to event studies of spreads in the interbank market or stock prices, the government intervention was a more likely reason for the panic than the failure to intervene with Lehman.

I am not saying that all the government's actions were inappropriate, because there were many things that had to be done by the time the panic was underway. Nevertheless, I believe that if government policy had been explained and had not scared everybody, then the panic would not have occurred, or certainly would not have been as bad. Now, more than a year after the fact and after I did my preliminary analysis, I believe this view remains correct.

Resiliency in Emerging Markets

The panic turned the ongoing recession in the United States into a great recession and spread quickly around the world. The major stock indices fell in tandem with the S&P 500. Consumers and businesses pulled back, largely out of fear. Exports and imports fell sharply throughout the world, with production declines accelerating as firms cut their inventories. The drop in exports was the major hit to emerging market economies. One cannot exaggerate the size and speed of this shock.

The big surprise, however, was the amazing resiliency of the emerging market countries including India in the face of these shocks. The contrast with the 1990s, when

emerging markets were suffering their own crises, was stark. For countries such as Brazil and Turkey which were in crisis as late as 2003, the difference was especially stark. Why were emerging markets so resilient? In my view the most important reason is that they had moved toward better macroeconomic policies in the 1990s and they stuck to those policies during the crisis. They were careful not to borrow in foreign countries, and here Indian regulatory policy deserves special credit in discouraging such borrowing by Indian banks. They built up their foreign reserves so they could intervene in the case of a big shock like they received. They kept inflation relatively low and were more careful with public sector deficits.

How important were the special actions taken after the crisis, such as the Keynesian stimulus packages, in many countries? There is evidence that the impacts of the panic were bottoming out before the packages were implemented. If you look at indicators like investment orders, they stopped falling in December 2008 and January 2009, when people realised this was not a repeat of the Great Depression. Stock markets started moving up around the world in early March 2009. My research on the impact of the 2009 stimulus package in the United States shows that it was similar to that of the stimulus package of 2008. It had little impact. But more real-time research in the emerging market countries is needed to see if this is a broader finding.

What about Mistakes in the Private Sector?

Of course, throughout this period there were market problems of various sorts. Mortgages were originated without sufficient documentation or with overly optimistic underwriting assumptions, and then sold off in complex derivative securities which credit rating agencies rated too highly, certainly in retrospect. Individuals and institutions took highly risky positions either through a lack of diversification or excessive leverage ratios.

But mistakes occur in all markets and they do not normally become systemic. In each of these cases there was a tendency for government actions to convert non-systemic risks into systemic risks. The low interest rates led to rapidly rising housing prices with very low delinquency and foreclosure rates, which likely confused both underwriters and the rating agencies. The failure to regulate adequately entities that were supposed to be, and thought to be, regulated certainly encouraged the excesses. Risky off balance sheet operations connected to regulated banks were allowed by regulators. The U.S. Securities and Exchange Commission was to regulate broker-dealers, but its skill base was in investor protection rather than prudential regulation. Similarly, the U.S. Office of Thrift Supervision was not up to the job of regulating the complex financial products division of AIG. These regulatory gaps and overlapping responsibilities added to the problem and they need to be addressed in regulatory reform.

Implications for Economics

The financial crisis is generating a great deal of hand-wringing and debate among economists and others about the subject of economics. Last summer a cover of *The*

Economist magazine showed a book titled "Modern Economic Theory" melting into a puddle to illustrate "What Went Wrong with Economics." It was the most talked about issue of the year.

Some economists are calling for a complete reformulation of economics – or for a return to a version of the subject popular thirty years ago. They say that economics failed to prevent the crisis or even led to it. Many of these economists have argued for a more interventionist government policy, saying that John Maynard Keynes was right and Milton Friedman was wrong. Paul Samuelson said in January of last year[5] "today we see how utterly mistaken was the Milton Friedman notion that a market system can regulate itself… This prevailing ideology of the last few decades has now been reversed…I wish Friedman were still alive so he could witness how his extremism led to the defeat of his own ideas". Then Paul Krugman wrote an article[6] faulting modern economics (especially modern macroeconomics and "rational expectations") for bringing on the crisis. He says it focused too much on beauty over practicality and did not recognise the need for more government intervention to prevent and cure the crisis. His fix is to add more psychology to economics or to build better models of credit.

My explanation of the financial crisis provides no evidence of a failure of modern economics. Rather the crisis vindicates the theory. The crisis was caused by a deviation of policy from the type of policy recommended by modern economics. In the case of monetary policy it was an interventionist deviation from the type of systematic policy that was responsible for the remarkably good economic performance in the two decades before the crisis. Economists call this earlier period the Great Moderation because of the remarkably long expansions and short shallow recessions. In other words, the financial crisis gives us more evidence that interventionist government policies have done harm. The financial crisis did not occur because economic theory went wrong. It occurred because policy went wrong, because policy makers stopped paying attention to the economics.

Implications for Policy

This explanation of the crisis suggests that the emphasis should be on proposals to reduce the likelihood of government interventions and actions that led to the crisis. Going forward this means dealing with the very large budget deficits and rising government debt; scaling back or at least not adding more Keynesian stimulus packages; exiting as fast as possible from the extraordinary monetary policy actions which have questioned central bank credibility and threatened their independence; and ending the bailout mentality that will take governments further into the operations of private businesses.

Reform of financial regulation is clearly in order. Based on recent experience, closing present and future regulatory gaps and de-conflicting overlapping and ambiguous responsibilities would help reduce risk,

5 Interview in the *New Perspectives Quarterly*, Winter 2009.

6 *New York Times Magazine*, September 2009.

especially as new instruments and institutions evolve. Examining new instruments, looking for new risks and gaps, and making recommendations for changes in regulations by using the ideas from conferences like this one would also help.

Some have suggested the creation of a new systemic risk regulator, either at the national or international level. However, it is doubtful that such a systemic risk regulator would have prevented the current crisis. It would not have prevented the very low interest rates or the other government actions I have described in this lecture. Moreover, the experience during the panic of fall 2008 raises doubts that such an agency could resolve failing private institutions without causing more systemic risk. It would be helpful if it could warn about the major existing systemic risks, including the exploding debt, central banks' balance sheet, and the bailout mentality. But groups such as the Financial Stability Board, working along with the IMF and G20, are better suited to that role.

Another suggestion is that central banks, including emerging market central banks – take actions to burst market bubbles in financial or other markets. I do not think that is a good idea. First, the lags in the effect of monetary policy will likely mean that the impact of policy will be its greatest when the bubble is bursting only adding to the damage. Second, the problem in the current crisis was not that central banks failed to burst bubbles but rather that they created them. If interest rates had not been held so low and we still had bubbles then such a proposal might have merit. But that is not what happened.

Yet another reform, recently suggested by the IMF research department, is that central banks should raise their inflation targets. The reason is that with the two percent target in policy rules such as the Taylor rule the interest rate would have to go negative in a severe crisis, and this is not possible. But in the current crisis, the Taylor rule has interest rates going close to zero and not remaining there for long. Moreover, raising inflation targets – especially when government debts are rising and central banks' balance sheets are expanded – could easily reduce credibility about an inflation target at all, further damaging central bank credibility. This would be especially inappropriate for central banks in emerging market countries.

For the most part, the policy implications of the crisis are that those central banks that deviated from good policy should get back to what they were doing before the crisis. They need to earn back credibility and preserve their independence. Systematic monetary policies focusing on a credible goal for inflation worked well in the past and they will work well in the future. For central banks that were following sounder policies – and here credit should be given to the progress made in India and other emerging market central banks – they should continue to do so. There is no reason to change.

But the crisis does reveal some potential new fault lines, largely related to the increased globalisation and international connection between financial markets, which was so evident during the panic. These interconnections raise questions about the impact of central banks on each other. In the period leading up to the crisis

there is evidence that the European Central Bank and other central banks held interest rates lower than they would otherwise be because the Federal Reserve set its interest rate so low. The reason, of course, is the exchange rate. A large gap between interest rates would cause the exchange rate to appreciate with adverse consequences on exports. And during the panic the shock from the developed world on the developing world was severe and central banks had to cope with this.

Is there a better way? Making the movements in the interest rates less erratic in the developed countries would help the emerging market countries. I note that for the most part deviations from policy rules, such as the Taylor rule, have increased interest rate volatility, so keeping interest rates more on track will have the added advantage of reducing their erratic nature. Another possibility, which I recommended before the crisis, is that we think about a global target for the inflation rate, or at least a multi-country target, a G20 target perhaps. If there was a multi-country target and this was at least considered in the deliberations of each central bank then there would be a smaller tendency to swing individual interest rates around by large amounts.

Conclusion: Keynes and Smith Again

Getting the narrative about the financial crisis right is very important. A view frequently heard now is that "the markets did it." The crisis was due to forces emanating from the market economy which the government did not control, either because it did not have the power to do so, or because it chose not to because of the influence of economic theories which emphasised the advantages of free markets. This view sees the crisis as a market failure that can and must be dealt with by government actions and interventions. The economic theories and the policies implied by them must change.

The view put forth in this lecture is that largely the opposite is true. The crisis was due more to forces emanating from government. According to this view government interventions caused, prolonged, and worsened the financial crisis and did relatively little to pull us out of it. This view sees government as the more serious systemic risk in the financial system; it leads in a different direction–to proposals to get back to what was working before policy changed and caused the crisis.

In conclusion recall L. K. Jha's phrase which I opened with. It was a policy of "Keynes at home and Adam Smith aboard" that eventually led to the poor macroeconomic performance in the 1970s. When most countries moved to "Adam Smith both at home and abroad," the twenty year wave of progress and stability was unprecedented. Leading up to this recent crisis and during it we let "Keynesian policies" creep back in and ironically we seem to be going down the path now of "Keynes both at home and abroad." In my view, if we learn the lessons from this crisis, we should get back to "Adam Smith at home and abroad" as soon as possible. Of course we cannot go completely back home again. The world is different. Policy, including monetary policy, needs to adapt this approach to deal with increased globalisation.

*Pursuit of Complete Markets – The Missing Perspectives**

Shyamala Gopinath

1. It is my pleasure to be delivering the keynote address at the FEDAI conference being hosted in this beautiful country. India and Kenya share a historical relationship and I am delighted to have got an opportunity to visit this country.

2. I have been following some of the recent interesting initiatives by the Central Bank of Kenya and was really impressed by the developments in the areas such as payment systems, credit information sharing, currency management, financial inclusion and government securities trading. These are some of the real issues in an emerging economy and the Kenyan experience is reminiscent of the gradual process in India over the past couple of decades in the direction of financial sector reforms – how piece by piece, at times forced by events, the structural edifice for the financial system and market infrastructure was put in place.

3. India's reform path in the financial sector has been different from most economies, including other emerging markets. It has been a measured, gradual, cautious and steady process, devoid of the many flourishes observed in other countries. From the outset, India has resolved to attain standards of international best practice, but the endeavour has been to fine tune the process keeping in view the underlying structural, institutional and operational considerations.

4. In terms of broad stocktaking in respect of financial markets, we have today a deep and liquid equity spot and derivatives market, a very large and liquid forex OTC spot and derivatives market, a recently introduced exchange traded currency

* Inaugural address by Smt. Shyamala Gopinath, delivered in absentia, at the FEDAI Annual Conference, February 28, 2010, Kenya.

futures, a very large Government securities market and interest rate swap market, a robust securitisation market, a large primary market in corporate bond and money market instruments, a repo market in Government securities as well as corporate bonds. There is a functional regulatory framework for each of these markets.

5. However, in my address today, for a change I want to focus on what we don't have as yet: in terms of market segments, we do not have an active secondary market in corporate bonds, a credit derivatives market, an active interest rate futures market (inspite of a product being re-launched on the exchanges few months back), an active structured derivatives market. In terms of participants, we do not have an unrestricted access to foreign investors in various markets and instruments.

6. Before addressing each of the above 'missing' elements in our context, I would like to dwell a little on the conception of the 'complete markets' and talk about a few accepted precepts related to financial markets that have been put to question post-crisis. In the last conference, I remarked that we would continue to learn from the lessons as the crisis was still evolving. As we are transiting from crisis to recovery, a few fundamental issues have become clearer.

7. The pursuit of complete markets, before the crisis, was axiomatically believed to be an unalloyed virtue and the policy and regulatory frameworks were expected to have this as an explicit policy objective. It had become the holy grail of market regulation and everything else followed from this fundamental truth. The gospel also became a convenient complement to the idea of free cross-border capital mobility, with the logical conclusion that free capital flows into the financial markets are necessary for efficient allocation of resources and for completion of markets by providing more liquidity.

8. Technically speaking, a complete market is one in which the complete set of possible gambles on future states-of-the-world can be constructed with existing assets[1]. In other words, a financial market place is said to be complete when a market exists with an equilibrium price for every asset in every possible state of the world. Derivatives are expected to do precisely this, though subject to several simplistic assumptions. The conception of "complete markets" essentially entails freedom to the arbitrageurs to operate across cash and derivatives markets in each asset class to be able to enforce the equilibrium price.

9. So far so good. However, the critical part from a regulatory and systemic stability perspective is that sole pursuance of completion of markets may demand a certain kind of cash markets, which fit into the theoretical construct required for an efficient derivatives market. Thus the regulatory framework for cash markets gets driven by the demands of the efficient derivatives market more than the underlying needs and systemic risk assessment. In a perfect case of tail wagging the dog, the elusive search for market completion and efficient derivatives markets drives the cash markets rather than the other way round. The risks induced by

[1] http://economics.about.com

this process of backward re-engineering could be serious, particularly in case of key macroeconomic market variables such as interest rates and exchange rates.

10. The crisis has undoubtedly raised serious issues with regard to the above market philosophy, as clearly evident in the explicit focus on financial stability which is being made formal mandate for all regulators, as part of the restructured regulatory arrangements in countries such as the US and the UK. While the crisis has not led to usurpation of the entrenched belief in the neoclassical theory of markets, certain long-held axioms have certainly been demolished. I would touch upon a few such issues in our context.

- **Financial markets are self-equilibrating and hence self-correcting**

11. The pre-crisis paradigm pledged its faith in the acclaimed self-correcting nature of markets, whereby self-regulation, internal risk management, assessments by credit rating agencies or setting of standards by industry participants were felt sufficient for ensuring an efficient configuration of outcomes in terms of price and quantity. The regulatory role envisaged in this paradigm is confined to identifying the market imperfections and improvising on disclosure and transparency requirements towards efficient outcomes. Any divergence from the efficient configuration was thought to be transitory and self-correcting led by anonymous competitive forces and dissemination of information.

12. The current crisis has, however, demonstrated that the financial markets may not necessarily be driven to equilibrium by fundamental factors, but are often subject to divergent disequilibria, manias, panics and crashes. The self-framed codes of conduct devised by the financial industry also failed to activate the process of self-correction sufficiently. Similarly, the internal risk management system in global financial institutions, which is supposed to sensitise the senior management gave way to the risk takers in an atmosphere of high returns and apparently low risks. In view of the deep inter-connectedness and externalities posed by the markets, it is increasingly being felt that 'no market, no territory and no institution' should escape supervision (M. Barnier, Member, EC, February 16, 2010).

- **All financial innovation is useful and desirable**

13. In the long lull of the NICE (non-inflationary consistent expansion) pre-crisis phase, the financial sector came to be looked upon as the panacea for all ills and financial innovation was taken as necessarily efficiency enhancing. In a clean, theoretical construct, financial derivatives were perceived as pieces of a jigsaw puzzle that could be combined/ arranged in multiple ways to customise cashflows for hedging and managing risk. However, as Mr. Satyajit Das has noted in a recent FT article, derivatives were mostly used to *"circumvent investment restrictions, accounting rules, securities and tax legislation"*. The clearest example being the factory production of credit derivatives portending to convert, quite literally, trash into gold. The recent case of Greek swaps is another instance.

Without going into the legitimacy of such deals, what comes out clearly is the use of derivatives to suitably alter/manufacture cross-temporal cashflow profiles in a non-transparent manner.

- **Key parameters for market efficiency are turnover and liquidity**

14. The crisis has clearly brought home the point that the size and liquidity of markets are not sufficient conditions for protecting the markets from malfunctioning. The hitherto perceived metrics for market performance – larger turnover, deeper liquidity – though beneficial, need to be supplemented with the assessment of markets in terms of their role in enhancing systemic risks, accentuating risk contagion, contributing to excessive volatility and leading to excessive speculation.

15. As Lord Turner, Chairman, FSA, UK mentioned in a recent speech in Mumbai, "*the benefits of increased market liquidity have been an article of faith, frequently deployed to argue against tighter regulation*". However, he argues that beyond a point, the marginal benefits from increased liquidity are minmal and are far outweighed by the destabilising and harmful herd and momentum effects.

- **Financial risk can be accurately measured and managed**

16. The myth of the riskometer, a term used by Jon Danielsson of the LSE[2], is an apt description of the false sense of certainty provided by risk models and measurement techniques which legitimised the 'risk-based' paradigms in diverse areas such as regulatory capital, performance evaluation, compensation *etc.* To paraphrase the Nobel Laureate, Paul Krugman, we, '*as a group, mistook beauty, clad in impressive looking mathematics, for truth*'. While these methods can certainly be of an indicative value, the problem arises when such measures are sought to be monetised. The scope for both errors as well as manipulations is larger.

- **Free capital account imperative for deep, liquid financial markets**

17. Much of the argument, pre-crisis, for free capital mobility was based, among other things, on the potential benefits for the development of efficient and complete markets domestically. Greater foreign participation in domestic markets was perceived to be inherently beneficial for the financial system. Restrictions on foreign participation were generally viewed as involving loss of welfare and antithetical to the free market mechanism. However, there is now a greater appreciation of the need for strong domestic players in all markets and the risks of excessive foreign dominance in any of the domestic market segments are now being acknowledged.

18. While foreign-owned banks, the world over, generally contributed to the liquidity crunch in the context of deleveraging during the crisis, the emerging Europe with heavy dependence on foreign banking groups was particularly exposed, culminating in the Initiative for Coordination of European Banks to induce parent banks to maintain exposures to their subsidiaries. As chronicled by the BIS Annual Report, 2009,

[2] www.voxeu.org

countries such as Hungary, Indonesia, Mexico and Turkey faced huge problems when there were sudden reversals in foreign investment in local bond market. Such volatile flows can exacerbate the situation merely through the confidence channel. The time honoured principles that underlie opening up of debt markets to foreign investment are convergence in nominal and real interest rates on a sustainable basis, low public debt/GDP ratio and low fiscal deficit to GDP ratios on a consistent basis. In the context of large sovereign debts, countries with large domestic investors holding sovereign debt are considered to be less vulnerable to attacks by speculators.

19. More generally on the issue of capital controls, there is a growing recognition of the serious challenges for macroeconomic policy on account of large swings in capital inflows over a very short period of time beyond the absorptive capacity of the economy. There are also implications for financial stability in the forms of induced risks of currency mismatches, asset price bubbles and crowding out of domestic financial institutions on the lending side, increasing their risk appetite in search of returns. All these impose significant adjustment costs and complicate monetary and exchange rate management. The recent IMF update on the World Economic Outlook states that "*Recognising that inflows can be very large and partly transitory, depending on circumstances, macro-prudential policies aimed at limiting the emergence of new asset price bubbles, some buildup of reserves, and some capital controls on inflows can be part of the appropriate response.*"

Completing the markets in India

I. Corporate bond market

20. The absence of active corporate bond market is generally perceived as one of the key missing markets which has also hindered the non-bank funding for infrastructure projects. However, the reasons for this lie more with the deeper structural issues in the economy. Traditionally, raising of resources through issuance of corporate bonds has not been a preferred mode for Indian corporates. Bank finance, coupled with equity markets and external borrowings have been the preferred funding sources. The public financial institutions and financial intermediaries have been dominant issuers although in the recent past following the lack of access to overseas markets the non-financial sectors are also raising funds in this market.

21. The above issues are also not unique to India. Even internationally, other than few markets like the US and Japan, there are very few liquid secondary bond markets. Most corporate bond markets are used by large, highest rated issuers and the investors including in India are typically buy and hold. Retail interest is typically low given the relatively low returns compared to equities and aversion to credit risk.

22. Following the recommendations of the High Level Expert Committee on Corporate Bonds and Securitisation (chairman: Dr. R H Patil) numerous steps have been taken both on the primary issuance side as well as to smoothen the secondary market trading process for corporate bonds. Going forward there is need to have uniform stamp duty, product standardisation, centralised database and more importantly

the removal of restrictions on long term investors such as insurance companies and pension funds. Action also needs to be taken towards improving bankruptcy provisions.

23. Foreign investment in corporate bond market has been permitted upto a limit of USD 15 billion, which remains substantially underutilised. Apart from this, clearing houses of the exchanges have been given access to the RTGS for settling the OTC trades in corporate bonds on DvP basis.

24. It has been argued that if banks are permitted to guarantee corporate bonds, the market may attract more interest. However, such a move will ultimately hinder the development of genuine corporate bond market and more importantly, result in risk concentration within the banking system, which is not the purpose of market-based disintermediation process.

25. Recently, repos in corporate bonds have been permitted. Only listed corporate debt securities which are rated 'AA' or above by the rating agencies have been made eligible for repo. To contain leverage, a minimum haircut of 25 per cent has been stipulated and selling of borrowed securities under repo has not been allowed during the period of repo.

26. The stance of the Reserve Bank towards introduction of repo in corporate bonds needs to be viewed in the perspective of the role of repo in the recent financial crisis. Repo is a convenient way for building up of leveraged positions especially during good times when the haircuts are very low and liquidity is abundant. Institutions like investment banks (Bear Sterns, Lehman Brothers) with good credit standing managed to borrow from the repo market at very low rates thereby encouraging them to leverage excessively. In normal times, the repo borrowing is cheap and rollover is easy whereas during periods of financial stress, the rollover becomes difficult, leading to a liquidity crisis. The risk of the illiquidity of the underlying asset leading to the drying up of repo markets is accentuated during periods of financial crisis.

27. Further, in contrast to the repo transactions in government securities, where the inherent risks are low due to the nature of the underlying (sovereign bonds) and the presence of a robust clearing and settlement system with CCP guarantee, the repo transactions in corporate bonds do not lend themselves to a DVP III mechanism in view of the heterogeneous nature of the bonds. Repos in corporate bonds, therefore, carry considerable risks that get amplified in the light of the state of the underlying cash market in corporate bonds.

28. In an interesting paper, Gary Gorton and Andrew Metrick in their Paper "Securitised Banking and the Run on Repo"[3] have examined the role of repo market in the recent financial crisis. They show that the genesis of the crisis was a run on the "repo" market. This market is as vulnerable to a run as an unsecured funding. This is especially the case when the collateral is of a lower quality and markets are illiquid.

29. The Reserve Bank has therefore adopted a cautious approach in its regulation of repos in corporate bonds.

[3] [NBER Working Paper 15223 (2009)]

Going forward, Reserve Bank will closely monitor the performance of the repo market for corporate bonds once it becomes operational and will review the directions at an appropriate time.

II. Credit Derivatives

30. Credit Derivatives, in themselves, may be good risk management tools helping the investors to transfer/hedge their credit risk. Such ability to hive off unwanted credit risk encourages investors to hold bonds which otherwise they would have not been inclined to hold, thus enhancing the liquidity in the markets. Credit derivatives also help participants to exercise their view on the credit risk of an entity and help the credit risk to align itself to 'fair' levels. The problem, however, arises when the products do not remain what they are originally intended to be. If these products disconnect themselves from the real sector and start behaving as standalone products, they could set a perfect stage for perverse incentives to set in, as we have been observing in the recent times.

31. Disconnect can happen because CDS does not involve an insurable interest. Contrary to popular perception, CDS is neither fully an insurance contract nor a swap contract like an interest rate swap (IRS). While in the normal insurance contract, having insurable interest is a pre-requisite, the same is not the case with CDS. Further, unlike an IRS contract, the payoffs in a CDS to the protection seller are the 'fees' for assuming a contingent liability and not actually an income. The accounting treatment of recognising fees as income, while the contingent liabilities are relegated to 'below the line', might prompt participants reckon the CDS as a pure income generating strategy, oblivious to the embedded risks.

32. While the facility of buying protection even when not having an insurable interest increases the universe of protection buyers thus increasing the market liquidity, it may result in adverse incentives. If the lenders have protection via CDSs, they may have more to gain from the company failing than they would gain if the company survives. If this is the case, the creditors with CDS protection could have incentives to push troubled companies into bankruptcy instead of working out the troubled debt. Recently in the context of CDS on Greece debt, it is reported that the US regulators will look into the matter of CDS trader destabilising not only companies but also countries.

33. The CDS contracts involve a complex chain of counterparty risks and any default at any point can potentially become a systemic issue on account of gridlocked market. It is often assumed that once the credit risk is hived off by purchasing the protection, the risk is really out of the books. What is forgotten is, CDS is substituting the credit risk of the issuer with that of the protection seller and the comfort is only as good as the credit worthiness of the protection seller. As observed in the case of AIG, the AAA status of AIG (protection seller) is taken too much for granted, without regard for possibility of credit events. Further, unlike a normal insurance business, the credit events in a CDS transaction are highly correlated, thus exacerbating the paying pressure on the protection seller in the case of a credit event. The incident firmly conveys the importance of fully understanding the

dynamics of CDS transactions as different from a normal insurance business and also of a robust counterparty credit risk management while undertaking CDS transactions.

34. The CDS market is envisaged to complete the market by providing to the participants the information pertaining to credit risk. CDS spreads are expected to dynamically, and in real time, reflect the true credit quality of the issuer. It is however, interesting to note that CDS spreads for major international financial groups did not provide any forewarning of the impending disaster, reaching a historical low in the early summer of 2007, the very eve of the worst financial crisis since the 1930s. In hindsight, this has been a case of extreme under pricing of credit risk, which had significant adverse impact on the real sector. There are inherent dangers in implying the spot fundamentals from the derivative markets, especially in shallow and illiquid segments. The CDS spreads which could have moved either on credit perceptions or on liquidity perceptions, prompt participants to revise their views on the credit quality of the issuer, which may be misplaced, but at times self fulfilling. Such 'tail wagging the dog' tendencies may, even result in escalation of borrowing costs for the issuers such as corporates and banks, even when the fundamentals have not changed.

35. You may recall that the Reserve Bank had issued draft guidelines on CDS in 2007 but in the light of the crisis had kept in abeyance issuance of these guideliens. As per these guidelines it was proposed to permit single name plain vanilla CDS on resident reference obligations for resident entities. It was stipulated that the underlying asset/ obligation, the reference asset/ obligation, the deliverable asset/ obligation shall be to a resident and denominated in Indian Rupees. Further, the credit derivative contract was required to be denominated and settled in Indian Rupees.

36. With the benefits of lessons learnt from the global crisis, an Internal Group in Reserve Bank is revisiting the issues related to introduction of CDS in the Indian markets. Some of the issues that are pertinent, besides the above general issues, in this context are:

- ***Rating requirement for the underlying*** : There are mixed views, as regards requirement of rating for the underlying of CDS. Internationally, it is observed that while there is a greater liquidity for publicly traded credits, there is no requirement of ratings. It may be argued that ratings are not required as CDS itself will act as a proxy for rating and is a more dynamic and closer reflection of the credit rating than the ratings issued by the rating agencies. On the other hand others could view the requirement of rating as a means to bring in more information dissemination and transparency about the underlying, which may, otherwise not be available to the participants. Especially in the context of Indian markets, where secondary market liquidity is dormant, to provide the participants, information required for considering entering/ continuing/unwinding their CDS positions, the requirement of rating of the underlying may be necessary, at least to start with.

- ***Insurable interest***: The crisis has clearly demonstrated the need to ensure existence of insurable interest for buyers of credit protection. The issue is whether banks that are market makers should be allowed to trade CDS without an underlying subject to limits. If so, we need to determine how to compute such limits.
- ***Centralised reporting:*** The opacity of OTC markets, especially those of derivatives, has also been cited as one of the contributors of the global turmoil. The need for centralised reporting, enabling the regulators to track the built-up of positions and the participants to track the markets, has been flagged by many and already there have been some systems put in place. A centralised reporting system is being contemplated in the Indian context when the CDS are introduced.
- ***Centralised clearing and settlement***: Internationally, centralised clearing and settlement is also being proposed as a measure to address the risk management issues in OTC derivatives. It would be a challenging task to devise a centralised clearing and settlement framework for single name CDS. The RBI is examining international practices in this regard.

37. The revised draft guidelines will be put in public domain in due course. Meanwhile we welcome any feedback on the above issues even at this stage.

III. Interest Rate Futures

38. Interest Rate Futures (IRF) contracts on 10-year notional coupon bond were launched on NSE on August 31, 2009. Persons resident in India and FIIs have been permitted to participate in the market. The FIIs participation in the market is subject to the condition that the total gross long position in the cash and futures market taken together does not exceed their limit for investments in Government and corporate bonds. The product witnessed activity and increasing volume during the initial period, but the liquidity tapered off subsequently. The discussion in respect of the IRF is about factors inhibiting the growth. I shall like to briefly discuss some of the issues being raised in this regard.

39. Suggestions have been voiced in some quarters that requirement of physical settlement is a major hindrance for liquidity of the IRF market and cash settlement could provide a way out. Now, IRF contracts settled by cash as well as by physical delivery co-exist in the global financial markets. The well established IRF markets in US, UK, Eurozone and Japan use contracts based on physical delivery. Some of the recent IRF markets, notably in Australia, Brazil and Singapore have cash-settled contracts. Korea, which introduced cash settlement, has opted for physical settlement for the 10 year futures. It should be noted that in many of these markets the fiscal position is strong and there are supply constraints leading to fear of short squeeze.

40. The proponents of cash settlement mode point out that in the illiquid market, the 'longs' would end up with illiquid securities. On the other hand, the view against the cash settlement mode is that it does not ensure arbitrage-free cash futures price linkage. Hence, both physically-settled

as well as cash-settled IRF contracts have supporting arguments.

41. Notwithstanding the debate in favor and against the cash settlement mode, the physical settlement mode should not pose great difficulties for market participants in taking positions in the IRF market as an insignificant percentage of IRF contracts are carried to the expiration date internationally, as also seen domestically in the first cycle. While the speculators can close out their positions before expiry to book profit, the hedgers can either close-out or roll-over the positions depending upon the tenor of hedging. The arbitrageurs can carry the positions till expiry in order to crystallise the arbitrage profits.

42. Another view is to provide the choice to the participants to settle physically or in cash mode. This may not be an appropriate solution, as it may make it difficult for the 'long' to chalk out his strategy, when he remains unclear till the settlement date as to whether he is going to get the cash, or the physical securities.

43. There is also a view that the option of choosing the security may be given to the 'long' which may help him to avoid taking delivery of illiquid CTD bonds. In such case, the buyers will naturally prefer the expensive security to be delivered to him. This practice may further stifle the growth of the IRF market, as the traders, especially the arbitrageurs may shy away from taking 'short' futures position as he may end up in delivering the most expensive security.

44. It has also been argued that extending the period of short selling to be synchronous with the tenor of the futures contracts, may impart liquidity to the futures market by facilitating efficient arbitrage. However, the view that short selling, directly or indirectly, could pose potential risks and can easily destabilise the markets can't be overlooked. In India, with public sector spending being one of the dominant drivers of the economic growth and in the backdrop of heavily loaded government borrowing programme, and with a rather shallow market, it would need careful consideration to allow free short selling in the government securities market.

IV. Currency futures market

45. Recently, the recognised stock exchanges have been permitted to offer currency futures contracts in the currency pairs of Euro-INR, Japanese Yen (JPY)-INR and Pound Sterling (GBP)-INR, in addition to the USD-INR contracts. Two exchanges have already introduced other currency pairs which has increased the volumes greatly.

46. While the volume of trade in the currency futures has increased sharply, the open interest has remained low and stagnant and constitutes only a small percentage of the outstanding OTC contracts. The above trend reflects that the exchange traded markets are still not being used for hedging purposes by different participants. It is largely the day-traders taking intra-day positions and closing by day-end which dominate the market.

47. It may be pertinent to mention that the cash settlement mode was accepted for currency futures because physical settlement was not a feasible option since Rupee is not fully convertible on the capital account. In the OTC market, there is an

elaborate framework for regulating transactions, including derivatives, in foreign currency and presence of an underlying exposure is a basic requirement. It was not possible to carry over this requirement onto the exchange traded market. Hence our reluctance to allow FIIs to trade in this market. It is not considered opportune to remove the requirement of underlying commercial transactions in the OTC market.

V. Structured Derivatives

48. The structured derivative market in India is of nascent origin and most of the structures are equity linked structures. The Reserve Bank guidelines clearly prohibit any structured derivative product with another derivative as an underlying. However, many exotic currency derivatives have been popular, primarily involving zero-cost strategies. As part of policy rationalisation, the draft guidelines on forex derivatives have suggested permitting writing of covered options while prohibiting zero-cost structures.

49. The cost reduction structures, introduced in 1996 have been used by the corporates in hedging their currency exposures. The products inherently involve a trade-off between reduction in the cost of hedging and a corresponding increase in risk. The concerns relating to proper valuation, mis-selling of such products and other irregularities that emerged in the recent past, have forced the Reserve Bank to re-evaluate the propriety of allowing such products in India.

50. In response to the draft Guidelines, many corporates and industry associations FEDAI and FIMMDA have represented that prohibiting cost reduction structures will seriously impede the dynamic forex risk management operation of corporates and that their competitiveness in the global markets, as their counterparts have flexibility in using such products internationally. Additionally, if such structures are banned, some corporates may not hedge their exposures due to costs, and this may result in aggregation of open currency risk in the system, which is riskier than allowing hedging within a range. It has been suggested that structures may be allowed with safeguards, such as the pay off of such a strategy lies between an unhedged exposure and an exposure hedged through a forward contract, allowing the products only against underlying exposures, not allowing leverage structures, limiting to corporate with threshold turnover and net worth, *etc.*

51. We are examining the suggestions and the FEDAI conference would be an appropriate forum to debate on the concerns and possible safeguards for such structures.

- **Suitability and appropriateness-** The complex products should be consistent with the users' business, financial operations, skill and sophistication, internal policies as well as risk appetite. Inadequate understanding of the risks and future obligations under the contracts has led to many legal disputes. Some users too have feigned ignorance of the products and deemed it unsuitable only in the event of losses crystallising. The developments have necessitated greater sense of responsibility and circumspection on

the part of the banks and the users. In view of the same, it is worth debating that if at all such products are to be permitted it may be restricted to users with robust risk management systems, corporate governance, accounting and disclosure practices. Possible safeguards in this regard could be adoption of international accounting standards minimum net worth criteria, listing, *etc.*

- **Extent of corresponding increase in risk and net receipt of premium -** the extant guidelines permit cost reduction structures subject to the condition that there is no net receipt of premium as this in effect makes the user a net option writer. However, it has been observed that certain structures were sold, where premia had been passed on the users, thereby exposing them to uncapped downsides. There has been feedback that an additional safeguard to this condition could be to permit only cost efficient structures that explicitly demonstrate that the pay off of such a strategy lies between the pay offs of an unhedged exposure and an exposure hedged through a forward contract.

- **Existence of an underlying –** The underlying principle of FEMA Regulation 25 is that the derivative products should be used only for hedging purposes, although certain operational flexibility has been provided under the past performance route. Excessive leverage without concomitant underlying would magnify the risk. In view of the risks related in such structures, it is felt that the use of such products, if considered at all, may be liked to crystallised exposures. Also, there should not be any leverage in the structures.

52. As we debate on the issue of cost reduction structures, we may also discuss issues relating to writing of stand-alone options. Given the market conditions and issues relating to suitability and appropriateness, would it be timely to allow writing of standalone covered options? Alternatively, instead of allowing writing of standalone covered options, should we consider allowing cost efficient structures with safeguards? The safeguards reduce the risk of mis-selling. We need market feedback on the degree of safeguards.

Oversight of OTC markets

53. In India, unlike in many other jurisdictions, the OTC markets are well regulated. Under the RBI Act, the validity of any OTC derivative contract is contingent on one of the parties to the transaction being a regulated entity. The key features of the regulatory framework are:

a. There is a clear distinction between the roles of market makers and users for all OTC derivatives and it is mostly banks and primary dealers in case of certain interest rate derivatives which are permitted to act as market makers.

b. The users are permitted to transact in derivatives essentially to hedge an underlying exposure. For interest rate derivatives, there is an additional leeway to undertake derivative transactions for transformation of risk exposure, as specifically permitted by the Reserve Bank.

c. Structured derivative products are permitted only as long as these are a

combination of two or more of the generic instruments permitted by RBI and do not contain any derivative not allowed on a standalone basis.

d. All derivative instruments are required to be marked to market if a liquid market in the product exists or otherwise marked to model, provided all the model inputs are observable market variables and full particulars of the model, including the quantitative algorithm are documented.

e. The responsibility for assessment of customer suitability and appropriateness is squarely on the market maker and there are a detailed set of requirements that the market maker needs to fulfill in this regard while selling any product to a user.

f. All derivative transactions must be undertaken within the Board-approved risk limits. The system of limits should include procedures for the reporting and approval of exceptions to limits.

54. Several measures have been taken in the past to improve the efficiency and reliability of the OTC market.

- First, the Bank had strengthened the oversight of OTC derivatives transactions through institution of mandatory reporting system for the trade transactions. The OTC Rupee derivatives in India comprise Interest rate swaps, Forward Rate Agreements, FX forwards, Currency swaps, Currency options. The banks have been mandated to report the inter-bank IRS trade data on-line to CCIL since August 2007. The client level trade data are also now collected from the banks. As and when the system stabilises, market could be provided with the information. As regards the FX derivatives, the AD category-1 banks report the trade details of forward contracts, currency swaps and currency option to the Bank at fixed periodicity. The reported data provides the basis to the Bank to monitor the market wise aggregated exposure level as well as exposure level of individual banks and concentration of exposures to specific asset classes.
- Second, the Bank has facilitated greater use of central clearing counterparties (CCP) by encouraging clearing initiatives and providing capital relief. Currently, the settlement of transactions relating to G-Secs, Market Repo, CBLO, FX-spot and forward are settled on guaranteed basis through CCIL.
- Third, the Bank had promoted use of electronic trade platforms for improving market transparency and efficiency than that available through completely private bilateral negotiation. The electronic trade platforms lower search costs by improving the ability of market participants to more quickly determine the range of prices at which they could potentially execute a trade, and to more quickly and easily identify a counterparty offering attractive terms. The NDS-OM, NDS-Call, CROMS are the landmark innovations in the space of OTC fixed income and money market.
- Fourthly, the Bank had brought in grater transparency through increased dissemination of price and volume information of the OTC trades. The price and volume data enhances the

ability of counterparties and other potential creditors to manage their exposure risks. Further, the increased level of information to the public at large enhances the price-discovery function, improves the options available to the hedgers and moreover, offers greater degree of protection to the unsophisticated class of investors.

55. As per the existing regulations, only primary issuances of CPs and CDs are reported to the Reserve Bank through the Negotiated Dealing System (NDS). In the case of CPs, the issuing and paying agents (IPAs) are required to report the issue details on the NDS within three days of issue. CD issuances are reported on a fortnightly basis by banks. However, there is no formal reporting of secondary market trades of CPs and CDs in any form, resulting in lack of transparency in the market. Further, settlement of trades in CPs and CDs is done bilaterally with no system of DvP (Delivery vs. Payments) in place. This exposes the participants to settlement risk.

56. With a view to bring in transparency to the CP and CD market and also reduce settlement risks, we are considering to bring in regulatory reporting of all CP, CD trades and non-guaranteed DvP based settlements similar to that of OTC trades in corporate bonds. The modalities will be worked out in consultation with all the stake holders.

Conclusion

57. It has been clearly evidenced during the crisis that financial sector development *per se* cannot be an objective in itself. It needs to be pursued in the broader context of financial stability and has to necessarily correspond to the level of maturity of the financial system and the needs of the real economy. Regulatory comfort and assessment should therefore be a critical determinant in this regard.

58. A lot of far reaching measures have been taken recently in terms of allowing new products such as interest rate futures, currency futures, repo in corporate bonds *etc.* and work is underway for introducing some others like credit default swaps. Such products are new for the Indian market and an assessment of their implication on other markets, institutional behaviour, and system as a whole would be critical. Going forward, the immediate effort would be to design prudent guidelines, a robust market infrastructure and strengthen the systemic monitoring framework for these new markets.

59. I wish the Conference all success.

*Infrastructure Finance: Experiences and the Road Ahead**

K. C. Chakrabarty

Respected Dr Rangarajan, Chairman of the Economic Advisory Council of PM, Padma Vibhushan Dr Y V Reddy, Shri G Pinto, Executive Director, BMA, distinguished guests and representatives from the print and electronic media.

1. Getting an award is always an exciting and motivating event particularly when you are getting it in the presence of the doyens or giants of the sector like Dr Rangarajan and Padma Vibhushan Dr Y V Reddy. I am extremely grateful to Bombay Management Association (BMA) for honouring me with the BMA Finance Man of the Year Award and would like to sincerely thank them. I accept this award with full humility and understanding that the award belongs to all the employees and customers of the institutions that I have served during the last 30 years. In fact, it is an award to all stakeholders of those institutions. It is indeed an honour and privilege for me to have been presented this award by Dr Y V Reddy, our ex-Governor, who has himself been awarded the Finance Man of the Decade Award. It is a matter of great jubilation that, in the past, eminent personalities like Shri A. K. Purwar, Shri M. Damodaran, Dr Y. V. Reddy, Dr Bimal Jalan, *etc.* have been conferred this award and it is indeed a matter of great pride for me that I have been included in this pantheon of awardees. I congratulate the BMA for organising the 13th Financial Services Convention on the theme "Infrastructure Finance: Experiences and The Road Ahead". I would now like to take this opportunity and share my thoughts on the theme of the Convention before the distinguished dignitaries.

* Address by Dr .K. C. Chakrabarty, Deputy Governor, Reserve Bank of India at the 13th Financial Services Convention of Bombay Management Association on February 5, 2010 at Mumbai.

SPEECH

Infrastructure Finance: Experiences and the Road Ahead

K. C. Chakrabarty

Introduction

2. As you know, the Indian economy has enormous growth potential, a fact that is equally acknowledged by the analysts in-house as well as abroad. India can be one of the economic powerhouses in the current millennium following the success of China this decade. The economic dominance of India along with China looks all the more likely in view of the expected change in the epicentre of growth to emerging Asia after the crisis. The 8.8 per cent average growth clocked by the Indian economy during 2003-08 is the highest ever recorded after independence second only to China in the contemporary world. This has emanated from an upsurge in the domestic savings rate (23.5 per cent in 2001-02 to 37.7 per cent in 2007-08) supported by the step up in investment rate (from 22.8 per cent to 39.1 per cent) in an environment of moderate inflation and macro-economic stability. Although the contagion from the global economic crisis had brought the growth down to 6.7 per cent in 2008-09, large fiscal stimulus and accommodative monetary policy ensured that the economy performed better than expected in 2009-10. The Planning Commission in the Eleventh Five Year Plan Document (2007-12) identified a number of priorities to hasten an inclusive growth process so that the economy can grow at a rate of around 9 per cent during the plan period. While the success of the same revolves around a number of wide ranging issues adequately flagged in the Plan Document, certain basic problems need to be addressed first. These are agriculture reforms, governance reforms and infrastructure reforms. In today's address, I would confine myself to the third issue – that is infrastructure - finance as well as the beyond.

Role of Infrastructure and the traditional constraints as regards finance

3. If we have to maintain high growth rate, we require better infrastructure; as simple as that. Infrastructure is also a key driver of inclusive growth. Inadequacy of which is already identified as one of the serious impediments to high growth in India in the coming years. With fast pace of economic growth and urbanisation, availability of adequate facilities as well as upgrading the quality of existing infrastructure would assume paramount importance. Infrastructure development in new townships is a priority to redistribute the influx of growing population. Attention is to be paid to the rural infrastructure provision such as irrigation, electrification, roads, drinking water, sanitation, housing, community IT service, *etc.* Financial issues are often cited as the key constraint to the availability of provisions in an emerging economy like India.

4. The infrastructure projects are characterised by non-recourse or limited recourse financing, *i.e.*, lender can only be repaid from the revenues generated by the projects owing to the large scale of investments. The share of high initial capital and low operating cost in infrastructure projects explains why financing infrastructure involves a mix of complex and varied contractual arrangements. Wrong projections, collection

risks of the payables and reneging of the contract are commonly cited as the major risks associated with an infrastructure projects. As returns from the projects are uncertain and low in the risk adjusted terms, it also necessitated additional incentives to be created to attract private investment.

Infrastructure Developments in India

5. Despite its critical role in the development process in India, most of the state and local governments in India would not be in a position to undertake such investments and resultantly our various flagship programs had to depend on central assistance. While funding is understandably a key issue, it is needless to say that much of the success in creating the provision would depend upon some related non-financial factors like project viability, realisation of user costs, avoiding time and cost overrun, contract enforcement and efficient utilisation of funds. Traditionally the Government bore the burden of building up infrastructure in India. However, the strategy of development has been revisited with economic reforms in the 1990s. Accordingly, the infrastructure industry has been opening up to the private players in various sectors. The Electricity (Supply) Act of 1948 was amended in 1991 to promote the entry of Independent Power Producers. Similarly, the National Highways Act of 1956 was amended in June 1995 to allow and attract private investment in road development, maintenance and operation. The telecommunications sector was deregulated and the Telecom Regulatory Authority of India (TRAI) was established in 1997 to oversee the industry.

6. Overall, there has been some notable progress in attracting private investment in the infrastructure industries. Usually investments from private sources are high in those sectors where user cost is well defined and easily recoverable. For the remaining segment, it is primarily the public investments that have to supplement infrastructure provisions given their importance in the economy. Irrigation, water supply, electricity and gas are the specific cases in point where user charges need to be defined and contract enforcement mechanism need to be strengthened further to ensure an uninterrupted flow of investments from private sources. Overall, the financing requirement from the private sectors during Eleventh Five Year Plan is estimated to be over 30 per cent from a little less than 20 per cent during the Tenth Plan period. The flagship Bharat Nirman Yojana of the Government of India focuses on the provision of key rural infrastructure like irrigation, electrification, roads, drinking water supply and sanitation, affordable housing, and connectivity via community IT service centres.

7. At the macro-level, the Eleventh Five Year Plan envisages stepping up of the gross capital formation in infrastructure from 5 per cent in 2006-07 to 9 per cent of GDP. It envisaged an investment requirement of over US$ 500 billion (Rs.20,11,521 crore). It is estimated that traditional sources of infrastructure financing can raise a little more than half of the requirement

(McKinsey, 2009). Financial shortfall is one of the reasons for the slow pace of transition towards creating world class infrastructure facilities in India through private initiatives. There is an urgent need to create enabling conditions, *e.g.*, a vibrant debt market, easy exit rout for equity capital and appropriate instruments for credit institutions to lend infrastructure while hedging the associated risks, *etc.* Estimated investment flow in various infrastructure sectors during the Tenth and Eleventh Five Year Plan is outlined in Table 1. It can be seen from the table that the investment requirements in various sectors had gone up substantially in the Eleventh Plan.

8. Apart from the direct investment route, public private partnerships (PPPs) models have grown in popularity around the world in recent years, with governments around the world finding it difficult to finance infrastructure investments through conventional route. Despite the emphasis placed on PPP in the Plan Documents, the private sector response to infrastructure development in India has been lukewarm for a number of reasons, *e.g.*, overlapping regulatory jurisdiction, improper design, appraisal and risk allocation mechanism under PPP, bidding transparency issues, project costs and time overruns considerations, *etc.* Probably a centralised PPP mechanism and a single window clearance of the project under direct investment route is called for at this juncture. With inadequate financial market developments, PPPs in India typically rely on commercial banks for funding exposing them to risk concentration, maturity mismatches and related exposures to the rising interest rates and tightening credit conditions over the life of the project.

Table 1: Estimated investment flows to various sectors

(Rs Crore at 2006-07 Prices)

Sectors	Tenth Plan (2002-07)	Eleventh Plan (2007-12)
Electricity, Roads and Bridges	436742	980677
Telecommunication	103365	258439
Railways, Irrigations, Water Supply and Sanitation	295964	658839
Ports and Airports	20842	118963
Storage and Gas	14532	39233
Total	871445	2056150

Source: Planning Commission

Issues relating to the Financing of Infrastructure Investments in India

9. The importance of long-term debt financing can hardly be overstated owing to the longer pay-back period of infrastructure projects and delays due to complexities in the design, safety and environmental aspects, *etc.* The development of a mature and vibrant corporate debt market is eminently suited for long-term committed funding to match the investment requirements of a long term risk-averse investors seeking regular returns after a lock-in period. Greater deepening in the non-government debt market with sound financial, legal, and regulatory framework would enhance the benefit of price discovery and risk diversification. The PPP model pioneered in Europe in the late 1960s has benefited immensely from the financial flexibility offered by the debt market by reducing over-reliance on the banking

system. However, the European economy has also got the advantage of an enabling investment environment before the reliance on banking system could be lowered.

10. The current state of financial markets in India does not support an optimal capital structure in financing infrastructure. While the public-sector debt market is fairly liquid, constituting approximately 35 per cent of GDP, the stock of listed non-public sector debt is an abysmal 2 per cent of the GDP (Goldman Sachs, 2007). This is far below the depth of the equity market capitalisation placed almost at 100 per cent of GDP. Even emerging countries such as Malaysia, Korea, and China have a higher percentage of corporate bonds to GDP. Further, segmentation in gilt securities failed to create a credible benchmark to price other long-term securities in India despite an intensive effort by the RBI to consolidate the issuance of gilt securities. Accordingly, there is a tendency to adopt lopsided structures in the form of over-reliance on equity. While the government uses tax revenues and PSUs surplus to fund infrastructure, a large percentage of capital requirements in the private sector too are met through equity. Of the total expenditure of the Eleventh Plan, nearly 52 per cent is likely to be financed through internal accrual/equity primarily appropriating the internal and extra-budgetary resources of the PSUs. For private sector, the share of debt is relatively less at 30 per cent.

11. Of the total debt requirement at Rs.9,88,035 crore (USD 247.01 billion), the actual availability during the Eleventh Plan period is estimated to be around 83.5 per cent. More than half of the total estimated resource flows are likely to come from bank credit, while close to 15 per cent is estimated to come from external commercial borrowings. The resource flow from pension/ insurance companies, which is potentially a high source of long term debt, is expected to provide resources by less than 7 per cent. Understandably, these institutions have been restricted by their respective regulatory authorities from exposing them too highly to the infrastructure sector on prudential considerations.

12. The credit extended by commercial banks is also restricted through exposure norms besides a cash reserve and statutory liquidity ratio requirements. Although often argued for more flexibility, it needs to be appreciated that for credit institutions, it would be difficult to assume bulk of the project risk and capital costs indefinitely without a commensurate development of the corporate debt market. Infrastructure financing brings additional risks in view of their long term nature and is not good for the banks from an ALM perspective to increase their exposure excessively. Though prudential norms have been relaxed by RBI for infrastructure projects, RBI is not in favour of further relaxations in exposure norms. The infrastructure finance requirements cannot be filled by banks alone but would have to be met by financing from long term finance agencies like insurance and pension funds.

13. The High Level Expert Committee on Corporate Bonds and Securitisation (Chairman: Dr. R H Patil) comprehensively examined the issues concerning corporate

bond market in India and made recommendations to activate the market, some of which have already been implemented. As per the regulatory jurisdiction, SEBI is responsible for the primary (public issues and private placement by listed companies) and secondary (OTC and exchange) markets in corporate bonds. The various pre-conditions for allowing repos in corporate bonds, *e.g.*, an efficient and safe clearing and settlement system based on DvP and availability of fair prices is gradually settling in. The draft guidelines for allowing repos in corporate bonds are also due for finalisation.

14. Foreign sources are supplementing the domestic financial market in financing infrastructure during recent years. The inflows through External Commercial Borrowing are rising even though such inflows have end-use restrictions besides having a cap on borrowing cost in most of the time. Further, India is receiving a sizeable amount of foreign investment through foreign direct investment (FDI) in the current decade. The cumulative amount of FDI inflows since 2000 is at a staggering US$100 billion. While the highest share of FDI has been received by the services sector followed by the ICT, the telecom sector too received success in attracting foreign capital. Besides a sizeable and almost continuous investment support is received from Foreign Institutional Investor (FII) to the domestic financial market, *albeit* with high volatility.

15. Further, the banks in India had developed the appraisal skills to enter into long-term lending including infrastructure finance in a big way. Bank credit to the infrastructure sector increased steadily from Rs.7,243 crore in 1999-2000 to Rs.2,69,972 crore in 2008-09, a compound annual growth of 43.6 per cent during the last ten years (Table 2). The share of bank finance to infrastructure in gross bank credit increased from 1.8 per cent in 2001 to 10.2 per cent in 2009. The banks' exposure to infrastructure lending has grown by over 3.7 times between March 2005 and 2009. Still a large part of the gap in demand over the supply of bank credit is explained by the inadequate commercialisation of projects for regulatory, political and legal

Table 2: Bank Credit to the Infrastructure Sector

(Rs. crore)

Sector	End-March									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Infrastructure	7,243	11,349	14,809	26,297	37,224	78,999	1,12,853	1,43,375	2,05,120	2,69,972
	(21.9)	(56.7)	(30.5)	(77.6)	(41.6)	(112.2)	(42.9)	(27.0)	(43.1)	(31.6)
of which:										
Power	3,289	5,246	7,373	15,042	19,655	38,235	60,157	73,158	95,067	1,24,447
Telecommunication	1,992	3,644	3,972	5,779	8,408	15,705	18,455	19,446	38,043	50,326
Roads and Ports	1,962	2,459	3,464	5,476	9,161	15,500	19,695	24,984	34,530	47,060

Note: 1. Figures in parentheses are annual growth rates.
2. Data relate to select SCBs, which account for around 90 per cent of the bank credit extended by all scheduled commercial banks.

Source: Handbook of Statistics on the Indian Economy, 2005-06, Reserve Bank of India.

constraints and total absence or insufficiency of user charges in many sectors. Therefore, the current issue to meet the demand for infrastructure finance by the banks arise from the bankable and commercially viable projects.

Measures Taken by the Reserve Bank of India

16. Several new initiatives have been initiated by the Central Government and the Reserve Bank in the recent years. The Reserve Bank initiated a number of regulatory concessions for infrastructure finance, such as a) allowing banks to enter into take out financing arrangement, b) freedom to issue long term bonds by banks for financing infrastructure, c) relaxation of single and group borrower limit for additional credit exposure in the infrastructure sector, d) flexibility to invest in unrated bonds of companies engaged in infrastructure activities within the overall ceiling of 10 percent, e) excluding the promoters' shares in the SPV of an infrastructure project to be pledged to the lending bank from the banks' capital market exposure and f) permitting banks to extend finance for funding promoter's equity where the proposal involves acquisition of share in an existing company engaged in implementing or operating an infrastructure project in India. Let me make some additional remarks on two of these areas.

17. To stimulate public investment in infrastructure, a special purpose vehicle - India Infrastructure Finance Company Limited (IIFCL) was set up for providing long-term financial assistance to infrastructure projects. The Union Budget for 2009-10 announced that IIFCL in consultation with banks will evolve 'take out financing' scheme to facilitate lending to the infrastructure sector. To ease the financing constraints for infrastructure projects under the PPP mode, the Government has decided that IIFCL would refinance 60 per cent of commercial bank loans for PPP projects in critical areas over the next fifteen to eighteen months. The IIFCL was authorised to raise Rs.10,000 crore through Government guaranteed tax free bonds by the end of 2008-09 and an additional Rs.30,000 crore on the same basis as per the requirement in 2009-10. The refinancing option is expected to leverage bank financing for PPP programmes to the extent of about Rs.1,00,000 crore. As the experience suggests, the take out financing failed to become popular as the cost of borrowing turned out to be high. As IIFCL sources banks substantially for its funding requirement as well as refinances banks for their infrastructure lending, the cost of finance goes up through the layers of intermediation. In view of the limited availability of resources, there is a limit to which IIFCL will be able to deliver a favourable leverage effect by extending equity support and credit enhancement.

18. Single and group exposure limits turn out to be binding for lending banks in view of the huge funds requirement. There is not much scope to increase them from prudential viewpoints going by the internationally accepted norms. The capital funds of Indian banks are small in size. The exposure limits of banks are fixed in relation to their capital funds. Even though

we have allowed relaxation of 5 percent in case of single borrower limit and 10 percent in case of group borrower limits, banks find it difficult to lend to infrastructure projects set up by big industrial houses as they have already reached the maximum group exposure limit to such borrowers. Also, there is a tendency among borrowers to limit their borrowing to a few large banks which compounds the exposure limit constraints. As not all banks are active in infrastructure financing, the consolidation of banks could potentially provide higher exposure limits. However, such mergers and acquisitions may not serve the purpose as risk remains the same for the sector. Typically a bank may not like to take upon itself the entire financing risks but try to attract co-financer by syndication of loans, which would entail multiple lenders discouraging the borrowers.

Some possible measures and solutions to bridge the gap

19. Some specific measures are being talked about to bridge the gap in financing by extending the funding base for infrastructure projects.

a) One such measure is the participation of pension funds and insurance companies in funding the long term infrastructure projects. Pension funds are increasingly moving into new asset classes in a search for yield. Infrastructure is one type of investment being frequently discussed, given its potential to match long-term pension assets and provide diversification. Some larger funds globally are beginning to invest in infrastructure via private-equity funds, or, occasionally, even directly. Australian, Canadian and Dutch pension funds may be considered as leaders in this field.

b) The development of domestic long-term capital markets will be critical for private sector investment in infrastructure, but these markets must have much better regulation as well. In India, there is a need to improve the depth and liquidity of the corporate bond market to provide an additional source of funds for infrastructure companies. Limited investor base, limited number of issuers and preference for bank finance over bond finance are the main macro barriers for development of a deep and liquid corporate bond market. The Reserve Bank has issued the guidelines on repo in corporate bonds, which would be effective from March 2010. Further, syndication of loans would diversify the risk in infrastructure financing, given the fact that a bank would not like to take upon itself the entire financing given the risks involved and the capital and consequent exposure constraints.

c) Also credit enhancement to infrastructure by way of risk transfer and risk reduction could help bridge the gap in the Indian context. Lenders tend to look for credit enhancement from Government like policy guarantees, refinancing and maturity extension guarantees, grants/viability gap funding, *etc.* Similarly, non-government mechanisms like bond insurance, credit

rating, *etc.* provide risk mitigation to the lenders. Providing credit enhancement by way of insuring the debt payment by insurance companies to banks for the loans extended by them towards infrastructure projects is a concept considered in the North American infrastructure market.

d) Comprehensive infrastructure development calls for simultaneous improvement of all infrastructure sectors, like power, telecommunications, irrigation, transport, housing, commercial complexes, water supply, sanitation and other urban amenities. In the current situation, it may no longer be possible for the Governments to develop, upgrade and maintain infrastructure and provide all civic amenities on their own. It is in this context that governments are involving the private sector in the area of infrastructure development to bridge the gap between demand and supply. The Public-Private Partnership is being actively pursued in India to meet the gaps in the provision of basic infrastructure services. The PPP model, where the state shares the risks and responsibilities with private firms while retaining the control of assets is generally expected to improve services while avoiding some of the pitfalls of privatisation such as higher prices and corruption. However, for such partnerships to be successful, the framework of PPP including pricing has to be transparent. The development finance model has to be characterised by good planning, strong commitment of both the parties, effective monitoring, regulation and enforcement by the Government. A separate Ministry for Infrastructure Development could help immensely in channelising government's efforts. The issue of pricing is crucial in view of the political sensitivities, while also simultaneously ensuring the viability of the project. If we are looking at world class infrastructure, then we will have to pay for it. Managing the transition from state-subsidised services to market based pricing is crucial as a fine balance has to be maintained between allowing companies to raise prices rapidly on existing, cheap public utility services and suppressing price hikes by ignoring market forces. Whenever PPP with proper pricing is not possible, then Government has to chip in. Rural areas and hinterland infrastructure development could be the responsibility of the Government. So pricing on commercial consideration is a key issue and I hope the convention will discuss these key issues.

e) Additional flexibility for long term bonds issued by banks as regards the tenor of bond issuance or allowing Zero Coupon Bonds for infrastructure with income tax benefits are some of the other incentives that can be thought off in the years ahead. Another option is to treat the advances as unsecured so long as receivables from the project are the only basis of tangible primary security, as is normally the case for road projects, provided cash flows generated are adequate for repayment of the advance.

Concluding Remarks

20. I would like to conclude this address by saying that there is no dearth of finance for infrastructure development. Currently, there is adequate liquidity in the system that can support financial requirements in the next two to three year for any bankable infrastructure project. From a medium term perspective, while finance is surely a pertinent issue, it cannot be addressed independently. Addressing other concerns in infrastructure industries like defining user cost and a mechanism for their recovery, strengthening the contractual framework to speedup project implementations, plugging the loopholes behind the current PPP designs, a simplified project clearance mechanism by a centralised authority, *etc.* are perhaps of more importance than financial issues. In the long term, participation of pension funds, insurance companies and other long term finance institutions would be essential. Progress in these directions could activate infrastructure provisions at a much faster pace than is seen now. I hope this convention will deliberate on some of these key issues. As growth takes place with the improvement in infrastructure provisions, a number of funding issues could be self-correcting. High growth will generate resources for infrastructure investment besides pushing for the necessary reforms at the longer end of the financial market and products. On the contrary, relying heavily on the banking system without commensurate reforms in the real economy may not facilitate finance, while running the risks from prudential viewpoint.

21. Thank you for your attention.

*'Exit from the Crisis cannot be Drastic' – Interview of Dr. Subir Gokarn**

Reserve Bank of India (RBI) Deputy Governor Subir Gokarn, who is in charge of monetary policymaking, has ruled out any central bank action immediately after the Union Budget on 26 February and ahead of Reserve Bank of India's Annual Monetary Policy Review in April, unless there is a dramatic slowdown globally. In an interview on Saturday, he also said exit from monetary stimulus "is not an event and it is a process" that started in October with an increase in banks' statutory liquidity ratio (SLR), or the proportion of deposits banks are required to invest in government bonds. The cash reserve ratio (CRR), or proportion of deposits banks are required to maintain with the central bank, was raised in January. "Keep in mind that the response to a crisis has to be extremely swift and even radical because there is a complete erosion of confidence and that situation will not accommodate measured moves. But exiting from that position cannot be so drastic," he said. Edited excerpts:

Despite a 75 basis point hike in banks' CRR, many analysts believe that RBI is behind the curve and you should have gone ahead with a rate hike. (One basis point is one-hundredth of a percentage point.)

The choice between a rate hike and a liquidity measure was essentially driven by the perception that the economic recovery, while beginning to steady, is still not completely robust. We have a number of factors that suggest that within the overall recovery, there are certain imbalances.

The fact that public spending still contributed a substantial portion of growth in the second quarter is a case in point. The growth is very skewed across industries.

* Interview of Dr. Subir Gokarn, Deputy Governor, Reserve Bank of India, with Mint Newspaper, Mumbai.

Much of the recovery in consumption too seems to be driven by the implementation of the pay commission award.

There are other indicators as well. For example, our survey on order books, inventories and capacity utilisation suggests that inventory replenishment is contributing to the recovery, while order books don't reveal the same level of sustainability of sales. When you take all these factors into consideration, interest rate hike might have been a little bit premature. An interest rate action would have sent a much stronger signal about our confidence in the recovery.

On the inflation front also, I think an interest rate hike would have signalled that we are getting into a phase where demand-pull pressures were beginning to grow. We were not really into that situation. As we have emphasised in our policy statement, there was clearly a risk that as the recovery firms up, the steep food prices will spill over into a broader inflation process. But we are not yet in the demand-driven inflation situation.

Now that you have done your bit, you will probably wait for the Union Budget and see what the government will do on the fiscal side, before taking a call on interest rates. Right?

We have made certain assumptions in our policy about what the fiscal stance would be. The basic assumption about the fiscal stance has been what the finance minister had indicated in the July budget statement—of bringing down the fiscal deficit to 5.5 per cent of GDP (gross domestic product). We believe that our measures will accommodate that without putting liquidity conditions at any risk. We have a certain amount of cushion in our calculations.

What do you mean by that?

There could be an increase in the demand for liquidity if credit growth is higher or capital flows are lower than we expect or if the budget deficit and government borrowing are higher than we expect. All these factors have been taken into consideration in our forward-looking assessment.

If our assumptions don't pan out, obviously our calculations will prove to be wrong. But we have to work on the most likely scenario.

If the government does not do what you expect it to do on the fiscal side, will you announce any monetary action immediately after the Budget is presented instead of waiting till April for the annual policy?

The principle we are following is that the mid-cycle actions are responses to completely unforeseen events. We have made certain assumptions (in the policy) which provide for some cushion about what the Budget could imply for financial markets. The Budget, therefore, would be an anticipated event and should not be a cause? for mid-cycle action. If there is a global slowdown of some significance and something happens which is not in line with our assumptions, that may provoke some action but, as far as possible, we want to operate on a schedule.

Some members of the technical committee that is consulted by the Reserve Bank for making the monetary policy were in favour of a rate hike.

It's a collective process and the technical committee is one input into the process. But ultimately the judgement is left to the Governor. Every option was considered, including the option of not doing anything at all. It's not just a question of what to do based on what is happening but also what is likely to happen. There is also the issue of associated risks. Any action you take is going to have some downside and negative consequences. We have taken into consideration the relative significance of these negative consequences too.

Our objective was to maintain a balance. We are clearly moving to a situation in which the focus was exclusively on recovery—from October 2008 onwards—to one in which we have to give balanced consideration to growth and inflation. An interest rate hike, we felt, would have signalled that inflation is being pushed by demand, which was a call that was too early to make at this point.

In September 2008, both policy rate as well as CRR were 9 per cent. With the economy on a growth path and inflation rising, when do we see that level? More specifically, what kind of hikes in interest rates and CRR can we expect this year?

Analysts are speculating on this. But I am not going to comment about the likely magnitude of change. In pre-Lehman (Brothers Holdings Inc.) days, the rates and CRR were raised in response to over-heating of the economy, combined with strong supply-side inflationary pressures. We were dealing with two reinforcing drivers of inflation. Had there been no Lehman collapse, there would have been some normalisation, but the crisis happened and the pendulum swung to the other end, with an exclusive focus on reviving growth. It happened extremely quickly. In the space of a few weeks, the repo rate moved from 9 per cent to 4.75 per cent and the reverse repo also came down from 6 per cent to 3.25 per cent.

There has to be some process to return to normalcy. That process began in October without any direct action, but SLR (statutory liquidity ratio) was raised and the policy stance shifted from managing the crisis to managing the recovery.

Keep in mind that the response to a crisis has to be extremely swift and even radical because there is a complete erosion of confidence and that situation will not accommodate measured moves. But exiting from that position cannot be so drastic.

It is like the climax in a movie where the bomb disposal guy has to decide which wire has to be cut to defuse the bomb and it's a 50:50 shot. If he cuts the wrong one, he blows the ship up and if he snaps the right one, he becomes the hero.

In a sense, the policymakers are in a similar situation now. They have to carefully decide what instruments they are going to use and at what pace. We will see a very cautious exit in sharp contrast to the frenzied action that we saw during the crisis.

So, you will withdraw at a slow pace.

It has to be. And this is not unique to us, it will be the global strategy. The exit is not an event; it is a process. So when we made our assessment in October or in January, we also took into consideration the

likely trajectory of variables that play a role in our decision-making. The policy announcements every quarter are part of a sequence, based on a combination of our outlooks and the new information that comes to us between announcements.

As far as the April announcement is concerned, one, the Budget will have been announced. Two, we will have a better sense of credit and capital inflows. Looking ahead, by mid-end July, we will have a sense of what the macroeconomic impact of the monsoon is likely to be. Whether it's positive, neutral or negative, it will be a significant input in our July and October calculations.

Do you have a number in mind in terms of rate and CRR hike?

No. However, we are very clear about our objectives. We do not want to be disruptive; we do not want to see the recovery being impeded in any way by financial constraints. At the same time, we do not want to see an overheating situation.

It is tougher to take a call now than in the wake of the crisis?

Yes, absolutely. The simple reason for that is when the patient is dying, there's nothing to lose. You pump in every possible drug that you have. But when he is recovering you have everything to lose by making the wrong move. The only choice that you had in September-October 2008 was to act and to act quickly. Now the choice is far more difficult. You make the wrong move and the recovery process could derail.

In the time of crisis, the coordination between the Government and the Reserve Bank was easy, but now it will have problems as government will always want growth and may not see your point of view.

Conflicts are more interesting to the media than collaborations. They give you headlines. The fact is, in a crisis, everybody comes together and everybody agrees on what needs to be done. When the situation returns to normal, you return to debating about different weights and priorities that are given to attain different objectives.

You have former Reserve Bank Governors in the system—Manmohan Singh, C. Rangarajan. They must be influencing you a lot.

Their role as central bankers is only one dimension of their professional identities. They are participating in the policy debate and as part of that they have a view on what the central bank should or shouldn't do. That's part of the value of having an open system.

We have inputs coming in from all over the place. We take them on board and we basically look at the arguments and assumptions underlying those inputs as part of our own decision-making process.

The Reserve Bank has done many interesting things—making the policy document brief and teleconferencing with analysts across the globe. Any plan to make the minutes of the technical committee on monetary policy public?

There are two aspects to that. One is the institutional framework itself. The members of the Federal Open Market Committee (FOMC) of the US Federal Reserve have a statutory responsibility and it is important for the public to know where they stand on a particular issue.

Our committee members have an advisory role. While involving them in the process, we want to give them full freedom to express their views within the framework of our internal debate. They may not be as free in their advice if they knew that their position or recommendations would be made public. So it's a trade-off. There is no unambiguous benefit to any particular form of transparency versus another and it entirely depends on the institutional context.

You have started reaching out to the outside world on financial literacy and inclusion. Why did you need to wait till RBI's platinum jubilee year to do this?

I don't think it was a question of waiting. These initiatives have been going on at some level. What has happened in the platinum jubilee year is a complete commitment of the senior management to the programme. Therefore, instead of doing it on a piecemeal basis, there is now a very coordinated and focused effort.

In my case, I went to a village outside Hyderabad four days after the monetary policy. I couldn't have asked for a more striking contrast. For one month, I completely focused on the making of the monetary policy and four days later I was talking to school kids and self-help groups about financial inclusion. They are worlds apart. But this also brought home to me the fact that inclusion is as important an agenda as macroeconomic stability.

A de-stressing exercise?

It was that too. But more than that, it made sure that you don't just get caught up in the abstraction of the monetary policy and lose touch with reality. My outreach exercise was a phenomenal experience. It's something I would like to do as soon as every monetary policy announcement is over.

*Monetary Policy Framework in India: Experience with Multiple-Indicators Approach**

Deepak Mohanty

I am honoured to deliver the 2nd Professor Baidyanath Mishra Lecture. Prof. Mishra is a multi-faceted personality: an economist, an educationist and an institution-builder. Above all, he is a great teacher who inspired generations of students. I thank the Orissa Economic Association for giving me this opportunity.

2. I will set out how the framework of monetary policy has evolved over the last two and half decades. First, I will touch upon the objectives of monetary policy and then discuss briefly about how monetary framework has evolved globally before dwelling on the Indian experience. I will conclude with an overall assessment of the monetary policy regime in India.

I. Objectives of Monetary Policy

3. Central banks derive their objectives from their respective mandates. Monetary policy could have either a single objective of price stability or multiple objectives besides price stability. In the literature and in practice, price stability is considered as the dominant objective of monetary policy.

4. The preamble to the Reserve Bank of India Act, 1934 delineates the basic functions of the Bank as "to regulate the issue of Bank notes and keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage". The objectives of monetary policy evolved from this broad guideline as maintaining price stability and ensuring adequate flow of credit to the productive sectors of the economy. In practice, monetary policy endeavoured to maintain a judicious balance between economic growth and price stability.

* Speech by Shri Deepak Mohanty, Executive Director, Reserve Bank of India, delivered at the Conference of the Orissa Economic Association in Baripada, Orissa on February 21, 2010. The assistance provided by Shri Binod B. Bhoi is acknowledged.

5. The question is how do we define price stability? Price stability does not mean zero inflation. It is considered as a low and stable order of inflation. This is because both high inflation and deflation impose costs on the economy by way of loss of output and misallocation of resources. For advanced economies, an inflation rate of about 2 per cent is equated with price stability. For an emerging market economy (EME) like India, going through significant structural changes, a slightly higher rate of inflation which allows relative prices to adjust smoothly can be considered appropriate. The Chakravarty Committee (1985) had defined an inflation rate of 4 per cent per annum as tolerable for India.

6. India is a moderate inflation country with the long-term average inflation rate remaining in a single digit of about 7.5 per cent since 1970-71. Over this 40-year period, the average inflation rate, however, has decelerated to about 5.5 per cent in the decade of 2000s. The medium term objective of monetary policy is to bring down the average inflation rate to around 3.0 per cent consistent with India's integration with the global economy.[1]

7. While a low level of inflation is essential to sustain high levels of growth, it is not sufficient to maintain financial stability, as has been demonstrated by the recent global financial crisis. Consequently, besides price stability, ensuring orderly conditions in the financial markets has become a key policy concern. In this context, it may be indicated that financial stability had emerged as another important objective of monetary policy in India much before the crisis. Thus, monetary policy in India has evolved to have multiple objectives of price stability, financial stability and growth. These objectives are not inherently contradictory, rather mutually reinforcing. Price and financial stability are important for sustaining high levels of growth which is the ultimate objective of public policy.

II. Evolution of Monetary Policy Framework

8. In order to attain the objectives of policy it is necessary to have a consistent policy framework. At a theoretical level, the evolution of monetary framework could be traced to the desire to reduce inflationary bias in the economy through various refinements under the broader debate on 'rules' versus 'discretion' in policy making, and more recently, 'constrained discretion' which believes that the doctrines of 'rules' and 'discretion' are not mutually exclusive[2]. In practice, the nature of the framework is contingent upon two important considerations. First, the level of development of financial markets and institutions; and second, the degree of openness of the economy to trade and capital flows. In India, like most other countries, the monetary policy framework has evolved in response to and in consequence of financial developments and shifts in the underlying transmission mechanism.

1 Reserve Bank of India(2010), *Third Quarter Review of Monetary Policy for the year 2009-10*, Reserve Bank of India, January 29, 2010.

2 Bernanke, Ben S. "Constrained Discretion and Monetary Policy". Remarks before the Money Marketeers of New York University, New York, February 3, 2003.

How did monetary policy framework evolve globally?

9. In order to achieve the objectives of monetary policy which are not under the direct control of central banks, monetary authorities typically set 'intermediate targets', which bear a stable relationship with the overall objectives of monetary policy[3]. The selection of intermediate target is also conditional upon the channels of monetary transmission - the process through which monetary policy actions impact the ultimate objectives. Historically, although credit targets were prevalent, the concept of a formal intermediate target emerged with the monetarist emphasis on money targeting in an environment of worsening inflation in the 1970s and observed stable relationship among money, output and prices. A number of major central banks such as Switzerland, Germany, Japan, the UK, the USA, France, Australia and Canada adopted monetary targets in the mid-1970s. In the 1980s, financial market innovations reduced the need for financial intermediation by the banking system and in turn began to impart volatility to the behaviour of monetary aggregates. The consequent weakening of the stable relationship among money, output and prices made many advanced country central banks to move towards signaling monetary policy stance through setting of interest rates. Monetary targeting, however, continued in some form in many bank-based economies in continental Europe such as Germany, France and Switzerland where it was possible to establish money demand stability with redefinition of monetary aggregates.

10. Given the under-developed nature of financial markets coupled with the quantity-based credit channel of monetary transmission, money target was considered suitable in case of developing countries. In the 1980s, monetary targeting was adopted in many developing countries such as Brazil, China, Indonesia, Korea, Malaysia, Peru, Philippines, Russia and Venezuela. As financial innovations spread to developing countries and they became more open to external capital flows, monetary targeting proved less effective.

11. The weakening of monetary targeting framework, both in advanced and developing countries, triggered a search for alternate monetary frameworks. As it was also widely recognised that monetary policy can contribute to sustainable growth by maintaining price stability, beginning with New Zealand in 1989, a number of advanced and developing countries moved to 'inflation targeting'. Under this approach, central banks target the final objective, *i.e.*, inflation itself rather than targeting any intermediate variable. Among the major central banks, the Bank of England (BoE) formally adopted inflation targeting in 1992.

12. The US Federal Reserve (Fed) follows a more eclectic approach, which can be termed as risk management approach, in pursuit of its twin objectives of price stability and maximum employment. Under the risk management approach, the Fed takes a policy view on interest rate on consideration of balance of risks to inflation and growth. Although the

3 Friedman, B. (1990), "Targets and Instruments of Monetary Policy". In B. Friedman and F. Hahn (eds.) *Handbook of Monetary Economics*, Amsterdam, North-Holland.

European Central Bank (ECB) has a single mandate of price stability, it is not an inflation targeting central bank. Its policy decisions are based on a 'two pillars' strategy comprising 'economic analysis' and 'monetary analysis'. Money supply continues to be an important variable in its analytical tool under the second pillar reflecting the enduring influence of the German Bundesbank which was a major monetary targeting central bank. Notwithstanding the difference in approach among central banks, price stability is accepted as the predominant objective of monetary policy.

How did monetary policy framework evolve in India?

13. In India also, monetary policy framework has undergone significant transformation over time. In the 1960s, as inflation was considered to be structural and inflation volatility was mainly caused by agricultural failures, there was greater reliance on selective credit controls. The aim was to regulate bank advances to sensitive commodities to influence production outlays, on the one hand and to limit possibilities of speculation, on the other. In the 1970s, there was a surge in inflation on account of monetary expansion induced by expansionary fiscal policies besides the oil price shocks. By the early 1980s, there was a broad agreement on the primary causes of inflation. It was argued that while fluctuations in agricultural prices and oil price shocks did affect prices, sustained inflation since the early 1960s could not have occurred unless it was supported by the continuous excessive monetary expansion generated by the large-scale monetisation of the fiscal deficit[4].

14. Against the backdrop, the Committee to Review the Working of the Monetary System (Chairman: Prof. Sukhamoy Chakravarty; 1985), set up by the Reserve Bank, recommended a monetary targeting framework to target an acceptable order of inflation in line with desired output growth. It also recommended for limiting monetary expansion through the process of monetisation of fiscal deficit by an agreement between the Reserve Bank and the Government.[5] With empirical evidence supporting reasonable stability in the demand function for money, broad money (M_3) formally emerged as an intermediate target. Under this approach, a monetary projection is made consistent with the expected real GDP growth and a tolerable level of inflation[6]. The framework was, however, a flexible one allowing for various feedback effects. Moreover, money supply target was relatively well understood by the public at large.[7]

15. With the pace of trade and financial liberalization gaining momentum following the initiation of structural reforms in the

4 Reserve Bank of India (2005), *Report on Currency and Finance 2003-04*, pp 53-79.

5 But it took almost twelve years to fructify when automatic monetization through *ad hoc* Treasury Bills was abolished and a system of Ways and Means Advances (WMA) was introduced in 1997.

6 Technically, in a simple form, if expected real GDP growth is 6 per cent, the income elasticity of demand for money is 1.5 and a tolerable level of inflation is 5 per cent, the broad money (M_3) expansion target can be set at 14 per cent (M_3 growth = 1.5 x 6 + 5 = 14%).

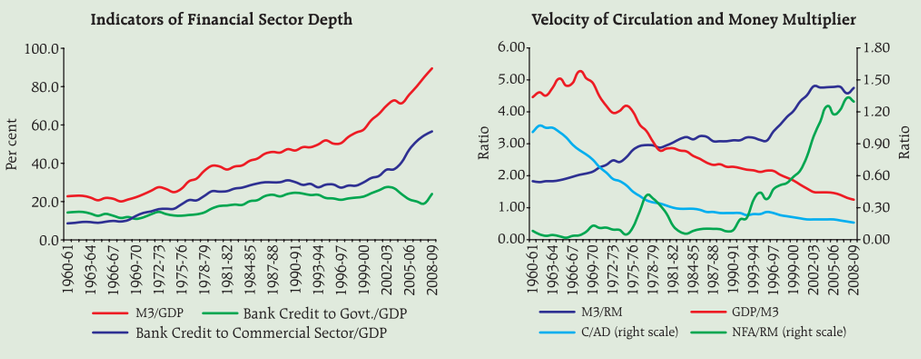
7 Rangarajan, C. (1997), "Role of Monetary Policy", *Economic and Political Weekly*, December 27.

early 1990s, the efficacy of broad money as an intermediate target of monetary policy came under question. The Reserve Bank's Monetary and Credit Policy for the First Half of 1998-99 observed that financial innovations emerging in the economy provided some evidence that the dominant effect on the demand for money in the near future need not necessarily be real income, as in the past.

16. Since the mid-1990s, apart from dealing with the usual supply shocks, monetary policy had to increasingly contend with external shocks emanating from swings in capital flows, volatility in the exchange rate and global business cycles. Subsequently, increase in liquidity emanating from capital inflows raised the ratio of net foreign assets (NFA) to Reserve Money (Chart 1). This rendered the control of monetary aggregates more difficult. Consequently, there was also increasing evidence of changes in the underlying transmission mechanism of monetary policy with interest rate and the exchange rate gaining importance *vis-à-vis* quantity variables.[8] Bank credit to private sector as a per cent of GDP also started rising, though it still remains low as compared to advanced economies and many EMEs underscoring the potential for greater credit penetration (Table 1). These developments necessitated refinements in the conduct of monetary policy.

17. Against this backdrop, the Reserve Bank formally adopted a 'multiple indicators approach' in April 1998 with a greater emphasis on rate channels for monetary policy formulation. As a part of this approach, information content from a host of quantity variables such as money, credit, output, trade, capital flows and fiscal position as well as from rate variables such as rates of return in different markets, inflation rate and exchange rate are analyzed for drawing monetary policy perspectives. The multiple-indicators approach, as conceptualised when Dr. Bimal Jalan was the Governor, continued to evolve

Chart 1: Financial Development and Money Multiplier



8 Reserve Bank of India (1998), *The Working Group on Money Supply: Analytics and Methodology of Compilation* (Chairman: Dr. Y.V. Reddy).

Table 1: Domestic Credit to Private Sector – Select Economies

(As % of GDP)

Country/Region	1960	1970	1980	1990	1995	2000	2005	2006	2007	2008
1	2	3	4	5	6	7	8	9	10	11
Developing Economies										
Brazil	20	31	43	42	46	33	31	40	49	56
Chile	22	8	47	51	62	74	80	82	89	85
China	..	..	53	87	85	112	114	113	111	108
India	8	13	24	25	23	29	41	45	47	50
Indonesia	..	..	9	48	54	20	26	25	26	27
Israel	14	30	71	58	64	78	90	88	90	91
Korea	12	40	51	63	61	87	95	95	100	109
Malaysia	7	21	61	69	165	171	122	108	105	101
Mexico	21	33	19	18	29	18	17	20	22	21
Philippines	16	29	42	22	45	44	30	30	29	..
Russia	..	..	..	..	9	13	26	33	39	42
South Africa	..	68	56	81	119	134	141	159	164	80
Thailand	10	19	41	83	140	108	106	99	118	118
Developed Economies										
Australia	..	24	28	62	71	90	112	117	128	133
Canada	18	34	72	91	92	96	178	195	136	138
Euro area	35	59	76	78	83	98	109	115	121	126
Japan	56	113	133	197	205	222	183	179	172	164
UK	18	21	28	115	115	132	162	174	190	213
USA	74	92	97	119	135	171	195	202	210	191

..: Not available.
Source: World Development Indicators Online, World Bank.

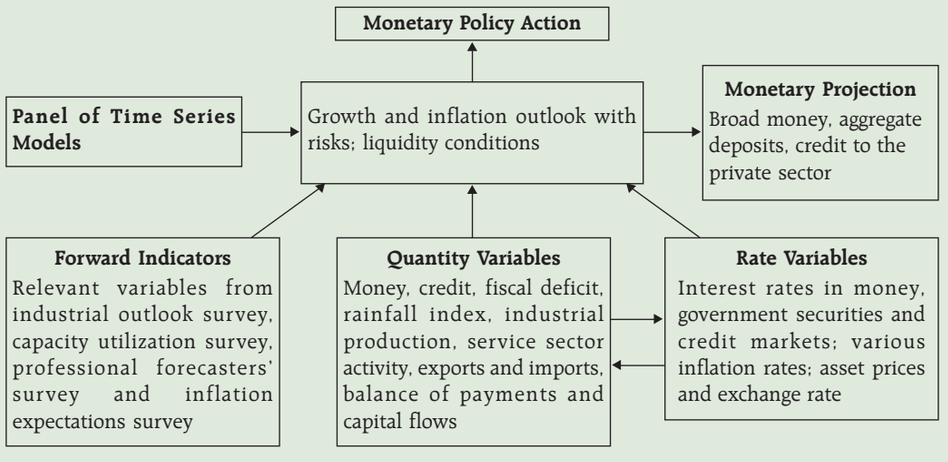
and was augmented by forward looking indicators and a panel of parsimonious time series models. The forward looking indicators are drawn from the Reserve Bank's industrial outlook survey, capacity utilization survey, professional forecasters' survey and inflation expectations survey[9]. The assessment from these indicators and models feed into the projection of growth and inflation. Simultaneously, the Reserve Bank also gives the projection for broad money (M_3), which serves as an important information variable, so as to make the resource balance in the economy consistent with the credit needs of the government and the private sector. Thus, the current framework of monetary policy can be termed as an augmented multiple indicators approach as illustrated below (Exhibit 1).

18. This large panel of indicators is at times criticised as a 'check list' approach, as it does not provide for a clearly defined nominal anchor for monetary policy. However, given the level of financial market development, the evolving nature of monetary transmission and the need to maintain the resource balance between the government and the private sector, monetary policy assessment becomes inherently complex.

19. Globally, it is now recognised that the task of monetary management has become more challenging. In view of central banks operating in an environment of high uncertainty regarding the functioning of the

9 Following the recommendations of the Reserve Bank's *Working Group on Surveys* (Chairman: Deepak Mohanty; 2009), the results of some of the surveys such as the Survey of Professional Forecasters and Industrial Outlook Survey are disseminated in the public domain (www.rbi.org.in).

Exhibit 1: Augmented Multiple Indicators Approach



economy as well as its prevailing state and future developments, a single model or a limited set of indicators may not be a sufficient guide for monetary policy. Instead, an encompassing and integrated set of data is required. This reinforces the usefulness of monitoring a number of macroeconomic indicators in the conduct of monetary policy. In the context of the recent crisis, it is argued that monitoring money and credit may help policymakers interpret asset market developments and draw implications from them for the economic and financial outlook.[10] There is a need to raise awareness in the central banking community of the importance of monetary analysis and its implications, both for economies individually and globally.[11]

Thus, there is now increasing support for a broad-based approach to monetary policy.

III. Experience with Monetary Framework in India

Experience with Monetary Targeting Approach

20. An earlier paper[12] examined the experience with the monetary targeting approach. Despite the adoption of formal monetary targeting, no specific money targets were set during the period 1985-90 except for fixing a ceiling linked to average growth of broad money (M_3) in previous year(s). This was because there continued to be large overhang of excess liquidity due to primary money creation. The biggest impediment to explicit monetary targeting was the fact that the Reserve Bank had no controls over its credit to the central

10 Goodhart, C (2007) "Whatever Became of the Monetary Aggregate?" *LSE Financial Markets Group Special Paper* No. 172.

11 Trichet, Jean-Claude (2010), Panelist Comments on "Fifty Years of Monetary Policy: What Have We Learned?" at the Symposium for the 50th anniversary of the Reserve Bank of Australia, Sydney, February 9.

12 Mohanty and Mitra (1999), "Experience with Monetary Targeting in India", *Economic and Political Weekly*, January 16-23, pp 123-132.

government, which accounted for the bulk of the creation of reserve money. The Reserve Bank could at best set limits on the secondary expansion of money through instruments such as cash reserve ratio (CRR), statutory liquidity ratio (SLR) and selective credit controls. As a result, CRR reached its prescribed ceiling of 15 per cent of net demand and time liabilities (NDTL) of banks in July 1989 and the SLR reached the peak of 38.5 per cent in September 1990. Despite these measures, however, money supply growth remained high, which contributed to inflation. The setting of monetary targets and actual achievements during the monetary targeting period is presented below in Table 2.

Table 2: Monetary Targeting – Target Versus Achievement

	Objective/Target			Actual (Per cent)		
Year	**M_3**	**GDP**	**Inflation**	**M3**	**GDP**	**Inflation**
1	2	3	4	5	6	7
1985-86	Liquidity growth lower than that in 1984-85	Output growth of the same order as in 1984-85	Avoid resurgence of inflation	16.0 Target achieved	4.1	4.8
1986-87	M_3 growth to be contained below the high annual average level of the previous four years i.e. 17.5 per cent	Output growth somewhat higher than in 1985-86	The rate of inflation should continue to be kept under check	18.6	4.3	5.1
1987-88	M_3 growth well below the expansion in 1986-87 i.e., 18.6 per cent	5.0	Avoid re-emergence of inflationary pressures	16.0 Target achieved	4.3	10.7
1988-89	M_3 growth to be below the average for the previous three years i.e., 16.9 per cent	-	-	17.8	10.0	5.7
1989-90	M_3 growth to be contained at a level lower than the average of the last four years i.e. 17.1 per cent	4.5	-	19.4	6.9	9.1
1990-91	To bring about a sharp reduction of M_3 growth by about 4 percentage points over previous year i.e. 15.4 per cent	Around 5.0	-	15.1 Target achieved	5.4	12.1
1991-92 (October)	To contain M3 growth to 13.0 per cent	3.0	Max 9.0	19.3	0.8	13.6
1992-93	11.0 per cent (Max) M_3 growth		8.0	15.7	5.3	7.0
1993-94	Around 12.0 per cent M_3 growth	5.0	Further moderation in inflation rate	18.4	6.2	10.8
1994-95 (October)	16.0 per cent (Max) M_3 growth	5.5	Sharp reduction in inflation rate by about 4 percentage	22.3	7.8	10.4
1995-96	15.5 per cent (Max) M_3 growth	5.5	points Around 8.0	13.7 Target achieved	7.2	5.0
1996-97	15.5-16.0 per cent M_3 growth	6.0	6.0	16.2	7.5	6.9
1997-98	15.0-15.5 per cent M_3 growth	6.5-7.0	5.0-6.0	17.6	5.1	5.3

GDP: Gross domestic product at factor cost at 1980-81 prices. Inflation: Based on wholesale price index (WPI).

Source: Mohanty and Mitra (1999), "Experience with Monetary Targeting in India", *Economic and Political Weekly*, January 16-23.

Experience with Multiple Indicators Approach

21. The process of financial liberalization and deregulation of interest rates introduced since the early 1990s enhanced the role of market forces in the determination of interest rates and the exchange rate. Accordingly, the Reserve Bank placed greater emphasis on the money market as the focal point for the conduct of monetary policy and for fostering its integration with other market segments. Following the Narsimham Committee (1998) recommendations, the Reserve Bank introduced the liquidity adjustment facility (LAF) in June 2000 to manage market liquidity on a daily basis and also to transmit interest rate signals to the market. Collateralized borrowing and lending operations (CBLO) was introduced as a new money market instrument in January 2003. The call money market was transformed into a pure inter-bank market by August 2005 in a phased manner.

22. As a result, the money market developed significantly over the years as reflected in increased turnover in various market segments (Table 3). Along with developing money markets, the Reserve Bank has also undertaken various measures to develop the government securities and foreign exchange market, increasing the depth of the financial markets (Chart 2).

23. All these reforms have also led to improvements in liquidity management operations by the Reserve Bank as reflected in general containment of call rates within the LAF corridor except occasional volatility. Apart from imparting stability in call money rates, this has also resulted in greater

Table 3: Activity in Money Market Segments

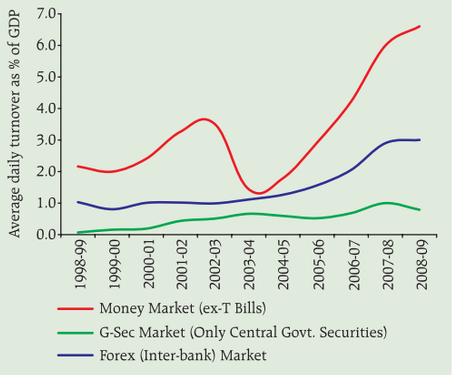
(Rupees crore)

Year	Average Daily Turnover #				Outstanding Amount	
	Call Money	Market Repo (Outside the LAF)	Collateralised Borrowing and Lending Obligation (CBLO)	Term Money	Commercial Paper	Certificates of Deposit
1	2	3	4	5	6	7
1997-98	22,709	-	-	-	2,806	9,349
1998-99	26,500	-	-	-	4,514	6,876
1999-00	23,161	6,895	-	-	7,014	1,908
2000-01	32,157	10,500	-	-	6,751	1,199
2001-02	35,144	30,161	-	195	7,927	949
2002-03	29,421	46,960	30	341	8,268	1,224
2003-04	17,191	10,435	515	519	7,835	3,212
2004-05	14,170	17,135	6,697	526	11,723	6,052
2005-06	17,979	21,183	20,039	833	17,285	27,298
2006-07	21,726	33,676	32,390	506	21,336	64,821
2007-08	21,394	54,736	55,626	352	33,813	117,186
2008-09	22,436	57,320	61,552	397	47,183	162,574

: Turnover is twice the single leg volumes in case of call money and CBLO to capture borrowing and lending both, and four times in case of market repo (outside LAF) to capture the borrowing and lending in the two legs of a repo.

Source: Report on Currency and Finance 2005-06 and Annual Report 2008-09, RBI.

Chart 2: Depth of Financial Markets in India



market integration as reflected in close co-movement of rates in various segments of the money market (Chart 3). The rule-based fiscal policy pursued under the Financial Responsibility and Budget Management (FRBM) Act, by easing fiscal dominance, contributed to overall improvement in monetary management.

24. During the recent period, the issue of managing large and persistent capital inflows in excess of the absorptive capacity of the economy added another dimension to the liquidity management operations. Initially, the liquidity impact of large capital inflows were sterilised through open market operation (OMO) sales and LAF operations. Given the finite stock of government securities in the Reserve Bank's portfolio and the legal restrictions on issuance of its own paper, additional instruments other than LAF were needed to contain liquidity of a more enduring nature. This led to the introduction of the market stabilisation scheme (MSS) in April 2004. Under this scheme, short term government securities were issued but the amount remained impounded in the Reserve Bank's balance sheet for sterilisation purposes. Interestingly, in the face of reversal of capital flows during the recent crisis, unwinding of such sterilised liquidity under the MSS helped to ease liquidity conditions (Chart 4).

25. The efficient conduct of monetary policy is judged ultimately in terms of its ability to stabilise real economic activity and inflation and also ensuring financial stability consistent with the policy objectives. An assessment of the multiple

Chart 3: Money Market Integration and Liquidity Management

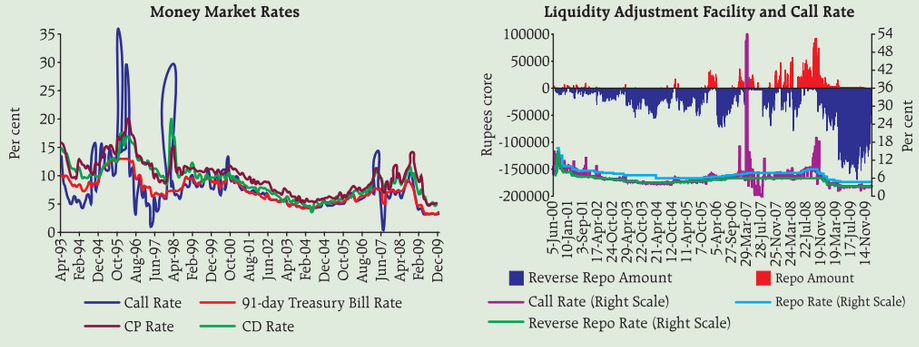
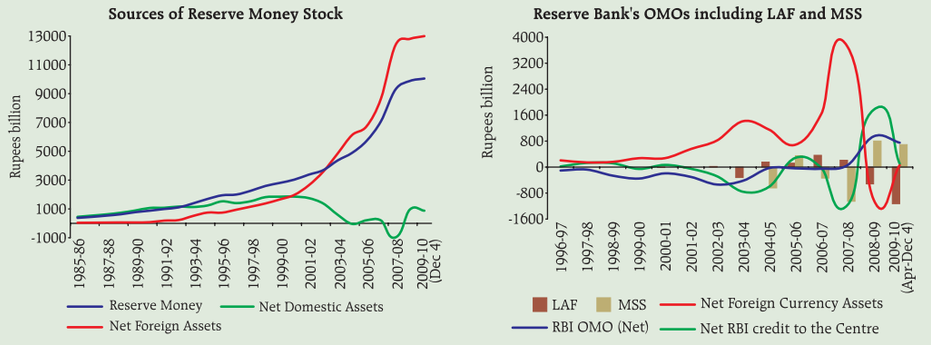


Chart 4: Sources of Reserve Money



indicators approach for the period 1998-99 to 2008-09 reveals that actual outcome of GDP growth has been generally higher than the projections indicated in the monetary policy statements, while it has generally been lower in case of inflation (Table 4).

Table 4: Multiple Indicators Approach : Projections versus Achievements

Year	Projections (Per cent)*			Actual (Per cent)		
	Real GDP	Inflation	M3	Real GDP	Inflation	M3
1	2	3	4	5	6	7
1998-99	In the region of 6.0	Should not exceed 5.0-6.0	15.0-15.5	6.7	5.9	19.4
1999-00	6.0-6.5	Lower than last year, i.e.,4.8	15.5-16.0	6.4	3.3	14.6
2000-01	6.0-6.5	Close to average of last two years, i.e., 4.5	Around 15.0	4.4	7.2	16.8
2001-02	5.0-6.0	Within 5.0	About 14.5	5.8	3.6	14.1
2002-03	5.0-5.5	Around 4.0	14.0	3.8	3.4	14.7
2003-04	6.5-7.0 with an upward bias	4.0-4.5 with a downward bias	Around 14.0	8.5	4.6#	16.7
2004-05	6.0-6.5	Around 6.5	Possibility of higher M_3 cannot be ruled out; initial projection was 14.0	7.5	5.1#	11.8
2005-06	7.5-8.0	5.0-5.5 as projected earlier	Significantly higher than 14.5	9.5	4.1#	16.9
2006-07	8.5-9.0	5.0-5.5	Somewhat higher than 15.0	9.7	5.9#	21.7
2007-08	Around 8.5	Close to 5.0	Containing M_3 in the range of 17.0-17.5 per cent may warrant policy response	9.0	7.7#	21.4
2008-09	7.0	Below 3.0	19.0	6.7	0.8#	18.6
2009-10	7.5	8.5	16.5	7.2@	8.6^	17.0^

*: As per the last revised projections for the year. #: Year-on-year basis. ^: January 2010.
GDP: Gross domestic product at factor cost at 1999-2000 prices. @: Advance Estimates with Base 2004-05.
Note: Inflation is based on headline wholesale price index (WPI).

IV. Overall Assessment

26. The monetary policy framework in India has undergone significant shifts from a monetary targeting regime to a multiple indicators regime. Such a transition was conditioned by the developments of financial markets, increasing integration of the Indian economy with the global economy and changing transmission of monetary policy. The multiple indicators approach, conceptualized in 1998, has since been augmented by forward looking indicators from surveys and a panel of time series models. Moreover, the multiple indicators approach continues to evolve. Though the multiple indicators approach is subject to criticism for the absence of a clearly defined anchor, in the wake of the recent global financial crisis there is recognition of the usefulness of a broad indicators-based assessment of monetary policy.

27. On the basis of the above assessment, I will give a comparison of the relative performance of the monetary regimes in terms of key macroeconomic variables over three periods: (i) the decade preceding the monetary targeting period (1976-85); (ii) monetary targeting period (1986-98) and (iii) multiple indicators period so far (1999-2009) (Table 5).

28. From this overall assessment, the following broad conclusions can be drawn.

- First, real GDP growth, on an average, has improved successively from 4.6 per cent in the decade prior to the monetary targeting period to 5.5 per cent in the monetary targeting period and further to 7.1 per cent in the multiple indicators

Table 5: Key Macroeconomic Indicators under Different Monetary Regimes in India

Indicator	GDP Growth (%)	Inflation (%)		Fiscal Deficit (% of GDP	Broad Money Growth (%)	Call Rate (%)	Exchange Rate		Reserves (US$ billion)
		WPI	CPI-IW				Rs/US$#	REER*	
1	2	3	4	5	6	7	8	9	10
Average									
1975-76 to 1984-85 (Pre-Monetary Targeting)	4.6	7.0	6.4	5.1	18.1	9.0	9.1	164.3	5.4
1985-86 to1997-98 (Monetary Targeting)	5.5	8.1	9.1	6.6	17.4	11.7	23.9	117.1	13.5
1998-99 to 2008-09 (Multiple Indicators Approach)	7.1	5.3	5.7	4.9	17.0	6.7	44.9	98.9	128.2
Volatility (i.e., SD)									
1975-76 to 1984-85 (Pre-Monetary Targeting)	4.2	6.5	5.7	1.1	3.1	1.2	6.6	5.1	-
1985-86 to1997-98 (Monetary Targeting)	2.2	3.0	2.1	1.2	2.4	4.0	7.8	6.3	-
1998-99 to 2008-09 (Multiple Indicators Approach)	2.0	1.6	3.0	1.3	3.1	1.5	7.1	5.0	-

SD: Standard Deviation. #: Average FEDAI Rate. *: Trade-weighted 36 country indices of Real Effective Exchange Rate (REER) normalized to Base: 1993-94=100. CPI-IW: CPI for Industrial Workers.
Note: Volatility of exchange rate is calculated as the standard deviation of the appreciation/depreciation of the series.

period. Not only growth has improved but it has become more stable under the multiple indicators approach.

- Second, headline WPI inflation, on an average, increased during the monetary targeting regime alongside significant increase in fiscal deficit, although there was a reduction in volatility in inflation[13]. Under the multiple indicators approach, both WPI and CPI inflation fell significantly. The fall in inflation was accompanied by substantial reduction in fiscal deficit. This underscores the importance of fiscal consolidation to sustain higher levels of growth with price stability.

- Third, while the volatility of WPI inflation reduced during the multiple indicators period, it increased for CPI inflation reflecting higher volatility in food prices. This underlines the importance of supply management and a greater focus on agricultural development to contain food price inflation.

- Fourth, money supply (M_3) growth declined over the regimes though volatility of M_3 increased slightly during the multiple indicators regime reflecting emerging importance of interest rate in monetary transmission. The shift in operating objective to stabilise overnight interest rate so that it transmits through the term structure is reflected in a discernible reduction in the overnight interest rate with lower volatility.

- Fifth, exchange rate, on an average, has depreciated successively both in nominal and real terms. However, it has become more stable during the multiple indicators approach than the monetary targeting regime. This could be partly attributed to accumulation of reserves and management of exchange rate to contain volatility.

- Sixth, the improved performance of monetary policy was facilitated by supportive fiscal policy – discontinuation of the practice of automatic monetisation and rule-based deficit reduction programme under the Fiscal Responsibility and Budget Management (FRBM) Act – which enhanced instrument independence of the Reserve Bank.

- Finally, the recent overall improvement in macroeconomic performance cannot be ascribed to monetary policy alone. Apart from a rule-based fiscal policy, productivity enhancing structural reforms, sharp increase in saving and investment, increasing integration with the global economy, a low global inflation environment and the unleashing of the entrepreneurial spirit of the private sector played an important role.

13 It may, however, be noted that in the pre-monetary targeting period, higher inflation volatility was also significantly contributed by the two major oil price shocks.



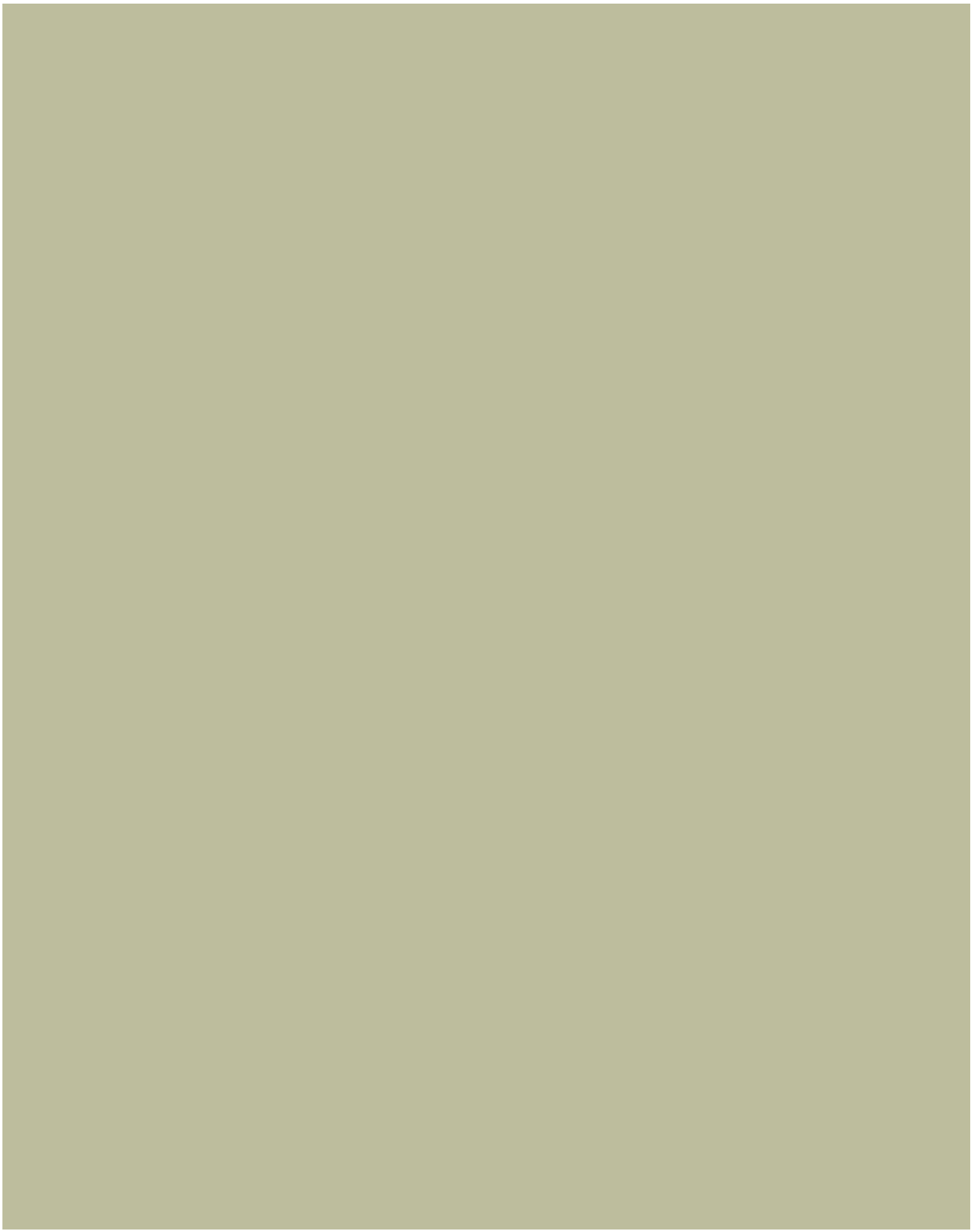
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India's Foreign Trade: 2009-10
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India's Foreign Trade: 2009-10 (April-December) *

This article reviews India's merchandise trade performance during April-December 2009 on the basis of data released by the Directorate General of Commercial Intelligence and Statistics (DGCI&S); disaggregated commodity-wise details for the period April-July 2009 are also analysed.

Highlights

- India's merchandise exports during December 2009 at US$ 14.6 billion recorded a growth of 9.3 per cent as compared with a decline of 8.6 per cent registered in December 2008. The decline in exports which began since October 2008 continued for twelve consecutive months. The exports turned around by exhibiting an increase of 0.3 per cent in October 2009. The positive growth in exports continued in November 2009 at 18.2 per cent and in December 2009 at 9.3 per cent.
- During April-December 2009 exports stood at US$ 117.5 billion, posting a decline of 20.4 per cent as against a growth of 27.5 per cent during the corresponding period of 2008.
- Imports during December 2009 at US$ 24.8 billion showed a significant growth of 27.2 per cent as against a decline of 3.3 per cent recorded in December 2008. This was due to growth in both petroleum, oil and lubricants (POL) and non-POL imports. This turnaround in imports occurred after a continuous decline in imports during past one year.
- During April-December 2009, imports at US$ 193.5 billion recorded a decline of 23.7 per cent as against a high growth of 38.5 per cent a year ago.

* Prepared in the Division of International Trade, Department of Economic Analysis and Policy. The previous issue of the article was published in RBI Bulletin, February 2010.

- Petroleum, oil and lubricants (POL) imports at US$ 56.8 billion during April-December 2009 showed a decline of 29.9 per cent, as against a high growth of 49.0 per cent a year ago, primarily due to reduction in international crude oil prices over the period. The average price of Indian basket of crude oil during April-December 2009 stood at US$ 67.5 per barrel (ranged between US$ 50.1 – 77.4 per barrel), which was lower by 29.3 per cent than US$ 95.5 per barrel (ranged between US$ 40.6 – 132.5 per barrel) during April-December 2008.

- Non-POL imports during April-December 2009 at US$ 136.7 billion showed a decline of 20.9 per cent as against a growth of 34.0 per cent a year ago.

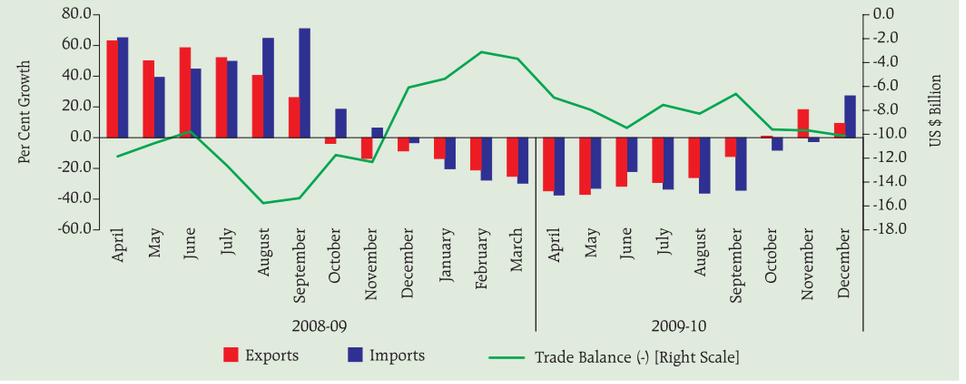
- Trade deficit during April-December 2009 amounted to US$ 76.1 billion, thereby showing a decline of US$ 30.2 billion (28.4 per cent) over US$ 106.2 billion during April-December 2008, mainly due to decline in both oil and non-oil imports.

India's Merchandise Trade during 2009-10 (April-December)

Exports

India's merchandise exports during December 2009 at US$ 14.6 billion recorded a growth of 9.3 per cent as compared with a decline of 8.6 per cent registered in December 2008 (Statement 1). The decline in exports which began since October 2008 continued for twelve consecutive months. The rates of decline in exports showed persistent moderation since June 2009 and in October 2009, exports turned around by exhibiting an increase of 0.3 per cent. The positive growth in exports continued in November 2009 at 18.2 per cent and in December 2009 at 9.3 per cent. The absolute value of exports in December 2009 was the highest since October 2008. Also, the increase in exports was in tune with the rise in world commodity prices. All this indicated continuity in improved performance of exports (Chart 1). Cumulatively, exports during April-December 2009 stood at US$ 117.5 billion, posting a decline of 20.4 per

Chart 1: Exports, Imports and Trade Balance



cent as against a growth of 27.5 per cent during April-December 2008 (Table 1 and Statement 2).

Table 1: India's Merchandise Trade: April-December

(US $ billion)

Items	2008-09 R	2009-10 P
	April-December	
1	2	3
Exports	147.6 (27.5)	117.5 (-20.4)
Oil Exports	22.9 (17.1)	..
Non-Oil Exports	124.7 (29.6)	..
Imports	253.8 (38.5)	193.5 (-23.7)
Oil Imports	81.1 (49.0)	56.8 (-29.9)
Non-Oil Imports	172.7 (34.0)	136.7 (-20.9)
Trade Balance	-106.2	-76.1
Oil Trade Balance	-58.2	..
Non-Oil Trade Balance	-48.0	..

R : Revised. P : Provisional. .. Not available.
Note : Figures in parentheses show percentage change over the corresponding period of the previous year.
Source : Compiled from Ministry of Commerce and Industry and DGCI&S data.

The latest commodity-wise exports data released by DGCI&S for April-July 2009 revealed that manufactured goods maintained the largest share at 70.3 per cent, followed by primary products (13.6 per cent) and petroleum products (12.3 per cent). Moreover, the share of manufactured goods has increased along with decrease in the shares of petroleum products and primary products (Table 2).

During April-July 2009, exports of all major commodity groups declined (Statement 3). Exports of primary products during April-July 2009 showed a sharp decline of 36.9 per cent as against a high growth of 66.1 per cent a year ago, due to decline in its major components. Within primary products, agricultural and allied products exports at US$ 5.0 billion showed a decline of 34.6 per cent (growth of 81.9 per cent during the corresponding period of previous year). This was due to decline in most of its components. Exports of ores and minerals declined by 42.1

Table 2: India's Exports of Principal Commodities

(Percentage Shares)

Commodity Group	2007-08	2008-09	2008-09	2009-10
	April-March		April-July	
1	2	3	4	5
I. Primary Products	**16.9**	**13.7**	**14.4**	**13.6**
Agriculture and Allied Products	11.3	9.5	10.0	9.8
Ores and Minerals	5.6	4.2	4.4	3.8
II. Manufactured Goods	**63.2**	**66.5**	**63.7**	**70.3**
Leather and Manufactures	2.2	1.9	1.8	2.0
Chemicals and Related Products	13.0	12.3	11.1	13.0
Engineering Goods	22.9	25.5	24.6	24.8
Textiles and Textile Products	11.9	10.8	9.8	12.3
Gems and Jewellery	12.1	15.1	15.6	17.0
III. Petroleum Products	**17.4**	**14.5**	**17.1**	**12.3**
IV. Others	**2.5**	**5.3**	**4.8**	**3.8**
Total Exports	**100.0**	**100.0**	**100.0**	**100.0**

Source: Compiled from DGCI&S data.

per cent as against a growth of 38.4 per cent a year ago, mainly due to decline in iron ore and processed minerals.

Exports of manufactured goods during April-July 2009 at US$ 35.5 billion exhibited a decline of 26.1 per cent in contrast with a high growth of 52.5 per cent a year ago, due to decline in its major components. Within manufactured goods, exports of engineering goods, which is the largest item in India's exports, at US$ 12.5 billion declined by 32.5 per cent against a high growth of 64.6 per cent a year ago. This was due to decline in all its major constituents such as transport equipments, machinery and instruments, manufacture of metals and electronic goods as also iron and steel.

Gems and jewellery exports during April-July 2009 at US$ 8.6 billion recorded a sharp decline of 26.9 per cent as against a high growth of 91.0 per cent during the corresponding period of the previous year. Chemicals and related products exports during April-July 2009 at US$ 6.6 billion showed a decline of 21.2 per cent (a growth of 33.9 per cent during April-July 2008). The decline in the exports of chemicals and related products was led by fall in exports of its largest component, *viz.*, 'basic chemicals, pharmaceuticals and cosmetics' as also in other components. Exports of textiles and textile products during April-July 2009 at US$ 6.2 billion exhibited a decline of 15.6 per cent as against a growth of 20.7 per cent a year ago. This was because of decline in the exports of all its major components such as readymade garments, cotton yarn, fabrics, made-ups and manmade yarn, fabrics and made-ups.

Exports of petroleum products at US$ 6.2 billion during April-July 2009 registered a decline of 52.0 per cent as against a growth of 49.6 per cent a year ago. This occurred in the aftermath of sharp decline in world oil prices during April-July 2009 over April-July 2008 (Chart 3). The volume of these exports declined by 1.6 per cent during the period as compared with a decline of 14.4 per cent during April-July 2008.

Destination-wise, during April-July 2009, among the regions, developing countries and OECD countries were the major markets for India's exports with these groups accounting for 37.3 per cent and 36.4 per cent shares, respectively (Table 3). Another major contributor was OPEC with the share of 23.7 per cent. During April-July 2009, the shares of OECD and OPEC increased while that of developing countries declined. Country-wise, the UAE was the largest destination for India in April-July 2009, with a share of 14.3 per cent in India's total exports. It was followed by the US (11.1 per cent), China (5.3 per cent), Singapore (5.1 per cent), Hong Kong (3.9 per cent), the UK (3.7 per cent), the Netherlands (3.4 per cent) and Germany (3.2 per cent). Direction of India's exports during April-July 2009 indicated that exports to all major markets, such as the EU, OPEC and developing countries declined (Statement 4).

Imports

Imports during December 2009 at US$ 24.8 billion showed a significant growth of 27.2 per cent as against a decline of 3.3 per cent recorded in December 2008. This was due to growth in both petroleum, oil and lubricants (POL) and non-POL imports (Statement 1). This turnaround in imports occurred after a continuous decline in imports during past one year. Imports started

Table 3: India's Exports to Principal Regions

(Percentage Shares)

Region/Country	2007-08	2008-09	2008-09	2009-10
	April-March		April-July	
1	2	3	4	5
I. **OECD Countries**	**39.5**	**36.9**	**34.7**	**36.4**
EU	21.2	21.0	20.1	20.3
North America	13.5	12.1	10.9	11.9
US	12.7	11.3	10.3	11.1
Asia and Oceania	3.2	2.5	2.2	2.8
Other OECD Countries	1.6	1.4	1.5	1.4
II. **OPEC**	**16.6**	**21.0**	**22.8**	**23.7**
III. **Eastern Europe**	**1.1**	**1.1**	**1.1**	**1.0**
IV. **Developing Countries**	**42.5**	**37.0**	**38.3**	**37.3**
Asia	31.6	27.7	28.4	28.3
SAARC	5.9	4.6	4.8	4.7
Other Asian Developing Countries	25.7	23.1	23.6	23.6
Africa	7.5	6.2	6.6	6.1
Latin America	3.4	3.1	3.3	2.8
V. **Others / Unspecified**	**0.3**	**4.0**	**3.1**	**1.6**
Total Exports	**100.0**	**100.0**	**100.0**	**100.0**

Source: Compiled from DGCI&S data.

falling since December 2008 but witnessed consistently lower rates of decline since September 2009 (Chart 1). During April-December 2009, imports at US$ 193.5 billion registered a decline of 23.7 per cent (38.5 per cent growth a year ago) [Table 1 and Statement 2].

POL imports at US$ 56.8 billion during April-December 2009 showed a decline of 29.9 per cent, as against a high growth of 49.0 per cent a year ago, primarily due to reduction in international crude oil prices over the period. The average price of Indian basket of crude oil during April-December 2009 stood at US$ 67.5 per barrel (ranged between US$ 50.1 – 77.4 per barrel), which was lower by 29.3 per cent than US$ 95.5 per barrel (ranged between US$ 40.6 – 132.5 per barrel) during April-December 2008 (Table 4). Non-POL imports at US$ 136.7 billion

Table 4: Trends in Crude Oil Prices

(US $/barrel)

Period	Dubai	Brent	WTI*	Indian Basket**
1	2	3	4	5
2000-01	25.9	28.1	30.3	26.8
2001-02	21.8	23.2	24.1	22.4
2002-03	25.9	27.6	29.2	26.6
2003-04	26.9	29.0	31.4	27.8
2004-05	36.4	42.2	45.0	39.2
2005-06	53.4	58.0	59.9	55.7
2006-07	60.9	64.4	64.7	62.4
2007-08	77.3	82.4	82.3	79.5
2008-09	82.1	84.7	85.8	82.7
December 2008	41.0	41.6	41.4	40.6
December 2009	75.5	74.7	74.5	75.0

* West Texas Intermediate.

** The composition of Indian basket of crude represents average of Oman and Dubai for sour grades and Brent (dated) for sweet grade in the ratio of 63.5:36.5 w.e.f. April 1, 2009.

Sources: International Monetary Fund, *International Financial Statistics*; World Bank's Commodity Price Pink Sheet for January 2009; Ministry of Petroleum and Natural Gas, Government of India.

recorded a decrease of 20.9 per cent during April-December 2009 as against a growth of 34.0 per cent in April-December 2008.

The commodity-wise imports data for April-July 2009 indicated that POL imports at US$ 24.0 billion showed a decline of 43.2 per cent as against a high growth of 86.9 per cent a year ago, mainly due to sharp reduction in international crude oil prices over the period (Statement 5). The volume of POL imports, however, showed a growth of 12.5 per cent as against a growth of 9.5 per cent a year ago.

Non-POL imports during April-July 2009 at US$ 58.4 billion witnessed a decline of 25.2 per cent as against a high growth of 34.5 per cent during the corresponding period of 2008. Slowdown in non-POL imports was mainly due to sharp decline in imports of capital goods (decline of 26.0 per cent as against a growth of 60.5 per cent in April-July 2008), pearls, precious and semi-precious stones (fall of 41.0 per cent as against a growth of 100.3 per cent during April-July 2008), gold and silver, chemicals, fertilisers, non-ferrous metals and coal, coke and briquettes. However, imports of edible oil and pulses showed substantial growth. During April-July 2009 the shares of capital goods, gold and silver, organic and inorganic chemicals, coal, coke and briquettes, and iron and steel in total imports went up, while those of petroleum, crude and products, pearls, precious and semi-precious stones and fertilisers came down (Table 5).

Source-wise, during April-July 2009, developing countries had the highest share in India's total imports (34.1 per cent), followed by OECD countries (33.2 per cent) and OPEC (29.6 per cent) [Table 6]. The shares of developing countries and OECD countries increased, while that of OPEC declined during the period. Country-wise, China continued to be the single largest source of imports with the share of 11.9 per cent in total imports, followed by the US (6.0 per cent), the UAE (6.0 per cent), Saudi

Table 5: Imports of Principal Commodities

(Percentage Shares)

Commodity/Group	2007-08	2008-09	2008-09	2009-10
	April-March		April-July	
1	2	3	4	5
1. Petroleum, Crude and Products	31.7	30.1	35.1	29.1
2. Capital Goods	27.9	23.6	22.0	23.8
3. Gold and Silver	7.1	7.2	6.5	9.4
4. Organic and Inorganic Chemicals	3.9	4.0	4.2	4.6
5. Coal, Coke and Briquettes, etc.	2.6	3.3	3.1	3.3
6. Fertilisers	2.2	4.5	3.5	2.5
7. Metalliferrous Ores, Metal Scrap, etc.	3.1	2.6	2.9	2.8
8. Iron and Steel	3.5	3.1	2.8	3.0
9. Pearls, Precious and Semi-Precious Stones	3.2	5.5	5.5	4.8
10. Others	14.8	16.1	14.4	16.7
Total Imports	**100.0**	**100.0**	**100.0**	**100.0**

Source: Compiled from DGCI&S data.

Table 6: Share of Groups/Countries in India's Imports

(Percentage Shares)

Region/Country	2007-08	2008-09	2008-09	2009-10
	April-March		April-July	
1	2	3	4	5
I. OECD Countries	**35.4**	**31.7**	**30.2**	**33.2**
EU	15.3	13.9	13.4	13.7
France	2.5	1.5	1.3	1.1
Germany	3.9	3.9	3.7	3.8
UK	2.0	1.9	1.6	1.7
North America	9.1	6.9	6.1	6.7
US	8.4	6.1	5.4	6.0
Asia and Oceania	5.8	6.3	5.9	7.5
Other OECD Countries	5.2	4.6	4.9	5.3
II. OPEC	**30.7**	**32.1**	**36.3**	**29.6**
III. Eastern Europe	**1.5**	**2.2**	**1.6**	**2.4**
IV. Developing Countries	**31.5**	**31.9**	**31.4**	**34.1**
Asia	25.5	25.9	25.6	27.1
SAARC	0.8	0.6	0.6	0.6
Other Asian Developing Countries *of which*	24.7	25.3	25.1	26.5
People's Republic of China	10.8	10.6	10.6	11.9
Africa	3.7	4.1	4.2	4.7
Latin America	2.3	1.9	1.6	2.3
V. Others / Unspecified	**0.9**	**2.1**	**0.5**	**0.7**
Total Imports	**100.0**	**100.0**	**100.0**	**100.0**

Source: Compiled from DGCI&S data.

Arabia (5.4 per cent), Australia (4.8 per cent), Iran (4.2 per cent), Switzerland (4.0 per cent) and Germany (3.8 per cent). Direction of India's imports during April-July 2009 indicated that imports from all the major regions declined (Statement 6).

Trade Deficit

The trade deficit during April-December 2009 amounted to US$ 76.1 billion, which was lower by US$ 30.2 billion (28.4 per cent) than US$ 106.2 billion a year ago, due to relatively larger decline in imports than exports during the period (Statement 2 and Chart 1).

Trade deficit on oil account during April-July 2009 stood at US$ 17.8 billion, which was lower by US$ 11.5 billion than US$ 29.3 billion a year ago. Trade deficit on non-oil account during this period amounted to US$ 14.1 billion, which was lower by US$ 1.5 billion than US$ 15.7 billion in April-July 2008.

Global Trade

World merchandise exports which started declining since November 2008 as an outcome of global economic crisis, subsequently witnessed much larger rates of decline. However, world exports showed consistent recovery since May 2009, with an increased momentum since September 2009. According to the latest monthly data from International Monetary Fund's (IMF) International Financial Statistics (IFS), in October 2009 the decline in world exports

Table 7: Growth in Exports - Global Scenario

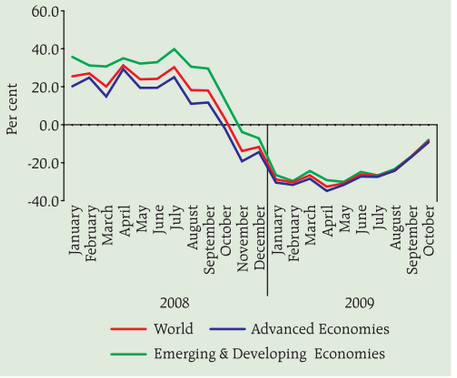
(Per cent)

Region/Country	2007	2008	2008	2009
	January-December		January-October	
1	2	3	4	5
World	**14.1**	**15.8**	**21.8**	**-25.3**
Advanced Economies	**13.5**	**11.0**	**16.9**	**-26.4**
US	12.0	11.9	16.4	-21.7
France	12.3	10.1	15.9	-26.4
Germany	18.0	10.8	16.0	-27.4
Japan	7.8	12.3	17.7	-31.5
Emerging and Developing Economies	**15.3**	**24.6**	**30.8**	**-23.9**
Singapore	10.1	13.0	19.7	-26.3
China	25.6	17.3	21.9	-20.4
India	23.3	29.7	29.7*	-19.3*
Indonesia	14.7	24.4	25.0	-21.1
Korea	14.1	13.6	20.9	-19.8
Malaysia	9.6	19.1	19.9	-26.5
Thailand	17.1	12.9	22.0	-19.1

* January-December 2009 over January-December 2008.
Source: 1. IMF (www.imfstatistics.org).
2. DGCI&S for India.

was 8.5 per cent which was lower than that in September 2009 and as such lowest since November 2008 so far. This was in line with the recovery in world commodity prices. The trend showed that world exports and exports of advanced economies and emerging and developing economies moved in tandem with each other in 2008 and their rates of decline have exhibited a strong convergence during 2009 so far (Chart 2). Cumulatively, world merchandise exports during January-October 2009, in dollar terms, showed a decline of 25.3 per cent as against a growth of 21.8 per cent a year ago (Table 7). During the same period, exports of advanced economies declined by 26.4 per cent in contrast with a growth of 16.9 per cent a year back, and the exports of emerging and developing economies declined by 23.9 per cent as against a growth of 30.8 per cent a year ago.

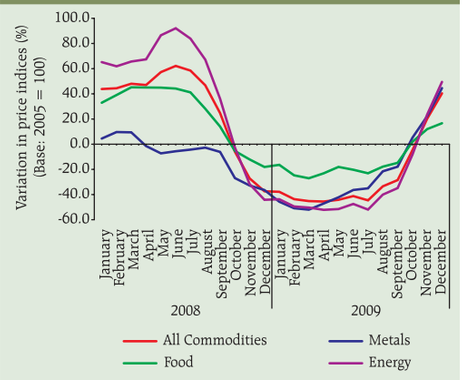
Chart 2: Trends in World Export Growth



World Commodity Prices

According to IMF's IFS, the world commodity prices which started falling since October 2008 witnessed substantially higher rates of decline during subsequent months. However, the rate of decline in prices progressively moderated since August 2009 and the commodity prices, in fact, showed a sharp rise since November 2009. In December 2009, the prices showed a rise of 40.4 per cent (Chart 3). During this month, the prices of energy, food and metals increased by 49.5 per cent, 16.6 per cent and 44.6 per cent, respectively.

Chart 3: World Commodity Prices



Statement 1 : India's Foreign Trade - December 2009

Year	Exports			Imports			Trade Balance		
	Total	Oil	Non-Oil	Total	Oil	Non-Oil	Total	Oil	Non-Oil
1	2	3	4	5	6	7	8	9	10
Rupees crore									
2007-08	57,682	9,005	48,677	79,340	26,913	52,427	-21,658	-17,908	-3,750
	(19.3)	(35.1)	(16.7)	(13.4)	(35.7)	(4.5)			
2008-09 R	65,015	6,340	58,675	94,625	21,171	73,454	-29,610	-14,832	-14,778
	(12.7)	(-29.6)	(20.5)	(19.3)	(-21.3)	(40.1)			
2009-10 P	68,107	..	..	1,15,420	30,475	84,945	-47,313		
	(4.8)			(22.0)	(43.9)	(15.6)			
US dollar million									
2007-08	14,625	2,283	12,342	20,117	6,824	13,293	-5,491	-4,541	-951
	(35.0)	(52.9)	(32.1)	(28.3)	(53.6)	(18.3)			
2008-09 R	13,368	1,304	12,065	19,456	4,578	14,878	-6,088	-3,274	-2,814
	(-8.6)	(-42.9)	(-2.2)	(-3.3)	(-32.9)	(11.9)			
2009-10 P	14,606	..	..	24,753	6,536	18,217	-10,147		
	(9.3)			(27.2)	(42.8)	(22.4)			

P : Provisional. R : Revised. .. Not available.

Note : Figures in brackets relate to percentage variation over the corresponding previous period.

Source : Press Release, Ministry of Commerce & Industry.

Statement 2 : India's Foreign Trade

Year	Exports			Imports			Trade Balance		
	Total	Oil	Non-Oil	Total	Oil	Non-Oil	Total	Oil	Non-Oil
1	2	3	4	5	6	7	8	9	10
April-March									
Rupees crore									
2006-07	5,71,779 (25.3)	84,520 (64.0)	4,87,259 (20.3)	8,40,506 (27.3)	2,58,572 (32.8)	5,81,935 (24.9)	-2,68,727	-1,74,052	-94,675
2007-08 R	6,55,864 (14.7)	1,14,192 (35.1)	5,41,672 (11.2)	10,12,312 (20.4)	3,20,655 (24.0)	6,91,657 (18.9)	-3,56,448	-2,06,463	-1,49,985
2008-09 P	8,40,755 (28.2)	1,23,398 (8.1)	7,17,357 (32.4)	13,74,435 (35.8)	4,19,946 (31.0)	9,54,489 (38.0)	-5,33,680	-2,96,548	-2,37,132
US dollar million									
2006-07	126,414 (22.6)	18,635 (60.1)	107,780 (17.9)	185,735 (24.5)	56,945 (29.5)	128,790 (22.4)	-59,321 (28.7)	-38,311	-21,010
2007-08 R	162,904 (28.9)	28,363 (52.2)	134,541 (24.8)	251,439 (35.4)	79,645 (39.9)	171,795 (33.4)	-88,535 (49.2)	-51,281	-37,254
2008-09 P	185,295 (13.7)	26,830 (-5.4)	158,466 (17.8)	303,696 (20.8)	91,306 (14.6)	212,390 (23.6)	-118,401 (33.7)	-64,476	-53,924
April-December									
Rupees crore									
2007-08	4,67,133 (11.2)	78,920 (20.8)	3,88,214 (9.5)	7,40,080 (16.2)	2,19,897 (9.9)	5,20,183 (19.0)	-2,72,947	-1,40,978	-1,31,969
2008-09 R	6,52,920 (39.8)	1,02,360 (29.7)	5,50,560 (41.8)	11,26,199 (52.2)	3,56,225 (62.0)	7,69,974 (48.0)	-4,73,279	-2,53,865	-2,19,414
2009-10 P	5,63,304 (-13.7)	..	..	9,27,969 (-17.6)	2,72,527 (-23.5)	6,55,442 (-14.9)	-3,64,665		
US dollar million									
2007-08	115,768 (25.8)	19,536 (36.7)	96,233 (23.8)	183,302 (31.2)	54,421 (23.2)	128,881 (34.9)	-67,533	-34,885	-32,648
2008-09 R	147,569 (27.5)	22,883 (17.1)	124,687 (29.6)	253,809 (38.5)	81,101 (49.0)	172,708 (34.0)	-106,240	-58,219	-48,022
2009-10 P	117,481 (-20.4)	..	..	193,535 (-23.7)	56,838 (-29.9)	136,697 (-20.9)	-76,054		

P : Provisional. R : Revised. .. : Not available.

Note : Figures in brackets relate to percentage variation over the corresponding period of the previous year.

Source : Press Release, Ministry of Commerce & Industry.

Statement 3 : India's Exports of Principal Commodities

(US$ million)

Commodity/Group	April-July			Percentage Variation	
	2007-08	2008-09 R	2009-10 P	(3)/(2)	(4)/(3)
1	2	3	4	5	6
I. Primary Products	**6,536.0**	**10,855.3**	**6,853.8**	**66.1**	**-36.9**
	(13.5)	**(14.4)**	**(13.6)**		
A. Agricultural & Allied Products	**4,163.7**	**7,571.8**	**4,952.4**	**81.9**	**-34.6**
of which :	**(8.6)**	**(10.0)**	**(9.8)**		
1. Tea	109.2	180.3	145.8	65.2	-19.1
2. Coffee	147.1	210.6	138.5	43.2	-34.2
3. Rice	742.4	1,041.6	1,069.4	40.3	2.7
4. Wheat	0.0	0.0	0.0	-	-
5. Cotton Raw incl. Waste	189.6	385.0	220.6	103.1	-42.7
6. Tobacco	147.3	242.3	280.0	64.5	15.5
7. Cashew incl. CNSL	171.8	270.4	189.8	57.4	-29.8
8. Spices	312.2	563.8	380.8	80.6	-32.5
9. Oil Meal	267.7	943.5	411.7	252.4	-56.4
10. Marine Products	474.9	460.3	413.1	-3.1	-10.2
11. Sugar & Molasses	419.8	750.2	9.5	78.7	-98.7
B. Ores & Minerals	**2,372.4**	**3,283.5**	**1,901.4**	**38.4**	**-42.1**
of which :	**(4.9)**	**(4.4)**	**(3.8)**		
1. Iron Ore	1,240.9	1,984.5	1,146.2	59.9	-42.2
2. Processed Minerals	414.5	566.8	379.0	36.7	-33.1
II. Manufactured Goods	**31,461.0**	**47,989.4**	**35,464.5**	**52.5**	**-26.1**
of which :	**(65.0)**	**(63.7)**	**(70.3)**		
A. Leather & Manufactures	**1,101.0**	**1,345.0**	**1,021.1**	**22.2**	**-24.1**
B. Chemicals & Related Products	**6,244.8**	**8,358.9**	**6,584.6**	**33.9**	**-21.2**
1. Basic Chemicals, Pharmaceuticals & Cosmetics	4,116.6	5,639.2	4,558.2	37.0	-19.2
2. Plastic & Linoleum	1,046.1	1,205.9	932.5	15.3	-22.7
3. Rubber, Glass, Paints & Enamels, *etc.*	841.8	1,104.2	806.6	31.2	-27.0
4. Residual Chemicals & Allied Products	240.3	409.5	287.4	70.5	-29.8
C. Engineering Goods	**11,275.0**	**18,558.8**	**12,526.9**	**64.6**	**-32.5**
of which :					
1. Manufactures of Metals	1,941.5	2,687.5	1,978.8	38.4	-26.4
2. Machinery & Instruments	2,691.6	4,087.4	3,027.9	51.9	-25.9
3. Transport Equipments	2,151.3	4,492.3	3,868.7	108.8	-13.9
4. Iron & Steel	1,834.5	2,733.7	779.9	49.0	-71.5
5. Electronic Goods	997.8	2,318.6	1,911.8	132.4	-17.5
D. Textiles and Textile Products	**6,114.5**	**7,378.7**	**6,226.9**	**20.7**	**-15.6**
1. Cotton Yarn, Fabrics, Made-ups, *etc.*	1,394.3	1,625.7	976.9	16.6	-39.9
2. Natural Silk Yarn, Fabrics Madeups, *etc.* (incl.silk waste)	134.4	135.9	93.9	1.1	-30.9
3. Manmade Yarn, Fabrics, Made-ups, *etc.*	828.5	1,157.6	1,111.9	39.7	-4.0
4. Manmade Staple Fibre	72.7	113.3	86.1	55.8	-24.0
5. Woollen Yarn, Fabrics, Madeups, *etc.*	28.2	37.3	29.2	32.3	-21.9
6. Readymade Garments	3,240.4	3,814.4	3,611.1	17.7	-5.3
7. Jute & Jute Manufactures	95.8	125.2	69.1	30.6	-44.8
8. Coir & Coir Manufactures	47.4	53.7	47.9	13.5	-10.9
9. Carpets	272.8	315.4	200.9	15.6	-36.3
(a) Carpet Handmade	267.2	313.2	198.3	17.2	-36.7
(b) Carpet Millmade	0.0	0.0	0.0	-	-
(c) Silk Carpets	5.6	2.2	2.5	-60.6	15.3
E. Gems & Jewellery	**6,141.9**	**11,733.8**	**8,572.9**	**91.0**	**-26.9**
F. Handicrafts	**181.0**	**101.5**	**61.4**	**-43.9**	**-39.5**
III. Petroleum Products	**8,629.9**	**12,913.7**	**6,195.1**	**49.6**	**-52.0**
	(17.8)	**(17.1)**	**(12.3)**	**-3.9**	**-28.4**
IV. Others	**1,769.8**	**3,599.9**	**1,955.1**	**103.4**	**-45.7**
	(3.7)	**(4.8)**	**(3.9)**		
Total Exports	**48,396.8**	**75,358.3**	**50,468.5**	**55.7**	**-33.0**

P : Provisional. R : Revised.
Note : Figures in brackets relate to percentage to total exports for the period.
Source : DGCI&S.

Statement 4 : Direction of India's Foreign Trade- Exports

(US$ million)

Group/Country	April-July			Percentage Variation	
	2007-08	2008-09 R	2009-10 P	(3)/(2)	(4)/(3)
1	2	3	4	5	6
I. O E C D Countries	**19,411.7**	**26,121.1**	**18,358.7**	**34.6**	**-29.7**
A. E U	**10,365.3**	**15,150.2**	**10,242.8**	**46.2**	**-32.4**
of which:					
1. Belgium	1,376.9	1,767.9	1,008.0	28.4	-43.0
2. France	777.4	1,206.3	963.1	55.2	-20.2
3. Germany	1,548.1	2,366.2	1,603.2	52.8	-32.2
4. Italy	1,265.3	1,529.3	962.4	20.9	-37.1
5. Netherlands	1,272.2	2,445.7	1,722.8	92.2	-29.6
6. U K	2,051.3	2,528.4	1,865.8	23.3	-26.2
B. North America	**6,888.7**	**8,216.8**	**5,983.7**	**19.3**	**-27.2**
1. Canada	391.2	485.2	366.7	24.0	-24.4
2. U S A	6,497.5	7,731.7	5,617.0	19.0	-27.4
C. Asia and Oceania	**1,393.0**	**1,621.8**	**1,424.8**	**16.4**	**-12.1**
of which:					
1. Australia	297.7	486.3	351.9	63.3	-27.6
2. Japan	1,053.6	1,059.2	981.2	0.5	-7.4
D. Other O E C D Countries	**764.8**	**1,132.3**	**707.3**	**48.1**	**-37.5**
of which:					
1. Switzerland	198.1	273.9	154.9	38.3	-43.4
II. O P E C	**8,974.4**	**17,154.9**	**11,968.0**	**91.2**	**-30.2**
of which:					
1. Indonesia	567.5	1,033.5	1,125.2	82.1	8.9
2. Iran	959.4	991.9	734.8	3.4	-25.9
3. Iraq	66.3	186.8	180.7	181.6	-3.2
4. Kuwait	213.4	313.7	259.3	47.0	-17.3
5. Saudi Arabia	1,108.9	2,364.5	1,249.5	113.2	-47.2
6. U A E	5,275.2	11,009.3	7,230.3	108.7	-34.3
III. Eastern Europe	**516.8**	**838.5**	**490.1**	**62.3**	**-41.6**
of which:					
1. Russia	261.1	485.0	266.0	**85.8**	-45.2
IV. Developing Countries	**18,952.6**	**28,865.6**	**18,828.5**	**52.3**	**-34.8**
of which:					
A. Asia	**13,674.4**	**21,386.5**	**14,295.1**	**56.4**	**-33.2**
a) S A A R C	**2,498.9**	**3,579.9**	**2,369.7**	**43.3**	**-33.8**
1. Afghanistan	64.7	113.3	159.3	75.1	40.6
2. Bangladesh	625.2	1,063.1	655.7	70.0	-38.3
3. Bhutan	26.9	39.8	30.2	48.0	-24.1
4. Maldives	23.7	39.9	25.3	68.9	-36.6
5. Nepal	417.8	590.1	425.8	41.2	-27.8
6. Pakistan	538.4	620.8	532.3	15.3	-14.3
7. Sri Lanka	802.2	1,112.9	541.0	38.7	-51.4
b) Other Asian Developing Countries	**11,175.5**	**17,806.5**	**11,925.4**	**59.3**	**-33.0**
of which:					
1. People's Republic of China	2,577.6	3,760.2	2,652.4	45.9	-29.5
2. Hong Kong	1,816.2	2,404.2	1,977.5	32.4	-17.7
3. South Korea	715.8	1,357.3	761.1	89.6	-43.9
4. Malaysia	496.8	1,075.2	939.9	116.4	-12.6
5. Singapore	1,997.5	4,290.3	2,551.4	114.8	-40.5
6. Thailand	442.3	845.6	417.6	91.2	-50.6
B. Africa	**4,075.9**	**4,997.6**	**3,098.6**	**22.6**	**-38.0**
of which:					
1. Benin	68.8	69.5	59.6	0.9	-14.2
2. Egypt Arab Republic	433.4	838.9	368.8	93.5	-56.0
3. Kenya	358.7	574.6	543.6	60.2	-5.4
4. South Africa	935.6	781.7	600.1	-16.5	-23.2
5. Sudan	116.4	165.4	144.0	42.1	-13.0
6. Tanzania	163.5	499.7	270.4	205.6	-45.9
7. Zambia	52.2	38.7	27.0	-25.8	-30.3
C. Latin American Countries	**1,202.3**	**2,481.6**	**1,434.8**	**106.4**	**-42.2**
V. Others	**439.6**	**163.6**	**225.0**	**-62.8**	**37.6**
VI. Unspecified	**101.8**	**2,214.6**	**598.2**	**-**	**-73.0**
Total Exports	**48,396.8**	**75,358.3**	**50,468.5**	**55.7**	**-33.0**

P : Provisional. R : Revised.
Source : DGCI & S.

Statement 5 : India's Imports of Principal Commodities

(US$ million)

Commodity/Group	April-July			Percentage Variation	
	2007-08	2008-09 R	2009-10 P	(3)/(2)	(4)/(3)
1	2	3	4	5	6
I. Bulk Imports	**33,278.3**	**59,605.2**	**35,024.8**	**79.1**	**-41.2**
	(41.3)	**(49.5)**	**(42.5)**		
A. Petroleum, Petroleum Products	**22,596.0**	**42,220.7**	**23,966.1**	**86.9**	**-43.2**
& Related Material	**(28.0)**	**(35.1)**	**(29.1)**		
B. Bulk Consumption Goods	**1,360.8**	**1,258.4**	**2,239.9**	**-7.5**	**78.0**
1. Wheat	12.3	0.0	0.0	-	-
2. Cereals & Cereal Preparations	11.1	13.8	13.4	24.0	-3.2
3. Edible Oil	882.1	863.0	1,533.8	-2.2	77.7
4. Pulses	454.8	381.0	512.7	-16.2	34.6
5. Sugar	0.4	0.5	180.1	-	-
C. Other Bulk Items	**9,321.5**	**16,126.2**	**8,818.8**	**73.0**	**-45.3**
1. Fertilisers	1,289.4	4,215.4	2,046.2	226.9	-51.5
a) Crude	154.6	314.6	248.4	103.4	-21.0
b) Sulphur & Unroasted Iron Pyrites	67.3	336.6	30.7	400.1	-90.9
c) Manufactured	1,067.4	3,564.2	1,767.1	233.9	-50.4
2. Non-Ferrous Metals	1,030.2	3,761.7	1,011.0	265.1	-73.1
3. Paper, Paperboard & Mgfd. incl. Newsprint	456.3	643.4	426.0	41.0	-33.8
4. Crude Rubber, incl. Synthetic & Reclaimed	234.1	361.4	303.0	54.3	-16.2
5. Pulp & Waste Paper	239.2	311.0	249.6	30.0	-19.7
6. Metalliferrous Ores & Metal Scrap	3,039.4	3,501.4	2,289.6	15.2	-34.6
7. Iron & Steel	3,033.0	3,332.0	2,493.3	9.9	-25.2
II. Non-Bulk Imports	**47,386.4**	**60,731.3**	**47,336.2**	**28.2**	**-22.1**
	(58.7)	**(50.5)**	**(57.5)**		
A. Capital Goods	**16,517.7**	**26,507.7**	**19,610.7**	**60.5**	**-26.0**
1. Manufactures of Metals	624.6	1,163.5	734.6	86.3	-36.9
2. Machine Tools	591.5	987.2	515.8	66.9	-47.8
3. Machinery except Electrical & Electronics	5,363.7	8,572.8	6,391.4	59.8	-25.4
4. Electrical Machinery except Electronics	784.8	1,459.4	989.1	86.0	-32.2
5. Electronic Goods incl. Computer Software	6,836.1	8,981.9	7,596.5	31.4	-15.4
6. Transport Equipments	1,879.9	4,264.4	1,994.7	126.8	-53.2
7. Project Goods	437.1	1,078.5	1,388.5	146.7	28.7
B. Mainly Export Related Items	**7,430.9**	**12,944.3**	**8,774.0**	**74.2**	**-32.2**
1. Pearls, Precious & Semi-Precious Stones	3,318.2	6,647.2	3,924.2	100.3	-41.0
2. Chemicals, Organic & Inorganic	3,199.9	5,090.6	3,764.8	59.1	-26.0
3. Textile Yarn, Fabric, *etc.*	761.1	959.6	811.9	26.1	-15.4
4. Cashew Nuts, raw	151.7	246.9	273.1	62.8	10.6
C. Others	**23,437.8**	**21,279.2**	**18,951.7**	**-9.2**	**-10.9**
of which :					
1. Gold & Silver	8,819.9	7,845.4	7,776.8	-11.0	-0.9
2. Artificial Resins & Plastic Materials	1,112.5	1,516.4	1,614.0	36.3	6.4
3. Professional Instruments *etc.* except electrical	956.6	1,508.2	1,245.8	57.7	-17.4
4. Coal, Coke & Briquettes *etc.*	1,884.4	3,711.3	2,755.1	97.0	-25.8
5. Medicinal & Pharmaceutical Products	544.0	715.4	638.9	31.5	-10.7
6. Chemical Materials & Products	489.8	817.5	713.3	66.9	-12.7
7. Non-Metallic Mineral Manufactures	288.0	444.8	332.0	54.5	-25.4
Total Imports	**80,664.7**	**120,336.5**	**82,361.0**	**49.2**	**-31.6**
Memo Items					
Non-Oil Imports	**58,068.7**	**78,115.8**	**58,394.9**	**34.5**	**-25.2**
Non-Oil Imports excl. Gold & Silver	**49,248.7**	**70,270.4**	**50,618.2**	**42.7**	**-28.0**
Mainly Industrial Inputs*	**45,863.9**	**63,939.7**	**45,365.3**	**39.4**	**-29.0**

P : Provisional. R : Revised.
* : Non oil imports net of gold and silver, bulk consumption goods, manufactured fertilisers and professional instruments.
Note: Figures in brackets relate to percentage to total imports for the period.
Source : DGCI & S.

Statement 6: Direction of India's Foreign Trade - Imports

(US$ million)

Group / Country	April-July			Percentage Variation	
	2007-08	2008-09 R	2009-10 P	(3)/(2)	(4)/(3)
1	2	3	4	5	6
I. O E C D Countries	**26,368.5**	**36,348.9**	**27,371.2**	**37.8**	**-24.7**
A. E U	**11,000.6**	**16,068.0**	**11,249.1**	**46.1**	**-30.0**
of which:					
1. Belgium	1,841.9	2,349.0	1,808.6	27.5	-23.0
2. France	710.0	1,578.6	945.6	122.4	-40.1
3. Germany	2,946.5	4,434.8	3,098.0	50.5	-30.1
4. Italy	1,069.9	1,906.8	1,120.7	78.2	-41.2
5. Netherlands	520.8	801.1	516.0	53.8	-35.6
6. U K	1,664.4	1,982.0	1,428.8	19.1	-27.9
B. North America	**4,404.6**	**7,387.2**	**5,545.6**	**67.7**	**-24.9**
1. Canada	558.3	832.7	563.3	49.2	-32.4
2. U S A	3,846.4	6,554.5	4,982.3	70.4	-24.0
C. Asia and Oceania	**5,255.9**	**7,051.1**	**6,188.7**	**34.2**	**-12.2**
of which:					
1. Australia	3,204.1	3,831.3	3,982.6	19.6	4.0
2. Japan	1,932.6	3,087.5	2,036.6	59.8	-34.0
D. Other O E C D Countries	**5,707.4**	**5,842.6**	**4,387.8**	**2.4**	**-24.9**
of which:					
1. Switzerland	4,871.7	4,636.2	3,298.0	-4.8	-28.9
II. O P E C	**22,572.3**	**43,665.8**	**24,361.2**	**93.4**	**-44.2**
of which:					
1. Indonesia	1,531.4	2,116.5	2,695.0	38.2	27.3
2. Iran	3,212.5	4,650.5	3,497.1	44.8	-24.8
3. Iraq	1,689.4	3,884.1	1,997.4	129.9	-48.6
4. Kuwait	1,939.4	4,014.1	2,299.0	107.0	-42.7
5. Saudi Arabia	4,994.0	9,188.4	4,455.4	84.0	-51.5
6. U A E	4,436.8	11,566.5	4,934.6	160.7	-57.3
III. Eastern Europe	**1,136.8**	**1,981.3**	**1,976.8**	**74.3**	**-0.2**
of which:					
1. Russia	626.2	1,305.8	1,232.3	108.5	-5.6
IV. Developing Countries	**24,575.7**	**37,792.2**	**28,054.5**	**53.8**	**-25.8**
of which:					
A. Asia	**19,477.8**	**30,816.2**	**22,314.4**	**58.2**	**-27.6**
a) S A A R C	**539.4**	**670.9**	**476.8**	**24.4**	**-28.9**
1. Afghanistan	17.7	23.4	22.6	32.3	-3.3
2. Bangladesh	104.2	117.4	73.9	12.7	-37.1
3. Bhutan	65.7	67.7	41.6	3.1	-38.6
4. Maldives	1.2	1.8	0.6	55.3	-64.5
5. Nepal	131.2	196.2	152.3	49.6	-22.4
6. Pakistan	80.7	125.5	76.3	55.4	-39.2
7. Sri Lanka	138.7	138.8	109.5	0.1	-21.1
b) Other Asian Developing Countries	**18,938.5**	**30,145.3**	**21,837.6**	**59.2**	**-27.6**
of which:					
1. People's Republic of China	8,132.2	12,708.5	9,774.2	56.3	-23.1
2. Hong Kong	904.3	1,981.7	1,190.5	119.1	-39.9
3. South Korea	1,840.4	2,927.0	2,352.6	59.0	-19.6
4. Malaysia	1,940.8	2,815.7	1,513.7	45.1	-46.2
5. Singapore	2,308.6	3,254.4	2,364.1	41.0	-27.4
6. Thailand	752.8	936.4	944.2	24.4	0.8
B. Africa	**3,336.5**	**5,020.5**	**3,846.7**	**50.5**	**-23.4**
of which:					
1. Benin	43.4	72.5	97.1	67.0	33.9
2. Egypt Arab Republic	630.1	880.9	681.4	39.8	-22.6
3. Kenya	23.9	28.8	31.0	20.5	7.6
4. South Africa	1,389.0	1,877.3	1,802.5	35.2	-4.0
5. Sudan	113.3	195.8	90.6	72.8	-53.7
6. Tanzania	16.4	14.7	61.4	-10.1	316.5
7. Zambia	49.6	42.4	23.6	-14.5	-44.3
C. Latin American Countries	**1,761.4**	**1,955.5**	**1,893.3**	**11.0**	**-3.2**
V. Others	**5,776.5**	**26.6**	**169.7**	**-99.5**	**537.7**
VI. Unspecified	**234.9**	**521.7**	**427.7**	**122.1**	**-18.0**
Total Imports	**80,664.7**	**120,336.5**	**82,361.0**	**49.2**	**-31.6**

P : Provisional. R : Revised.
Source : DGCI & S.

*Invisibles in India's Balance of Payments: An Analysis of Trade in Services, Remittances and Income**

The developments in invisibles, which lend a marked support to India's balance of payments, are reflective of the ongoing structural transformation within the economy as well as its increasing integration with the world economy. With global financial crisis, there was a decline in invisibles, especially during the second half of 2008-09, which has also continued during the first half of the current financial year. Both invisibles receipts and payments have registered declines. The decline in the receipts has mainly been driven by software services and workers' remittances while the decline in invisibles payments was led by travel, transportation and non-software services. Consequently, net invisibles declined, though they continued to lend significant support to India's balance of payments, financing around 68 per cent of India's trade deficit during the first half of 2009-10. Despite the recent slowdown in invisibles, it is expected to make a turnaround in 2010 and beyond in consonance with the global economic recovery, which is gaining momentum. A noticeable development has been the broad basing of invisibles receipts, which hitherto have been dominated by software receipts and workers' remittances, with non-software services gaining in importance in the recent period.

I. Introduction

The invisibles account in balance of payments reflects the combined effects of the transactions relating to international

* Prepared in the Division of International Finance, Department of Economic Analysis and Policy, Reserve Bank of India, Mumbai.

trade in services, income associated with non-resident assets and liabilities, labour and property and cross border transfers, mainly workers' remittances. The invisibles have been providing substantial support to India's balance of payments in the recent years and are reflective of the ongoing structural transformation within the economy as well as its increasing integration with the world economy. Receipts under invisibles, particularly in the last one decade, have grown significantly. The emphasis on reforms and liberalization since the early 1990s has not only unfolded newer opportunities for businesses but also for skilled labour as reflected in the direction of India's trade in goods and services and nature of labour migration. This transformation is reflected in the growth of receipts under invisibles, which has kept pace with merchandise exports growth as the principal foreign exchange earners for the country.

However, mirroring the adverse impact of the recent global financial crisis, both invisibles receipts and payments have registered declines during the first half of 2009-10 as compared with the corresponding period of the previous year on top of a significant moderation in growth during 2008-09. Receipts under both software and non-software services declined as invisibles payments too declined mainly due to lower payments towards travel, transportation, non-software services and private transfers. It is noteworthy that software services, which have registered phenomenal growth in the recent years and have been the driver of growth of invisibles receipts, were also adversely affected by the global financial crisis and registered declines in the first half of 2009-10. Private transfer receipts, which have lent significant strength to India's BoP position in the recent years, also exhibited significant deceleration in growth on account of the global financial crisis.

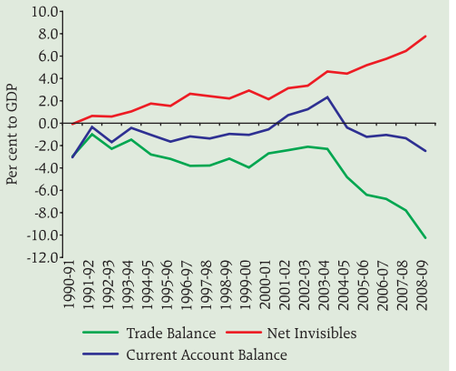
In view of their importance, the developments in different components of invisibles are analysed and disseminated in two stages *viz.,* (i) standard presentation with broad heads on a quarterly basis to meet the IMF's Special Data Dissemination Standards (SDDS) on the Reserve Bank of India's website and subsequently in the monthly bulletin of the Reserve Bank of India (RBI), and (ii) detailed presentation with break-up of broad heads is published in an annual article titled 'Invisibles in India's Balance of Payments' in the RBI's monthly bulletin[1].

This article seeks to contribute to the endeavour of providing the disaggregated information on India's trade in invisibles for the period 2007-08 (revised), 2008-09 (partially revised) and April-September 2009 (preliminary) along with the time series data since 2000-01. The article is organised as follows. Section II presents the magnitude and trends in the invisibles account at the aggregate level along with their relative importance in terms of GDP. An analysis of the various components of invisibles and

[1] Previous issue of the article was published in RBI Bulletin, March 2009 covering the data for the period 2000-01 to 2007-08. Such data for the period 1999-2000 to 2006-07 were earlier published in the February 2008 issue of RBI Bulletin. Data for the period 1999-2000 to 2005-06 were published in the November 2006 issue of RBI Bulletin, for the period 1997-98 to 1999-2000 in the January 2001 issue of RBI Bulletin and for the period 1989-90 to 1996-97 in the April 1999 issue of the RBI Bulletin. The data for the period 1956-57 to 1989-90 were published in July 1993 in the "Monograph on India's Balance of Payments".

their dynamics is presented in Section III. This section also provides an international perspective to the invisibles account drawing from cross country experiences. Concluding observations and a short-term outlook against the backdrop of the ongoing global financial crisis are set out in Section IV. A detailed enumeration of compilation, dissemination, concepts and definitions of different heads of invisibles accounts are presented in Annex I and II.

Chart 1: Trends in India's Invisibles and Current Account



II. Magnitude and Trends in Invisibles

The resurgence of invisibles surplus in the 1990s, after a break in the late 1980s, has significantly minimised the risk to the external payments position. Since the early 1990s, as India embarked upon structural reforms, "invisibles balances" have witnessed steady increases not only in absolute terms but also as a per cent to GDP (Table 1 and Chart 1). This, in turn, either restrained the current account deficit within a narrow corridor or contributed to surplus on current account in intermittent years, despite the widening trade deficit. However, mirroring the impact of the recent global financial crisis, the growth of India's invisibles surplus moderated during 2008-09 and subsequently turned negative during the first half of the current financial year.

Table 1: Trends in India's Invisibles Receipts and Payments

Year	Invisibles Receipts		Invisibles Payments		Invisibles Net	
	Amount (US $ million)	Growth (%)	Amount (US $ million)	Growth (%)	Amount (US $ million)	Growth (%)
1	2	3	4	5	6	7
1990-91	7,464	-0.5	7,706	12.0	-242	-
1995-96	17,664	13.6	12,217	23.7	5,447	-
1999-00	30,312	17.6	17,169	3.7	13,143	-
2000-01	32,267	6.4	22,473	30.9	9,794	-25.5
2001-02	36,737	13.9	21,763	-3.2	14,974	52.9
2002-03	41,925	14.1	24,890	14.4	17,035	13.8
2003-04	53,508	27.6	25,707	3.3	27,801	63.2
2004-05	69,533	29.9	38,301	49.0	31,232	12.3
2005-06	89,687	29.0	47,685	24.5	42,002	34.5
2006-07	114,558	27.7	62,341	30.7	52,217	24.3
2007-08 R	148,875	30.0	73,144	17.3	75,731	45.0
2008-09 PR	163,534	9.8	73,612	0.6	89,923	18.7
2008-09 (Apr.-Sept.) PR	85,267	32.5	36,718	15.0	48,549	49.7
2009-10 (Apr.-Sept.) P	75,368	-11.6	35,770	-2.6	39,599	-18.4

R : Revised. PR : Partially Revised. P : Preliminary.

Notwithstanding some deceleration in invisibles receipts and payments during 2008-09, they constituted a major portion of the current account receipts and payments, respectively. During the period 2001-02 to 2008-09, the invisibles receipts constituted 45.7 per cent of current account receipts, while invisibles payments accounted for 24.2 per cent of current account payments (Table 2). The lower order of payments *vis-à-vis* receipts in the invisibles account contributed to the build up of significant surplus, which has witnessed an average growth of 33.1 per cent during 2001-02 to 2008-09 and financed an average of 113.5 per cent of the trade deficit over the same period. However, invisibles' financing of trade deficit has come down to 75.8 per cent in 2008-09 due to significant increase in trade deficit coupled with lower growth in net invisibles.

As invisibles grew at a faster pace than the overall economic activities, invisibles receipts and payments as a proportion of GDP rose sharply from 7.7 per cent and 4.6 per cent in 2001-02 to 14.1 per cent and 6.3 per cent, respectively, in 2008-09 (Chart 2).

At a disaggregated level, the major contributor to invisibles receipts in India has been services exports followed by transfers and income (Table 3). Services exports accounted for about 62 per cent of the total invisible receipts in 2008-09. Traditionally, while services relating to trade in goods, such as transportation and financing were the major constituents, the rapid developments in telecommunications and information technology has facilitated the emergence of business and computer services as the main drivers of the growth in invisibles receipts. Thus, the focus of services trade has shifted from facilitating trade in goods to trade in services as an independent entity in itself with the four modes of supply viz., cross-border supply, consumption abroad, commercial presence and presence of a natural person. Reflecting these factors, the importance of services exports in India has grown significantly, with the services-GDP ratio rising from 1.4

Table 2: Selected Indicators on Invisibles

(Per cent)

Year	Net Invisibles/ Trade Deficit	Invisibles Receipts/ Current Receipts	Invisibles Payments/ Current Payments
1	2	3	4
1990-91	-2.6	28.8	21.6
1995-96	48.0	35.3	21.9
1999-00	73.7	44.7	23.7
2000-01	78.6	41.5	28.0
2001-02	129.4	45.1	27.9
2002-03	159.4	43.8	27.9
2003-04	202.7	44.7	24.3
2004-05	92.7	44.9	24.4
2005-06	80.9	46.0	23.3
2006-07	84.5	47.1	24.6
2007-08 R	82.8	47.3	22.1
2008-09 PR	75.8	46.4	19.3

R : Revised. PR : Partially Revised.

Chart 2: Trends in India's s Invisibles Receipts and Payments

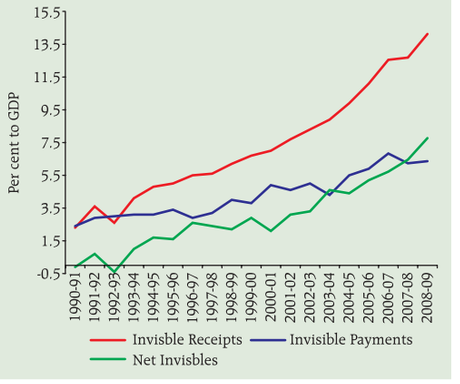


Table 3: Major Components of Invisibles Account in Terms of GDP

(Per cent to GDP)

Year	Receipts				Payments				Net			
	Services	Transfers	Income	Total	Services	Transfers	Income	Total	Services	Transfers	Income	Total
1	2	3	4	5	6	7	8	9	10	11	12	13
1990-91	1.4	0.8	0.1	2.3	1.1	0.0	1.3	2.4	0.3	0.8	-1.2	-0.1
1995-96	2.1	2.5	0.4	5.0	2.1	0.0	1.3	3.4	0.0	2.5	-0.9	1.5
1999-00	3.5	2.8	0.4	6.7	2.6	0.0	1.2	3.8	0.9	2.8	-0.8	2.9
2000-01	3.5	2.9	0.6	7.0	3.2	0.0	1.7	4.9	0.3	2.9	-1.1	2.1
2001-02	3.6	3.4	0.7	7.7	2.9	0.1	1.6	4.6	0.7	3.3	-0.9	3.1
2002-03	4.1	3.5	0.7	8.3	3.4	0.2	1.4	5.0	0.7	3.3	-0.7	3.4
2003-04	4.5	3.8	0.6	8.9	2.8	0.1	1.4	4.3	1.7	3.7	-0.8	4.6
2004-05	6.2	3.1	0.7	10.0	4.0	0.1	1.4	5.5	2.2	3.0	-0.7	4.4
2005-06	7.1	3.2	0.8	11.1	4.3	0.1	1.5	5.9	2.9	3.1	-0.7	5.2
2006-07	8.1	3.4	1.0	12.5	4.9	0.2	1.8	6.9	3.2	3.3	-0.8	5.7
2007-08	7.7	3.8	1.2	12.7	4.4	0.2	1.6	6.2	3.3	3.6	-0.4	6.5
2008-09	8.8	4.1	1.2	14.1	4.5	0.2	1.6	6.3	4.3	3.9	-0.4	7.8

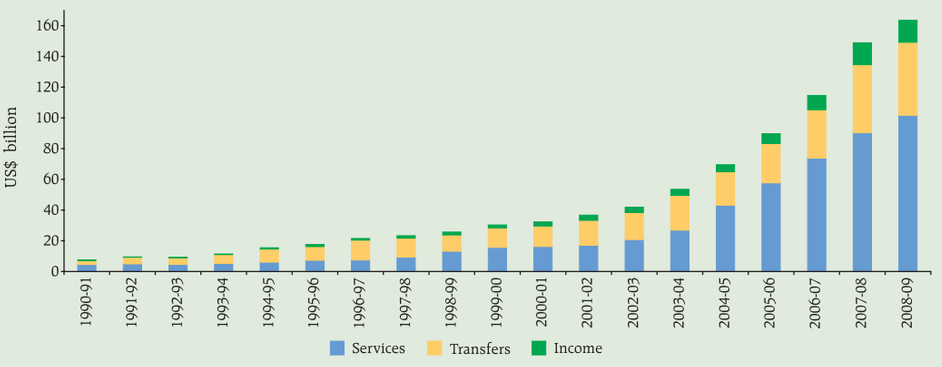
R : Revised. PR : Partially Revised.

per cent in 1990-91 to 8.8 per cent in 2008-09 driven by software services, which have grown in terms of both size and country of destination. India has emerged as a major software exporting country with an export level of US $ 46.3 billion in 2008-09, expanding at an average rate of around 28 per cent in the past eight years. With the continued buoyancy in software exports, on an average, they constituted about 44 per cent of total services exports of India during 2001-02 to 2008-09. Apart from software, business services have also grown significantly, reflecting the emergence of India as a preferred investment destination following a greater integration of the domestic economy with the rest of the world and strong macroeconomic fundamentals.

Within invisibles, 'transfer receipts' account for about 29 per cent of the total receipts that constituted about 4 per cent of GDP in 2008-09. Private transfers have relatively been a more stable component of invisibles receipts and it grew from US$ 13.1 billion in 2000-01 to US$ 46.9 billion 2008-09, broadly in consonance with rise in overall economic activity. This reflects a steady increase in inward remittances for family maintenance and higher local withdrawals under NRI deposits on the back of better investment opportunities. With steady increase in private transfers, India continued to retain its prominent position among the leading remittance receiving countries in the world. The sustained expansion in remittances since the 1990s was underpinned by structural reforms, including a market-based exchange rate, current account convertibility as well as shifts in the labour migration pattern to increasingly high skilled categories. However, reflecting the adverse impact of the recent global economic crisis, receipts under private transfers moderated during the second half of 2008-09 as compared with the first half of the year.

Receipts under the income account have also increased substantially in the recent years, except in 2008-09 when it virtually remained stagnant, reflecting mainly higher earnings on deployment of foreign currency assets. Large-scale monetary easing by the major advanced

Chart 3: India's Invisible Receipts: Major Components



economies and resultant lower level of interest rates led to stagnant interest income during 2008-09 (Chart 3).

In line with the increase in invisibles receipts, invisibles payments have also risen in recent years though the increase has been lower than that of receipts. The services payments that constituted about 71 per cent of total invisibles payments in 2008-09, are primarily driven by payments on account of business, transportation and travel services. The services payments increased from 3.2 per cent of GDP in 2000-01 to 4.5 per cent of GDP in 2008-09 reflecting increased business activity and strong growth in imports. On the other hand, payments under two other sub-heads, viz., income and transfers have been broadly stable, moving in a narrow range of 1.4-1.8 per cent of GDP and 0.1-0.2 per cent of GDP, respectively, during the period. Thus, overall rise in invisibles payments from 4.9 per cent of GDP in 2000-01 to 6.3 per cent of GDP in 2008-09 has been much lower than the growth in invisibles receipts resulting in a significant improvement in net invisibles from 2.1 per cent of GDP in 2000-01 to 7.8 per cent of GDP in 2008-09.

Latest Developments

The robust growth trend observed in invisibles receipts and payments in the past few years was reversed during the first half (April-September) of 2009-10, reflecting a lagged impact of slowdown in the advanced economies following the financial crisis (Table 4). Invisibles receipts declined by 11.6 per cent during April-September 2009 as compared with the corresponding period of the previous year (32.5 per cent growth during April-September 2008). The decline in invisibles receipts was mainly attributed to the lower receipts under almost all the components of services. Though, invisibles payments also declined, due to lower payments towards travel, transportation, non-software services and private transfers, on net basis, invisibles stood lower during the first half of 2009-10 as compared with the corresponding period of the previous year. At this level, the invisibles surplus financed about 68.0 per cent of trade deficit

Table 4: Invisibles Gross Receipts and Payments: Recent Trend

(US $ million)

Items	Invisibles Receipts				Invisibles Payments			
	2007-08	2008-09	2008-09	2009-10	2007-08	2008-09	2008-09	2009-10
	April-March (R)	April-March (PR)	April-Sept (PR)	April-Sept (P)	April-March (R)	April-March (PR)	April-Sept (PR)	April-Sept (P)
1	2	3	4	5	6	7	8	9
A. Services	90,342	101,678	50,979	40,057	51,490	52,047	25,870	24,686
1. Travel	11,349	10,894	5,290	4,805	9,258	9,425	4,874	4,397
2. Transportation	10,014	11,286	5,656	5,056	11,514	12,820	7,079	4,998
3. Insurance	1,639	1419	727	771	1,044	1130	533	655
4. Government not included elsewhere	331	389	211	200	376	793	206	232
5. Miscellaneous	67,010	77,691	39,095	29,225	29,298	27,879	13,177	14,404
Of which: Software	*40,300*	*46,300*	*24,201*	*21,409*	*3,358*	*2,814*	*1,778*	*829*
B. Transfers	44261	47,547	26,570	27,612	2,316	2,749	1,485	1,032
C. Income	14,272	14,309	7,718	7,700	19,339	18,816	9,363	10,052
1. Investment Income	13,811	13,483	7,273	7,267	18,244	17,506	8,704	9,358
2. Compensation of Employees	461	825	444	433	1,095	1309	659	695
Total (A+B+C)	**148,875**	**163,534**	**85,267**	**75,368**	**73,144**	**73,612**	**36,718**	**35,770**

R : Revised. PR : Partially Revised. P : Preliminary.

during April-September 2009 as against 75.4 per cent during April-September 2008.

A detailed component-wise analysis of invisibles receipts and payments is discussed below for a better understanding of the dynamics of India's invisibles account, especially from a cross-country perspective.

III. Composition of Invisibles

III.1 Trade in Services

The trade in services comprises of commercial services categorised under transportation, travel and other commercial services, and Government services not included elsewhere (GNIE). Other commercial services comprise of communication, construction, insurance, royalties and licence fees, other business services, personal, cultural and recreational services, and computer and information services.

An important feature of services exports of India has been a structural shift since 2003-04, driven by the emergence of new avenues of services exports attributed to a rapid expansion in international trade and investment facilitated by an increased liberalization and the use of technology. According to the latest data published by the IMF, India's share in world exports of services has more than doubled between 2003 and 2008 to reach 2.7 per cent (Table 5).

Reflecting the positive developments in terms of the comparative advantage and the continued buoyancy of India's services exports, India was ranked at the 10th

Table 5: Trade in Services Exports of India

Year	Exports (US $ billion)	Share in World Exports (%)
1	2	3
2001	17.3	1.1
2002	19.5	1.2
2003	23.9	1.3
2004	38.3	1.7
2005	55.8	2.2
2006	75.4	2.6
2007	87.0	2.6
2008	104.2	2.7

Source: Reserve Bank of India and Balance of Payments Statistics, December 2009, IMF.

Table 6: Comparative Position of India among Top Service Exporters, 2008

Sr. No.	Country	Exports (US $ billion)	Share (%)
1	2	3	4
1.	USA	545.6	14.1
2.	UK	287.7	7.5
3.	Germany	246.7	6.4
4.	France	164.9	4.3
5.	Japan	148.8	3.9
6.	China	147.1	3.8
7.	Spain	143.6	3.7
8.	Italy	120.2	3.1
9.	Netherlands	105.6	2.7
10.	**India**	**104.2**	**2.7**
11.	Ireland	101.6	2.6
12.	Hong Kong	92.3	2.4
13.	Belgium	86.5	2.2

Source: Balance of Payments Statistics, December 2009, IMF.

position in terms of its market share in the World services exports during 2008, which is an improvement over its 11th position last year (Table 6).

At a disaggregated level, the trade in services has been dominated mainly by software services and non-software miscellaneous services, which include business and professional services (Table 7). Software services continued to be buoyant, with its share in total services exports increasing to 45.5 per cent in 2008-09 from 44.6 percent in 2007-08. Despite a decline in software exports during the first half of 2009-10, its share in total services exports increased to 53.4 per cent during the period indicating that the decline in other categories of services exports has been

Table 7: Composition of India's Services Exports (Receipts)

(Per cent)

Year	Travel	Transportation	Insurance	G.n.i.e	Software Services	Non-software Miscellaneous Services*	Total Services
1	2	3	4	5	6	7	8
1990-91	32.0	21.6	2.4	0.3	-	43.6	100.0
1995-96	36.9	27.4	2.4	0.2	-	33.1	100.0
2000-01	21.5	12.6	1.7	4.0	39.0	21.3	100.0
2001-02	18.3	12.6	1.7	3.0	44.1	20.3	100.0
2002-03	16.0	12.2	1.8	1.4	46.2	22.4	100.0
2003-04	18.7	11.9	1.6	0.9	47.6	19.2	100.0
2004-05	15.4	10.8	2.0	0.9	40.9	29.9	100.0
2005-06	13.6	11.0	1.8	0.5	40.9	32.1	100.0
2006-07	12.4	10.8	1.6	0.3	42.4	32.4	100.0
2007-08 (R)	12.6	11.1	1.8	0.4	44.6	29.6	100.0
2008-09 (PR)	10.7	11.1	1.4	0.4	45.5	30.9	100.0

G.n.i.e: Government not included elsewhere.
* : Include business and professional services.
R : Revised. PR : Partially Revised.

higher. Within the services exports, the rising prominence of business services reflects the high skill intensity of the Indian work force. The shares of travel in total services export has generally exhibited declining trend in the past two decades despite a revival in international tourist interest in India in recent years. The share of travel in total services exports declined while that of transportation remained constant during 2008-09.

III.1.1 Software Services

Exports of software and IT-enabled services (ITES) increased to US $ 46.3 billion in 2008-09 as compared to US $ 40.3 billion during 2007-08 (Table 8). The Indian IT-BPO industry, which experienced exceptional growth benefitting from growing globalization, has emerged over time as a key sector of the economy in terms of contribution to growth, export earnings, investment, employment and overall economic and social development. Notwithstanding increasing competitive pressures, India continues to remain as an attractive source due to its low cost of operations, high quality of product and services, and readily available skilled manpower. Furthermore, a favourable time zone difference with North America and Europe helps Indian companies achieve round the clock international operations and customer service. India's software exports have been offsetting trade deficit significantly in recent years, which has helped in containing current account deficit at comfortable level. Despite the global economic and financial crisis and the related pressures on external demand, exports of software and IT-enabled services exhibited a steady growth of around 15 per cent during 2008-09. Although India's software exports remained strong over the years, slowdown in global demand due to the crisis did affect the export performance to some extent. According to National Association of Software and Service Companies (NASSCOM), while the US (60 per cent) and the UK (22 per cent) remained India's largest markets for IT-BPO exports in 2008-09, the industry has also

Table 8: Software Services Exports of India

(US $ million)

Year	IT Services Exports	ITES-BPO Exports	Total Software Services Exports
1	2	3	4
1995-96	754	-	754
1999-00	3,397	565	3,962
2000-01	5,411	930	6,341
2001-02	6,061	1,495	7,556
2002-03	7,100	2,500	9,600
2003-04	9,200	3,600	12,800
2004-05	13,100	4,600	17,700
2005-06	17,300	6,300	23,600
2006-07	22,900	8,400	31,300
2007-08 R	29,400	10,900	40,300
2008-09 PR	33,600	12,700	46,300

R: Revised. PR: Partially Revised. ITES: IT enabled services. BPO: Business Process Outsourcing.
Source: National Association of Software and Service Companies (NASSCOM).

been steadily expanding to other regions - with exports to continental Europe, in particular, growing significantly in the recent years. The strategy of geographical diversification along with strong focus on productivity, benchmarking and enhanced operational efficiencies has helped the industry to retain its competitive edge as the global leader in software services exports.

According to the NASSCOM, the industry's vertical market exposure was well diversified across several mature and emerging sectors. Banking, financial services and insurance (BFSI) remained the largest vertical market for Indian IT-BPO exports (50.4 per cent), followed by high-technology and telecommunications (22 per cent) in 2008-09. From a customers' point of view, the focus has been on consolidation, integration and regulation – all of which are expected to drive newer business opportunities for the Indian IT industry.

Broad-based growth, across all the segments of IT services, BPO, product development and engineering services, has reinforced India's leadership as the key sourcing location for a wide range of technology related services. Accordingly, India has continued to be ranked first in the exports of computer and information services in the international economy since 2005 (Table 9). According to a recent NASSCOM Report titled "IT-BPO Sector in India-Strategic Review 2010", software export revenues are estimated to be around US$ 49.7 billion in 2009-10, registering a growth of about 7 per cent over the previous year, and contributing about 67 per cent of the total IT-BPO revenues. IT and ITES exports are expected to account for over 99 per cent of total software services exports, employing around 1.8 million employees. In terms of geographical coverage, the year 2009-10 was characterised by a strong revival in the US, which increased its share to around 61 per cent. Emerging markets of Asia Pacific also contributed significantly to overall growth. However, revenues from Continental Europe and UK, which registered the highest growth in the last five years, have lagged behind during 2009-10 due to the lingering of

Table 9: Computer and Information Services Exports*

(US $ billion)

Sr. No.	Country	2000	2005	2006	2007	2008
1	2	3	4	5	6	7
1.	**India**	**6.3**	**22.0**	**29.2**	**37.0**	**48.3**
2.	Ireland	7.5	19.6	21.0	26.1	34.2
3.	Germany	3.8	8.4	9.7	12.2	15.1
4.	U.K.	4.3	11.2	13.0	14.1	12.9
5.	U.S.A.	5.6	7.3	10.3	12.7	12.6
6.	Finland	0.2	1.5	1.5	1.3	8.2
7.	Sweden	1.2	2.7	3.6	6.5	7.6
8.	Israel	4.2	4.5	5.3	5.8	6.9
9.	Netherlands	1.2	3.7	3.9	4.2	6.7
10.	China,P.R. Mainland	0.4	1.8	3.0	4.3	6.3

*: Ranking is for the year 2008.
Source: Balance of Payments Statistics Year Book 2009, IMF and Reserve Bank of India.

recessionary conditions coupled with loss of revenue on account of currency fluctuations in these regions.

The year 2009 reportedly saw increased adoption of outsourcing from not only the biggest segment i.e., BFSI, but also new emerging verticals of retail, healthcare and utilities. India topped the list accounting for more than half of global market in technology and business process outsourcing (around US$ 47 billion of US$ 94 billion global sourcing revenue). NASSCOM expects IT services to grow by 2.4 per cent in 2010, and 4.2 per cent in 2011 as companies coming out of recession tend to harness the need for information technology to create competitive advantage.

III.1.2 Business and Professional Services

Business, professional and technical services are among the most thriving services sectors in developed countries as well as in some developing countries like Brazil and India. These services range from legal to management services, and from architectural to advertising services. India's non-software services constituted almost 31 per cent of total services exports in 2008-09, which in turn, have supported steady growth in invisibles receipts. Within non-software services exports, the share of business and professional services, which had grown significantly in recent years and constituted around 63 per cent in 2007-08, declined to around 52 per cent in 2008-09, mirroring the impact of global financial crisis (Table 10). Both business services receipts and payments, which increased significantly in the recent years, declined during 2008-09.

The major constituents of business services have been management consultancy, architectural engineering and other technical services, maintenance of offices abroad and trade-related services

Table 10: Break up of Non-Software Miscellaneous Receipts and Payments

(US $ million)

Item	Receipts				Payments			
	2007-08	2008-09	2008-09	2009-10	2007-08	2008-09	2008-09	2009-10
	April-March (R)	April-March (PR)	April-Sept (PR)	April-Sept (P)	April-March (R)	April-March (PR)	April-Sept (PR)	April-Sept (P)
1	2	3	4	5	6	7	8	9
1. Communication Services	2,408	2,172	1,250	725	860	1087	523	625
2. Construction	764	867	372	299	708	896	349	641
3. Financial	3,217	3,948	2,288	1,402	3,133	2,958	1,586	2,062
4. News Agency	503	800	397	172	506	386	165	162
5. Royalties, Copyrights & License Fees	157	132	71	116	1,038	1,721	805	823
6. Business Services	16,772	16,445	8,410	4,847	16,553	15,435	7,251	8,477
7. Personal, Cultural & Recreational Services	562	729	297	234	211	322	173	147
8. Others	2,327	6,298	1,809	21	2,931	2260	546	638
Total (1 to 8)	**26,710**	**31,391**	**14,894**	**7,816**	**25,940**	**25,065**	**11,398**	**13,575**

R : Revised. PR : Partially Revised. P : Preliminary.
Note: Break-up of Business Services (item 6) is given in Table 11.

Table 11: Business Services

(US $ million)

Item	Receipts				Payments			
	2007-08	2008-09	2008-09	2009-10	2007-08	2008-09	2008-09	2009-10
	April-March (R)	April-March (PR)	April-Sept (PR)	April-Sept (P)	April-March (R)	April-March (PR)	April-Sept (PR)	April-Sept (P)
1	2	3	4	5	6	7	8	9
1. Trade Related	2,234	2,016	1,150	675	2,285	1,651	828	1,036
2. Business & Management Consultancy	4,433	5,017	2,605	1,549	3,422	3,530	1,355	2,324
3. Architectural, Engineering and other Technical Services	3,145	1,766	903	655	3,090	3,130	1,498	1,939
4. Maintenance of Offices abroad	2,861	2,984	1,269	704	2,761	2,673	1,150	1,152
5. Others	4,099	4,662	2,483	1,265	4,995	4,451	2,420	2,026
Total (1 to 5)	**16,772**	**16,445**	**8,410**	**4,847**	**16,553**	**15,435**	**7,251**	**8,477**

P : Preliminary. PR : Partially Revised. R : Revised.

(Table 11). These reflect the underlying momentum in trade in professional and technology related services. While receipts under business and management consultancy services increased, the receipts under trade related services, architectural, engineering, and other technical services declined during 2008-09. Business services payments also declined during 2008-09 mainly on account of decline in trade related services and expenses on account of maintenance of offices abroad. With the rising demand for infrastructure and as a favourable destination for international companies for meeting the IT needs, India is emerging as an important country for trade in engineering services. Engineering services mainly include consultancy in designing and detailed designing services.

III.1.3 Travel

Receipts under travel represent expenditure by foreign tourists towards hotel expenses and goods and services purchased including domestic travel. Travel receipts, which had benefited from robust growth in tourist arrivals in the recent years (Table 12), however, declined during 2008-09. Travel receipts at US$ 10.9 billion during 2008-09 declined by 4.0 per cent as against an increase of 24.4 per cent in 2007-08,

Table 12: Foreign Tourist Arrivals In India

Year	Arrivals (millions)
1	2
1991	1.68
1995	2.12
2000	2.65
2001	2.54
2002	2.38
2003	2.73
2004	3.46
2005	3.90
2006	4.45
2007	5.08
2008	5.28

Source: Ministry of Tourism and Culture, Government of India.

reflecting a slowdown in tourist arrivals in the country, particularly during the second half of the year, as a result of global economic slowdown and scare created by the outbreak of swine flu. According to the data released by the Ministry of Tourism, foreign tourist arrivals declined by 8.6 per cent in the second half of 2008-09 as against an increase of 8.3 per cent in the first half of 2008-09.

Even travel payments, which have increased in the recent years, reflecting liberalization of the payments system, growing globalization, rising services exports and associated business travel as well as the preference for higher studies abroad, also came under pressure during 2008-09. Travel payments growth remained lower at 1.8 per cent during 2008-09 (38.5 per cent in 2007-08) reflecting a sharp reduction in outbound travels.

India's share in world tourists' earnings remained at 1.3 per cent in 2008, the same as in 2007. However, India's ranking in the world tourist earnings slipped to 20th position in 2008 from 17th in 2007 (23rd in 1990) (Table 13).

Table 13: Comparative Position of India among Top Travel Earnings Countries, 2008

Sr. No	Country	US $ million	Share in World Travel Earnings (%)
1	2	3	4
1.	USA	134,910	14.3
2.	Spain	61,978	6.6
3.	France	56,270	5.9
4.	Italy	46,192	4.9
5.	China	40,843	4.3
6.	Germany	40,020	4.2
7.	United Kingdom	36,420	3.9
8.	Australia	25,062	2.7
9.	Turkey	21,951	2.3
10.	Austria	21,630	2.3
11.	Thailand	17,646	1.9
12.	Greece	17,416	1.8
13.	Malaysia	15,293	1.6
14.	Canada	15,267	1.6
15.	Switzerland	14,464	1.5
16.	Netherlands	13,346	1.4
17.	Mexico	13,289	1.4
18.	Sweden	12,631	1.3
19.	Russia	11,944	1.3
20.	**India**	**11,832**	**1.3**
21.	Belgium	11,810	1.2
22.	Poland	11,771	1.2
23.	Croatia	11,267	1.2
24.	Egypt	10,985	1.2
25.	Portugal	10,980	1.2

Source: Balance of Payments Statistics, December 2009, IMF and Reserve Bank of India.

III.1.4 Transportation

In view of the rising merchandise trade over the years, the receipts and payments towards transportation, which mainly represent carriage of goods and people as well as other distributive services (such as port charges, bunker fuel, stevedoring, cabotage, warehousing), have also increased over the years. Receipts under transportation increased to US$ 11.3 billion during 2008-09 from US$ 10.0 billion in 2007-08, while payments were higher at US$ 12.8 billion as compared with US$ 11.5 billion during the same period. At this level, the transportation receipts constituted 11.1 per cent of total services exports during 2008-09, the same as in the previous year.

III.1.5 Insurance

Insurance consists of insurance on exports/imports, premium on life and non-life policies and reinsurance premium from foreign insurance companies. Insurance receipts and payments are generally

associated with the movement in India's merchandise trade. The share of insurance receipts in total services receipts, which had remained in a narrow range of around 2 per cent of total services exports since the early 1990s, decreased to around 1.4 per cent in 2008-09.

III.1.6 'Other' Component in Services

In addition to the software services, business services, travel, transportation and insurance, the other component under trade in services includes a host of other commercial services such as financial, communication, construction and personal, cultural and recreational services. However, financial and communication services are the two major components (Table 10). Under financial services, both receipts and payments have witnessed a significant increase in recent years reflecting greater merger and acquisition activities by domestic companies abroad as well as increasing access by Indian corporates and banks to international financial markets. Financial services cover financial intermediation and auxiliary services provided by banks, stock exchanges, factoring enterprises, credit card enterprises and other enterprises. The receipts relating to financial services increased during 2008-09 while payments registered decline, mainly on account of significant decline during the last quarter of the year. Both financial services exports and imports were around US $ 3.9 billion and 3.0 billion, respectively, in 2008-09. India ranked 8th position in terms of financial services exports and 5th position in terms of import of financial services (Table 14).

Table 14: Comparative Position of India among Top Financial Services Providers, 2007

Rank	Exporters	Value (US $ million)	Share in 15 Economies	Rank	Importers	Value (US $ million)	Share in 15 Economies
1	2	3	4	5	6	7	8
1.	European Union (27)	160,187	56.9	1.	European Union (27)	71,061	62.5
2.	United States	58,266	20.7	2.	United States	18,928	16.7
3.	Switzerland	20,517	7.3	3.	Canada	4,072	3.6
4.	Hong Kong, China	12,425	4.4	4.	Japan	3,610	3.2
5.	Singapore	6,547	2.3	5.	**India**	**3,262**	**2.9**
6.	Japan	6,207	2.2	6.	Hong Kong, China	2,807	2.5
7.	Korea, Republic of	4,001	1.4	7.	Switzerland	1,790	1.6
8.	**India**	**3,886**	**1.4**	8.	Singapore	1754	1.5
9.	Canada	3,234	1.1	9.	Russian Federation	1472	1.3
10.	Taipei, Chinese	1,302	0.5	10.	Norway	1122	1.0
11.	Russian Federation	1174	0.4	11.	Ukraine	887	0.8
12.	Brazil	1090	0.4	12.	Brazil	807	0.7
13.	Norway	1021	0.4	13.	Taipei, Chinese	782	0.7
14.	South Africa	876	0.3	14.	Korea, Republic of	696	0.6
15.	Australia	856	0.3	15.	Turkey	623	0.5
	Above 15	**281,590**	**100**		**Above 15**	**113,675**	**100**

Source: International Trade Statistics 2009, WTO.

Communication services exports have also increased significantly in recent years, reflecting technological transformation of the domestic economy as well as significant liberalization of the telecom sector. However, during 2008-09 communication services exports declined by around 10 per cent. India ranked 6th amongst the world's top 15 telecommunication exporters in 2007 (Table 15).

III.2 Transfers

Transfers comprise official transfers and private transfers. Private transfers, mainly workers' remittances, have remained buoyant in recent years on the back of robust global output growth, amidst constant improvement in remittance infrastructure domestically. However, in the aftermath of global economic slowdown, the growth of remittances, though positive, significantly decelerated to 7.8 per cent in 2008-09 from 41.1 per cent in the previous year. The details of private transfers are set out below.

Table 15: Comparative Position of India among Top Telecommunication Exporters, 2007

Sr. No.	Country/Region	Value (US $ million)	Share in 15 Economies	Annual percentage change
1	2	3	4	5
1.	European Union (27)	34,028	61.8	18
2.	United States	8,283	19.0	14
3.	Kuwait	4,667	15.0	37
4.	Canada	1505	8.5	..
5.	Russian Federation	1184	2.7	60
6.	**India**	**1144**	**2.1**	**..**
7.	Malaysia	599	2.1	-7
8.	Hong Kong, China	556	1.1	-2
9.	Philippines	517	1.0	-10
10.	Turkey	506	0.9	22
11.	Korea, Republic of	482	0.9	14
12.	Norway	465	0.9	46
13.	Morocco	401	0.8	4
14.	Mexico	400	0.7	-14
15.	Croatia	360	0.7	23
	Above 15	**55,100**	**100**	**-**

Source: International Trade Statistics 2009, WTO.

III.2.1 Private Transfers: Remittances for Family Maintenance and Local Withdrawals from NRI Deposits

Inflows from overseas Indians are mainly in the form of: (i) inward remittances towards family maintenance, and (ii) deposits in the Non-Resident Indian (NRI) deposit schemes with the banks in India. Transfers represent one-sided transactions, *i.e.,* transactions that do not have any *quid pro quo,* such as grants, gifts, and migrants' transfers by way of remittances for family maintenance, repatriation of savings and transfer of financial and real resources linked to change in the resident status of migrants. Accordingly, remittances from overseas Indians towards family maintenance and the funds domestically withdrawn from the NRE deposits and NRO deposit schemes are treated as private transfers, which are included in the current account of the balance of payments. As against this, the inflows from overseas Indians for deposits in the NRI deposit schemes are treated as capital account transactions.

III.2.2 Trends and Composition of Workers' Remittances

III.2.2.1 Trends

Workers' remittances to India have shown buoyancy in the recent years and have imparted significant resilience and strength to India's balance of payments in the past,

especially under adverse external conditions. At present, India is among the top remittance receiving countries in the World. Remittances have helped in offsetting India's merchandise trade deficit to a large extent. The significance of remittances can be gauged from the increase in the share of private transfer receipts in India's GDP from 0.7 per cent in 1990-91 to 4.1 per cent in 2008-09. The relative stability in such transfers reflected the steady increase in inward remittances for family maintenance and higher local withdrawals on the back of better domestic investment opportunities. From the sources side, a significant share of remittances to India continued to be from the oil exporting countries of the Middle East. Another important source of remittance inflows to India is the US. In the Indian context, a major part of funds remitted by expatriate workers is channelised through inflows to non-resident deposits in the form of local withdrawals. During 2008-09, private transfer receipts, comprising mainly remittances from Indians working overseas, increased over the previous year. However, there was a moderation in remittances inflows during the second half of 2008-09, with deepening global financial crisis affecting the employment prospects and sharp decline in oil prices affecting the demand for expatriate labour in the oil exporting Gulf countries from where a significant share of remittances to India originates. As a result, there has been moderate rise in remittance inflows from overseas Indians to US $ 46.9 billion during 2008-09 as compared with US $ 43.5 billion in 2007-08 (Table 16). Similarly, private transfer receipts increased to 27.5 billion in April-September 2009 from US$ 26.4 billion in the corresponding period of the preceding year. The share of private transfers in the current receipts declined marginally to 13.3 per cent from 13.8 per cent during 2007-08.

Table 16: Select Indicators of Private Transfers to India

Year	Amount (US $ billion)	Share in Current Receipts (Per cent)	Private Transfers (Per cent to GDP)
1	2	3	4
1990-91	2.1	8.0	0.7
1995-96	8.5	17.1	2.4
1999-00	12.3	18.3	2.7
2000-01	13.1	16.8	2.8
2001-02	15.8	19.4	3.3
2002-03	17.2	18.0	3.4
2003-04	22.2	18.5	3.7
2004-05	21.1	13.6	3.0
2005-06	25.0	12.8	3.1
2006-07	30.8	12.7	3.4
2007-08 (R)	43.5	13.8	3.7
2008-09 (PR)	46.9	13.3	4.1

R: Revised. PR: Partially Revised.

Remarkable increase in workers' remittances could be traced to a few structural factors. First, in the 1990s, migration to Australia, Canada, and the United States increased significantly, particularly among information technology (IT) workers on temporary work permits. Second, the swelling of migrants' ranks coincided with better incentives to send and invest money, liberalisation of regulations and controls and more flexible exchange rates. The convenient remittance services provided by Indian and international banks have also shifted such remittance flows from informal channels to banking channels. Third, non-resident Indians have also responded to several attractive deposit schemes and the policy initiatives on this

front. Apart from these structural factors, some current developments that guided the remittances flows include: depreciation of the rupee, hike in interest rate ceilings on NRI deposits since September 2008 and uncertainties in oil-prices, which might have induced the workers to remit their money to India as a hedging mechanism due to its relatively better growth prospects.

According to the World Bank, India continues to be the top remittance receiving country in the world and it received significantly higher remittances to the tune of US$ 51.6 billion in 2008 as compared with US$ 37.2 billion in 2007 (Table 17). As per World Bank's estimates, remittances to India declined to US$ 47.0 billion in 2009 reflecting a lagged response to weak global economy (Box I).

Table 17: Workers' Remittances - Top Ten Receiving Countries*

(US $ million)

Sr. No.	Country	2001	2005	2006	2007	2008
1	2	3	4	5	6	7
1.	**India**	**14,273**	**22,125**	**28,334**	**37,217**	**51,581**
2.	China	7,037	24,102	27,954	38,791	48,524
3.	Mexico	10,146	23,062	26,877	27,136	26,304
4.	Philippines	6,164	13,566	15,251	16,302	18,643
5.	France	9,194	11,945	13,031	14,513	15,908
6.	Spain	4,720	7,961	8,890	10,739	11,776
7.	Germany	3,933	6,933	7,585	9,839	11,064
8.	Poland	1,995	6,482	8,496	10,496	10,727
9.	Nigeria	1,167	3,329	5,435	9,221	9,980
10.	Romania	116	4,733	6,718	8,539	9,380

* : Ranking is for the year 2008.

Source: Migration and Development Brief (No. 11), World Bank.

III.2.2.2 Composition

Private transfers primarily comprise of remittances for Family Maintenance, Local Withdrawals from Non-Resident Rupee Account, Gold and Silver brought through Passenger Baggage, and Personal gifts/ donations to charitable/religious institutions.

III.2.2.2.1 Remittances for Family Maintenance

The share of remittances repatriated by the overseas Indians for family maintenance, which contributed a significant share of remittance flows to India at about 60 per cent in 1999-2000 declined to around 42 per cent in 2005-06. Subsequently, however, its share increased and reached 51.0 per cent during 2008-09. (Table 18).

III.2.2.2.2 Local Withdrawals from Non-Resident Rupee Deposits

Local withdrawals from non-resident rupee deposit schemes, as part of workers' remittances, are the withdrawals from Non-Resident (External) Rupee Account [NR(E)RA] and Non-Resident Ordinary (NRO) Rupee Account by the non-resident or his dependent for local use. Such local withdrawals/redemptions from NRI deposits cease to exist as liability in the capital account of the balance of payments and assume the form of private transfers, which is included in the current account of the balance of payments.

Although the average contribution of local withdrawals to total private transfers declined from 50 per cent in the first half of the 1990s to only 29 per cent in the latter half, a reversal in this trend has been witnessed in the recent period. Since 2003-04, there has been relatively rising

Box I: Impact of Global Crisis on Remittances

Remittance flows to developing countries had shown relative stability during the past crises and were also countercyclical during downturns in the recipient economy. However, during the recent global economic crisis, with both the developed and developing countries, *albeit* to different degrees, facing economic slowdown, it was argued that remittances to developing countries could witness a significant slowdown.

According to the latest World Bank estimates (November 2009), from a regional perspective, East Asia and Pacific, and South Asia regions are expected to record the lowest decline of close to 2 per cent, while Europe and Central Asia may witness the highest decline of about 15 per cent. Apart from falling income on account of jobless growth, the increased uncertainty about exchange rates during periods of heightened volatility and immigration controls are expected to depress remittance flows. Remittance flows to developing countries, in fact increased to US$ 338 billion in 2008 from US$ 289 billion in 2007 and are projected to decline only moderately by about 6 per cent to US$ 317 billion in 2009. This is mainly attributed to the fact that while fresh migration has fallen, there is no evidence of existing migrants returning even though the job market has been weak in many destination countries.

Indian Scenario

In the past, workers' remittances to India have imparted significant resilience and strength to India's balance of payments, particularly during periods of notable capital outflows or adverse external shocks. The surge in workers' remittances to India, responding to oil boom in the Middle East during the 1980s, and the information technology revolution in the 1990s, has put India among the top remittance receiving countries in the World. Remittances have also helped to a large extent in offsetting India's merchandise trade deficit. The relative stability in such transfers, compared to other capital account items such as NRI deposits, foreign direct investment and portfolio investment, has also enabled the containment of the current account deficits at modest levels in the face of pressures on other accounts of balance of payments (BoP).

During the current crisis, however, there has been a significant deceleration in the rate of growth of remittance flows to India, especially since the second half of 2008-09. Notwithstanding this trend, India retained its top position as the largest recipient of remittances in 2008 at US$ 51.6 billion, as per the World Bank data, Moreover, as per the balance of payments (BoP) data released by the RBI, remittances have increased further during the first half of 2009-10 (April-September) as compared to the second half of 2008-09. Thus, the apprehension that global recession and the weakening employment prospects in the host countries could affect India's inward remittance flows significantly during 2009-10 appears to have been unfounded.

The higher remittance flows to India could be attributed to a number of factors, such as, relatively higher growth performance of the Indian economy making it an attractive investment destination, the hike in interest rate ceilings on NRI deposits since September 2008 and uncertainties in oil-prices, which might have induced the workers to remit their money to India as a hedging mechanism due to its relatively better growth prospects. According to a recent RBI Survey on Remittances by Overseas Indian (November, 2009), North America continued to be the most important source region of remittances to India accounting for nearly 38 per cent of the total remittances, followed by the Gulf region (27 per cent) and Europe (18 per cent). In view of the above, any further improvement in the outlook for remittances to India would critically hinge upon the economic recovery in the advanced economies. Moreover, the recent increase in international oil prices is likely to support remittances from Indian workers in the Gulf region. Going by the latest trend, India could retain its position as the largest remittance recipient country even during 2009, thereby providing resilience to the invisibles account.

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Table 18: Trend and Composition of Private Transfers to India

(US $ million)

Year	Inward remittances for family maintenance	Local withdrawals/ redemptions from NRI Deposits	Gold and silver brought through passenger baggage	Personal gifts/donations to charitable/ religious institutions in India	Total
1	2	3	4	5	6
1999-00	7,423	4,120	13	734	12,290
2000-01	7,747	4,727	10	581	13,065
2001-02	6,578	8,546	13	623	15,760
2002-03	9,914	6,644	18	613	17,189
2003-04	10,379	10,585	19	1,199	22,182
2004-05	9,973	8,907	27	2,168	21,075
2005-06	10,455	12,454	16	2,026	24,951
2006-07	14,740	13,208	27	2,860*	30,835
2007-08 (R)	21,922	18,919	26	2,641*	43,508
2008-09 (PR)	23,886	20,617	19	2381*	46,903
2008-09(Apr-Sep) (PR)	13,882	11,168	12	1309*	26,371
2009-10(Apr-Sep) (P)	14,677	11,818	56	964*	27,515

*: Including adjustment from the total.
R: Revised. PR: Partially Revised. P: Preliminary.

significance of the local withdrawal route as a conduit to remittance inflows to India (Table 19). The share of local withdrawals in the total private transfers increased marginally to 44.0 per cent during 2008-09 as compared to 43.5 per cent during 2007-08.

Table 19: Inflows and Outflows from NRI Deposits, Local Withdrawals and Remittances

(US $ million)

Year	Inflows	Outflows	Local Withdrawals/ Redemption from NRI Deposits	Private Transfers (included in current Account of BoP)	Local Withdrawal as % of Private Transfers (4)/(5) (Per cent)
1	2	3	4	5	6
1999-00	7,405	5,865	4,120	12,290	33.5
2000-01	8,988	6,672	4,727	13,065	36.2
2001-02	11,435	8,681	8,546	15,760	54.2
2002-03	10,214	7,236	6,644	17,189	38.7
2003-04	14,281	10,639	10,585	22,182	47.7
2004-05	8,071	9,035	8,907	21,075	42.3
2005-06	17,835	15,046	12,454	24,951	49.9
2006-07	19,914	15,593	13,208	30,835	42.8
2007-08 (R)	29,400	29,222	18,919	43,508	43.5
2008-09 (PR)	37,147	32,858	20,617	46,903	44.0
2008-09 (Apr-Sept) (PR)	18,274	17,202	11,168	26,371	42.3
2009-10 (Apr-Sept) (P)	21,513	18,649	11,818	27,515	43.0

R : Revised. PR : Partially Revised. P : Preliminary.

The rising trend in local withdrawals could be attributed to higher income levels of migrants in the recent past as well as better domestic investment opportunities engendered by robust growth and relatively benign inflation conditions. Even during the current global financial and economic crisis, the gross inflows to NRI deposits and the steady trend in local withdrawals indicate the stability and sustainability of remittance inflows over the medium term. It may be noted that a major part of outflows from NRI deposits (constituting about 85 per cent, on an average) is in the form of local withdrawals from NRI deposits. However, during 2007-08, the share declined significantly to around 65 per cent and further to 63 per cent in 2008-09, reflecting higher outflows under the FCNR (B) accounts.

III.2.2.2.3 Gold and Silver brought through Passenger Baggage

Under the liberalised policy for imports, the Government of India permitted import of gold by certain nominated agencies for sale to jewellery manufacturers, exporters, NRIs, holders of special import licences and domestic users. Nominated agencies/banks were permitted to import gold under different arrangements such as suppliers/buyers credit basis, consignment basis and outright purchase. Thus, after 1997-98 gold imports through passenger baggage by the returning Indians lost its importance as a conduit of remittance flows.

III.2.2.2.4 Personal gifts/donations to charitable/religious institutions

The inflows under this channel, which had generally increased upto 2006-07, came under some strain subsequently. The money repatriated is predominantly donations to charitable/religious institutions/NGOs.

III.3 Investment income

Investment income receipts are mainly driven by the interest and discount earnings on the RBI investment of foreign exchange reserves and reinvested earnings of the Indian direct investment enterprises abroad. Investment income receipts rose significantly since the late 1990s due to the build-up of foreign exchange reserves. The rise in reinvested earnings reflects the upward trend in Indian overseas investment by the Indian companies to take advantage of their access to international markets, natural resources, distribution networks, foreign technologies and other strategic assets such as brand names.

Investment income payments mainly include payment of interest on commercial borrowings, external assistance, NRI deposits and other short-term liabilities. In addition, more importantly, it includes reinvested earnings of the FDI enterprises operating in India as well as dividend and profit payments on liabilities such as FDI and portfolio investments. While the interest payments depend on the level of debt and the interest rate environment, the reinvested earning payments are influenced by the profitability, and reinvestment decisions of FDI enterprises operating in India. A shift in the level of investment income payments since 2000-01 partly reflects the inclusion of reinvested earnings of FDI enterprises as per the revised procedure of recording FDI in India in line with the international best practices. The

Table 20 : Details of Receipts and Payments of Investment Income

(US $ million)

Item	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 (R)	2008-09 (PR)
1	2	3	4	5	6	7	8	9	10
A. Total Receipts (1 to 5)	**2,554**	**3,254**	**3,405**	**3,774**	**4,124**	**6,229**	**8,926**	**13,811**	**13,483**
1. Interest Receipts on loans to Non-residents	84	201	154	198	65	101	163	1,469	951
2. Dividend and Profits	11	57	34	40	92	225	450	476	401
3. Reinvested Earnings	340	700	1,104	552	248	1,092	1,076	1,084	1,084
4. Interest/Discount Earnings on Foreign Exchange Reserves	1,950	1,757	1,835	2,115	3,014	4,519	6,641	10,124	10,480
5. Others	169	539	278	869	705	292	596	658	567
B. Total Payments (1 to7)	**7,218**	**7,098**	**6,370**	**7,531**	**8,219**	**11,491**	**15,688**	**18,244**	**17,506**
1. Interest Payment on NRI Deposits	1,811	1,808	1,413	1,642	1,353	1,497	1,969	1,813	1,547
2. Interest Payment on ECBs	2,020	1,945	1,486	2,584	1,283	3,148	1,709	2,647	2,702
3. Interest Payments on External Assistance	827	792	1,111	822	710	825	982	1,143	1,010
4. Interest on others (ST) Loans/Bonds	80	80	22	80	400	347	200	415	120
5. Dividends and Profits	1,047	711	462	878	1,991	2,502	3,486	3,226	3,172
6. Reinvested Earnings	1,350	1,645	1,832	1,459	1,903	2,760	5,828	7,679	6,428
7. Others	83	117	44	66	579	412	1,514	1,321	2,527
C. Net Investment Income (A-B)	**-4,664**	**-3,844**	**-2,965**	**-3,757**	**-4,095**	**-5,262**	**-6,762**	**-4,433**	**-4,023**

R: Revised. PR : Partially Revised.

growth in investment income payments, especially since 2004-05, has been mainly led by reinvested earnings and dividends and profits reflecting higher returns in the Indian capital market and improved corporate profitability (Table 20).

While both receipts and payments under the investment account have increased in recent years, except during 2008-09, the higher payments relative to receipts have resulted in net deficit (Table 21). During 2008-09, lower global interest rates resulting from significant monetary easing by advanced economies to contain the adverse impact of the global financial crisis resulted in a marginal decline in investment income receipts to US$ 13.5 billion from US$ 13.8 billion in 2007-08. Similarly, investment income payments declined marginally to US$ 17.5 billion during 2008-09 (US$ 18.2 billion in 2007-08) mainly due to decline in profit and dividends, and reinvested earnings of FDI companies in India.

Table 21: Investment Income

(US $ million)

Year	Receipts	Payments	Net
1	2	3	4
1990-91	368	4,120	-3,752
1995-96	1,429	4,634	-3,205
1999-00	1,783	5,478	-3,695
2000-01	2,554	7,218	-4,664
2001-02	3,254	7,098	-3,844
2002-03	3,405	6,949	-3,544
2003-04	3,774	7,531	-3,757
2004-05	4,124	8,219	-4,095
2005-06	6,229	11,491*	-5,262
2006-07	8926	15688	-6762
2007-08 R	13811	18244	-4433
2008-09 PR	13483	17506	-4023
2008-09 (Apr-Sept)PR	7273	8704	-1431
2009-10 (Apr-Sept)P	7267	9358	-2090

* Includes, *inter alia*, interest payments (US$ 1,718 million) of India Millennium Deposits.
R: Revised. PR: Partially Revised. P: Preliminary.

IV. Concluding Remarks and Outlook

The revival of invisibles surplus since the 1990s has lent considerable support to India's balance of payments position. The persistence of invisibles surplus coupled with significant capital inflows have facilitated the process of forward movement in regard to easing of payment restrictions on current and capital account transactions both for individuals and corporates. It is noteworthy that both gross receipts and payments in India's invisibles accounts have risen significantly over the years reflecting gradual opening up of Indian economy and growing volume of economic activity. The strong growth in services exports, especially of software and information technology services, and buoyant remittances from overseas Indians have imparted stability to invisibles receipts. On the other hand, the growth in invisibles payments has been mainly led by interest payments relating to external debt, dividends/profits paid on foreign investment, and payments relating to technology related and business services. Not only in absolute terms but also as a per cent of GDP, net invisibles have witnessed a significant improvement in recent years.

The two major components of India's invisibles, *viz.*, software services and private transfers have provided stability to India's current receipts. The significant technological transformation of the Indian economy as well as the growth in skilled manpower has enabled this process. India continued to be a leader in software exports as well as private transfer receipts during 2008-09. Notwithstanding the adverse impact of the global crisis, software services exports (4.0 per cent of GDP) and private transfer receipts (4.1 per cent of GDP) were higher during 2008-09 than the previous year, though, with the deepening of the global financial crisis, some moderation was witnessed during the second half of the year.

The robust growth trend observed in invisibles receipts and payments in the past few years was reversed during the first half (April-September) of 2009-10, reflecting a lagged impact of slowdown in the advanced economies following the financial crisis. Both invisibles receipts and payments declined as compared with the corresponding period of the preceding year as a result of which, net invisibles surplus stood lower during the first half of 2009-10.

All the components of services, including software services, registered lower receipts during the first half of the year as compared with the corresponding period of the previous year. Private transfer receipts, which have lent considerable support and stability to India's balance of payments in the recent years, also came under strain registering significantly decelerated growth during the first half of the current financial year. However, improving global economic conditions signifying return of consumer confidence and renewal of business growth is expected to drive IT spending in the foreseeable future.

The pickup in demand, both external and internal, on the back of global economic recovery and strong growth performance of the Indian economy should augur well for the growth prospects of other services during 2010. The hardening of global interest rates as major economies exit the accommodative monetary policy stance

could lead to an increase in investment income receipts. Even in the case of private transfers, the deceleration in growth in the current financial year in lagged response to a weak global economy will reverse slowly but reverting to the pre-crisis growth levels may take some time and would depend on the pace of the global economic recovery. Thus, India's invisibles sector, which has come under some pressure during 2009-10, is expected to make a turnaround in 2010 and beyond and will continue to lend considerable support to India's balance of payments position in future.

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Statement 1: Invisibles by Category

(US $ million)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
I. Invisibles Receipts (A+B+C)	**30,312**	**32,267**	**36,737**	**41,925**	**53,508**	**69,533**	**89,687**	**114,558**	**148,875**	**163,534**
A. Services	**15,709**	**16,268**	**17,140**	**20,763**	**26,868**	**43,249**	**57,659**	**73,780**	**90,342**	**101,678**
1) Travel	3,036	3,497	3,137	3,312	5,037	6,666	7,853	9,123	11,349	10,894
2) Transportation	1,707	2,046	2,161	2,536	3,207	4,683	6,325	7,974	10,014	11,286
3) Insurance	231	270	288	369	419	870	1,062	1,195	1,639	1,419
4) GNIE	582	651	518	293	240	401	314	253	331	389
5) Miscellaneous	10,153	9,804	11,036	14,253	17,965	30,629	42,105	55,235	67,010	77,691
Of which:										
Software Services	*3,962*	*6,341*	*7,556*	*9,600*	*12,800*	*17,700*	*23,600*	*31,300*	*40,300*	*46,300*
B. Transfers	**12,672**	**13,317**	**16,218**	**17,640**	**22,736**	**21,691**	**25,620**	**31,470**	**44,261**	**47,547**
1) Official Transfers	382	252	458	451	554	616	669	635	753	645
2) Private Transfers	12,290	13,065	15,760	17,189	22,182	21,075	24,951	30,835	43,508	46,903
C. Income	**1,931**	**2,682**	**3,379**	**3,522**	**3,904**	**4,593**	**6,408**	**9,308**	**14,272**	**14,309**
1) Investment Income	1,783	2,554	3,254	3,405	3,774	4,124	6,229	8,926	13,811	13,483
2) Compensation of Employees	148	128	125	117	130	469	179	382	461	825
II. Invisibles Payments (A+B+C)	**17,169**	**22,473**	**21,763**	**24,890**	**25,707**	**38,301**	**47,685**	**62,341**	**73,144**	**73,612**
A. Services	**11,645**	**14,576**	**13,816**	**17,120**	**16,724**	**27,823**	**34,489**	**44,311**	**51,490**	**52,047**
1) Travel	2,139	2,804	3,014	3,341	3,602	5,249	6,638	6,684	9,258	9,425
2) Transportation	2,410	3,558	3,467	3,272	2,328	4,539	8,337	8,068	11,514	12,820
3) Insurance	122	223	280	350	363	722	1,116	642	1,044	1,130
4) GNIE	270	319	283	228	212	411	529	403	376	793
5) Miscellaneous	6,704	7,672	6,772	9,929	10,219	16,902	17,869	28,514	29,298	27,879
Of which:										
Software Services	*138*	*591*	*672*	*737*	*476*	*800*	*1,338*	*2,267*	*3,358*	*2,814*
B. Transfers	**34**	**211**	**362**	**802**	**574**	**906**	**933**	**1,391**	**2,316**	**2,749**
1) Official Transfers	0	0	0	0	0	356	475	381	514	413
2) Private Transfers	34	211	362	802	574	550	458	1,010	1,802	2,336
C. Income	**5,490**	**7,686**	**7,585**	**6,968**	**8,409**	**9,572**	**12,263**	**16,639**	**19,339**	**18,816**
1) Investment Income	5,478	7,218	7,098	6,370	7,531	8,219	11,491	15,688	18,244	**17,506**
2) Compensation of Employees	12	468	487	598	878	1,353	772	951	1,095	1,309
Net Invisibles (I-II)	**13,143**	**9,794**	**14,974**	**17,035**	**27,801**	**31,232**	**42,002**	**52,217**	**75,731**	**89,923**

R : Revised. PR : Partially Revised.

Statement 2: Invisibles Receipts by Category of Transactions

(US $ million)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
Invisibles Receipts (A+B+C)	**30,312**	**32,267**	**36,737**	**41,925**	**53,508**	**69,533**	**89,687**	**114,558**	**148,875**	**163,534**
A) Services	**15,709**	**16,268**	**17,140**	**20,763**	**26,868**	**43,249**	**57,659**	**73,780**	**90,342**	**101,678**
1) Travel Account										
i) Tourist Expenses in India	3,036	3,497	3,137	3,312	5,037	6,666	7,853	9,123	11,349	10,894
Total	**3,036**	**3,497**	**3,137**	**3,312**	**5,037**	**6,666**	**7,853**	**9,123**	**11,349**	**10,894**
2) Transportation Account										
a) Sea Transport										
i) Surplus remitted by Indian companies operating abroad	61	34	71	50	36	208	451	452	507	578
ii) Operating expenses of foreign companies in India	161	87	103	145	289	462	638	924	773	1,023
iii) Charter hire charges	42	99	85	83	94	48	144	97	207	193
b) Air Transport										
i) Surplus remitted by Indian companies operating abroad	180	185	154	170	97	130	200	307	690	448
ii) Operating expenses of foreign companies in India	20	22	10	5	18	107	37	83	155	129
iii) Charter hire charges	24	4	18	5	18	20	21	35	42	19
c) Freight on exports	1,065	1,458	1,476	1,815	2,470	3,660	4,407	5,481	6,921	7,502
d) Others	154	157	244	263	185	48	427	595	717	1,394
Total (a to d)	**1,707**	**2,046**	**2,161**	**2,536**	**3,207**	**4,683**	**6,325**	**7,974**	**10,014**	**11,286**
3) Insurance Account										
a) Insurance on export	192	243	247	303	373	478	575	717	964	1,047
b) Premium										
i) Life	1	1	5	21	0	25	37	64	98	56
ii) Non-life	7	5	8	6	12	289	78	113	132	77
iii) Reinsurance from foreign companies	10	4	8	16	9	19	200	82	185	81
c) Commission on Business received from foreign companies	0	2	4	4	5	29	85	79	125	54
d) Others	21	15	16	19	20	30	87	140	136	104
Total (a to d)	**231**	**270**	**288**	**369**	**419**	**870**	**1,062**	**1,195**	**1,639**	**1,419**
4) Government Not Included Elsewhere										
a) Maintenance of foreign embassies and diplomatic missions in India	205	222	195	178	185	229	208	139	197	261
b) Maintenance of international and regional institutions in India	377	429	323	115	55	172	106	114	134	128
Total (a to b)	**582**	**651**	**518**	**293**	**240**	**401**	**314**	**253**	**331**	**389**

Statement 2: Invisibles Receipts by Category of Transactions *(Contd.)*

(US $ million)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
5) Miscellaneous Account										
a) Communication services	1,064	1,138	752	812	990	1,384	1,575	2,262	2,408	2,172
b) Construction services	389	536	144	178	458	491	242	700	764	867
c) Financial services	361	347	292	676	299	512	1,209	3,106	3,217	3,948
d) Software services	3,962	6,341	7,556	9,600	12,800	17,700	23,600	31,300	40,300	46,300
of which: IT Services	3,397	5,411	6,061	7,100	9,200	13,100	17,300	22,900	29,400	33,600
ITES-BPO	565	930	1,495	2,500	3,600	4,600	6,300	8,400	10,900	12,700
e) News agency services	342	114	9	59	69	171	185	334	503	800
f) Royalties, copyright and license fees	54	60	22	23	32	71	191	97	157	133
g) Business services (i to xii)$	643	334	519	807	1,296	5,167	9,307	14,544	16,772	16,445
i) Merchanting services						278	389	239	417	1,067
ii) Trade related services						429	521	1,325	2,233	2,016
iii) Operational Leasing Services						28	107	101	476	471
iv) Legal services						257	277	605	702	721
v) Accounting / Auditing services						38	68	176	228	228
vi) Business Management & Consultancy services	643	334	519	807	1,296	1,556	2,320	4,476	4,433	5,017
vii) Advertising/ trade fair						162	342	694	712	508
viii) Research & Development services						221	395	760	1,335	1,385
ix) Architectural Engineering & other technical services						1,417	3,193	3,457	3,144	1,766
x) Agricultural Mining & on-site processing services						52	32	46	57	85
xi) Maintenance of offices abroad services						724	1,577	2,638	2,861	2,984
xii) Environmental services						5	86	27	174	198
h) Personal, Cultural & Recreational services						105	189	243	562	729
i) Refunds/rebates	53	52	54	44	51	380	75	293	270	291
j) Other services$$	3,285	882	1,688	2,054	1,970	4,648	5,532	2,357	2,057	6,006
Total (a to j)	**10,153**	**9,804**	**11,036**	**14,253**	**17,965**	**30,629**	**42,105**	**55,235**	**67,010**	**77,691**
B) Transfers	**12,672**	**13,317**	**16,218**	**17,640**	**22,736**	**21,691**	**25,620**	**31,470**	**44,261**	**47,547**
1) Official Transfers										
i) Donations received from Non-residents	40	85	44	32	90	63	53	61	67	58
ii) Grant under PL 480 II	96	97	68	58	33	30	38	31	28	7
iii) Grants from other Governments	246	70	346	361	431	523	578	543	658	579
Total (i to iii)	**382**	**252**	**458**	**451**	**554**	**616**	**669**	**635**	**753**	**645**
2) Private Transfers										
i) Inward remittance from Indian workers abroad for family maintenance *etc.*	7,423	7,747	6,578	9,914	10,379	9,973	10,455	14,740	21,920	23,886
ii) Local withdrawals/ redemptions from non-resident deposits	4,120	4,727	8,546	6,644	10,585	8,907	12,454	13,208	18,919	20,617

Statement 2: Invisibles Receipts by Category of Transactions *(Concld.)*

(US $ million)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
iii) Gold and silver brought through passenger baggage	13	10	13	18	19	27	16	27	26	19
iv) Personal gifts/donations to charitable/religious institutions in India.	734	581	623	613	1,199	2,168	2,026	2,860	2,644	2,381
Total (i to iv)	**12,290**	**13,065**	**15,760**	**17,189**	**22,182**	**21,075**	**24,951**	**30,835**	**43,508**	**46,903**
C) Income Account	**1,931**	**2,682**	**3,379**	**3,522**	**3,904**	**4,593**	**6,408**	**9,308**	**14,272**	**14,309**
1) Compensation of Employees										
i) Wages received by Indians working on foreign contracts	148	128	125	117	130	469	179	382	461	825
2) Investment Income										
i) Interest received on loans to Non-residents	59	84	201	154	198	65	101	163	1,467	951
ii) Dividend/profit received by Indians on foreign investment	16	11	57	34	40	92	225	450	476	401
Of which:										
Dividend received by Indians on foreign investment	#	#	#	#	#	44	28	137	131	167
Profit received by Indians on foreign investment	#	#	#	#	#	48	197	313	345	234
iii) Reinvested Earnings	0	340	700	1,104	552	248	1,092	1,076	1,084	1,083
iv) Interest received on debentures, FRNs, CPs, fixed deposits and funds held abroad by ADs out of foreign currency loans/ export proceeds	11	18	13	14	31	182	104	64	106	83
v) Interest received on overdraft of VOSTRO accounts of foreign correspondents/ branches by the ADs	10	6	30	40	95	333	110	262	227	229
vi) Payment of taxes by the Non-residents/refund of taxes by foreign governments to Indians	195	70	131	21	157	173	58	257	322	253
vii) Interest/discount earnings *etc.* earnings on RBI investment	1,383	1,950	1,757	1,835	2,115	3,014	4,519	6,641	10,124	10,480
viii) Interest/remuneration on SDR holdings	9	8	7	13	10	17	20	13	4	3
ix) Others	100	67	358	190	576	0	0	0	0	0
Total (i to ix)	**1,783**	**2,554**	**3,254**	**3,405**	**3,774**	**4,124**	**6,229**	**8926**	**13,808**	**13,483**

Statement 3: Invisibles Payments by Category of Transactions

(US $ million)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
Invisibles Payments (A+B+C)	**17,169**	**22,473**	**21,763**	**24,890**	**25,707**	**38,301**	**47,685**	**62,341**	**73,144**	**73,612**
A) Services	**11,645**	**14,576**	**13,816**	**17,120**	**16,724**	**27,823**	**34,489**	**44,311**	**51,490**	**52,047**
1) Travel Account										
i) Business	1,268	1,586	1,471	1,987	2,712	3,222	3,452	2,822	3,296	1,908
ii) Health Related	3	4	4	4	6	14	38	13	18	25
iii) Education Related	61	95	249	169	237	642	1,114	1,105	2,826	2,247
iv) Basic Travel Quota (BTQ)	379	381	518	796	449	1,164	1,240	1,800	1,967	2,399
v) Pilgrimage	137	187	113	125	16	31	27	117	88	174
vi) Others	291	551	659	260	182	176	767	827	1,063	2,671
Total (i to vi)	**2,139**	**2,804**	**3,014**	**3,341**	**3,602**	**5,249**	**6,638**	**6,684**	**9,258**	**9,425**
2) Transportation Account										
a) Sea Transport										
i) Surplus remitted by Foreign companies operating in India	387	408	474	330	148	1,009	1,636	1,913	1,663	1,838
ii) Operating expenses of Indian companies abroad	406	831	446	505	364	333	1,005	551	901	1,014
iii) Charter hire charges	116	157	112	111	100	87	83	84	148	128
iv) Freight on imports	@	@	@	@	@	876	1,504	1,347	2,952	4,064
v) Freight on exports	..	..	..	..	..	519	581	710	779	1,026
vi) Remittance of passage booking abroad	#	#	#	#	#	26	12	5	4	7
b) Air Transport										
i) Surplus remitted by Foreign companies operating in India	821	1,236	1,362	1,410	652	1,147	2,194	1,835	2,637	2,376
ii) Operating expenses of Indian companies abroad	134	98	111	112	132	102	286	240	565	674
iii) Charter hire charges	75	73	70	82	60	48	141	239	513	387
iv) Freight on imports	@	@	@	@	@	118	125	176	556	271
v) Freight on exports	..	..	..	..	..	59	41	32	27	16
vi) Remittance of passage booking abroad	#	#	#	#	#	31	8	13	25	38
c. Freight on imports	304	647	732	600	763	@@	@@	@@	@@	@@
d. Remittance of passage booking abroad	24	12	29	17	11	##	##	##	##	##
e. Others	143	96	131	105	98	184	721	923	743	981
Total (a to e)	**2,410**	**3,558**	**3,467**	**3,272**	**2,328**	**4,539**	**8,337**	**8,068**	**11,514**	**12,820**
3) Insurance Account										
a. Premium										
i) Life	1	0	0	0	1	10	15	28	102	77
ii) Non-life	10	9	25	5	10	336	243	82	128	100
iii) Reinsurance	76	180	178	295	266	299	581	382	567	530
b. Commission on Business	6	0	3	0	0	12	28	23	27	43
c. Others	29	34	74	50	86	65	249	127	220	381
Total (a to c)	**122**	**223**	**280**	**350**	**363**	**722**	**1,116**	**642**	**1,044**	**1,130**

Statement 3: Invisibles Payments by Category of Transactions *(Contd.)*

(US $ million)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
4) Government Not Included Elsewhere										
a. Maintenance of Indian embassies and diplomatic missions abroad	237	262	209	195	186	339	445	285	272	646
b. Remittances by foreign embassies and missions in India	33	57	74	33	26	72	84	118	104	147
Total (a to b)	**270**	**319**	**283**	**228**	**212**	**411**	**529**	**403**	**376**	**793**
5) Miscellaneous Account										
a) Communication services	190	127	370	965	772	738	289	796	860	1,087
b) Construction services	51	166	517	1,326	655	716	723	737	707	896
c) Financial services	1,632	1,973	1,264	1,388	700	832	965	2,991	3,133	2,958
d) Software services	138	591	672	737	476	800	1,338	2,267	3,358	2,814
e) News agency services	90	256	163	232	235	281	130	226	506	385
f) Royalties, copyright and license fees	311	235	361	352	444	712	594	1,030	1,037	1,722
g) Business services (i to xii)$	1,152	1,022	1,501	1,812	2,550	7,318	7,748	15,866	16,553	15,435
i) Merchanting services						235	123	295	717	735
ii) Trade related services						1,052	1,207	1,801	2,286	1,651
iii) Operational Leasing Services						355	462	941	1,166	1,012
iv) Legal services						73	82	161	482	336
v) Accounting / Auditing services						13	20	58	69	132
vi) Business Management & Consultancy services	795	546	533	648	814	1,279	1,806	3,486	3,422	3,530
vii) Advertising/ trade fair						514	420	1,786	1,302	912
viii) Research & Development services						57	116	201	405	432
ix) Architectural Engineering & other technical services						1,111	1,414	3,025	3,091	3,130
x) Agricultural Mining & on-site processing services						7	15	74	50	169
xi) Maintenance of offices abroad services	357	476	968	1,164	1,736	2,618	2,074	4,032	3,555	3,387
xii) Environmental services						4	9	6	9	9
h) Personal, Cultural & Recreational services						102	84	117	211	322
i) Refunds/rebates	89	64	150	152	365	762	45	365	561	550
j) Other services$$	3,051	3,238	1,774	2,965	4,022	4,641	5,953	4,119	2,372	1,707
Total (a to j)	**6,704**	**7,672**	**6,772**	**9,929**	**10,219**	**16,902**	**17,869**	**28,514**	**29,298**	**27,879**
B) Transfers	**34**	**211**	**362**	**802**	**574**	**906**	**933**	**1,391**	**2,316**	**2,749**
1) Official Transfers										
i) Grants/donations from official sector	0	0	0	0	0	356	475	381	514	413
Total	**0**	**0**	**0**	**0**	**0**	**356**	**475**	**381**	**514**	**413**
2) Private Transfers										
i) Remittance by Non-residents towards family maintenance and savings	29	124	292	757	522	421	354	823	1,585	1,928
ii) Personal gifts/donations to charitable/religious institutions	5	87	70	45	52	129	104	187	216	409

Statement 3: Invisibles Payments by Category of Transactions *(Concld.)*

(US $ million)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
Of which:										
iii) Remittance towards personal gifts and donations						108	96	157	182	373
iv) Remittance towards donations to religious & charitable institutions abroad						17	7	18	24	24
v) Remittance towards grants and donations to other governments & charitable institutions established by the governments						4	1	12	10	12
Total (i to v)	**34**	**211**	**362**	**802**	**574**	**550**	**458**	**1,010**	**1,802**	**2,336**
C) Income	**5,490**	**7,686**	**7,585**	**6,968**	**8,409**	**9,572**	**12,263**	**16,639**	**19,339**	**18,816**
a) Compensation of Employees										
i) Payment of wages/ salary to Non-residents working in India	12	468	487	598	878	1,353	772	951	1,095	1,309
Total	**12**	**468**	**487**	**598**	**878**	**1,353**	**772**	**951**	**1,095**	**1,309**
b) Investment Income										
i) Payment of interest on NRI deposits	1,742	1,811	1,808	1,413	1,642	1,353	1,497	1,969	1,813	1,547
ii) Payment of interest on loans from Non-residents	3,037	2,930	2,855	2,594	3,469	2,450	4,320	3,792	5,062	5,268
iii) Payment of dividend/profit to Non-resident share holders	537	1,047	712	462	878	1,991	2,502	3,486	3,226	3,171
Of which:										
Payment of dividend to Non-resident share holder						1,578	2,400	3,235	2,998	2,893
Payment of profit to Non-resident share holder						413	102	251	228	278
iv) Reinvested Earning	0	1,352	1,644	1,832	1,460	1,904	2,760	5,828	7,680	6,426
v) Payment of interest on debentures, FRNs, CPs, fixed deposits, Government securities *etc.*	119	60	23	43	42	170	100	35	57	120
vi) Charges on SDRs	30	16	52	20	16	19	17	30	21	28
vii) Interest paid on overdraft on VOSTRO a/c Holders/ OD on NOSTRO a/c	0	0	0	4	20	255	212	406	238	510
ix) Payment of taxes by the Indians/refund of taxes by government to Non-residents	13	2	4	2	4	77	83	142	148	436
Total (i to ix)	**5,478**	**7,218**	**7,098**	**6,370**	**7,531**	**8,219**	**11,491**	**15,688**	**18,244**	**17,506**

R : Revised. PR : Partially Revised.
@ : For the period prior to 2004-05, the break up of 'freight on imports' between the sea transport and the air transport is not separately available. Therefore, these have been included under the head 'freight on imports'.
+ : The category 'freight on exports' was introduced in 2004-05 with a view to improve the data coverage.
# : For the period prior to 2004-05, the break up between the sea transport and the air transport is not separately available. Therefore, these have been included under the head 'remittance on passage booking abroad'.
@@ : Included under the heads 'sea transport' and 'air transport'.
: Included under the heads 'sea transport' and 'air transport'.
$: These new categories of services are available since 2004-05 as the reporting system was put in place to record such transactions.
$$: Till 2003-04, others included advertising, rentals, office maintenance, prizes, exhibitions & other services not included elsewhere.

Statement 4: Invisibles by Category

(Rs. crore)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
I. Invisibles Receipts (A+B+C)	**1,31,449**	**1,47,778**	**1,75,108**	**2,02,757**	**2,45,413**	**3,11,550**	**3,97,660**	**5,17,146**	**5,98,088**	**7,50,333**
A. Services	**68,137**	**74,555**	**81,739**	**1,00,419**	**1,23,175**	**1,93,711**	**2,55,668**	**3,33,093**	**3,63,042**	**4,67,915**
1) Travel	13,166	16,064	14,975	15,991	23,054	29,858	34,871	41,127	45,526	50,226
2) Transportation	7,400	9,364	10,326	12,261	14,714	21,021	28,023	36,049	40,199	51,952
3) Insurance	1,004	1,234	1,374	1,783	1,922	3,913	4,694	5,403	6,586	6,518
4) GNIE	2,523	2,986	2,467	1,417	1,105	1,797	1,396	1,143	1,331	1,771
5) Miscellaneous	44,044	44,907	52,597	68,967	82,380	1,37,122	1,86,684	2,49,371	2,69,400	3,57,447
Of which:										
Software Services	17,412	29,013	36,038	46,424	58,781	79,404	1,04,632	1,41,356	1,62,020	2,12,242
B. Transfers	**54,939**	**60,948**	**77,289**	**85,289**	**1,04,329**	**97,201**	**1,13,566**	**1,42,037**	**1,77,745**	**2,16,906**
1) Official Transfers	1,659	1,156	2,197	2,174	2,531	2,762	2,970	2,864	3,024	3,029
2) Private Transfers	53,280	59,792	75,092	83,115	101,798	94,439	110,596	1,39,173	1,74,721	2,13,877
C. Income	**8,373**	**12,275**	**16,080**	**17,049**	**17,909**	**20,638**	**28,426**	**42,016**	**57,300**	**65,512**
1) Investment Income	7,727	11,690	15,487	16,484	17,314	18,538	27,633	40,297	55,451	61,722
2) Compensation of Employees	646	585	593	565	595	2,100	793	1,719	1,849	3,790
II. Invisibles Payments (A+B+C)	**74,421**	**1,02,639**	**1,03,727**	**1,20,400**	**1,18,044**	**1,71,959**	**2,11,733**	**2,81,567**	**2,93,902**	**3,38,789**
A. Services	**50,467**	**66,650**	**65,850**	**82,775**	**76,794**	**1,24,880**	**1,53,057**	**2,00,029**	**2,06,798**	**2,39,606**
1) Travel	9,268	12,741	14,336	16,155	16,534	23,571	29,432	30,249	37,191	43,336
2) Transportation	10,450	16,172	16,486	15,828	10,688	20,363	36,928	36,504	46,278	58,531
3) Insurance	525	1,004	1,339	1,687	1,672	3,249	4,965	2,903	4,192	5,230
4) GNIE	1,167	1,460	1,349	1,105	976	1,843	2,343	1,825	1,518	3,777
5) Miscellaneous	29,057	35,273	32,340	48,000	46,924	75,854	79,389	1,28,548	1,17,618	1,28,731
Of which:										
Software Services	1,600	2,705	3,202	3,565	2,175	3,579	5,954	10,212	13,494	12,702
B. Transfers	**150**	**981**	**1,729**	**3,886**	**2,633**	**4,066**	**4,134**	**6,288**	**9,293**	**12,568**
1) Official Transfers	2	0	0	0	0	1,598	2,103	1,723	2,073	1,900
2) Private Transfers	148	981	1,729	3,886	2,633	2,468	2,031	4,565	7,220	10,668
C. Income	**23,804**	**35,008**	**36,148**	**33,739**	**38,617**	**43,013**	**54,542**	**75,250**	**77,811**	**86,615**
1) Investment Income	23,747	32,885	33,830	30,847	34,586	36,947	51,112	70,955	73,410	80,597
2) Compensation of Employees	57	2,123	2,318	2,892	4,031	6,066	3,430	4,295	4,402	6,018
Net Invisibles (I-II)	**57,028**	**45,139**	**71,381**	**82,357**	**1,27,369**	**1,39,591**	**1,85,927**	**2,35,579**	**3,04,185**	**4,11,544**

R : Revised. PR : Partially Revised.

Statement 5: Invisibles Receipts by Category of Transactions

(Rs. crore)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
Invisibles Receipts (A+B+C)	**1,31,449**	**1,47,778**	**1,75,108**	**2,02,757**	**2,45,413**	**3,11,550**	**3,97,660**	**5,17,146**	**5,98,088**	**7,50,333**
A) Services	**68,137**	**74,555**	**81,739**	**1,00,419**	**1,23,175**	**1,93,711**	**2,55,668**	**3,33,093**	**3,63,042**	**4,67,915**
1) Travel Account										
i) Tourist Expenses in India	13,166	16,064	14,975	15,991	23,054	29,858	34,871	41,127	45,526	50,226
Total	**13,166**	**16,064**	**14,975**	**15,991**	**23,054**	**29,858**	**34,871**	**41,127**	**45,526**	**50,226**
2) Transportation Account										
a) Sea Transport										
i) Surplus remitted by Indian companies operating abroad	262	157	344	241	170	932	2,000	2,038	2,037	2,696
ii) Operating expenses of foreign companies in India	696	398	495	695	1,325	2,075	2,824	4,181	3,105	4,706
iii) Charter hire charges	181	453	407	401	433	217	637	435	832	874
b) Air Transport										
i) Surplus remitted by Indian companies operating abroad	781	851	739	820	444	589	885	1,389	2,751	2,039
ii) Operating expenses of foreign companies in India	87	94	44	21	84	479	165	375	625	589
iii) Charter hire charges	103	19	85	21	81	82	93	156	167	90
c) Freight on exports	4,617	6,670	7,053	8,775	11,329	16,445	19,524	24,791	27,796	34,447
d) Others	673	722	1,159	1,287	848	202	1,895	2,684	2,888	6,512
Total (a to d)	**7,400**	**9,364**	**10,326**	**12,261**	**14,714**	**21,021**	**28,023**	**36,049**	**40,199**	**51,952**
3) Insurance Account										
a) Insurance on export	832	1,111	1,179	1,466	1,711	2,148	2,548	3,243	3,874	4,780
b) Premium										
i) Life	3	4	26	101	3	114	166	294	393	269
ii) Non-life	31	24	32	28	54	1,302	346	514	534	361
iii) Reinsurance from foreign companies	43	18	40	76	40	87	876	366	738	385
c) Commission on Business received from foreign companies	2	7	15	18	23	131	375	358	501	243
d) Others	93	70	82	94	91	131	383	628	546	479
Total (a to d)	**1,004**	**1,234**	**1,374**	**1,783**	**1,922**	**3,913**	**4,694**	**5,403**	**6,586**	**6,518**
4) Government Not Included Elsewhere										
a) Maintenance of foreign embassies and diplomatic missions in India	887	1,019	935	860	850	1,025	923	625	796	1,187
b) Maintenance of international and regional institutions in India	1,636	1,967	1,532	557	255	772	473	518	535	584
Total (a to b)	**2,523**	**2,986**	**2,467**	**1,417**	**1,105**	**1,797**	**1,396**	**1,143**	**1,331**	**1,771**

Statement 5: Invisibles Receipts by Category of Transactions *(Contd.)*

(Rs. crore)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
5) Miscellaneous Account										
a) Communication services	4,601	5,262	3,585	3,931	4,535	6,191	7,000	10,227	9,682	9,903
b) Construction services	1,691	2,430	696	863	2,097	2,184	1,074	3,156	3,056	4,053
c) Financial services	1,569	1,577	1,387	3,276	1,372	2,279	5,355	14,010	12,917	18,060
d) Software services	17,412	29,013	36,038	46,424	58,781	79,404	1,04,632	1,41,356	1,62,020	2,12,242
of which: IT Services	14,929	24,758	28,908	34,334	42,249	58,768	76,667	1,03,484	1,18,366	43,884
ITES-BPO	2,483	4,255	7,130	12,090	16,532	20,636	27,965	37,872	1,54,537	58,411
e) News agency services	1,485	511	43	284	321	769	818	1,509	2,035	3,683
f) Royalties, copyright and license fees	237	272	104	111	146	316	862	435	631	610
g) Business services (1 to 12)$	2,790	1,522	2,464	3,890	5,937	23,067	41,356	65,738	67,430	75,632
i) Merchanting services						1,248	1,725	1,071	1,680	4,887
ii) Trade related services						1,923	2,310	5,960	8,956	9,194
iii) Operational Leasing Services						123	476	451	1,900	2,156
iv) Legal services						1,126	1,230	2,736	2,824	3,306
v) Accounting / Auditing services						170	302	795	918	1,066
vi) Business Management & Consultancy services	2,790	1,522	2,464	3,890	5,937	6,955	10,285	20,231	17,841	23,031
vii) Advertising/ trade fair						726	1,528	3,122	2,869	2,347
viii) Research & Development services						985	1,754	3,430	5,338	6,308
ix) Architectural Engineering & other technical services						6,325	14,163	15,678	12,689	8,113
x) Agricultural Mining & on-site processing services						236	143	217	227	397
xi) Maintenance of offices abroad services						3,227	7,051	11,924	11,489	13,912
xii) Environmental services						23	389	125	700	917
h) Personal, Cultural & Recreational services						466	838	1,094	2,249	3,399
i) Refunds/rebates	231	238	258	213	234	1,716	332	1,312	1,083	1,351
j) Other services$$	14,028	4,082	8,022	9,975	8,957	20,730	24,417	10,532	8,296	28,515
Total (a to j)	**44,044**	**44,907**	**52,597**	**68,967**	**82,380**	**1,37,122**	**1,86,684**	**2,49,371**	**2,69,400**	**3,57,448**
B) Transfers	**54,939**	**60,948**	**77,289**	**85,289**	**1,04,329**	**97,201**	**1,13,566**	**1,42,037**	**1,77,745**	**2,16,906**
1) Official Transfers										
i) Donations received from Non-residents	174	393	211	156	413	256	236	281	270	265
ii) Grant under PL 480 II	414	439	323	280	153	135	169	142	113	34
iii) Grants from other Governments	1,071	324	1,663	1,738	1,965	2,371	2,565	2,441	2,641	2,730
Total (i to iii)	**1,659**	**1,156**	**2,197**	**2,174**	**2,531**	**2,762**	**2,970**	**2,864**	**3,024**	**3,029**

Statement 5: Invisibles Receipts by Category of Transactions *(Concld.)*

(Rs. crore)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
2) Private Transfers										
i) Inward remittance from Indian workers abroad for family maintenance *etc.*	32,192	35,507	31,361	47,915	47,648	44,559	46,290	73,518	88,049	1,08,598
ii) Local withdrawals/ redemptions from non-resident deposits	17,849	21,577	40,654	32,147	48,565	40,105	55,269	59,594	75,968	94,315
iii) Gold and silver brought through passenger baggage	57	44	61	89	86	118	69	121	106	86
iv) Personal gifts/donations to charitable/religious institutions in India.	3,182	2,664	3,016	2,964	5,499	9,657	8,968	5,940	10,598	10,878
Total (i to iv)	**53,280**	**59,792**	**75,092**	**83,115**	**101,798**	**94,439**	**1,10,596**	**1,39,173**	**1,74,721**	**2,13,877**
C) Income Account	**8,373**	**12,275**	**16,080**	**17,049**	**17,909**	**20,638**	**28,426**	**42,016**	**57,300**	**65,512**
1) Compensation of Employees										
i) Wages received by Indians working on foreign contracts	646	585	593	565	595	2,100	793	1,719	1,849	3,790
2) Investment Income										
i) Interest received on loans to Non-residents	256	384	959	745	910	293	449	739	5,895	4,405
ii) Dividend/profit received by Indians on foreign investment	68	54	273	64	184	407	992	2,036	1,908	1,852
Of which:										
Dividend received by Indians on foreign investment	#	#	#	#	#	194	122	618	526	790
Profit received by Indians on foreign investment	#	#	#	#	#	213	870	1,418	1,382	1,062
iii) Reinvested Earning	0	1,553	3,339	5,342	2,536	1,114	4,835	4,869	4,364	4,982
iv) Interest received on debentures, FRNs, CPs, fixed deposits and funds held abroad by ADs out of foreign currency loans/ export proceeds	50	86	63	69	137	813	453	289	422	389
v) Interest received on overdraft of VOSTRO accounts of foreign correspondents/ branches by the ADs	38	26	3	5	1	1,518	488	1,177	907	1,055
vi) Payment of taxes by the Non-residents/refund of taxes by foreign governments to Indians	854	313	626	100	720	774	256	1,148	1,291	1,164
vii) Interest/discount earnings *etc.* earnings on RBI investment	5,992	8,927	8,344	8,885	9,708	13,543	20,070	29,980	40,648	47,856
viii) Interest/remuneration on SDR holdings	37	35	37	64	46	76	90	59	16	14
ix) Others	432	312	1,843	1,210	3,072	0	0	0	0	0
Total (i to ix)	**7,727**	**11,690**	**15,487**	**16,484**	**17,314**	**18,538**	**27,633**	**40,297**	**55,451**	**61,722**

Statement 6: Invisibles Payments by Category of Transactions

(Rs. crore)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
Invisibles Payments (A+B+C)	**74,421**	**1,02,639**	**1,03,727**	**1,20,400**	**1,18,044**	**1,71,959**	**2,11,733**	**2,81,567**	**2,93,902**	**3,38,789**
A) Services	**50,467**	**66,650**	**65,850**	**82,775**	**76,794**	**1,24,880**	**1,53,057**	**2,00,029**	**2,06,798**	**2,39,606**
1) Travel Account										
i) Business	5,490	7,200	7,001	9,617	12,449	14,451	15,296	12,758	13,268	15,887
ii) Health Related	13	18	18	18	26	59	167	61	71	116
iii) Education Related	263	435	1,182	818	1,082	2,892	4,921	5,009	11,304	10,369
iv) Basic Travel Quota (BTQ)	1,638	1,738	2,465	3,830	2,063	5,226	5,473	8,154	7,928	10,961
v) Pilgrimage	602	867	541	604	72	144	122	527	352	827
vi) Others	1,262	2,483	3,129	1,268	842	799	3,453	3,740	4,269	5,177
Total (i to vi)	**9,268**	**12,741**	**14,336**	**16,155**	**16,534**	**23,571**	**29,432**	**30,249**	**37,191**	**43,336**
2) Transportation Account										
a) Sea Transport										
i) Surplus remitted by Foreign companies operating in India	1,681	1,872	2,245	1,603	683	4,529	7,274	8,640	6,685	8,313
ii) Operating expenses of Indian companies abroad	1,757	3,736	2,125	2,439	1,670	1,493	4,455	2,486	3,627	4,634
iii) Charter hire charges	501	700	534	540	459	389	369	383	595	578
iv) Freight on imports	@	@	@	@	@	3,924	6,659	6,076	11,851	18,507
v) Freight on exports	..	..	..	..	..	2,328	2,573	3,210	3,128	4,673
vi) Remittance of passage booking abroad	#	#	#	#	#	114	53	25	17	30
b) Air Transport										
i) Surplus remitted by Foreign companies operating in India	3,561	5,632	6,477	6,827	2,999	5,156	9,683	8,320	10,632	10,814
ii) Operating expenses of Indian companies abroad	580	444	529	539	611	459	1,268	1,086	2,267	3,146
iii) Charter hire charges	324	336	333	391	280	217	626	1,077	2,063	1,780
iv) Freight on imports	@	@	@	@	@	528	557	792	2,222	1,255
v) Freight on exports	..	..	..	..	..	264	180	144	110	73
vi) Remittance of passage booking abroad	#	#	#	#	#	138	37	58	102	177
c. Freight on imports	1,317	2,970	3,482	2,895	3,503	@@	@@	@@	@@	@@
d. Remittance of passage booking abroad	104	52	136	80	48	##	##	##	##	##
e. Others	625	430	625	514	435	824	3,192	4,207	2,978	9,298
Total (a to e)	**10,450**	**16,172**	**16,486**	**15,828**	**10,688**	**20,363**	**36,928**	**36,504**	**46,278**	**58,531**
3) Insurance Account										
a. Premium										
i) Life	3	1	3	2	4	42	64	128	409	346
ii) Non-life	45	37	123	22	47	1,511	1,076	372	512	449
iii) Reinsurance	328	805	850	1,421	1,224	1,350	2,588	1,729	2,278	2,467
b. Commission on Business	24	1	15	3	2	54	124	103	108	194
c. Others	125	160	348	239	395	292	1,113	571	885	1,773
Total (a to c)	**525**	**1,004**	**1,339**	**1,687**	**1,672**	**3,249**	**4,965**	**2,903**	**4,192**	**5,230**

Statement 6: Invisibles Payments by Category of Transactions *(Contd.)*

(Rs. crore)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
4) Government Not Included Elsewhere										
a. Maintenance of Indian embassies and diplomatic missions abroad	1,023	1,199	1,002	938	855	1,516	1,971	1,284	1,099	3,093
b. Remittances by foreign embassies and missions in India	144	261	347	167	121	327	372	541	419	684
Total (a to b)	**1,167**	**1,460**	**1,349**	**1,105**	**976**	**1,843**	**2,343**	**1,825**	**1,518**	**3,777**
5) Miscellaneous Account										
a) Communication services	826	583	1,767	4,704	3,547	3,298	1,285	3,589	3,462	5,025
b) Construction services	220	757	2,446	6,391	2,995	3,217	3,209	3,337	2,844	4,168
c) Financial services	5,785	8,991	6,046	6,765	3,217	3,735	4,265	13,460	12,560	13,568
d) Software services	1,600	2,705	3,202	3,565	2,175	3,579	5,954	10,212	13,494	12,702
e) News agency services	693	1,167	777	1,122	1,080	1,251	576	1,015	2,040	1,793
f) Royalties, copyright and license fees	1,351	1,073	1,723	1,703	2,039	3,185	2,640	4,632	4,167	7,937
g) Business services (i to xii)$	5,003	4,674	7,154	8,768	11,711	32,807	34,428	71,500	66,469	71,436
i) Merchanting services						1,055	547	1,324	2,885	3,439
ii) Trade related services						4,741	5,352	8,118	9,189	7,587
iii) Operational Leasing Services						1,584	2,052	4,249	4,675	4,586
iv) Legal services						327	363	724	1,938	1,551
v) Accounting / Auditing services						58	89	263	276	609
vi) Business Management & Consultancy services	3,456	2,499	2,537	3,135	3,734	5,708	10,769	15,739	13,754	16,579
vii) Advertising/trade fair						2,298	1,860	7,974	5,236	4,158
viii) Research & Development services						254	515	906	1,628	1,941
ix) Architectural Engineering & other technical services						4,987	6,293	13,630	12,399	14,479
x) Agricultural Mining & on-site processing services						30	67	333	202	752
xi) Maintenance of offices abroad services	1,547	2,175	4,617	5,633	7,977	11,746	6,480	18,215	14,250	15,717
xii) Environmental services						19	41	27	38	40
h) Personal, Cultural & Recreational services						461	371	525	848	1,478
i) Refunds/rebates	387	292	715	736	1,677	3,437	201	1,655	2,240	2,500
j) Other services$$	13,192	15,031	8,510	14,246	18,483	20,884	26,460	18,621	9,494	8,123
Total (a to j)	**29,057**	**35,273**	**32,340**	**48,000**	**46,924**	**75,854**	**79,389**	**1,28,548**	**1,17,618**	**1,28,731**
B) Transfers	**150**	**981**	**1,729**	**3,886**	**2,633**	**4,066**	**4,134**	**6,288**	**9,293**	**12,568**
1) Official Transfers										
i) Grants/donations from official sector	2	0	0	0	0	1,598	2,103	1,723	2,073	1,900
Total	**2**	**0**	**0**	**0**	**0**	**1,598**	**2,103**	**1,723**	**2,073**	**1,900**
2) Private Transfers										
i) Remittance by Non-residents towards family maintenance and savings	125	581	1,392	3,668	2,387	1,887	1,569	3,719	6,348	8,822
ii) Personal gifts/donations to charitable/religious institutions	23	400	337	218	246	581	462	846	872	1,846

Statement 6: Invisibles Payments by Category of Transactions *(Concld.)*

(Rs. crore)

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 R	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11
Of which:										
iii) Remittance towards personal gifts and donations						488	426	714	593	1,549
iv) Remittance towards donations to religious & charitable institutions abroad						75	32	79	97	106
v) Remittance towards grants and donations to other governments & charitable institutions established by the governments						18	4	53	44	43
Total (i to v)	**148**	**981**	**1,729**	**3,886**	**2,633**	**2,468**	**2,031**	**4,565**	**7,220**	**10,668**
C) Income	**23,804**	**35,008**	**36,148**	**33,739**	**38,617**	**43,013**	**54,542**	**75,250**	**77,811**	**86,615**
a) Compensation of Employees										
i) Payment of wages/salary to Non-residents working in India	57	2,123	2,318	2,892	4,031	6,066	3,430	4,295	4,402	6,018
Total	**57**	**2,123**	**2,318**	**2,892**	**4,031**	**6,066**	**3,430**	**4,295**	**4,402**	**6,018**
b) Investment Income										
i) Payment of interest on NRI deposits	7,549	8,276	8,621	6,845	7,536	6,071	6,634	8,909	7,315	7,142
ii) Payment of interest on loans from Non-residents	13,167	13,401	13,599	12,565	15,920	11,001	19,215	17,136	20,356	24,248
iii) Payment of dividend/profit to Non-resident share holders	2,333	4,676	3,397	2,237	4,041	8,969	11,123	15,774	12,961	14,244
Of which:										
Payment of dividend to Non-resident share holders						7,120	10,674	14,634	12,048	12,997
Payment of profit to Non-resident share holders						1,849	449	1,140	913	1,247
iv) Reinvested Earning	0	6,177	7,841	8,866	6,710	8,555	12,219	26,371	30,920	29,705
v) Payment of interest on debentures, FRNs, CPs fixed deposits, Government securities *etc.*	512	271	103	207	192	766	532	158	227	559
vi) Charges on SDRs	132	73	248	96	73	86	75	135	85	130
vii) Interest paid on overdraft on VOSTRO a/c Holders/ OD on NOSTRO a/c	2	2	2	22	92	1,154	945	1,829	954	2,466
ix) Payment of taxes by the Indians/refund of taxes by government to Non-residents	52	9	19	9	22	345	369	643	592	2,105
Total (i to ix)	**23,747**	**32,885**	**33,830**	**30,847**	**34,586**	**36,947**	**51,112**	**70,955**	**73,410**	**80,597**

R : Revised. PR : Partially Revised.

@ : For the period prior to 2004-05, the break up of 'freight on imports' between the sea transport and the air transport is not separately available. Therefore, these have been included under the head 'freight on imports'.

\+ : The category 'freight on exports' was introduced in 2004-05 with a view to improve the data coverage.

\# : For the period prior to 2004-05, the break up between the sea transport and the air transport is not separately available. Therefore, these have been included under the head 'remittance on passage booking abroad'.

@@ : Included under the heads 'sea transport' and 'air transport'.

: Included under the heads 'sea transport' and 'air transport'.

$: These new categories of services are available since 2004-05 as the reporting system was put in place to record such transactions.

$$: Till 2003-04, others included advertising, rentals, office maintenance, prizes, exhibitions & other services not included elsewhere.

Annex I : Compilation and Dissemination of India's Invisibles

India's invisibles details form part of India's Balance of Payments (BoP) and are released in two stages *viz.*, (i) standard presentation with broad heads and (ii) detailed presentation with break-up of broad heads. In the first stage, major components of invisibles are released as part of the BoP on a quarterly basis to meet the IMF's Special Data Dissemination Standards (SDDS). These quarterly details are released through the Reserve Bank of India (RBI) website and also published in the RBI Bulletin. In the first stage, the coverage is limited under broad heads of services (travel, transportation, insurance, government not included elsewhere and miscellaneous services including those of software services, business services, financial services and communication services), transfers (private and official transfers) and income (investment income and compensation of employees). In the second stage, when the data firm up and more details are available, the disaggregated details on invisibles are compiled and provided on an annual basis. These disaggregated data are published as an article titled "Invisibles in India's Balance of Payments" in the RBI Bulletin. The details regarding new reporting arrangements which were put in place in 2004-05, wherein a number of new purpose codes were introduced with a view to collect data separately for a number of emerging business services including those of merchanting services, trade related services, operational leasing services, legal services, accounting services, business and management services, advertising services, research and development services, architectural and engineering services, agricultural services, office maintenance services, environmental services and personal and cultural services, were published in the previous issue of the article published in the RBI Bulletin, November 2006.

The details on invisibles are extracted from India's Balance of Payments records and the balance of payments details are compiled in accordance with the guidelines in the IMF's Balance of Payments Manual, 5th Edition (BPM5), 1993, with minor modifications to adapt to the specifics of the Indian situation. The Manual defines BoP as a statistical statement that systematically summarises, for a specific time period, the economic transactions of an economy with the rest of the world. Transactions between residents and non-residents consist of those involving goods, services, and income; involving financial claims on and liabilities to the rest of the world; and those classified as transfers, involving offsetting entries to balance one-sided transactions.

Annex II: Details on Definitional Aspect of Components of Invisibles

Item	Description
1. Services	
(i) Travel	'Travel' represents all expenditure by foreign tourists in India on the receipts side and all expenditure by Indian tourists abroad on payments side. Travel receipts largely depend on the arrival of foreign tourists in India during a given time period.
(ii) Transportation	'Transportation' records receipts and payments on account of the carriage of goods and people as well as other distributive services (such as port charges, bunker fuel, stevedoring, cabotage, warehousing) performed on merchandise trade.
(iii) Insurance	'Insurance' consists of insurance on exports/imports, premium on life and non-life policies and reinsurance premium from foreign insurance companies.
(iv) Government Not Included Elsewhere (GNIE)	'Government not included elsewhere (GNIE)' represent remittances towards maintenance of foreign embassies, diplomatic missions and international/ regional institutions, while payments record the remittances on account of maintenance of embassies and diplomatic missions abroad.
(v) Miscellaneous Services	'Miscellaneous services' encompass communication services, construction services, financial services, software services, news agency services, royalties, copyright and license fees, management services and business services. Business services comprise merchanting services, trade related services, operational leasing services, legal services, accounting services, business and management consultancy services, advertising services, research and development services, architectural and engineering services, agricultural services, mining and on-site processing services, office maintenance services, environmental services, distribution services, audio-visual and related services and personal and cultural services.
2. Investment Income	'Investment income' represents the servicing of capital transactions (both debt and non-debt). These transactions are in the form of interest, dividend, profit and others for servicing of capital transactions. Interest payments represent servicing of debt liabilities, while the dividend and profit payments reflect the servicing of non-debt (foreign direct investment and portfolio investment) liabilities. Investment income payments move in tandem with India's external liabilities, while investment income receipts get linked to India's external assets including foreign exchange reserves. In accordance with the BPM5, 'compensation of employees' has been shown under the heading, "income" with effect from 1997-98.
3. Transfers	'Transfers' represent one-sided transactions, i.e., transactions that do not have any *quid pro quo*, such as grants, gifts, and migrants' transfers by way of remittances for family maintenance, repatriation of savings and transfer of financial and real resources linked to change in resident status of migrants. Official transfer receipts record grants, donations and other assistance received by the Government from bilateral and multilateral institutions. Similar transfers by the Indian Government to other countries are recorded under official transfer payments.

*Quarterly Industrial Outlook Survey: October- December 2009 (48th Round)**

This article presents the survey findings of Industrial Outlook Survey conducted for October-December 2009 quarter, the 48th round in the series. It gives the assessment of business situation of companies in manufacturing sector, for the quarter October- December 2009, and their expectations for the ensuing quarter January-March 2010. The survey findings indicate that India's manufacturing sector continued to strengthen, with business conditions improving at a robust pace. Further gains in output and new orders led companies in the sector to expand their input purchases and replenish their raw material stocks. The Business Expectation Index– a measure that gives a single snapshot of the industrial outlook in each quarter- registered further increase from 107.2 to 112.8 which indicates further strong improvement in the health of the manufacturing sector.

Highlights

The survey conducted in October-December 2009 signals continued improvement in the sentiments of the manufacturing sector which indicates that Indian manufacturing sector continued to recover further after a turnaround in April-June 2009, pointing towards a robust growth in the overall performance of the manufacturing sector.

- The **demand conditions** show signs of further pick up in the survey quarter

* Prepared in the Survey Division of Department of Statistics and Information Management. The previous article on the subject based on 47th Round (July-September 2009) was published in January 2010 Bulletin.

signalling towards sustained economic expansion. This is reflected from the improved growth in production, order books and export and import orders compared to previous quarter. This is also in line with the decrease in pending orders over previous quarters and the upward turn of capacity utilisation in current quarter. Moreover, a large proportion of respondents expected an average level in the inventory (both raw material and finished goods) for the current and ensuing quarters.

- The **financial conditions** show a further convalescence as more respondents assessed 'betterment' of overall financial situation during the quarters under review. The working capital finance requirement has grown further during the last quarter of 2009-10, which suggests that demand for short term funds from the private sector may rise in the coming months. The availability of finance is expected to improve further. In a turnaround, the pressure on profit margins is expected to be relieved in the coming months; but with the return of pricing power, inflationary pressure may increase. As a sign of gradual return of the pricing power, the selling prices are expected to increase for the second successive quarter, *albeit* at a lower rate as compared to the previous quarter. According to the survey findings, the outlook for employment is also improving and firms are expected to increase their workforce on the back of expected increase in demand.

- The recovery of economic growth appears to be more robust in view of the continuing consolidation of business confidence. The business expectations indices based on assessment for October- December 2009 and on expectations for next quarter were both in growth terrain and reached to 112.8 and 120.6 from 107.2 and 116.4 respectively.

- The **industry-wise** break-up shows that while all the industry groups have positive overall business sentiments in the present quarter, specifically few industry groups, *viz.,* Transport Equipment, Rubber & Plastic products, Electrical machinery, Basic Metals and Metal Products transport, Food products, and Pharmaceuticals and Fertilisers are more optimistic than the others. Food companies see high pricing power and high profits whereas Cement industry shows low order book and capacity utilisation, and the pressure on the profits and prices.

- **Size wise analysis** shows that the improvement is seen across all size groups, but the bigger companies with annual production of Rs. 1000 crore or more are most optimistic and they expect high order book, building up inventory and return of pricing power. The smaller companies (annual production less than Rs 100 crore) though have improved; their growth is at a lower rate as compared to bigger companies.

Introduction

The Reserve Bank of India has been conducting the Industrial Outlook Survey (IOS) on a quarterly basis since 1998. The

Survey gives insight into the perception of the public and private limited companies engaged in manufacturing activities about their own performance and prospects. The survey covers selected non-financial private and public limited companies with a sufficient size/industry representation. The assessment of business sentiments for the current quarter and expectations for the ensuing quarter are based on qualitative responses on 20 major parameters covering overall business situation, financial situation, demand indicators, price and employment expectations, profit margins, etc. The survey provides useful forward looking inputs for policymakers, analysts and business alike.

II. Data Coverage and Methodology[1]

II.1. Sample Size

The sample covers about 3000 non-financial public and private limited companies, mostly with paid up capital above Rs. 50 lakh, in the manufacturing sector. The fieldwork for the survey was carried out by outsourcing it during the two-month period ending November 2009. The panel of respondents is kept uniform to the extent possible except for periodic updation in the case of addition of new companies or deletion of closed/merged companies. The sample is chosen so as to get a good representation of size and industry.

[1] The methodology used for the analysis has been provided in the article *Quarterly Industrial Outlook Surveys: Trends since 2001* in October 2009 Bulletin.

II.2. Response to the Survey

The survey elicited response from 1272 companies (44 per cent of the sample) within the stipulated time. Companies with incomplete or improperly filled-in schedules were excluded for the analysis. The study is based on responses of 1256 companies which were included in the analysis.

II.3. The Survey Schedule

The survey schedule predominantly consists of qualitative questions and the target respondents are senior management personnel or finance heads of the companies. The schedule canvassed on quarterly basis runs into two pages containing five blocks (Annex).

III. Survey Findings

The survey results are being published in a concise form in the Reserve Bank's quarterly publication 'Macroeconomic and Monetary Developments' since 2005 and Monetary Policy statements. The survey findings of the 48th round conducted for **October- December 2009** quarter are presented in this article.

III.1. Demand conditions

Survey collects perceptions of the Indian manufacturers about prominent demand related parameters namely Production, Order Books, Capacity Utilisation, Inventory, Exports and Imports.

III.1.1. Production

The questions on production seek the company's assessment for October-December 2009 and expectations for

Table 1: Assessment & Expectations for Production

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No change	Net response (3-4)	Increase	Decrease	No change	Net response (7-8)
1	2	3	4	5	6	7	8	9	10
Jul-Sep 08	1032	42.5	17.3	40.2	25.2	53.4	9.9	36.6	43.5
Oct-Dec 08	1178	36.0	24.9	39.1	11.1	48.8	9.0	42.1	39.8
Jan-Mar 09	1225	27.1	35.1	37.7	-8.0	41.8	15.8	42.3	26.0
Apr-Jun 09	1242	33.1	26.2	40.6	6.9	32.5	22.6	44.9	9.9
Jul-Sep 09	1180	40.9	18.3	40.8	22.6	38.5	16.1	45.5	22.4
Oct-Dec 09	1256	44.0	15.2	40.8	28.9	46.0	11.0	43.0	35.0
Jan-Mar 2010						48.8	8.8	42.3	40.0

January- March 2010 of Production (for all products), whether it will increase, decrease, or there will be no change. On the output front, the net responses on the **assessment** and **expectations,** for the quarter under study, went up to 28.9 and 40.0 per cent respectively from 22.6 and 35.0 per cent levels observed in the previous survey round. This shows a remarkable improvement in the demand condition.

III. 1. 2. Order Books

The demand position of the manufacturing companies, as directly measured by order books, has marked improvement over the previous quarter; the net response going up from 20.5 per cent to 25.9 per cent. A similar sentiment was reflected in the expectation for the next quarter also.

III. 1. 3. Pending orders

The question was asked to the manufacturing companies to seek information whether pending orders for current and next quarter will be above normal, normal or below normal. It is seen

Chart 1: Production (in quantity)

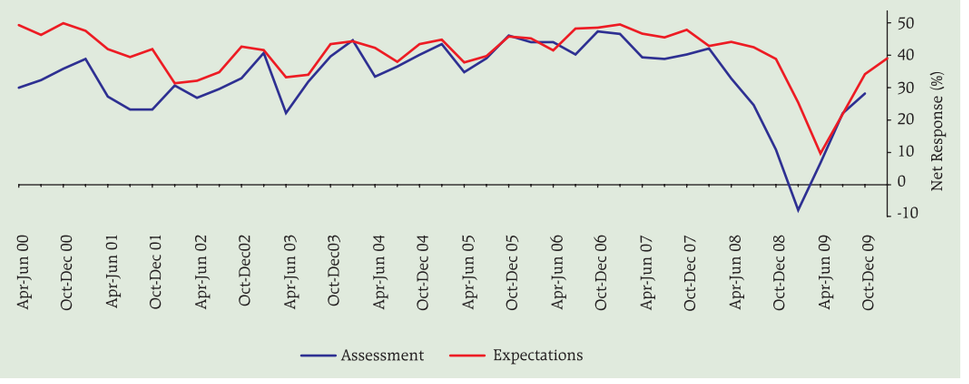


Table 2: Assessment & Expectations for Order books

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No change	Net response (3-4)	Increase	Decrease	No change	Net response (7-8)
1	2	3	4	5	6	7	8	9	10
Jul-Sep 08	1032	40.8	16.4	42.8	24.4	47.5	9.0	43.5	38.5
Oct-Dec 08	1178	32.6	25.1	42.2	7.5	44.8	9.1	46.1	35.7
Jan-Mar 09	1225	22.9	39.7	37.4	-16.8	37.3	16.7	46.1	20.6
Apr-Jun 09	1242	28.4	29.3	42.3	-0.9	31.0	24.6	44.4	6.4
Jul-Sep 09	1180	38.2	17.7	44.1	20.5	35.5	18.7	45.8	16.8
Oct-Dec 09	1256	39.5	13.6	46.8	25.9	43.5	11.2	45.3	32.3
Jan-Mar 2010						44.8	9.1	46.1	35.8

that the assessment level for maintaining pending order 'below normal' for both **assessment** and **expectations** has decreased over preceding quarters as more companies shifted from below normal to normal level of pending order.

III. 1. 4. Capacity Utilisation

Another important economic variable indicative of demand in the economy is the utilisation of installed capacity. The survey has three questions on capacity utilisation. It collects views of manufacturing companies about Capacity Utilisation of main product (increase/ decrease/ no change), Level of capacity utilisation compared to the average in the last four quarters (above normal/ below normal/ normal) and Assessment of production capacity with regard to expected demand in next six months (more than adequate/ less than adequate/ adequate).

More companies reported an increase in capacity utilisation compared to previous quarter, indicating further improvement in Capacity Utilisation, and this level of

Chart 2: Order Books (in quantity)

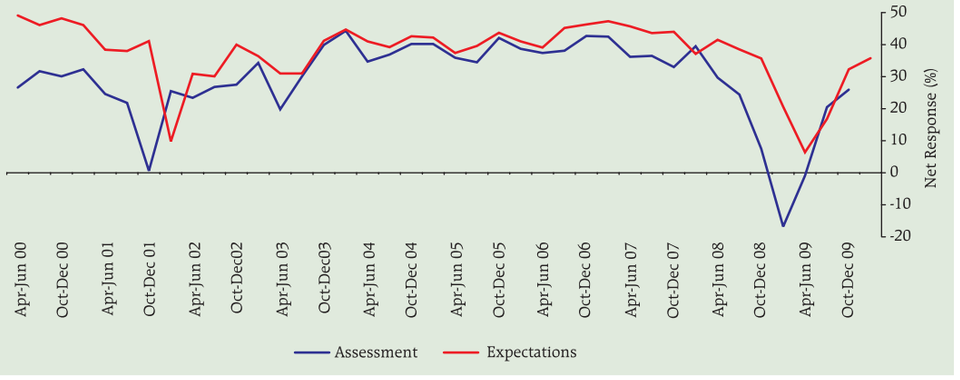


Table 3: Assessment & Expectations for Pending Orders

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Above Normal	Below Normal	Normal	Net response (3-4)	Above Normal	Below Normal	Normal	Net response (7-8)
1	2	3	4	5	6	7	8	9	10
Jul-Sep 08	1032	16.7	7.4	76.0	9.3	10.6	8.4	80.9	2.2
Oct-Dec 08	1178	19.2	5.6	75.2	13.6	11.3	6.7	82.0	4.6
Jan-Mar 09	1225	36.3	4.3	59.4	32.0	16.9	5.4	77.8	11.5
Apr-Jun 09	1242	29.1	4.5	66.5	24.6	28.0	4.8	59.4	23.2
Jul-Sep 09	1180	21.1	3.7	75.2	17.4	22.9	3.8	73.4	19.1
Oct-Dec 09	1256	17.1	5.6	77.3	11.6	15.2	4.2	80.6	11.0
Jan-Mar 10						12.2	6.5	81.3	5.7

capacity utilisation is above normal seen in the context of capacity level attained in the last four quarters. The expectation for the next quarter echoed the similar sentiment with higher degree. Assessment of Production capacity with regard to expected demand in next six months shows that there will be adequate capacity as proportion of companies that expressed about adequate production capacity in meeting the demand for the next 6 months has remained same.

III.1.5. Inventory of Raw materials & finished goods (in quantity terms)

Survey questionnaire includes two questions about inventory level of the companies during current and ensuing quarter. Manufacturers are solicited to opine on the extent of raw material and finished goods inventory (both in quantity terms) in the form of 3-point scale, above average, average or below average level, where below average inventory was considered an optimistic response as it

Chart 3: Pending order

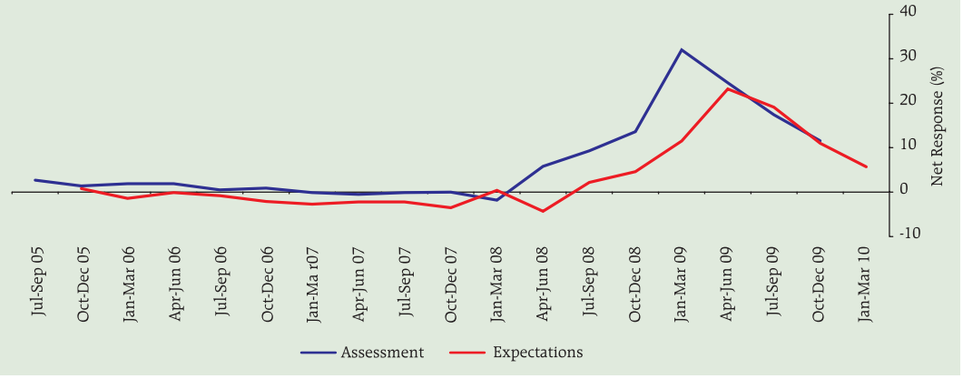


Table 4: Per cent responses under Expectations for Capacity Utilisation

(Percentage responses)

Parameter	Options	Assessment for quarter		Expectations for quarter	
		July-Sep 2009	Oct-Dec 2009	Oct-Dec 2009	Jan-March 2010
1	2	3	4	5	6
Capacity Utilisation (main product)	Increase	28.3	31.3	32.9	34.3
	No Change	53.5	53.9	56.2	56.9
	Decrease	18.2	14.8	10.9	8.9
	Net Response	10.1	16.5	22.0	25.4
Level of Capacity Utilisation (compared to the average in last 4 quarters)	Above normal	10.2	12.3	10.1	12.6
	Normal	68.4	71.5	76.0	76.1
	Below Normal	21.4	16.2	13.9	11.3
	Net Response	-11.2	-3.9	-3.8	1.3
Assessment of Production Capacity (with regard to expected demand in next 6 months)	More than adequate	13.4	12.9	13.4	11.9
	Adequate	79.0	79.6	79.7	81.2
	Less than adequate	7.6	7.5	6.9	6.9
	Net Response	5.8	5.3	6.5	5.0

reflected better inventory management. The average level is computed as average of the levels at the end of four quarters during the corresponding preceding year.

Majority of the respondents (81-85 per cent) reported no change in the level of **Inventory of raw materials** and **Inventory of finished goods** for the current quarter as well as ensuing quarter. The responses on level of Inventory (raw material and finished goods) in the current quarter shifted marginally from 'below average' to 'average' as compared to the previous quarter.

Chart 4: Capacity Utilisation (Main Product)

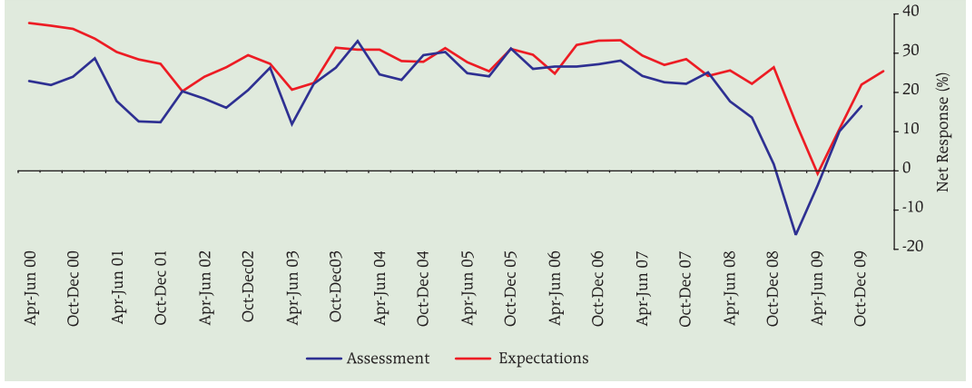


Table 5: Assessment & Expectations for Cost of raw material for Inventory

(Percentage responses)

Parameter	Options	Assessment for quarter		Expectations for quarter	
		July-Sep 2009	Oct-Dec 2009	Oct-Dec 2009	Jan-Mar 2010
1	2	3	4	5	6
Inventory of raw material	Below average	8.8	6.7	6.9	5.9
	Average	80.3	82.4	85.0	84.7
	Above average	10.9	10.9	8.1	9.4
	Net Response	-2.1	-4.2	-1.2	-3.6
Inventory of Finished goods	Below average	8.6	7.4	5.5	6.3
	Average	78.5	81.0	85.3	85.4
	Above average	12.9	11.6	9.2	8.2
	Net Response	-4.3	-4.3	-3.7	-1.9

Below average is optimistic

III.1.6. Exports and Imports

The external demand of manufacturing companies is gauged by the survey through their assessment and expectation of Exports and Imports. The companies report their perceptions in the form; increase, no change and decrease in Exports and Imports.

The survey results show that the **assessment** and **expectations** about **Export** growth shows a speedy recovery in the respective quarters. The net responses for the current quarter has improved sharply as compared to previous quarter turning from negative to positive (-2.9 per cent to 9.2 per cent). A similar trend is echoed for the ensuing quarter where in the net response showed an increased to 20.2 per cent as compared to 12.5 per cent reported in July-September 2009 quarter.

The net response on **assessment** and **expectation** for **Import** is also in the growth terrain. The sentiments have increased further from the preceding rounds for both the quarters under review

Table 6: Assessment & Expectations for Exports

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
1	2	3	4	5	6	7	8	9	10
Jul-Sep 08	1032	36.0	13.6	50.4	22.4	36.4	8.7	54.9	27.7
Oct-Dec 08	1178	27.6	20.0	52.4	7.6	36.5	9.2	54.3	27.3
Jan-Mar 09	1225	17.8	34.8	47.4	-17.0	30.6	14.6	54.8	16.0
Apr-Jun 09	1242	17.4	30.9	51.7	-13.5	19.5	23.3	57.3	-3.8
Jul-Sep 09	1180	20.9	23.8	55.3	-2.9	20.6	20.5	59.0	0.1
Oct-Dec 09	1256	27.3	18.1	54.6	9.2	27.0	14.5	58.5	12.5
Jan-Mar 10						31.2	11.0	57.8	20.2

Table 7: Assessment & Expectations for Imports

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No change	Net response (3-4)	Increase	Decrease	No change	Net response (7-8)
1	2	3	4	5	6	7	8	9	10
Jul-Sep 08	1032	28.5	7.8	63.8	20.7	27.4	6.1	66.5	21.3
Oct-Dec 08	1178	20.2	13.5	66.3	6.7	26.7	5.3	67.9	21.4
Jan-Mar 09	1225	13.7	22.1	64.2	-8.4	19.7	10.6	69.7	9.1
Apr-Jun 09	1242	17.1	18.4	64.5	-1.3	14.9	16.3	68.8	-1.4
Jul-Sep 09	1180	21.8	14.0	64.2	7.8	17	12.4	70.6	4.6
Oct-Dec 09	1256	23.3	10.3	66.5	13.0	21.3	9.8	68.9	11.5
Jan-Mar 10						23.4	6.5	70.1	16.9

(13.0 and 16.9 per cent respectively). The optimistic outlook for export and import gives an indication that the demand (external and domestic) for manufactured products is moving up in the current quarter as well as for the next quarter.

III.2. Financial Situation

The survey assesses sentiments about financial condition through five parameters, viz., Overall Financial Situation, Working Capital Finance Requirement (excluding internal sources of funds), Availability of Finance (both internal and external sources), Cost of External Finance and Profit Margin.

III.2.1. Overall Financial Situation

Indubitably corporates gauge a positive **assessment** about the **Overall Financial Situation** for the current quarter (October-December 2009), as more respondents **assessed** 'betterment' of overall financial situation during the current quarter. The net response showed further improvement (29.5 per cent from 21.8 per cent) as compared to

Chart 5: Exports and Imports

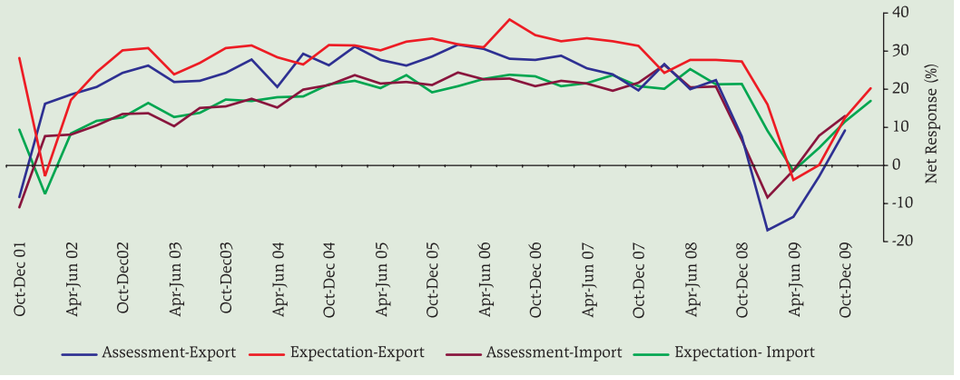


Table 8: Assessment & Expectations for Overall Financial Situation

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Better	Worsen	No change	Net response (3-4)	Better	Worsen	No change	Net response (7-8)
1	2	3	4	5	6	7	8	9	10
Jul-Sep 08	1032	31.0	15.7	53.3	15.3	39.9	7.2	53.0	32.7
Oct-Dec 08	1178	22.0	24.9	53.1	-2.9	37.6	9.9	52.5	27.7
Jan-Mar 09	1225	20.3	29.9	49.9	-9.6	31.6	15.2	53.2	16.4
Apr-Jun 09	1242	26.4	19.4	54.2	7.0	27.8	19.4	52.7	8.4
Jul-Sep 09	1180	34.3	12.5	53.2	21.8	32.8	12.8	54.4	20.0
Oct-Dec 09	1256	38.8	9.3	51.8	29.5	40.5	7.0	52.5	33.5
Jan-Mar 10						44.3	5.0	50.6	39.3

preceding quarter. The **expectations** for the ensuing quarter (January-March 2010) also registered an improvement of optimism (net response of 39.3 per cent as compared to 33.5 per cent). The chart below reveals that there was a continuous sliding optimism on Overall Financial Situation since the beginning of 2008, which has rebounded from the 46 round of the survey (July - September 2009).

III.2.2. Working Capital Finance requirement and Availability of Finance

The **assessment** and **expectations** on the **Working capital finance requirement** (excluding internal source of funds) for the period under review registered marginal improvement. The net response for assessment increased from 23.8 per cent to 28.8 percent and 30.4 per cent to 32.7 per cent for expectation.

Although about 63 per cent of respondents do not see any change in Availability of Finance (from both internal as well as external sources) during the quarters under study, the net optimism has been enhanced. The quarterly movements of Working Capital Finance Requirements

Chart 6: Overall Financial Situation

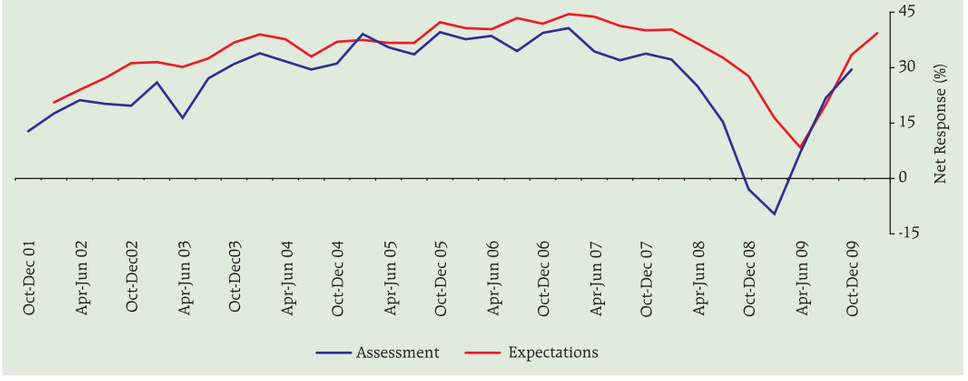


Table 9: Assessment & Expectations for Working capital finance requirement

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No change	Net response (3-4)	Increase	Decrease	No change	Net response (7-8)
1	2	3	4	5	6	7	8	9	10
Jul-Sep 08	1032	41.4	6.5	52.0	34.9	38.1	4.5	57.3	33.6
Oct-Dec 08	1178	41.1	6.8	52.1	34.3	38.1	4.3	57.7	33.8
Jan-Mar 09	1225	36.0	11.9	52.1	24.1	37.9	5.0	57.1	32.9
Apr-Jun 09	1242	57.0	24.6	9.2	24.6	31.1	7.9	61.0	23.2
Jul-Sep 09	1180	31.2	7.4	61.4	23.8	32.3	6.0	61.7	26.3
Oct-Dec 09	1256	35.2	6.4	58.4	28.8	34.7	4.3	61.0	30.4
Jan-Mar 10						36.8	4.0	59.2	32.7

(WCFR) and Availability of Finance (both internal and external sources), presented in the chart 7 below, shows that for ensuing quarter, the manufacturers' expect their WCFR and availability of finance to improve marginally.

III.2.3 Cost of External Finance

The cost of external finance was included in the survey schedule from the current survey (Round 48) onwards. The respondents are asked to express their opinion on a three point scale viz; Increase/ Decrease/ No change about their perceptions of cost of funds. About two-third of the respondents opined 'no change' in cost of external finance for both the quarters under review.

III.2.4. Profit margin

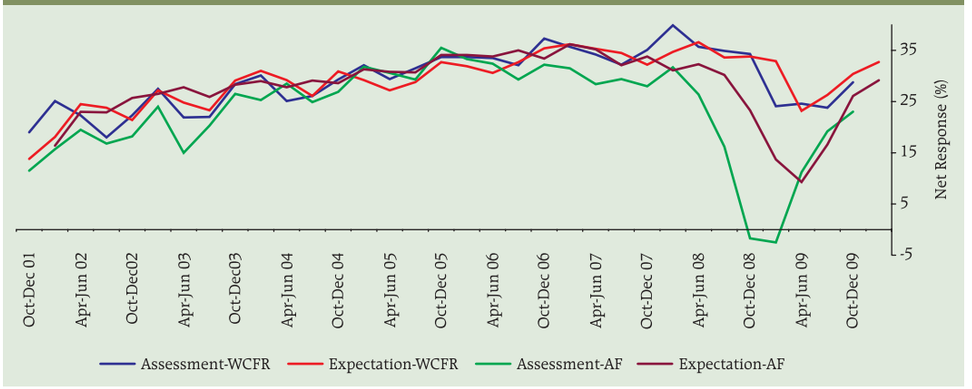
Survey asks manufacturing companies whether in their opinion profit margin (gross profits as percentage at net sales) is expected to increase, decrease or remain same. The sentiments on **Profit margin** for the current quarter of the survey though improving, are still in the contraction terrain. However, the extent of pessimism has declined compared to preceding quarter. The sentiments on expectation for the

Table 10: Assessment & Expectations for Availability of Finance

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Improve	Worsen	No change	Net response (3-4)	Improve	Worsen	No change	Net response (7-8)
1	2	3	4	5	6	7	8	9	10
Jul-Sep 08	1032	27.7	11.5	60.8	16.2	36.1	5.9	57.9	30.2
Oct-Dec 08	1178	21.4	23.1	55.5	-1.7	32.1	8.8	59.0	23.3
Jan-Mar 09	1225	19.2	21.7	59.1	-2.5	28.7	15.0	56.3	13.7
Apr-Jun 09	1242	24.8	13.6	61.6	11.2	23.8	14.5	61.7	9.3
Jul-Sep 09	1180	28.0	8.8	63.2	19.2	27.0	10.4	62.6	16.6
Oct-Dec 09	1256	30.3	7.2	62.5	23.0	31.7	5.6	62.7	26.1
Jan-Mar 10						33.7	4.5	61.8	29.2

Chart 7: Working Capital Finance Requirement and Availability of Finance



ensuing quarter has moved from negative to positive (-2.8 per cent to 1.1per cent).

III.3. Price and Employment Expectation

Prices related three questions were canvassed in the survey. The questions sought increase, decrease or no change in the Cost of Raw Material and those of Selling Prices (ex-factory unit prices); and if there was an increase expected on Selling Prices and if so, about the rate of increase in the Selling Prices (at higher/lower/similar rate).

III.3.1. Cost of raw material

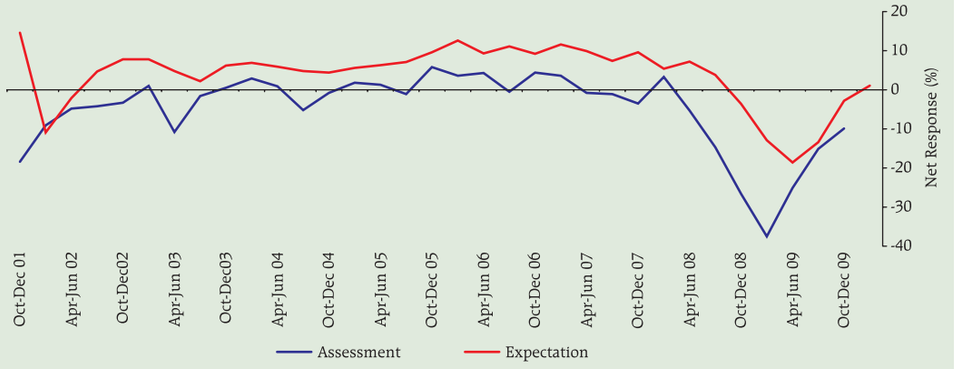
The net response on cost of raw material of the reporting companies declined further in both the quarters under review, as compared to the previous round indicating that the manufactures are more concerned about the cost of raw material. This is due to the reason that more respondents opine 'increase' in raw material prices as compared to preceding quarter. Thus the manufacturing corporates feel that their input price inflation is likely to increase. The murk

Table 11: Assessment & Expectations for Profit margin

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No change	Net response (3-4)	Increase	Decrease	No change	Net response (7-8)
1	2	3	4	5	6	7	8	9	10
Jul-Sep 08	1032	18.1	32.8	49.0	-14.7	22.0	18.2	59.8	3.8
Oct-Dec 08	1178	14.4	41.0	44.6	-26.6	20.8	24.4	54.7	-3.6
Jan-Mar 09	1225	11.3	48.8	39.8	-37.5	16.9	29.8	53.3	-12.9
Apr-Jun 09	1242	13.4	38.5	48.1	-25.1	15.4	34.0	50.6	-18.6
Jul-Sep 09	1180	16.9	32.0	51.1	-15.1	16.0	29.4	54.5	-13.4
Oct-Dec 09	1256	18.1	28.0	54.0	-9.9	20.2	23.0	56.8	-2.8
Jan-Mar 10						21.1	20.1	58.8	1.1

Chart 8: Profit Margin



that prevailed in profit margin had reduced as compared to previous round, which in turn will have an influence in the selling price.

III.3.2. Selling price

Survey seeks responses from manufacturing corporate about ex-factory Selling Prices. In case of multi-product companies, they are requested to take into account the average of the price changes. Optimism level for **Selling prices** ('increase in selling price') for the current quarter though registered a minor fall, the net response has increased from 0.2 to 2.6 percent. However, corporates expected the optimism level to increase in the ensuing quarter which is mainly due to increase in proportion of 'no change in selling price' as a decline in the percentage of respondents who opined a decrease in selling price as compared to previous round is seen. While 15.9 percent corporates opined about a 'decline' in the selling prices in the current quarter, only 10.9 expected this decline to continue in

Table 12: Assessment & Expectations for Cost of raw material

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No change	Net response (3-4)	Increase	Decrease	No change	Net response (7-8)
1	2	3	4	5	6	7	8	9	10
Jul-Sep 08	1032	1.4	80.8	17.8	-79.4	3.1	57.8	39.1	-54.7
Oct-Dec 08	1178	14.1	60.1	25.8	-46.0	3.3	64.4	32.3	-61.1
Jan-Mar 09	1225	29.1	37.2	33.7	-8.1	12.3	48.0	39.7	-35.7
Apr-Jun 09	1242	14.3	40.6	45.1	-26.3	14.3	30.5	33.7	-16.2
Jul-Sep 09	1180	8.1	49.8	42.1	-41.7	8.7	35.8	55.5	-27.1
Oct-Dec 09	1256	6.3	53.4	40.3	-47.1	5.0	43.4	51.6	-38.4
Jan-Mar 10						3.6	47.9	48.5	-44.3

Table 13: Assessment & Expectations for Selling Price

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No change	Net response (3-4)	Increase	Decrease	No change	Net response (7-8)
1	2	3	4	5	6	7	8	9	10
Jul-Sep 08	1032	41.7	8.2	50.1	33.5	29.7	8.7	61.5	21.0
Oct-Dec 08	1178	23.2	23.7	53.1	-0.5	34.3	8.1	57.6	26.2
Jan-Mar 09	1225	12.5	38.0	49.5	-25.5	21.2	17.1	61.7	4.1
Apr-Jun 09	1242	17.0	24.4	58.0	-7.4	14.5	23.6	61.9	-9.1
Jul-Sep 09	1180	19.4	19.2	61.4	0.2	17.2	17.2	65.6	0.0
Oct-Dec 09	1256	18.6	15.9	65.5	2.6	19.2	13.2	67.6	6.0
Jan-Mar 10						20.7	10.9	68.4	9.8

January- March 2010 as well. Among the respondents that viewed an 'increase' in selling prices, 29.1 per cent of respondents viewed the increase to be 'at lower rate'.

III.3.3. Employment

Industrial Outlook Survey seeks from the companies their perceptions on employment change at their company. Employment includes all cadres comprising full-time, part-time and casual labour. The employment outlook of Indian manufacturing has continued its U-turn recovery in the current quarter (October-December 2009). The companies perceived to be net hirer in the current quarter compared to the last quarter (net response from 4.1 percent to 10.3 percent). Marked improvement also observed in the employment expectation for the January-March 2010. Around 74-76 per cent of companies did not expect any change in their employment position.

Chart 9: Cost of Raw Material and Selling Price

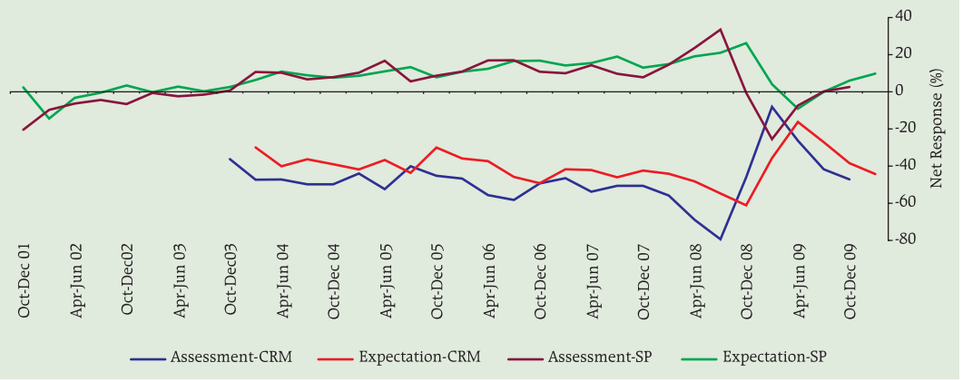


Table 14: Assessment & Expectations for Employment outlook

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Increase	Decrease	No change	Net response (3-4)	Increase	Decrease	No change	Net response (7-8)
1	2	3	4	5	6	7	8	9	10
Jul-Sep 08	1032	23.5	9.4	67.1	14.1	22.2	6.4	71.5	15.8
Oct-Dec 08	1178	18.7	9.3	72.0	9.4	23.1	6.5	70.4	16.6
Jan-Mar 09	1225	11.2	19.5	69.3	-8.3	16.0	8.3	75.7	7.7
Apr-Jun 09	1242	11.9	15.2	72.9	-3.3	10.5	15.6	74.0	-5.1
Jul-Sep 09	1180	14.2	10.1	75.7	4.1	11.5	10.0	78.6	1.5
Oct-Dec 09	1256	18.2	7.9	73.9	10.3	15.8	7.0	77.2	8.8
Jan-Mar 10						18.2	6.1	75.6	12.1

III.4. Overall business conditions

III.4.1: Overall Business Situation

The Overall Business Situation is a parameter that provides the overall confidence of manufacturing companies. The companies are enquired if their overall business situation would become better/ worse /remain same. The net response for **assessment** about the **Overall business situation** during the current quarter October- December 2009 shows marked improvement from 26.3 per cent to the level of 36.0 per cent in the previous quarter. Similarly the net response for expectation has also shown a rising trend (from 39.8 per cent to 44.9 per cent). The net response assessment and expectation for the last six quarters, presented in Table: 15, shows the trend of sharp improvement in business sentiments from the previous quarters. These upward movements of assessment and expectations with respect to previous periods under comparison are statistically significant. The movement of the overall business situation is presented in chart 11.

Chart 10: Employment

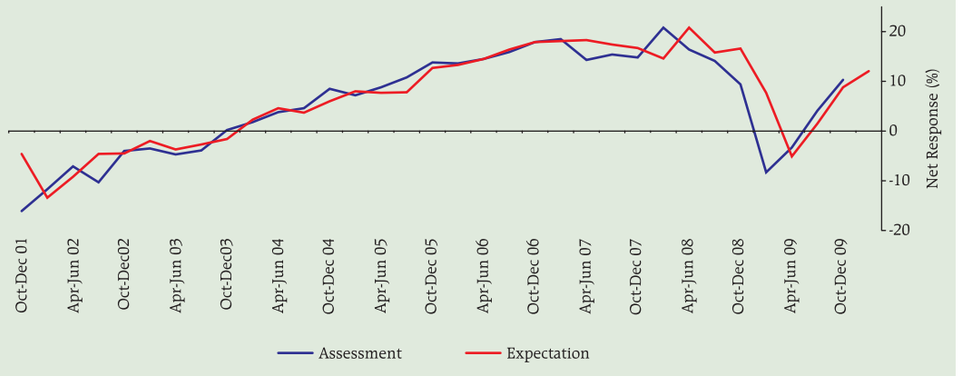


Table 15: Assessment & Expectations of Overall Business Situation

(Percentage responses)

Survey Quarter	Total response	Assessment for Current Quarter				Expectation for Next Quarter			
		Better	Worsen	No change	Net response (3-4)	Better	Worsen	No change	Net response (7-8)
1	2	3	4	5	6	7	8	9	10
Jul-Sep 08	1032	39.3	16.7	44.0	22.6	49.6	7.8	42.6	41.8
Oct-Dec 08	1178	30.2	26.2	43.6	4.0	44.8	11.1	44.1	33.7
Jan-Mar 09	1225	24.1	35.2	40.7	-11.1	38.6	17.5	43.9	21.1
Apr-Jun 09	1242	30.7	21.4	47.9	9.3	31.8	20.6	47.6	11.2
Jul-Sep 09	1180	39.3	13.0	47.7	26.3	38.8	14.6	46.7	24.2
Oct-Dec 09	1256	46.0	10.1	43.9	36.0	47.2	7.4	45.4	39.8
Jna-Mar 10						50.4	5.5	44.2	44.9

III.4.2: Business Expectation Index

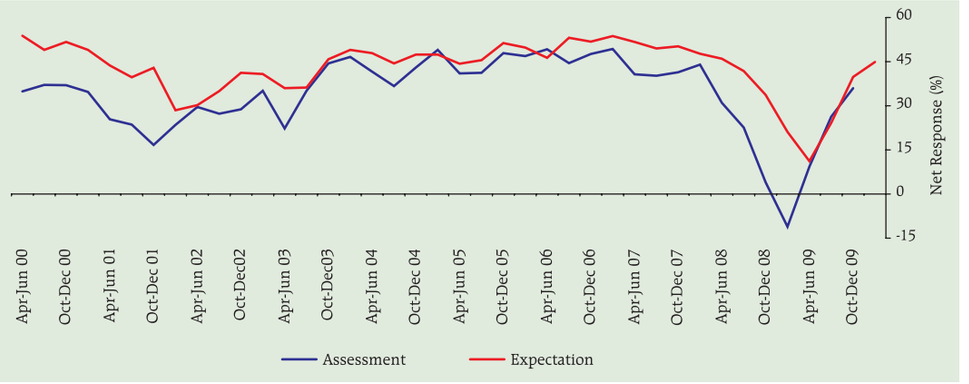
Business Expectation Index gives a single snapshot of the industrial outlook in each study quarter. This index is computed based on weighted average of responses from different industries on selected 9 out of the 20 performance parameters. These parameters are Overall Business Situation, Production, Order Books, Inventory of Raw Materials, Inventory of Finished Goods, Profit Margin, Employment, Exports, and Capacity Utilization.

The present round of the survey shows further improvement in the BEI by 5 per cent over the preceding round **(July-September 2009)**. The BEI for October-December 2009 at 112.8 increased from 107.2; and for ensuing quarter, it has increased to 120.6 as compared to 116.4 seen in the previous quarter.

III.5: Industry-wise analysis[2]

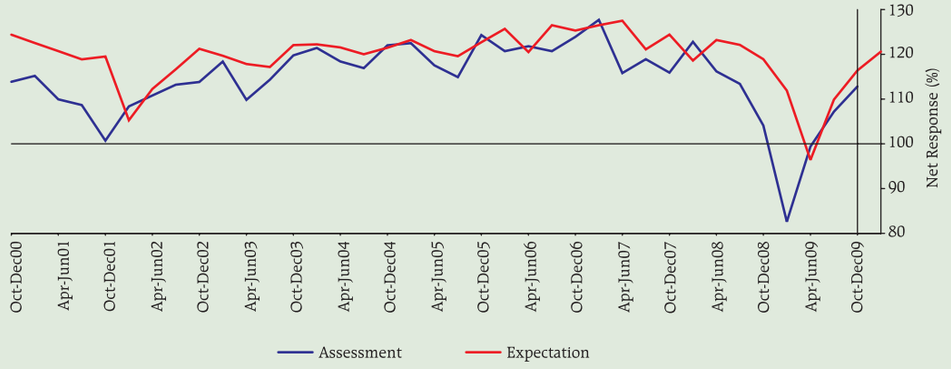
Transport Equipment (86), Rubber & Plastic products (91), Electrical machinery

Chart 11: Overall Business Situation



[2] *(Figures in bracket represent number of companies)*

Chart 12: Business Expectations Index



(86), Basic Metals and Metal Products (150), Food Products (116), Pharmaceuticals & Medicines (70) and Basic Chemicals (107) industries are generally optimistic about their overall business situation for January-March 2010. They expect demand conditions to improve, and thus higher levels of production and capacity utilization. Their overall financial situation is good, working capital finance requirement will go up and availability of finance is expected to be comfortable. Paper and Paper Product industry is expecting an increase in their input prices. The industries having weak, though positive, overall business sentiments are Paper and paper products (35), Cement (25) and Other Industries (98).

Table 16: Industry-wise analysis

Net Response (%) for January-March 2010

	Industry	Production	Financial Situation	Profit margin	Employment	Overall Business Situation
1	2	3	4	5	6	7
1	Transport Equipment	56.8	61.2	-2.4	25.9	62.4
2	Rubber & Plastic products	54.7	48.9	6.8	23.3	56.8
3	Electrical machinery	57.0	44.2	3.5	21.4	52.3
4	Other Machinery & Appratus	49.7	46.2	3.9	12.0	51.3
5	Basic Metals & Metal products	43.0	41.6	1.4	15.6	49.7
6	Food products	36.9	42.5	11.6	11.4	49.6
7	Pharmecutical & Medicines	39.1	45.7	2.9	11.6	47.1
8	Basic Chemicals	35.0	35.2	2.9	5.6	43.4
9	Fertilisers	30.4	13.6	9.1	4.3	34.8
10	Textiles	24.9	27.4	-4.1	13.1	34.7
11	Wood & wood products	20.0	37.5	-6.3	6.3	31.3
12	Diversified companies	69.2	30.8	8.3	7.7	30.8
13	Cement	44.0	32.0	-8.0	0.0	28.0
14	Other industries	19.1	27.6	-7.3	-5.3	27.6
15	Paper & Paper products	26.5	17.1	-17.6	-5.7	20.0
	All Industries	**40.0**	**39.3**	**1.1**	**12.1**	**44.9**

III.6: Size-wise analysis Annual production and Paid-up Capital (PUC)

Bigger companies (annual production above Rs. 1000 crore) are more positive about overall business & financial situation and working capital finance requirement. The smaller companies (annual production less than Rs. 100 crore) are less optimistic about demand conditions as observed from their net responses on production, order books and capacity utilization which are at lower level than that of the larger ones. They also expect a contraction in their exports. Bigger companies are more positive about domestic and external demand. The smaller companies feel more pressure on the input price and availability of finance than their bigger counterparts. Bigger companies are expected to be net hirer; the smaller firms will continue to shed jobs. Though all firms expect a net decline in their profit margins, the small and medium firms are the worst hit. A similar trend is inferred based on the PUC size wise analysis also.

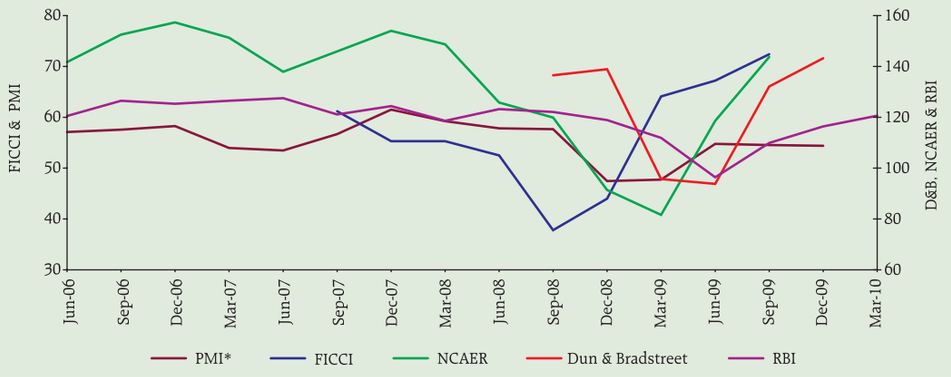
III.7. Constraints for attaining the normal production level

The net responses for attaining the normal production level during the quarter **October- December 2009** has remained at 52 per cent which is slightly lower compared to last survey round (56 per cent). The constraints reported are due to 'Lack of domestic demand', 'Lack of export demand', 'Shortage of Power', 'Uncertainty of economic environment', and Shortage of Working Capital Finance. The major

Table 17: Size-wise analysis: Annual production and Paid-up Capital (PUC)

	Production- wise Net response(%) for Jan-March 2010						PUC- wise Net response(%) for Jan-March 2010					
	Small firms- (Production less than Rs. 100 Crore)		Medium firms- (Production more than Rs. 100 Crore& less than 1000Cr)		Large firms- (Production Rs. 1000 Crore or more)		Small Firms- (PUC<Rs. 1 Cr)		Medium firms- (PUC>1Cr& < 100Cr)		Large firms- (PUC ≥ Rs. 100 Cr)	
1	2	3	4	5	6	7	8	9	10	11	12	13
	Rd	Rd	Rd	Rd	Rd	Rd	Rd	Rd	Rd	Rd	Rd	Rd
Characteristic	47	48	47	48	47	48	47	48	47	48	47	48
Production	28.4	32.6	38.9	45.7	47.4	47.1	23.6	26.0	35.1	41.4	55.0	43.3
Order book	28.1	29.7	35.2	40.7	41.3	42.9	26.4	19.6	32.2	38.1	46.9	28.1
Exports	3.2	15.6	18.2	23.0	27.0	27.4	-1.0	3.9	13.9	22.6	14.9	11.1
Raw material inventory	1.1	-1.8	-4.1	-4.9	-1.5	-5.6	-5.9	-10.7	-0.4	-2.6	-4.9	-5.9
Finished goods inventory	-2.6	0.9	-4.8	-3.2	-3.9	-8.9	-4.4	-0.8	-3.6	-1.7	-3.5	-6.3
Capacity utilisation	16.7	17.5	25.1	31.3	31.3	35.2	14.4	9.8	22.4	27.2	30.0	26.1
Input price	-41.9	-43.9	-35.5	-47.2	-35.2	-33.3	-39.4	-53.8	-39.0	-43.6	-27.8	-37.7
Output price	4.0	5.6	9.2	12.8	3.2	14.5	2.5	8.1	6.9	10.0	-1.6	8.7
Employment	5.3	8.1	11.7	14.9	12.1	17.1	3.3	-0.8	9.5	14.3	8.2	1.4
Overall financial situation	26.4	31.5	39.4	45.1	41.2	49.2	23.8	28.8	34.6	40.9	35.0	40.3
Working capital finance requirement	28.3	27.5	31.7	36.2	34.4	41.9	18.0	22.8	31.7	33.6	34.5	35.5

Chart 13: Quarterly changes of different business indices



industry groups for which higher proportion of companies reported production constraints are 'Paper and paper products' (66 per cent) 'Diversified' (62 per cent) and 'Fertilizers' (61 per cent). On the other end of the spectrum, only 31 per cent of 'Wood and wood products', 34 per cent of 'Pharmaceutical' companies had reported production constraints.

Smaller companies, in terms of their annual production, paid-up capital and lower level of capacity utilisation felt production constraints more than the bigger ones.

III.8. Business Confidence Surveys of other Agencies

Comparison of other business indices are briefly outlined below.

Business Confidence Surveys of other Agencies

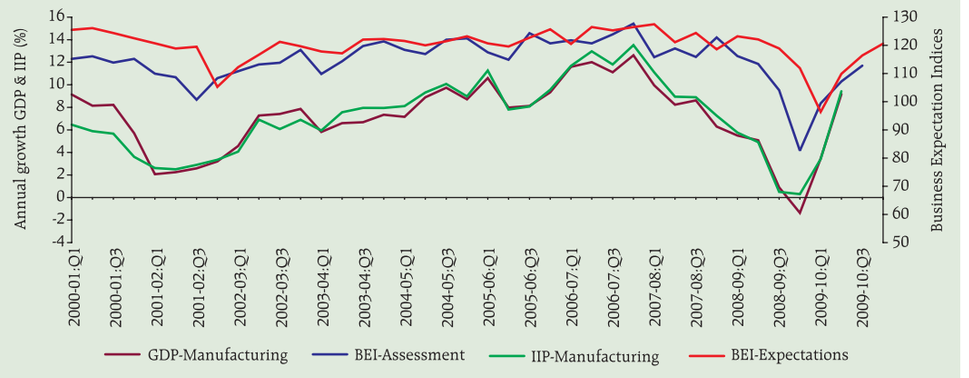
Parameter	Dun & Bradstreet	NCAER	FICCI	PMI	RBI
1	2	3	4	5	6
Coverage	**Service and Manufacturing companies in both Public and Private Sector**			**Manufacturing companies**	**Manufacturing companies in Private & Public Sector**
Sample size	–	545	358	<420	1256
Index	Business Optimism Index	Business Confidence Index	Overall Business Confidence Index	Purchasing Managers' Index	Business Expectations Index
Period	Oct-Dec 2009	Sep-09	Q2 2009-10	Oct-Dec 2009	Jan-Mar 2010
Index based on current survey	143.2	143.7	72.4	54.4	120.6
Index based on previous survey	132.1	118.6	67.2	54.5	116.4
Index based on one year back survey	138.9	119.9	37.8	47.5	111.9
% change q-o-q	8.4	21.2	7.7	-0.2 *	3.6
% change y-o-y	3.1	19.8	91.5	14.5	7.8

* Change over previous month.

III.9. Survey Results and Official Statistics

The Business Expectations Indices (BEI) based on the information gathered on critical parameters in the Industrial Outlook Survey provides the private manufacturing sector's aggregate assessment of the current quarter and outlook for the ensuing quarter. Chart 14 shows the co-movements of annual growth rates of quarterly GDP-Manufacturing (at 1999-00 prices), IIP-Manufacturing (base: 1993-94=100) and the BEI based on assessment and expectations. Movements in BEI appear to be closely leading the official output indicators in general as well as imminent upturn in growth released subsequently.

Chart 14: Business Expectation Index along with IIP & GDP



Statement 1: Assessment of the Industrial performance for the October-December 2009 & Expectations of the Industrial performance for the quarter January-March 2010

(Percentage of responding companies)

Parameter	Assessment (October-December 2009)				Expectations (January-March 2010)			
	Scenario				Scenario			
	Optimistic (Positive)	Pessimistic (Negative)	No Change	Net response (Col. 2 - Col. 3)	Optimistic (Positive)	Pessimistic (Negative)	No Change	Net response (Col. 6 - Col. 7)
1	2	3	4	5	6	7	8	9
1 Overall Business Situation	46.0	10.1	43.9	36.0	50.4	5.5	44.2	44.9
2 Financial Situation	38.8	9.3	51.8	29.5	44.3	5.0	50.6	39.3
3 Working Capital Finance requirement	35.2	6.4	58.4	28.8	36.8	4.0	59.2	32.7
4 Availability of Finance	30.3	7.2	62.5	23.0	33.7	4.5	61.8	29.2
5 Cost of external finance	9.0	23.8	67.2	-14.7	6.8	25.1	68.1	-18.3
6 Production	44.0	15.2	40.8	28.9	48.8	8.8	42.3	40.0
7 Order Books	39.5	13.6	46.8	25.9	44.8	9.1	46.1	35.8
8 Pending Orders, if applicable	17.1	5.6	77.3	11.6	12.2	6.5	81.3	5.7
9 Cost of raw material	6.3	53.4	40.3	-47.1	3.6	47.9	48.5	-44.3
10 Inventory of Raw Material	6.7	10.9	82.4	-4.2	5.9	9.4	84.7	-3.6
11 Inventory of Finished goods	7.4	11.6	81.0	-4.3	6.3	8.2	85.4	-1.9
12 Capacity Utilisation (Main product)	31.3	14.8	53.9	16.5	34.3	8.9	56.9	25.4
13 Level of Capacity Utilisation (Compared to the average in preceding four quarters)	12.3	16.2	71.5	-3.9	12.6	11.3	76.1	1.3
14 Assessment of the Production Capacity (With regard to expected demand in next six months)	12.9	7.5	79.6	5.3	11.9	6.9	81.2	5.0
15 Employment in the Company	18.2	7.9	73.9	10.3	18.2	6.1	75.6	12.1
16 Exports, if applicable	27.3	18.1	54.6	9.2	31.2	11.0	57.8	20.2
17 Imports, if any	23.3	10.3	66.5	13.0	23.4	6.5	70.1	16.9
18 Selling Prices	18.6	15.9	65.5	2.6	20.7	10.9	68.4	9.8
19 If Increase Expected in Selling Prices, rate of increase	29.1	9.8	61.1	19.3	27.2	10.4	62.3	16.8
20 Profit Margin	18.1	28.0	54.0	-9.9	21.1	20.1	58.8	1.1

Statement 2: Net Response on Assessment of Industrial Performance Over the Latest Six Quarterly Rounds of the Industrial Outlook Survey

(Per cent)

Parameter	Optimistic Response	Apr-Jun 2008 (1039)	July-Sep 2008 (1032)	Oct-Dec 2008 (1178)	Jan-Mar 2009 (1225)	Apr-Jun 2009 (1242)	July-Sep 2009 (1180)	Oct-Dec 2009 (1256)
1	2	3	4	5	6	7	8	9
1 Overall business situation	Better	31.0	22.6	4.0	-11.1	9.3	26.3	36.0
2 Financial situation	Better	25.1	15.3	-2.9	-9.6	7.0	21.8	29.5
3 Working capital finance requirement	Increase	35.7	34.9	34.3	24.1	24.6	23.8	28.8
4 Availability of finance	Improve	26.4	16.2	-1.7	-2.5	11.2	19.2	23.0
5 Cost of external finance *	Decrease							-14.7
6 Production	Increase	33.6	25.2	11.1	-8.0	6.9	22.6	28.9
7 Order books	Increase	29.7	24.4	7.5	-16.8	-0.9	20.5	25.9
8 Pending Orders, if applicable	Below normal	5.8	9.3	13.6	32.0	24.6	17.4	11.6
9 Cost of raw material	Decrease	-68.9	-79.4	-46.0	-8.1	-26.3	-41.7	-47.1
10 Inventory of raw material	Below average	-4.3	-7.0	-4.8	-1.8	-2.4	-2.1	-4.2
11 Inventory of finished goods	Below average	-3.9	-4.0	-8.4	-13.1	-4.2	-4.3	-4.3
12 Capacity utilization (Main product)	Increase	17.7	13.6	1.7	-16.3	-3.7	10.1	16.5
13 Level of capacity utilization (Compared to the average in preceding four quarters)	Above normal	-1.5	-4.1	-12.0	-29.3	-19.2	-11.2	-3.9
14 Assessment of the production capacity (With regard to expected demand in next six months)	More than adequate	4.0	5.0	12.1	8.3	4.6	5.8	5.3
15 Employment in the company	Increase	16.4	14.1	9.4	-8.3	-3.3	4.1	10.3
16 Exports, if applicable	Increase	20.0	22.4	7.6	-17.0	-13.5	-2.9	9.2
17 Imports, if any	Increase	20.5	20.7	6.7	-8.4	-1.3	7.8	13.0
18 Selling prices are expected to	Increase	23.6	33.5	-0.5	-25.5	-7.4	0.2	2.6
19 If increase expected in selling prices	Increase at lower rate	-2.4	-0.5	1.2	31.7	11.0	23.2	19.3
20 Profit margin	Increase	-5.3	-14.7	-26.6	-37.5	-25.1	-15.1	-9.9

* : This parameter has been included in the schedule from the current survey round (Rd 48).

Note: Italicised figures in bracket represent number of companies covered in the report.

Statement 3: Net Response on Expectations of Industrial Performance Over the Latest Seven Quarterly Rounds of the Industrial Outlook Survey

(Per cent)

Parameter	Optimistic Response	July-Sep 2008 (1039)	Oct-Dec 2008 (1032)	Jan-Mar 2009 (1178)	Apr-Jun 2009 (1225)	July-Sep 2009 (1242)	Oct-Dec 2009 (1180)	Jan-Mar 2010 (1256)
1	2	3	4	5	6	7	8	9
1 Overall business situation	Better	41.8	33.7	21.1	11.2	24.2	39.8	44.9
2 Financial situation	Better	32.7	27.7	16.4	8.4	20.0	33.5	39.3
3 Working capital finance requirement	Increase	33.6	33.8	32.9	23.2	26.3	30.4	32.7
4 Availability of finance	Improve	30.2	23.3	13.7	9.3	16.6	26.1	29.2
5 Cost of external finance *	Decrease							-18.3
6 Production	Increase	43.5	39.8	26.0	9.9	22.4	35.0	40.0
7 Order books	Increase	38.5	35.7	20.6	6.4	16.8	32.3	35.8
8 Pending Orders, if applicable	Below normal	2.2	4.6	11.5	23.2	19.1	11.0	5.7
9 Cost of raw material	Decrease	-54.7	-61.1	-35.7	-16.2	-27.1	-38.4	-44.3
10 Inventory of raw material	Below average	-3.8	-7.6	-3.3	1.1	-0.5	-1.2	-3.6
11 Inventory of finished goods	Below average	-1.5	-4.3	-4.4	-4.4	-1.8	-3.7	-1.9
12 Capacity utilization (Main product)	Increase	22.2	26.4	12.3	-0.7	10.7	22.0	25.4
13 Level of capacity utilization (Compared to the average in preceding four quarters)	Above normal	3.6	-0.5	-7.4	-20.8	-12.1	-3.8	1.3
14 Assessment of the production capacity (With regard to expected demand in next six months)	More than adequate	4.6	5.7	11.8	8.9	5.5	6.5	5.0
15 Employment in the company	Increase	15.8	16.6	7.7	-5.1	1.5	8.8	12.1
16 Exports, if applicable	Increase	27.7	27.3	16.0	-3.8	0.1	12.5	20.2
17 Imports, if any	Increase	21.3	21.4	9.1	-1.4	4.6	11.5	16.9
18 Selling prices are expected to	Increase	21.0	26.2	4.1	-9.1	0.0	6.0	9.8
19 If increase expected in selling prices	Increase at lower rate	3.0	0.6	0.9	25.9	-100.0	19.4	16.8
20 Profit margin	Increase	3.8	-3.6	-12.9	-18.6	-13.4	-2.8	1.1

* : This parameter has been included in the schedule from the current survey round (Rd 48).

Note: Italicised figures in bracket represent number of companies covered in the report.

Statement 4: Comparative scenarios pertaining to Assessment for the Current Quarter and Expectations for the Expectation Quarter based on the Net Responses for all parameters from a year ago, previous and current quarter surveys (i.e. Round 44, 47 and 48 respectively)

Parameter Optimism	Assessment Criteria	Assessment					Expectation				
		Net Response (%)			Differences in net response of current quarter of current survey over current quarter of		Net Response (%)			Differences in net response of Expectation quarter of current survey over Expectation quarter of	
		Assessment quarter of a year ago survey	Assessment quarter of previous survey	Assessment quarter of current survey	A year ago survey	Pervious quarter survey	Expectation quarter of a year ago survey	Expectation quarter of previous survey	Expectation quarter of current survey	A year ago survey	Pervious quarter survey
		Oct-Dec 08	July-Sept 09	Oct-Dec09	(5) - (3)	(5) - (4)	Jan-Mar 09	Oct-Dec 09	Jan-Mar 10	(10) - (8)	(10) - (9)
1	2	3	4	5	6	7	8	9	10	11	12
1 Overall business situation	Better	4.0	26.3	36.0	32.0	9.7	21.1	39.8	44.9	23.8	5.1
2 Financial situation	Better	-2.9	21.8	29.5	32.4	7.7	16.4	33.5	39.3	22.9	5.8
3 Working capital finance requirement	Increase	34.3	23.8	28.8	-5.5	5.0	32.9	30.4	32.7	-0.2	2.3
4 Availability of finance	Improve	-1.7	19.2	23.0	24.7	3.8	13.7	26.1	29.2	15.5	3.1
5 Cost of external finance *	Decrease	–	–	-14.7	-14.7	-14.7	–	–	-18.3	–	–
6 Production	Increase	11.1	22.6	28.9	17.8	6.3	26.0	35.0	40.0	14.0	5.0
7 Order books	Increase	7.5	20.5	25.9	18.4	5.4	20.6	32.3	35.8	15.2	3.5
8 Pending Orders, if applicable	Below normal	13.6	17.4	11.6	-2.0	-5.8	11.5	11.0	5.7	-5.8	-5.3
9 Cost of raw material	Decrease	-46.0	-41.7	-47.1	-1.1	-5.4	-35.7	-38.4	-44.3	-8.6	-5.9
10 Inventory of raw material	Below average	-4.8	-2.1	-4.2	0.6	-2.1	-3.3	-1.2	-3.6	-0.3	-2.4
11 Inventory of finished goods	Below average	-8.4	-4.3	-4.3	4.1	0.0	-4.4	-3.7	-1.9	2.5	1.8
12 Capacity utilization (Main Product)	Increase	1.7	10.1	16.5	14.8	6.4	12.3	22.0	25.4	13.1	3.4
13 Level of capacity utilization (Compared to the average in preceding four quarters)	Above normal	-12.0	-11.2	-3.9	8.1	7.3	-7.4	-3.8	1.3	8.7	5.1
14 Assessment of the production capacity (With regard to expected demand in Expectation six months)	More than adequate	12.1	5.8	5.3	-6.8	-0.5	11.8	6.5	5.0	-6.8	-1.5
15 Employment in the company	Increase	9.4	4.1	10.3	0.9	6.2	7.7	8.8	12.1	4.4	3.3
16 Exports, if applicable	Increase	7.6	-2.9	9.2	1.6	12.1	16.0	12.5	20.2	4.2	7.7
17 Imports, if any	Increase	6.7	7.8	13.0	6.3	5.2	9.1	11.5	16.9	7.8	5.4
18 Selling prices are expected to	Increase	-0.5	0.2	2.6	3.1	2.4	4.1	6.0	9.8	5.7	3.8
19 If increase expected in selling prices	Increase at lower rate	1.2	23.2	19.3	18.1	-3.9	0.9	19.4	16.8	15.9	-2.6
20 Profit margin	Increase	-26.6	-15.1	-9.9	16.7	5.2	-12.9	-2.8	1.1	14.0	3.9

* : This parameter has been included in the schedule from the current survey round (Rd 48).

Statement 5: Business Expectations Index based on Assessment and Expectations

Quarter	Assessment			Expectations		
	Index	Change over previous quarter	Change over previous year	Index	Change over previous quarter	Change over previous year
1	2	3	4	5	6	7
Jan-Mar 2000	122.8	–	–	–	–	–
Apr-Jun 2000	115.2	-7.6	–	125.5	–	–
Jul-Sep 2000	116.1	0.9	–	126.1	0.6	–
Oct-Dec 2000	113.9	-2.2	–	124.4	-1.7	–
Jan-Mar 2001	115.2	1.3	-7.6	122.5	-1.8	–
Apr-Jun 2001	109.9	-5.3	-5.3	120.7	-1.8	-4.8
Jul-Sep 2001	108.7	-1.3	-7.4	118.9	-1.8	-7.2
Oct-Dec 2001	100.7	-8.0	-13.2	119.5	0.6	-4.9
Jan-Mar 2002	108.4	7.7	-6.8	105.3	-14.2	-17.3
Apr-Jun 2002	110.8	2.4	0.9	112.3	7.0	-8.5
Jul-Sep 2002	113.2	2.4	4.5	116.7	4.4	-2.2
Oct-Dec 2002	113.8	0.6	13.1	121.2	4.6	1.7
Jan-Mar 2003	118.4	4.6	10.0	119.7	-1.6	14.4
Apr-Jun 2003	109.8	-8.6	-1.0	117.8	-1.8	5.6
Jul-Sep 2003	114.3	4.5	1.1	117.2	-0.7	0.5
Oct-Dec 2003	119.8	5.4	5.9	122.1	4.9	0.8
Jan-Mar 2004	121.4	1.7	3.0	122.2	0.2	2.6
Apr-Jun 2004	118.4	-3.0	8.6	121.5	-0.7	3.7
Jul-Sep 2004	116.9	-1.5	2.6	120.0	-1.5	2.9
Oct-Dec 2004	122.0	5.1	2.2	121.5	1.5	-0.6
Jan-Mar 2005	122.5	0.5	1.1	123.2	1.7	1.0
Apr-Jun 2005	117.5	-5.0	-0.9	120.7	-2.5	-0.8
Jul-Sep 2005	114.9	-2.6	-2.0	119.6	-1.1	-0.4
Oct-Dec 2005	124.3	9.4	2.3	122.7	3.1	1.2
Jan-Mar 2006	120.7	-3.6	-1.8	125.7	3.0	2.5
Apr-Jun 2006	121.8	1.1	4.3	120.5	-5.2	-0.2
Jul-Sep 2006	120.7	-1.1	5.8	126.5	6.0	6.9
Oct-Dec 2006	123.9	3.2	-0.4	125.3	-1.2	2.6
Jan-Mar 2007	127.7	3.8	7.0	126.5	1.2	0.8
Apr-Jun 2007	115.8	-11.9	-6.0	127.5	1.0	7.0
Jul-Sep 2007	118.9	3.1	-1.8	121.1	-6.4	-5.4
Oct-Dec 2007	115.9	-3.0	-8.0	124.4	3.3	-0.9
Jan-Mar 2008	122.8	6.9	-4.9	118.6	-5.8	-7.9
Apr-Jun 2008	116.2	-6.6	0.4	123.2	4.6	-4.3
Jul-Sep 2008	113.4	-2.8	-5.5	122.1	-1.1	1.0
Oct-Dec 2008	104.1	-9.3	-11.8	118.9	-3.2	-5.5
Jan-Mar 2009	82.6	-21.5	-40.2	111.9	-7.0	-6.7
Apr-Jun 2009	99.4	16.8	-16.8	96.4	-15.5	-26.8
Jul-Sep 2009	107.2	7.8	-6.2	109.9	13.5	-12.2
Oct-Dec 2009	112.8	5.6	8.7	116.4	6.5	-2.5
Jan-Mar 2010				120.6	4.2	8.7

Annex

RESERVE BANK OF INDIA
DEPARTMENT OF STATISTICS AND INFORMATION MANAGEMENT
MUMBAI-400051.

INDUSTRIAL OUTLOOK SURVEY, OCTOBER-DECEMBER 2009
(ROUND 48)

Block 1. General Information

Sample company code: (To be filled by the agency / RBI)					

101 Name of the company: _____

102 Address of the Company (for correspondence) _____

_____

City/District _____ State _____ PIN

103 Name of the Company Official: Shri/Smt./Kum _____

104 Designation: _____

105 Telephone No.: _____ 106 Fax No.: _____

107 Company e-mail: _____

108 Personal e-mail: _____

109 Company web-site address: _____

110 Type of Company: Public Sector A, Private Sector B

111 Whether company?: Industry-Micro A; Small B; Medium C; Large D

112 Date: _____ 2009 **Seal of the Company after filling-in the Schedule**

Block 2: Product Details
(Please write the main and two major products (in the order of sales) manufactured by the company)

Code	Products	Name	Code (To be filled-in by Agency /RBI)		
201	Main Product				
202	Other Major Product 1				
203	Other Major Product 2				
204		**Broad Industry Group**			

Annex *(Contd.)*

Block 3: Paid-up capital, Annual Production and Current level of Capacity Utilisation

Please tick(√))the appropriate size-class in which your company currently falls:

301	Paid-up Capital	Up to Rs. 1 Crore	Rs. 1 Crore to Rs. 10 Crore	Rs. 10 Crore to Rs. 25 Crore	Rs. 25 Crore to Rs. 50 Crore	Rs. 50 Crore to Rs. 100 Crore	Above Rs. 100 Crore
302	Annual Production (All products)	Up to Rs. 100 Crore	Rs. 100 Crore to Rs.250 Crore	Rs. 250 Crore to Rs. 500 Crore	Rs. 500 Crore to Rs. 750 Crore	Rs. 750 Crore to Rs. 1000 Crore	Above Rs. 1000 Crore
303	Current level of Capacity Utilisation *	Up to 50%	50% - 60%	60% - 70%	70% – 80%	80% - 90%	Above 90%

* Compared to installed capacity

Block 4: Is your company's normal production level expected to face any constraints during the Current Quarter (October-December 2009) (Please tick (√) the relevant column)

400	**Yes**		**No**	

If 'Yes' to item 400 indicate the possible reasons thereof
(please tick (√) the relevant column for each reason)

Code	Reasons	**Current Quarter (October-December 2009)**			
		Most Important	Moderately Important	Less Important	Not Important
		(1)	(2)	(3)	(4)
401	Technology constraints				
402	Shortage of Raw Materials				
403	Shortage of Power				
404	Equipment / Machinery not working				
405	Industrial Relations / Labour Problems				
406	Inadequate transport facilities				
407	Shortage of Working Capital Finance				
408	Lack of Domestic Demand				
409	Lack of Export Demand				
410	Competitive Imports				
411	Uncertainty of economic environment				
412	Any others (Please specify):				

Micro Industry: Investment in plant and machinery ≤ Rs. 25 lakh; Small: Investment in plant and machinery > Rs. 25 lakh but Rs. ≤ 5 crore; Medium: Investment in plant and machinery >Rs. 5 crore but ≤ Rs. 10 crore.

Annex *(Contd.)*

Block 5. Assessment for the current quarter October-December 2009) and Expectations for the next quarter (January-March 2010)

Code	Parameter	Current Quarter (October-December 2009)			Next Quarter (January-March 2009)		
		Please tick (√) changes over July-September 2009 quarter			*Please tick (√) changes over October-December 2009 quarter*		
		(1)	(2)	(3)	(4)	(5)	(6)
501	Overall business situation	Better	No change	Worsen	Better	No change	Worsen
502	Financial situation (overall)	Better	No change	Worsen	Better	No change	Worsen
503	Working Capital Finance Requirement (excluding internal sources of funds)	Increase	No change	Decrease	Increase	No change	Decrease
504	Availability of Finance (both internal and external sources)	Improve	No change	Worsen	Improve	No change	Worsen
505	Production (in quantity terms) (All products)	Increase	No change	Decrease	Increase	No change	Decrease
506	Order Books (in quantity terms), if applicable	Increase	No change	Decrease	Increase	No change	Decrease
507	Pending Orders, if applicable	Above normal	Normal	Below Normal	Above normal	Normal	Below Normal
508	Cost of raw materials	Increase	No change	Decrease	Increase	No change	Decrease
509	Inventory of raw materials (in quantity terms) @	Above average	Average	Below Average	Above average	Average	Below Average
510	Inventory of Finished Goods (in quantity terms) @	Above average	Average	Below Average	Above Average	average	Below Average
511	Capacity utilisation (main product)	Increase	No change	Decrease	Increase	No change	Decrease
512	Level of capacity utilisation (compared to the average in preceding four quarters)	Above normal	Normal	Below Normal	Above normal	Normal	Below Normal
513	Assessment of the production capacity with regard to expected demand in next six months	More than adequate	Adequate	Not Adequate	More than adequate	Adequate	Not Adequate
514	Employment in the company (All cadres including part-time / full-time/casual labour)	Increase	No change	Decrease	Increase	No change	Decrease
515	Exports, if applicable	Increase	No change	Decrease	Increase	No change	Decrease
516	Imports, if any	Increase	No change	Decrease	Increase	No change	Decrease
517	Selling prices (*ex*-factory unit prices) are expected to @@	Increase	No change	Decrease	Increase	No change	Decrease

Annex *(Concld.)*

Code	Parameter	Current Quarter (October-December 2009)			Next Quarter (January-March 2009)		
		Please tick (√) changes over July-September 2009 quarter			*Please tick (√) changes over October- December 2009 quarter*		
		(1)	(2)	(3)	(4)	(5)	(6)
518	If increase expected in selling prices, rate of such increase	Increase at higher rate	Increase at about same rate	Increase at lower rate	Increase at higher rate	Increase at about same rate	Increase at lower rate
519	Profit Margin (Gross profits as percentage of net sales) @@@	Increase	No change	Decrease	Increase	No change	Decrease

@ : Average level may be obtained as the average of level at the end of four quarters during the corresponding preceding year.

@@ : In the case of multi product companies, the average of the price changes may be taken into account.

@@@ : Gross profits are defined as total income minus manufacturing expenses, salaries and wages, other expenses and depreciation and other provisions (except tax provision). In other words, profits are gross of interest and tax provision (PBIT). 'Net Sales' are sales net of 'rebates and discounts' and 'excise duty and cess'.

To be filled in by the Agency			
Investigated by		**Scrutinised by**	
Signature:		Signature:	
Name:		Name:	
Date:	**2009**	Date:	**2009**
Investigator's Remarks:		**Scrutiny remarks:**	

*Finances of Large Public Limited Companies, 2008-09**

This article presents the financial performance of select 1,558 non-Government non-financial large (each with paid-up capital of Rs.1 crore and above) public limited companies during 2008-09, based on their audited annual accounts. The data are presented at the aggregate level for all select companies and also for select industries. The aggregate results of corporates in 2008-09 revealed that the global financial crisis had a significant impact on the performance of the companies, especially on profitability. The performance has been moderate not only in terms of lower growth rates in sales and value of production, the profitability parameters have also declined in the year 2008-09 as compared to the previous year. Total borrowings including borrowings from banks continued to grow at a high rate and growth in gross fixed assets was mostly contributed by plant and machinery in the year under review. External sources of funds (i.e. other than own sources) continued to play major role in financing the asset formation and other activities in the year 2008-09 while internal sources declined mainly due to lower accretion in reserves and surplus

This article presents the financial performance of select 1,558 non-Government non-financial large (each with paid-up capital of Rs.1 crore and above) public limited companies during 2008-09

* Prepared in the Company Finances Division of the Department of Statistics and Information Management. Reference may be made to the March 2009 issue of the Reserve Bank of India Bulletin for the previous study, which covered 1,526 non-Government non-financial large public limited companies during 2007-08. In the present study, 554 new companies have been covered in addition to the 1004 companies common with the previous study. Out of 1,558 companies, 552 companies' data were procured from Center for Monitoring Indian Economy (CMIE).

based on their audited annual accounts for April 2008 to March 2009[1].

The consolidated results of the select 1,558 large public limited companies revealed that the financial performance in terms of growth in sales, value of production, manufacturing expenses has moderated and the profitability has taken a dip during the year 2008-09 compared to the performance in 2007-08 (Table 1 & Statement 1). Various indicators of profit *viz.*, Gross profits, Profits before tax, Profits after tax and Profits retained declined in the year 2008-09 as compared to 2007-08. Accordingly, tax provision and dividends paid by the select companies also declined in 2008-09. Gross profits and profits after tax declined by 6.4 per cent and 11.5 per cent respectively in 2008-09 as compared to an increase at 28.3 per cent and 26.1 per cent respectively in 2007-08. The select companies showed a drop in profit margin (measured by gross profits as percentage of sales) by 3.0 percentage points to 13.3 per cent in 2008-09 from 16.3 per cent in 2007-08. Among other important business parameters of the corporate sector, net worth grew at a much lower rate of 18.3 per cent in 2008-09 as compared to 33.2 per cent in 2007-08. Gross savings declined by 3.7 per cent in 2008-09 as compared to an increase by 22.6 per cent in 2007-08 whereas gross value added grew at a lower rate of 3.6 per cent in 2008-09 as compared to 25.4 per cent in 2007-08. Debt to equity ratio increased by 1.1 percentage point to 40.5 per cent in 2008-09 from 39.4 per cent in 2007-08. The ratio of current assets to current liability fell to 1.1 in 2008-09 as against 1.3 in 2007-08. Tax provision to profits before tax remained at almost same level in the year 2008-09 and 2007-08. Profits after tax to net worth ratio was lower at 13.4 per cent in 2008-09 as against 18.1 per cent in 2007-08. The ratio of ordinary dividends to ordinary paid-up capital was also lower at 37.3 per cent in the study year 2008-09 against 39.5 per cent in the previous year.

External sources of funds (*i.e.* other than own sources) continued to contribute major share in financing the asset formation and other activities during the year 2008-09.

Table 1: Growth Rates of Select Items

(Per cent)

Item	2007-08	2008-09
1	2	3
Growth Rates		
Sales #	21.3	15.0
Value of production	21.7	14.3
Manufacturing expenses	22.1	16.1
Remuneration to employees	24.2	20.5
Gross profits	28.3	-6.4
Interest paid	30.7	45.2
Profits before tax	26.7	-11.6
Tax provision	28.9	-12.0
Profits after tax	26.1	-11.5
Dividends paid	27.7	-10.8
Profits retained	25.6	-11.7
Net worth	33.2	18.3
Gross savings	22.6	-3.7
Financial Ratios		
Debt to equity	39.4	40.5
Gross fixed assets formation to Total uses of funds @	36.2	43.0
Gross capital formation to Total uses of funds @	50.0	52.6
Gross profits to Sales	16.3	13.3
Profits after tax to Net worth	18.1	13.4
Profits retained to Profits after tax	78.1	77.9
Ordinary dividends to ordinary paid-up capital	39.5	37.3

: Net of 'Rebates and discounts' and 'Excise duty and cess'.
@ : Adjusted for revaluation, *etc.*

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 financial performance of these companies is subject to these limitations.

The share of gross capital formation in uses of funds improved in the year 2008-09 over that in 2007-08.

Income and Expenditure

The total sales of the 1,558 companies, amounting to Rs. 13,94,636 crore, registered a growth of 15.0 per cent in 2008-09 as against 21.3 per cent growth in 2007-08. Growth in manufacturing expenses also moderated to 16.1 per cent in 2008-09 as against 22.1 per cent in 2007-08. The employees' remuneration continued to increase at a high rate of 20.5 per cent in 2008-09 preceded by 24.2 per cent in the previous year. Interest payments grew at a higher rate of 45.2 per cent in 2008-09 as compared to 30.7 per cent in 2007-08. Profits after tax of the select companies declined by 11.5 per cent in 2008-09 as against an increase of 26.1 per cent in 2007-08. Dividend payments of select companies at Rs. 25,469 crore in 2008-09 was lower by 10.8 per cent as against an increase by 27.7 per cent in 2007-08. Profits retained by the select companies fell by 11.7 per cent in 2008-09 as against a growth of 25.6 per cent in the previous year. Gross savings declined by 3.7 per cent in 2008-09 while it had grown at 22.6 per cent in 2007-08. Gross value added of select companies grew at a lower rate of 3.6 per cent in 2008-09 as compared to 25.4 per cent in 2007-08.

Income and expenditure pattern of the select companies broadly remained similar in 2008-09 as was in 2007-08. On income side, sales contributed 94.0 per cent followed by other income (4.1 per cent) and change in inventory (1.9 per cent). On the expenditure side, the share of manufacturing expense dropped by 1.7 percentage points to 70.3 per cent while the share of other expenditure increased by 1.0 percentage points to 13.8 per cent in 2008-09. Interest expenses rose to 3.1 per cent of total expenditure in 2008-09 as against 2.5 per cent in 2007-08.

The profit margin (gross profits as percentage of sales) of the select companies fell by 3.0 percentage points to 13.3 per cent in 2008-09 from 16.3 per cent in 2007-08 (Statement 2 & Chart 2). The effective tax rate (tax provision as percentage of profits before tax) continued to be below 25.0 per cent

Chart 1: Growth Rates of Select Items

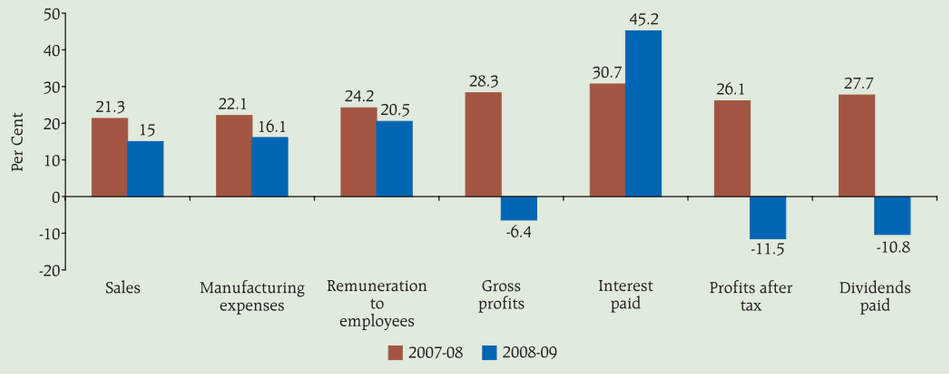


Table 2: Operating Income & Expenditure

(Per cent)

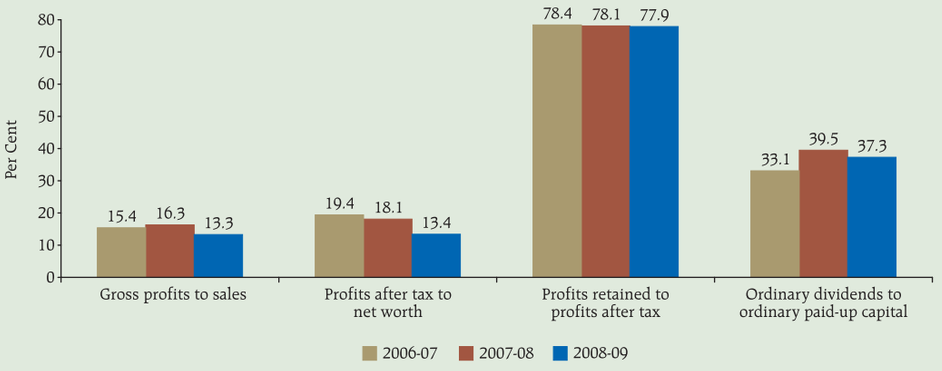
Income	2007-08	2008-09	Expenditure	2007-08	2008-09
Sales	93.8	94.0	Manufacturing	72.0	70.3
Change in Inventory	2.5	1.9	Remuneration to employees	8.6	8.7
Other Income	3.7	4.1	Interest Expenses	2.5	3.1
			Other Expenditure	12.8	13.8
			Provision (except Tax)	4.1	4.1
Total	**100.0**	**100.0**	**Total**	**100.0**	**100.0**

during the three year period 2006-07 to 2008-09 (24.4 per cent in 2006-07, 24.8 per cent in 2007-08 and 24.7 per cent in 2008-09). Inventory management appeared to have become poorer during 2006-07 to 2008-09 as indicated by inventory to sales ratio moving up from 17.4 per cent in 2006-07 to 19.1 per cent in 2007-08 and further to 19.3 per cent in 2008-09. Retention ratio (profits retained as percentage of profits after tax) marginally moved down over the last three years from 78.4 per cent in 2006-07 to 78.1 per cent in 2007-08 and then to 77.9 per cent in 2008-09. The ordinary dividend rate (ordinary dividends as percentage of ordinary paid-up capital) increased from 33.1 per cent in 2006-07 to 39.5 per cent in 2007-08 but decreased to 37.3 per cent in 2008-09.

Earnings and Expenditure in Foreign Currencies

The total earnings in foreign currencies of the select companies grew by 17.9 per cent to Rs. 3,86,818 crore in 2008-09 on the top of a growth of 20.6 per cent in 2007-08 (Statements 1 and 6). The merchandise exports, valued at Rs. 2,65,097 crore, grew at a lower rate of 14.4 per cent in 2008-09 as compared to a growth of 22.1 per cent recorded in the previous year. The exports to sales ratio continued to hover around at 19.0 per cent during the three year period from 2006-07 to 2008-09. Total expenditure in foreign currencies increased by 20.2 per cent in 2008-09 to Rs. 4,53,782 crore as compared to an increase of 27.8 per cent in

Chart 2: Select Profitability Ratios



2007-08. The value of merchandise imports amounted to Rs. 3,58,891 crore, registering a lower growth of 19.5 per cent in 2008-09 as compared to 25.6 per cent in 2007-08. Raw materials and capital goods accounted for 74.3 per cent and 10.9 per cent of the total merchandise imports, respectively, in 2008-09 as against 73.6 per cent and 12.6 per cent respectively in 2007-08. The net outflow in foreign currencies of the select companies was higher at Rs. 66,963 crore in 2008-09 as compared to Rs. 49,227 crore in 2007-08.

Liabilities and Assets

Total assets of the select companies increased by 23.1 per cent to Rs. 20,00,015 crore in 2008-09 (Statement 4). Total borrowings including borrowings from banks continued to grow strongly at 27.9 per cent and 29.1 per cent respectively in 2008-09 on the top of 31.2 per cent and 37.8 per cent respectively in 2007-08. Gross fixed assets (adjusted for revaluation) recorded lower growth rate of 19.0 per cent in 2008-09 against 20.6 per cent in 2007-08 (Statement 1). The composition of assets and liabilities of the select companies is presented in Table 3 and Chart 3.

The structure of capital and liabilities in 2008-09 remained broadly the same as in the previous year except in respect of share capital, borrowing and provisions. Share capital accounted for 4.1 per cent of total liabilities in 2008-09 which was lower than that of 5.3 per cent in 2007-08. Provisions also recorded lower share at 3.8 per cent in 2008-09 as compared to 4.7 per cent in the previous year. On the other hand, borrowings from banks contributed to 21.1 per cent of total liabilities of select companies in 2008-09 - up from 19.3 per cent in 2007-08. Debt-equity ratio increased to 40.5 per cent in 2008-09 from 39.4 per cent in 2007-08.

The composition of assets in 2008-09 revealed marginal changes from that of previous year. The share of net fixed assets rose by 0.9 percentage points to 38.4 per cent together with 1.3 percentage points

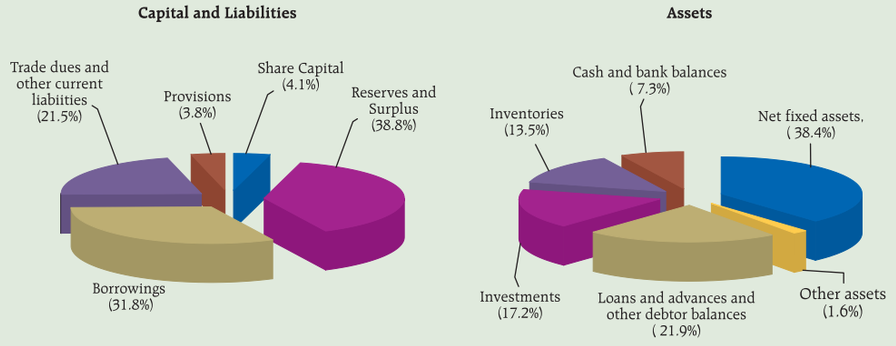
Table 3: Composition of Assets and Liabilities

(Per cent)

Capital and liabilities	2007-08	2008-09	Assets	2007-08	2008-09
1. Share capital	5.3	4.1	1. Gross fixed assets	54.6	54.5
2. Reserves and surplus	39.0	38.8	2. Depreciation	17.1	16.1
of which, Capital reserves	15.0	14.8	3. Net fixed assets	37.5	38.4
3. Borrowings	29.8	31.8	4. Inventories	14.2	13.5
of which, from banks	19.3	21.1	5. Loans and advances and other debtor balances	24.7	21.9
4. Trade dues and other current liabilities	21.2	21.5	6. Investments	16.0	17.2
of which, Sundry creditors	11.6	11.3	7. Advance of income-tax	–	–
5. Provisions	4.7	3.8	8. Other assets	1.4	1.6
6. Miscellaneous non-current liabilities	–	–	9. Cash and bank balances	6.0	7.3
Total	**100.0**	**100.0**	**Total**	**100.0**	**100.0**

–: Nil or Negligible.

Chart 3: Pattern of Liabilities and Assets, 2008-09



increase in share of cash and bank balances to 7.3 per cent and 1.2 percentage points increase in share of investments to 17.2 per cent in 2008-09. However, the share of loans and advances and other debtor balances declined by 2.8 percentage points to 21.9 per cent of total net assets in 2008-09. The current ratio (current assets to current liabilities) declined to 1.1 per cent in 2008-09 from 1.3 per cent in 2007-08.

Sources and Uses of Funds

An analysis of sources and uses of funds showed that the total funds sourced / used by the select companies were lower at Rs. 3,91,876 crore during 2008-09 as compared to Rs. 4,15,804 crore during the previous year (Statement 5). The composition of sources and uses of funds of the select companies is given in Table 4

Table 4: Composition of Sources and Uses of funds

(Per cent)

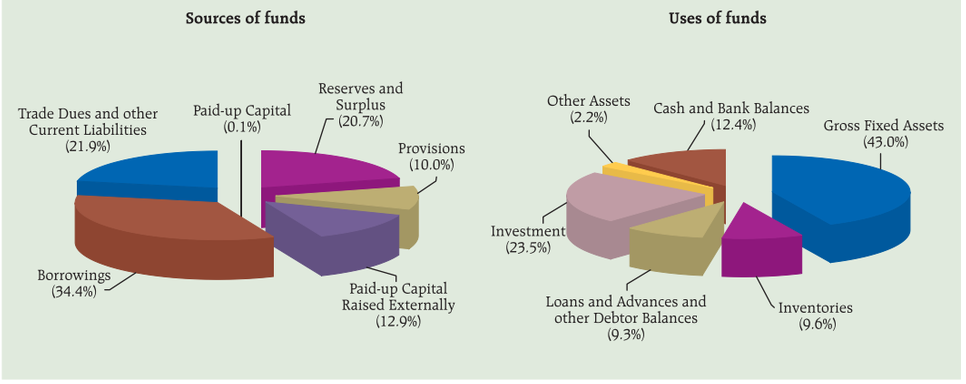
Sources of Funds	2007-08	2008-09	Uses of Funds	2007-08	2008-09
Internal sources (Own Sources)	35.8	30.7	1. Gross fixed assets	36.2	43.0
1. Paid-up capital	0.3	0.1	*of which, i) Buildings*	2.8	3.8
2. Reserves and surplus	23.4	20.7	*ii) Plant and machinery*	16.9	27.5
3. Provisions	12.1	10.0	2. Inventories	13.8	9.6
of which, Depreciation Provision	7.6	10.2	*of which, i) Raw Material etc.*	4.1	0.5
External sources (Other thanOwn Sources)	**64.2**	**69.3**	*ii) Finished Goods*	2.3	1.5
4. Paid-up capital*	18.6	12.9	3. Loans and advances and other debtor balances	26.5	9.3
of which, Premium on shares	16.2	12.7			
5. Borrowings	27.7	34.4	4. Investments	21.4	23.5
of which, i) Debentures	0.3	5.3			
ii) Loans and advances	25.7	27.9	5. Other assets	1.4	2.2
of which, from banks	20.7	23.4			
6. Trade dues and other current liabilities	17.9	21.9	6. Cash and bank balances	0.6	12.4
Total	**100.0**	**100.0**	**Total**	**100.0**	**100.0**

* Includes capital receipts.

and Chart 4. The ratio of external sources of funds to total sources of funds increased to 69.3 per cent during 2008-09 from 64.2 per cent during 2007-08 due to a drop in internal sources of funds resulting from lower accretion in reserves and surplus in 2008-09. The share of reserves and surplus came down to 20.7 per cent in 2008-09 from 23.4 per cent in 2007-08 and that of paid-up capital raised from external sources fell to 12.9 per cent in 2008-09 from 18.6 per cent in 2007-08. On the other hand, borrowings increased its share in total sources of funds significantly to 34.4 per cent during 2008-09 from 27.7 per cent during 2007-08. Borrowing through debentures during the year was significantly higher at Rs. 20,917 crore against a mere Rs. 1,235 crore during the previous year. As regards the borrowings from other Indian financial institutions, there was a net repayment of Rs. 2,050 crore during 2008-09 against borrowing of Rs. 3,544 crore during 2007-08. The borrowings from foreign institutional agencies declined by 34.9 per cent to Rs. 9,281 crore during 2008-09 as compared to Rs.14,263 crore during 2007-08. The funds generated through sundry creditors increased to Rs. 37,557 crore during 2008-09 from Rs. 36,766 crore during 2007-08. Trade dues and other current liabilities accounted for higher share of 21.9 per cent of total sources of funds during 2008-09 as compared to 17.9 per cent during 2007-08.

The gross fixed assets formation by the select companies increased to Rs. 1,68,529 crore during 2008-09 from Rs. 1,50,574 crore during 2007-08 and its share in total uses of funds increased to 43.0 per cent during 2008-09 from 36.2 per cent during 2007-08. Majority of gross fixed assets formation occurred in the form of investment in plant and machinery at Rs. 1,07,931 crore during 2008-09 as against Rs. 70,230 crore during 2007-08. The share of 'loans and advances and other debtor balances' in total uses of funds significantly decreased to 9.3 per cent during 2008-09 from 26.5 per cent during 2007-08. On the contrary, the share of cash and bank balances increased to 12.4 per cent during 2008-09 from 0.6 per cent during 2007-08. There was an increase in

Chart 4: Pattern of Sources and Uses of funds, 2008-09



share of investments to 23.4 per cent during 2008-09 from 21.4 per cent during 2007-08. Inventories showed a fall in its share in total uses of funds from 13.8 per cent in 2007-08 to 9.6 per cent in 2008-09. Gross savings to gross capital formation ratio was lower at 68.2 per cent in 2008-09 as against 70.2 per cent in 2007-08 (Statement 2).

Performance of Companies by Size of Sales

Growth in sales moderated in 2008-09 across all groups of companies. It is, however, observed that larger companies, in terms of volume of sales, generally recorded higher rate of growth in sales during the year under review (Table 5A and Statement 7). Sales growth was maximum at 16.0 per cent companies with sales 'Rs. 1000 crore and above' each whereas it was negative at (-)11.2 per cent companies with sales 'Less than Rs. 25 crore' each in 2008-09. Gross profits also contracted in all size classes during the year under study. The contraction was as high as 46.9 per cent in the sales size group 'Rs. 25 crore to Rs. 50 crore' and minimum at 1.6 per cent in sales size group 'Rs. 100 crore to Rs. 500 crore'. The growth rate of total net assets was lower as compared to the previous year in all sales size classes except those with sales between 'Rs. 50 crore to Rs. 100 crore'.

Profit margin decreased in 2008-09 across all size classes (Table 5B & Statement 8). Large companies with sales 'Rs. 1000 crore and above' showed the highest profit margin of 13.9 per cent, whereas, the lowest profit margin of 7.7 per cent was registered for the small companies with sales 'Less than Rs. 25 crore' in 2008-09. Effective tax rate (ratio of tax provision to profits before tax) ranged from 23.4 per

Table 5: Performance of Companies by Size of Sales

A. Growth Rates of Select Items (Per cent)

Sales size-Group	No. of Companies	Sales		Gross Profit		Total Net Assets	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
Less than Rs. 25 cr	247	-5.0	-11.2	17.9	-31.4	22.9	6.9
Rs. 25 cr – Rs. 50 cr	145	12.5	-2.7	33.3	-46.9	29.2	8.3
Rs. 50 cr – Rs. 100 cr	182	11.8	5.9	4.4	-5.0	4.2	11.6
Rs. 100 cr – Rs. 500 cr	517	15.7	14.5	18.5	-1.6	29.1	13.1
Rs. 500 cr – Rs. 1000 cr	194	20.3	10.2	23.2	-11.6	30.4	15.7
Rs. 1000 cr and above	273	22.4	16.0	30.1	-6.1	32.3	24.0

B. Select Financial Ratios (Per cent)

Sales size-Group	Gross Profits to Sales			Debt to Equity			Tax Provision to Profits before Tax		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
Less than Rs. 25 cr	8.0	9.9	7.7	39.6	29.3	29.0	30.2	35.7	125.9
Rs. 25 cr - Rs. 50 cr	12.5	14.9	8.1	32.1	27.6	30.5	20.7	19.4	97.8
Rs. 50 cr - Rs. 100 cr	13.1	12.2	11.0	41.3	33.4	30.0	29.7	27.8	29.4
Rs. 100 cr - Rs. 500 cr	12.1	12.4	10.6	56.1	54.0	56.3	24.4	27.8	33.6
Rs. 500 cr - Rs. 1000 cr	13.5	13.8	11.1	55.1	56.9	67.4	24.9	27.0	30.3
Rs. 1000 cr and above	16.2	17.2	13.9	39.4	35.8	36.2	24.3	24.3	23.4

cent in the case of large companies to as high as 125.9 per cent for the small companies with sales 'Less than Rs. 25 crore'. Very high effective tax rate for companies in 'Less than Rs. 25 crore' and 'Rs. 25 crore – Rs. 50 crore' sales size group was due to the presence of some loss making companies in the group. Debt to equity ratio was around 30 per cent for companies with size of sales upto Rs.100 crore. But it was much higher at 56.3 per cent and 67.4 per cent for the sales size group of 'Rs.100 crore to Rs.500 crore' and 'Rs. 500 crore to Rs. 1000 crore' respectively. In fact, debt-equity ratio of the companies in the sales size group 'Rs. 500 crore to Rs. 1000 crore' shot up from 56.9 per cent in 2007-08 to 67.4 per cent in 2008-09. Debt-equity ratio of the largest group of companies with sales 'above Rs. 1000 crore' was moderate at 36.2 per cent.

Performance of Companies by Size of Paid-up Capital

When grouped on the basis of paid-up capital (PUC), it was observed that the smaller companies with PUC of Rs. 5 crore or below registered, in contrast with the general trend, higher growth rate in sales in 2008-09 as compared to that in 2007-08 (Table 6A and Statement 9). Growth rates in sales of companies having PUC of 'Rs. 1 crore to Rs. 2 crore' and 'Rs. 2 crore to Rs. 5 crore' were observed to be higher at 16.9 per cent and 10.4 per cent respectively in 2008-09 as compared to 11.8 per cent and 9.5 per cent respectively in 2007-08. Growth rate in gross profits in 2008-09 was lower than that in the previous year in all PUC size classes. However, the growth rate was positive in four size classes viz., ('Rs. 1 crore to Rs. 2 crore', 'Rs. 5 crore to Rs. 10 crore',

Table 6: Performance of companies by size of paid-up capital

A. Growth Rates of Select Items (Per cent)

PUC Size Group	No. of Companies	Sales		Gross Profit		Total Net Assets	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
Rs. 1 cr - Rs. 2 cr	56	11.8	16.9	35.4	7.2	22.7	6.7
Rs. 2 cr - Rs. 5 cr	223	9.5	10.4	20.5	-3.5	15.3	9.0
Rs. 5 cr - Rs. 10 cr	294	16.5	14.1	17.1	8.1	24.5	14.3
Rs. 10 cr - Rs. 25 cr	495	21.8	16.2	27.2	3.1	27.0	19.0
Rs. 25 cr - Rs. 50 cr	227	29.8	22.1	35.5	3.5	28.3	22.1
Rs. 50 cr - Rs. 100 cr	136	21.2	16.9	20.8	-4.2	28.8	20.2
Rs.100 cr and above	127	19.5	12.0	29.4	-11.7	34.6	23.3

B. Select Financial Ratios (Per cent)

PUC Size Group	Gross Profits to Sales			Debt to Equity			Tax Provision to Profits before Tax		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
Rs. 1 cr - Rs. 2 cr	10.7	13.0	11.9	21.6	15.2	14.2	31.0	19.4	29.6
Rs. 2 cr - Rs. 5 cr	6.9	7.5	6.6	42.2	47.0	46.5	28.7	36.8	39.6
Rs. 5 cr - Rs. 10 cr	9.7	9.8	9.2	41.6	40.3	41.6	29.4	28.9	32.7
Rs. 10 cr - Rs. 25 cr	12.7	13.3	11.8	53.5	45.3	51.9	24.7	25.8	27.5
Rs. 25 cr - Rs. 50 cr	11.8	12.3	10.5	43.3	40.3	43.1	26.0	27.3	29.3
Rs. 50 cr - Rs. 100 cr	14.6	14.6	11.9	48.3	49.2	60.2	26.8	30.4	30.4
Rs.100 cr and above	18.5	20.1	15.8	38.7	35.7	33.6	23.1	22.5	21.2

'Rs. 10 crore to Rs. 25 crore' and 'Rs. 25 crore to Rs. 50 crore) implying that these companies were able to increase their gross profits in 2008-09 as compared to that in 2007-08. It may also be noted that companies in the largest PUC size class of 'Rs. 100 crore and above' recorded the highest decline of (-)11.7 per cent in gross profits in 2008-09 while the highest increase at 8.1 per cent was recorded by companies in PUC size class 'Rs. 5 crore to Rs. 10 crore'. The highest growth rate in total net assets was at 23.3 per cent in the largest PUC size class of 'Rs. 100 crore and above' and the lowest growth at 6.7 per cent was in the smallest PUC size class 'Rs. 1 crore to Rs. 2 crore' in 2008-09.

Profit margin decreased in 2008-09 across all PUC size classes as compared to 2007-08 (Table 6B and Statement 10). Profit margin was the lowest at 6.6 per cent in the PUC size class of 'Rs. 2 crore to Rs. 5 crore' and the highest at 15.8 per cent in the PUC size class of 'Rs. 100 crore and above' in 2008-09. Debt to equity ratio for companies falling under PUC size groups between 'Rs. 5 crore and Rs. 100 crore' increased in 2008-09 as compared to that in 2007-08. The highest debt to equity ratio in 2008-09 at 60.2 per cent was recorded in the PUC range of 'Rs. 50 crore to Rs.100 crore' whereas the lowest at 14.2 per cent was observed in the PUC range of 'Rs.1 crore to Rs.2 crore'. Effective tax rate in 2008-09 ranged between 21.2 per cent and 39.6 per cent showing marginal change over previous year.

Industry-wise Performance

Among the select industry groups (Table 7A and Statement 11), it may be observed that the companies in 'Mining and quarrying', 'Food products and beverages', 'Chemicals & chemical products' and 'Transport, storage & communications' industry groups appeared to be less affected by the global financial crisis and registered higher sales growth (30.7 per cent, 18.4 per cent, 22.1 per cent and 24.0 per cent respectively) in 2008-09 as compared to that (23.7 per cent, 18.2 per cent, 13.5 per cent and 22.9 per cent respectively) in 2007-08. The highest sales growth of 47.8 per cent was registered by companies in 'Chemical fertilizers and pesticides' industry in 2008-09 followed by 'Mining and quarrying' (30.7 per cent). Companies in 'Machinery and machine tools' and 'Motor vehicles and other transport equipments' industries registered sales growth of below 10 per cent in 2008-09. It is also interesting to note that companies in 'Mining and quarrying', 'Food products and beverages', 'Cotton textiles', 'Chemical fertilizers and pesticides' and 'Computer and related activities' were able to post positive growth in gross profits during 2008-09. Companies in 'Sugar' industry staged a turnaround in 2008-09 by registering impressive growth in gross profits at 261.1 per cent as against a significant decline of 80.5 per cent in 2007-08. Companies in 'Electrical machinery and apparatus', 'Man-made textiles' and 'Motor vehicles and other transport equipments' recorded negative growth rates in gross profits in 2008-09 at (-)28.7 per cent, (-)21.4 per cent and (-)20.5 per cent respectively. Companies in 'Electrical machinery and apparatus' industry registered the highest growth in bank borrowings at 66.7 per cent in 2008-09 as compared to 22.0 per cent growth in 2007-08. Other industries recording significantly high growth in bank

Table 7: Industry-wise Performance

A. Growth Rates of Select Items (Per cent)

Select Industry Group	No. of Companies	Sales		Gross Profits		Bank borrowings	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
Mining and quarrying	16	23.7	30.7	79.6	24.4	55.9	65.6
Food products and beverages	109	18.2	18.4	-13.3	40.4	46.6	21.4
of which: Sugar	34	-10.6	12.6	-80.5	261.1	88.4	26.4
Cotton Textiles	60	15.8	14.8	8.0	1.6	42.6	15.8
Man-made textiles	37	23.8	14.7	114.0	-21.4	31.7	6.9
Chemicals and chemical products	237	13.5	22.1	10.1	-4.9	32.6	25.2
of which: Chemical fertilizers and pesticides	32	15.9	47.8	21.3	39.3	40.9	30.8
Pharmaceuticals and medicines	72	12.6	16.4	1.1	-14.8	50.4	17.9
Plastic products	37	28.2	14.8	33.8	-0.1	22.9	33.6
Cement and cement products	31	20.7	13.8	34.0	-7.2	53.5	21.7
Iron and steel	55	25.0	17.0	28.4	-11.6	33.5	53.8
Machinery and machine tools	99	44.8	9.4	26.3	-0.8	36.0	8.6
Electrical machinery and apparatus	63	30.6	13.0	46.9	-28.7	22.0	66.7
Motor vehicles and other transport equipments	69	9.2	3.0	4.7	-20.5	35.1	65.9
Construction	53	63.0	17.4	90.9	-5.8	58.7	27.8
Transport, storage and communications	49	22.9	24.0	51.4	-7.8	30.7	22.5
Computer and related activities	95	25.0	24.0	24.8	12.5	194.0	41.6
All industries	**1558**	**21.3**	**15.0**	**28.3**	**-6.4**	**37.8**	**29.1**

B. Select Financial Ratios (Per cent)

Select Industry Group	Gross profits to sales			Debt to equity			Tax provision to profits before tax		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
Mining and quarrying	19.8	28.8	27.4	62.4	42.7	49.4	31.6	35.9	32.7
Food products and beverages	7.4	5.5	6.5	63.6	66.5	70.9	27.0	34.7	29.3
of which: Sugar	14.0	3.1	9.8	92.4	121.7	125.5	15.6	#	23.2
Cotton Textiles	11.0	10.3	9.1	139.3	176.9	186.8	21.9	22.3	22.5
Man-made textiles	2.6	4.6	3.1	109.4	127.1	141.9	51.7	40.7	#
Chemicals and chemical products	14.9	14.5	11.3	36.4	31.3	35.5	24.2	26.8	32.8
of which: Chemical fertilizers and pesticides	12.6	13.2	12.4	32.2	23.1	24.4	31.3	31.9	37.9
Pharmaceuticals and medicines	21.2	19.0	13.9	26.3	25.1	27.4	21.2	24.9	30.0
Plastic products	12.0	12.5	10.9	82.1	70.9	96.2	23.3	23.7	21.9
Cement and cement products	24.6	27.3	22.3	64.4	50.1	48.6	26.7	27.3	23.7
Iron and steel	19.6	20.1	15.2	98.2	76.0	79.9	29.1	27.0	32.2
Machinery and machine tools	12.0	10.4	9.5	26.6	27.7	20.6	29.6	31.7	33.5
Electrical machinery and apparatus	13.1	14.7	9.3	23.2	24.3	28.6	25.8	28.7	39.0
Motor vehicles and other transport equipments	10.4	10.0	7.7	34.5	36.1	41.9	29.2	24.6	23.7
Construction	21.8	25.5	20.5	71.8	45.7	56.0	27.2	23.7	21.2
Transport, storage and communications	11.8	14.5	10.8	59.8	61.2	64.4	27.3	53.2	19.2
Computer and related activities	25.1	25.0	22.7	5.8	12.3	12.9	13.9	19.4	18.7
All industries	**15.4**	**16.3**	**13.3**	**42.4**	**39.4**	**40.5**	**24.4**	**24.8**	**24.7**

: Denominator is negative or nil or negligible.

borrowings in 2008-09 are 'Motor vehicles and other transport equipments' (65.9 per cent), 'Mining and quarrying' (65.6 per cent), 'Iron and steel' (53.8 per cent) and 'Computer and related activities' (41.6 per cent).

Companies in 'Food products and beverages' industry could improve their profit margin to 6.5 per cent in 2008-09 from 5.5 per cent in 2007-08 (Table 7B and Statement 12). Companies in 'Mining and quarrying', 'Cement and cement products', 'Construction' and 'Computer and related activities' industries enjoyed higher profit margin of 20 per cent or more during the three year period from 2006-07 to 2008-09. On the other hand, profit margin of the companies in 'Cotton textiles', 'Chemicals and chemical products', 'Machinery and machine tools' and 'Motor vehicles and other transport equipments' industries moved downward for the second consecutive year in 2008-09. Among the select industry groups, the debt-equity ratio was consistently very high in 'Cotton textiles', 'Man-made textile' and 'Sugar' industries. They reached the level of 186.8 per cent, 141.9 per cent and 125.5 per cent respectively in 2008-09. Other industries recording high debt equity ratio in 2008-09 was 'Plastic products' (96.2 per cent) and 'Iron and steel' (79.9 per cent). 'Computer and related activities' industry had traditionally the lowest debt equity ratio and it recorded a level of 12.9 per cent in 2008-09. The highest effective tax rate in 2008-09 was observed for companies in 'Chemical fertilizers and pesticides' industry (37.9 per cent) followed by companies in 'Machinery and machine tools' industry (33.5 per cent), while lower rates prevailed for companies in industries like 'Electrical machinery and apparatus' (15.2 per cent) and 'Computer and related activities' (18.7 per cent).

Statement 1: Growth Rates of the Select Items of the Select 1,558 Large Public Limited Companies, 2007-08 and 2008-09

(Per cent)

Item	2007-08	2008-09
1	2	3
1. Sales +	21.3	15.0
2. Value of production	21.7	14.3
3. Total Income	22.8	14.7
4. Manufacturing expenses	22.1	16.1
5. Remuneration to employees	24.2	20.5
6. Depreciation provision	16.2	14.5
7. Gross profits	28.3	-6.4
8. Interest	30.7	45.2
9. Operating profits	27.9	-15.1
10. Non-operating surplus/deficit	-9.3	137.6
11. Profits before tax	26.7	-11.6
12. Tax provision	28.9	-12.0
13. Profits after tax	26.1	-11.5
14. Dividend paid	27.7	-10.8
15. Profits retained	25.6	-11.7
16. Gross saving	22.6	-3.7
17. (a) Gross value added	25.4	3.6
(b) Net value added	27.0	1.9
18. Net worth @	33.2	18.3
19. Total borrowings @	31.2	27.9
Of which, from banks @	37.8	29.1
20. Trade dues and other current liabilities @	27.6	24.9
21. (a) Gross fixed assets @	20.6	19.0
(b) Net fixed assets @	24.5	21.1
22. Inventories @	33.1	16.3
23. (a) Gross physical assets @	23.0	18.4
(b) Net physical assets @	26.7	19.8
24. (a) Total gross assets @	28.3	20.6
(b) Total net assets @	31.3	21.7
25. Total earnings in foreign currencies	20.6	17.9
Of which, Exports	22.1	14.4
26. Total expenditure in foreign currencies	27.8	20.2
Of which, Imports	25.6	19.5

+ : Net of 'Rebates and discounts' and 'excise duty and cess'.

@ : Adjusted for revaluation.

Note : Rates of growth of all items are adjusted for changes due to amalgamation of companies.

Statement 2: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, 2006-07 to 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	39.6	37.5	38.4
2. Net worth to total net assets	43.3	44.3	42.9
3. Debt to equity	42.4	39.4	40.5
4. Debt to equity (equity adjusted for revaluation reserve)	43.8	40.3	42.0
5. Short term bank borrowings to inventories	69.2	75.4	93.7
6. Total outside liabilities to net worth	131.1	125.8	133.2
B. Liquidity ratios			
7. Current assets to current liabilities *	1.3	1.3	1.1
8. Quick assets to current liabilities	57.4	52.4	49.1
9. Current assets to total net assets	48.0	47.9	44.5
10. Sundry creditors to current assets	25.6	24.2	25.4
11. Sundry creditors to net working capital	119.8	114.1	219.2
C. Assets utilization and turnover ratios			
12. Sales to total net assets	81.4	74.6	69.7
13. Sales to gross fixed assets	137.0	136.5	128.0
14. Inventories to sales	17.4	19.1	19.3
15. Sundry debtors to sales	14.2	14.6	14.6
16. Exports to sales	19.0	19.1	19.0
17. Gross value added to gross fixed assets	36.1	37.2	31.4
18. Raw materials consumed to value of production	51.7	51.7	52.0
D. Sources and uses of funds ratios @			
19. Gross fixed assets formation to total uses of funds		36.2	43.0
20. Gross capital formation to total uses of funds		50.0	52.6
21. External sources of funds to total sources of funds		64.2	69.3
22. Increase in bank borrowings to total external sources		32.3	33.7
23. Gross savings to gross capital formation		70.2	68.2
E. Profitability and profit allocation ratios			
24. Gross profits to total net assets	12.5	12.2	9.2
25. Gross profits to sales	15.4	16.3	13.3
26. Profits after tax to net worth	19.4	18.1	13.4
27. Tax provision to profits before tax	24.4	24.8	24.7
28. Profits retained to profits after tax	78.4	78.1	77.9
29. Dividends to net worth	4.2	4.0	3.0
30. Ordinary dividends to ordinary paid-up capital	33.1	39.5	37.3

* : Item B.7 is the actual ratio of current assets to current liabilities.
@ : Adjusted for revaluation etc.

Statement 3: Combined Income, Value of Production, Expenditure and Appropriation Accounts of the Select 1,558 Large Public Limited Companies, 2006-07 to 2008-09

(Rs. crore)

Item	2006-07	2007-08	2008-09
1	2	3	4
INCOME AND VALUE OF PRODUCTION			
1. Sales +	999,476	1,212,264	1,394,636
2. Increase(+) or decrease(-) in value of stock of finished goods and work in progress	22,916	31,921	27,754
3. Value of production (1+2)	1,022,391	1,244,186	1,422,390
4. Other income	25,436	44,177	51,010
Of which, (a) Dividends	3,875	4,782	5,944
(b) Interest	6,412	9,897	14,665
(c) Rent	1,226	833	1,000
5. Non-operating surplus(+)/ deficit(-)	4,388	3,978	9,453
6 Total (3+4+5)	**1,052,215**	**1,292,340**	**1,482,853**
EXPENDITURE AND APPROPRIATIONS			
7 Raw materials, components, etc., consumed	529,043	643,472	739,689
8 Stores and spares consumed	28,372	35,211	39,887
9 Power and fuel	46,632	53,807	71,991
10 Other manufacturing expenses	56,017	73,498	84,160
11 Salaries, wages and bonus	64,383	80,512	98,010
12 Provident fund	4,038	4,753	5,643
13 Employees' welfare expenses	6,599	7,895	8,633
14 Managerial remuneration	2,198	3,214	3,356
15 Royalty	2,492	2,462	2,716
16 Repairs to buildings	1,550	1,723	1,880
17 Repairs to machinery	7,858	9,526	10,336
18 Bad debts	2,459	3,067	4,051
19 Selling commission	9,562	10,487	11,446
20 Rent	5,356	7,235	12,242
21 Rates and taxes	2,882	3,486	3,556
22 Advertisement	9,583	11,086	12,395
23 Insurance	2,582	2,488	2,411
24 Research and development	2,850	3,429	3,987
25 Other expenses	70,420	86,972	117,902
26 Depreciation provision	38,124	44,314	50,758
27 Other provisions (other than tax and depreciation)	769	2,025	3,357
28 Gross profits	154,058	197,699	184,993
29 Less: Interest	21,783	28,461	41,322
30 Operating profits	132,275	169,238	143,671
31 Non-operating surplus(+)/ deficit(-)	4,388	3,978	9,453
32 Profits before tax	136,663	173,217	153,124
33 Less: Tax provision	33,336	42,956	37,796
34 Profits after tax	103,326	130,260	115,328
35 Dividends	22,354	28,542	25,469
(a) Ordinary	22,097	28,338	25,204
(b) Preference	257	204	264
36 Profits retained	80,973	101,718	89,859
37 Total (7 TO 28 + 31)	**1,052,215**	**1,292,340**	**1,482,853**

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

Statement 4: Combined Balance Sheet of the Select 1,558 Large Public Limited Companies, 2006-07 to 2008-09

(Rs. crore)

Capital and Liabilities	2006-07	2007-08	2008-09
1	2	3	4
A. Share capital	**75,000**	**85,335**	**81,193**
1 Paid-up capital	74,920	85,258	81,107
(a) Ordinary	66,819	71,659	67,514
Of which, bonus	10,916	12,181	12,512
(b) Preference	8,102	13,599	13,593
2 Forfeited shares	80	77	86
B. Reserves and surplus	**456,244**	**634,164**	**776,520**
3 Capital reserve	175,940	243,641	296,525
Of which, premium on shares	150,072	214,869	253,487
4 Investment allowance reserve	249	75	110
5 Sinking funds	5,997	6,592	8,980
6 Other reserves	274,058	383,856	470,905
C. Borrowings	**368,788**	**484,049**	**635,642**
7 Debentures @	25,903	27,138	48,055
8 Loans and advances	332,872	439,834	565,890
(a) From banks	227,746	314,032	422,178
Of which, short-term borrowings	120,281	174,642	252,288
(b) From other Indian financial institutions	26,915	30,460	28,409
(c) From foreign institutional agencies	47,322	61,585	70,866
(d) From Government and semi-Government bodies	5,337	5,152	5,222
(e) From companies	8,617	9,170	13,208
(f) From others	16,935	19,435	26,006
9 Deferred payments	7,048	14,119	16,376
10 Public deposits	2,964	2,959	5,322
Of total borrowings, debt	225,507	283,229	347,120
D. Trade dues and other current liabilities	**269,434**	**344,316**	**430,493**
11 Sundry creditors	151,016	188,372	226,341
12 Acceptances	15,161	21,499	29,444
13 Liabilities to companies	687	1,761	4,474
14 Advances/ deposits from customers, agents, etc.	65,642	88,473	115,668
15 Interest accrued on loans	5,165	5,182	7,257
16 Others	31,763	39,029	47,308
E. Provisions	**58,195**	**76,781**	**75,994**
17 Taxation (net of advance of income-tax)	27,667	33,259	29,645
18 Dividends	12,847	21,960	19,317
19 Other current provisions	10,459	13,530	19,297
20 Non-current provisions	7,222	8,031	7,735
F. 21 Miscellaneous non-current liabilities	–	–	**173**
22 TOTAL	**1,227,661**	**1,624,645**	**2,000,015**

@ : Include privately placed debentures.
– : Nil or negligible.

Statement 4: Combined Balance Sheet of the Select 1,558 Large Public Limited Companies, 2006-07 to 2008-09 *(Concld.)*

(Rs. crore)

Assets		2006-07	2007-08	2008-09
1		2	3	4
G.	**Gross fixed assets**	**729,341**	**887,879**	**1,089,737**
	23 Land	23,475	32,059	39,623
	24 Buildings	67,117	79,116	94,815
	25 Plant and machinery	515,459	589,064	710,938
	26 Capital work-in-progress	75,625	132,521	178,863
	27 Furniture, fixtures and office equipments	19,938	22,181	27,412
	28 Others	27,726	32,937	38,088
H.	**29 Depreciation**	**243,030**	**278,452**	**321,171**
I.	**30 Net fixed assets**	**486,311**	**609,427**	**768,566**
J.	**Inventories**	**173,776**	**231,577**	**269,267**
	31 Raw materials, components, etc.	49,865	67,042	68,988
	32 Finished goods	43,479	52,957	58,775
	33 Work-in-progress	53,099	75,256	96,548
	34 Stores and spares	14,251	17,806	21,776
	35 Others	13,082	18,516	23,179
K.	**Loans and advances and other debtor balances**	**291,278**	**401,962**	**438,386**
	36 Sundry debtors	141,733	176,443	203,617
	37 Loans and advances	119,399	183,437	183,168
	(a) To subsidiaries and companies under the same management	26,718	43,930	57,111
	(b) Others	92,681	139,508	126,057
	38 Interest accrued on loans and advances	2,021	4,054	5,129
	39 Deposits/ balances with Government/ others	18,594	23,360	29,268
	40 Others	9,531	14,667	17,203
L.	**Investments**	**163,231**	**260,080**	**344,801**
	Of which, quoted investments	29,206	47,312	35,895
	41 Foreign	8,102	24,221	31,674
	42 Indian	155,128	235,859	313,128
	(a) Government/ semi-Government securities	633	1,886	3,451
	(b) Securities of Financial Institutions	57,909	84,775	75,014
	(c) Industrial securities	24,392	36,281	43,917
	(d) Shares and debentures of subsidiaries	68,957	105,434	182,089
	(e) Others	3,239	7,482	8,655
M.	**43 Advance of income-tax** (net of tax provision)	–	–	–
N.	**Other assets**	**17,632**	**23,499**	**32,012**
	44 Immovable property	4,465	6,194	6,953
	45 Intangible assets	13,158	17,219	23,858
	46 Miscellaneous non-current assets	9	85	1,200
O.	**Cash and bank balances**	**95,433**	**98,100**	**146,983**
	47 Fixed deposits with banks	68,882	71,822	118,068
	48 Other bank balances	22,543	22,888	24,882
	49 Cash in hand	4,008	3,390	4,032
	50 TOTAL (I to O)	**1,227,661**	**1,624,645**	**2,000,015**

Statement 5: Sources and Uses of Funds of the Select 1,558 Large Public Limited Companies, 2007-08 and 2008-09

(Rs. crore)

Sources of Funds	2007-08	2008-09
1	2	3
INTERNAL SOURCES	**148,735**	**120,382**
A. 1 Paid-up capital	**1,277**	**343**
B. Reserves and Surplus	**97,235**	**80,995**
2 Capital reserve	-4,214	-15,816
3 Investment allowance reserve	-174	35
4 Sinking funds	590	2,388
5 Other reserves	101,033	94,387
C. Provisions	**50,223**	**39,044**
6 Depreciation	31,636	39,831
7 Taxation (net of advance of income tax)	5,593	-3,614
8 Dividends	9,113	-2,643
9 Other current provisions	3,071	5,767
10 Non-current provisions	809	-295
EXTERNAL SOURCES	**267,070**	**271,494**
D. Paid-up capital	**77,336**	**49,769**
11 Net issues	9,907	-13
12 Premium on shares	67,429	49,782
E. 13 Capital receipts	**271**	**805**
F. Borrowings	**115,171**	**134,982**
14 Debentures	1,235	20,917
15 Loans and advances	106,871	109,445
(a) From banks	86,196	91,535
(b) From other Indian financial institutions	3,544	-2,050
(c) From foreign institutional agencies	14,263	9,281
(d) From Government and semi-Government bodies	-186	70
(e) From companies	553	4,038
(f) From others	2,501	6,571
16 Deferred payments	7,070	2,258
17 Public deposits	-6	2,363
G. Trade dues and other current liabilities	**74,292**	**85,764**
18 Sundry creditors	36,766	37,557
19 Acceptances	6,338	7,945
20 Liabilities to companies	1,074	2,713
21 Advances/ deposits from customers, agents, etc.	22,831	27,195
22 Interest accruded on loans	17	2,075
23 Others	7,266	8,279
H. 24 Miscellaneous non-current liabilities	**0**	**173**
25 TOTAL	**415,804**	**391,876**

Note : This statement is derived from statement 4.

Figures have been adjusted for the changes consequent on amalgamation of companies and for revaluation *etc.*, wherever necessary.

Statement 5: Sources and Uses of Funds of the Select 1,558 Large Public Limited Companies, 2007-08 and 2008-09 *(Concld.)*

(Rs. crore)

Uses of Funds		2007-08	2008-09
1		2	3
I.	**Gross fixed assets**	**150,574**	**168,529**
	26 Land	4,338	5,447
	27 Buildings	11,703	15,019
	28 Plant and machinery	70,230	107,931
	29 Capital work-in-progress	56,894	29,866
	30 Furniture, fixtures and office equipments	2,233	5,223
	31 Others	5,176	5,042
J.	**Inventories**	**57,525**	**37,706**
	32 Raw materials, components, etc.	16,927	1,962
	33 Finished goods	9,478	5,819
	34 Work-in-progress	22,117	21,293
	35 Stores and spares	3,569	3,970
	36 Others	5,434	4,663
K.	**Loans and advances and other debtor balances**	**110,337**	**36,434**
	37 Sundry debtors	34,497	27,175
	38 Loans and advances	63,904	-260
	a) To subsidiaries and companies under the same management	17,241	13,182
	b) Others	46,663	-13,441
	39 Interest accrued on loans and advances	2,033	1,075
	40 Deposits/ balances with Government/ others	4,766	5,908
	41 Others	5,136	2,536
L.	**42 Investments**	**88,854**	**91,898**
M.	**43 Other assets**	**5,929**	**8,554**
N.	**44 Cash and bank balances**	**2,585**	**48,755**
	45 TOTAL	**415,804**	**391,876**

Statement 6: Earnings / Expenditure In Foreign Currencies of Select 1,558 Large Public Limited Companies, 2006-07 to 2008-09

(Rs crore)

Item	2006-07	2007-08	2008-09
1	2	3	4
I. Expenditure in foreign currencies	**295,317**	**377,368**	**453,782**
(a) Imports (on c.i.f. basis)	239,012	300,284	358,891
of which: i) Raw materials	180,010	220,946	266,845
ii) Capital goods	25,040	37,931	39,228
iii) Stores and spares	10,765	11,109	14,121
(b) Other expenditure in foreign currencies	56,305	77,084	94,890
II. Earnings in foreign currencies	**272,090**	**328,141**	**386,818**
of which: Exports (on f.o.b. basis)	189,769	231,734	265,097
III. Net inflow (+) / outflow (-) in foreign currencies	**-23,227**	**-49,227**	**-66,963**

Statement 7: Growth Rates of the Select Items of the Select 1,558 Large Public Limited Companies – According to size of Sales, 2007-08 and 2008-09

(Per cent)

Sales-Range / Item		<Rs 25 cr. (247)		Rs 25 cr. - Rs 50 cr. (145)		Rs 50 cr. - Rs 100 cr. (182)	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1		2	3	4	5	6	7
1	Sales+	-5.0	-11.2	12.5	-2.7	11.8	5.9
2	Value of production	-5.9	-11.9	14.7	-3.2	14.1	3.2
3	Total Income	-1.4	-8.7	18.3	-7.5	17.4	5.1
4	Manufacturing expenses	-3.3	-9.3	11.8	-4.8	20.0	6.2
5	Remuneration to employees	-0.6	4.1	23.3	9.6	8.4	13.2
6	Depreciation provision	-2.1	2.8	15.1	9.9	13.9	15.9
7	Gross profits	17.9	-31.4	33.3	-46.9	4.4	-5.0
8	Interest	10.6	13.9	12.7	12.7	8.0	15.7
9	Operating profits	27.4	-83.2	45.2	-73.6	3.1	-13.3
10	Non-operating surplus/deficit	-42.3	-56.2	162.5	–	324.1	-39.7
11	Profits before tax	-13.2	-72.7	68.8	-84.9	23.4	-19.1
12	Tax provision	2.4	-3.8	58.2	-24.0	15.2	-14.4
13	Profits after tax	-20.0	–	71.5	-99.6	26.9	-20.9
14	Dividend paid	-1.0	-2.4	-8.7	-20.6	52.7	-32.1
15	Profits retained	-30.2	–	85.1	–	21.1	-17.7
16	Gross saving	-12.7	-56.4	56.5	-71.3	18.1	-4.0
17	(a) Gross value added	-1.5	-10.4	26.3	-13.2	7.9	4.5
	(b) Net value added	-1.3	-14.8	29.0	-18.3	6.8	2.2
18	Net worth @	43.0	5.9	50.3	4.7	33.4	15.3
19	Total borrowings @	4.4	2.3	11.6	20.9	10.4	9.0
	Of which, from banks @	8.0	-1.3	13.9	5.1	6.4	18.3
20	Trade dues and other current liabilities @	4.1	18.4	14.4	2.1	-34.1	10.9
21	(a) Gross fixed assets @	12.3	15.9	12.1	9.7	8.2	18.8
	(b) Net fixed assets @	17.5	21.4	14.5	12.1	8.7	26.8
22	Inventories @	14.1	2.6	24.3	12.1	17.6	4.1
23	(a) Gross physical assets @	12.6	14.2	14.2	10.2	9.9	16.0
	(b) Net physical assets @	16.8	17.8	17.1	12.1	11.2	20.2
24	(a) Total gross assets @	19.4	6.9	25.7	8.0	4.9	11.0
	(b) Total net assets @	22.9	6.9	29.2	8.3	4.2	11.6
25	Total earnings in foreign currencies	-15.8	-15.0	-9.4	12.3	8.4	1.7
	Of which, Exports	-22.1	-11.1	-8.9	10.3	11.6	2.9
26	Total expenditure in foreign currencies	-25.5	-24.3	-11.9	13.7	8.8	10.5
	Of which, Imports	-32.0	-18.9	-12.3	9.8	14.5	8.3

\+ : 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 & denominator are negative or nil or negligible

Note : 1. Figures in brackets below the sales range represent the number of companies in the sales range.
2. Rates of growth of all the items are adjusted for changes due to amalgamation of companies.

Statement 7: Growth Rates of the Selected Items of the Select 1,558 Large Public Limited Companies – According to size of Sales, 2007-08 and 2008-09 *(Concld)*

(Per cent)

Sales-Range / Item		Rs. 100 cr. - Rs. 500 cr. (517)		Rs. 500 cr. - Rs. 1000 cr. (194)		Rs.1000 Cr. and above (273)	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
	1	8	9	10	11	12	13
1	Sales+	15.7	14.5	20.3	10.2	22.4	16.0
2	Value of production	16.2	13.8	19.4	9.1	23.0	15.4
3	Total Income	17.9	12.6	20.0	10.2	24.1	15.9
4	Manufacturing expenses	15.2	12.9	18.2	10.5	23.8	17.6
5	Remuneration to employees	21.9	18.7	22.5	15.7	25.2	21.7
6	Depreciation provision	16.4	18.5	25.4	14.1	15.3	14.2
7	Gross profits	18.5	-1.6	23.2	-11.6	30.1	-6.1
8	Interest	33.7	37.0	36.0	40.8	30.1	49.1
9	Operating profits	13.3	-17.5	20.0	-26.4	30.1	-13.6
10	Non-operating surplus/deficit	93.6	-52.1	48.0	57.3	–	#
11	Profits before tax	22.4	-23.7	22.0	-18.9	27.6	-9.2
12	Tax provision	39.6	-7.7	32.7	-9.3	27.6	-12.7
13	Profits after tax	16.8	-29.8	18.5	-22.5	27.6	-8.1
14	Dividend paid	23.5	-16.3	24.4	-9.0	28.4	-10.3
15	Profits retained	14.9	-34.0	17.0	-26.1	27.3	-7.5
16	Gross saving	15.5	-13.0	19.8	-12.3	23.6	-1.3
17	(a) Gross value added	18.7	9.4	23.9	-1.5	26.7	3.7
	(b) Net value added	19.2	7.7	23.6	-4.2	28.6	2.1
18	Net worth @	33.3	10.0	28.4	10.0	33.4	20.7
19	Total borrowings @	27.1	18.1	37.9	24.6	31.8	30.7
	Of which, from banks @	30.1	23.4	34.4	34.2	41.0	29.8
20	Trade dues and other current liabilities @	25.8	12.1	18.3	16.1	31.0	27.8
21	(a) Gross fixed assets @	20.3	15.2	20.0	16.1	21.2	20.0
	(b) Net fixed assets @	24.6	16.5	22.0	18.0	25.1	22.1
22	Inventories @	24.0	13.9	30.7	13.2	35.3	17.4
23	(a) Gross physical assets @	21.0	15.0	22.5	15.4	23.8	19.4
	(b) Net physical assets @	24.4	15.8	24.7	16.5	27.7	20.8
24	(a) Total gross assets @	26.2	13.1	28.1	15.1	29.2	22.7
	(b) Total net assets @	29.1	13.1	30.4	15.7	32.3	24.0
25	Total earnings in foreign currencies	23.6	16.0	15.4	12.8	21.1	18.7
	Of which, Exports	24.4	12.1	21.6	17.0	22.4	14.6
26	Total expenditure in foreign currencies	18.0	19.2	17.2	14.6	29.5	20.8
	Of which, Imports	18.6	18.5	15.6	12.8	27.1	20.2

Statement 8: Select Financial Ratios of the Select 1,558 Large Public Limited Companies – According to size of Sales, 2006-07 to 2008-09

(Per cent)

Sales-range / Item	< Rs. 25 cr. (247)			Rs. 25 cr. - Rs. 50 cr. (145)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	2	3	4	5	6	7
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	35.5	33.9	38.9	29.2	25.9	26.7
2. Net worth to total net assets	46.8	54.5	54.2	44.8	52.0	50.2
3. Debt to equity	39.6	29.3	29.0	32.1	27.6	30.5
4. Debt to equity (equity adjusted for revaluation reserve)	45.2	32.0	31.8	33.3	28.3	31.2
5. Short term bank borrowings to inventories	86.2	75.1	71.4	97.8	91.9	77.3
6. Total outside liabilities to net worth	113.8	83.6	84.5	123.5	92.5	99.2
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.4	1.7	1.5	1.4	1.6	1.5
8. Quick assets to current liabilities	74.2	92.9	62.6	65.4	71.0	50.7
9. Current assets to total net assets	48.7	50.6	44.6	55.9	54.2	51.8
10. Sundry creditors to current assets	18.3	15.8	18.4	16.0	15.2	12.9
11. Sundry creditors to net working capital	62.6	37.8	55.7	58.7	39.7	38.0
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	42.6	32.9	27.2	45.8	39.9	35.8
13. Sales to gross fixed assets	71.4	60.3	45.7	92.8	93.1	82.4
14. Inventories to sales	20.6	24.8	28.6	22.2	24.7	28.5
15. Sundry debtors to sales	30.8	32.5	38.6	31.8	32.0	30.3
16. Exports to sales	15.6	12.8	12.8	17.4	14.1	16.0
17. Gross value added to gross fixed assets	17.8	15.6	11.9	22.0	24.8	19.6
18. Raw materials consumed to value of production	49.8	51.2	53.7	49.3	50.1	47.7
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		30.4	103.1		19.4	45.0
20. Gross capital formation to total uses of funds		35.5	105.6		27.4	57.9
21. External sources of funds to total sources of funds		84.1	78.2		71.9	79.6
22. Increase in bank borrowings to total external sources		7.0	–		11.0	10.8
23. Gross savings to gross capital formation		43.1	14.8		96.8	34.0
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	3.4	3.3	2.1	5.7	5.9	2.9
25. Gross profits to sales	8.0	9.9	7.7	12.5	14.9	8.1
26. Profits after tax to net worth	5.3	2.9	–	8.1	9.2	–
27. Tax provision to profits before tax	30.2	35.7	125.9	20.7	19.4	97.8
28. Profits retained to profits after tax	64.9	56.6	&	85.5	92.3	–
29. Dividends to net worth	1.8	1.3	1.2	1.2	0.7	0.5
30. Ordinary dividends to ordinary paid-up capital	2.9	2.0	1.9	3.0	2.5	1.9

Note : 1. Figures in brackets below the sales range represent the number of companies in the sales range.
2. For footnotes, please refter to Statement 7.
* : Item B.7 is the actual ratio of current assets to current liabilities.

Statement 8: Select Financial Ratios of the Select 1,558 Large Public Limited Companies – According to size of Sales, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Sales-range / Item	Rs 50 cr. - Rs 100 cr. (182)			Rs 100 cr. - Rs 500 cr. (517)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	8	9	10	11	12	13
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	34.0	35.9	40.9	38.1	36.9	38.6
2. Net worth to total net assets	34.8	44.8	46.5	40.2	41.5	40.9
3. Debt to equity	41.3	33.4	30.0	56.1	54.0	56.3
4. Debt to equity (equity adjusted for revaluation reserve)	43.0	34.9	31.4	58.3	55.7	59.1
5. Short term bank borrowings to inventories	76.4	71.2	80.7	73.4	75.6	77.5
6. Total outside liabilities to net worth	187.7	123.0	115.2	149.0	140.8	144.8
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.2	1.3	1.3	1.3	1.3	1.3
8. Quick assets to current liabilities	72.0	63.1	62.5	62.8	63.0	60.3
9. Current assets to total net assets	59.1	51.1	50.5	48.1	48.3	48.0
10. Sundry creditors to current assets	17.9	24.2	26.0	24.8	22.6	21.1
11. Sundry creditors to net working capital	123.2	108.0	116.2	108.1	87.2	83.5
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	65.5	69.8	66.1	74.4	66.6	66.8
13. Sales to gross fixed assets	106.8	109.1	96.9	126.7	121.2	118.5
14. Inventories to sales	19.8	20.9	20.5	19.2	20.6	20.4
15. Sundry debtors to sales	20.1	22.6	23.4	19.8	21.0	20.7
16. Exports to sales	14.1	14.1	13.7	14.4	15.5	15.2
17. Gross value added to gross fixed assets	29.2	28.7	25.2	31.6	31.1	29.0
18. Raw materials consumed to value of production	49.8	52.8	53.3	50.9	50.4	49.0
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		80.6	85.5		37.7	54.3
20. Gross capital formation to total uses of funds		117.0	89.8		48.5	66.6
21. External sources of funds to total sources of funds		–	53.5		74.7	72.4
22. Increase in bank borrowings to total external sources		#	46.8		27.4	45.4
23. Gross savings to gross capital formation		106.5	56.8		55.4	55.8
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	8.6	8.5	7.2	9.0	8.2	7.1
25. Gross profits to sales	13.1	12.2	11.0	12.1	12.4	10.6
26. Profits after tax to net worth	13.4	12.6	8.6	14.2	12.4	7.7
27. Tax provision to profits before tax	29.7	27.8	29.4	24.4	27.8	33.6
28. Profits retained to profits after tax	81.8	78.1	81.2	77.9	76.6	72.1
29. Dividends to net worth	2.4	2.7	1.6	3.1	2.9	2.2
30. Ordinary dividends to ordinary paid-up capital	6.5	9.5	6.2	14.4	16.2	12.9

Statement 8: Select Financial Ratios of the Select 1,558 Large Public Limited Companies – According to size of Sales, 2006-07 to 2008-09 *(Concld.)*

(Per cent)

Sales-range / Item	Rs 500 cr. - Rs 1000 cr. (194)			Rs 1000 cr. and above (273)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	14	15	16	17	18	19
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	39.6	37.8	38.1	40.1	37.7	38.5
2. Net worth to total net assets	40.6	40.6	38.2	44.2	45.0	43.5
3. Debt to equity	55.1	56.9	67.4	39.4	35.8	36.2
4. Debt to equity (equity adjusted for revaluation reserve)	56.8	59.9	69.6	40.5	36.6	37.5
5. Short term bank borrowings to inventories	61.2	63.4	68.7	69.5	77.2	100.0
6. Total outside liabilities to net worth	146.4	146.2	161.7	126.4	122.4	130.0
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.4	1.5	1.5	1.3	1.2	1.1
8. Quick assets to current liabilities	64.5	62.1	58.6	55.2	49.4	46.6
9. Current assets to total net assets	52.1	52.2	51.9	47.2	47.2	43.1
10. Sundry creditors to current assets	24.0	20.9	21.1	26.3	25.0	26.8
11. Sundry creditors to net working capital	82.0	66.0	67.9	131.4	134.2	#
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	85.1	77.7	74.5	83.0	76.1	70.2
13. Sales to gross fixed assets	146.4	143.9	138.3	138.9	139.2	129.5
14. Inventories to sales	21.0	22.8	23.4	16.6	18.4	18.6
15. Sundry debtors to sales	18.2	19.2	19.8	12.7	12.9	13.0
16. Exports to sales	13.4	13.5	14.3	20.4	20.4	20.1
17. Gross value added to gross fixed assets	34.7	35.1	30.1	37.3	38.7	32.2
18. Raw materials consumed to value of production	54.4	53.6	54.4	51.5	51.6	52.1
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		34.9	49.3		36.2	41.1
20. Gross capital formation to total uses of funds		51.4	62.6		50.2	50.2
21. External sources of funds to total sources of funds		66.6	74.5		62.7	68.7
22. Increase in bank borrowings to total external sources		38.1	65.5		32.6	30.0
23. Gross savings to gross capital formation		62.1	64.3		72.7	70.5
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	11.5	10.7	8.2	13.4	13.1	9.8
25. Gross profits to sales	13.5	13.8	11.1	16.2	17.2	13.9
26. Profits after tax to net worth	18.3	16.5	11.8	20.6	19.4	14.6
27. Tax provision to profits before tax	24.9	27.0	30.3	24.3	24.3	23.4
28. Profits retained to profits after tax	80.2	79.2	75.5	78.2	78.0	78.6
29. Dividends to net worth	3.6	3.4	2.9	4.5	4.2	3.1
30. Ordinary dividends to ordinary paid-up capital	27.0	31.0	27.7	43.3	53.4	54.2

Statement 9: Growth Rates of the Select Items of the Select 1,558 Large Public Limited Companies – According to size of Paid-up Capital, 2007-08 and 2008-09

(Per cent)

PUC range / Item		Rs. 1-2 Cr. (56)		Rs. 2-5 Cr. (223)		Rs. 5-10 Cr. (294)	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1		2	3	4	5	6	7
1	Sales+	11.8	16.9	9.5	10.4	16.5	14.1
2	Value of production	10.6	15.7	11.5	8.4	15.1	14.0
3	Total Income	19.8	6.9	10.8	8.5	17.7	12.2
4	Manufacturing expenses	9.1	16.5	10.5	8.4	14.0	9.1
5	Remuneration to employees	18.6	15.5	17.1	9.3	21.4	32.6
6	Depreciation provision	-1.1	15.7	11.2	7.7	14.8	16.9
7	Gross profits	35.4	7.2	20.5	-3.5	17.1	8.1
8	Interest	6.1	17.1	31.3	25.5	35.3	46.0
9	Operating profits	41.7	5.6	16.5	-15.5	12.4	-3.7
10	Non-operating surplus/deficit	#	-97.7	-64.7	-7.3	#	-77.3
11	Profits before tax	108.3	-40.0	1.3	-14.9	48.6	-22.7
12	Tax provision	30.5	-8.7	29.9	-8.3	46.1	-12.8
13	Profits after tax	143.3	-47.5	-10.2	-18.8	49.6	-26.7
14	Dividend paid	101.4	-51.9	-3.0	0.2	54.1	-31.8
15	Profits retained	156.9	-46.4	-11.8	-23.4	48.4	-25.4
16	Gross saving	109.2	-37.5	-1.1	-7.1	35.8	-12.0
17	(a) Gross value added	18.7	11.0	17.4	4.0	19.7	18.5
	(b) Net value added	20.9	10.5	18.8	3.2	20.5	18.7
18	Net worth @	31.7	15.7	10.0	7.1	28.7	12.9
19	Total borrowings @	-9.6	28.0	22.5	8.3	23.0	21.3
	of which, from banks @	-3.5	36.3	24.3	8.9	30.2	20.9
20	Trade dues and other current liabilities @	26.7	-4.1	15.3	15.0	19.6	9.7
21	(a) Gross fixed assets @	3.9	18.7	14.3	10.8	17.2	15.5
	(b) Net fixed assets @	9.8	23.2	16.3	10.7	20.4	18.0
22	Inventories @	16.1	8.6	21.0	4.2	19.7	10.0
23	(a) Gross physical assets @	9.4	13.8	15.8	9.2	17.9	13.9
	(b) Net physical assets @	13.5	14.3	17.9	8.4	20.1	14.9
24	(a) Total gross assets @	18.6	7.3	14.5	9.4	22.3	13.8
	(b) Total net assets @	22.7	6.7	15.3	9.0	24.5	14.3
25	Total earnings in foreign currencies	31.7	15.2	1.3	-4.9	27.4	24.9
	of which, Exports	36.3	6.5	1.7	-7.4	19.9	16.1
26	Total expenditure in foreign currencies	17.3	2.0	29.1	10.9	24.3	16.2
	of which, Imports	16.9	-3.9	32.3	11.0	23.4	12.3

Note : 1. Figures in brackets below the PUC range represent the number of companies in the PUC range.
2, Rates of growth of all the items are adjusted for changes due to amalgamation of companies.
3. For footnotes, please refer to Statement 7.

Statement 9: Growth Rates of the Select Items of the Select 1,558 Large Public Limited Companies – According to size of Paid-up Capital, 2007-08 and 2008-09 *(Concld.)*

(Per cent)

PUC range / Item		Rs. 10-25 Cr. (495)		Rs. 25-50 Cr. (227)		Rs. 50-100 Cr. (136)		Rs. 100 Crore and above (127)	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1		8	9	10	11	12	13	14	15
1	Sales+	21.8	16.2	29.8	22.1	21.2	16.9	19.5	12.0
2	Value of production	22.9	14.2	30.8	21.5	23.1	15.5	19.2	11.8
3	Total Income	23.4	14.7	31.4	23.9	23.3	15.8	20.8	11.8
4	Manufacturing expenses	21.6	13.8	33.0	28.4	23.4	19.0	19.5	12.2
5	Remuneration to employees	29.0	18.6	25.4	18.4	22.1	20.9	23.6	20.7
6	Depreciation provision	27.7	21.6	19.5	11.2	26.7	15.9	11.7	13.5
7	Gross profits	27.2	3.1	35.5	3.5	20.8	-4.2	29.4	-11.7
8	Interest	35.5	46.8	46.0	44.0	30.9	39.0	24.2	47.7
9	Operating profits	25.3	-7.7	33.4	-5.3	18.8	-13.7	30.1	-19.2
10	Non-operating surplus/deficit	142.3	70.7	-0.5	-36.8	15.0	-2.0	–	#
11	Profits before tax	27.6	-4.8	29.7	-8.0	18.5	-12.7	27.0	-12.7
12	Tax provision	33.0	1.7	36.3	-1.5	34.4	-12.7	23.7	-17.7
13	Profits after tax	25.8	-7.0	27.3	-10.4	12.6	-12.7	27.9	-11.3
14	Dividend paid	9.9	4.9	18.3	-6.5	17.6	0.8	33.6	-14.7
15	Profits retained	29.5	-9.4	29.7	-11.4	11.2	-16.8	26.3	-10.3
16	Gross saving	28.9	0.1	26.5	-4.6	15.9	-6.0	21.6	-3.2
17	(a) Gross value added	28.2	10.0	30.0	8.8	21.6	5.8	25.2	-0.6
	(b) Net value added	28.3	8.3	31.7	8.5	20.8	4.2	27.6	-2.8
18	Net worth @	34.4	14.5	30.4	15.9	24.8	11.8	36.3	21.6
19	Total borrowings @	27.3	25.5	22.7	26.5	28.7	31.0	36.6	29.0
	of which, from banks @	33.6	30.6	30.6	28.8	23.4	32.5	47.2	29.2
20	Trade dues and other current liabilities @	14.3	19.5	32.4	30.3	37.6	22.4	28.2	26.6
21	(a) Gross fixed assets @	23.4	22.0	21.9	21.1	20.8	15.7	20.2	19.1
	(b) Net fixed assets @	26.9	24.3	26.9	23.9	26.8	18.4	23.4	20.9
22	Inventories @	33.7	12.7	38.2	24.0	37.7	21.5	32.3	14.5
23	(a) Gross physical assets @	25.6	19.9	25.7	21.8	23.9	16.9	22.3	18.2
	(b) Net physical assets @	28.8	20.9	30.5	24.0	29.6	19.2	25.5	19.3
24	(a) Total gross assets @	25.4	18.6	26.0	21.2	25.5	18.7	31.0	22.1
	(b) Total net assets @	27.0	19.0	28.3	22.1	28.8	20.2	34.6	23.3
25	Total earnings in foreign currencies	29.3	21.2	27.9	23.6	22.5	27.1	17.3	14.5
	of which, Exports	33.4	20.6	33.1	22.4	22.8	19.4	18.1	10.6
26	Total expenditure in foreign currencies	20.1	26.2	28.4	34.1	85.7	-0.2	20.4	21.5
	of which, Imports	22.4	25.5	30.7	35.1	52.5	1.0	20.8	19.2

Statement 10: Select Financial Ratios of the Select 1,558 Large Public Limited Companies – According to size of Paid-up Capital, 2006-07 to 2008-09

(Per cent)

PUC-range	Rs.1 cr. - Rs. 2 cr. (56)			Rs. 2 cr. - Rs. 5 cr. (223)		
Item	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	2	3	4	5	6	7
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	24.3	21.7	26.5	36.9	37.4	38.4
2. Net worth to total net assets	34.2	36.7	41.0	41.0	39.2	38.9
3 Debt to equity	21.6	15.2	14.2	42.2	47.0	46.5
4. Debt to equity (equity adjusted for revaluation reserve)	23.4	16.0	15.6	45.8	51.0	50.7
5. Short term bank borrowings to inventories	29.6	23.1	28.8	67.1	65.1	68.0
6. Total outside liabilities to net worth	192.2	172.2	144.0	143.9	154.9	157.2
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.2	1.2	1.3	1.3	1.3	1.2
8. Quick assets to current liabilities	47.9	45.7	42.8	64.6	59.1	56.3
9. Current assets to total net assets	72.0	68.4	68.3	55.0	54.7	52.6
10. Sundry creditors to current assets	19.0	23.0	18.6	31.5	31.0	31.2
11. Sundry creditors to net working capital	98.5	141.6	82.5	127.2	131.3	163.5
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	86.8	79.1	85.0	118.8	112.4	113.3
13. Sales to gross fixed assets	203.7	219.3	205.8	179.4	171.1	169.1
14. Inventories to sales	40.9	42.5	39.5	16.5	18.2	17.2
15. Sundry debtors to sales	16.3	18.5	15.2	16.3	15.9	15.8
16. Exports to sales	13.7	16.6	15.2	15.9	14.8	12.4
17. Gross value added to gross fixed assets	49.0	55.9	49.8	31.0	31.7	29.5
18. Raw materials consumed to value of production	58.2	55.6	50.6	62.2	61.7	61.8
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		7.5	80.5		50.7	58.8
20. Gross capital formation to total uses of funds		33.5	114.8		72.6	66.0
21. External sources of funds to total sources of funds		39.4	35.9		58.0	54.7
22. Increase in bank borrowings to total external sources		–	136.5		48.9	31.9
23. Gross savings to gross capital formation		197.4	77.0		58.5	80.5
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	9.3	10.3	10.1	8.1	8.5	7.5
25. Gross profits to sales	10.7	13.0	11.9	6.9	7.5	6.6
26. Profits after tax to net worth	18.8	34.7	15.0	12.8	10.3	7.7
27 Tax provision to profits before tax	31.0	19.4	29.6	28.7	36.8	39.6
28. Profits retained to profits after tax	75.5	79.7	81.4	81.9	80.5	75.9
29. Dividends to net worth	4.6	7.0	2.8	2.3	2.0	1.9
30. Ordinary dividends to ordinary paid-up capital	31.6	74.1	35.3	20.0	19.3	19.2

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

Note : 1. Figures in brackets below the PUC range represents the number of companies in the PUC range.
2. For footnotes, please refer to Statement 7.

Statement 10: Select Financial Ratios of the Select 1,558 Large Public Limited Companies – According to size of Paid-up Capital, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

PUC-range	Rs. 5 cr. - Rs. 10 cr. (294)			Rs. 10 cr. - Rs. 25 cr. (495)		
Item	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	8	9	10	11	12	13
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	33.3	32.2	33.4	37.0	37.6	38.9
2. Net worth to total net assets	36.8	38.1	37.7	38.9	41.8	39.8
3. Debt to equity	41.6	40.3	41.6	53.5	45.3	51.9
4. Debt to equity (equity adjusted for revaluation reserve)	42.7	41.3	42.9	54.7	47.2	53.0
5. Short term bank borrowings to inventories	68.5	71.4	77.9	79.8	87.6	92.1
6. Total outside liabilities to net worth	171.4	162.5	165.1	157.0	139.4	151.0
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.3	1.3	1.3	1.4	1.3	1.3
8. Quick assets to current liabilities	58.9	58.5	57.9	71.6	64.3	63.1
9. Current assets to total net assets	59.8	59.2	58.3	54.5	52.0	51.6
10. Sundry creditors to current assets	28.0	25.9	25.2	24.1	25.1	23.8
11. Sundry creditors to net working capital	137.9	118.6	121.6	90.0	99.6	98.9
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	116.2	108.9	108.5	93.8	89.0	87.5
13. Sales to gross fixed assets	208.2	207.4	204.1	173.1	167.3	161.2
14. Inventories to sales	18.6	19.1	18.4	15.7	17.2	16.7
15. Sundry debtors to sales	18.4	19.0	19.4	18.3	18.4	18.9
16. Exports to sales	15.7	16.1	16.4	14.9	16.4	17.0
17. Gross value added to gross fixed assets	43.5	44.5	45.5	38.9	39.6	36.1
18. Raw materials consumed to value of production	59.8	58.1	54.6	57.5	56.6	55.9
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		35.2	48.8		42.6	54.4
20. Gross capital formation to total uses of funds		50.7	61.4		59.2	63.4
21. External sources of funds to total sources of funds		58.3	58.7		60.5	63.0
22. I.ncrease in bank borrowings tototal external sources		42.8	50.4		41.6	52.3
23. Gross savings to gross capital formation		80.0	76.7		63.8	64.3
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	11.3	10.6	10.0	11.9	11.8	10.3
25. Gross profits to sales	9.7	9.8	9.2	12.7	13.3	11.8
26. Profits after tax to net worth	17.5	20.3	13.1	19.1	17.5	14.4
27. Tax provision to profits before tax	29.4	28.9	32.7	24.7	25.8	27.5
28. Profits retained to profits after tax	79.3	78.7	80.1	81.3	83.7	81.6
29. Dividends to net worth	3.6	4.3	2.6	3.6	2.8	2.6
30. Ordinary dividends to ordinary paid-up capital	28.0	43.3	28.7	31.8	33.2	34.1

Statement 10: Select Financial Ratios of the Select 1,558 Large Public Limited Companies – According to size of Paid-up Capital, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

PUC-range	Rs. 25 cr. - Rs. 50 cr. (227)			Rs. 50 cr. - Rs. 100 cr. (136)		
Item	**2006-07**	**2007-08**	**2008-09**	**2006-07**	**2007-08**	**2008-09**
1	14	15	16	17	18	19
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	31.7	31.3	31.9	38.3	39.0	38.9
2. Net worth to total net assets	40.9	41.5	39.5	42.4	42.2	39.8
3. Debt to equity	43.3	40.3	43.1	48.3	49.2	60.2
4. Debt to equity (equity adjusted for revaluation reserve)	43.8	40.6	43.8	50.5	52.4	64.7
5. Short term bank borrowings to inventories	77.2	70.1	72.2	75.7	69.0	62.2
6. Total outside liabilities to net worth	144.4	141.0	152.8	136.0	137.2	151.6
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.3	1.3	1.3	1.4	1.3	1.3
8. Quick assets to current liabilities	73.2	66.1	61.9	66.7	57.9	56.2
9. Current assets to total net assets	55.2	55.5	55.3	49.8	47.5	47.9
10. Sundry creditors to current assets	27.6	27.9	27.5	22.8	24.3	22.8
11. Sundry creditors to net working capital	107.1	109.7	124.6	87.0	106.6	90.9
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	90.0	90.7	90.4	80.4	74.3	71.5
13. Sales to gross fixed assets	184.1	195.0	195.5	134.1	129.9	128.9
14. Inventories to sales	16.7	17.9	18.2	16.8	19.1	19.8
15. Sundry debtors to sales	19.1	17.9	17.8	14.8	15.3	14.9
16. Exports to sales	15.7	16.1	16.1	14.4	14.6	14.9
17. Gross value added to gross fixed assets	39.4	41.8	37.4	33.0	32.0	28.8
18. Raw materials consumed to value of production	60.1	60.4	64.1	48.2	48.7	48.6
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		35.1	40.2		40.3	40.8
20. Gross capital formation to total uses of funds		54.0	56.2		56.7	54.5
21. External sources of funds to total sources of funds		65.8	71.4		70.4	73.5
22. Increase in bank borrowings tototal external sources		30.9	33.9		22.1	38.8
23. Gross savings to gross capital formation		65.9	58.6		57.6	60.2
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	10.6	11.2	9.5	11.8	10.8	8.5
25. Gross profits to sales	11.8	12.3	10.5	14.6	14.6	11.9
26. Profits after tax to net worth	18.1	17.6	13.5	18.6	16.0	12.2
27. Tax provision to profits before tax	26.0	27.3	29.3	26.8	30.4	30.4
28. Profits retained to profits after tax	79.3	80.8	79.9	77.6	76.6	73.0
29. Dividends to net worth	3.7	3.4	2.7	4.2	3.7	3.3
30. Ordinary dividends to ordinary paid-up capital	39.3	43.1	38.7	38.7	41.9	40.0

Statement 10: Select Financial Ratios of the Select 1,558 Large Public Limited Companies – According to size of Paid-up Capital, 2006-07 to 2008-09 *Concld.)*

(Per cent)

PUC-range	Rs. 100 Cr. and above (127)		
Item	**2006-07**	**2007-08**	**2008-09**
1	20	21	22
A. Capital Structure Ratios			
1. Net fixed assets to total net assets	43.1	39.0	40.1
2. Net worth to total net assets	45.6	46.5	45.4
3. Debt to equity	38.7	35.7	33.6
4. Debt to equity (equity adjusted for revaluation reserve)	40.0	36.2	34.9
5. Short term bank borrowings to inventories	62.9	76.5	112.7
6. Total outside liabilities to net worth	119.1	114.9	120.2
B. Liquidity Ratios			
7. Current assets to current liabilities *	1.2	1.2	1.0
8. Quick assets to current liabilities	46.4	43.8	40.5
9. Current assets to total net assets	43.2	44.4	38.7
10. Sundry creditors to current assets	25.9	22.5	25.8
11. Sundry creditors to net working capital	152.8	122.6	#
C. Assets Utilisation and Turnover Ratios			
12. Sales to total net assets	73.3	64.7	57.6
13. Sales to gross fixed assets	115.8	114.9	102.7
14. Inventories to sales	18.1	20.1	20.5
15. Sundry debtors to sales	10.7	11.5	11.4
16. Exports to sales	23.0	22.7	22.4
17. Gross value added to gross fixed assets	35.3	36.7	29.1
18. Raw materials consumed to value of production	47.1	47.0	46.6
D. Sources and Uses of Funds Ratios @			
19. Gross fixed assets formation to total uses of funds		34.3	41.6
20. Gross capital formation to total uses of funds		45.8	48.9
21. External sources of funds to total sources of funds		63.7	69.7
22. Increase in bank borrowings tototal external sources		32.6	28.8
23. Gross savings to gross capital formation		75.6	72.9
E. Profitability and Profit Allocation Ratios			
24. Gross profits to total net assets	13.6	13.0	9.1
25. Gross profits to sales	18.5	20.1	15.8
26. Profits after tax to net worth	20.3	18.8	13.6
27. Tax provision to profits before tax	23.1	22.5	21.2
28. Profits retained to profits after tax	77.7	76.7	77.6
29. Dividends to net worth	4.5	4.4	3.0
30. Ordinary dividends to ordinary paid-up capital	31.8	39.7	37.9

Statement 11: Growth Rates of the Select items of the Select 1,558 Large Public Limited Companies, Industry-wise, 2007-08 and 2008-09

(Per cent)

Item		Tea Plantations (10)		Mining & Quarrying (16)		Food Products and Beverages (109)	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1		2	3	4	5	6	7
1	Sales+	6.3	20.8	23.7	30.7	18.2	18.4
2	Value of production	4.3	24.0	24.2	30.8	21.0	15.7
3	Total Income	8.7	11.6	25.2	32.6	22.5	16.6
4	Manufacturing expenses	21.4	33.9	10.9	25.9	24.3	14.2
5	Remuneration to employees	-14.4	16.1	16.8	44.8	22.5	10.1
6	Depreciation provision	-23.7	6.7	-0.4	8.4	19.6	22.0
7	Gross profits	11.2	4.4	79.6	24.4	-13.3	40.4
8	Interest	36.9	-21.0	39.7	79.5	29.7	34.5
9	Operating profits	4.8	12.8	83.8	20.0	-31.7	45.2
10	Non-operating surplus/deficit	28.2	-89.9	&	#	349.2	60.3
11	Profits before tax	14.1	-33.1	88.5	21.0	-13.2	49.0
12	Tax provision	89.3	-12.3	114.0	10.4	11.6	26.0
13	Profits after tax	-1.1	-41.2	76.7	26.9	-22.3	61.2
14	Dividend paid	131.0	-47.5	26.2	2.9	0.1	54.3
15	Profits retained	-60.1	-24.9	93.4	32.2	-32.8	66.1
16	Gross saving	-55.2	-17.6	65.7	27.9	-10.3	40.8
17	(a) Gross value added	-10.7	8.5	65.1	17.6	2.4	23.8
	(b) Net value added	-9.9	8.6	76.8	18.5	-0.7	24.1
18	Net worth @	14.7	1.7	70.0	26.7	14.6	15.3
19	Total borrowings @	-6.6	-2.9	25.2	62.1	37.0	16.8
	of which, from banks @	-36.7	-32.8	55.9	65.6	46.6	21.4
20	Trade dues and other current liabilities @	11.2	26.9	14.4	55.7	54.4	-3.3
21	(a) Gross fixed assets @	-27.4	4.9	24.9	42.1	24.9	15.1
	(b) Net fixed assets @	-29.4	3.5	26.8	51.3	29.3	15.2
22	Inventories @	7.3	40.9	-10.7	61.1	57.5	0.1
23	(a) Gross physical assets @	-20.0	14.7	21.6	43.4	32.7	10.8
	(b) Net physical assets @	-17.4	18.1	22.2	52.1	38.0	9.8
24	(a) Total gross assets @	8.1	0.1	37.1	36.6	30.1	11.8
	(b) Total net assets @	12.1	-0.4	39.8	39.1	32.9	11.4
25	Total earnings in foreign currencies	13.4	19.6	76.6	52.0	40.8	34.1
	of which, Exports	-9.7	4.7	99.3	43.5	40.7	34.9
26	Total expenditure in foreign currencies	20.2	34.6	13.9	38.1	47.2	36.8
	of which, Imports	17.6	40.6	14.7	36.1	56.3	37.7

Note : 1. Figures in brackets below the Industry name represent the number of companies in the industry.
2. Rates of growth of all the items are adjusted for changes due to amalgamation of companies.
3. For footnotes, please refer to Statement 7.

Statement 11: Growth Rates of the Select items of the Select 1,558 Large Public Limited Companies, Industry-wise, 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Sugar (34)		Edible Oils & Oil Cakes (21)		Cotton Textiles (60)	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1	8	9	10	11	12	13
1. Sales+	-10.6	12.6	28.0	20.2	15.8	14.8
2. Value of production	-3.2	6.1	30.3	16.8	16.9	14.4
3. Total Income	0.8	12.0	30.4	17.6	19.1	15.8
4. Manufacturing expenses	8.3	-6.6	30.1	18.4	19.6	15.5
5. Remuneration to employees	21.9	8.8	22.9	26.4	27.7	14.9
6. Depreciation provision	45.8	31.3	6.6	22.0	19.6	22.9
7. Gross profits	-80.5	261.1	56.9	-6.0	8.0	1.6
8. Interest	44.2	55.1	37.0	12.7	53.9	39.6
9. Operating profits	–	#	68.3	-14.8	-23.1	-49.8
10. Non-operating surplus/deficit	#	394.5	115.2	–	&	#
11. Profits before tax	–	#	68.4	-23.7	-14.3	-40.7
12. Tax provision	-81.4	#	80.2	-31.8	-13.0	-40.2
13. Profits after tax	–	#	64.8	-21.0	-14.7	-40.9
14. Dividend paid	-76.7	#	16.1	2.7	-9.7	-41.1
15. Profits retained	–	#	74.7	-24.2	-15.7	-40.9
16. Gross saving	-77.5	363.6	49.3	-11.8	6.0	3.3
17. (a) Gross value added	-42.1	63.5	44.6	-0.8	14.0	12.6
(b) Net value added	-58.0	83.7	52.5	-4.1	11.9	8.6
18. Net worth @	-2.1	12.1	42.3	22.2	10.3	8.2
19. Total borrowings @	61.3	22.3	36.2	12.0	38.4	13.6
of which: from banks @	88.4	26.4	43.6	12.7	42.6	15.8
20. Trade dues and other current liabilities @	51.6	-14.2	93.3	-5.1	12.2	21.1
21. (a) Gross fixed assets @	38.2	12.9	26.4	30.8	22.3	20.1
(b) Net fixed assets @	44.3	10.8	29.4	34.5	25.9	21.4
22. Inventories @	34.4	10.8	105.4	-14.8	20.8	2.2
23. (a) Gross physical assets @	37.4	12.5	61.3	5.2	22.1	17.1
(b) Net physical assets @	41.6	10.8	69.4	3.1	24.8	17.3
24. (a) Total gross assets @	32.6	14.1	56.6	8.3	24.6	13.1
(b) Total net assets @	34.8	13.1	60.7	7.3	27.0	12.4
25. Total earnings in foreign currencies	53.7	17.2	45.7	41.1	35.3	-3.5
of which: Exports	60.1	18.2	45.2	42.4	36.3	-3.3
26. Total expenditure in foreign currencies	-32.0	-42.2	56.4	39.0	9.0	-13.0
of which: Imports	297.9	-78.5	58.8	38.9	10.2	-16.9

Note : Industry groups viz., 'Sugar' & 'Edible oil & Oil cakes' are subgroups of 'Food products & Beverages'.

Statement 11: Growth Rates of the Select items of the Select 1,558 Large Public Limited Companies, Industry-wise, 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Man-made Textiles (37)		Apparel (21)		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+	23.8	14.7	32.4	11.3	10.8	1.2
2. Value of production	25.6	12.6	27.9	9.0	11.2	1.9
3. Total Income	24.0	12.6	28.9	9.1	12.2	2.5
4. Manufacturing expenses	26.0	14.8	25.0	6.3	13.1	6.1
5. Remuneration to employees	10.5	14.8	19.6	7.0	10.8	-8.4
6. Depreciation provision	2.6	14.7	44.7	24.5	10.9	-2.5
7. Gross profits	114.0	-21.4	42.7	-34.8	12.7	-14.4
8. Interest	43.9	43.8	83.5	59.2	26.0	45.5
9. Operating profits	#	–	30.9	-72.7	7.6	-41.3
10. Non-operating surplus/deficit	-46.4	-6.2	#	–	&	#
11. Profits before tax	49.0	–	34.7	-73.3	11.2	-35.5
12. Tax provision	17.2	21.8	54.7	2.9	13.6	-7.2
13. Profits after tax	83.1	–	24.2	–	10.7	-41.8
14. Dividend paid	-9.5	-30.1	43.6	17.3	10.0	-26.0
15. Profits retained	#	–	19.8	–	10.8	-46.2
16. Gross saving	14.0	-48.4	27.8	-93.6	10.9	-24.4
17. (a) Gross value added	30.7	4.3	35.4	-3.6	10.7	-12.8
(b) Net value added	50.2	-0.7	34.7	-6.0	10.6	-15.8
18. Net worth @	4.6	6.2	17.4	17.7	19.3	-9.9
19. Total borrowings @	25.7	10.9	58.7	15.6	17.1	18.2
of which: from banks @	31.7	6.9	60.7	11.9	30.1	29.2
20. Trade dues and other current liabilities @	20.0	1.5	29.0	-1.6	6.9	-3.7
21. (a) Gross fixed assets @	9.6	6.8	22.9	17.1	13.0	-6.7
(b) Net fixed assets @	18.5	5.7	20.2	13.2	14.2	-2.2
22. Inventories @	20.1	18.7	38.4	13.6	17.8	4.6
23. (a) Gross physical assets @	10.8	8.2	31.2	15.1	13.5	-5.5
(b) Net physical assets @	18.8	8.1	31.1	13.4	14.8	-1.2
24. (a) Total gross assets @	11.9	8.1	32.2	15.0	14.7	-1.4
(b) Total net assets @	18.0	8.0	32.3	14.0	16.0	2.9
25. Total earnings in foreign currencies	15.8	21.4	5.7	-17.2	-4.0	-8.8
of which: Exports	22.9	23.8	6.3	-18.3	-2.9	-9.0
26. Total expenditure in foreign currencies	-3.6	-9.7	2.1	-3.5	23.1	0.5
of which: Imports	-5.8	-9.3	-4.1	-17.2	22.6	-1.0

Statement 11: Growth Rates of the Select items of the Select 1,558 Large Public Limited Companies, Industry-wise, 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Chemicals and Chemical Products (237)		Basic Chemicals (41)		Chemical Fertilizers and Pesticides (32)	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1	20	21	22	23	24	25
1. Sales+	13.5	22.1	8.8	13.9	15.9	47.8
2. Value of production	13.2	22.8	9.3	14.0	14.7	51.0
3. Total Income	15.4	24.3	11.9	12.1	19.1	61.4
4. Manufacturing expenses	15.3	29.0	12.6	15.5	18.6	68.9
5. Remuneration to employees	18.0	21.1	22.4	16.5	19.4	30.0
6. Depreciation provision	12.6	10.7	5.1	13.3	3.3	9.4
7. Gross profits	10.1	-4.9	-3.9	-31.4	21.3	39.3
8. Interest	14.0	40.7	-3.8	29.6	4.6	60.1
9. Operating profits	9.6	-11.8	-3.9	-46.0	25.1	35.3
10. Non-operating surplus/deficit	38.4	-55.4	#	-57.4	33.5	-91.6
11. Profits before tax	12.5	-17.2	13.0	-46.8	26.8	8.6
12. Tax provision	24.5	1.0	10.2	-15.5	29.2	29.0
13. Profits after tax	8.6	-23.9	13.7	-54.4	25.7	-0.9
14. Dividend paid	24.9	-18.9	21.8	0.7	44.5	-11.1
15. Profits retained	0.7	-27.0	13.0	-60.1	19.9	2.9
16. Gross saving	4.4	-14.3	10.3	-36.8	13.8	5.0
17. (a) Gross value added	12.4	2.7	1.4	-16.2	18.2	28.9
(b) Net value added	12.4	1.4	0.5	-23.2	21.8	32.8
18. Net worth @	17.1	13.0	23.3	9.6	17.2	12.7
19. Total borrowings @	18.4	20.7	10.4	15.2	15.9	20.4
of which: from banks @	32.6	25.2	21.2	26.6	40.9	30.8
20. Trade dues and other current liabilities @	16.6	38.8	11.1	18.1	29.5	84.5
21. (a) Gross fixed assets @	12.1	14.1	12.3	14.7	6.6	12.3
(b) Net fixed assets @	13.2	15.6	11.6	14.9	7.3	16.3
22. Inventories @	20.0	16.6	22.0	6.6	26.2	28.6
23. (a) Gross physical assets @	13.6	14.6	13.5	13.6	9.8	15.3
(b) Net physical assets @	15.1	15.9	13.3	13.4	12.3	20.0
24. (a) Total gross assets @	15.8	17.0	16.4	13.1	14.8	21.0
(b) Total net assets @	17.1	18.3	17.1	12.8	17.9	25.1
25. Total earnings in foreign currencies	11.9	21.5	1.4	19.7	22.5	55.3
of which: Exports	12.5	20.5	0.9	17.3	23.4	46.9
26. Total expenditure in foreign currencies	18.4	48.1	19.0	19.0	26.9	126.0
of which: Imports	18.4	51.5	20.9	18.7	26.7	122.6

Note : Industry groups viz., 'Basic Chemicals' and 'Chemical Fertilizers and Pesticides' are subgroups of 'Chemicals and Chemical Products'.

Statement 11: Growth Rates of the Select Items of the Select 1,558 Large Public Limited Companies, Industry-wise, 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Paints and Varnishes (14)		Pharmaceuticals and Medicines (72)		Rubber and Plastic Products (55)	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1	26	27	28	29	30	31
1. Sales+	15.9	17.8	12.6	16.4	15.4	13.8
2. Value of production	15.1	16.7	12.5	17.1	16.2	11.7
3. Total Income	7.2	19.4	16.7	14.3	16.6	11.5
4. Manufacturing expenses	13.6	13.9	17.0	16.9	14.1	13.4
5. Remuneration to employees	15.5	16.0	20.0	21.3	17.5	13.8
6. Depreciation provision	0.3	12.7	26.6	13.1	13.0	5.9
7. Gross profits	23.5	3.8	1.1	-14.8	28.0	-14.6
8. Interest	21.7	21.2	21.1	46.3	12.6	23.7
9. Operating profits	23.7	2.0	-0.4	-20.4	34.5	-28.2
10. Non-operating surplus/deficit	-99.4	#	337.5	-41.4	#	-80.0
11. Profits before tax	-28.1	32.1	7.7	-22.5	50.2	-31.3
12. Tax provision	-18.4	21.9	26.3	-6.6	51.4	-29.8
13. Profits after tax	-32.4	37.6	2.6	-27.7	49.7	-31.9
14. Dividend paid	-18.6	17.2	12.0	-16.6	16.6	-7.6
15. Profits retained	-39.5	51.6	-1.1	-32.8	59.0	-36.9
16. Gross saving	-31.1	39.7	4.6	-21.4	35.9	-19.1
17. (a) Gross value added	21.3	9.2	7.8	-2.4	23.5	-4.7
(b) Net value added	23.9	8.9	5.9	-4.3	26.1	-7.0
18. Net worth @	11.1	22.7	16.9	16.7	37.8	7.9
19. Total borrowings @	0.9	-9.4	29.8	21.1	17.4	33.8
of which: from banks @	-4.5	-15.3	50.4	17.9	10.8	34.4
20. Trade dues and other current liabilities @	20.4	-7.4	12.0	63.1	14.7	10.0
21. (a) Gross fixed assets @	14.4	9.2	19.0	18.5	11.8	22.1
(b) Net fixed assets @	23.6	17.2	19.3	17.9	14.3	29.6
22. Inventories @	13.7	-2.2	16.2	22.2	29.3	-0.2
23. (a) Gross physical assets @	14.2	5.8	18.2	19.5	14.9	17.7
(b) Net physical assets @	18.5	8.0	18.2	19.3	18.3	20.9
24. (a) Total gross assets @	10.8	5.5	20.0	21.6	20.9	15.9
(b) Total net assets @	11.7	6.5	20.3	21.7	25.0	17.3
25. Total earnings in foreign currencies	2.9	17.9	12.5	22.6	4.2	16.1
of which: Exports	2.7	17.6	13.8	23.0	6.0	15.6
26. Total expenditure in foreign currencies	24.7	11.1	18.8	21.8	22.5	29.6
of which: Imports	20.6	15.8	20.9	20.2	24.5	29.2

Note : Industry groups viz., 'Paints and Varnishes' and 'Pharmaceuticals and Medicines' are subgroups of 'Chemicals and Chemical Products'.

Statement 11: Growth Rates of the Select Items of the Select 1,558 Large Public Limited Companies, Industry-wise, 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Tyres and Tubes (9)		Plastic Products (37)		Ceramics (16)	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1	32	33	34	35	36	37
1. Sales+	9.6	13.0	28.2	14.8	16.9	14.1
2. Value of production	10.3	10.9	29.1	12.6	13.2	11.9
3. Total Income	10.6	11.0	29.6	12.0	14.1	11.1
4. Manufacturing expenses	8.0	14.9	27.8	10.0	14.8	14.7
5. Remuneration to employees	12.7	10.6	30.5	23.3	24.8	18.3
6. Depreciation provision	11.7	6.1	13.1	7.9	12.1	10.5
7. Gross profits	24.5	-26.4	33.8	-0.1	8.3	-8.8
8. Interest	5.3	23.7	18.6	24.2	37.3	16.1
9. Operating profits	31.0	-39.9	42.4	-11.5	-4.4	-24.6
10. Non-operating surplus/deficit	#	-84.6	#	-80.9	&	&
11. Profits before tax	36.7	-40.4	76.8	-20.0	3.0	-31.4
12. Tax provision	39.4	-32.7	79.9	-25.9	7.6	-20.4
13. Profits after tax	35.6	-43.9	75.9	-18.2	1.1	-36.2
14. Dividend paid	5.6	2.2	27.9	-17.8	-4.9	-33.4
15. Profits retained	42.6	-51.8	93.1	-18.3	2.8	-36.9
16. Gross saving	27.6	-27.2	52.2	-8.3	7.5	-12.1
17. (a) Gross value added	19.1	-9.3	31.9	2.5	14.2	3.0
(b) Net value added	20.8	-12.5	36.9	1.3	14.7	1.4
18. Net worth @	16.8	7.5	75.4	7.7	21.9	5.1
19. Total borrowings @	-0.1	33.8	35.5	34.4	8.7	32.1
of which: from banks @	-0.4	36.4	22.9	33.6	2.0	40.5
20. Trade dues and other current liabilities @	10.4	0.7	21.7	23.6	7.6	12.7
21. (a) Gross fixed assets @	8.3	19.5	17.7	26.5	11.8	19.5
(b) Net fixed assets @	7.7	24.3	24.9	36.9	11.8	22.4
22. Inventories @	28.8	-5.4	30.6	7.1	13.4	3.3
23. (a) Gross physical assets @	11.9	14.4	19.9	22.8	12.2	16.0
(b) Net physical assets @	13.4	15.1	26.4	28.8	12.2	16.9
24. (a) Total gross assets @	9.6	13.3	37.2	18.9	13.1	15.6
(b) Total net assets @	9.8	13.3	45.9	21.1	13.4	16.0
25. Total earnings in foreign currencies	4.4	17.6	4.8	11.2	-11.1	15.6
of which: Exports	4.6	17.2	11.2	10.8	-9.6	15.5
26. Total expenditure in foreign currencies	13.7	29.6	39.6	29.4	2.8	28.4
of which: Imports	16.2	29.1	40.3	29.1	2.4	26.3

Note : Industry groups viz., 'Tyres and Tubes' and 'Plastic Products' are subgroups of 'Rubber and Plastic Products'.

Statement 11: Growth Rates of the Select Items of the Select 1,558 Large Public Limited Companies, Industry-wise, 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Cement and Cement Products (31)		Iron and Steel (55)		Fabricated Metal Products (48)	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1	38	39	40	41	42	43
1. Sales+	20.7	13.8	25.0	17.0	28.1	23.5
2. Value of production	22.1	12.6	23.1	16.6	28.6	24.2
3. Total Income	22.0	10.5	24.4	15.3	30.2	22.4
4. Manufacturing expenses	18.2	25.5	24.3	20.8	28.0	28.6
5. Remuneration to employees	23.9	17.2	29.3	15.3	25.7	12.7
6. Depreciation provision	14.5	6.7	18.2	11.8	19.0	27.1
7. Gross profits	34.0	-7.2	28.4	-11.6	35.0	-11.4
8. Interest	13.8	22.7	35.0	29.1	23.5	44.2
9. Operating profits	36.2	-10.0	26.6	-23.9	38.0	-24.4
10. Non-operating surplus/deficit	-32.3	–	&	&	#	–
11. Profits before tax	32.7	-19.5	27.3	-24.1	52.3	-34.3
12. Tax provision	35.8	-30.1	18.0	-9.2	24.2	-26.8
13. Profits after tax	31.6	-15.5	31.2	-29.6	65.2	-36.8
14. Dividend paid	30.4	-0.2	28.5	-10.9	18.1	-16.8
15. Profits retained	31.8	-18.0	31.8	-33.6	76.6	-40.1
16. Gross saving	27.2	-12.1	26.9	-18.3	57.8	-23.5
17. (a) Gross value added	29.3	-2.0	27.5	-4.9	30.6	-2.5
(b) Net value added	32.1	-3.4	29.5	-8.1	32.5	-6.7
18. Net worth @	38.0	20.9	58.6	9.1	49.2	9.5
19. Total borrowings @	14.5	18.2	30.3	31.3	4.7	19.5
of which: from banks @	53.5	21.7	33.5	53.8	6.5	10.1
20. Trade dues and other current liabilities @	39.7	12.5	15.3	35.5	37.6	64.0
21. (a) Gross fixed assets @	25.9	18.4	18.9	18.8	21.6	18.1
(b) Net fixed assets @	34.1	21.1	19.7	19.7	25.1	17.8
22. Inventories @	36.9	18.3	21.6	7.2	41.8	41.2
23. (a) Gross physical assets @	26.9	18.4	19.3	17.0	26.8	24.6
(b) Net physical assets @	34.4	20.7	20.0	17.2	30.6	26.1
24. (a) Total gross assets @	25.9	17.9	34.1	20.3	26.3	26.8
(b) Total net assets @	30.5	19.3	37.7	21.0	28.3	27.9
25. Total earnings in foreign currencies	-8.6	23.0	26.6	9.7	59.5	13.9
of which: Exports	-12.6	21.1	28.6	20.7	62.3	8.3
26. Total expenditure in foreign currencies	275.0	-51.1	31.7	31.4	55.7	49.1
of which: Imports	55.3	21.4	30.9	42.6	55.1	51.6

Statement 11: Growth Rates of the Select Items of the Select 1,558 Large Public Limited Companies, Industry-wise, 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Machinery and Machine Tools (99)		Electrical Machinery and Apparatus (63)		Radio, Television & Communication Equip. & Apparatus (22)	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1	44	45	46	47	48	49
1. Sales+	44.8	9.4	30.6	13.0	6.5	8.2
2. Value of production	46.9	7.8	30.6	10.8	–	10.2
3. Total Income	46.3	7.8	29.6	10.9	-4.0	8.1
4. Manufacturing expenses	58.5	7.6	30.6	11.3	-3.4	14.2
5. Remuneration to employees	17.5	19.0	17.5	19.7	7.6	11.8
6. Depreciation provision	16.8	12.5	13.3	17.4	20.6	49.1
7. Gross profits	26.3	-0.8	46.9	-28.7	8.9	31.3
8. Interest	37.3	36.4	36.4	67.0	33.1	48.4
9. Operating profits	25.0	-5.7	48.3	-40.3	2.7	25.6
10. Non-operating surplus/deficit	38.3	7.0	-84.8	177.0	–	&
11. Profits before tax	26.1	-4.6	37.6	-38.4	-36.0	13.0
12. Tax provision	35.0	0.8	53.2	-16.3	26.8	-2.4
13. Profits after tax	22.3	-7.0	32.2	-47.3	-42.1	16.4
14. Dividend paid	16.4	-5.5	18.7	-24.3	18.8	-29.8
15. Profits retained	24.7	-7.6	35.0	-51.5	-47.6	25.7
16. Gross saving	21.9	-0.7	30.8	-40.1	-32.5	35.0
17. (a) Gross value added	22.3	7.4	36.1	-13.9	12.1	31.0
(b) Net value added	23.3	6.6	38.3	-16.5	10.0	26.1
18. Net worth @	22.3	15.0	49.0	9.6	28.6	19.9
19. Total borrowings @	33.5	3.8	38.3	49.0	4.5	55.5
of which: from banks @	36.0	8.6	22.0	66.7	-46.2	268.9
20. Trade dues and other current liabilities @	21.7	12.6	39.1	22.9	-13.3	2.7
21. (a) Gross fixed assets @	17.1	13.1	16.8	17.3	9.7	17.9
(b) Net fixed assets @	20.6	13.4	22.0	22.7	20.6	14.8
22. Inventories @	26.5	13.4	25.4	-1.4	-7.5	10.7
23. (a) Gross physical assets @	19.4	13.2	19.6	10.8	6.2	16.6
(b) Net physical assets @	22.9	13.4	23.6	11.3	12.4	13.8
24. (a) Total gross assets @	22.0	11.5	37.9	19.7	9.5	29.7
(b) Total net assets @	24.2	11.2	42.6	21.0	13.7	31.7
25. Total earnings in foreign currencies	4.4	27.1	35.4	38.2	16.2	44.3
of which: Exports	3.7	24.9	43.1	37.8	21.7	44.5
26. Total expenditure in foreign currencies	20.9	21.0	39.9	22.5	-8.8	2.3
of which: Imports	20.7	19.5	38.5	15.4	-12.4	9.8

Statement 11: Growth Rates of the Select Items of the Select 1,558 Large Public Limited Companies, Industry-wise, 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Motor Veicles and Other Transport Equip. (69)		Construction (53)		Wholesale & Retail Trade (62)	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1	50	51	52	53	54	55
1. Sales+	9.2	3.0	63.0	17.4	25.7	10.9
2. Value of production	11.0	1.6	68.1	11.3	26.9	7.4
3. Total Income	10.3	2.2	68.8	14.0	25.8	10.5
4. Manufacturing expenses	7.8	2.4	66.5	13.9	23.1	9.1
5. Remuneration to employees	14.6	6.3	63.2	35.1	35.5	23.3
6. Depreciation provision	12.1	20.4	48.4	50.6	33.4	36.8
7. Gross profits	4.7	-20.5	90.9	-5.8	38.1	1.5
8. Interest	11.3	75.0	76.6	87.5	25.5	41.9
9. Operating profits	4.0	-32.1	94.6	-27.4	45.8	-19.6
10. Non-operating surplus/deficit	-15.4	150.6	306.2	-36.1	124.6	-35.5
11. Profits before tax	2.7	-21.8	97.7	-27.6	51.2	-21.3
12. Tax provision	-13.5	-24.8	71.7	-35.0	45.3	-11.2
13. Profits after tax	9.3	-20.8	107.4	-25.4	53.6	-25.0
14. Dividend paid	5.2	-23.0	85.2	-48.4	17.3	6.5
15. Profits retained	11.0	-19.9	111.8	-21.4	60.8	-29.6
16. Gross saving	11.4	-6.1	104.1	-15.1	53.1	-13.4
17. (a) Gross value added	12.3	-7.0	80.9	1.7	43.6	17.7
(b) Net value added	12.3	-11.6	82.5	-0.2	44.7	15.9
18. Net worth @	20.4	26.5	124.2	14.6	26.9	20.6
19. Total borrowings @	27.3	65.5	63.1	26.5	20.5	26.2
of which: from banks @	35.1	65.9	58.7	27.8	34.0	28.5
20. Trade dues and other current liabilities @	33.8	14.6	37.0	22.7	27.1	12.1
21. (a) Gross fixed assets @	27.4	23.9	49.4	26.0	29.5	29.3
(b) Net fixed assets @	38.7	30.8	54.6	24.1	31.5	31.4
22. Inventories @	20.2	17.7	76.2	34.8	53.7	11.0
23. (a) Gross physical assets @	25.9	22.6	66.3	31.7	40.4	20.3
(b) Net physical assets @	32.8	27.0	69.4	31.5	43.3	19.8
24. (a) Total gross assets @	23.6	27.0	70.0	20.7	25.0	19.6
(b) Total net assets @	26.4	30.1	71.2	20.4	25.0	19.4
25. Total earnings in foreign currencies	11.7	-0.3	51.4	97.4	64.1	8.4
of which: Exports	10.3	-3.1	-14.1	39.6	68.0	7.1
26. Total expenditure in foreign currencies	22.6	16.0	74.2	116.7	28.6	23.1
of which: Imports	27.7	16.3	63.1	113.0	27.8	24.0

Statement 11: Growth Rates of the Select Items of the Select 1,558 Large Public Limited Companies, Industry-wise, 2007-08 and 2008-09 *(Contd.)*

(Per cent)

Item	Hotels & Restaurants (26)		Transport, Storage and Communications (49)		Real Estate Activities (15)	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1	56	57	58	59	60	61
1. Sales+	17.2	-9.2	22.9	24.0	62.9	-9.2
2. Value of production	17.2	-9.2	22.9	23.9	55.7	-12.5
3. Total Income	16.0	-5.5	15.3	38.4	55.4	-7.6
4. Manufacturing expenses	13.2	-1.4	21.2	26.8	54.2	-9.3
5. Remuneration to employees	16.4	18.5	21.1	18.2	41.8	17.9
6. Depreciation provision	5.8	14.1	23.1	10.6	23.6	9.6
7. Gross profits	17.3	-29.4	51.4	-7.8	82.7	-24.5
8. Interest	4.4	2.6	34.3	50.0	67.4	47.2
9. Operating profits	19.8	-34.6	58.9	-29.2	87.9	-46.1
10. Non-operating surplus/deficit	&	#	–	#	–	#
11. Profits before tax	17.8	-28.7	-40.4	209.8	84.7	-30.8
12. Tax provision	31.2	-29.6	16.3	11.9	80.1	-36.2
13. Profits after tax	11.4	-28.2	-61.7	#	85.9	-29.4
14. Dividend paid	23.5	-22.0	13.4	37.3	75.5	-54.0
15. Profits retained	7.5	-30.5	-80.3	#	87.9	-25.0
16. Gross saving	7.1	-18.9	-8.4	75.5	81.7	-22.7
17. (a) Gross value added	14.8	-13.9	33.6	16.0	65.9	-24.0
(b) Net value added	15.8	-16.6	40.1	19.0	67.8	-25.1
18. Net worth @	18.1	21.3	14.1	31.7	84.3	11.4
19. Total borrowings @	30.2	31.2	44.2	34.3	67.6	13.1
of which: from banks @	18.3	23.5	30.7	22.5	97.6	34.2
20. Trade dues and other current liabilities @	22.7	6.1	26.9	18.0	23.2	36.0
21. (a) Gross fixed assets @	20.4	16.9	15.5	23.5	8.7	8.4
(b) Net fixed assets @	23.5	18.2	15.6	22.9	13.5	7.4
22. Inventories @	21.2	7.2	22.0	13.6	52.6	12.0
23. (a) Gross physical assets @	20.4	16.7	15.6	23.4	42.2	11.4
(b) Net physical assets @	23.4	18.0	15.7	22.7	46.5	11.5
24. (a) Total gross assets @	20.5	21.2	25.7	28.9	57.1	17.2
(b) Total net assets @	22.3	22.7	28.1	29.6	59.5	17.5
25. Total earnings in foreign currencies	10.9	-18.6	-26.4	36.9	41.9	-4.8
of which: Exports	&	&	&	59.1	142.1	61.9
26. Total expenditure in foreign currencies	46.0	-19.0	69.8	-8.9	223.4	19.9
of which: Imports	70.3	-33.9	110.6	-33.5	294.7	13.3

Statement 11: Growth Rates of the Select Items of the Select 1,558 Large Public Limited Companies, Industry-wise, 2007-08 and 2008-09 *(Concld.)*

(Per cent)

Item	Computer and Related Activities (95)		All Industries (1558)	
	2007-08	2008-09	2007-08	2008-09
1	62	63	64	65
1. Sales[+]	25.0	24.0	21.3	15.0
2. Value of production	24.9	24.0	21.7	14.3
3. Total Income	29.3	22.1	22.8	14.7
4. Manufacturing expenses	22.5	18.9	22.1	16.1
5. Remuneration to employees	28.5	24.2	24.2	20.5
6. Depreciation provision	26.9	20.8	16.2	14.5
7. Gross profits	24.8	12.5	28.3	-6.4
8. Interest	106.7	78.7	30.7	45.2
9. Operating profits	23.8	11.1	27.9	-15.1
10. Non-operating surplus/deficit	#	-39.6	-9.3	137.6
11. Profits before tax	33.7	7.6	26.7	-11.6
12. Tax provision	86.4	3.8	28.9	-12.0
13. Profits after tax	25.2	8.6	26.1	-11.5
14. Dividend paid	46.3	-14.4	27.7	-10.8
15. Profits retained	17.8	18.6	25.6	-11.7
16. Gross saving	19.4	19.0	22.6	-3.7
17. (a) Gross value added	26.2	20.0	25.4	3.6
(b) Net value added	26.2	19.9	27.0	1.9
18. Net worth @	29.1	17.2	33.2	18.3
19. Total borrowings @	180.1	28.0	31.2	27.9
of which: from banks @	194.0	41.6	37.8	29.1
20. Trade dues and other current liabilities @	17.5	51.7	27.6	24.9
21. (a) Gross fixed assets @	32.5	24.1	20.6	19.0
(b) Net fixed assets @	35.7	23.8	24.5	21.1
22. Inventories @	45.9	13.7	33.1	16.3
23. (a) Gross physical assets @	32.8	23.8	23.0	18.4
(b) Net physical assets @	36.1	23.4	26.7	19.8
24. (a) Total gross assets @	38.9	22.0	28.3	20.6
(b) Total net assets @	40.3	21.7	31.3	21.7
25. Total earnings in foreign currencies	22.4	27.2	20.6	17.9
of which: Exports	71.2	58.2	22.1	14.4
26. Total expenditure in foreign currencies	14.8	21.1	27.8	20.2
of which: Imports	24.8	3.2	25.6	19.5

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09

(Per cent)

Item	Tea Plantations (10)			Mining & Quarrying (16)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	2	3	4	5	6	7
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	15.8	11.3	11.7	39.2	35.5	38.6
2. Net worth to total net assets	56.5	58.4	59.6	45.1	54.8	49.9
3. Debt to equity	11.4	17.7	16.7	62.4	42.7	49.4
4. Debt to equity (equity adjusted for revaluation reserve)	11.8	18.7	17.6	62.4	42.7	49.4
5. Short term bank borrowings to inventories	286.2	179.5	85.9	43.4	97.2	196.8
6. Total outside liabilities to net worth	77.0	71.3	67.8	121.9	82.5	100.4
B. Liquidity Ratios						
7. Current assets to current liabilities *	0.7	1.3	1.4	1.4	1.6	1.4
8. Quick assets to current liabilities	38.0	52.0	63.4	103.8	97.7	60.5
9. Current assets to total net assets	27.5	39.4	42.6	37.1	33.9	36.5
10. Sundry creditors to current assets	27.2	20.6	23.9	22.3	21.1	24.8
11. Sundry creditors to net working capital	#	100.1	83.5	77.8	58.2	80.7
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	47.6	44.4	53.9	89.5	79.2	74.4
13. Sales to gross fixed assets	169.0	228.4	263.0	163.1	161.6	148.6
14. Inventories to sales	16.2	16.3	19.1	6.1	4.4	5.4
15. Sundry debtors to sales	6.6	6.5	7.7	15.8	15.5	12.1
16. Exports to sales	13.1	11.2	9.7	12.8	20.6	22.6
17. Gross value added to gross fixed assets	63.6	72.3	74.8	40.5	53.6	44.4
18. Raw materials consumed to value of production	27.2	39.9	44.7	59.1	51.7	49.7
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		–	#		31.8	49.7
20. Gross capital formation to total uses of funds		–	#		30.4	54.8
21. External sources of funds to total sources of funds		60.5	#		61.0	57.9
22. Increase in bank borrowings to total external sources		–	–		40.2	57.3
23. Gross savings to gross capital formation		#	64.3		144.8	76.0
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	8.8	8.6	9.0	17.8	22.8	20.4
25. Gross profits to sales	18.5	19.4	16.8	19.8	28.8	27.4
26. Profits after tax to net worth	17.3	14.5	8.4	23.8	24.7	24.8
27. Tax provision to profits before tax	16.8	27.9	36.6	31.6	35.9	32.7
28. Profits retained to profits after tax	69.1	27.9	35.6	75.1	82.2	85.6
29. Dividends to net worth	5.3	10.5	5.4	5.9	4.4	3.6
30. Ordinary dividends to ordinary paid-up capital	80.6	191.6	94.7	20.8	16.3	16.5

Note : 1. Figures in brackets below the industry name represents the number of companies in the industry.
2. For footnotes, please refer to Statement 7.
* : Item B.7 is the actual ratio of current assets to current liabilities.

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Food Products and Beverages (109)			Sugar (34)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	8	9	10	11	12	13
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	42.7	41.7	43.5	50.9	54.4	54.1
2. Net worth to total net assets	33.3	28.9	30.4	34.0	24.7	25.7
3. Debt to equity	63.6	66.5	70.9	92.4	121.7	125.5
4. Debt to equity (equity adjusted for revaluation reserve)	71.4	74.0	80.2	95.9	126.7	143.2
5. Short term bank borrowings to inventories	76.8	78.8	85.5	63.4	118.3	126.6
6. Total outside liabilities to net worth	200.2	246.2	229.4	194.4	304.8	288.5
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.1	1.0	1.1	1.3	0.9	0.9
8. Quick assets to current liabilities	42.6	30.8	34.0	36.4	15.2	13.3
9. Current assets to total net assets	49.5	50.9	49.9	43.8	39.8	38.7
10. Sundry creditors to current assets	35.4	41.3	38.3	30.1	39.7	27.7
11. Sundry creditors to net working capital	#	#	#	123.0	#	#
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	128.4	114.0	120.4	71.2	47.2	46.2
13. Sales to gross fixed assets	210.4	198.2	201.6	105.8	68.3	66.4
14. Inventories to sales	14.9	19.9	16.8	26.1	39.3	38.7
15. Sundry debtors to sales	6.5	6.9	6.1	5.6	6.6	5.6
16. Exports to sales	8.1	9.7	11.0	4.5	8.1	8.5
17. Gross value added to gross fixed assets	28.8	23.5	24.9	22.6	9.5	13.4
18. Raw materials consumed to value of production	67.1	69.8	68.6	66.4	73.4	63.2
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		42.8	63.1		67.7	55.3
20. Gross capital formation to total uses of funds		73.7	63.2		84.5	67.8
21. External sources of funds to total sources of funds		84.4	57.6		98.7	68.2
22. Increase in bank borrowings to total external sources		38.2	73.2		64.2	91.4
23. Gross savings to gross capital formation		20.9	67.1		5.1	51.4
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	9.6	6.2	7.8	10.0	1.4	4.5
25. Gross profits to sales	7.4	5.5	6.5	14.0	3.1	9.8
26. Profits after tax to net worth	15.4	10.4	14.2	17.2	–	11.2
27. Tax provision to profits before tax	27.0	34.7	29.3	15.6	#	23.2
28. Profits retained to profits after tax	68.1	58.9	60.7	84.1	&	69.0
29. Dividends to net worth	4.9	4.3	5.6	2.7	0.7	3.5
30. Ordinary dividends to ordinary paid-up capital	32.6	31.2	47.9	21.2	4.3	31.3

Note : Industry group 'Sugar' is subgroup of 'Food Products and Beverages'.

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Edible Oils & Oil Cakes (21)			Cotton textiles (60)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	14	15	16	17	18	19
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	26.8	21.6	27.1	55.0	54.6	59.3
2. Net worth to total net assets	27.0	23.9	27.3	28.7	25.0	24.5
3. Debt to equity	42.3	37.1	44.3	139.3	176.9	186.8
4. Debt to equity (equity adjusted for revaluation reserve)	42.5	37.4	44.5	141.2	180.0	195.2
5. Short term bank borrowings to inventories	67.3	48.4	54.8	91.9	104.3	102.3
6. Total outside liabilities to net worth	270.8	317.9	266.9	248.9	300.2	308.9
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.1	1.1	1.2	1.3	1.3	1.2
8. Quick assets to current liabilities	52.0	42.3	47.7	49.6	52.8	46.3
9. Current assets to total net assets	70.4	76.1	70.1	39.8	39.7	35.6
10. Sundry creditors to current assets	36.9	42.6	48.2	14.6	13.6	13.8
11. Sundry creditors to net working capital	294.4	363.5	357.9	67.9	59.5	83.7
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	248.4	197.6	221.3	61.7	56.2	57.0
13. Sales to gross fixed assets	#	#	#	79.8	75.3	71.5
14. Inventories to sales	12.0	19.3	13.7	25.5	26.6	23.7
15. Sundry debtors to sales	6.4	6.7	5.4	15.1	16.2	16.9
16. Exports to sales	10.6	12.0	14.2	27.1	31.9	26.9
17. Gross value added to gross fixed assets	34.0	38.8	29.4	17.5	16.3	15.1
18. Raw materials consumed to value of production	84.0	84.4	85.3	58.9	60.7	62.2
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		15.8	102.0		57.5	95.9
20. Gross capital formation to total uses of funds		65.9	39.2		68.5	98.0
21. External sources of funds to total sources of funds		82.9	41.7		78.7	73.4
22. Increase in bank borrowings to total external sources		19.5	70.4		79.4	67.9
23. Gross savings to gross capital formation		21.4	138.2		30.6	33.3
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	9.2	8.9	7.8	6.8	5.8	5.2
25. Gross profits to sales	3.7	4.5	3.5	11.0	10.3	9.1
26. Profits after tax to net worth	16.6	19.2	12.4	9.6	7.4	3.9
27. Tax provision to profits before tax	23.4	25.0	22.4	21.9	22.3	22.5
28. Profits retained to profits after tax	83.1	88.1	84.5	83.4	82.4	82.4
29. Dividends to net worth	2.8	2.3	1.9	1.6	1.3	0.7
30. Ordinary dividends to ordinary paid-up capital	17.6	19.7	18.8	6.5	6.2	3.5

Note : Industry group 'Edible Oils & Oil Cakes' is subgroup of 'Food Products and Beverages'.

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Man-made Textiles (37)			Apparel (21)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	20	21	22	23	24	25
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	58.1	58.8	57.7	21.7	19.7	19.5
2. Net worth to total net assets	28.2	25.9	25.2	52.3	46.4	47.9
3. Debt to equity	109.4	127.1	141.9	18.3	22.8	28.7
4. Debt to equity (equity adjusted for revaluation reserve)	119.1	144.1	171.0	18.3	22.8	28.7
5. Short term bank borrowings to inventories	140.7	142.9	110.2	53.3	62.3	58.8
6. Total outside liabilities to net worth	255.1	286.5	296.5	91.2	115.5	108.8
B. Liquidity Ratios						
7. Current assets to current liabilities *	0.9	0.9	1.0	1.6	1.6	1.7
8. Quick assets to current liabilities	36.6	36.3	44.1	49.1	47.6	40.6
9. Current assets to total net assets	36.0	36.5	39.2	60.3	69.1	65.7
10. Sundry creditors to current assets	25.5	25.7	20.8	20.5	17.7	15.0
11. Sundry creditors to net working capital	#	#	#	55.5	46.7	35.9
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	82.7	85.7	91.3	86.8	86.9	84.8
13. Sales to gross fixed assets	82.7	92.2	99.1	303.8	327.2	310.9
14. Inventories to sales	15.7	15.3	15.8	37.8	39.5	40.3
15. Sundry debtors to sales	15.1	14.5	14.8	14.3	14.1	13.5
16. Exports to sales	14.6	14.5	15.7	37.3	29.9	22.0
17. Gross value added to gross fixed assets	10.0	11.8	11.5	78.0	85.9	70.8
18. Raw materials consumed to value of production	66.0	67.1	66.9	49.1	47.6	47.3
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		56.8	57.6		19.2	28.9
20. Gross capital formation to total uses of funds		72.4	80.1		56.0	58.6
21. External sources of funds to total sources of funds		99.8	60.1		81.4	100.6
22. Increase in bank borrowings to total external sources		75.5	46.2		54.0	22.7
23. Gross savings to gross capital formation		37.2	22.4		34.7	3.5
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	2.2	3.9	2.9	8.6	9.3	5.3
25. Gross profits to sales	2.6	4.6	3.1	9.9	10.7	6.3
26. Profits after tax to net worth	1.7	2.8	–	8.3	8.8	–
27. Tax provision to profits before tax	51.7	40.7	#	34.3	39.4	151.6
28. Profits retained to profits after tax	–	37.9	&	81.5	78.6	&
29. Dividends to net worth	2.1	1.7	1.2	1.5	1.9	1.9
30. Ordinary dividends to ordinary paid-up capital	7.2	7.7	5.2	9.0	12.6	14.1

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Paper and Paper Products (31)			Chemicals and Chemical Products (237)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	26	27	28	29	30	31
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	61.9	60.9	57.9	39.0	38.5	37.1
2. Net worth to total net assets	38.8	39.9	34.8	46.5	47.1	44.4
3. Debt to equity	80.0	73.0	101.6	36.4	31.3	35.5
4. Debt to equity (equity adjusted for revaluation reserve)	81.9	74.3	103.5	37.4	32.8	36.2
5. Short term bank borrowings to inventories	87.9	118.2	118.0	66.5	82.0	79.1
6. Total outside liabilities to net worth	158.0	150.9	187.0	115.2	112.5	125.0
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.2	1.1	1.3	1.3	1.2	1.2
8. Quick assets to current liabilities	59.3	50.6	56.9	60.7	48.9	55.2
9. Current assets to total net assets	36.9	35.1	38.8	46.1	44.4	47.6
10. Sundry creditors to current assets	22.3	21.9	19.1	26.7	27.8	26.7
11. Sundry creditors to net working capital	122.1	183.7	78.6	120.5	179.3	148.0
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	65.8	62.9	61.8	88.3	84.6	88.3
13. Sales to gross fixed assets	70.3	68.9	74.6	140.0	138.3	150.3
14. Inventories to sales	15.9	17.0	17.5	17.1	18.0	17.2
15. Sundry debtors to sales	15.0	16.2	16.1	16.2	15.1	15.0
16. Exports to sales	6.4	5.6	5.0	21.5	21.3	21.0
17. Gross value added to gross fixed assets	18.0	17.6	16.4	32.7	32.0	29.2
18. Raw materials consumed to value of production	43.0	44.0	46.7	53.8	55.0	58.8
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		63.0	&		39.0	41.4
20. Gross capital formation to total uses of funds		72.6	&		54.3	53.5
21. External sources of funds to total sources of funds		59.2	#		53.3	77.0
22. Increase in bank borrowings to total external sources		72.7	119.3		54.4	30.6
23. Gross savings to gross capital formation		59.7	#		92.5	63.8
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	8.5	8.3	6.9	13.2	12.2	9.9
25. Gross profits to sales	12.9	13.1	11.1	14.9	14.5	11.3
26. Profits after tax to net worth	12.5	11.6	7.5	20.9	18.9	13.0
27. Tax provision to profits before tax	17.9	18.2	26.3	24.2	26.8	32.8
28. Profits retained to profits after tax	78.3	78.4	72.5	67.2	62.2	59.7
29. Dividends to net worth	2.7	2.5	2.1	6.8	7.1	5.2
30. Ordinary dividends to ordinary paid-up capital	15.0	15.1	16.0	49.6	61.9	47.2

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Basic Chemicals (41)			Chemical Fertilizers and Pesticides (32)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	32	33	34	35	36	37
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	56.8	54.1	55.1	37.5	34.2	31.7
2. Net worth to total net assets	40.4	42.5	41.3	46.8	46.6	41.9
3. Debt to equity	71.9	58.6	68.5	32.2	23.1	24.4
4. Debt to equity (equity adjusted for revaluation reserve)	72.6	59.0	68.9	34.5	24.4	25.5
5. Short term bank borrowings to inventories	71.7	85.0	75.7	97.0	122.2	112.9
6. Total outside liabilities to net worth	147.6	135.4	142.3	113.8	114.6	138.9
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.1	1.1	1.1	1.3	1.1	1.0
8. Quick assets to current liabilities	47.6	43.0	49.3	63.9	40.6	39.7
9. Current assets to total net assets	33.0	34.5	34.1	49.4	46.2	48.3
10. Sundry creditors to current assets	29.8	27.2	26.9	22.2	26.9	34.0
11. Sundry creditors to net working capital	372.6	#	228.6	94.2	328.2	#
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	82.1	76.4	77.1	81.6	80.2	95.0
13. Sales to gross fixed assets	98.4	95.3	94.7	112.6	120.5	158.6
14. Inventories to sales	13.8	15.5	14.5	16.8	18.3	15.9
15. Sundry debtors to sales	10.8	11.7	11.2	21.1	15.5	14.3
16. Exports to sales	27.2	25.2	26.0	7.6	8.1	8.0
17. Gross value added to gross fixed assets	24.5	22.1	16.2	22.6	24.7	28.3
18. Raw materials consumed to value of production	56.5	58.5	59.3	60.0	63.1	75.2
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		49.5	71.2		24.1	29.6
20. Gross capital formation to total uses of funds		61.5	75.8		42.2	44.7
21. External sources of funds to total sources of funds		31.6	63.2		54.1	71.1
22. Increase in bank borrowings to total external sources		74.6	61.0		72.9	35.8
23. Gross savings to gross capital formation		97.9	54.0		117.1	70.7
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	14.1	11.5	7.0	10.3	10.6	11.8
25. Gross profits to sales	17.1	15.1	9.1	12.6	13.2	12.4
26. Profits after tax to net worth	20.5	19.0	7.9	15.3	16.4	14.5
27. Tax provision to profits before tax	20.0	19.5	31.0	31.3	31.9	37.9
28. Profits retained to profits after tax	91.3	90.7	79.4	76.5	72.9	75.7
29. Dividends to net worth	1.8	1.8	1.6	3.6	4.4	3.5
30. Ordinary dividends to ordinary paid-up capital	6.5	7.8	7.7	20.9	35.0	30.9

Note : Industry groups viz., 'Basic Chemicals' and 'Chemical Fertilizers and Pesticides' are subgroups of 'Chemicals and Chemical Products'.

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Paints and Varnishes (14)			Pharmaceuticals and Medicines (72)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	38	39	40	41	42	43
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	22.1	25.8	28.4	30.8	30.6	29.6
2. Net worth to total net assets	40.8	41.6	47.9	53.5	52.0	49.9
3. Debt to equity	19.9	22.0	18.5	26.3	25.1	27.4
4. Debt to equity (equity adjusted for revaluation reserve)	20.3	23.4	19.4	26.4	25.2	27.5
5. Short term bank borrowings to inventories	42.5	29.0	23.2	63.6	87.2	77.2
6. Total outside liabilities to net worth	145.0	140.2	108.7	86.8	92.3	100.6
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.1	1.1	1.3	1.7	1.5	1.5
8. Quick assets to current liabilities	54.7	50.1	57.3	85.2	68.1	73.9
9. Current assets to total net assets	57.5	56.1	54.0	52.9	50.1	53.7
10. Sundry creditors to current assets	30.9	33.7	29.9	19.8	20.3	17.7
11. Sundry creditors to net working capital	257.5	260.2	143.0	50.2	65.0	52.5
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	126.5	129.0	142.6	75.6	70.7	67.6
13. Sales to gross fixed assets	238.8	234.2	252.6	179.1	169.2	166.0
14. Inventories to sales	18.4	18.0	15.0	21.7	22.4	23.5
15. Sundry debtors to sales	16.8	15.0	12.8	22.6	22.6	24.6
16. Exports to sales	10.0	8.9	8.8	40.5	41.0	43.3
17. Gross value added to gross fixed assets	46.6	47.8	47.9	56.8	51.4	42.3
18. Raw materials consumed to value of production	57.4	56.8	54.5	42.5	44.1	44.1
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		54.1	70.7		35.9	32.7
20. Gross capital formation to total uses of funds		76.7	63.6		47.8	47.6
21. External sources of funds to total sources of funds		51.8	–		46.7	93.6
22. Increase in bank borrowings to total external sources		–	&		68.5	14.3
23. Gross savings to gross capital formation		84.0	244.7		105.6	65.3
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	14.5	15.8	15.4	16.0	13.5	9.4
25. Gross profits to sales	11.5	12.2	10.8	21.2	19.0	13.9
26. Profits after tax to net worth	38.6	22.5	25.2	22.4	19.7	12.2
27. Tax provision to profits before tax	30.6	34.8	32.1	21.2	24.9	30.0
28. Profits retained to profits after tax	66.2	59.3	65.3	71.4	68.8	64.0
29. Dividends to net worth	13.0	9.1	8.7	6.4	6.1	4.4
30. Ordinary dividends to ordinary paid-up capital	97.4	77.9	83.5	92.1	101.7	72.8

Note : Industry groups viz., 'Paints and Varnishes' and 'Pharmaceuticals and Medicines' are subgroups of 'Chemicals and Chemical Products'.

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Rubber and Plastic Products (55)			Tyres and Tubes (9)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	44	45	46	47	48	49
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	45.6	41.6	46.0	48.0	47.1	51.6
2. Net worth to total net assets	33.3	36.7	33.8	36.1	38.4	36.4
3. Debt to equity	62.8	54.4	71.5	52.6	40.4	50.9
4. Debt to equity (equity adjusted for revaluation reserve)	63.7	55.0	72.2	53.5	41.1	51.6
5. Short term bank borrowings to inventories	93.5	84.3	106.9	77.8	66.1	95.3
6. Total outside liabilities to net worth	200.4	172.5	195.9	177.0	160.5	174.6
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.1	1.2	1.1	1.1	1.1	1.0
8. Quick assets to current liabilities	52.8	61.5	58.3	52.0	47.3	47.2
9. Current assets to total net assets	48.1	51.3	46.7	47.4	48.3	43.7
10. Sundry creditors to current assets	30.9	26.7	26.6	37.0	39.0	36.5
11. Sundry creditors to net working capital	#	147.1	215.1	#	#	#
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	112.4	103.7	100.6	137.4	137.1	136.8
13. Sales to gross fixed assets	142.7	147.1	137.1	164.0	166.0	157.0
14. Inventories to sales	14.8	16.6	14.5	13.1	15.4	12.9
15. Sundry debtors to sales	15.9	16.2	15.7	13.4	12.5	11.2
16. Exports to sales	18.1	16.7	16.9	19.1	18.3	18.9
17. Gross value added to gross fixed assets	25.1	27.7	21.6	27.3	30.1	22.8
18. Raw materials consumed to value of production	66.1	65.1	66.2	67.4	66.0	68.4
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		33.4	75.9		53.0	89.5
20. Gross capital formation to total uses of funds		50.9	75.7		92.6	83.2
21. External sources of funds to total sources of funds		60.9	73.6		25.9	63.4
22. Increase in bank borrowings to total external sources		16.2	51.2		–	67.0
23. Gross savings to gross capital formation		73.9	43.6		90.8	48.8
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	10.2	10.5	7.6	10.9	12.3	8.0
25. Gross profits to sales	9.1	10.1	7.6	7.9	9.0	5.9
26. Profits after tax to net worth	14.8	16.1	10.1	15.2	17.6	9.2
27. Tax provision to profits before tax	28.0	28.3	28.9	30.5	31.1	35.1
28. Profits retained to profits after tax	78.1	82.9	76.8	81.0	85.2	73.1
29. Dividends to net worth	3.2	2.7	2.3	2.9	2.6	2.5
30. Ordinary dividends to ordinary paid-up capital	23.0	25.3	22.9	45.0	49.0	49.2

Note : Industry groups viz., 'Tyres and Tubes' is subgroups of 'Rubber and Plastic Products'.

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Plastic Products (37)			Ceramics (16)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	50	51	52	53	54	55
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	42.5	36.4	41.2	51.1	50.3	53.1
2. Net worth to total net assets	28.8	34.6	30.8	38.2	41.1	37.2
3. Debt to equity	82.1	70.9	96.2	64.0	54.0	68.9
4. Debt to equity (equity adjusted for revaluation reserve)	83.1	71.3	97.0	64.0	54.0	68.9
5. Short term bank borrowings to inventories	117.9	112.4	123.8	66.4	63.2	84.8
6. Total outside liabilities to net worth	247.6	189.1	224.4	161.8	143.6	168.9
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.0	1.4	1.3	1.2	1.3	1.2
8. Quick assets to current liabilities	52.8	77.6	70.0	52.3	51.4	46.3
9. Current assets to total net assets	49.2	54.5	49.3	46.1	47.6	44.9
10. Sundry creditors to current assets	23.6	16.1	18.7	27.0	24.3	24.2
11. Sundry creditors to net working capital	#	55.7	79.9	139.2	105.2	138.9
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	81.1	71.2	67.5	73.9	76.2	74.9
13. Sales to gross fixed assets	113.0	122.9	111.4	96.5	100.9	96.3
14. Inventories to sales	18.6	18.9	17.7	27.9	27.0	24.5
15. Sundry debtors to sales	21.2	22.8	23.8	19.8	20.7	18.7
16. Exports to sales	15.7	13.6	13.2	8.6	6.6	6.7
17. Gross value added to gross fixed assets	22.4	25.1	20.3	25.8	26.4	22.7
18. Raw materials consumed to value of production	63.4	63.4	62.4	40.3	41.3	42.3
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		26.4	66.6		55.1	75.6
20. Gross capital formation to total uses of funds		36.0	70.8		71.8	79.1
21. External sources of funds to total sources of funds		73.4	81.3		54.0	72.6
22. Increase in bank borrowings to total external sources		18.6	43.1		7.3	84.9
23. Gross savings to gross capital formation		58.1	38.7		66.0	39.2
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	9.7	8.9	7.4	10.4	9.9	7.8
25. Gross profits to sales	12.0	12.5	10.9	14.0	13.0	10.4
26. Profits after tax to net worth	15.3	15.3	11.6	12.1	10.1	6.1
27. Tax provision to profits before tax	23.3	23.7	21.9	29.3	30.7	35.6
28. Profits retained to profits after tax	73.5	80.8	80.7	78.2	79.4	78.5
29. Dividends to net worth	4.0	2.9	2.2	2.7	2.1	1.3
30. Ordinary dividends to ordinary paid-up capital	17.7	20.3	16.4	18.8	17.6	11.7

Note : Industry groups 'Plastic Products' is subgroup of 'Rubber and Plastic Products'.

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Cement and Cement Products (31)			Iron and Steel (55)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	56	57	58	59	60	61
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	56.6	58.1	59.0	52.9	46.2	46.0
2. Net worth to total net assets	45.0	47.5	48.2	34.5	40.0	36.4
3. Debt to equity	64.4	50.1	48.6	98.2	76.0	79.9
4. Debt to equity (equity adjusted for revaluation reserve)	68.8	52.2	50.2	101.9	77.6	82.9
5. Short term bank borrowings to inventories	48.2	63.5	59.9	47.4	64.0	117.9
6. Total outside liabilities to net worth	122.3	110.4	107.5	189.8	150.3	174.4
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.4	1.2	1.1	1.5	1.7	0.8
8. Quick assets to current liabilities	65.5	53.4	48.4	73.2	29.7	25.5
9. Current assets to total net assets	35.2	33.5	31.8	44.1	47.3	28.0
10. Sundry creditors to current assets	25.3	30.1	30.1	26.0	19.5	30.6
11. Sundry creditors to net working capital	92.4	192.8	256.2	82.0	48.8	#
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	79.3	73.4	70.0	68.7	62.1	59.7
13. Sales to gross fixed assets	88.9	85.2	81.8	92.3	96.3	93.8
14. Inventories to sales	11.0	12.5	13.0	19.2	18.7	17.1
15. Sundry debtors to sales	5.3	5.2	4.8	9.6	8.8	8.2
16. Exports to sales	4.7	3.4	3.6	20.3	20.8	21.5
17 Gross value added to gross fixed assets	30.4	31.2	25.8	25.5	27.1	21.4
18. Raw materials consumed to value of production	20.4	19.3	18.1	45.4	47.9	51.0
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		67.4	69.2		34.0	50.4
20. Gross capital formation to total uses of funds		76.7	76.5		40.9	53.9
21. External sources of funds to total sources of funds		36.9	33.7		66.4	76.2
22. Increase in bank borrowings to total external sources		70.3	55.1		23.0	53.4
23. Gross savings to gross capital formation		76.8	77.7		69.2	53.5
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	19.5	20.1	15.6	13.4	12.5	9.1
25. Gross profits to sales	24.6	27.3	22.3	19.6	20.1	15.2
26. Profits after tax to net worth	30.1	28.8	20.1	20.9	17.1	10.8
27. Tax provision to profits before tax	26.7	27.3	23.7	29.1	27.0	32.2
28. Profits retained to profits after tax	85.9	86.0	83.5	82.0	82.4	77.7
29. Dividends to net worth	4.3	4.0	3.3	3.8	3.0	2.4
30. Ordinary dividends to ordinary paid-up capital	40.6	52.2	51.6	29.0	34.2	28.3

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Fabricated Metal Products (48)			Machinery and Machine Tools (99)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	62	63	64	65	66	67
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	37.5	37.0	34.1	28.0	26.6	27.3
2. Net worth to total net assets	30.8	36.3	31.0	42.0	40.4	41.9
3. Debt to equity	85.2	52.0	64.7	26.6	27.7	20.6
4. Debt to equity (equity adjusted for revaluation reserve)	86.2	53.5	66.3	27.3	28.1	21.0
5. Short term bank borrowings to inventories	60.9	52.2	35.2	45.3	50.1	52.3
6. Total outside liabilities to net worth	224.9	175.5	222.3	138.0	147.7	138.7
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.3	1.3	1.2	1.4	1.4	1.3
8. Quick assets to current liabilities	69.5	57.2	53.4	81.6	74.7	72.2
9. Current assets to total net assets	56.9	56.2	60.7	65.3	65.1	65.9
10. Sundry creditors to current assets	24.6	28.3	33.2	27.9	29.7	29.9
11. Sundry creditors to net working capital	99.4	138.0	166.8	96.9	112.5	116.0
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	97.3	96.3	93.1	112.4	128.9	126.6
13. Sales to gross fixed assets	182.0	188.6	197.2	211.4	262.5	252.5
14. Inventories to sales	18.9	20.9	23.9	15.5	14.1	14.7
15. Sundry debtors to sales	20.4	20.8	20.1	22.5	18.8	19.3
16. Exports to sales	20.4	25.9	22.7	16.7	11.9	13.6
17. Gross value added to gross fixed assets	33.1	35.0	28.9	47.3	49.6	46.9
18. Raw materials consumed to value of production	67.1	66.3	70.9	62.8	69.1	68.9
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		37.9	30.3		33.0	45.7
20. Gross capital formation to total uses of funds		63.1	57.4		49.9	63.1
21. External sources of funds to total sources of funds		58.9	81.5		53.4	38.4
22. Increase in bank borrowings to total external sources		8.7	8.0		36.4	25.6
23. Gross savings to gross capital formation		61.3	39.7		90.6	110.3
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	11.8	12.4	8.6	13.4	13.4	12.0
25. Gross profits to sales	12.2	12.8	9.2	12.0	10.4	9.5
26. Profits after tax to net worth	20.3	22.0	12.7	21.9	22.0	17.7
27. Tax provision to profits before tax	31.4	25.6	28.5	29.6	31.7	33.5
28. Profits retained to profits after tax	80.5	86.1	81.7	71.5	72.9	72.4
29. Dividends to net worth	4.0	3.1	2.3	6.2	6.0	4.9
30. Ordinary dividends to ordinary paid-up capital	28.6	30.4	25.9	55.2	61.5	57.7

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Electrical Machinery and Apparatus (63)			Radio, Television & Communication Equip. & Apparatus (22)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	68	69	70	71	72	73
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	21.9	18.8	19.0	39.1	38.3	33.4
2. Net worth to total net assets	44.0	45.9	41.8	41.0	43.4	39.6
3. Debt to equity	23.2	24.3	28.6	35.2	64.3	27.1
4. Debt to equity (equity adjusted for revaluation reserve)	23.5	24.5	28.8	41.4	64.8	27.1
5. Short term bank borrowings to inventories	59.5	59.9	106.0	164.0	86.6	312.8
6. Total outside liabilities to net worth	127.4	117.8	139.3	144.1	130.3	152.8
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.5	1.5	1.3	1.3	1.7	1.0
8. Quick assets to current liabilities	86.7	91.2	76.9	55.4	84.8	37.3
9. Current assets to total net assets	69.6	65.2	60.8	57.8	47.3	51.7
10. Sundry creditors to current assets	27.3	26.7	24.2	19.4	19.6	12.7
11. Sundry creditors to net working capital	78.3	76.8	97.9	83.6	47.4	330.0
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	112.6	103.1	95.9	86.4	85.3	70.1
13. Sales to gross fixed assets	289.4	323.5	309.1	136.2	132.3	121.4
14. Inventories to sales	16.8	16.2	14.1	18.7	16.2	16.6
15. Sundry debtors to sales	26.2	29.2	30.3	17.3	18.3	20.0
16. Exports to sales	15.3	16.7	20.4	5.4	6.2	8.3
17. Gross value added to gross fixed assets	58.7	68.4	49.7	21.4	21.9	24.4
18. Raw materials consumed to value of production	65.5	65.7	65.4	72.6	70.0	65.2
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		14.7	24.7		52.0	30.8
20. Gross capital formation to total uses of funds		25.6	23.7		41.7	34.8
21. External sources of funds to total sources of funds		67.0	80.5		15.8	66.9
22. Increase in bank borrowings to total external sources		11.0	47.4		–	150.1
23. Gross savings to gross capital formation		123.9	112.3		168.5	79.4
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	14.8	15.2	8.9	9.5	9.6	9.6
25. Gross profits to sales	13.1	14.7	9.3	11.0	11.2	13.6
26. Profits after tax to net worth	23.9	21.2	10.1	25.4	12.8	12.5
27. Tax provision to profits before tax	25.8	28.7	39.0	8.9	17.6	15.2
28. Profits retained to profits after tax	82.6	84.4	77.6	91.8	83.1	89.8
29. Dividends to net worth	4.2	3.3	2.3	2.1	2.2	1.3
30. Ordinary dividends to ordinary paid-up capital	43.2	48.2	34.7	25.9	25.5	15.3

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Motor Veicles and Other Transport Equip. (69)			Construction (53)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	74	75	76	77	78	79
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	32.3	35.6	36.4	11.1	11.2	11.5
2. Net worth to total net assets	41.5	39.6	39.0	28.1	37.5	35.7
3. Debt to equity	34.5	36.1	41.9	71.8	45.7	56.0
4. Debt to equity (equity adjusted for revaluation reserve)	35.4	36.9	44.1	73.2	46.0	56.3
5. Short term bank borrowings to inventories	53.6	60.3	88.7	39.3	42.1	39.6
6. Total outside liabilities to net worth	141.1	152.7	156.1	256.3	166.4	179.8
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.2	1.1	0.9	1.4	1.6	1.6
8. Quick assets to current liabilities	51.4	49.1	34.6	41.1	41.4	39.9
9. Current assets to total net assets	54.1	49.0	39.3	71.9	73.0	72.3
10. Sundry creditors to current assets	34.1	36.5	39.8	14.4	11.9	14.5
11. Sundry creditors to net working capital	175.1	#	#	51.1	31.2	37.4
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	130.3	112.5	87.5	50.2	47.2	46.0
13. Sales to gross fixed assets	230.4	197.1	159.3	351.7	347.3	323.5
14. Inventories to sales	11.6	12.8	14.6	48.3	52.3	60.0
15. Sundry debtors to sales	7.7	8.1	9.4	26.6	27.3	31.4
16. Exports to sales	9.1	9.2	8.7	1.4	0.8	0.9
17. Gross value added to gross fixed assets	40.9	36.0	26.3	112.2	123.0	99.3
18. Raw materials consumed to value of production	67.4	66.6	67.3	37.9	26.2	27.9
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		52.8	41.6		9.7	16.7
20. Gross capital formation to total uses of funds		63.3	49.4		35.0	57.5
21. External sources of funds to total sources of funds		59.9	80.1		85.4	74.5
22. Increase in bank borrowings to total external sources		22.3	30.0		20.8	36.0
23. Gross savings to gross capital formation		59.3	50.4		49.0	50.7
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	13.5	11.2	6.7	10.9	12.0	9.4
25. Gross profits to sales	10.4	10.0	7.7	21.8	25.5	20.5
26. Profits after tax to net worth	22.3	20.2	12.2	22.9	20.5	13.4
27. Tax provision to profits before tax	29.2	24.6	23.7	27.2	23.7	21.2
28. Profits retained to profits after tax	70.6	71.7	72.5	83.8	85.5	90.0
29. Dividends to net worth	6.6	5.7	3.4	3.7	3.0	1.3
30. Ordinary dividends to ordinary paid-up capital	86.9	91.4	64.0	32.6	46.7	23.0

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Wholesale & Retail Trade (62)			Hotels & Restaurants (26)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	80	81	82	83	84	85
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	14.8	15.6	17.2	60.6	61.7	62.2
2. Net worth to total net assets	33.8	34.3	34.6	48.9	46.9	49.9
3. Debt to equity	56.3	45.9	51.9	56.0	60.8	61.5
4. Debt to equity (equity adjusted for revaluation reserve)	57.3	46.5	52.5	61.5	65.8	75.9
5. Short term bank borrowings to inventories	89.7	85.4	89.6	337.3	385.0	279.1
6. Total outside liabilities to net worth	195.8	191.4	188.7	104.4	113.3	100.2
B. Liquidity Ratios						
7. Current assets to current liabilities *	1.6	1.4	1.4	1.2	1.1	1.2
8. Quick assets to current liabilities	86.9	69.7	74.3	45.0	55.3	40.6
9. Current assets to total net assets	73.5	71.4	67.5	29.4	27.2	22.8
10. Sundry creditors to current assets	29.7	32.1	27.6	15.4	14.1	15.8
11. Sundry creditors to net working capital	82.5	106.2	92.2	78.6	146.6	101.9
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	158.2	159.0	147.7	40.7	38.9	26.9
13. Sales to gross fixed assets	#	#	#	52.0	50.2	35.5
14. Inventories to sales	10.6	13.0	13.0	3.0	2.9	3.5
15 Sundry debtors to sales	14.6	11.7	14.4	12.6	14.7	15.7
16. Exports to sales	15.6	20.9	20.2	–	–	–
17. Gross value added to gross fixed assets	67.6	75.0	68.3	31.3	29.6	19.8
18. Raw materials consumed to value of production	89.9	87.4	88.4	4.0	3.8	2.0
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		22.8	29.9		66.3	53.2
20. Gross capital formation to total uses of funds		57.1	40.9		67.4	53.6
21. External sources of funds to total sources of funds		77.5	82.1		64.4	72.8
22. Increase in bank borrowings to total external sources		36.4	39.3		22.7	25.0
23. Gross savings to gross capital formation		47.7	58.6		59.2	48.3
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	8.4	9.3	7.9	15.4	14.8	7.9
25. Gross profits to sales	5.3	5.9	5.4	37.9	38.0	29.5
26. Profits after tax to net worth	12.0	14.5	9.0	17.8	16.9	8.6
27. Tax provision to profits before tax	28.4	27.2	30.7	32.3	36.0	35.6
28. Profits retained to profits after tax	83.3	87.3	81.9	75.9	73.3	71.0
29. Dividends to net worth	2.0	1.8	1.6	4.3	4.5	2.5
30. Ordinary dividends to ordinary paid-up capital	12.3	13.8	13.5	43.8	48.6	36.2

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Contd.)*

(Per cent)

Item	Transport, Storage and Communications (49)			Real Estate Activities (15)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	86	87	88	89	90	91
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	64.0	55.1	52.2	6.5	4.4	4.0
2. Net worth to total net assets	38.0	39.2	39.9	34.3	39.5	37.4
3. Debt to equity	59.8	61.2	64.4	54.3	54.4	51.8
4. Debt to equity (equity adjusted for revaluation reserve)	60.6	64.9	66.6	56.9	55.4	52.7
5. Short term bank borrowings to inventories	#	#	#	17.3	21.4	24.1
6. Total outside liabilities to net worth	163.0	154.9	150.5	191.7	153.4	167.4
B. Liquidity Ratios						
7. Current assets to current liabilities *	0.6	0.7	0.9	1.7	2.1	2.0
8. Quick assets to current liabilities	34.6	40.6	57.5	34.6	46.5	44.1
9. Current assets to total net assets	22.9	26.1	31.0	80.4	82.8	84.5
10. Sundry creditors to current assets	58.5	44.4	34.4	9.7	6.8	7.4
11. Sundry creditors to net working capital	#	#	#	23.5	12.9	15.1
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	55.5	48.9	46.8	39.2	40.1	31.0
13. Sales to gross fixed assets	64.3	66.5	66.7	358.8	#	#
14. Inventories to sales	1.5	1.5	1.4	90.4	84.6	104.4
15. Sundry debtors to sales	13.3	14.7	12.2	26.2	27.7	45.9
16. Exports to sales	0.0	0.5	0.6	4.8	7.1	12.7
17. Gross value added to gross fixed assets	20.9	23.5	22.0	111.6	170.2	119.4
18. Raw materials consumed to value of production	2.8	2.2	2.5	31.3	37.5	47.2
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		43.4	52.3		1.6	3.5
20. Gross capital formation to total uses of funds		44.1	52.6		32.9	26.5
21. External sources of funds to total sources of funds		87.7	68.5		81.8	76.1
22. Increase in bank borrowings to total external sources		28.8	23.7		26.0	40.8
23. Gross savings to gross capital formation		67.0	65.9		50.2	101.4
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	6.5	7.1	5.0	9.9	11.4	7.3
25. Gross profits to sales	11.8	14.5	10.8	25.3	28.4	23.6
26. Profits after tax to net worth	9.9	2.6	10.7	16.9	17.2	10.9
27. Tax provision to profits before tax	27.3	53.2	19.2	21.8	21.3	19.6
28. Profits retained to profits after tax	80.1	41.1	84.9	84.1	85.0	90.2
29. Dividends to net worth	2.0	1.6	1.6	2.7	2.6	1.1
30. Ordinary dividends to ordinary paid-up capital	5.1	5.4	8.5	21.2	29.2	13.3

Statement 12: Select Financial Ratios of the Select 1,558 Large Public Limited Companies, Industry-wise, 2006-07 to 2008-09 *(Concld.)*

(Per cent)

Item	Computer and Related Activities (95)			All Industries (1558)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
1	92	93	94	95	96	97
A. Capital Structure Ratios						
1. Net fixed assets to total net assets	19.4	18.8	19.1	39.6	37.5	38.4
2. Net worth to total net assets	73.1	67.3	64.8	43.3	44.3	42.9
3. Debt to equity	5.8	12.3	12.9	42.4	39.4	40.5
4. Debt to equity (equity adjusted for revaluation reserve)	5.8	12.3	12.9	43.8	40.3	42.0
5. Short term bank borrowings to inventories	222.0	#	#	69.2	75.4	93.7
6. Total outside liabilities to net worth	36.7	48.5	54.3	131.1	125.8	133.2
B. Liquidity Ratios						
7. Current assets to current liabilities *	2.5	2.3	2.1	1.3	1.3	1.1
8. Quick assets to current liabilities	201.2	166.7	153.0	57.4	52.4	49.1
9. Current assets to total net assets	56.5	55.3	55.6	48.0	47.9	44.5
10. Sundry creditors to current assets	11.4	11.2	11.7	25.6	24.2	25.4
11. Sundry creditors to net working capital	18.8	19.6	22.3	119.8	114.1	219.2
C. Assets Utilisation and Turnover Ratios						
12. Sales to total net assets	94.5	84.2	85.7	81.4	74.6	69.7
13. Sales to gross fixed assets	310.6	292.8	292.7	137.0	136.5	128.0
14. Inventories to sales	0.9	1.0	0.9	17.4	19.1	19.3
15. Sundry debtors to sales	23.6	24.6	23.2	14.2	14.6	14.6
16. Exports to sales	0.8	1.1	1.4	19.0	19.1	19.0
17. Gross value added to gross fixed assets	219.4	208.9	201.9	36.1	37.2	31.4
18. Raw materials consumed to value of production	5.7	6.7	6.0	51.7	51.7	52.0
D. Sources and Uses of Funds Ratios @						
19. Gross fixed assets formation to total uses of funds		22.9	29.6		36.2	43.0
20. Gross capital formation to total uses of funds		23.8	30.1		50.0	52.6
21. External sources of funds to total sources of funds		45.2	51.1		64.2	69.3
22. Increase in bank borrowings to total external sources		23.6	17.3		32.3	33.7
23. Gross savings to gross capital formation		209.5	258.8		70.2	68.2
E. Profitability and Profit Allocation Ratios						
24. Gross profits to total net assets	23.7	21.1	19.5	12.5	12.2	9.2
25. Gross profits to sales	25.1	25.0	22.7	15.4	16.3	13.3
26. Profits after tax to net worth	27.4	26.5	24.6	19.4	18.1	13.4
27. Tax provision to profits before tax	13.9	19.4	18.7	24.4	24.8	24.7
28. Profits retained to profits after tax	73.9	69.5	75.9	78.4	78.1	77.9
29. Dividends to net worth	7.1	8.1	5.9	4.2	4.0	3.0
30. Ordinary dividends to ordinary paid-up capital	122.9	153.0	126.2	33.1	39.5	37.3

Appendix
Explanatory Notes to Various Statements

- Internal Sources: These are own sources comprising Capitalized 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.
- 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

Appendix
Explanatory Notes to Various Statements *(Concld.)*

mortgages and other long term securities, (c) borrowings from companies and others against mortgages and other long term securities, (d) debentures, deferred payment liabilities and public deposits.

- 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.

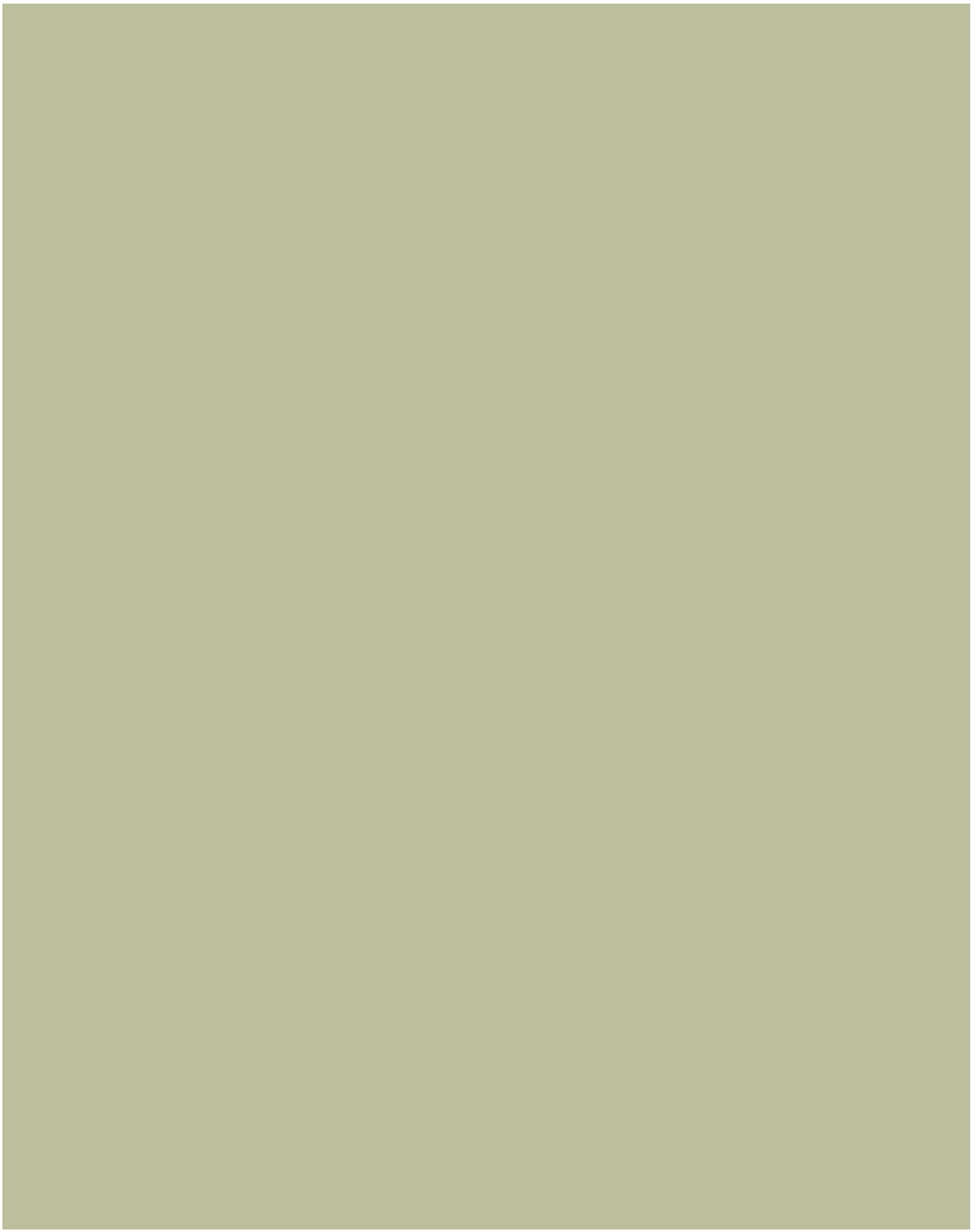


Other Items

Press Releases

Regulatory and Other Measures

Foreign Exchange Developments



Press Releases

February 2010

The Bank of Rajasthan Ltd. – Penalised

February 25, 2010

The Reserve Bank of India has imposed a monetary penalty of Rs.25.00 lakh (Rupees Twenty Five Lakh only) on The Bank of Rajasthan Ltd. in exercise of powers vested in it under the provisions of Section 47A(1)(b) of the Banking Regulation Act, 1949. The penalty is levied for (i) violation of the Reserve Bank of India's directions issued under Section 35A of the Banking Regulation Act, 1949 in the area of acquisition of immovable properties, (ii) deletion of records in the bank's IT systems, (iii) Non-adherence to know your customer/ anti money laundering guidelines in the opening and conduct of certain accounts, (iv) irregularities in the conduct of accounts of a corporate group and (v) failure to provide certain documents sought by the Reserve Bank of India and misrepresenting that such documents were not available.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. Based on the reply, the Reserve Bank of India came to the conclusion that the violation was substantiated and warranted imposition of penalty. Accordingly, it penalised the bank.

Reserve Bank Cancels the Licence of Ichalkaranji Urban Co-operative Bank Ltd., Ichalkaranji, Kolhapur, Maharashtra

February 23, 2010

In view of the fact that Ichalkaranji Urban Co-operative Bank Ltd., Ichalkaranji,

Kolhapur, Maharashtra had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order cancelling its licence to the bank after the close of business on February 11, 2010. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. It may be highlighted that on liquidation, every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of Rs.1,00,000/- (Rupees One lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) under usual terms and conditions.

Consequent to the cancellation of its licence, Ichalkaranji Urban Co-operative Bank Ltd., Ichalkaranji, Kolhapur, Maharashtra is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (AACS) including acceptance and repayment of deposits.

Reserve Bank Cancels the Licence of the Chadchan Shree Sangameshwar Urban Co-operative Bank Ltd., Chadchan, Karnataka

February 16, 2010

In view of the fact that the Chadchan Shree Sangameshwar Urban Co-operative Bank Ltd., Chadchan (Karnataka) had ceased to be solvent, all efforts to revive it in close consultation with the Government of Karnataka had failed and the depositors of the bank were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order canceling its licence to the bank after the close of business on February 13, 2010. The Registrar of Co-operative Societies, Karnataka has also been requested to issue an order for winding up of the bank and appoint a Liquidator for the bank. It may be highlighted that on liquidation every depositor is entitled to repayment of his deposits up to a monetary ceiling of Rs.1,00,000/- from the Deposit Insurance and Credit Guarantee Corporation (DICGC).

Consequent on cancellation of its licence, the Chadchan Shree Sangameshwar Urban Co-operative Bank Ltd., Chadchan (Karnataka) is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949(AACS) including acceptance and repayment of deposits.

Reserve Bank Rejects application for Licence of Rajwade Mandal Peoples' Co- operative Bank Ltd., Dhule, District Dhule, Maharashtra

February 10, 2010

In view of the fact that The Rajwade Mandal People's Co-operative Bank Ltd., Dhule, District Dhule, Maharashtra had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order of rejecting application for licence to the bank after the close of business on 27 January, 2010. The Registrar of Co-operative Societies,

Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. It may be highlighted that on liquidation, every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of Rs.1,00,000/- (Rupees One lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) under usual terms and conditions.

Consequent to the rejection of its application for licence, Rajwade mandal Peoples' Co-operative Bank Ltd., Dhule, District Dhule, Maharashtra is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (AACS) including acceptance and repayment of deposits.

Investment by FIIs under PIS : Welspun India Limited

February 10, 2010

The Reserve Bank of India today notified that Welspun India Limited has agreed 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 49 per cent of its total paid up capital. The company has passed a resolution at the board of directors' level and annual general meeting by its shareholders to do so.

Foreign Institutional Investors can now purchase under the Portfolio Investment Scheme through primary market and stock exchanges, equity shares of Welspun India Limited, provided :

i. The total purchases by all FIIs do not exceed the applicable overall ceiling limits of 49 per cent of total paid-up equity capital and total paid-up value of each series of convertible debentures of the 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.

Investment by FIIs under PIS : M/s. Sobha Developers Limited

February 5, 2010

The Reserve Bank of India today notified that M/s. Sobha Developers Limited has agreed 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 100 per cent of its total paid up capital. The company has passed a resolution at the board of directors' level and extra-ordinary general meeting by its shareholders to do so.

Foreign Institutional Investors can now purchase under the Portfolio Investment Scheme through primary market and stock exchanges, equity shares of M/s. Sobha Developers Limited, provided :

i. The overall limit for FII's purchases has now been raised to 100 per cent. The revised FII limit of 100 per cent is within the overall 100 per cent FDI limit applicable to the 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.

Reserve Bank Cancels the Licence of the Raichur Zilla Mahila Pattana Sahakara Bank Niyamitha, Raichur, Karnataka

February 4, 2010

In view of the fact that the Raichur Zilla Mahila Pattana Sahakara Bank Niyamitha, Raichur (Karnataka) had ceased to be solvent, all efforts to revive it in close consultation with the Government of Karnataka had failed and the depositors of the bank were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order canceling its licence to the bank after the close of business on January 29, 2010. The Registrar of Co-operative Societies, Karnataka has also been requested to issue an order for winding up of the bank and appoint a Liquidator for the bank. It may be highlighted that on liquidation every depositor is entitled to repayment of his deposits up to a monetary ceiling of Rs.1,00,000/- from the Deposit Insurance and Credit Guarantee Corporation (DICGC).

Consequent on cancellation of its licence, Raichur Zilla Mahila Pattana Sahakara Bank Niyamitha, Raichur (Karnataka) is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949(AACS) including acceptance and repayment of deposits.

RBI withdraws Short-term Forex Loans facility for NBFCs and HFCs

February 3, 2010

The Reserve Bank of India has withdrawn, with immediate effect, the facility of short-term foreign currency borrowings provided to Non-Banking Finance Companies-Non-Deposit Taking-Systemically Important (NBFC-ND-SI) and the Housing Finance Companies (HFCs). The decision has been taken after a review of the prevailing macroeconomic conditions and improvements in the domestic credit and liquidity conditions.

The Reserve Bank had, as a temporary measure, allowed NBFCs-ND-SI on October 31, 2008 and Housing Finance Companies on November 17, 2008, to raise short-term foreign currency borrowings not exceeding 50 per cent of the Net Owned Funds (NOF) or USD 10 million, whichever was higher, for refinancing their short-term liabilities. The facility was extended to these companies under the approval route, subject to certain terms and conditions.

Certificate of Registration - Cancelled

The Reserve Bank of India has cancelled the certificates of registration granted to the following companies, having their registered offices at the address shown against them, for carrying on the business of a non-banking financial institution. Following cancellation of the registration certificate the companies cannot transact the business of a non-banking financial institution.

Sr. No.	Press Release No.	Company's Name	Address of Registered Office	Date of cancellation
1	Feb 09, 2010	M/s. Pasco Motor Traders & Financiers (P) Ltd.	Pasco House, 177E, Industrial Area, Chandigarh	November 25,2009
2	Feb 09, 2011	M/s Karam Chand Thapar & Bros Limited	Thapar House, 124, Janpath, New Delhi -110001	January 07, 2010
3	Feb 02, 2009	Share & Care Resorts & Marketing (India) Limited	407, Hill View Industrial Estate, LBS Marg, Ghatkopar (West), Mumbai - 400 086	November 25, 2009
4	Feb 02, 2010	Parijat Shipping and Finale Limited	Parijat House, 2nd Floor, 1076 Dr. E. Moses Road, Worli, Mumbai - 400 018	November 23, 2009
5	Feb 02, 2011	Ind Finance & Securities Trust Private Limited	404, A.N. Chambers, Turner Road, Bandra (W), Mumbai - 400 050	December 02, 2009
6	Feb 02, 2012	A.D. Cotton Mills Pvt. Ltd.	86, Arcadia, 8th Floor, Nariman Point, Mumbai - 400 021	December 12, 2009
7	Feb 02, 2013	Inducon India Ltd.	63/69, Nagdevi Cross Lane, 1st Floor, Room No. 6, Mumbai - 400 003	December 08, 2009
8	Feb 02, 2014	Capricon Infin Pvt. Ltd.	Shop No. 4, R.S.K. Apartment, IC Colony, Borivali (W), Mumbai - 400 103	December 08, 2009
9	Feb 02, 2015	Dhamria Financial Services Ltd.	18/22, Zaveri Bazar, 1st Floor, Near Cotton Exchange Building, Mumbai - 400 002	December 08, 2009
10	Feb 02, 2016	G.M. Somjee Finance Pvt. Ltd.	14-15, United Apartments, 2407 East Street, Pune - 411 001	December 08, 2009
11	Feb 02, 2017	Udgir's Dhanlaxmi Finance & Leasing Ltd.	Mayur Niwas, Srinagar Colony, Bidar Road, Udgir - 413 512	December 14, 2009
12	Feb 02, 2018	S.J. Securities Ltd.	317, 3rd Floor, Loha Bhavan, Near Old High Court, Ashram Road, Ahmedabad - 380 009	December 14, 2009

By the powers conferred under Section 45-IA (6) of the Reserve Bank of India Act, 1934, the Reserve Bank can cancel the registration certificate of a non-banking financial company. The business of a non-banking financial institution is defined in clause (a) of Section 45-I of the Reserve Bank of India Act, 1934.

Regulatory and Other Measures

February 2010

RBI/2009-2010/302 Ref: UBD (PCB).No./2/ 12.03.000/2009-10 datef February 01, 2010

The Chief Executive Officers of All Scheduled Primary (Urban) Co-operative Banks

UCBs - Section 42(1) of Reserve Bank of India Act, 1934-Maintenance of Cash Reserve Ratio (CRR)

Please refer to our Circular UBD (PCB) Cir. No.9/ 12.03.000/ 2008-09 dated January 05, 2009 on the captioned subject.

2. On the basis of the current macroeconomic assessment, as set out in the Third Quarter Review of the Monetary Policy 2009-10 issued on January 29, 2010, it has been decided to increase the Cash Reserve Ratio (CRR) for Scheduled Primary (Urban) Co-operative Banks by 75 basis points from 5.00 per cent to 5.75 per cent of their net demand and time liabilities (NDTL), in two stages, effective from the fortnights as indicated below.

Effective Date (*i.e.*, the fortnight beginning from) and time liabilities (per cent)	**CRR on net demand**
February 13, 2010	5.50
February 27, 2010	5.75

RBI/2009-10/305 DPSS CO EPPD No.168 / 04.03.01 / 2009-2010 dated February 5, 2010

The Chairman and Managing Director / Chief Executive Officer of all member banks participating in NEFT

National Electronic Funds Transfer (NEFT) System – Refinement of process-flow and enhancement of features

The National Electronic Funds Transfer (NEFT) system has been successfully

handling significant volumes, ever since its launch in November 2005. The coverage has also increased substantially with the participation of over 63,000 bank branches spread across the length and breadth of the country.

2. NEFT uses the Public Key Infrastructure (PKI) technology to assure end-to-end security and the Indian Financial Network (INFINET) to connect bank branches for electronic transfer of funds. NEFT has no amount restrictions and accepts cash up to Rs. 50,000 for originating transactions.

3. With a view to further strengthen the NEFT system in terms of availability, convenience, efficiency and speed, the following refinements to process-flow and enhancements to operational features are being introduced –

(i) **Tightening of Return Window** – Presently, the NEFT procedural guidelines mandate banks to return NEFT transactions in the very next available batch. The NEFT system has, however, been designed to allow destination banks to return transactions on a T+1 basis. The traffic analysis has revealed that a major chunk of returns are effected by banks either in the last batch of the day or in the first batch of the next day, indicating that the transactions are processed by the destination batches only at the end of the day instead of batch-wise. In order to streamline the system and complete the processing cycle on a near-real-time basis, the concept of return within two hours of completion of a batch is being introduced. The B+2 return discipline would require banks to afford credit to beneficiary accounts immediately upon completion of a batch or else return the transactions within two hours of completion of the batch settlement, if credits are unable to be afforded for any reason. Required changes in the SFMS / NEFT software has been carried out. Necessary changes are also being made to the Procedural Guidelines for the purpose.

(ii) **Increase in Operating Hours** – NEFT is currently available from 9 am to 5 pm on week days and from 9 am to 12 noon on Saturdays. There have been constant requests from various individual and business segments to elongate the operating hours. After examining the feasibility and customer benefits, it has been decided to extend NEFT operating hours from 9 am to 7 pm on week days and from 9 am to 1 pm on Saturdays. Member banks need to effect changes at their end to initiate and/or receive NEFT transactions taking full advantage of the increased hours of operation.

(iii) **Move to Hourly Settlements** – On date, NEFT has six batches of settlement at 9 am, 11 am, 12 noon, 1 pm, 3 pm and 5 pm on week days and three batches of settlement at 9 am, 11 am and 12 noon on Saturdays. An analysis of daily data has shown that the volume of transactions processed in batches

that have a gap of two hours between batches is double the volume of transactions processed in batches that have only an hour's gap between them. With a view to evenly space out transactions across batches, as also to make the system near-real-time, it has been decided to introduce the concept of hourly settlements. Accordingly, there would be eleven hourly settlements starting from 9 am to 7 pm on all week days and five hourly settlements from 9 am to 1 pm on Saturdays. Necessary changes have been carried out in the SFMS / NEFT software.

(iv) **Implementation of Positive Confirmation** – At present, the un-credited NEFT transactions are returned by destination banks and it is presumed that credit for all other transactions have been afforded to beneficiary accounts. In order to remove any ambiguity and to introduce the element of positive confirmation, the NEFT outward message format is being modified to contain two additional fields, wherein mobile number and / or e-mail address of the originating customer can be populated. A new message format is also being introduced to relay to the originating bank an acknowledgement containing the date and time of credit, immediately after the credit is afforded to beneficiary accounts. This message would flow from the destination bank / branch to the originating bank / branch. The originating banks after receiving the positive confirmation from the destination banks shall have to initiate a mobile SMS or generate an e-mail to the originator to convey the fate of the transaction. Detailed process flow for generating the positive confirmation is enclosed. SFMS / NEFT has been modified to add the required fields in the existing messages as also to handle the new messages.

4. The above modifications will be implemented in NEFT with effect from March 1, 2010. Member banks are advised to carry out appropriate changes to their CBS / system interfaces to handle the enhancements. In order to facilitate smooth migration, IDRBT-Hyderabad would release modified patches to be applied on SFMS / NEFT applications by February 15, 2010. For any additional information / clarifications, the NEFT team at your bank can contact officials of DPSS or IDRBT through email.

Infrastructure Finance Companies

Please refer to paragraph 178 of the Second Quarter Review of the Monetary Policy for the year 2009-10. NBFCs-ND-SI engaged predominantly in infrastructure financing have represented to the Reserve Bank that there should be a separate category of infrastructure financing NBFCs in view of the critical role played by them in providing credit to the infrastructure sector. Currently, the Reserve Bank has classified NBFCs under three categories, *viz.*, Asset Finance Companies, Loan companies and Investment Companies. It has now been decided to

introduce a fourth category of NBFCs as "Infrastructure Finance Companies"(IFCs).

2. Accordingly, it is advised that the present classification of NBFCs stands modified to include IFCs. An IFC is defined as non deposit taking NBFC that fulfills the criteria mentioned below:

i) a minimum of 75 per cent of its total assets should be deployed in infrastructure loans as defined in Para 2(viii) of the Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;

ii) Net owned funds of Rs. 300 crore or above;

iii) minimum credit rating 'A' or equivalent of CRISIL, FITCH, CARE, ICRA or equivalent rating by any other accrediting rating agencies

iv) CRAR of 15 percent (with a minimum Tier I capital of 10 percent).

3. IFCs may exceed the concentration of credit norms as provided in paragraph 18 of the aforesaid Directions as under:

(i) in lending to

(a) any single borrower by ten per cent of its owned fund; and

(b) any single group of borrowers by fifteen per cent of its owned fund;

(ii) in lending and investing (loans/ investments taken together) by

(a) five percent of its owned fund to a single party; and

(b) ten percent of its owned fund to a single group of parties.

(iii) The extant norms for investment for both single party and single group of parties will remain same as in Para 20 of the Directions referred to above.

4. The present norms relating to infrastructure loan as laid out in Para 20 of the aforesaid Directions will continue for NBFCs that do not meet the criteria to be classified as IFCs.

5. Since the classification for the purpose of income recognition, asset classification and provisioning norms is based on asset specification, the extant prudential norms will continue as hitherto.

6. The companies satisfying the above conditions may approach the Regional Office in the jurisdiction of which their Registered Office is located, along with the original Certificate of Registration (CoR) issued by the Bank for classification as Infrastructure Finance Companies. Their request must be supported by a certificate from their Statutory Auditors confirming the asset / income pattern of the company as on March 31, of the latest financial year. The change in classification would be incorporated in the Certificate of Registration issued by the Bank as NBFC-ND-IFC.

7. The onus of including only eligible assets for the purpose of classification as IFC shall be that of the company concerned.

The necessary amendments to the Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, contained in Notification No. DNBS. 193/DG(VL)-2007 dated February 22, 2007 have been carried out.

RBI/2009-10/320 DCM(Plg)No. G-18 /10.01.03/ 2009-10 dated February 19, 2010

The Chairman and Managing Director / Chief Executive Officer
All Scheduled Commercial Banks

Setting up of Cash Processing Centres – Recommendation of HLG

We invite your attention to issue of a directive DCM (NPD)No. 3158 / 09.39.00(Policy)/2009-10 dated November 2009 (issued under cover of our letter DCM(NPD)No. 3161/09.39.00(Policy)/2009-10 also dated 19 November 2009 enjoining upon the banks to necessarily check/process the notes in the denomination of Rs. 100 and above through Machines for fitness and authenticity, confirming to Standards prescribed by the Reserve Bank from time to time, before their issue through ATM/ over counters. The instructions as above were issued by us pursuant to the recommendations of the High Level Group constituted under DG(UT) to look into various currency management practices in vogue.

2. The Group, *inter alia*, has also recommended setting up of Cash Processing Centres (CPCs) at various key locations with enhanced processing and storage capacities to tap advantages arising out of economies of scale, minimise overnight cash risks at bank branches and to benefit from sophisticated logistics techniques.

3. Since banks may find it difficult to install/maintain machines at all their branches dealing with notes of high denomination, it has been decided to accept the Group's recommendations with respect to CPC and encourage the banks to set up state of the art Cash Processing Centres (CPCs) with substantial processing and storage capacities. This would further RBI's objective of the Clean Note Policy.

4. Banks may consider any of the following three types of Cash Processing Centres (CPCs):

a. A CPC established at an existing currency chest branch in the same location.

b. A CPC attached to an existing/new currency chest branch in different location.

c. A stand alone CPC that provides only fitness sorting and authentication services (*i.e.* they shall collect mixed notes from the bank branches in the morning and would return the same, after processing/authentication checking/sorting, in the evening as unfit notes, fit/issueable notes (ATM Fit/Counter Fit and suspect notes).

5. To make the CPCs viable and also to take advantage of capacity built up, the CPCs may also serve the branches of other banks which may require its services and charge from them a reasonable fee for the services rendered at mutually agreed rates. The stand alone CPCs could also render services to others such as merchant establishments, petrol pumps, *etc.* handling large volumes of cash against payment of fees.

6. Machines to be installed at CPC shall confirm to "Note Authentication and Fitness Sorting Standards" prescribed by RBI (DCM).

7. CPC shall be subject to inspection by RBI at any time.

RBI/2009-10/322 DBOD. No. Dir. BC 77/ 13.03.00/2009-10 dated February 19, 2010

All Scheduled Commercial Banks (Excluding RRBs)

Payment of Interest on Savings Bank Account on Daily Product Basis

Please refer to our circular DBOD. No. Dir. BC.128/13.03.00/2008-09 dated April 24, 2009 advising banks that in view of the present satisfactory level of computerisation in commercial bank branches, it is proposed that payment of interest on savings bank accounts by scheduled commercial banks would be made on a daily product basis with effect from April 1, 2010. Further, banks were advised that in order to ensure a smooth transition, they may work out the modalities in this regard.

2. We advise that payment of interest on savings bank accounts may be made by banks on a daily product basis with effect from April 1, 2010.

Foreign Exchange Developments

February 2010

i) Export and Import of Currency

In terms of clauses (a) and (c) of sub-regulation (1) of Regulation 3 of Foreign Exchange Management (Export and Import of Currency) Regulations, 2000, notified *vide* Notification No. FEMA 6 /RB-2000 dated May 3, 2000, any person resident in India may take outside India or having gone out of India on a temporary visit, may bring into India (other than to and from Nepal and Bhutan) currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding Rs.5,000 per person. As part of providing greater flexibility to the resident individuals travelling abroad, the existing limits, were enhanced to Rs. 7,500 per person. Accordingly, any person resident in India may take outside India or having gone out of India on a temporary visit, may bring into India (other than to and from Nepal and Bhutan) currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding Rs.7500 per person.

[A.P. (DIR Series) Circular No.30
dated February 1, 2010]

ii) Exim Bank's Line of Credit (LoC) of USD 36 million to the Government of the Republic of Mali

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated October 12, 2009 with the Government of the Republic of Mali making available to the latter, a Line of Credit (LoC) of USD 36

million (USD thirty six million) for financing eligible goods, machinery, equipment and services including consultancy services from India for the purpose of completion of Mali-Ivory Coast Interconnection Link for integrating the national power grids between Ivory Coast and the Republic of Mali.

The Credit Agreement under the LoC is effective from January 18, 2010 and date of execution of Agreement is October 12, 2009. 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 case of project exports and 72 months (October 11, 2015) from the execution date of the Credit Agreement in case of supply contracts.

[A. P. (DIR Series) Circular No. 31 dated February 5, 2010]

iii) Exim Bank's Line of Credit of USD 100 million to Bank for Development and Foreign Economic Affairs (Vnesheconombank), Russia

Export-Import Bank of India (Exim Bank) has concluded an agreement dated December 7, 2009 with the Bank for Development and Foreign Economic Affairs (Vnesheconombank), Russia, making available to the latter, a Line of Credit (LoC) of USD 100 million (USD one hundred million) for financing exports of equipment, technology or any goods and services from India.

The Credit Agreement under the LoC is effective from January 18, 2010. Under the LoC, the terminal date for opening Letters of Credit is January 17, 2013 (36 months from the effective date of the Agreement) and terminal date of disbursements is July 17, 2014 (42 months from the effective date of the Agreement).

[A. P. (DIR Series) Circular No. 32 dated February 9, 2010]

iv) External Commercial Borrowings (ECB) Policy – Liberalisation

As per the extant ECB procedures, any changes in the terms and conditions of the ECB after obtaining the Loan Registration Number (LRN) from the Department of Statistics and Information Management (DSIM), Reserve Bank, require the prior approval of the Reserve Bank. As a measure of simplification of the existing procedures, it was decided to delegate powers to the designated AD category-I banks to approve the following requests from the ECB borrowers, subject to specified conditions:

a) Changes / modifications in the drawdown / repayment schedule - subject to the conditions that the average maturity period, as declared while obtaining the LRN, is maintained and subject to fulfilment of the reporting requirement.

b) Changes in the currency of borrowing – the proposed currency of borrowing is freely convertible.

c) Change of the AD bank - subject to No-Objection Certificate (NOC) from the

existing designated AD bank and after due diligence.

d) Changes in the name of the Borrower Company - subject to production of supporting documents evidencing the change in the name from the Registrar of Companies.

[A. P. (DIR Series) Circular No. 33 dated February 9, 2010]

v) Exim Bank's Line of Credit of USD 15 million to the Government of the Republic of Mali

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated October 14, 2009 with the Government of the Republic of Mali making available to the latter, a Line of Credit (LoC) of USD 15 million (USD Fifteen million) for financing eligible goods, machinery, equipment and services including consultancy services from India for the purpose of financing Agriculture and Food processing projects in Mali.

The Credit Agreement under the LoC is effective from January 18, 2010 and date of execution of Agreement is October 14, 2009. 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 case of project exports and 72 months (October 13, 2015) from the execution date of the Credit Agreement in case of supply contracts.

[A. P. (DIR Series) Circular No. 34 dated February 11, 2010]

vi) Memorandum of Procedure for channeling transactions through Asian Clearing Union (ACU)

The Memorandum containing detailed procedural instructions for channeling transactions through Asian Clearing Union (ACU) (Memorandum ACM) was issued in April, 2003.

In view of the changes effected in the settlement system in ACU mechanism, as decided in the 37th ACU Board Meeting held in June, 2008, the Memorandum ACM containing Memorandum of Procedure for channeling transactions through Asian Clearing Union (ACU) has been updated.

[A. P. (DIR Series) Circular No. 35 dated February 17, 2010]

vii) Overseas Investment Application - Online Reporting of Overseas Direct Investment in Form ODI

The on-line reporting system for receiving the ODI forms on-line would be operationalised in a phased manner, with effect from March 2, 2010, to simplify the existing reporting framework. The new system would enable on-line generation of the Unique Identification Number (UIN), acknowledgment of remittance/s and filing of the Annual Performance Reports (APRs) and easy accessibility to data at the AD level for reference purposes.

2. As per the plan, initially, Part I (Sections A to D), II and III of form ODI would be filed on-line in the Overseas Investment

Application for allotment of UIN, reporting of subsequent remittances, filing of APRs, *etc.* AD Category –I banks would continue to receive the ODI forms in physical form, as stipulated in the A. P. (DIR Series) Circular No. 68 dated June 1, 2007, which should be preserved, UIN wise, for onward submission to the Reserve Bank, if specifically required. Transactions in respect of Mutual Funds, Portfolio Investment Scheme (PIS) and Employees Stock Options Scheme (ESOPS) are also required to be reported on-line in the Overseas Investment Application.

3. The on-line reporting would be required to be made by the Centralised Unit/ Nodal Office of AD Category - I banks. The Overseas Investment Application would be hosted on the Reserve Bank's Secured Internet Website (SIW) https://secweb.rbi.org.in and a link would be made available for accessing the Application on the main page of the website. AD Category – I banks would be responsible for the validity of the information reported on-line. The detailed operational guidelines for accessing the Overseas Investment Application would be communicated to the AD Category - I banks separately.

4. The application for overseas investment under the approval route would continue to be submitted to the Reserve Bank in physical form as hitherto, in addition to the on-line reporting of Part I as contemplated above, for approval purposes. Further, the transactions relating to closure / disinvestment/ winding up/ voluntary liquidation of the overseas Joint Ventures/ Wholly Owned Subsidiaries (JVs / WOSs) under the automatic and approval routes (Part IV of form ODI) would continue to be submitted to the Reserve Bank in physical form as is being done at present.

5. As per the new reporting system, AD Category – I banks would be able to generate the UIN, on-line under the automatic route. However, subsequent remittances under the automatic route and remittances under the approval route should be made and reported on-line in Part II, only after receipt of the letter, confirming the UIN from the Reserve Bank.

[A. P. (DIR Series) Circular No. 36 dated February 24, 2010]

vii) Exim Bank's Line of Credit of USD 25 million to the Government of the Democratic Republic of Congo

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated August 27, 2009 with the Government of the Democratic Republic of Congo making available to the latter, a Line of Credit (LoC) of USD 25 million (USD twenty five million) for financing eligible goods, machinery, equipment and services including consultancy services from India for the purpose of installation of hand pumps and submersible pumps in the Democratic Republic of Congo.

The Credit Agreement under the LoC is effective from January 20, 2010 and date of execution of the Agreement is August 27,

2009. 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 case of project exports and 72 months (August 26, 2015) from the execution date of the Credit Agreement in case of supply contracts.

[A. P. (DIR Series) Circular No. 37 dated February 25, 2010]

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I, Gunjeet Kaur, hereby, declare that the particulars given above are true to the best of my knowledge and belief.

(Gunjeet Kaur)
Signature of Publisher

Date : March 1, 2010



Current Statistics

General

Money and Banking

Government Accounts

Government Securities Market

Production

Capital Market

Prices

Trade and Balance of Payments

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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	2006-07	2007-08	2008-09	2009		2010
						Nov.	Dec.	Jan.
1	2	3	4	5	6	7	8	9
Output								
1. Gross Domestic Product at Factor Cost (at 2004-05 prices)	Rs. crore	10,83,572 **	28,71,120 **	38,93,457	41,54,973 (Q.E.)			
2. Index number of Agricultural Production (All crops)	Triennium ended 1993-94=100	148.4	167.2	168.6 ($)	..			
a. Foodgrains Production	Million tonnes	176.4	217.3	230.8	234.5			
3. General Index of Industrial Production (1)	1993-94=100	212.6 *	247.1	268.0	275.4	298.9 (P)	331.7 (p)	
Money and Banking Reserve Bank of India (2)								
4. Notes in Circulation	Rs. crore	53,784	4,96,775	5,82,055	6,81,058	7,41,227	7,54,587	7,61,622
5. Rupee Securities (3)	"	86,035	96,861	83,707	1,21,962	94,923	1,73,510	1,01,317
6. Loans and Discount	"	19,900	6,585	4,579	21,562	4,215	3,707	4,946
(a) Scheduled Commercial Banks (4)	"	8,169	6,245	4.000	11,728	–	–	–
(b) Scheduled State Co-operative Banks (4)	"	38	–	–	–	–	–	–
(c) Bills Purchased and Discounted (internal)	"	–	–	–	–	–	–	–
Scheduled Commercial Banks								
7. Aggregate Deposits (5)	Rs. crore	1,92,541	26,11,933	31,96,939	38,34,110	42,00,661	42,15,348	42,95,391 (P)
8. Bank Credit (5)	"	1,16,301	19,31,189	23,61,914	27,75,549	29,09,141	29,71,932	30,29,079 (P)
9. Investment in Govt. Securities (5)	"	49,998	7,76,058	9,58,661	11,55,786	13,75,441	13,54,262	13,87,245 (P)
10. Cheque Clearances (6)	Rs. thousand crore	1,703	6,467	7,044	6,020 (P)	315 (P)	345 (P)	321 (P)
11. Money Stock Measures (7)								
(a) M_1	Rs. crore	92,892	9,67,955	11,55,837	12,53,184	13,05,553	13,26,802	13,69,340
(b) M_3	"	2,65,828	33,10,068	40,17,883	47,64,019	51,95,555	52,09,322	53,39,406
Cash Reserve Ratio and Interest Rates								
12. Cash Reserve Ratio (2), (16)	Per cent	15.00	6.50	7.50	5.00	5.00	5.00	5.00
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	0.50-4.90	6.15-9.30	2.50-5.75	2.25-3.32	2.40-4.10	2.00-3.35
15. Deposit Rate (9)								
(a) 30 days and 1 year	"	8.00 (11)	3.00-9.50	3.00-7.50	3.25-8.00	1.50-6.00	1.50-6.00	1.50-6.00
(b) 1 year and above	"	9.00-11.00	7.50-9.60	8.25-9.00	8.00-8.50	6.00-7.50	6.00-7.50	6.00-7.50

Q.E. : Quick Estimate. R.E. : Revised Estimate. ** : Data for 1990-91 correspounds to 1999-2000 base.
* : 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.
$: Based on Fourth Advance Estimates for 2007-08 as released on July 9, 2008.
@ : 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	2006-07	2007-08	2008-09	2009		2010
						Nov.	Dec.	Jan.
1	2	3	4	5	6	7	8	9
16. Prime Lending Rate (10)	"		12.25-12.50	12.25-12.75	11.50-12.50	11.00-12.00	11.00-12.00	11.00-12.00
17. Yield on 11.40% Loan 2008 @	"		7.22	7.26				
18. Yield on 7.40% Loan 2012 #	"		7.55	7.83	7.26	6.29	6.47	6.25
Government Securities Market (2)								
19. Govt. of India 91-day Treasury Bills (Total outstandings)	Rs. crore		45,229	39,957	75,549	71,500	71,500	71,503
Price Indices								
20. Wholesale Prices (13)	1993-94=100							
(a) All Commodities	"	182.7 +	206.1	215.9	233.9	247.2	246.5 (P)	248.5 (P)
(b) Primary Articles	"	184.9 +	208.6	224.8	247.3	285.9	284.1 (P)	284.7 (P)
(c) Fuel, Power, Light and Lubricants	"	175.8 +	324.9	327.2	351.4	345.4	345.2 (P)	351.5 (P)
(d) Manufactured Products	"	182.8 +	179.0	188.0	203.1	211.8	211.5 (P)	213.0 (P)
(e) Foodgrains (Cereals + Pulses)	"	179.2 +	205.9	215.6	234.1	282.6	280.0 (P)	285.5 (P)
(f) Edible Oils	"	223.3 +	154.6	175.4	188.1	176.7	179.9 (P)	180.1 (P)
(g) Sugar, Khandsari & Gur	"	152.3 +	179.8	155.2	168.7	256.8	256.5 (P)	273.9 (P)
(h) Raw Cotton	"	145.5 +	151.8	193.0	196.6	219.3	229.0 (P)	232.1 (P)
21. Consumer Prices (All-India) (1)								
(a) Industrial Workers ^	2001=100	193	125	133	145	168	169	172
(b) Urban Non-Manual Employees ^^	1984-85=100	161	486	515	561	655	657	..
(c) Agricultural Labourers	July 1986-June 1987=100	..	388	417	462	532	538	542
Foreign Trade								
22. Value of Imports	U.S. $ Million	24,073	185,735	251,439	303,696	22,888 (P)	24,753 (P)	..
23. Value of Exports	"	18,145	126,414	162,904	185,295	13,199 (P)	14,606 (P)	..
24. Balance of Trade	"	–5,927	-59,321	-88,535	-118,401	-9,690 (P)	-10,147 (P)	..
25. Foreign Exchange Reserves (14)								
(a) Foreign Currency Assets	U.S. $ Million	2,236	191,924	299,230	241,426	263,191	258,583	256,362
(b) Gold	"	3,496	6,784	10,039	9,577	18,182	18,292	18,056
(c) SDRs	"	102	2	18	1	5,309	5,169	5,124
Employment Exchange Statistics (15)								
26. Number of Registrations	Thousand	6,541	..	..	..	..	..	..
27. Number of Applicants								
(a) Placed in Employment	"	265	..	..	..	..	..	..
(b) On live Register (14)	"	34,632	..	..	..	..	..	..

Money and Banking

No. 2: Reserve Bank of India

(Rs. crore)

Last Friday / Friday	1990-91	2007-08	2008-09	2009						2010				
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb. 5	Feb. 12	Feb. 19	Feb. 26
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Issue Department Liabilities														
Notes in Circulation	53,784	5,82,055	6,81,058	6,65,243	6,96,058	7,11,316	7,25,984	7,41,227	7,54,587	7,61,622	7,67,932	7,74,627	7,75,466	7,75,040
Notes held in Banking Department	23	20	16	17	15	20	23	14	16	19	17	18	19	14
Total Liabilities (Total Notes Issued) or Assets	**53,807**	**5,82,075**	**6,81,074**	**6,65,261**	**6,96,072**	**7,11,336**	**7,26,007**	**7,41,242**	**7,54,603**	**7,61,641**	**7,67,949**	**7,74,645**	**7,75,485**	**7,75,055**
Assets														
Gold Coin and Bullion	6,654	31,170	40,390	40,390	38,050	39,247	41,434	41,434	44,282	43,871	43,871	43,871	43,871	43,411
Foreign Securities	200	5,49,722	6,39,531	6,23,648	6,56,920	6,70,892	6,83,498	6,98,629	7,09,232	7,16,617	7,22,953	7,29,675	7,30,343	7,30,405
Rupee Coin (1)	29	136	106	176	56	150	29	132	41	107	79	53	223	193
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**	**5,36,851**	**3,52,156**	**3,21,405**	**2,88,091**	**3,01,312**	**3,06,574**	**2,83,273**	**3,46,212**	**2,73,219**	**2,55,707**	**2,83,299**	**2,95,425**	**3,18,399**
Central Government	61	83,645	101	101	31,462	30,875	19,491	8,560	53,538	4,211	100	100	101	222
Market Stabilisation Scheme	–	1,68,392	88,077	1,01,991	18,773	18,773	18,773	18,773	18,773	7,737	7,737	7,737	7,737	7,737
State Governments	33	41	1,045	41	41	41	41	183	41	41	41	105	41	1,979
Scheduled Commercial Banks	33,484	2,57,122	2,38,195	1,94,466	2,10,431	2,25,681	2,42,199	2,28,609	2,47,196	2,34,244	2,21,625	2,48,335	2,59,252	2,79,695
Scheduled State Co-operative Banks	244	3,396	3,142	2,636	3,081	3,108	3,250	3,410	3,553	3,202	3,323	3,431	3,921	3,873
Non-Scheduled State Co-operative Banks	13	62	96	65	79	66	71	75	70	73	74	71	72	70
Other Banks	88	11,946	9,732	9,345	10,514	10,435	10,751	10,686	11,200	11,157	11,052	11,761	12,514	12,941
Others	4,619	12,247	11,768	12,761	13,711	12,333	11,998	12,978	11,840	12,553	11,753	11,759	11,788	11,883
Other Liabilities (2)	28,342	2,14,216	3,96,402	3,66,203	4,28,159	4,17,787	4,04,065	4,07,792	3,88,139	3,63,646	3,57,240	3,57,058	3,55,311	3,46,968
Total Liabilities or Assets	**66,884**	**7,51,067**	**7,48,557**	**6,87,608**	**7,16,250**	**7,19,100**	**7,10,639**	**6,91,066**	**7,34,350**	**6,36,865**	**6,12,947**	**6,40,357**	**6,50,736**	**6,65,367**

See 'Notes on Tables.'

No. 2: Reserve Bank of India *(Concld.)*

(Rs. crore)

Last Friday / Friday	1990-91	2007-08	2008-09	2009						2010				
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb. 5	Feb. 12	Feb. 19	Feb. 26
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Assets														
Notes and Coins	23	20	16	18	15	20	23	15	16	19	17	18	19	15
Balances held Abroad (3)	4,008	6,49,661	5,82,537	5,87,132	6,17,249	5,94,343	5,70,194	5,30,841	5,01,488	4,73,081	4,61,436	4,54,594	4,51,888	4,44,743
Loans and Advances														
Central Government	–	–	–	9,603	–	–	–	–	–	–	–	–	–	–
State Governments (4)	916	–	–	243	90	227	169	100	85	778	516	806	272	1,067
Scheduled Commercial Banks	8,169	4,000	11,728	7,113	–	–	–	–	–	–	–	–	240	240
Scheduled State Co–op.Banks	38	–	–	–	–	–	20	–	–	–	–	–	30	–
Industrial Dev. Bank of India	3,705	–	–	–	–	–	–	–	–	–	–	–	–	–
NABARD	3,328	–	–	–	–	–	–	–	–	–	–	–	–	–
EXIM Bank	745	–	–	–	–	–	–	–	–	–	–	–	–	–
Others	1,615	579	9,834	5,541	8,876	9,507	4,734	4,115	3,622	4,168	4,914	3,606	3,329	3,413
Bills Purchased and Discounted														
Internal	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Government Treasury Bills	1,384	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	40,286	85,607	1,23,891	54,245	62,212	86,723	1,09,771	96,850	1,75,432	1,03,235	89,244	1,26,441	1,40,857	1,62,469
Other Assets (5)	2,666	11,201	20,552	23,714	27,807	28,278	25,727	59,144	53,708	55,583	56,820	54,892	54,101	53,422
	(–)	(6,984)	(9,050)	(9,050)	(8,526)	(8,794)	(9,284)	(40,747)	(40,226)	(39,852)	(39,852)	(39,852)	(39,852)	(39,434)

No. 3: All Scheduled Banks – Business in India

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2007-08	2008-09	2009							2010
				Jan.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.(P)
1	2	3	4	5	6	7	8	9	10	11	12
Number of Reporting Banks	299	239	235	234	234	234	234	234	234	234	234
Liabilities to the Banking System (1)	**6,673**	**1,01,724**	**1,04,419**	**99,540**	89,546	**92,059**	**85,036**	**82,043**	**76,649**	**88,386**	**81,751**
Demand and Time Deposits from Banks (2)	5,598	50,306	53,134	48,490	55,117	55,813	58,898	53,916	52,240	56,210	58,177
Borrowings from Banks (3)	998	33,034	29,504	25,641	19,799	22,782	19,924	22,409	18,841	26,630	18,003
Other Demand and Time Liabilities (4)	77	18,385	21,780	25,409	14,631	13,464	6,214	5,718	5,568	5,546	5,571
Liabilities to Others (1)	**2,13,125**	**37,06,404**	**43,79,668**	**42,03,542**	**46,25,577**	**46,50,953**	**46,68,524**	**47,63,652**	**47,85,036**	**47,94,326**	**48,67,509**
Aggregate Deposits (5)	**1,99,643**	**32,97,074**	**39,52,603**	**37,79,670**	**41,98,885**	**42,09,619**	**42,49,067**	**43,19,566**	**43,34,914**	**43,53,579**	**44,34,256**
Demand	34,823	5,35,930	5,34,791	4,73,197	5,39,919	5,49,812	5,67,090	5,54,083	5,44,780	5,63,827	5,74,923
Time (5)	1,64,820	27,61,144	34,17,813	33,06,473	36,58,966	36,59,807	36,81,978	37,65,484	37,90,134	37,89,752	38,59,333
Borrowings (6)	645	1,07,712	1,15,355	1,15,258	1,04,054	1,19,414	95,823	1,33,803	1,29,792	1,22,766	1,05,183
Other Demand and Time Liabilities (4)	12,838	3,01,618	3,11,709	3,08,614	3,22,638	3,21,920	3,23,634	3,10,283	3,20,331	3,17,981	3,28,070
Borrowings from Reserve Bank (7)	**3,483**	**4,000**	**11,728**	**6,261**	**296**	**–**	**–**	**20**	**–**	**–**	**–**
Against Usance Bills / Promissory Notes	–	–	–	–	–	–	–	–	–	–	–
Others (8)	3,483	4,000	11,728	6,261	296	–	–	20	–	–	–
Cash in Hand and Balances with Reserve Bank	**25,995**	**2,83,514**	**2,65,699**	**2,24,985**	**2,41,116**	**2,41,482**	**2,58,069**	**2,76,231**	**2,64,277**	**2,80,602**	**2,68,224**
Cash in Hand	1,847	18,593	20,825	22,222	24,530	24,167	25,449	26,846	28,413	25,783	26,766
Balances with Reserve Bank (9)	24,147	2,64,921	2,44,874	2,02,762	2,16,586	2,17,315	2,32,620	2,49,385	2,35,864	2,54,819	2,41,458

See "Notes on Tables".

No. 3: All Scheduled Banks – Business in India *(Concld.)*

(Rs. crore)

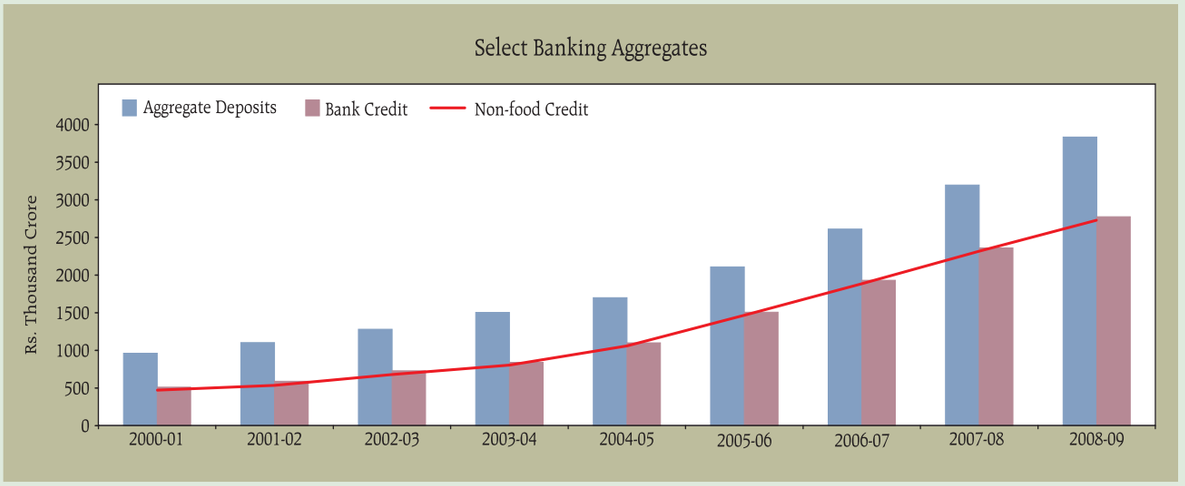
Last Reporting Friday (in case of March)/ Last Friday	1990-91	2007-08	2008-09	2009							2010
				Jan.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan. (P)
1	2	3	4	5	6	7	8	9	10	11	12
Assets with the Banking System	**6,848**	**1,03,411**	**1,47,546**	**1,23,895**	**1,25,985**	**1,26,118**	**1,24,710**	**1,16,498**	**1,13,598**	**1,32,448**	**1,18,710**
Balances with Other Banks	3,347	41,310	59,896	48,677	57,236	55,084	60,231	55,070	52,636	58,734	59,659
In Current Account	1,926	16,553	13,280	11,780	11,568	11,080	12,342	10,970	10,871	12,495	11,936
In Other Accounts	1,421	24,757	46,616	36,897	45,668	44,004	47,889	44,100	41,765	46,239	47,722
Money at Call and Short Notice	2,201	25,766	26,295	23,029	21,341	23,325	21,047	25,342	24,029	33,513	21,415
Advances to Banks (10)	902	4,157	3,215	3,079	1,998	1,976	2,662	2,175	2,257	3,354	2,420
Other Assets	398	32,177	58,140	49,110	45,410	45,733	40,770	33,911	34,676	36,847	35,217
Investment	**76,831**	**10,05,952**	**12,05,544**	**12,07,584**	**13,80,324**	**14,11,565**	**14,18,247**	**13,96,886**	**14,30,558**	**14,11,209**	**14,51,904**
Government Securities (11)	51,086	9,91,899	11,93,456	11,96,446	13,69,489	14,00,951	14,08,431	13,87,564	14,20,952	14,01,184	14,34,457
Other Approved Securities	25,746	14,053	12,089	11,138	10,835	10,614	9,816	9,322	9,606	10,025	17,447
Bank Credit	**1,25,575**	**24,47,646**	**28,59,554**	**27,22,061**	**28,86,311**	**28,88,410**	**29,57,035**	**29,69,500**	**29,91,459**	**30,56,482**	**31,15,780**
Loans, Cash-credits and Overdrafts	1,14,982	23,45,470	27,57,577	26,27,855	27,89,002	27,89,439	28,51,807	28,64,825	28,89,173	29,47,518	30,06,867
Inland Bills-Purchased	3,532	12,988	12,470	13,550	11,939	11,184	11,418	11,051	10,645	11,765	12,072
Inland Bills-Discounted	2,409	41,400	43,987	38,818	46,034	46,261	49,884	52,255	48,359	54,708	56,322
Foreign Bills-Purchased	2,788	16,535	18,651	16,407	15,650	15,495	17,310	16,200	16,766	16,367	15,525
Foreign Bills-Discounted	1,864	31,253	26,868	25,431	23,685	26,031	26,616	25,169	26,516	26,123	24,992
Cash-Deposit Ratio	13.0	8.6	6.7	6.0	5.7	5.7	6.1	6.4	6.1	6.4	6.0
Investment-Deposit Ratio	38.5	30.5	30.5	31.9	32.9	33.5	33.4	32.3	33.0	32.4	32.7
Credit-Deposit Ratio	62.9	74.2	72.3	72.0	68.7	68.6	69.6	68.7	69.0	70.2	70.3

No. 4: All Scheduled Commercial Banks – Business in India

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2007-08	2008-09	2009							2010
				Jan.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.(P)
1	2	3	4	5	6	7	8	9	10	11	12
Number of Reporting Banks	271	170	166	165	165	165	165	165	165	165	165
Liabilities to the Banking System (1)	**6,486**	**98,154**	**1,00,116**	**95,272**	**84,842**	**87,191**	**80,412**	**79,807**	**74,422**	**86,146**	**78,970**
Demand and Time Deposits from Banks (2), (12)	5,443	46,778	48,856	44,271	50,418	50,961	54,304	51,715	50,031	53,994	55,418
Borrowings from Banks (3)	967	32,996	29,487	25,595	19,796	22,769	19,898	22,380	18,828	26,615	17,996
Other Demand and Time Liabilities (4)	76	18,379	21,773	25,406	14,628	13,461	6,209	5,712	5,562	5,538	5,557
Liabilities to Others (1)	**2,05,600**	**36,01,799**	**42,55,566**	**40,87,546**	**44,91,862**	**45,16,406**	**45,32,201**	**46,21,293**	**46,44,510**	**46,49,444**	**47,21,877**
Aggregate Deposits (5)	**1,92,541**	**31,96,939**	**38,34,110**	**36,68,375**	**40,70,458**	**40,80,711**	**41,18,603**	**41,83,284**	**42,00,661**	**42,15,348**	**42,95,391**
Demand	33,192	5,24,310	5,23,085	4,62,461	5,28,171	5,37,835	5,54,660	5,41,003	5,31,468	5,50,004	5,61,194
Time (5)	1,59,349	26,72,630	33,11,025	32,05,913	35,42,287	35,42,876	35,63,943	36,42,281	36,69,193	36,65,345	37,34,198
Borrowings (6)	470	1,06,504	1,13,936	1,14,178	1,02,799	1,18,067	94,442	1,32,049	1,28,150	1,20,830	1,03,196
Other Demand and Time Liabilities (4), (13)	12,589	2,98,355	3,07,520	3,04,993	3,18,605	3,17,628	3,19,156	3,05,959	3,15,699	3,13,265	3,23,289
Borrowings from Reserve Bank (7)	**3,468**	**4,000**	**11,728**	**6,261**	**296**	**–**	**–**	**–**	**–**	**–**	**–**
Against Usance Bills/ Promissory Notes	–	–	–	–	–	–	–	–	–	–	–
Others	3,468	4,000	11,728	6,261	296	–	–	–	–	–	–

See 'Notes on Tables'.



No. 4: All Scheduled Commercial Banks – Business in India *(Concld.)*

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2007-08	2008-09	2009							2010
				Jan.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.(P)
1	2	3	4	5	6	7	8	9	10	11	12
Cash in Hand and Balances with Reserve Bank	**25,665**	**2,75,166**	**2,58,475**	**2,18,287**	**2,33,483**	**2,33,915**	**2,50,480**	**2,68,259**	**2,56,377**	**2,72,330**	**2,60,311**
Cash in Hand	1,804	18,044	20,281	21,609	23,869	23,484	24,798	26,060	27,768	25,133	26,067
Balances with Reserve Bank (9)	23,861	2,57,122	2,38,195	1,96,677	2,09,614	2,10,431	2,25,681	2,42,199	2,28,609	2,47,196	2,34,244
Assets with the Banking System	**5,582**	**90,877**	**1,22,571**	**1,05,897**	**95,142**	**95,388**	**93,319**	**83,590**	**80,961**	**1,01,048**	**87,941**
Balances with Other Banks	2,846	36,016	52,909	43,047	48,561	46,014	50,810	46,192	43,963	50,420	51,557
In Current Account	1,793	14,871	11,810	10,507	10,206	9,705	11,052	9,692	9,674	11,270	10,480
In Other Accounts	1,053	21,145	41,099	32,540	38,355	36,309	39,759	36,500	34,289	39,150	41,076
Money at Call and Short Notice	1,445	19,925	15,038	15,599	8,953	11,718	9,906	11,633	10,407	20,795	8,722
Advances to Banks (10)	902	3,779	2,904	2,753	1,720	1,697	2,384	1,922	1,994	2,954	2,139
Other Assets	388	31,156	51,721	44,498	35,909	35,958	30,218	23,843	24,597	26,879	25,524
Investment	**75,065**	**9,71,715**	**11,66,410**	**11,68,305**	**13,35,768**	**13,65,992**	**13,72,085**	**13,49,839**	**13,82,702**	**13,61,410**	**14,01,558**
Government Securities (11)	49,998	9,58,661	11,55,786	11,58,338	13,26,870	13,57,134	13,64,083	13,42,342	13,75,441	13,54,262	13,87,245
Other Approved Securities	25,067	13,053	10,624	9,967	8,898	8,859	8,003	7,497	7,260	7,148	14,313
Bank credit (14)	**1,16,301 (4,506)**	**23,61,914 (44,399)**	**27,75,549 (46,211)**	**26,37,780 (45,521)**	**28,05,224 (48,891)**	**28,06,741 (49,111)**	**28,74,670 (42,418)**	**28,87,191 (39,904)**	**29,09,141 (42,355)**	**29,71,932 (45,239)**	**30,29,079 (43,915)**
Loans,Cash-Credits and Overdrafts	1,05,982	22,61,576	26,75,677	25,45,620	27,09,996	27,09,703	27,71,417	27,84,387	28,08,625	28,64,741	29,22,026
Inland Bills-Purchased	3,375	12,594	11,714	12,790	11,074	10,165	10,387	10,110	10,132	11,243	11,513
Inland Bills-Discounted	2,336	40,553	43,157	38,011	45,153	45,688	49,296	51,667	47,437	53,802	55,387
Foreign Bills-Purchased	2,758	16,499	18,522	16,380	15,625	15,452	17,270	16,169	16,725	16,323	15,456
Foreign Bills-Discounted	1,851	30,691	26,479	24,979	23,375	25,733	26,300	24,859	26,222	25,823	24,697
Cash-Deposit Ratio	13.3	8.6	6.7	6.0	5.7	5.7	6.1	6.4	6.1	6.5	6.1
Investment- Deposit Ratio	39.0	30.4	30.4	31.8	32.8	33.5	33.3	32.3	32.9	32.3	32.6
Credit-Deposit Ratio	60.4	73.9	72.4	71.9	64.8	68.8	69.8	69.0	69.3	70.5	70.5

No. 5: Scheduled Commercial Banks' Investments

(Rs. 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 21, 2003	5,47,546	4,041	1,639	7,591	–	48,258	33,026	–	6,455	31,066
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
January 2, 2009	11,50,038	16,730	3,358	25,157	114	25,056	31,183	26,261	43,185	25,347
January 16, 2009	11,39,279	18,702	2,988	25,073	516	25,610	33,522	30,056	60,355	26,148
January 30, 2009	11,68,305	17,174	3,005	25,178	359	26,195	34,226	30,170	71,246	28,767
February 13, 2009	11,68,869	17,717	2,771	25,400	355	25,825	33,765	30,178	83,258	30,282
February 27, 2009	11,86,557	15,752	2,778	25,455	251	26,988	33,442	29,764	90,273	24,327
March 13, 2009	11,80,132	15,248	2,782	25,507	251	25,041	33,352	29,967	83,957	30,968
March 27, 2009	11,66,410	20,001	2,769	25,060	407	25,456	33,131	31,073	37,035	32,585
April 10, 2009	12,51,702	20,018	2,760	25,117	646	23,121	33,774	28,462	90,840	32,708
April 24, 2009	12,36,092	17,559	2,757	25,002	305	23,403	33,631	30,350	1,04,318	29,479
May 8, 2009	12,68,610	15,424	2,719	24,893	263	23,234	32,790	30,802	1,19,372	29,800
May 22, 2009	12,56,911	16,841	2,565	24,710	391	22,364	34,186	29,576	1,21,039	28,784
June 5, 2009	12,73,903	16,668	2,481	24,564	320	22,485	34,253	29,944	1,20,546	28,269
June 19, 2009	12,91,463	15,830	2,561	24,370	255	22,050	34,863	28,592	1,23,452	27,510
July 3, 2009	13,36,303	15,595	2,475	24,468	239	22,098	35,473	30,874	89,570	27,516
July 17, 2009	13,18,106	15,029	2,456	24,587	194	21,806	34,612	30,665	1,32,267	26,939
July 31, 2009	13,35,768	14,610	2,355	24,406	111	21,783	35,328	31,809	1,39,934	26,185
August 14, 2009	13,43,160	13,490	2,062	24,826	99	21,987	34,535	31,400	1,54,232	28,221
August 28, 2009	13,65,992	13,327	2,247	24,957	98	22,741	36,738	30,793	1,51,498	26,927
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	14,12,798	18,078	2,780	25,502	63	22,326	36,935	30,081	42,428	28,939
January 15, 2010	13,80,157	14,030	2,699	25,266	63	20,228	36,539	29,571	1,03,087	27,418
January 29, 2010	14,01,558	15,473	3,001	25,398	82	20,238	37,229	30,184	1,07,391	28,291

PSUs : Public Sector Undertakings.

Note : Data on Investments are based on Statutory Section 42(2) Returns.
Final data upto : December 18, 2009.

No. 6: State Co-operative Banks - Maintaining Accounts with the Reserve Bank of India

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday/ Reporting Friday	1990-91	2007-08	2008-09	2008	2009								
				Oct.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct. 9	Oct. 23	Oct. 30
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**	**19,611**	**22,588**	**20,805**	**23,282**	**23,812**	**24,030**	**24,112**	**24,179**	**24,676**	**24,908**	**25,152**	**25,775**
Demand Liabilities	**1,831**	**6,636**	**8,051**	**6,880**	**7,865**	**7,138**	**7,442**	**7,478**	**7,366**	**7,704**	**8,459**	**8,183**	**7,703**
Deposits													
Inter-Bank	718	1,539	1,936	1,371	1,587	1,126	1,299	1,332	1,397	1,497	1,666	1,609	1,336
Others	794	3,628	4,058	3,849	4,185	4,066	4,198	4,270	4,056	4,323	4,404	4,462	4,430
Borrowings from Banks	181	428	367	303	350	399	346	237	240	321	327	299	299
Others	139	1,041	1,689	1,356	1,743	1,547	1,599	1,639	1,672	1,562	2,062	1,813	1,638
Time Liabilities	**3,963**	**47,523**	**59,625**	**51,261**	**63,846**	**64,608**	**64,472**	**65,484**	**65,699**	**66,425**	**67,035**	**67,717**	**69,093**
Deposits													
Inter-Bank	2,545	31,111	40,589	33,769	44,260	44,368	44,164	45,110	45,123	45,533	45,988	46,466	47,222
Others	1,359	15,983	18,530	16,955	19,097	19,746	19,832	19,842	20,123	20,353	20,505	20,690	21,345
Borrowings from Banks	–	8	7	8	7	7	10	80	7	73	73	73	73
Others	59	421	500	529	482	488	466	452	447	466	469	489	453
Borrowing from Reserve Bank	**15**	**–**	**–**	**22**	**10**	**10**	**10**	**–**	**–**	**–**	**–**	**–**	**–**
Borrowings from the State Bank and / or a Notified bank (2) and State Government	**1,861**	**13,988**	**11,879**	**11,214**	**12,312**	**11,165**	**11,309**	**9,930**	**10,525**	**10,363**	**10,383**	**10,616**	**10,101**
Demand	116	3,378	3,057	3,120	3,161	2,715	2,646	2,448	2,538	2,368	2,503	2,459	2,192
Time	1,745	10,610	8,822	8,094	9,151	8,450	8,663	7,482	7,988	7,995	7,880	8,158	7,909
Assets													
Cash in Hand and Balances with Reserve Bank	**334**	**3,639**	**3,387**	**3,687**	**3,339**	**3,247**	**3,496**	**3,381**	**3,306**	**3,325**	**3,151**	**3,423**	**3,490**
Cash in Hand	24	143	149	158	149	156	161	150	149	152	166	174	176
Balance with Reserve Bank	310	3,496	3,238	3,529	3,190	3,091	3,335	3,230	3,157	3,174	2,985	3,249	3,314
Balances with Other Banks in Current Account	93	486	554	449	557	435	498	473	474	508	559	699	492
Investments in Government Securities (3)	1,058	16,806	18,432	17,996	19,314	20,561	21,148	21,516	22,302	22,308	21,636	21,929	22,113
Money at Call and Short Notice	498	7,855	15,801	10,410	17,327	17,292	17,620	16,378	16,637	16,317	17,394	17,196	17,707
Bank Credit (4)	**2,553**	**17,345**	**18,501**	**16,855**	**18,996**	**17,956**	**17,451**	**16,767**	**16,923**	**16,865**	**16,833**	**18,352**	**16,272**
Advances													
Loans, Cash-Credits and Overdrafts	2,528	17,336	18,490	16,846	18,987	17,947	17,441	16,761	16,917	16,858	16,827	18,346	16,266
Due from Banks (5)	5,560	32,466	27,239	29,357	26,478	25,339	25,416	24,770	25,742	25,925	26,061	25,907	25,657
Bills Purchased and Discounted	25	9	10	9	9	8	10	7	6	7	6	6	7
Cash - Deposit Ratio	15.5	18.6	15.0	17.7	14.3	13.6	14.5	14.0	13.7	13.5	12.7	13.6	13.5
Investment - Deposit Ratio	49.2	85.7	81.6	86.5	83.0	86.3	88.0	89.2	92.2	90.4	86.9	87.2	85.8
Credit - Deposit Ratio	118.6	88.4	81.9	81.0	81.6	75.4	72.6	69.5	70.0	68.3	67.6	73.0	63.1

See 'Notes on Tables'.

No. 7: Reserve Bank's Standing Facilities to Scheduled Commercial Banks

(Rs. 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	–	–	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
Dec. 2007	–	–	–	–	7,818.76	779.00	–	–	–	–	–	–	7,818.76	779.00
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
May 2008	–	–	–	–	9,264.62	166.00	–	–	–	–	–	–	9,264.62	166.00
Jun. 2008	–	–	–	–	9,052.03	1,132.14	–	–	–	–	–	–	9,052.03	1,132.14
Jul. 2008	–	–	–	–	9,763.13	3,129.09	–	–	–	–	–	–	9,763.13	3,129.09
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	–

@ : '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 in to a single facility effective from March 29, 2004.

Also see 'Notes on Tables'.

No. 8: Cheque Clearing Data

(Number in Lakhs and Amount in Rs. 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	14,605.6	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 (P)	13,959.1	1,24,61,201.7	11,623.4	1,04,00,308.7	2,335.7	20,60,892.9	8,332.4	82,89,452.1	570.3	4,77,112.7	687.6	5,46,017.8	74.5	70,837.6
2008-09 (P)														
April	1,189.1	12,07,897.2	990.1	9,72,117.8	199.0	2,35,779.4	711.8	7,93,764.5	48.8	42,523.7	59.7	50,815.7	6.2	6,141.1
May	1,156.6	10,97,478.6	965.8	9,14,063.8	190.8	1,83,414.8	688.4	7,35,573.5	49.4	44,123.5	59.2	47,445.8	6.7	5,431.2
June	1,125.4	10,73,408.2	933.8	9,11,800.1	191.6	1,61,608.1	671.6	7,38,462.2	47.6	40,484.2	57.3	47,982.1	5.6	4,784.8
July	1,223.9	11,15,084.0	1,018.8	9,48,393.9	205.1	1,66,690.1	745.2	7,82,797.7	50.7	41,511.1	63.5	51,084.8	6.6	6,334.2
August	1,144.2	10,00,694.3	961.0	8,62,233.0	183.3	1,38,461.3	687.0	6,74,870.0	46.8	38,179.2	57.7	45,389.6	6.1	4,885.8
September	1,120.9	10,45,407.1	938.7	9,09,992.5	182.1	1,35,414.6	676.5	7,17,759.1	44.9	38,924.6	52.1	43,490.3	6.3	4,969.9
October	1,247.7	10,72,497.2	1,049.0	9,31,616.6	198.7	1,40,880.6	736.8	7,34,950.9	55.0	41,697.0	60.4	52,112.4	6.7	6,034.7
November	1,104.3	8,96,451.0	916.4	7,52,536.0	188.0	1,43,914.9	649.5	5,93,325.3	40.5	35,366.3	53.9	37,748.8	5.9	5,373.9
December	1,173.4	9,36,948.1	964.0	8,04,450.9	209.4	1,32,497.1	699.1	6,40,108.8	45.5	37,278.9	58.0	43,832.8	6.1	6,756.2
January	1,138.6	9,38,909.5	947.5	7,64,997.5	191.1	1,73,912.0	678.1	5,99,237.5	45.5	37,052.0	55.4	41,128.3	6.2	5,738.4
February	1,087.9	8,59,981.6	901.4	7,15,893.1	186.6	1,44,088.5	646.4	5,60,954.3	42.5	33,371.1	52.1	38,879.2	5.7	6,105.2
March	1,247.1	12,16,444.9	1,037.2	9,12,213.5	209.9	3,04,231.4	742.1	7,17,648.3	53.0	46,601.0	58.2	46,108.1	6.5	8,282.2
Total (upto Mar, 09)	**13,959.1**	**1,24,61,201.7**	**11,623.4**	**1,04,00,308.7**	**2,335.7**	**20,60,892.9**	**8,332.4**	**82,89,452.1**	**570.3**	**4,77,112.7**	**687.6**	**5,46,017.8**	**74.5**	**70,837.6**
2009-10														
April (P)	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	4,21,79.6	5.6	5,131.8
May (P)	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	3,52,29.2	5.5	4,726.4
June (P)	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	3,92,37.0	5.5	5,774.7
July (P)	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	4,26,23.4	6.4	5,355.0
August (P)	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	3,74,59.0	6.4	5,355.0
September (P)	1,089.4	8,21,805.6	912.0	6,85,011.4	177.4	1,36,794.2	634.1	5,27,335.8	47.4	36,866.3	50.8	3,58,11.8	5.6	5,507.3
October (P)	1,250.5	9,16,009.3	1,044.5	7,63,886.0	206.0	1,52,123.3	730.2	5,88,533.1	54.1	38,656.5	59.6	4,14,51.9	6.8	6,210.9
November (P)	1,095.3	7,45,163.7	906.5	6,05,263.9	188.8	1,39,899.8	641.2	4,53,702.3	45.7	23,802.2	51.5	32,738.6	5.8	4,326.0
December (P)	1,173.9	8,31,706.5	973.8	6,77,081.6	200.1	1,54,625.0	685.4	5,08,183.3	49.6	38,898.2	56.5	37,100.2	5.3	5,218.4
January (P)	1,141.0	8,13,350.5	940.9	6,58,725.6	200.1	1,54,625.0	658.2	4,80,122.8	47.0	38,402.9	53.2	35,191.4	5.8	5,224.1
Total (upto Jan. 09)	**11,399.9**	**84,88,130.0**	**9,476.6**	**70,32,678.9**	**1,923.2**	**1,45,5451.1**	**6,694.3**	**5,39,0632.5**	**480.7**	**3,55,224.0**	**548.8**	**3,79,021.9**	**58.8**	**52,829.5**

* : 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 Rs. crore)

Month/Year	RBI Centres***													
	Bhubaneswar		Chandigarh		Chennai		Guwahati		Hyderabad		Jaipur		Kanpur	
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	67.0	32,369.0
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	73.0	34,532.0
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	78.0	41,397.0
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	87.1	47,225.8
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	92.7	55,328.7
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	96.9	64,396.1
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	100.0	69,885.1
2008-09 (P)	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	92.8	72,692.4
2008-09 (P)														
April	4.8	7,898.6	11.1	15,341.9	70.7	72,489.2	4.9	6,274.0	38.4	40,598.4	16.6	13,502.7	8.1	6,010.4
May	4.8	8,125.9	11.4	13,000.7	69.6	69,582.6	5.1	5,392.7	38.8	38,131.8	16.6	13,568.5	8.3	6,029.0
June	4.5	6,632.5	10.2	11,862.1	68.7	71,149.3	4.6	4,930.8	37.3	38,755.0	15.6	12,802.2	7.1	5,740.4
July	5.3	8,800.5	11.4	11,275.7	75.6	78,720.8	5.1	5,111.4	41.1	41,507.0	17.3	13,557.8	8.0	5,968.0
August	4.7	6,984.8	10.7	11,619.5	70.3	70,375.1	4.6	4,265.3	36.9	36,005.4	16.0	12,053.7	7.6	5,526.9
September	4.9	6,957.5	10.5	13,186.6	70.2	72,544.8	4.8	4,809.8	37.8	36,634.4	15.8	14,134.9	6.4	4,998.1
October	5.3	7,253.1	11.9	13,155.4	72.0	71,608.6	4.9	4,905.6	38.0	36,958.1	18.4	14,329.4	8.7	7,371.3
November	4.7	6,844.5	10.7	11,879.8	63.8	61,432.9	5.0	4,954.1	37.1	34,102.3	15.7	11,459.3	8.3	5,956.9
December	4.9	7,605.8	11.1	10,674.5	69.4	61,611.0	5.2	4,780.9	35.4	32,809.5	15.8	11,200.5	7.4	6,203.8
January	4.5	6,374.5	11.1	11,166.4	64.0	57,150.4	5.0	5,294.0	35.0	31,278.3	16.4	11,180.4	7.7	6,086.7
February	4.4	6,598.2	10.0	10,250.6	65.4	52,115.5	4.9	4,834.0	33.4	31,257.2	15.1	10,078.4	6.9	5,633.2
March	5.1	7,985.6	11.7	12,037.9	72.4	63,183.7	5.7	6,533.1	38.7	36,699.8	18.2	13,021.7	8.2	7,167.7
Total (upto Mar. 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**	**92.8**	**72,692.4**
2009-10														
April (P)	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	6.9	6,478.5
May (P)	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	7.7	6,668.5
June (P)	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	7.2	6,535.7
July (P)	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	7.7	6,830.0
August (P)	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	7.6	5,121.6
September (P)	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	6.8	4,925.8
October (P)	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	8.5	5,581.8
November (P)	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	14.9	9,023.7	7.9	4,852.1
December (P)	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	16.9	11,074.3	7.3	5,241.5
December (P)	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	16.9	11,074.3	7.3	5,241.5
January (P)	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	16.6	10,976.5	7.0	5,376.2
Total (upto Jan. 10)	**48.3**	**50,422.1**	**109.3**	**1,16,677.5**	**651.4**	**5,40,814.6**	**52.2**	**47,341.3**	**344.0**	**2,93,548.7**	**163.7**	**1,06,135.8**	**74.7**	**57,611.6**

No. 8: Cheque Clearing Data *(Contd.)*

(Number in Lakhs and Amount in Rs. crore)

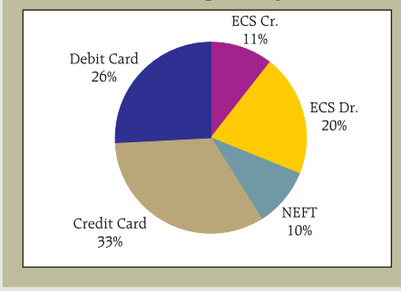
Month/Year	RBI Centres***											
	Kolkata		Mumbai		Nagpur		New Delhi		Patna		Thiruvananthapuram	
1	16		17		18		19		20		21	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	523.0	3,73,131.0	1,679.0	82,17,816.0	102.0	41,151.0	1,079.0	9,90,315.0	27.0	17,421.0	34.0	19,032.0
2002-03	531.0	4,19,164.0	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	470.0	4,65,308.0	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	599.9	5,60,659.9	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	642.4	6,58,639.7	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	684.2	6,82,358.0	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	730.5	7,78,304.3	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 (P)	692.3	7,53,067.8	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
2008-09 (P)												
April	57.9	67,101.2	215.7	2,83,396.5	12.4	9,090.9	146.9	1,61,140.8	5.0	5,581.2	4.7	5,858.2
May	58.3	64,139.9	206.7	2,65,785.6	12.4	9,361.1	146.2	1,43,245.2	5.1	5,105.0	4.7	5,038.1
June	53.1	64,292.9	201.7	2,64,352.0	11.5	9,176.0	137.8	1,45,474.3	4.6	5,939.4	4.4	4,104.2
July	61.9	70,511.5	221.9	2,75,708.5	12.7	9,900.2	153.8	1,52,336.3	5.3	5,540.7	4.9	4,929.1
August	56.7	61,340.9	209.1	2,28,975.1	11.8	8,125.4	138.5	1,32,723.4	4.9	4,566.5	4.5	3,853.2
September	59.5	66,626.1	201.0	2,46,840.5	11.3	8,364.3	141.5	1,46,688.8	5.2	4,539.5	4.3	4,048.7
October	55.4	52,842.5	223.5	2,54,526.8	13.2	9,625.6	152.4	1,49,637.9	5.9	6,788.9	5.0	6,103.7
November	56.0	55,757.8	194.2	1,90,205.0	11.8	7,845.1	132.2	1,15,444.6	5.0	5,122.5	4.6	3,831.4
December	57.5	61,904.2	214.4	2,07,613.3	12.2	8,255.4	146.2	1,30,249.6	5.3	5,432.2	4.6	3,900.1
January	54.9	56,491.2	205.3	1,91,938.8	12.3	8,204.8	145.2	1,20,465.4	5.1	5,344.5	4.6	4,343.6
February	56.2	56,321.9	195.2	1,71,979.0	11.4	8,103.0	134.2	1,16,729.6	4.9	4,921.4	4.1	3,776.7
March	64.8	75,737.5	224.0	2,18,443.9	13.2	10,194.7	152.0	1,50,573.3	5.6	9,095.2	4.7	5,982.9
Total (upto Mar, 09)	**692.3**	**7,53,067.8**	**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												
April (P)	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 (P)	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 (P)	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 (P)	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 (P)	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 (P)	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 (P)	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 (P)	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 (P)	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 (P)	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
Total (upto Jan. 10)	**554.1**	**5,25,424.4**	**2,049.8**	**16,43,389.6**	**116.4**	**75,502.9**	**1,346.1**	**10,58,658.0**	**51.9**	**51,681.6**	**44.0**	**36,349.1**

No. 8: Cheque Clearing Data *(Concld.)*

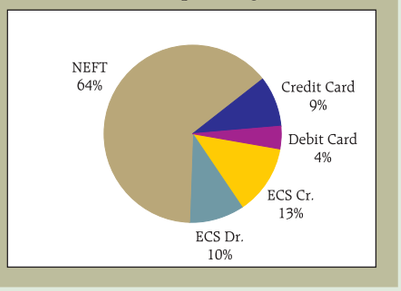
(Number in Lakhs and Amount in Rs. crore)

Month/Year	Other MICR Centres	
1	22	
	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 (P)	3,291.0	21,10,856.7
2008-09 (P)		
April	278.2	1,78,353.3
May	277.4	1,78,490.3
June	262.2	1,73,337.9
July	273.5	1,65,596.2
August	274.0	1,87,363.0
September	262.3	1,92,233.3
October	312.2	1,96,665.7
November	266.9	1,59,210.7
December	264.9	1,64,342.2
January	269.3	1,65,760.0
February	255.0	1,54,938.8
March	295.1	1,94,565.2
Total (upto Mar, 09)	**3,291.0**	**21,10,856.7**
2009-10		
April (P)	265.3	1,69,515.0
May (P)	267.7	1,60,481.8
June (P)	273.0	1,67,870.2
July (P)	291.3	1,70,987.3
August (P)	256.4	1,41,101.1
September (P)	278.0	1,57,675.7
October (P)	314.3	1,75,352.9
November (P)	265.3	1,51,561.6
December (P)	288.4	1,68,898.2
January (P)	282.8	1,78,602.7
Total (upto Jan, 10)	**2782.4**	**16,42,046.4**

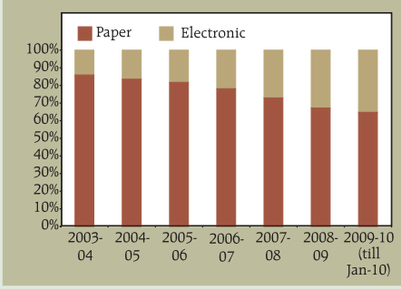
Retail Electronic Transactions - Volume in percentage



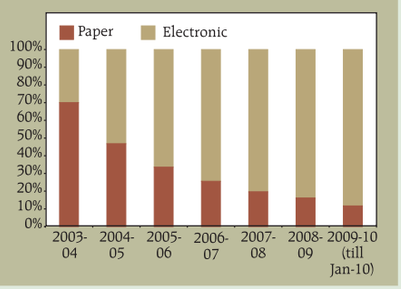
Retail Electronic Transactions - Value in percentage



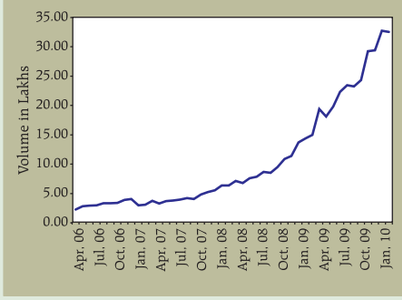
Representation of Electronic Transactions Volume in Total



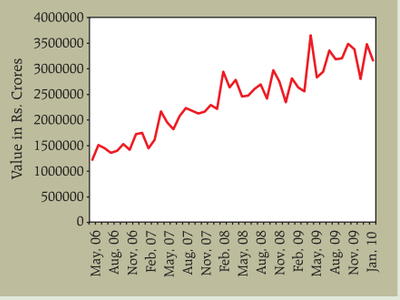
Representation of Electronic Transaction Value in Total



Growth in RTGS Volume



Growth in RTGS Value



No. 9A: Retail Electronic Payment Systems

(Number in Lakh and Amount in Rs. crore)

Year / Period	Total Electronic Payments		Electronic Clearing Services (ECS)				Electronic Funds Transfer EFT/NEFT		Card Payments#					
			ECS (Credit)		ECS (Debit)				Credit			Debit*		
1	2=(3+4+5+6+7)		3		4		5		6			7		
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount	Number of Out-standing Cards**	Volume	Amount	Number of Out-standing Cards**	Volume	Amount
2003-04	1,669.55	52,142.78	203.00	10,228.00	79.00	2,253.58	8.19	17,124.81	–	1,001.79	17,662.72	–	377.57	4,873.67
2004-05	2,289.04	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	2,850.13	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	3,787.09	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	5,353.09	10,41,991.93	783.65	7,82,222.30	1,271.20	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 (P)	6,678.24	5,00,321.79	883.94	97,486.58	1,600.55	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
2008-09 (P)														
April	504.99	38,723.13	60.96	8,590.47	127.11	5,009.43	17.02	18,286.34	283.12	215.45	5,611.38	1,049.91	84.44	1,225.51
May	506.95	37,466.82	47.25	5,314.57	132.70	5,129.74	18.71	20,067.09	267.34	214.96	5,581.88	1,082.53	93.33	1,373.54
June	514.71	32,493.74	64.17	7,553.91	132.26	5,196.29	19.16	13,194.69	270.16	206.21	5,261.63	1,101.52	92.91	1,287.22
July	573.60	45,791.13	92.35	10,371.04	133.35	5,447.80	22.93	22,999.52	268.68	224.47	5,578.37	1,130.39	100.49	1,394.40
August	616.33	37,792.91	121.09	9,493.34	133.94	5,546.76	22.61	15,213.86	267.33	226.28	5,801.48	1,140.63	112.41	1,737.47
September	576.27	39,119.45	96.34	9,122.00	131.57	5,627.37	25.25	17,221.08	268.20	219.16	5,635.60	1,197.44	103.96	1,513.40
October	642.60	49,765.73	121.40	9,733.60	134.92	5,906.58	30.77	25,722.44	266.75	236.47	6,442.34	1,219.60	119.03	1,960.77
November	532.91	41,524.54	57.72	6,758.28	137.13	5,755.72	27.19	22,097.04	265.74	205.74	5,355.01	1,255.11	105.13	1,558.49
December	560.72	41,535.94	48.31	7,202.24	135.93	5,901.41	31.95	21,449.44	261.53	225.97	5,311.21	1,275.33	118.56	1,671.64
January	558.77	49,523.22	52.93	9,153.85	137.01	5,845.04	32.27	27,635.01	258.71	217.87	5,171.06	1,314.18	118.69	1,718.27
February	544.10	40,681.80	75.48	8,431.26	129.05	5,688.24	33.21	20,367.58	255.12	195.98	4,659.48	1,342.36	110.38	1,535.25
March	546.29	45,903.38	45.93	5,762.04	135.58	5,921.52	40.54	27,702.30	246.99	207.04	4,946.34	1,374.31	117.21	1,571.18
Total (upto Mar. 09)	**6,678.24**	**5,00,321.79**	**883.94**	**97,486.58**	**1,600.55**	**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														
April (P)	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 (P)	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 (P)	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 (P)	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 (P)	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 (P)	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 (P)	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 (P)	588.45	48,791.52	75.89	7,311.27	122.19	5,815.54	55.82	28,151.66	208.41	193.24	5,256.18	1,658.30	141.32	2,256.87
December (P)	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 (P)	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
Total (upto Jan. 10)	**5,937.61**	**5,58,683.90**	**832.34**	**99,139.05**	**1,236.25**	**57,603.80**	**516.39**	**3,28,979.25**	**204.39**	**1,953.90**	**51,181.97**	**1,741.27**	**1,398.72**	**21,779.83**

: Card Payments figures pertain only to Point of Sale (POS) transactions.
* : Debit Cards figures for 2003-04 and 2004-05 are estimated based on 2005-06 figures.
** : Cards issued by banks (excluding those withdrawn/blocked).

No. 9B: Large Value Clearing and Settlement Systems

(Number in Lakh and Amount in Rs. 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	4.604	40,66,184.00	0.68	2,49,662.00	3.92	38,16,522.00	–	–	3.92	38,16,522.00
2005-06	17.670	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	1,74,51,372.08
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
2008-09										
April	6.78	48,47,956.95	5.19	15,95,777.62	1.57	8,53,187.78	0.011	23,98,991.55	1.58	32,52,179.34
May	7.63	44,48,417.00	5.95	15,80,007.83	1.67	8,85,628.25	0.012	19,82,780.92	1.68	28,68,409.17
June	7.87	45,13,960.83	6.21	16,46,155.13	1.65	9,51,811.99	0.012	19,15,993.71	1.66	28,67,805.70
July	8.70	49,62,469.06	6.92	15,87,652.09	1.76	11,00,562.35	0.016	22,74,254.62	1.78	33,74,816.97
August	8.52	41,00,796.82	6.86	14,36,487.67	1.64	9,70,634.47	0.014	16,93,674.67	1.65	26,64,309.14
September	9.50	54,67,011.33	7.83	18,56,151.15	1.66	11,07,216.33	0.016	25,03,643.85	1.67	36,10,860.18
October	10.91	57,09,503.32	9.17	16,00,262.02	1.72	11,38,951.40	0.019	29,70,289.89	1.74	41,09,241.29
November	11.39	40,13,012.27	9.64	13,33,676.48	1.73	10,05,503.61	0.018	16,73,832.18	1.75	26,79,335.79
December	13.72	52,94,123.86	11.76	17,33,974.18	1.94	10,71,438.17	0.017	24,88,711.51	1.96	35,60,149.68
January	14.39	56,25,933.45	12.44	16,17,258.72	1.93	10,07,993.11	0.018	30,00,681.62	1.95	40,08,674.73
February	15.00	55,82,079.52	13.15	15,88,921.37	1.84	9,62,785.66	0.015	30,30,372.49	1.85	39,93,158.15
March (P)	19.43	65,74,648.05	17.22	24,27,783.53	2.20	12,20,060.37	0.020	29,26,804.14	2.22	41,46,864.51
Total (upto Mar, 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										
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 (P)	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
Total (upto Jan, 10)	**255.31**	**8,66,01,296.10**	**232.73**	**2,35,78,548.24**	**22.48**	**81,73,486.15**	**0.11**	**5,48,49,261.71**	**22.59**	**6,30,22,747.86**

* : 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 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 Rs. 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
2008-09								
April	0.12	1,08,602.80	0.02	3,44,220.20	0.56	12,06,935.70	0.11	8,93,038.50
May	0.17	1,42,728.70	0.02	3,68,236.20	0.75	12,28,186.00	0.11	9,08,156.90
June	0.10	1,09,956.10	0.02	2,81,545.80	0.69	13,67,490.70	0.11	8,94,344.20
July	0.10	93,002.60	0.01	2,23,370.40	0.83	15,57,981.60	0.10	6,15,406.80
August	0.16	1,21,961.30	0.01	2,50,899.70	0.76	14,50,096.30	0.09	5,30,643.70
September	0.22	1,66,720.60	0.01	2,55,691.60	0.81	17,15,233.60	0.09	4,93,139.60
October	0.18	1,42,787.80	0.02	2,10,993.60	0.76	17,12,726.60	0.08	3,69,994.30
November	0.23	1,92,139.70	0.02	3,49,388.60	0.69	14,66,754.00	0.09	5,60,709.60
December	0.44	3,76,930.40	0.02	4,23,566.00	0.69	14,83,818.30	0.11	8,06,517.70
January	0.37	3,17,482.70	0.02	4,51,316.30	0.64	12,40,573.00	0.10	7,94,849.10
February	0.21	1,91,203.20	0.03	4,38,427.00	0.51	9,99,461.50	0.09	8,46,655.30
March (P)	0.17	1,96,717.40	0.03	4,96,630.50	0.68	15,08,231.30	0.11	11,11,328.60
Total (upto Mar, 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								
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 (P)	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
Total (upto Jan. 10)	**2.77**	**25,66,745.40**	**0.24**	**51,77,152.50**	**7.25**	**1,15,41,756.10**	**1.16**	**1,27,01,052.40**

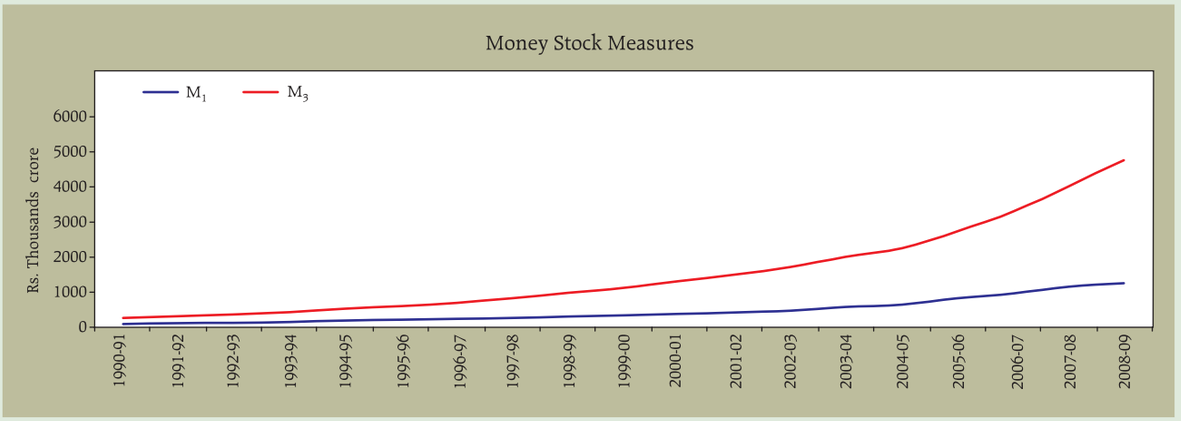
No. 10: Money Stock Measures

(Rs. 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
2006-2007	4,95,938	6,684	1,477	21,244	4,82,854	4,77,604	7,496	4,85,100	**9,67,955**	5,041	**9,72,996**	23,42,113	**33,10,068**	25,969	**33,36,037**
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	24,790	6,66,364	5,81,247	5,573	5,86,820	**12,53,184**	5,041	**12,58,225**	35,10,835	**47,64,019**	25,969	**47,89,988**
January 2, 2009	6,38,611	8,274	1,567	26,093	6,22,360	5,12,788	5,669	5,18,457	**11,40,817**	5,041	**11,45,858**	33,73,747	**45,14,564**	25,969	**45,40,533**
January 16, 2009	6,53,066	8,274	1,567	24,956	6,37,951	4,99,869	5,235	5,05,104	**11,43,055**	5,041	**11,48,096**	33,87,124	**45,30,180**	25,969	**45,56,149**
January 30, 2009	6,49,226	8,350	1,567	25,339	6,33,804	5,14,468	6,587	5,21,055	**11,54,859**	5,041	**11,59,900**	34,08,651	**45,63,510**	25,969	**45,89,479**
September 2009	7,11,316	9,043	1,567	28,509	6,93,417	6,12,797	4,069	6,16,866	**13,10,282**	5,041	**13,15,323**	37,84,106	**50,94,388**	25,969	**51,20,357**
October 2009	7,32,961	9,164	1,567	30,823	7,12,870	5,94,082	4,004	5,98,086	**13,10,955**	5,041	**13,15,996**	38,46,741	**51,57,697**	25,969	**51,83,666**
November 2009	7,40,732	9,164	1,567	27,661	7,23,802	5,76,971	4,779	5,81,750	**13,05,553**	5,041	**13,10,594**	38,90,003	**51,95,555**	25,969	**52,21,524**
December 2009	7,56,449	9,164	1,567	28,645	7,38,535	5,83,218	5,050	5,88,267	**13,26,802**	5,041	**13,31,843**	38,82,520	**52,09,322**	25,969	**52,35,291**
January 1, 2010	7,50,297	9,164	1,567	31,169	7,29,859	6,25,232	3,806	6,29,039	**13,58,897**	5,041	**13,63,938**	39,26,548	**52,85,446**	25,969	**53,11,415**
January 15, 2010	7,66,531	9,164	1,567	28,846	7,48,417	5,99,068	3,864	6,02,932	**13,51,349**	5,041	**13,56,390**	39,28,334	**52,79,684**	25,969	**53,05,653**
January 29, 2010	7,61,622	9,164	1,567	30,250	7,42,103	6,22,876	4,361	6,27,238	**13,69,340**	5,041	**13,74,381**	39,70,066	**53,39,406**	25,969	**53,65,375**

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'.



No. 11: Sources of Money Stock (M_3)

(Rs.crore)

Source	Outstandings as on March 31/Reporting Fridays of the Month/Last Reporting Friday of the Month					
	2006-07	2007-08	2008-09	January 2, 2009	January 16, 2009	January 30, 2009
1	2	3	4	5	6	7
1. Net Bank Credit to Government (A+B)	**8,27,626**	**8,99,518**	**12,77,199**	**11,40,945**	**11,57,402**	**11,71,229**
A. RBI's net credit to Government (i-ii)	2,423	-1,13,209	61,580	-56,450	-28,137	-46,952
(i) Claims on Government (a+b)	97,512	1,16,194	1,59,166	63,741	85,655	61,954
(a) Central Government (1)	97,184	1,14,725	1,57,488	63,683	85,256	61,174
(b) State Governments	328	1,468	1,678	59	400	779
(ii) Government deposits with RBI (a+b)	95,089	2,29,403	97,586	1,20,191	1,13,792	1,08,906
(a) Central Government	95,048	2,29,361	95,727	1,20,150	1,13,751	1,08,864
(b) State Governments	41	41	1,859	41	41	41
B. Other Banks' Credit to Government	8,25,204	10,12,727	12,15,619	11,97,395	11,85,538	12,18,181
2. Bank Credit to Commercial Sector (A+B)	**21,28,862**	**25,78,990**	**30,13,337**	**28,80,380**	**28,63,472**	**28,59,211**
A. RBI's credit to commercial sector (2)	1,537	1,788	13,820	2,401	3,001	4,399
B. Other banks' credit to commercial sector (i+ii+iii)	21,27,325	25,77,201	29,99,517	28,77,980	28,60,471	28,54,812
(i) Bank credit by commercial banks	19,31,189	23,61,914	27,75,549	26,57,658	26,42,077	26,37,780
(ii) Bank credit by co-operative banks	1,77,344	1,98,816	2,09,828	2,05,833	2,03,884	2,03,244
(iii) Investments by commercial and co-operative banks in other securities	18,792	16,472	14,139	14,489	14,510	13,788
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**9,13,179**	**12,95,131**	**13,52,184**	**12,85,908**	**12,68,191**	**12,57,323**
A. RBI's net foreign exchange assets (i-ii)(3)	8,66,153	12,36,130	12,80,116	12,43,177	12,25,460	12,14,592
(i) Gross foreign assets	8,66,170	12,36,147	12,80,133	12,43,195	12,25,477	12,14,609
(ii) Foreign liabilities	17	17	17	17	17	17
B. Other banks' net foreign exchange assets	47,026	59,001	72,068	42,731	42,731	42,731
4. Government's Currency Liabilities to the Public	**8,161**	**9,224**	**10,054**	**9,841**	**9,841**	**9,917**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**5,67,761**	**7,64,980**	**8,88,754**	**8,02,512**	**7,68,726**	**7,34,170**
A. Net non-monetary liabilities of RBI(3)	1,77,019	2,10,221	3,87,927	3,41,682	3,25,537	3,13,738
B. Net non-monetary liabilities of other banks(residual)	3,90,742	5,54,759	5,00,828	4,60,830	4,43,189	4,20,431
M_3 (1+2+3+4-5)	**33,10,068**	**40,17,883**	**47,64,019**	**45,14,564**	**45,30,180**	**45,63,510**

No. 11: Sources of Money Stock (M_3) *(Concld.)*

(Rs.crore)

Source	Outstandings as on March 31/Reporting Fridays of the Month/Last Reporting Friday of the Month						
	September 2009	October 2009	November 2009	December 2009	January 1, 2010	January 15, 2010	January 29, 2010
1	7	8	9	10	11	12	13
1. Net Bank Credit to Government (A+B)	**14,66,552**	**14,61,128**	**14,87,583**	**14,85,167**	**15,14,836**	**15,27,055**	**15,48,261**
A. RBI's net credit to Government (i-ii)	35,482	43,722	72,328	86,910	45,554	91,433	90,212
(i) Claims on Government (a+b)	85,171	75,378	96,051	1,54,118	1,01,561	1,09,433	1,02,202
(a) Central Government (1)	84,944	74,866	94,982	1,54,060	1,01,561	1,09,358	1,01,424
(b) State Governments	227	512	1,069	58	–	75	778
(ii) Government deposits with RBI (a+b)	49,689	31,656	23,723	67,208	56,007	18,000	11,989
(a) Central Government	49,648	31,615	23,681	67,167	55,965	17,958	11,948
(b) State Governments	41	41	41	41	41	41	41
B. Other Banks' Credit to Government	14,31,070	14,17,406	14,15,255	13,98,257	14,69,282	14,35,622	14,58,049
2. Bank Credit to Commercial Sector (A+B)	**31,14,858**	**31,05,016**	**31,37,509**	**31,83,293**	**32,66,128**	**32,51,562**	**32,81,437**
A. RBI's credit to commercial sector (2)	10,807	6,491	5,396	4,718	6,335	5,041	5,468
B. Other banks' credit to commercial sector (i+ii+iii)	31,04,050	30,98,525	31,32,112	31,78,575	32,59,794	32,46,521	32,75,969
(i) Bank credit by commercial banks	28,74,670	28,68,265	28,98,770	29,41,293	30,20,808	30,08,909	30,29,079
(ii) Bank credit by co-operative banks	2,17,125	2,18,725	2,15,019	2,16,947	2,19,230	2,18,017	2,26,826
(iii) Investments by commercial and co-operative banks in other securities	12,255	11,534	18,324	20,335	19,756	19,594	20,064
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**13,62,168**	**13,45,858**	**13,51,841**	**13,47,060**	**13,41,748**	**13,23,797**	**13,22,301**
A. RBI's net foreign exchange assets (i-ii)(3)	13,13,485	12,97,175	13,03,158	12,98,377	12,93,065	12,75,114	12,73,618
(i) Gross foreign assets	13,13,503	12,97,192	13,03,176	12,98,395	12,93,083	12,75,131	12,73,635
(ii) Foreign liabilities	17	17	17	17	17	17	17
B. Other banks' net foreign exchange assets	48,683	48,683	48,683	48,683	48,683	48,683	48,683
4. Government's Currency Liabilities to the Public	**10,610**	**10,731**	**10,731**	**10,731**	**10,731**	**10,731**	**10,731**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**8,59,800**	**7,65,036**	**7,92,109**	**8,16,930**	**8,47,998**	**8,33,461**	**8,23,324**
A. Net non-monetary liabilities of RBI(3)	4,05,099	3,87,562	3,88,519	3,83,923	3,74,960	3,56,861	3,54,639
B. Net non-monetary liabilities of other banks(residual)	4,54,700	3,77,474	4,03,590	4,33,006	4,73,038	4,76,600	4,68,686
M_3 (1+2+3+4-5)	**50,94,388**	**51,57,697**	**51,95,555**	**52,09,322**	**52,85,446**	**52,79,684**	**53,39,406**

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

(Rs. crore)

Item		Outstanding as on								
		Mar. 30, 2007	Mar. 28, 2008	Jan. 2, 2009	Jan. 16, 2009	Jan. 30, 2009	Mar. 27, 2009	Jan. 1, 2010	Jan. 15, 2010	Jan. 29, 2010
1		2	3	4	5	6	7	8	9	10
Components										
C.I	**Aggregate Deposits of Residents** (C.I.1+C.I.2)	**25,44,473**	**31,40,004**	**35,63,298**	**35,67,294**	**36,04,507**	**37,66,842**	**41,95,694**	**41,75,437**	**42,27,378**
C.I.1	Demand Deposits	4,29,731	5,24,310	4,61,029	4,48,439	4,62,461	5,23,085	5,65,994	5,40,660	5,61,194
C.I.2	Time Deposits of Residents (C.I.2.1+C.I.2.2)	21,14,742	26,15,695	31,02,270	31,18,854	31,42,046	32,43,757	36,29,700	36,34,777	36,66,184
C.I.2.1	Short-term Time Deposits	9,51,634	11,77,063	13,96,021	14,03,484	14,13,921	14,59,691	16,33,365	16,35,650	16,49,783
C.I.2.1.1	Certificates of Deposits (CDs)	97,442	1,66,642	1,54,694	1,65,891	1,68,208	1,98,931	2,65,551	2,61,195	2,82,641
C.I.2.2	Long-term Time Deposits	11,63,108	14,38,632	17,06,248	17,15,370	17,28,125	17,84,067	19,96,335	19,99,127	20,16,401
C.II	**Call/Term Funding from Financial Institutions**	**85,836**	**1,06,504**	**1,05,196**	**1,16,432**	**1,14,178**	**1,13,936**	**98,998**	**1,00,037**	**1,03,196**
Sources										
S.I	**Domestic Credit (S.I.1+S.I.2)**	**28,65,959**	**35,07,759**	**40,06,175**	**40,08,465**	**40,48,311**	**41,51,147**	**46,44,399**	**46,51,588**	**47,02,597**
S.I.1	Credit to the Government	7,76,058	9,58,661	11,39,262	11,28,488	11,58,338	11,55,786	13,98,551	13,66,055	13,87,245
S.I.2	Credit to the Commercial Sector (S.I.2.1+S.I.2.2+S.I.2.3+S.I.2.4)	20,89,901	25,49,097	28,66,914	28,79,977	28,89,973	29,95,361	32,45,848	32,85,533	33,15,352
S.I.2.1	Bank Credit	19,31,189	23,61,914	26,57,658	26,42,077	26,37,780	27,75,549	30,20,808	30,08,909	30,29,079
S.I.2.1.1	Non-food Credit	18,84,669	23,17,515	26,03,039	25,92,381	25,92,260	27,29,338	29,74,448	29,66,375	29,85,164
S.I.2.2	Net Credit to Primary Dealers	2,799	3,521	2,091	4,141	5,906	1,671	3,662	3,621	4,674
S.I.2.3	Investments in Other Approved Securities	15,458	13,053	10,776	10,790	9,967	10,624	14,247	14,102	14,313
S.I.2.4	Other Investments (in non-SLR Securities)	1,40,455	1,70,609	1,96,389	2,22,969	2,36,319	2,07,517	2,07,131	2,58,901	2,67,286
S.II	**Net Foreign Currency Assets of Commercial Banks (S.II.1-S.II.2-S.II.3)**	**-40,612**	**-70,196**	**-75,407**	**-71,039**	**-68,689**	**-53,359**	**-62,183**	**-57,613**	**-61,122**
S.II.1	Foreign Currency Assets	58,754	31,189	38,239	44,377	43,951	55,312	38,534	38,530	38,819
S.II.2	Non-resident Foreign Currency Repatriable Fixed Deposits	67,461	56,935	63,437	63,580	63,867	67,268	68,846	67,137	68,013
S.II.3	Overseas Foreign Currency Borrowings	31,905	44,451	50,208	51,836	48,773	41,404	31,872	29,006	31,928
S.III	**Net Bank Reserves (S.III.1+S.III.2-S.III.3)**	**1,90,116**	**2,71,166**	**2,12,674**	**2,24,965**	**2,12,026**	**2,46,748**	**2,29,119**	**2,55,179**	**2,60,311**
S.III.1	Balances with the RBI	1,80,222	2,57,122	1,97,861	2,12,579	1,96,677	2,38,195	2,02,108	2,30,565	2,34,244
S.III.2	Cash in Hand	16,139	18,044	22,122	21,321	21,609	20,281	27,201	25,004	26,067
S.III.3	Loans and Advances from the RBI	6,245	4,000	7,308	8,935	6,261	11,728	190	390	–
S.IV	**Capital Account**	**2,02,800**	**2,72,622**	**3,27,143**	**3,29,208**	**3,31,230**	**3,32,444**	**3,78,303**	**3,80,662**	**3,81,680**
S.V.	**Other items (net) (S.I+S.II+S.III-S.IV-C.I-C.II)**	**1,82,354**	**1,89,598**	**1,47,806**	**1,49,457**	**1,41,734**	**1,31,313**	**1,38,340**	**1,93,018**	**1,89,532**
S.V.1	Other Demand & Time Liabilities (net of S.II.3)	2,10,329	2,53,905	2,60,188	2,54,495	2,56,221	2,66,116	2,77,401	2,89,370	2,91,362
S.V.2	Net Inter-Bank Liabilities (other than to PDs)	13,903	10,797	-4,518	-6,855	-4,720	-20,785	-5,990	-4,669	-4,297

Note : Data provisional.

No. 11B: Monetary Survey

(Rs. crore)

Item		Outstanding as on								
		Mar. 31, 2007	Mar. 31, 2008	Jan. 2, 2009	Jan. 16, 2009	Jan. 30, 2009	Mar. 31, 2009	Jan. 1, 2010	Jan. 15, 2010	Jan. 29, 2010
1		2	3	4	5	6	7	8	9	10
Monetary Aggregates										
M_1	(C.I+C.II.1+C.III)	9,69,509	11,54,454	11,40,163	11,42,381	11,54,325	12,51,143	13,53,649	13,47,354	13,65,270
NM_2	(M_1+C.II.2.1)	19,90,818	24,06,796	26,14,378	26,24,217	26,47,570	27,88,457	30,68,531	30,64,891	31,01,117
NM_3 (NM_2+C.II.2.2+C.IV = S.I+S.II+S.III-S.IV-S.V)		**33,24,921**	**40,43,940**	**45,21,393**	**45,51,782**	**45,86,824**	**47,81,333**	**52,63,496**	**52,64,141**	**53,25,903**
Components										
C.I	**Currency with the Public**	**4,82,859**	**5,68,401**	**6,22,840**	**6,38,059**	**6,33,919**	**6,66,383**	**7,30,179**	**7,48,715**	**7,42,316**
C.II	**Aggregate Deposits of Residents** (C.II.1+C.II.2)	**27,48,730**	**33,59,981**	37,87,688	**37,92,056**	**38,32,141**	**39,95,441**	**44,30,513**	**44,11,525**	**44,76,030**
C.II.1	Demand Deposits	4,79,154	5,76,999	5,11,653	4,99,087	5,13,820	5,79,188	6,19,664	5,94,776	6,18,593
C.II.2	Time Deposits of Residents (C.II.2.1+C.II.2.2)	22,69,576	27,82,982	32,76,035	32,92,969	33,18,321	34,16,254	38,10,849	38,16,749	38,57,437
C.II.2.1	Short-term Time Deposits	10,21,309	12,52,342	14,74,216	14,81,836	14,93,245	15,37,314	17,14,882	17,17,537	17,35,847
C.II.2.1.1	Certificates of Deposits (CDs)	97,442	1,66,642	1,54,694	1,65,891	1,68,208	1,98,931	2,65,551	2,61,195	2,82,641
C.II.2.2	Long-term Time Deposits	12,48,267	15,30,640	18,01,819	18,11,133	18,25,077	18,78,940	20,95,967	20,99,212	21,21,590
C.III	**'Other' Deposits with RBI**	**7,496**	**9,054**	**5,669**	**5,235**	**6,587**	**5,573**	**3,806**	**3,864**	**4,361**
C.IV	**Call/Term Funding from Financial Institutions**	**85,836**	**1,06,504**	**1,05,196**	**1,16,432**	**1,14,178**	**1,13,936**	**98,998**	**1,00,037**	**1,03,196**
Sources										
S.I	**Domestic Credit (S.I.1+S.I.2)**	**30,97,537**	**36,38,516**	**41,94,106**	**42,26,042**	**42,50,122**	**44,76,836**	**49,50,572**	**50,04,952**	**50,64,869**
S.I.1	Net Bank Credit to the Government (S.I.1.1+S.I.1.2)	8,25,770	8,94,995	11,33,130	11,50,790	11,62,230	12,68,805	14,99,333	15,13,652	15,34,861
S.I.1.1	Net RBI credit to the Government	2,423	-1,13,209	-56,450	-28,137	-46,952	61,580	45,554	91,433	90,212
S.I.1.2	Credit to the Government by the Banking System	8,23,347	10,08,204	11,89,580	11,78,927	12,09,182	12,07,225	14,53,779	14,22,219	14,44,648
S.I.2	Bank Credit to the Commercial Sector (S.I.2.1+S.I.2.2)	22,71,767	27,43,521	30,60,976	30,75,251	30,87,892	32,08,032	34,51,239	34,91,299	35,30,009
S.I.2.1	RBI Credit to the Commercial Sector	1,537	1,788	2,401	3,001	4,399	13,820	6,335	5,041	5,468
S.I.2.2	Credit to the Commercial Sector by the Banking System	22,70,230	27,41,733	30,58,575	30,72,251	30,83,494	31,94,212	34,44,904	34,86,258	35,24,541
S.I.2.2.1	Other Investments (Non-SLR Securities)	1,49,417	1,79,572	2,05,351	2,31,931	2,45,282	2,16,479	2,16,093	2,67,864	2,76,248
S.II	**Government's Currency Liabilities to the Public**	**8,161**	**9,224**	**9,841**	**9,841**	**9,917**	**10,054**	**10,731**	**10,731**	**10,731**
S.III	**Net Foreign Exchange Assets of the Banking Sector (S.III.1+S.III.2)**	**8,25,541**	**11,65,934**	**11,67,770**	**11,54,420**	**11,45,903**	**12,26,757**	**12,30,882**	**12,17,501**	**12,12,496**
S.III.1	Net Foreign Exchange Assets of the RBI	8,66,153	12,36,130	12,43,177	12,25,460	12,14,592	12,80,116	12,93,065	12,75,114	12,73,618
S.III.2	Net Foreign Currency Assets of the Banking System	-40,612	-70,196	-75,407	-71,039	-68,689	-53,359	-62,183	-57,613	-61,122
S.IV	**Capital Account**	**3,84,250**	**4,75,973**	**6,76,175**	**6,58,201**	**6,47,303**	**7,16,693**	**7,64,699**	**7,47,203**	**7,44,289**
S.V	**Other items (net)**	**2,22,067**	**2,93,760**	**1,74,150**	**1,80,321**	**1,71,815**	**2,15,622**	**1,63,990**	**2,21,840**	**2,17,904**

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

(Rs. crore)

tem		Outstanding as on								
		Mar. 31, 2007	Mar. 31, 2008	Jan. 2, 2009	Jan. 16, 2009	Jan. 30, 2009	Mar. 31, 2009	Jan. 1, 2010	Jan. 15, 2010	Jan. 29, 2010
1		2	3	4	5	6	7	8	9	10
Components										
C.I	Currency in Circulation	5,04,099	5,90,801	6,48,453	6,62,907	6,59,143	6,91,153	7,61,028	7,77,263	7,72,353
C.II	Bankers' Deposits with the RBI	1,97,295	3,28,447	2,10,474	2,25,420	2,08,748	2,91,275	2,16,080	2,44,722	2,48,677
C.II.1	Scheduled Commercial Banks	1,86,322	3,11,880	1,97,861	2,12,579	1,96,677	2,77,462	2,02,108	2,30,565	2,34,244
C.III	'Other' Deposits with the RBI	7,496	9,054	5,669	5,235	6,587	5,573	3,806	3,864	4,361
C.IV	**Reserve Money (C.I+C.II+C.III = S.I + S.II + S.III - S.IV - S.V)**	**7,08,890**	**9,28,302**	**8,64,596**	**8,93,562**	**8,74,477**	**9,88,001**	**9,80,915**	**10,25,848**	**10,25,391**
Sources										
S.I	**RBI's Domestic Credit (S.I.1+S.I.2+S.I.3)**	**11,596**	**-1,06,831**	**-46,741**	**-16,202**	**-36,293**	**85,757**	**52,079**	**96,864**	**95,680**
S.I.1	Net RBI credit to the Government (S.I.1.1+S.I.1.2)	2,423	-1,13,209	-56,450	-28,137	-46,952	61,580	45,554	91,433	90,212
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)	2,136	-1,14,636	-56,468	-28,495	-47,690	61,761	45,596	91,400	89,476
S.I.1.1.1	Loans and Advances to the Central Government	–	–	33,232	9,263	9,166	–	–	–	–
S.I.1.1.2	Investments in Treasury Bills	–	–	–	–	–	–	–	–	–
S.I.1.1.3	Investments in dated Government Securities	97,172	1,14,593	30,346	75,917	51,965	1,57,389	1,01,541	1,09,204	1,01,317
S.I.1.1.3.1	Central Government Securities	96,125	1,13,547	29,300	74,870	50,919	1,56,343	1,00,494	1,08,158	1,00,271
S.I.1.1.4	Rupee Coins	12	132	105	76	43	99	20	154	107
S.I.1.1.5	Deposits of the Central Government	95,048	2,29,361	1,20,150	1,13,751	1,08,864	95,727	55,965	17,958	11,948
S.I.1.2	Net RBI credit to State Governments	287	1,427	18	358	738	-181	-41	34	736
S.I.2	RBI's Claims on Banks	7,635	4,590	7,308	8,935	6,261	10,357	190	390	–
S.I.2.1	Loans and Advances to Scheduled Commercial Banks	6,310	4,571	7,308	8,935	6,261	10,164	190	390	–
S.I.3	RBI's Credit to Commercial Sector	1,537	1,788	2,401	3,001	4,399	13,820	6,335	5,041	5,468
S.I.3.1	Loans and Advances to Primary Dealers	153	405	–	–	–	750	–	–	–
S.I.3.2	Loans and Advances to NABARD	–	–	–	–	–	–	–	–	–
S.II	**Government's Currency Liabilities to the Public**	**8,161**	**9,224**	**9,841**	**9,841**	**9,917**	**10,054**	**10,731**	**10,731**	**10,731**
S.III	**Net Foreign Exchange Assets of the RBI**	**8,66,153**	**12,36,130**	**12,43,177**	12,25,460	**12,14,592**	**12,80,116**	**12,93,065**	12,75,114	12,73,618
S.III.1	Gold	29,573	40,124	41,110	41,110	43,549	48,793	85,387	85,387	83,724
S.III.2	Foreign Currency Assets	8,36,597	11,96,023	12,02,085	11,84,367	11,71,060	12,31,340	12,07,696	11,89,745	11,89,912
S.IV	**Capital Account**	**1,57,279**	**1,79,181**	**3,24,861**	**3,04,822**	**2,91,902**	**3,60,078**	**3,62,225**	**3,42,370**	**3,38,438**
S.V	**Other Items (net)**	**19,740**	**31,040**	**16,820**	**20,715**	**21,836**	**27,849**	**12,735**	**14,491**	**16,200**

Note: Data provisional.

No. 11D: Liquidity Aggregates (Outstanding Amounts)

(Rs. crore)

Month/Year	NM_3	Postal Deposits	L_1	Liabilities of Financial Institutions				L_2	Public Deposits with NBFCs	L_3
				Term Money Borrowings	CDs	Term Deposits	Total			
1	2	3	4=(2+3)	5	6	7	8=(5+6+7)	9=(4+8)	10	11=(9+10)
2007-08										
April	33,28,404	1,15,589	**34,43,993**	2,656	31	245	2,932	**34,46,925**		
May	33,43,424	1,16,135	**34,59,559**	2,656	31	245	2,932	**34,62,491**		
June	33,96,545	1,16,573	**35,13,118**	2,656	31	245	2,932	**35,16,050**	24,215	**35,40,265**
July	34,63,324	1,16,874	**35,80,198**	2,656	31	245	2,932	**35,83,130**		
August	34,97,908	1,16,886	**36,14,794**	2,656	31	245	2,932	**36,17,726**		
September	35,97,030	1,16,882	**37,13,912**	2,656	31	245	2,932	**37,16,844**	24,663	**37,41,507**
October	36,22,614	1,16,886	**37,39,500**	2,656	31	245	2,932	**37,42,432**		
November	36,89,321	1,16,994	**38,06,315**	2,656	31	245	2,932	**38,09,247**		
December	37,23,960	1,16,901	**38,40,861**	2,656	31	245	2,932	**38,43,793**	24,670	**38,68,463**
January	38,22,313	1,15,871	**39,38,184**	2,656	31	245	2,932	**39,41,116**		
February	39,11,566	1,14,579	**40,26,145**	2,656	31	245	2,932	**40,29,077**		
March	40,43,940	1,14,851	**41,58,791**	2,656	31	245	2,932	**41,61,723**	24,852	**41,86,575**
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	2932	**45,80,996**	24,647	**46,05,643**
January	45,86,824	1,13,965	**47,00,789**	2,656	31	245	2,932	**47,03,721**		
February	46,69,547	1,13,471	**47,83,018**	2,656	31	245	2,932	**47,85,950**		
March	47,81,333	1,14,076	**48,95,409**	2,656	31	245	2,932	**48,98,341**	24,647	**49,22,988**
2009-10										
April	48,91,225	1,13,894	**50,05,119**	2,656	31	245	2,932	**50,08,051**		
May	49,35,153	1,14,140	**50,49,293**	2,656	31	245	2,932	**50,52,225**		
June	49,28,037	1,14,429	**50,42,466**	2,656	31	245	2,932	**50,45,398**	24,647	**50,70,045**
July	50,18,076	1,14,309	**51,32,385**	2,656	31	245	2,932	**51,35,317**		
August	50,46,726	1,14,199	**51,60,925**	2,656	31	245	2,932	**51,63,857**		
September	50,74,238	1,14,543	**51,88,781**	2,656	31	245	2,932	**51,91,713**	24,647	**52,16,360**
October	51,39,511	1,14,434	**52,53,945**	2,656	31	245	2,932	**52,56,877**		
November	51,77,633	1,14,556	**52,92,189**	2,656	31	245	2,932	**52,95,121**		
December	52,05,283	1,14,556	**53,19,839**	2,656	31	245	2,932	**53,22,771**	24,647	**53,47,418**
January	53,25,903	1,14,556	**54,40,459**	2,656	31	245	2,932	**54,43,391**		

CDs: Certificates of Deposits; 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 FIs 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 corporates and others.

4. Since August 2002, Term Deposits include CPs 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

(Rs. 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
2006-2007	5,04,099	21,244	7,496	1,97,295	**7,08,890**
2007-2008	5,90,801	22,390	9,054	3,28,447	**9,28,302**
2008-2009	6,91,153	24,790	5,573	2,91,275	**9,88,001**
January 2, 2009	6,48,453	26,093	5,669	2,10,474	**8,64,596**
January 9, 2009	6,57,497	–	5,356	2,36,269	**8,99,122**
January 16, 2009	6,62,907	24,956	5,235	2,25,420	**8,93,562**
January 23, 2009	6,60,087	–	5,263	2,06,808	**8,72,158**
January 30, 2009	6,59,143	25,339	6,587	2,08,748	**8,74,477**
September 2009	7,21,926	28,509	4,069	2,39,290	**9,65,285**
October 2009	7,43,693	30,823	4,004	2,22,880	**9,70,577**
November 2009	7,51,463	27,661	4,816	2,46,853	**10,03,131**
December 2009	7,67,180	28,645	5,050	2,44,746	**10,16,976**
January 1, 2010	7,61,028	31,169	3,806	2,16,080	**9,80,915**
January 8, 2010	7,70,233	–	3,942	2,37,383	**10,11,558**
January 15, 2010	7,77,263	28,846	3,864	2,44,722	**10,25,848**
January 22, 2010	7,75,396	–	3,685	2,50,178	**10,29,259**
January 29, 2010	7,72,353	30,250	4,361	2,48,677	**10,25,391**

See 'Notes on Table'.

No. 13: Sources of Reserve Money

(Rs. 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
2006-2007	2,423	7,635	–	1,537	8,66,153	8,161	1,77,019	**7,08,890**
2007-2008	-1,13,209	4,590	–	1,788	12,36,130	9,224	2,10,221	**9,28,302**
2008-2009	61,580	10,357	–	13,820	12,80,116	10,054	3,87,927	**9,88,001**
January 2, 2009	-56,450	7,308	–	2,401	12,43,177	9,841	3,41,682	**8,64,596**
January 9, 2009	-18,267	5,946	–	2,401	12,41,673	9,841	3,42,472	**8,99,122**
January 16, 2009	-28,137	8,935	–	3,001	12,25,460	9,841	3,25,537	**8,93,562**
January 23, 2009	-49,189	6,527	–	4,099	12,13,317	9,841	3,12,437	**8,72,158**
January 30, 2009	-46,952	6,261	–	4,399	12,14,592	9,917	3,13,738	**8,74,477**
September 2009	35,482	–	–	10,807	13,13,485	10,610	4,05,099	**9,65,285**
October 2009	43,722	20	–	6,491	12,97,175	10,731	3,87,562	**9,70,577**
November 2009	72,328	–	–	5,396	13,03,158	10,731	3,88,483	**10,03,131**
December 2009	86,910	163	–	4,718	12,98,377	10,731	3,83,923	**10,16,976**
January 1, 2010	45,554	190	–	6,335	12,93,065	10,731	3,74,960	**9,80,915**
January 8, 2010	75,792	390	–	5,976	12,74,594	10,731	3,55,926	**10,11,558**
January 15, 2010	91,433	390	–	5,041	12,75,114	10,731	3,56,861	**10,25,848**
January 22, 2010	95,135	–	–	5,527	12,78,080	10,731	3,60,215	**10,29,259**
January 29, 2010	90,212	–	–	5,468	12,73,618	10,731	3,54,639	**10,25,391**

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
January 1, 2010	2.25 – 3.35	2.25 – 3.35	3.28	3.28
January 2, 2010	1.50 – 3.50	1.50 – 3.50	3.36	3.36
January 4, 2010	2.10 – 3.45	2.10 – 3.45	3.29	3.29
January 5, 2010	2.25 – 3.40	2.25 – 3.40	3.28	3.28
January 6, 2010	2.30 – 3.35	2.30 – 3.35	3.27	3.27
January 7, 2010	2.25 – 4.50	2.25 – 4.50	3.43	3.43
January 8, 2010	2.00 – 3.40	2.00 – 3.40	3.29	3.29
January 9, 2010	2.25 – 3.35	2.25 – 3.35	3.26	3.26
January 11, 2010	2.25 – 3.40	2.25 – 3.40	3.30	3.30
January 12, 2010	2.25 – 3.35	2.25 – 3.35	3.28	3.28
January 13, 2010	2.20 – 3.35	2.20 – 3.35	3.27	3.27
January 14, 2010	2.20 – 3.35	2.20 – 3.35	3.26	3.26
January 15, 2010	1.00 – 3.35	1.00 – 3.35	3.23	3.23
January 16, 2010	2.25 – 3.50	2.25 – 3.50	3.31	3.31
January 18, 2010	2.10 – 3.35	2.10 – 3.35	3.26	3.26
January 19, 2010	1.50 – 3.35	1.50 – 3.35	3.26	3.26
January 20, 2010	1.70 – 3.40	1.70 – 3.40	3.23	3.23
January 21, 2010	2.00 – 3.32	2.00 – 3.32	3.23	3.23
January 22, 2010	1.00 – 3.40	1.00 – 3.40	3.23	3.23
January 23, 2010	1.50 – 3.30	1.50 – 3.30	2.90	2.90
January 25, 2010	1.50 – 3.32	1.50 – 3.32	3.23	3.23
January 26, 2010	1.50 – 3.32	1.50 – 3.32	3.23	3.23
January 27, 2010	1.50 – 3.35	1.50 – 3.35	3.22	3.22
January 28, 2010	1.00 – 3.32	1.00 – 3.32	3.19	3.19
January 29, 2010	2.00 – 3.30	2.00 – 3.30	3.20	3.20
January 30, 2010	2.00 – 3.35	2.00 – 3.35	2.96	2.96
February 1, 2010	2.00 – 3.40	2.00 – 3.40	3.21	3.21
February 2, 2010	2.00 – 3.35	2.00 – 3.35	3.13	3.13
February 3, 2010	2.00 – 3.35	2.00 – 3.35	3.14	3.14
February 4, 2010	1.00 – 3.35	1.00 – 3.35	3.12	3.12
February 5, 2010	1.75 – 3.40	1.75 – 3.40	3.16	3.16
February 6, 2010	0.75 – 3.30	0.75 – 3.30	2.70	2.70
February 8, 2010	1.00 – 3.30	1.00 – 3.30	3.20	3.20
February 9, 2010	2.00 – 3.35	2.00 – 3.35	3.21	3.21
February 10, 2010	2.00 – 3.35	2.00 – 3.35	3.20	3.20
February 11, 2010	2.00 – 3.40	2.00 – 3.40	3.23	3.23
February 12, 2010	2.00 – 3.40	2.00 – 3.40	3.23	3.23
February 13, 2010	2.10 – 3.40	2.10 – 3.40	3.24	3.24
February 15, 2010	2.00 – 3.40	2.00 – 3.40	3.26	3.26

No. 15: Average Daily Turnover in Call Money Market

(Rs. crore)

Fortnight ended	Average Daily Call Money Turnover				
	Banks		Primary Dealers		**Total**
	Borrowings	Lendings	Borrowings	Lendings	
1	2	3	4	5	6
December 19, 2008	11,001	12,170	1,175	6	**24,353**
January 2, 2009	7,749	8,747	1,005	8	**17,508**
January 16, 2009	8,907	10,280	1,376	4	**20,567**
January 30, 2009	7,129	8,802	1,682	9	**17,622**
February 13, 2009	8,838	10,548	1,711	2	**21,099**
February 27, 2009	9,637	11,534	1,906	9	**23,087**
March 13, 2009	10,473	12,600	2,127	–	**25,199**
March 27, 2009	10,610	12,154	1,551	6	**24,320**
April 10, 2009	7,658	9,807	2,148	–	**19,613**
April 24, 2009	8,647	10,227	1,595	15	**20,484**
May 8, 2009	10,052	11,550	1,513	14	**23,129**
May 22, 2009	8,874	10,120	1,264	18	**20,275**
June 5, 2009	8,050	8,867	824	7	**17,748**
June 19, 2009	7,974	9,096	1,122	–	**18,192**
July 3, 2009	6,576	7,487	913	2	**14,978**
July 17, 2009	4,854	5,966	1,112	–	**11,932**
July 31, 2009	7,078	8,175	1,096	–	**16,349**
August 14, 2009	4,636	5,413	781	4	**10,835**
August 28, 2009	8,669	9,997	1,334	6	**20,005**
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**

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 Rs. 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
2007-08			**2008-09**			**2009-10**		
April 13	93,808	9.50-11.50	April 11	1,49,986	8.00-9.72	April 10	1,98,497	5.90-11.50
27	95,980	9.40-11.50	25	1,50,865	7.70-9.96	24	2,10,954	3.90-11.50
May 11	97,292	10.05-11.50	May 9	1,53,410	7.75-10.20	May 8	2,11,370	3.75-6.20
25	99,715	7.00-10.82	23	1,56,780	8.00-10.20	22	2,18,437	3.65-7.60
June 8	99,287	6.13-10.95	June 6	1,59,696	8.60-10.20	June 5	2,18,079	3.90-6.60
22	98,337	7.00-10.20	20	1,63,143	8.62-9.79	19	2,21,491	3.60-8.00
July 6	1,02,992	6.25-9.69	July 4	1,64,557	8.30-10.60	July 3	2,28,638	3.34-8.25
20	1,05,317	5.50-10.82	18	1,64,892	8.92-10.95	17	2,35,715	3.34-8.00
August 3	1,03,750	6.05-10.75	August 1	1,63,546	8.92-11.05	31	2,40,395	3.55-8.00
17	1,06,350	6.87-8.91	15	1,66,996	8.92-11.11	August 14	2,30,198	3.75-8.00
31	1,09,224	6.87-10.75	29	1,71,966	10.00-11.57	28	2,32,522	3.60-8.00
September 14	1,13,892	6.87-10.00	September 12	1,78,280	8.92-12.00	September 11	2,26,756	3.70-6.21
28	1,18,481	6.87-10.00	26	1,75,522	8.92-12.35	25	2,16,691	3.75-6.51
October 12	1,22,142	6.87-10.00	October 10	1,74,975	8.92-21.00	October 9	2,25,781	3.70-6.05
26	1,24,232	6.85-10.00	24	1,58,562	8.80-12.90	23	2,27,227	3.74-6.41
November 9	1,25,653	6.87-9.00	November 7	1,54,172	8.92-11.50	November 6	2,35,859	3.55-7.00
23	1,27,143	6.87-9.03	21	1,51,493	8.80-11.75	20	2,45,101	3.15-7.00
December 7	1,25,327	8.05-9.25	December 5	1,50,779	8.50-11.00	December 4	2,43,584	3.50-6.50
21	1,23,466	8.05-10.00	19	1,51,214	7.00-11.50	18	2,48,440	3.60-6.75
January 4	1,27,154	6.87-9.82	January 2	1,52,901	7.00-11.50	January 1	2,64,246	3.75-6.75
18	1,29,123	7.90-9.21	16	1,62,883	6.10-11.50	15	2,64,698	3.38-6.61
February 1	1,32,395	7.90-9.85	30	1,64,979	5.25-11.50			
14	1,35,097	6.83-9.75	February 13	1,74,088	5.40-11.50			
29	1,39,160	9.22-10.27	27	1,75,057	5.40-11.50			
March 14	1,43,714	7.00-10.48	March 13	1,67,320	5.45-11.50			
28	1,47,792	9.00-10.75	27	1,92,867	6.00-11.50			

@ : Effective discount rate range per annum.

No. 17: Issue of Commercial Paper* By Companies

(Amount in Rs. 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
2007-08				**2008-09**				**2009-10**			
April	15	19,012.70	10.00-14.00	April	15	35,793.55	7.74-10.25	April	15	46,550.90	6.00-12.50
	30	18,759.00	9.65-11.75		30	37,583.55	7.35-10.10		30	52,880.90	3.30-10.25
May	15	19,288.00	9.25-11.45	May	15	41,005.55	7.15-10.75	May	15	57,844.90	2.83-9.90
	31	22,024.00	8.71-12.00		31	42,031.55	7.70-10.50		31	60,739.90	3.32-9.00
June	15	25,499.75	7.00-10.80	June	15	45,982.80	8.25-11.60	June	15	67,238.75	3.50-9.15
	30	26,256.25	7.35-12.00		30	46,847.30	9.00-12.25		30	68,720.55	3.20-12.00
July	15	28,129.25	4.00-11.50	July	15	48,342.30	9.50-12.25	July	15	77,559.58	3.04-8.85
	31	30,631.25	7.05-11.50		31	51,569.30	9.60-12.00		31	79,582.05	3.25-8.90
August	15	31,784.25	7.59-13.50	August	15	52,830.55	9.54-12.50	August	15	77,352.05	3.43-9.20
	31	31,527.00	8.30-10.25		31	55,035.55	10.20-14.75		31	83,025.90	3.05-9.35
September	15	33,227.00	6.35-10.90	September	15	54,181.95	10.25-14.25	September	15	88,161.00	3.20-9.05
	30	33,614.05	7.70-12.00		30	52,037.60	11.40-13.95		30	79,228.10	3.90-8.35
October	15	38,494.55	7.00-13.00	October	15	49,359.00	11.90-17.75	October	15	91,930.00	2.98-9.00
	31	42,182.55	6.70-12.00		31	48,442.00	11.55-16.90		31	98,835.00	3.07-7.90
November	15	41,677.55	7.50-12.00	November	15	45,382.10	11.50-15.50	November	15	1,03,315.00	3.00-8.85
	30	41,307.55	8.05-11.50		30	44,487.10	9.00-15.50		30	1,03,915.00	2.85-8.40
December	15	40,913.55	8.22-11.50	December	15	40,166.00	10.40-16.00	December	15	1,06,676.50	3.00-9.25
	31	40,231.17	8.40-11.70		31	38,055.00	8.96-14.00		31	90,305.00	3.72-10.00
January	15	42,391.55	7.35-12.50	January	15	48,802.60	7.75-14.00	January	15	92,363.00	3.15-7.55
	31	50,063.05	7.55-16.00		31	51,668.00	6.75-13.00		31	91,564.00	3.35-7.50
February	15	43,920.58	6.95-11.00	February	15	53,614.60	5.25-12.50				
	29	40,642.05	7.40-11.00		28	52,559.60	5.80-11.75				
March	15	37,282.76	9.50-11.00	March	15	49,952.75	7.50-12.50				
	31	32,591.55	9.50-14.25		31	44,171.25	6.40-12.50				

* : 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 Rs. crore)

Item	Financial Year	April-January- 2009-10			
	2009-10 (Revised Estimates)	2008-09 (Actuals)	2009-10 (Actuals)	Percentage to Revised Estimates	
				2008-09	2009-10
1	2	3	4	5	6
1. Revenue Receipts	**5,77,294**	**4,04,815**	**4,25,021**	**72.0**	**73.6**
2. Tax Revenue (Net)	4,65,103	3,29,271	3,33,336	70.7	71.7
3. Non-Tax Revenue	1,12,191	75,544	91,685	78.5	81.7
4. Capital Receipts	**4,44,253**	**2,66,264**	**3,58,973**	**78.6**	**80.8**
5. Recovery of Loans	4,254	3,406	5,129	35.1	120.6
6. Other Receipts	25,958	43	4,306	1.7	16.6
7. Borrowings and Other Liabilities	4,14,041	2,62,815	3,49,538	80.5	84.4
8. Total Receipts (1+4)	**10,21,547**	**6,71,079**	**7,83,994**	**74.5**	**76.7**
9. Non-Plan Expenditure	**7,06,371**	**4,71,998**	**5,57,018**	**76.4**	**78.9**
10. On Revenue Account	6,41,944	4,45,388	5,17,920	79.3	80.7
of which :					
(i) Interest Payments	2,19,500	1,48,261	1,57,266	76.9	71.6
11. On Capital Account	64,427	26,610	39,098	47.3	60.7
12. Plan Expenditure	**3,15,176**	**1,99,081**	**2,26,976**	**70.4**	**72.0**
13. On Revenue Account	2,64,411	1,68,677	1,91,392	69.8	72.4
14. On Capital Account	50,765	30,404	35,584	73.6	70.1
15. Total Expenditure (9+12)	**10,21,547**	**6,71,079**	**7,83,994**	**74.5**	**76.7**
16. Revenue Expenditure (10+13)	9,06,355	6,14,065	7,09,312	76.4	78.3
17. Capital Expenditure (11+14)	1,15,192	57,014	74,682	58.5	64.8
18. Revenue Deficit (16-1)	**3,29,061**	**2,09,250**	**2,84,291**	**86.7**	**86.4**
19. Fiscal Deficit {15-(1+5+6)}	**4,14,041**	**2,62,815**	**3,49,538**	**80.5**	**84.4**
20. Gross Primary Deficit [19-10(i)]	**1,94,541**	**1,14,554**	**1,92,272**	**85.6**	**98.8**

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)

(Rs. 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. 2008	–	–	–	–	6,057	–	23,825	–	10,075	–	–
Apr. 2008	–	–	–	–	7,596	–	23,547	–	10,946	–	–
May 2008	–	–	–	–	10,949	–	24,951	–	16,051	–	–
Jun. 2008	–	–	–	–	15,065	–	26,704	–	18,435	–	–
Jul. 2008	–	–	–	–	12,320	–	27,131	–	16,181	–	–
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
Week Ended											
Jan. 1, 2010	–	–	–	–	27,410	–	–	–	44,050	–	40
Jan 8, 2010	–	–	–	–	22,001	–	–	–	49,459	–	40
Jan. 15, 2010	–	–	–	–	22,558	–	–	–	48,902	–	40
Jan. 22, 2010	–	–	–	–	24,432	–	–	–	47,030	–	40
Jan. 29, 2010	–	–	–	–	25,428	–	–	–	46,074	–	–

* : The rate of discount is 4.60 per cent –per annum.

No. 20: Auctions of 91 Day Government of India Treasury Bills

(Amount in Rs. 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
2008-09													
Feb. 4	Feb. 6	8,000	157	16,458.20	543.72	81	8,000.00	543.72	–	8,543.72	98.81	4.8306	79,850.68
Feb. 11	Feb. 13	5,000	134	16,067.99	0.50	72	5,000.00	0.50	–	5,000.50	98.82	4.7895	79,098.18
Feb. 18	Feb. 21	5,000	131	15,552.04	2.30	37	5,000.00	2.30	–	5,002.30	98.83	4.7484	77,338.48
Feb. 25	Feb. 27	5,000	107	14,373.88	0.23	46	5,000.00	0.23	–	5,000.23	98.83	4.7484	76,024.92
Mar. 4	Mar 6	4,500	111	16,008.35	0.30	41	4,500.00	0.30	–	4,500.30	98.85	4.6663	77,375.22
Mar. 12	Mar. 13	5,000	99	8,467.05	–	66	5,000.00	–	–	5,000.00	98.87	4.5842	72,100.22
Mar. 18	Mar. 20	5,000	136	12,741.75	–	58	5,000.00	–	–	5,000.00	98.80	4.8716	71,167.85
Mar 25	Mar 26	5,000	123	13,051.57	0.15	50	5,000.00	0.15	–	5,000.15	98.78	4.9538	75,549.00
2009-10													
Apr. 2	Apr. 6	500	51	1,974.00	5000.00	17	500.00	5000.00	–	5,500.00	98.89	4.5022	80,549.00
Apr. 8	Apr. 9	8,000	183	25,567.22	–	60	8,000.00	–	–	8,000.00	98.99	4.0924	80,549.00
Apr. 15	Apr. 17	8,000	135	22,989.28	–	53	8,000.00	–	–	8,000.00	99.06	3.8061	80,548.00
Apr. 22	Apr. 24	8,000	137	26,201.45	–	72	8,000.00	–	–	8,000.00	99.17	3.3570	80,547.70
Apr. 28	Apr. 29	8,000	99	22,553.60	–	48	8,000.00	–	–	8,000.00	99.18	3.3162	80,547.20
May 6	May 8	8,000	124	30,163.75	–	49	8,000.00	–	–	8,000.00	99.22	3.1532	80,003.48
May 13	May 15	5,000	85	17,295.42	–	58	5,000.00	–	–	5,000.00	99.19	3.2754	80,002.98
May 20	May 22	5,000	72	14,652.35	–	35	5,000.00	–	–	5,000.00	99.19	3.2754	80,000.68
May 27	May 29	5,000	71	12,755.00	–	41	5,000.00	–	–	5,000.00	99.18	3.3162	80,000.45
Jun. 3	Jun. 5	4,500	74	12,343.10	–	39	4,500.00	–	–	4,500.00	99.17	3.3570	80,000.15
Jun. 10	Jun. 12	5,000	77	15,594.06	–	22	5,000.00	–	–	5,000.00	99.17	3.3570	80,000.15
Jun. 17	Jun. 19	5,000	81	20,012.75	–	42	5,000.00	–	–	5,000.00	99.17	3.3570	80,000.15
Jun. 24	Jun. 26	5,000	61	18,082.10	–	19	5,000.00	–	–	5,000.00	99.18	3.3162	80,000.00
Jul. 1	Jul. 3	2,000	44	12,557.00	–	1	2,000.00	–	–	2,000.00	99.23	3.1124	76,500.00
Jul. 8	Jul. 10	8,000	82	25,695.00	–	37	8,000.00	–	–	8,000.00	99.20	3.2347	76,500.00
Jul. 15	Jul. 17	8,000	77	24,462.18	–	61	8,000.00	–	–	8,000.00	99.19	3.2754	76,500.00
Jul. 22	Jul. 24	8,000	68	29,287.85	–	41	8,000.00	–	–	8,000.00	99.19	3.2754	76,500.00
Jul. 29	Jul. 31	8,000	61	26,942.55	–	19	8,000.00	–	–	8,000.00	99.20	3.2347	76,500.00

No. 20: Auctions of 91 Day Government of India Treasury Bills *(Concld.)*

(Amount in Rs. 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													
Aug. 5	Aug. 7	8,000	63	21,896.20	–	29	8,000.00	–	–	8,000.00	99.19	3.2754	76,500.00
Aug. 12	Aug. 14	5,000	81	12,680.75	–	55	5,000.00	–	–	5,000.00	99.17	3.3570	76,500.00
Aug. 18	Aug. 21	5,000	62	17,015.62	–	29	5,000.00	–	–	5,000.00	99.17	3.3570	76,500.00
Aug. 26	Aug. 28	5,000	72	17,504.25	–	55	5,000.00	–	–	5,000.00	99.16	3.3978	76,500.00
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

* : Effective from auction dated May 14,1999, devolvement would be on RBI only.

Note : Outstanding amount is net of redemption during the week.

No. 21: Auctions of 182-day Government of India Treasury Bills

(Amount in Rs. 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
2008-09													
Oct. 15	Oct. 17	2,000	128	4,592.47	–	64	2,000.00	–	–	2,000.00	95.85	8.6832	24,303.00
Oct. 29	Oct. 31	2,000	146	6,649.00	–	32	2,000.00	–	–	2,000.00	96.45	7.3816	24,553.00
Nov. 12	Nov. 14	2,000	102	5,322.25	–	21	2,000.00	–	–	2,000.00	96.53	7.2092	24,000.00
Nov. 26	Nov. 28	2,000	94	6,566.00	–	27	2,000.00	–	–	2,000.00	96.60	7.0587	24,800.00
Dec. 10	Dec. 12	500	59	1,773.70	–	30	500.00	–	–	500.00	97.28	5.6075	23,675.00
Dec. 24	Dec. 26	500	59	2,891.20	–	7	500.00	–	–	500.00	97.52	5.1001	22,675.00
Jan. 7	Jan. 9	1,500	90	5,331.00	–	6	1,500.00	–	–	1,500.00	97.74	4.6372	22,175.00
Jan. 21	Jan. 23	1,500	74	4,321.00	–	23	1,500.00	–	–	1,500.00	97.78	4.5533	22,175.00
Feb. 4	Feb. 6	1,500	51	2,820.00	–	20	1,500.00	–	–	1,500.00	97.71	4.7002	21,175.00
Feb. 18	Feb. 21	1,500	63	2,760.00	–	40	1,500.00	–	–	1,500.00	97.70	4.7212	20,175.00
Mar. 4	Mar 6	1,500	51	4,925.00	–	16	1,500.00	–	–	1,500.00	97.75	4.6162	19,175.00
Mar. 18	Mar 20	3,000	99	6,166.00	–	59	3,000.00	–	–	3,000.00	97.52	5.1001	20,175.00
2009-10													
Apr. 2	Apr. 6	500	35	1,510.00	375.00	11	500.00	375.00	–	875.00	97.71	4.7002	20,375.00
Apr. 15	Apr. 17	2,000	85	5,149.00	–	50	2,000.00	–	–	2,000.00	98.01	4.0720	20,375.00
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

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 Rs. 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
2008-09													
Jan. 14	Jan. 16	1,000	69	4,235.00	–	19	1,000	–	–	1,000.00	95.70	4.5056	49,930.30
Jan. 28	Jan. 30	1,000	69	2,850.50	13.50	30	1,000	13.50	–	1,013.50	95.62	4.5932	48,943.80
Feb 11	Feb. 13	3,000	116	9,810.00	–	22	3,000	–	–	3,000.00	95.63	4.5822	48,440.10
Feb. 25	Feb. 27	3,000	70	5,915.00	108.50	34	3,000	108.50	–	3,108.50	95.57	4.6481	50,548.60
Mar. 12	Mar. 13	3,000	58	3,985.00	250.00	50	3,000	250.00	–	3,250.00	95.26	4.9895	52,525.95
Mar. 25	Mar. 26	3.000	88	4.645.00	23.85	78	3.000	23.85	–	3,023.85	94.80	5.5003	54,549.80
2009-10													
Apr. 8	Apr. 9	1,000	76	5,875.00	–	4	1,000	–	–	1,000.00	95.80	4.3962	53,549.80
Apr. 22	Apr. 24	1,000	60	4,266.00	–	7	1,000	–	–	1,000.00	96.39	3.7555	52,549.80
May 6	May 8	1,000	58	4,330.00	–	12	1,000	–	–	1,000.00	96.63	3.4971	49,399.80
May 20	May 22	1,000	37	1,955.30	–	28	1,000	–	–	1,000.00	96.46	3.6800	47,899.80
Jun. 3	Jun. 5	1,000	39	2,160.50	–	27	1,000	–	–	1,000.00	96.16	4.0043	46,499.80
Jun. 17	Jun. 19	1,000	59	3,565.00	–	18	1,000	–	–	1,000.00	96.17	3.9935	46,499.80
Jul. 1	Jul. 3	1,000	56	3,650.00	–	8	1,000	–	–	1,000.00	96.34	3.8095	46,491.05
Jul. 15	Jul. 17	1,000	81	4,965.00	259.42	18	1,000	259.42	–	1,259.42	96.45	3.6908	45,500.47
Jul. 29	Jul. 31	1,000	46	3,070.00	–	24	1,000	–	–	1,000.00	96.35	3.7987	44,463.92
Aug. 12	Aug. 14	1,000	74	4,200.00	42.37	34	1,000	42.37	–	1,042.37	96.01	4.1672	43,006.29
Aug. 26	Aug. 28	1,000	51	3,315.00	–	23	1,000	–	–	1,000.00	95.85	4.3416	41,979.64
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

* : 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 @

(Rs. crore)

Week / Month +	Govt. of India Dated Securities	State Govt. Securities	Treasury Bills			RBI*
			91 Day	182 Day	364 Day	
1	2	3	4	5	6	7
2006-07						
April	1,10,559.28	851.16	2,193.88	2,046.40	16,666.50	922.00
May	1,00,542.72	4,781.64	6,217.52	4,076.30	10,766.88	1,453.00
June	77,255.06	2,395.66	5,996.84	8,689.56	12,871.16	883.00
July	65,538.70	1,376.06	5,206.80	3,761.72	8,127.34	387.88
August	1,48,081.02	1,048.40	10,290.66	8,646.20	12,898.72	166.48
September	2,84,464.66	1,893.48	8,821.54	6,014.18	17,127.28	279.19
October	1,22,101.80	776.32	5,898.98	3,134.06	9,134.16	233.42
November	2,57,667.60	1,358.46	4,857.48	8,209.80	13,484.26	151.08
December	2,39,765.16	3,072.80	6,087.18	2,928.06	9,965.98	58.44
January	1,40,660.36	1,319.26	6,006.94	3,306.44	6,204.12	551.14
February	1,13,360.08	1,362.28	4,998.06	2,854.74	4,948.44	72.88
March	1,10,983.52	4,861.96	5,968.82	4,739.42	6,464.76	1,405.99
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
Week Ended						
January 1, 2010	56,314.72	3,111.14	17,678.64	700.00	3,365.62	–
January 8, 2010	81,986.96	4,964.84	20,786.92	2,608.00	4,779.84	1,352.72
January 15, 2010	83,204.57	3,427.18	11,587.28	814.48	755.26	299.24
January 22, 2010	1,13,574.22	2,368.26	10,589.22	1,686.28	572.98	1.35
January 29, 2010	1,02,986.16	3,434.01	9,581.06	968.00	890.00	579.08

@ : 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 Rs. 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
Jan. 1, 2010	3	–	–	–	–	–	19	26,215	19	26,215	3.25	-26,215	
Jan. 1, 2010 $	3	–	–	–	–	–	50	61,985	50	61,985	3.25	-61,985	88,200
Jan. 4, 2010	1	–	–	–	–	–	41	83,575	41	83,575	3.25	-83,575	83,575
Jan. 5, 2010	1	–	–	–	–	–	43	1,03,275	43	1,03,275	3.25	-1,03,275	1,03,275
Jan. 6, 2010	1	–	–	–	–	–	41	95,265	41	95,265	3.25	-95,265	95,265
Jan. 7, 2010	1	–	–	–	–	–	44	1,06,245	44	1,06,245	3.25	-1,06,245	1,06,245
Jan. 8, 2010	3	–	–	–	–	–	36	87,130	36	87,130	3.25	-87,130	87,130
Jan. 11, 2010	1	–	–	–	–	–	35	80,280	35	80,280	3.25	-80,280	80,280
Jan. 12, 2010	1	–	–	–	–	–	34	68,865	34	68,865	3.25	-68,865	68,865
Jan. 13, 2010	1	–	–	–	–	–	34	65,850	34	65,850	3.25	-65,850	65,850
Jan. 14, 2010	1	–	–	–	–	–	37	77,220	37	77,220	3.25	-77,220	77,220
Jan. 15, 2010	3	–	–	–	–	–	19	28,120	19	28,120	3.25	-28,120	
Jan. 15, 2010 $	3	–	–	–	–	–	47	52,660	47	52,660	3.25	-52,660	80,780
Jan. 18, 2010	1	–	–	–	–	–	35	69,520	35	69,520	3.25	-69,520	69,520
Jan. 19, 2010	1	–	–	–	–	–	40	81,715	40	81,715	3.25	-81,715	81,715
Jan. 20, 2010	1	–	–	–	–	–	35	80,940	35	80,940	3.25	-80,940	80,940
Jan. 21, 2010	1	–	–	–	–	–	33	69,735	33	69,735	3.25	-69,735	69,735
Jan. 22, 2010	3	–	–	–	–	–	39	70,330	39	70,330	3.25	-70,330	70,330
Jan. 25, 2010	2	–	–	–	–	–	40	69,585	40	69,585	3.25	-69,585	69,585
Jan. 27, 2010	1	–	–	–	–	–	45	77,480	45	77,480	3.25	-77,480	77,480
Jan. 28, 2010	1	–	–	–	–	–	39	68,500	39	68,500	3.25	-68,500	68,500
Jan. 29, 2010	3	–	–	–	–	–	24	36,860	24	36,860	3.25	-36,860	
Jan. 29, 2010 $	3	1	300	1	300	4.75	45	51,730	45	51,730	3.25	-51,430	88,290

$: 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*

(Rs. crore)

Month End		Government of India Dated Securities - Face Value			Treasury Bills		
		Purchase	Sale	Net Purchases (+) / Net Sales (–)	Purchase	Sale	Net Purchases (+) / Net Sales (–)
1		2	3	4	5	6	7
2006-07							
April	2006	405.00	516.80	-111.80	–	–	–
May	2006	85.00	1,386.74	-1,301.74	–	–	–
June	2006	55.00	809.88	-754.88	–	–	–
July	2006	25.00	374.36	-349.36	–	–	–
August	2006	80.00	127.64	-47.64	–	–	–
September	2006	40.00	237.24	-197.24	–	–	–
October	2006	–	191.10	-191.10	–	–	–
November	2006	10.00	140.20	-130.20	–	–	–
December	2006	15.00	36.41	-21.41	–	–	–
January	2007	–	571.36	-571.36	–	–	–
February	2007	–	118.09	-118.09	–	–	–
March	2007	5.00	1,335.56	-1,330.56	–	–	–

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	-3,22.24	–	–	–	–	–
May	–	–	–	742.80	-7,42.80	–	–	–	–	–
June	–	–	–	254.86	-2,54.86	–	–	–	–	–
July	25.00	–	–	656.74	-6,31.74	–	–	–	–	–
August	–	–	–	456.28	-4,56.28	–	–	–	–	–
September	15.00	–	–	413.35	-3,98.35	–	–	–	–	–
October	–	–	–	539.93	-5,39.93	–	–	–	–	–
November	–	–	–	184.51	-1,84.51	–	–	–	–	–
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	–	–	–	–	–

* : 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 Rs.NIL (face value) under Special Market Operations (SMOs).

No. 26 A: Secondary Market Outright Transactions in Government Dated Securities (Face Value)

(Amount in Rs. crore)

Week ended	Government of India Dated Securities – Maturing in the year										State Govt. Securities
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-18	2018-19	2019-20	Beyond 2020	
1	2	3	4	5	6	7	8	9	10	11	12
I January 1, 2010											
a. Amount	898.00	600.17	1,655.00	1,060.00	105.00	771.39	5,404.04	101.31	13,740.86	3,821.60	1,555.57
b. YTM *											
Min.	3.4395	4.1320	5.5400	6.4129	6.8592	7.0425	7.3719	7.4997	7.5131	4.4881	8.1996
Max.	7.1411	5.4765	6.0500	6.6994	7.1726	7.6040	7.8229	7.9086	7.7250	8.4027	8.4015
II January 8, 2010											
a. Amount	495.00	3,300.00	3,418.83	3,361.46	278.01	1,035.06	7,669.48	10.19	18,721.20	2,704.26	2,482.42
b. YTM *											
Min.	3.1775	3.7622	5.2000	6.2685	6.7491	7.1410	7.3470	7.8450	7.5551	4.4887	6.1050
Max.	3.3905	5.0985	5.9843	6.7021	7.0775	7.8501	7.5838	7.8450	7.7955	8.3826	8.4360
III January 15, 2010											
a. Amount	460.00	3,763.56	967.42	2,899.81	326.01	2,050.58	6,058.72	15.19	22,451.90	2,609.09	1,713.59
b. YTM *											
Min.	3.1780	3.8391	5.0000	6.2469	6.7478	7.2152	7.3770	7.7916	7.5905	4.5870	3.4210
Max.	3.2295	4.9371	5.5106	6.7261	6.9429	7.4000	7.5013	7.8433	7.8140	8.3817	8.3821
IV January 22, 2010											
a. Amount	5.00	2,473.00	684.97	3,897.82	395.65	2,623.90	9,684.52	64.00	34,427.92	2,531.29	1,184.13
b. YTM *											
Min.	3.3318	3.8733	5.1670	6.1545	6.7296	7.1018	7.3113	7.6166	7.5510	4.5880	3.9399
Max.	3.3318	4.8125	5.5000	6.6539	6.7918	7.4207	7.5998	8.2483	7.8626	8.3391	8.2959
V January 29, 2010											
a. Amount	555.00	2,506.00	999.56	2,492.00	25.00	2,249.66	8,246.87	10.35	31,772.78	2,636.03	1,717.00
b. YTM *											
Min.	3.3401	4.0308	5.0919	6.1261	6.6497	7.0689	7.3101	7.4583	7.4959	4.6137	4.8659
Max.	4.2343	4.8100	6.4027	6.3033	6.6810	7.7000	7.6114	7.7154	7.6874	8.3382	8.3056

* : Minimum and maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than Rs.5 crore).

No. 26 B: Secondary Market Outright Transactions in Treasury Bills

(Amount in Rs. 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 January 1, 2010				
a. Amount	1,710.00	8,615.32	225.00	321.81
b. YTM *				
Min.	3.0000	3.4000	3.7500	4.3499
Max.	3.7500	3.9841	4.2999	4.5000
II January 8, 2010				
a. Amount	1,725.57	10,739.89	632.00	989.92
b. YTM *				
Min.	2.9991	3.0000	3.7000	4.5000
Max.	3.5050	3.8499	4.0511	4.7003
III January 15, 2010				
a. Amount	1,125.00	4,873.39	397.24	182.88
b. YTM *				
Min.	3.1513	3.1656	3.7000	4.3000
Max.	3.4000	3.8061	4.0001	4.6700
IV January 22, 2010				
a. Amount	1,133.00	4,787.61	503.14	0.49
b. YTM *				
Min.	3.1200	3.0478	3.9900	0.0000
Max.	3.7518	3.9288	4.1555	0.0000
V January 29, 2010				
a. Amount	691.35	4,393.18	315.00	320.00
b. YTM *				
Min.	3.2284	3.2197	3.8000	4.0650
Max.	3.4013	4.0106	4.1500	4.6025

* : Minimum and maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than Rs.5 crore).

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
	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
1	2	3	4	5	6	7	8	9	10	11	12	13
1	4.8830	5.1071	4.0065	4.0090	4.4459	4.1763	5.0370	4.8045	4.6422	4.7407	5.1304	5.4382
2	5.0359	5.5078	4.8017	4.9398	5.3876	5.2010	5.9969	6.0172	6.1403	5.7709	6.1123	5.9962
3	5.5459	6.0823	5.4287	5.8083	5.7660	6.2130	6.4633	6.6367	6.6949	6.5567	6.6742	6.5542
4	5.7366	6.4506	5.8113	6.0580	6.1519	6.5599	6.8698	6.8584	6.9754	6.7920	7.0227	6.9340
5	5.8351	6.6508	6.0037	6.3117	6.4988	6.7343	7.1895	7.0280	7.1328	7.0092	7.3081	7.2528
6	6.0582	6.7343	6.2194	6.6305	6.5920	6.8389	7.2960	7.1484	7.4270	7.1976	7.4253	7.3929
7	6.5500	6.9420	6.5487	6.8951	6.9382	6.9924	7.3850	7.1568	7.4334	7.2891	7.4439	7.4051
8	6.6358	7.1882	6.5640	6.9630	6.9917	7.0673	7.4468	7.1533	7.5113	7.4394	7.5088	7.4355
9	6.4542	7.1149	6.3958	6.8291	6.9899	7.0873	7.4272	7.1497	7.3874	7.3112	7.6097	7.4713
10	6.5711	7.0414	6.2923	6.7528	6.9536	6.9926	7.4969	7.3377	7.5877	7.4580	7.7366	7.5814
11	6.7800	7.2481	6.5485	6.9918	7.0107	7.2360	7.8458	7.6011	7.8282	7.6542	7.8922	7.7629
12	6.9889	7.4548	6.8046	7.3127	7.2511	7.3409	7.9966	7.6414	7.9177	7.8333	8.0478	7.9443
13	7.1978	7.6518	7.0182	7.4377	7.4029	7.4557	8.0248	7.6817	8.0073	8.0330	8.2033	8.0775
14	7.2728	7.6873	7.0669	7.4915	7.4148	7.4416	8.0530	7.7219	8.0968	8.2198	7.9874	8.1231
15	7.3114	7.7006	7.1156	7.5453	7.4206	7.4426	8.0812	7.7889	8.1653	8.1889	8.0201	8.1688
16	7.3500	7.7138	7.1644	7.5991	7.5399	7.5687	8.1095	7.9280	8.1958	8.1580	8.1205	8.2145
17	7.3886	7.7270	7.2131	7.6529	7.7222	7.6947	8.1377	8.0672	8.2264	8.1271	8.2210	8.2601
18	7.4272	7.7403	7.2548	7.6946	7.7408	7.7681	8.1561	8.1285	8.2309	8.1349	8.2423	8.2638
19	7.4658	7.7535	7.2692	7.7067	7.7595	7.7800	8.1664	8.1425	8.2248	8.1527	8.2526	8.2655
20	7.5044	7.7667	7.2836	7.7188	7.7781	7.7919	8.1766	8.1565	8.2187	8.1706	8.2628	8.2672
21	7.5430	7.7800	7.2980	7.7309	7.7967	7.8038	8.1869	8.1705	8.2126	8.1885	8.2731	8.2689
22	7.5815	7.7932	7.3125	7.7430	7.8154	7.8158	8.1971	8.1845	8.2065	8.2064	8.2833	8.2706
23	7.6201	7.8065	7.3231	7.7551	7.8340	7.8277	8.1854	8.1985	8.2083	8.2243	8.2830	8.2725
24	7.6459	7.8008	7.3016	7.7672	7.8526	7.8396	8.1553	–	8.2477	8.2421	8.2812	8.2743
25	7.6588	7.7822	7.2713	7.7793	7.8713	7.8515	8.1252	–	8.2872	8.2600	8.2794	8.2606
26	7.6651	7.7780	7.2603	7.7914	7.8899	7.8587	–	–	8.3266	–	–	8.2293
27	7.6661	7.7840	7.2569	7.8035	7.9085	7.8658	–	–	8.3661	–	–	8.1980
28	7.6444	7.7915	7.2534	–	–	–	–	–	–	–	–	–
29	7.6140	7.7990	7.2500	–	–	–	–	–	–	–	–	–
30	7.5836	7.8065	7.2465	–	–	–	–	–	–	–	–	–

No. 26 D: Secondary Market Repo Transactions# (Other than with RBI)

(Amount in Rs. crore)

Week ended	Govt. Of India Dated Securities	State Govt. Securities	91 Day Treasury Bills	182 Day Treasury Bills	364 Day Treasury Bills
1	2	3	4	5	6
I. January 1, 2010					
Amount	55,720	811	9,081	1,972	1,896
Repo Rate Min.	2.00	1.25	2.50	2.50	2.65
Repo Rate Max.	5.50	3.70	3.95	3.85	3.85
Repo Period Min.	1	1	1	1	1
Repo Period Max.	89	4	4	3	3
II. January 8, 2010					
Amount	62,916	465	3,024	660	128
Repo Rate Min.	1.25	2.75	2.95	2.85	3.00
Repo Rate Max.	5.50	3.15	3.10	3.12	3.10
Repo Period Min.	1	1	1	1	1
Repo Period Max.	80	3	3	1	2
III. January 15, 2010					
Amount	85,137	132	8,452	1,161	2,614
Repo Rate Min.	1.00	3.00	1.75	2.60	1.50
Repo Rate Max.	3.25	3.15	3.15	3.15	3.10
Repo Period Min.	1	1	1	1	1
Repo Period Max.	5	5	3	3	3
IV. January 22, 2010					
Amount	64,937	427	9,521	427	–
Repo Rate Min.	2.00	2.90	1.34	3.10	–
Repo Rate Max.	7.02	3.15	3.18	3.18	–
Repo Period Min.	1	1	1	1	–
Repo Period Max.	8	3	3	3	–
V. January 29, 2010					
Amount	85,990	144	6,832	1,370	3,025
Repo Rate Min.	1.00	2.30	2.20	2.50	2.50
Repo Rate Max.	3.55	3.16	3.15	3.15	3.14
Repo Period Min.	1	1	1	1	1
Repo Period Max.	4	3	3	3	3

Represent the First Leg of Transactions.

Note : Repo rate in per cent per annum and repo period in days.

No. 27: Redemption Yield on Government of India Securities Based on SGL Transactions*

(Per cent per annum)

Sr. No.	Nomenclature of the loan	2007-08	2008-09	2009-10	2008	2009				2010
					Dec.	Jan.	Oct.	Nov.	Dec.	Jan.
1	2	3	4	5	6	7	8	9	10	11
	Terminable under 5 years									
1	5.48% 2009	7.63	7.28	3.73	5.82	4.73	..	..	..	..
2	6.65 %2009	7.66	6.62	..	5.67	4.66	..	..	..	..
3	6.99 %2009	..	..	..	..	..	..	..	..	..
4	7.00 %2009	8.09	7.75	..	..	4.91	..	..	..	..
5	11.50 %2009	7.95	7.31	..	6.15	7.14	..	..	..	..
6	11.99 %2009	7.65	7.40	..	5.57	4.63	..	..	..	..
7	5.87 %2010	7.63	7.48	3.97	5.74	4.63	3.40	..	4.76	..
8	6.00% 2010	..	..	..	..	..	..	..	..	..
9	6.20% 2010	..	..	..	..	..	..	..	..	..
10	7.50 %2010	7.35	7.61	5.94	6.78	4.88	..	..	4.38	..
11	7.55% 2010	7.69	6.57	4.17	6.20	4.61	4.50	4.03	4.34	3.89
12	8.75 %2010	..	7.52	4.79	..	6.41	..	..	5.02	4.68
13	11.30 %2010	7.70	7.64	4.39	6.04	4.84	4.56	4.15	5.21	4.35
14	11.50 %2010	7.70	6.39	4.44	6.26	4.71	..	..	4.57	4.23
15	12.25 %2010	7.55	6.90	4.26	6.28	4.93	..	..	4.12	4.15
16	12.29 %2010	7.78	7.66	4.02	..	..	3.68	3.48	4.10	4.39
17	5.03% 2011	..	..	..	..	..	..	..	..	..
18	6.57% 2011	7.37	7.24	5.12	6.01	4.71	5.59	5.04	5.26	4.84
19	8.00 %2011	7.93	7.11	6.45	5.53	5.27	..	..	5.09	7.19
20	9.39% 2011	7.78	7.09	5.45	6.28	5.11	5.83	5.48	5.70	5.33
21	10.95 %2011	7.94	6.86	5.45	6.41	..	..	5.50	5.66	5.35
22	11.50 %2011	7.82	6.37	5.36	5.67	4.84	5.71	5.15	5.40	4.80
23	12.00 %2011	7.95	6.92	5.40	6.93	5.32	6.06	5.71	5.77	..
24	12.32 %2011	7.85	7.09	5.04	..	5.15	5.61	4.95	..	4.81
25	6.72% 2012	7.87	7.75	..	..	..	..	..	..	..
26	6.85% 2012	7.80	6.32	6.29	6.80	5.67	6.57	6.46	6.48	6.22
27	7.40% 2012	7.83	7.26	6.06	6.34	5.69	6.58	6.29	6.47	6.25
28	9.40% 2012	7.87	7.10	6.42	6.78	5.61	..	..	..	6.53
29	10.25 %2012	8.08	8.36	6.56	..	9.24	..	..	6.58	6.48
30	11.03 %2012	8.10	6.63	6.58	6.75	6.04	..	6.54	6.70	6.69
31	7.27% 2013	7.66	7.21	6.41	6.21	5.69	6.97	6.70	6.88	6.77
32	9.00 %2013	8.25	7.61	7.51	6.93	5.89	7.07	..	7.37	7.81
33	9.81% 2013	8.11	6.92	6.97	6.71	5.92	..	7.45	..	6.90
34	12.40 %2013	7.99	7.90	6.76	6.34	6.07	7.11	7.01	7.04	6.94
	Between 5 to 10 years									
35	6.07%2014	..	6.52	6.71	..	..	7.35	7.13	7.21	7.25
36	6.72% 2014	7.89	6.63	6.58	..	..	..	7.01	..	..
37	7.32%2014	..	..	7.17	..	..	7.32	7.05	7.20	7.18
38	7.37% 2014	7.86	7.39	6.64	6.35	5.97	7.40	7.18	7.23	7.20
39	7.56% 2014	..	6.29	6.52	6.18	5.73	7.42	..	..	..
40	10.00 %2014	8.09	7.96	7.41	6.86	..	7.07	..	7.27	7.80
41	10.50 %2014	7.85	7.86	7.48	6.50	5.50	7.45	..	..	8.13
42	11.83 %2014	7.94	7.85	7.05	6.71	6.44	7.33	..	7.61	7.32
43	6.49% 2015	..	6.68	7.02	..	..	7.31	7.25	7.41	7.40
44	7.38 %2015	7.95	7.66	6.90	6.37	5.96	7.34	7.43	..	7.37
45	9.85% 2015	8.01	7.69	7.39	6.85	..	..	..	7.55	..
46	10.47 %2015	8.06	7.49	6.88	6.74	6.51	..	8.60	6.51	6.48
47	10.79 %2015	8.02	8.37	..	..	6.38	..	..	..	..
48	11.43 %2015	8.06	6.96	7.26	5.95	..	..	..	..	..
49	11.50 %2015	8.12	7.46	7.04	6.56	6.53	..	..	..	7.97
50	5.59% 2016	8.18	7.13	7.26	6.13	5.92	..	..	..	..
51	7.02% 2016	..	..	7.32	..	..	7.34	7.25	7.39	7.42

No. 27: Redemption Yield on Government of India Securities Based on SGL Transactions* *(Concld.)*

(Per cent per annum)

Sr. No.	Nomenclature of the loan	2007-08	2008-09	2009-10	2008	2009				2010
					Dec.	Jan.	Oct.	Nov.	Dec.	Jan.
1	2	3	4	5	6	7	8	9	10	11
52	7.59% 2016	7.91	7.32	6.90	6.42	6.19	7.28	7.42	7.42	7.52
53	10.71%2016	7.89	6.44	7.43	..	6.44	..	..	..	..
54	12.30 %2016	8.41	8.04	7.40	6.99	6.46	7.00	..	7.59	8.15
55	7.46% 2017	7.88	7.00	7.14	6.53	6.13	7.43	7.49	7.48	7.47
56	7.49 %2017	7.87	7.56	7.13	6.51	6.18	..	7.49	7.67	7.52
57	7.99% 2017	7.85	7.84	7.04	6.54	6.46	..	7.63	..	7.59
58	8.07 %2017	7.93	7.28	7.07	6.52	6.13	7.89	7.66	7.52	8.80
59	5.69% 2018	7.99	7.53	6.96	6.49	6.05	7.23	8.50	..	8.80
60	6.25 %2018	8.03	7.14	6.86	6.55	6.03	7.50	7.60	7.44	7.31
61	8.24%2018	..	7.60	7.06	6.16	5.71	..	7.85	7.60	7.62
62	10.45%2018	8.19	7.00	7.41	6.25	..	..	..	..	7.76
63	12.60 %2018	..	7.74	7.81	7.16	..	7.49	7.38	7.97	8.47
	Between 10 to 15 years									
64	5.64% 2019	8.07	7.63	7.11	6.65	6.04	7.28	7.60	..	7.53
65	6.05% 2019	8.11	7.05	6.77	6.58	6.09	7.45	..	7.76	7.67
66	6.90%2019	..	6.98	7.32	..	..	7.32	7.26	7.55	7.71
67	10.03%2019	8.22	6.90	6.62	6.51	6.32	..	..	..	..
68	6.35% 2020	8.12	7.17	7.44	6.40	6.23	7.77	7.62	7.57	7.62
69	10.70 %2020	8.48	7.54	7.14	7.25	6.98	..	..	..	..
70	11.60%2020	8.00	7.91	8.39	..	6.61	..	8.39	..	..
71	7.94% 2021	8.11	7.51	7.46	6.31	5.94	8.43	7.78	8.90	7.74
72	10.25%2021	8.11	7.81	7.76	6.61	6.48	7.97	8.00	7.92	8.08
73	5.87% 2022	6.87	7.48	..	6.50	6.53	..	..	..	..
74	8.08 %2022	7.9	..	7.57	..	..	..	7.90	..	..
75	8.13 %2022	7.90	..	7.88	..	..	8.10	..	..	7.97
76	8.20 %2022	7.95	7.82	7.56	6.76	6.56	7.99	7.84	8.07	8.06
77	8.35% 2022	7.99	7.90	7.45	6.72	6.53	..	7.89	..	8.53
78	6.17% 2023	8.18	7.44	7.36	6.70	6.28	..	..	..	8.57
79	6.30% 2023	8.08	6.85	7.58	6.72	6.48	7.74	8.15	..	8.80
80	7.35% 2024	..	7.39	7.71	..	..	8.18	8.06	8.07	..
81	**Over 15 years**									
82	10.18%2026	8.26	8.00	8.06	8.28	7.18	8.39	..	8.33	..
83	8.24% 2027	8.06	8.31	7.93	7.07	6.83	8.25	8.19	8.26	8.24
84	8.26 %2027	8.21	8.34	8.26	7.64	6.96	8.21	..	8.36	..
85	8.28% 2027	..	..	8.07	..	..	..	..	..	..
86	6.01% 2028	8.28	7.81	7.63	7.09	6.54	..	8.30	..	8.44
87	6.13% 2028	8.31	7.58	7.53	6.97	6.63	..	..	..	8.54
88	7.95% 2032	8.19	8.18	7.83	6.98	6.82	8.11	8.16	8.16	8.16
89	8.28% 2032	..	8.27	8.23	7.03	7.01	8.33	8.28	8.34	8.28
90	8.32 %2032	7.94	..	8.20	..	..	8.20	..	..	..
91	8.33% 2032	..	8.26	8.27	..	..	..	8.26	8.28	..
92	7.5% 2034	8.38	7.64	7.93	6.99	6.97	8.07	8.27	8.28	8.24
93	7.40% 2035	8.27	7.55	7.90	7.09	6.95	8.23	8.18	8.10	8.26
94	8.33% 2036	8.28	8.05	7.85	7.01	6.92	8.29	8.40	8.31	8.26
95	6.83%2039	..	7.39	7.63	..	6.93	8.12	..	8.21	8.06

* : Monthly redemption yield is computed from April 2000 as the mean of the daily weighted average yields of the transactions in each traded security. The weight is calculated as the share of the transaction in a given security in the aggregated value of transactions in the said security. Prior to April 2000, the redemption yield was not weighted and was computed as an average of daily prices of each security.

@ : GOI Securities issued with call and put options exercisable on or after 5 years from the date of issue.

.. : Indicates that the relevant security was not available for trading.

.. : Indicates that trading in the relevant security was nil/negligible during the month.

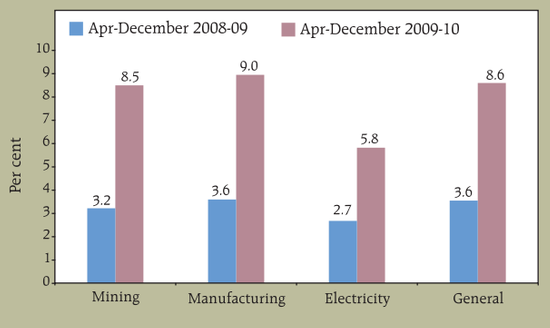
Production

No. 28: Group-wise Index Number of Industrial Production (Base: 1993-94=100)

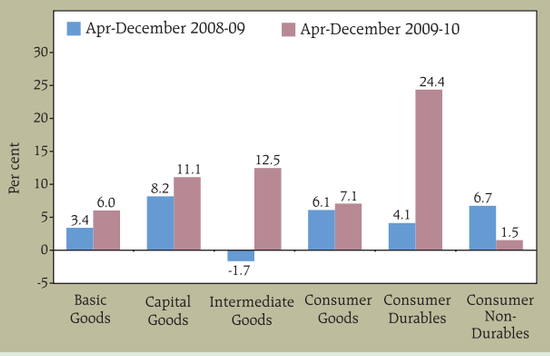
Sr. No.	Industry	Weight	Annual			Cumulative		Monthly	
			2006-07	2007-08	2008-09	April-December		December	
						2008-09	2009-10 P	2008	2009 P
1	2	3	4	5	6	7	8	9	10
	General Index	**100.00**	**247.1**	**268.0**	**275.4**	**270.8**	**294.2**	**284.0**	**331.7**
I.	**Sectoral Classification**								
1	Mining and Quarrying	**10.47**	163.2	171.6	176.0	170.1	184.5	188.1	206.0
2	Manufacturing	**79.36**	263.5	287.2	295.1	290.2	316.2	304.5	360.7
3	Electricity	**10.17**	204.7	217.7	223.7	222.5	235.5	223.1	235.2
II.	**Use-Based Classification**								
1	Basic Goods	**35.57**	209.3	223.9	229.7	227.3	241.0	234.6	252.1
2	Capital Goods	**9.26**	314.2	370.8	397.9	385.8	428.6	448.1	621.8
3	Intermediate Goods	**26.51**	242.4	264.1	259.0	258.2	290.5	247.5	301.1
4	Consumer Goods	**28.66**	276.8	293.6	307.5	299.0	320.1	326.1	365.1
4(a)	Consumer Durables	**5.36**	382.0	378.0	395.0	388.0	482.6	338.9	494.7
4(b)	Consumer Non-Durables	**23.30**	252.6	274.2	287.3	278.5	282.7	323.2	335.3

Source : Central Statistical Organisation, Government of India.

Sectoral Growth of Industrial Production



Growth in IIP: Use-based Classification

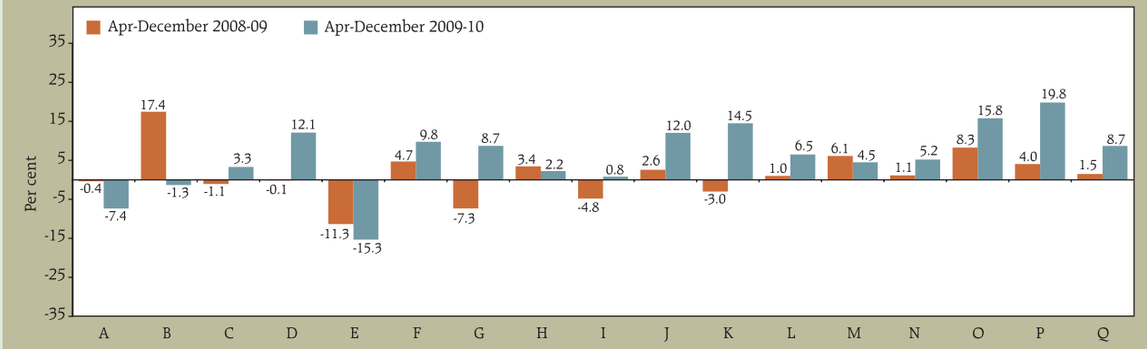


No. 29: IIP – Seventeen Major Industry Groups of Manufacturing Sector (Base : 1993-94 = 100)

Industry Group	Industry	Weight	Annual			Cumulative		Monthly	
			2006-07	2007-08	2008-09	April-December		December	
						2008-09	2009-10 P	2008	2009 P
1	2	3	4	5	6	7	8	9	10
	Manufacturing Index	**79.36**	**263.5**	**287.2**	**295.1**	**290.2**	**316.2**	**304.5**	**360.7**
20-21	Food Products	9.08	185.2	198.2	178.9	164.0	151.9	277.4	258.3
22	Beverages, Tobacco and Related Products	2.38	444.5	498.0	578.5	581.5	573.7	633.9	637.2
23	Cotton Textiles	5.52	157.3	164.0	160.9	162.0	167.3	164.5	168.7
24	Wool, Silk and Man-made Fibre Textiles	2.26	268.4	281.2	281.2	275.8	309.3	298.0	309.4
25	Jute and Other Vegetable Fibre Textiles (Except Cotton)	0.59	90.7	120.7	108.6	106.5	90.2	43.2	53.8
26	Textile Products (Including Wearing Apparel)	2.54	285.0	295.5	312.5	307.6	337.6	302.2	333.0
27	Wood and Wood Products, Furniture and Fixtures	2.70	91.0	127.9	115.6	117.8	128.0	104.1	114.9
28	Paper and Paper Products and Printing, Publishing and Allied Industries	2.65	248.6	255.3	260.0	262.4	268.2	264.2	274.8
29	Leather and Leather & Fur Products	1.14	150.2	167.8	156.3	159.6	160.8	171.6	171.5
30	Chemicals and Chemical Products (Except Products Of Petroleum and Coal)	14.00	283.4	313.4	326.3	322.2	361.0	289.9	374.0
31	Rubber, Plastic, Petroleum and Coal Products	5.73	226.3	246.4	242.6	237.3	271.6	244.7	297.3
32	Non-metallic Mineral Products	4.40	305.8	323.2	327.0	323.3	344.4	344.5	372.8
33	Basic Metal and Alloy Industries	7.45	278.9	312.7	325.1	324.8	339.4	330.1	349.3
34	Metal Products and Parts, Except Machinery and Equipment	2.81	183.2	172.9	165.9	166.0	174.7	170.8	190.7
35-36	Machinery and Equipment Other Than Transport Equipment	9.57	357.1	394.4	429.1	414.8	480.3	421.3	609.4
37	Transport Equipment and Parts	3.98	367.7	378.4	387.9	383.2	459.1	295.9	539.1
38	Other Manufacturing Industries	2.56	298.4	357.4	358.9	361.8	393.3	570.5	516.6

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 Rs. crore)

Security & Type of Issue	2007-08 (April-March)		2008-09 (April-March)		April-December 2008		April-December 2009	
	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)	111	56,848.3	45	14,670.6	40	14,006.9	36	13,121.4
	(103)	(54,732.4)	(39)	(13,022.0)	(34)	(12,826.9)	(35)	(11,574.3)
a) Prospectus	85	47,477.5	25	2,673.3	20	2,009.6	18	10,169.3
	(83)	(46,138.8)	(24)	(1,966.5)	(19)	(1,771.5)	(18)	(9,026.4)
b) Rights	26	9,370.8	20	11,997.3	20	11,997.3	18	2,952.1
	(20)	(8,593.6)	(15)	(11,055.5)	(15)	(11,055.4)	(17)	(2,547.9)
2) Preference Shares (a+b)	1	5,480.8	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	1	5,480.8	–	–	–	–	–	–
3) Debentures (a+b)	2	808.8	–	–	–	–	1	180.0
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	2	808.8	–	–	–	–	1	180.0
of which:								
I) Convertible (a+b)	1	205.9	–	–	–	–	1	180.0
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	1	205.9	–	–	–	–	1	180.0
II) Non-Convertible (a+b)	1	602.9	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	1	602.9	–	–	–	–	–	–
4) Bonds (a+b)	1	500.0	–	–	–	–	–	–
a) Prospectus	1	500.0	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
5) TOTAL (1+2+3+4)	115	63,637.9	45	14,670.6	40	14,006.9	37	13,301.4
a) Prospectus	86	47,977.5	25	2,673.3	20	2,009.6	18	10,169.3
b) Rights	29	15,660.4	20	11,997.3	20	11,997.3	19	3,132.1

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
January 2009	9350.42	10335.93	8674.35	4802.01	5328.95	4441.84	2854.36	3121.45	2678.55
February 2009	9188.03	9647.47	8822.06	4668.37	4900.74	4484.30	2819.21	2948.35	2733.90
March 2009	8995.45	10048.49	8160.40	4569.09	5091.61	4160.43	2802.27	3108.65	2573.15
April 2009	10911.20	11403.25	9901.99	5574.43	5814.66	5028.39	3359.83	3484.15	3060.35
May 2009	13046.14	14625.25	11682.99	6714.15	7620.13	5965.67	3957.96	4448.95	3554.60
June 2009	14782.47	15466.81	14265.53	7718.53	8050.77	7435.17	4436.37	4655.25	4235.25
July 2009	14635.19	15670.31	13400.32	7657.54	8176.54	6983.12	4343.10	4636.45	3974.05
August 2009	15414.67	15924.23	14784.92	8052.66	8322.22	7737.74	4571.11	4732.35	4387.90
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

Sources : 1. Bombay Stock Exchange Ltd.
2. National Stock Exchange of India Ltd.

No. 32: Volume in Corporate Debt Traded at NSE*

(Rs. 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**
2008 - 2009	
April 2008	443.76
May 2008	530.84
June 2008	1,053.75
July 2008	1,225.27
August 2008	237.06
September 2008	756.89
October 2008	384.25
November 2008	633.13
December 2008	1,901.88
January 2009	1,208.92
February 2009	2,067.15
March 2009	1,491.54
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
Week ended	
December 4, 2009	678.49
December 11, 2009	363.51
December 18, 2009	507.23
December 25, 2009 $	658.26
January 1, 2010	203.71
January 8, 2010	1,208.83
January 15, 2010	3,493.47
January 22, 2010	1,957.54
January 29, 2010	924.06

* : Excluding trade in commercial papers.
$: The data pertains to December 24,2009 as markets were closed on December 25, 2009.
Source : National Stock Exchange of India Ltd.

No. 33: Assistance Sanctioned and Disbursed by All - India Financial Institutions

(Rs. 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 (Rs. per 10 grams)	Silver (Rs. 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
February 2008	11,888	21,979
March 2008	12,632	24,357
April 2008	11,810	23,474
May 2008	12,143	23,796
June 2008	12,369	24,213
July 2008	13,055	25,269
August 2008	11,855	22,265
September 2008	12,214	20,191
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

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 @	2007-08	2008-09	2009						2010
					Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
1	2	3	4	5	6	7	8	9	10	11	12
All India (2)	**4.63**	**193**	**133**	**145**	**160**	**162**	**163**	**165**	**168**	**169**	**172**
Ahmedabad	4.62	196	131	141	153	158	156	158	162	162	165
Alwaye (Ernakulam)	4.52	176	133	145	155	155	155	155	160	160	161
Asansol	4.37	189	141	155	176	176	177	182	184	184	189
Bangalore	4.51	183	138	154	169	170	171	173	174	176	177
Bhavnagar	4.76	198	131	137	151	153	154	155	160	160	165
Bhopal	4.83	196	136	148	170	171	169	172	173	173	178
Chandigarh	5.26	189	132	143	158	158	162	163	166	166	170
Chennai	4.95	189	126	139	150	151	153	154	157	159	160
Coimbatore	4.49	178	129	140	151	153	156	159	160	163	164
Delhi	5.60	201	130	140	150	151	152	152	155	156	158
Faridabad	4.79	187	133	149	163	164	164	167	175	172	178
Guwahati	4.80	195	120	132	140	147	148	150	152	153	150
Howrah	5.42	212	132	142	156	158	162	163	166	166	167
Hyderabad	4.79	182	125	139	154	155	154	157	158	161	161
Jaipur	4.25	190	136	148	161	165	167	169	171	170	175
Jamshedpur	4.23	187	134	145	165	166	165	168	168	167	175
Kolkata	5.12	203	134	145	157	160	163	167	168	166	167
Ludhiana	4.12	193	136	149	163	165	166	169	172	170	173
Madurai	4.51	192	123	137	149	150	150	151	154	158	161
Monghyr-Jamalpur	4.30	189	136	148	166	166	167	173	173	171	177
Mumbai	5.18	201	136	148	160	161	162	164	170	171	171
Mundakayam	4.37	184	132	150	159	158	159	161	165	170	169
Nagpur	4.68	201	142	155	186	185	186	186	188	188	198
Pondicherry	4.88	204	133	151	164	165	166	166	170	175	176
Rourkela	4.03	179	140	153	172	174	175	175	178	179	180
Kanpur	4.50	195	133	144	164	166	167	170	172	171	179
Solapur	4.73	197	141	151	160	165	164	165	173	176	180
Srinagar	5.62	184	126	137	144	148	148	148	151	153	155

@ 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)

	2008	2009			
	Dec.	Sep.	Oct.	Nov.	Dec.
1	2	3	4	5	6
General Index	569	635	643	655	657

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)	2007-08	2008-09	2009						2010
					Jan.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
1	2	3	4	5	6	7	8	9	10	11	12
All India	**830**	**5.89**	**417**	**462**	**461**	**508**	**515**	**522**	**532**	**538**	**542**
Andhra Pradesh	657	4.84	430	484	486	532	534	543	551	562	562
Assam	854	(3)	417	451	450	505	512	522	527	527	521
Bihar	858	6.22	411	446	442	482	490	493	501	507	511
Gujarat	742	5.34	424	459	458	517	525	529	543	552	554
Haryana		(5)	447	498	495	552	563	574	590	593	613
Himachal Pradesh		(5)	376	406	408	437	447	458	463	464	464
Jammu & Kashmir	843	5.98	413	453	455	489	497	501	521	544	545
Karnataka	807	5.81	406	458	465	514	523	534	544	546	548
Kerala	939	6.56	403	454	463	476	477	481	489	497	506
Madhya Pradesh	862	6.04	412	459	455	509	512	513	531	532	533
Maharashtra	801	5.85	432	475	474	540	551	557	565	572	573
Manipur		(5)	367	407	409	438	444	445	448	456	458
Meghalaya		(5)	439	484	483	528	538	547	552	550	538
Orissa	830	6.05	400	438	431	485	486	494	490	495	497
Punjab	930	(4)	448	501	496	558	569	579	595	593	609
Rajasthan	885	6.15	439	490	488	553	558	565	582	585	591
Tamil Nadu	784	5.67	403	455	461	492	497	500	515	526	530
Tripura		(5)	407	433	433	460	465	470	472	468	464
Uttar Pradesh	960	6.60	433	469	463	515	524	539	548	546	551
West Bengal	842	5.73	395	432	429	468	481	486	500	510	519

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)	2007-08	2008-09	2009							2010
				Jan.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
1	2	3	4	5	6	7	8	9	10	11	12
All India	**240**	**418**	**462**	**461**	**498**	**507**	**514**	**521**	**532**	**537**	**541**
Andhra Pradesh	244	429	482	484	518	529	532	541	548	559	559
Assam	243	419	454	452	494	508	514	525	531	531	525
Bihar	223	412	447	443	479	483	491	493	501	506	510
Gujarat	241	425	460	460	502	517	525	530	542	552	554
Haryana	237	445	495	492	533	547	558	567	585	587	606
Himachal Pradesh	221	388	420	417	438	454	463	475	482	484	481
Jammu & Kashmir	225	413	451	452	482	486	492	499	521	543	542
Karnataka	250	407	459	466	500	512	522	532	544	545	547
Kerala	260	404	456	464	477	481	482	486	496	504	512
Madhya Pradesh	239	415	463	460	510	514	518	519	539	540	541
Maharashtra	247	428	470	469	521	535	546	552	560	566	568
Manipur	245	368	407	409	435	439	445	446	449	458	459
Meghalaya	250	436	481	480	521	524	533	542	546	544	534
Orissa	236	400	439	431	485	485	486	494	490	496	497
Punjab	247	449	501	497	539	554	568	579	594	593	607
Rajasthan	239	438	486	483	528	547	552	559	575	580	586
Tamil Nadu	244	402	452	459	479	488	493	497	510	520	525
Tripura	219	399	429	429	445	458	462	467	469	465	461
Uttar Pradesh	231	434	469	464	503	512	521	534	544	542	547
West Bengal	232	398	435	432	462	472	485	490	503	513	521

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

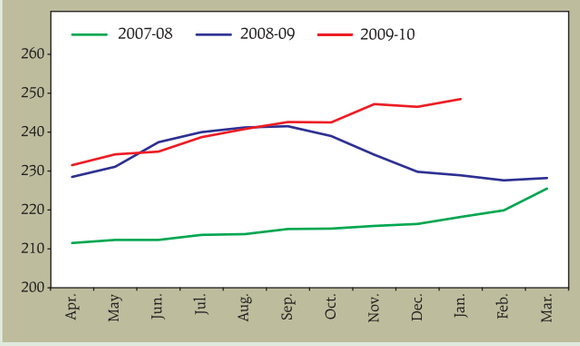
No. 38: Index Numbers of Wholesale Prices in India – by Groups and Sub-Groups

(Base : 1993-94 = 100)

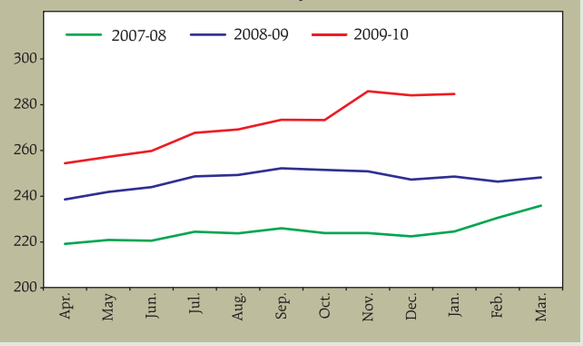
Commodities / Major Groups / Groups / Sub-Groups	Weight	1994-95	2007-08	2008-09	2009						2010
		April-March			Jan.	Aug.	Sep.	Oct.	Nov.	Dec(P).	Jan(P)
1	2	3	4	5	6	7	8	9	10	11	12
ALL COMMODITIES	**100.000**	**112.6**	**215.9**	**233.9**	**228.9**	**240.8**	**242.6**	**242.5**	**247.2**	**246.5**	**248.5**
I. PRIMARY ARTICLES	**22.025**	**115.8**	**224.8**	**247.3**	**248.6**	**269.2**	**273.4**	**273.3**	**285.9**	**284.1**	**284.7**
(A) Food Articles	**15.402**	**112.8**	**222.1**	**239.8**	**243.9**	**271.4**	**277.4**	**277.4**	**291.9**	**288.4**	**286.4**
a. Foodgrains (Cereals+Pulses)	5.009	114.7	215.6	234.1	242.2	262.3	266.8	270.0	282.6	280.0	285.5
a1. Cereals	4.406	113.6	211.8	230.5	239.2	254.3	259.4	261.6	269.5	267.0	272.0
a2. Pulses	0.603	122.2	243.2	259.8	263.6	320.9	320.5	331.2	377.8	374.9	383.9
b. Fruits & Vegetables	2.917	108.0	236.5	255.5	256.2	285.7	305.8	294.9	318.5	305.3	277.5
b1. Vegetables	1.459	110.4	224.4	232.9	215.5	303.1	292.3	279.2	322.1	297.8	240.9
b2. Fruits	1.458	105.7	248.6	278.2	296.8	268.2	319.4	310.6	314.8	312.8	314.2
c. Milk	4.367	110.3	212.6	228.5	233.7	247.7	249.4	252.4	262.4	263.1	266.4
d. Eggs, Meat & Fish	2.208	116.1	238.7	249.8	249.3	314.4	312.1	309.4	322.8	321.6	325.8
e. Condiments & Spices	0.662	126.2	239.3	267.7	267.5	303.4	317.5	328.2	353.4	351.1	352.9
f. Other Food Articles	0.239	111.6	155.4	204.7	205.2	236.8	236.9	240.8	244.1	240.4	229.6
(B) Non-Food Articles	**6.138**	**124.2**	**212.2**	**235.8**	**231.8**	**238.6**	**238.6**	**238.0**	**247.1**	**249.5**	**256.3**
a. Fibres	1.523	150.0	179.1	217.2	213.2	212.6	210.4	211.4	220.9	229.6	232.7
b. Oil seeds	2.666	118.5	218.3	245.9	241.8	250.6	250.5	243.5	256.5	256.5	266.1
c. Other Non-Food Articles	1.949	112.0	229.7	236.5	232.7	242.6	244.4	251.2	254.5	255.7	261.5
(C) Minerals	**0.485**	**104.9**	**469.5**	**631.6**	**609.0**	**587.0**	**587.0**	**587.9**	**591.6**	**588.1**	**591.6**
a. Metallic Minerals	0.297	103.8	687.7	943.1	917.0	879.4	879.4	879.3	878.7	879.2	878.7
b. Other Minerals	0.188	106.7	124.8	139.6	122.5	125.3	125.3	127.9	138.2	128.5	138.2
II. Fuel, Power, Light & Lubricants	**14.226**	**108.9**	**327.2**	**351.4**	**328.8**	**342.9**	**344.6**	**344.6**	**345.4**	**345.2**	**351.5**
a. Coal Mining	1.753	105.1	238.0	253.5	251.8	251.8	251.8	251.8	251.8	251.8	258.6
b. Minerals Oils	6.990	106.1	392.0	435.2	389.3	413.7	417.1	417.0	418.9	418.3	429.5
c. Electricity	5.484	113.6	273.1	275.9	276.5	281.9	281.9	281.9	281.9	281.9	281.9

See 'Notes on Tables'.

Monthly Movement of the Index of WPI-All Commodities



Monthly Movement in the Index of WPI-Primary Articles

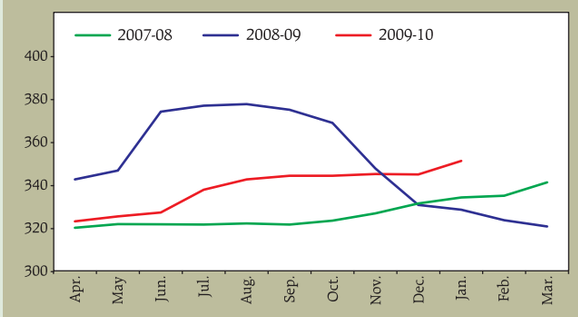


No. 38: Index Numbers of Wholesale Prices in India – by Groups and Sub-Groups *(Contd.)*

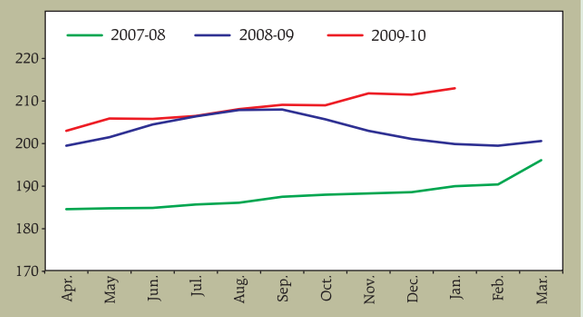
(Base : 1993-94 = 100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	1994-95	2007-08	2008-09	2009						2010
		April-March			Jan.	Aug.	Sep.	Oct.	Nov.	Dec(P).	Jan(P)
1	2	3	4	5	6	7	8	9	10	11	12
III. MANUFACTURED PRODUCTS	**63.749**	**112.3**	**188.0**	**203.1**	**199.9**	**208.1**	**209.1**	**209.0**	**211.8**	**211.5**	**213.0**
(A) Food Products	**11.538**	**114.1**	**190.4**	**209.4**	**210.0**	**238.4**	**242.5**	**241.7**	**253.5**	**253.3**	**257.4**
a. Dairy Products	0.687	117.0	232.6	248.4	248.0	259.8	273.3	277.9	278.5	279.2	279.9
b. Canning, Preserving & Processing of Fish	0.047	100.0	293.8	327.8	419.4	419.4	419.4	419.4	419.4	419.4	419.4
c. Grain Mill Products	1.033	103.7	230.4	240.5	243.4	240.8	244.5	248.7	258.1	258.1	259.4
d. Bakery Products	0.441	107.7	195.5	201.3	201.3	203.0	203.0	203.0	203.0	203.0	203.0
e. Sugar, Khandsari & Gur	3.929	119.1	155.2	168.7	175.8	227.0	242.0	243.9	256.8	256.5	273.9
f. Manufacture of common Salts	0.021	104.8	222.4	253.2	260.7	270.2	270.5	271.6	271.6	271.6	280.3
g. Cocoa, Chocolate, Sugar & Confectionery	0.087	118.3	188.1	188.1	188.1	188.1	188.1	188.1	188.1	188.1	188.1
h. Edible Oils	2.755	110.9	175.4	188.1	182.2	176.1	175.8	175.1	176.7	179.9	180.1
i. Oil Cakes	1.416	121.6	256.6	323.4	311.4	395.0	377.9	361.6	411.2	403.0	387.2
j. Tea & Coffee Proccessing	0.967	104.4	193.8	201.0	206.5	224.3	225.5	226.1	227.0	227.0	227.0
k. Other Food Products n.e.c.	0.154	111.6	218.9	240.5	243.1	249.6	249.6	249.6	249.6	249.6	249.6
(B) Beverages, Tobacco & Tobacco Products	**1.339**	**118.3**	**268.5**	**294.0**	**298.3**	**308.8**	**310.7**	**310.7**	**310.7**	**310.7**	**311.0**
a. Wine Industries	0.269	150.2	309.3	309.9	311.7	311.7	311.7	311.7	311.7	311.7	312.2
b. Malt liquor	0.043	109.1	198.0	235.8	270.5	305.2	305.2	305.2	305.2	305.2	305.2
c. Soft drinks & Carbonated Water	0.053	109.1	187.6	189.1	188.4	203.0	203.0	203.0	203.0	203.0	203.0
d. Manufacture of Bidi, Cigarettes, Tobacco & Zarda	0.975	110.4	264.8	297.8	301.8	313.9	316.5	316.5	316.5	316.5	316.8

Monthly Movement of the Index of WPI-Fuel, Power, Light and Lubricants



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 : 1993-94 = 100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	1994-95	2007-08	2008-09	2009						2010
		April-March			Jan.	Aug.	Sep.	Oct.	Nov.	Dec(P).	Jan(P)
1	2	3	4	5	6	7	8	9	10	11	12
(C) Textiles	**9.800**	**118.2**	**130.9**	**138.8**	**140.6**	**143.5**	**144.1**	**144.9**	**147.9**	**149.6**	**153.2**
a. Cotton Textiles	4.215	132.7	156.3	168.6	173.2	177.6	178.4	178.7	183.2	185.1	192.5
a1. Cotton Yarn	3.312	136.2	153.0	167.1	172.1	177.3	178.3	178.7	184.3	186.8	196.1
a2. Cotton Cloth (Mills)	0.903	119.9	168.4	174.2	177.4	178.8	178.8	178.8	178.8	178.8	179.3
b. Man Made Textiles	4.719	105.9	97.4	100.3	97.8	98.4	98.1	97.9	97.7	97.8	98.6
b1. Man Made Fibre	4.406	105.6	94.8	97.7	94.9	95.5	95.1	94.9	94.7	94.8	95.7
b2. Man Made Cloth	0.313	109.9	134.4	137.0	139.4	139.4	139.4	139.4	139.4	139.4	139.4
c. Woolen Textiles	0.190	132.6	170.6	176.7	178.6	174.5	174.5	172.5	174.8	174.8	177.1
d. Jute, Hemp & Mesta Textiles	0.376	110.3	205.6	227.6	248.5	270.7	281.0	292.5	319.3	339.9	339.4
e. Other Misc. Textiles	0.300	109.0	182.7	192.1	196.1	196.1	196.1	205.9	211.3	211.3	211.3
(D) Wood & Wood Products	**0.173**	**110.9**	**215.9**	**233.9**	**237.6**	**237.6**	**237.6**	**237.6**	**237.6**	**237.6**	**237.6**
(E) Paper & Paper Products	**2.044**	**106.1**	**194.2**	**202.7**	**205.4**	**204.0**	**204.0**	**204.4**	**204.0**	**203.9**	**204.2**
a. Paper & pulp	1.229	108.7	175.5	189.1	192.7	188.3	188.2	189.0	188.2	188.1	188.6
b. Manufacture of boards	0.237	110.9	164.3	165.7	164.7	166.8	166.8	166.8	166.8	166.8	166.8
c. Printing & publishing of newspapers,periodicals *etc.*	0.578	98.5	246.2	246.8	249.1	252.7	252.7	252.7	252.7	252.7	252.7
(F) Leather & Leather Products	**1.019**	**109.7**	**166.1**	**167.9**	**169.5**	**166.2**	**166.2**	**166.2**	**166.2**	**166.2**	**165.8**
(G) Rubber & Plastic Products	**2.388**	**106.4**	**159.0**	**166.3**	**167.4**	**168.7**	**169.1**	**168.7**	**168.7**	**168.8**	**169.7**
a. Tyres & Tubes	1.286	104.1	156.8	167.2	170.1	175.2	175.3	175.3	175.3	175.3	177.6
a1. Tyres	1.144	103.4	143.5	150.2	151.0	154.9	155.0	155.0	155.0	155.0	156.7
a2. Tubes	0.142	110.0	264.2	303.9	324.4	338.9	338.9	338.9	338.9	338.9	345.9
b. Plastic Products	0.937	106.8	154.2	158.7	157.3	152.3	153.5	152.6	152.8	153.0	152.0
c. Other Rubber & Plastic Products	0.165	121.0	203.0	202.8	202.8	210.7	208.2	208.2	208.2	208.2	208.2
(H) Chemicals & Chemical Products	**11.931**	**116.6**	**204.8**	**219.5**	**213.4**	**229.6**	**230.2**	**230.1**	**231.1**	**229.3**	**230.5**
a. Basic heavy Inorganic Chemicals	1.446	112.2	190.3	226.2	191.9	182.9	185.5	185.5	184.4	186.0	184.6
b. Basic Heavy Organic Chemicals	0.455	118.7	176.4	180.0	135.4	183.9	185.5	175.4	173.8	184.0	191.6
c. Fertilisers & Pesticides	4.164	117.7	173.7	188.3	188.5	187.0	187.8	187.8	187.8	184.6	184.4
c1. Fertilisers	3.689	115.8	180.8	196.5	196.6	191.7	192.6	192.6	192.6	189.2	188.9
c2. Pesticides	0.475	132.5	118.5	124.4	125.9	150.5	150.5	150.5	150.4	148.6	148.6
d. Paints, Varnishes & Lacquers	0.496	101.3	143.0	157.3	166.3	163.9	164.0	164.0	164.3	164.0	164.2
e. Dyestuffs & Indigo	0.175	108.4	111.2	118.6	118.9	112.4	112.4	112.4	112.4	112.4	112.4
f. Drugs & Medicines	2.532	129.4	314.9	320.8	322.4	382.5	382.4	382.4	387.9	382.4	387.9
g. Perfumes, Cosmetics, Toiletries *etc.*	0.978	118.0	239.7	258.2	259.1	298.0	298.0	298.7	298.7	298.7	298.7
h. Turpentine, Synthetic Resins, Plastic Materials *etc.*	0.746	107.6	143.4	152.2	131.7	139.3	138.1	140.6	140.0	140.4	140.3
i. Matches, Explosives & Other Chemicals n.e.c.	0.940	98.3	144.3	158.0	160.8	157.1	157.5	158.8	158.8	158.8	157.8

No. 38: Index Numbers of Wholesale Prices in India – by Groups and Sub-Groups *(Concld.)*

(Base : 1993-94 = 100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	1994-95	2007-08	2008-09	2009						2010
		April-March			Jan.	Aug.	Sep.	Oct.	Nov.	Dec(P).	Jan(P)
1	2	3	4	5	6	7	8	9	10	11	12
(I) Non-Metallic Mineral Products	**2.516**	**110.9**	**208.8**	**216.6**	**215.7**	**226.8**	**225.8**	**224.7**	**224.7**	**220.2**	**212.0**
a. Structural Clay Products	0.230	100.0	212.8	221.4	223.8	227.2	227.2	227.2	227.2	227.2	226.3
b. Glass, Earthernware, Chinaware & their Products	0.237	113.3	167.9	166.4	166.4	185.8	190.6	190.6	190.6	190.6	190.6
c. Cement	1.731	112.4	217.5	223.3	221.4	229.6	227.5	225.8	225.8	219.3	207.5
d. Cement, Slate & Graphite Products	0.319	108.8	189.1	214.2	215.1	242.0	242.0	242.0	242.0	242.0	242.0
(J) Basic Metals Alloys & Metals Products	**8.342**	**108.4**	**249.8**	**285.3**	**266.6**	**258.5**	**257.6**	**258.0**	**258.3**	**258.2**	**259.7**
a. Basic Metals & Alloys	6.206	107.0	256.3	307.8	285.0	275.4	273.7	274.1	274.3	274.0	275.7
a1. Iron & Steel	3.637	106.0	280.0	336.6	303.1	293.9	290.0	291.4	291.3	290.8	292.9
a2. Foundries for Casting, Forging & Structurals	0.896	106.7	245.2	301.3	302.2	290.3	289.3	286.2	286.2	286.2	286.2
a3. Pipes, Wires Drawing & Others	1.589	109.5	213.5	253.3	241.6	233.6	236.8	236.8	237.8	237.7	239.6
a4. Ferro Alloys	0.085	104.5	155.5	159.7	142.2	111.2	103.5	103.5	103.5	103.5	103.5
b. Non-Ferrous Metals	1.466	115.9	265.1	248.2	237.9	236.3	238.0	238.6	239.8	240.4	241.6
b1. Aluminium	0.853	114.7	248.7	245.3	235.1	226.6	227.1	227.1	227.5	227.1	227.7
b2. Other Non-Ferrous Metals	0.613	117.7	288.0	252.1	241.7	249.8	253.2	254.6	257.1	259.0	260.8
c. Metal Products	0.669	105.0	155.9	158.0	159.2	150.7	150.5	150.5	150.5	150.5	150.5
(K) Machinery & Machine Tools	**8.363**	**106.0**	**166.6**	**174.5**	**172.2**	**172.9**	**174.0**	**173.6**	**173.3**	**173.5**	**173.8**
a. Non-Electrical Machinery & Parts	3.379	108.6	199.5	210.0	209.7	210.9	210.9	210.9	210.7	210.7	210.8
a1. Heavy Machinery & Parts	1.822	111.0	207.3	222.5	222.1	224.8	224.6	224.4	224.4	224.4	224.4
a2. Industrial Machinery for Textiles, *etc.*	0.568	108.5	260.5	258.6	257.4	257.4	257.4	257.4	257.4	257.4	257.8
a3. Refrigeration & Other Non-electrical Machinery	0.989	104.3	150.2	159.0	159.5	158.9	159.1	159.2	158.6	158.6	158.6
b. Electrical Machinery	4.985	104.2	144.3	150.4	146.7	147.0	149.0	148.4	147.9	148.2	148.7
b1. Electrical Industrial Machinery	1.811	105.2	160.9	169.6	174.8	171.6	171.6	169.8	168.5	168.9	169.8
b2. Wires & Cables	1.076	109.0	230.3	237.8	212.5	217.0	224.3	224.3	224.3	224.7	225.7
b3. Dry & Wet Batteries	0.275	105.8	163.3	175.8	175.5	178.8	186.3	186.3	186.3	186.3	186.3
b4. Electrical Apparatus & Appliances	1.823	100.1	74.2	75.9	75.7	76.6	76.6	76.6	76.6	76.6	76.6
(L) Transport Equipment & Parts	**4.295**	**107.4**	**166.9**	**175.5**	**175.5**	**175.8**	**175.8**	**175.8**	**175.8**	**175.8**	**175.8**
a. Locomotives, Railway Wagons & Parts	0.318	105.3	131.6	142.1	144.1	143.9	143.9	143.9	143.9	143.9	143.9
b. Motor Vehicles, Motorcycles, Scooters, Bicycles & Parts	3.977	107.6	169.7	178.2	178.1	178.4	178.4	178.4	178.4	178.4	178.4

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)

(Rupees 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	-1,25,725	-1,02,690	-23035
2005-06	4,56,418	51,533	4,04,885	6,60,409	1,94,640	4,65,769	-2,03,991	-1,43,107	-60,884
2006-07	5,71,779	84,520	4,87,259	8,40,506	2,58,572	5,81,935	-2,68,727	-1,74,052	-94,675
2007-08	6,55,864	1,14,192	5,41,672	10,12,312	3,20,655	6,91,657	-3,56,448	-2,06,463	-1,49,985
2008-09	8,40,755	1,23,398	7,17,357	13,74,435	4,19,946	9,54,489	-5,33,680	-2,96,548	-2,37,132
2007-08									
April	47,741	8,796	38,944	77,429	23,154	54,274	-29,688	-14,358	-15,330
May	50,796	9,093	41,703	86,251	22,890	63,360	-35,455	-13,797	-21,657
June	49,340	8,603	40,737	81,612	24,015	57,597	-32,272	-15,413	-16,860
July	50,571	8,905	41,666	85,389	22,632	62,757	-34,818	-13,727	-21,091
August	51,600	8,039	43,561	83,136	25,318	57,818	-31,536	-17,279	-14,257
September	50,511	8,475	42,036	73,489	23,363	50,126	-22,978	-14,888	-8,090
October	57,982	9,582	48,400	86,264	25,780	60,484	-28,282	-16,198	-12,084
November	50,910	8,388	42,521	87,171	25,566	61,604	-36,261	-17,178	-19,083
December	57,682	9,005	48,677	79,340	26,913	52,427	-21,658	-17,908	-3,750
January	58,624	9,425	49,199	89,947	33,487	56,460	-31,323	-24,062	-7,261
February	60,061	9,453	50,608	82,661	30,645	52,016	-22,601	-21,192	-1,409
March	69,630	10,474	59,157	95,134	36,625	58,509	-25,504	-26,152	648
2008-09 R									
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	6,329	48,370	1,15,091	29,010	86,081	-60,392	-22,680	-37,712
December	65,015	6,340	58,675	94,625	21,171	73,454	-29,610	-14,832	-14,778
January	62,844	6,028	56,816	89,015	20,561	68,454	-26,171	-14,533	-11,638
February	58,822	5,915	52,907	74,198	16,188	58,010	-15,376	-10,273	-5,103
March	66,169	7,801	58,368	85,022	21,387	63,635	-18,853	-13,586	-5,267
2009-10 P									
April	60,462	7,592	52,870	95,169	23,726	71,442	-34,706	-16,134	-18,572
May	57,227	7,163	50,063	95,815	25,738	70,077	-38,588	-18,575	-20,013
June	62,644	6,771	55,873	1,07,858	31,524	76,334	-45,215	-24,753	-20,461
July	65,380	8,654	56,726	1,01,953	35,508	66,445	-36,573	-26,854	-9,719
August	63,557	10,097	53,460	1,03,567	33,458	70,109	-40,010	-23,362	-16,648
September	67,130	11,506	55,624	99,211	31,672	67,540	-32,081	-20,165	-11,916
October	66,188	12,605	53,583	1,11,029	36,081	74,948	-44,840	-23,476	-21,365
November	61,462	..	..	1,06,584	29,750	76,834	-45,122	..	..
December	68,107	..	..	1,15,420	30,475	84,945	-47,313	..	..

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)

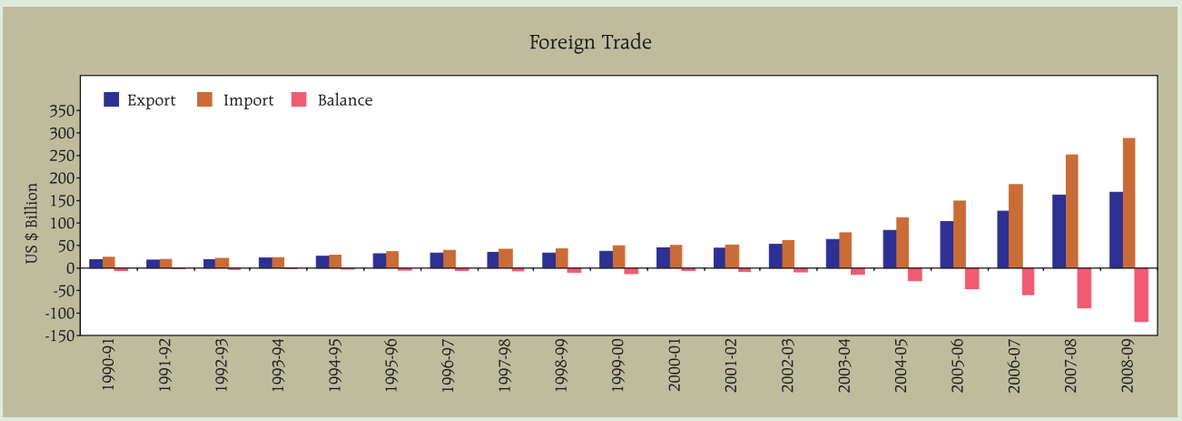
Year/ Month	Exports			Imports			Trade Balance		
	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil
1	2	3	4	5	6	7	8	9	10
2003-04	63,843	3,568	60,274	78,149	20,569	57,580	-14,307	-17,001	2,694
2004-05	83,536	6,989	76,547	111,517	29,844	81,673	-27,981	-22,855	-5,127
2005-06	103,091	11,640	91,451	149,166	43,963	105,203	-46,075	-32,323	-13,752
2006-07	126,414	18,635	107,779	185,735	56,945	128,790	-59,321	-38,311	-21,011
2007-08	162,904	28,363	134,541	251,439	79,645	171,795	-88,535	-51,281	-37,254
2008-09	185,295	26,830	158,466	303,696	91,306	212,390	-118,401	-64,476	-53,925
2007-08									
April	11,327	2,087	9,240	18,371	5,494	12,877	-7,044	-3,407	-3,637
May	12,456	2,230	10,226	21,150	5,613	15,537	-8,694	-3,383	-5,311
June	12,101	2,110	9,991	20,016	5,890	14,126	-7,915	-3,780	-4,135
July	12,513	2,203	10,310	21,129	5,600	15,529	-8,615	-3,397	-5,219
August	12,641	1,969	10,671	20,366	6,202	14,164	-7,725	-4,.233	-3,492
September	12,521	2,101	10,420	18,217	5,792	12,426	-5,696	-3,691	-2,005
October	14,675	2,425	12,250	21,833	6,525	15,308	-7,158	-4,100	-3,058
November	12,909	2,127	10,782	22,104	6,483	15,621	-9,195	-4,356	-4,839
December	14,625	2,283	12,342	20,117	6,824	13,293	-5,491	-4,541	-951
January	14,889	2,394	12,495	22,844	8,505	14,339	-7,955	-6,111	-1,844
February	15,116	2,379	12,737	20,804	7,713	13,092	-5,688	-5,334	-355
March	17,254	2,595	14,659	23,574	9,076	14,498	-6,.320	-6,480	161
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	-6,578
November	11,163	1,292	9,871	23,488	5,954	17,534	-12,325	-4,662	-7,663
December	13,368	1,304	12,065	19,456	4,578	14,878	-6,088	-3,274	-2,814
January	12,869	1,234	11,635	18,228	4,210	14,018	-5,359	-2,976	-2,383
February	11,941	1,201	10,740	15,062	3,286	11,776	-3,121	-2,085	-1,036
March	12,916	1,523	11,394	16,597	4,175	12,422	-3,680	-2,652	-1,028
2009-10 P									
April	12,077	1,517	10,561	19,010	4,739	14,271	-6,933	-3,223	-3,710
May	11,791	1,476	10,315	19,742	5,303	14,439	-7,951	-3,827	-4,124
June	13,113	1,417	11,696	22,578	6,599	15,979	-9,465	-5,182	-4,283
July	13,486	1,785	11,701	21,031	7,324	13,706	-7,544	-5,539	-2,005
August	13,149	2,089	11,060	21,427	6,922	14,505	-8,278	-4,833	-3,444
September	13,859	2,375	11,483	20,482	6,538	13,943	-6,623	-4,163	-2,460
October	14,167	2,698	11,469	23,764	7,723	16,042	-9,597	-5,025	-4,573
November	13,199	..	..	22,888	6,389	16,500	-9,690	..	..
December	14,606	..	..	24,753	6,536	18,217	-10,147	..	..

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'



No. 40: India's Overall Balance of Payments

(Rs. crore)

Items	2005-06			2006-07		
	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7
A. CURRENT ACCOUNT						
I. Merchandise	**4,65,748**	**6,95,412**	**-2,29,664**	**5,82,871**	**8,62,833**	**-2,79,962**
II. Invisibles (a+b+c)	**3,97,660**	**2,11,733**	**1,85,927**	**5,17,146**	**2,81,567**	**2,35,579**
a) Services	2,55,668	1,53,057	1,02,611	3,33,093	2,00,029	1,33,064
i) Travel	34,871	29,432	5,439	41,127	30,249	10,878
ii) Transportation	28,023	36,928	-8,905	36,049	36,504	-455
iii) Insurance	4,694	4,965	-271	5,403	2,903	2,500
iv) G.n.i.e.	1,396	2,343	-947	1,143	1,825	-682
v) Miscellaneous	1,86,684	79,389	1,07,295	2,49,371	1,28,548	1,20,823
of which						
Software Services	1,04,632	5,954	98,678	1,41,356	10,212	1,31,144
Business Services	41,356	34,428	6,928	65,738	71,500	-5,762
Financial Services	5,355	4,265	1,090	14,010	13,460	550
Communication Services	7,000	1,285	5,715	10,227	3,589	6,638
b) Transfers	1,13,566	4,134	1,09,432	1,42,037	6,288	1,35,749
i) Official	2,970	2,103	867	2,864	1,723	1,141
ii) Private	1,10,596	2,031	1,08,565	1,39,173	4,565	1,34,608
c) Income	28,426	54,542	-26,116	42,016	75,250	-33,234
i) Investment Income	27,633	51,112	-23,479	40,297	70,955	-30,658
ii) Compensation of Employees	793	3,430	-2,637	1,719	4,295	-2,576
Total Current Account (I+II)	**8,63,408**	**9,07,145**	**-43,737**	**11,00,017**	**11,44,400**	**-44,383**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**3,42,778**	**2,73,996**	**68,782**	**6,00,951**	**5,34,160**	**66,791**
a) Foreign Direct Investment (i+ii)	40,690	27,265	13,425	1,06,464	71,554	34,910
i) In India	39,730	273	39,457	1,03,037	385	1,02,652
Equity	26,512	273	26,239	74,354	385	73,969
Reinvested Earnings	12,220	–	12,220	26,371	–	26,371
Other Capital	998	–	998	2,312	–	2,312
ii) Abroad	960	26,992	-26,032	3,427	71,169	-67,742
Equity	960	17,678	-16,718	3,427	60,138	-56,711
Reinvested Earnings	–	4,834	-4,834	–	4,868	-4,868
Other Capital	–	4,480	-4,480	–	6,163	-6,163
b) Portfolio Investment	3,02,088	2,46,731	55,357	4,94,487	4,62,606	31,881
i) In India	3,02,088	2,46,731	55,357	4,94,102	4,62,472	31,630
of which						
FIIs	2,90,648	2,46,736	43,912	4,77,132	4,62,472	14,660
GDRs/ADRs	11,438	–	11,438	16,961	–	16,961
ii) Abroad	–	–	–	385	134	251
2. Loans (a+b+c)	**1,74,729**	**1,40,332**	**34,397**	**2,46,525**	**1,36,091**	**1,10,434**
a) External Assistance	16,133	8,541	7,592	16,978	9,005	7,973
i) By India	106	390	-284	90	144	-54
ii) To India	16,027	8,151	7,876	16,888	8,861	8,027
b) Commercial Borrowings	63,476	52,971	10,505	93,932	21,567	72,365
i) By India	–	1,105	-1,105	2,837	4,361	-1,524
ii) To India	63,476	51,866	11,610	91,095	17,206	73,889
c) Short Term To India	95,120	78,820	16,300	1,35,615	1,05,519	30,096
i) Suppliers' Credit >180 days & Buyers' Credit	85,766	78,114	7,652	1,15,125	1,00,196	14,929
ii) Suppliers' Credit up to 180 days	9,354	706	8,648	20,490	5,323	15,167
3. Banking Capital (a+b)	**95,988**	**90,193**	**5,795**	**1,67,494**	**1,59,017**	**8,477**
a) Commercial Banks	91,200	89,569	1,631	1,65,656	1,58,660	6,996
i) Assets	3,369	17,711	-14,342	64,972	80,726	-15,754
ii) Liabilities	87,831	71,858	15,973	1,00,684	77,934	22,750
of which: Non-Resident Deposits	79,190	66,733	12,457	89,950	70,376	19,574
b) Others	4,788	624	4,164	1,838	357	1,481
4. Rupee Debt Service	**–**	**2,557**	**-2,557**	**–**	**725**	**-725**
5. Other Capital	**26,451**	**20,903**	**5,548**	**36,797**	**18,101**	**18,696**
Total Capital Account (1 to 5)	**6,39,946**	**5,27,981**	**1,11,965**	**10,51,767**	**8,48,094**	**2,03,673**
C. ERRORS & OMISSIONS	**–**	**2,332**	**-2,332**	**4,344**	**–**	**4,344**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**15,03,354**	**14,37,458**	**65,896**	**21,56,128**	**19,92,494**	**1,63,634**
E. MONETARY MOVEMENTS (i+ii)	**–**	**65,896**	**-65,896**	**–**	**1,63,634**	**-1,63,634**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	65,896	-65,896	–	1,63,634	-1,63,634

P : Preliminary. PR : Partially Revised.

No. 40: India's Overall Balance of Payments *(Contd.)*

(Rs. crore)

Items	2007-08			2008-09 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	8	9	10	11	12	13
A. CURRENT ACCOUNT						
I. Merchandise	**6,68,008**	**10,35,672**	**-3,67,664**	**8,57,960**	**14,01,118**	**-5,43,158**
II. Invisibles (a+b+c)	**5,98,088**	**2,93,902**	**3,04,185**	**7,50,333**	**3,38,789**	**4,11,544**
a) Services	3,63,042	2,06,798	1,56,244	4,67,915	2,39,606	2,28,309
i) Travel	45,526	37,191	8,335	50,226	43,336	6,890
ii) Transportation	40,199	46,278	-6,079	51,952	58,531	-6,578
iii) Insurance	6,586	4,192	2,393	6,518	5,230	1,288
iv) G.n.i.e.	1,331	1,518	-186	1,771	3,777	-2,006
v) Miscellaneous	2,69,400	1,17,618	1,51,781	3,57,447	1,28,731	2,28,716
of which						
Software Services	1,62,020	13,494	1,48,526	2,12,242	12,702	1,99,540
Business Services	67,430	66,469	961	75,632	71,436	4,195
Financial Services	12,917	12,560	357	18,060	13,568	4,492
Communication Services	9,682	3,462	6,220	9,903	5,025	4,878
b) Transfers	1,77,745	9,293	1,68,452	2,16,906	12,568	2,04,338
i) Official	3,024	2,073	951	3,029	1,900	1,129
ii) Private	1,74,721	7,220	1,67,501	2,13,877	10,668	2,03,209
c) Income	57,300	77,811	-20,511	65,512	86,615	-21,103
i) Investment Income	55,451	73,410	-17,959	61,722	80,597	-18,875
ii) Compensation of Employees	1,849	4,402	-2,552	3,790	6,018	-2,228
Total Current Account (I+II)	**12,66,096**	**13,29,575**	**-63,479**	**16,08,293**	**17,39,907**	**-1,31,614**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**10,86,530**	**9,12,135**	**1,74,395**	**7,43,513**	**7,31,726**	**11,786**
a) Foreign Direct Investment (i+ii)	1,49,902	86,125	63,776	1,64,487	87,656	76,831
i) In India	1,39,885	465	1,39,420	1,59,401	773	1,58,628
Equity	1,07,749	434	1,07,315	1,26,128	773	1,25,355
Reinvested Earnings	30,916	–	30,916	29,713	–	29,713
Other Capital	1,220	31	1,189	3,560	–	3,560
ii) Abroad	10,017	85,660	-75,644	5,086	86,882	-81,796
Equity	10,017	67,956	-57,939	5,086	68,601	-63,514
Reinvested Earnings	–	4,365	-4,365	–	4,986	-4,986
Other Capital	–	13,340	-13,340	–	13,296	-13,296
b) Portfolio Investment	936,628	8,26,009	1,10,619	5,79,026	6,44,071	-65,045
i) In India	935,683	8,25,715	1,09,968	5,78,346	6,42,543	-64,197
of which						
FIIs	907,936	8,25,715	82,221	5,73,451	6,42,547	-69,096
GDRs/ADRs	26,556	–	26,556	4,891	–	4,891
ii) Abroad	945	294	651	680	1,528	-848
2. Loans (a+b+c)	**3,30,331**	**1,66,840**	**1,63,491**	**2,84,926**	**2,48,538**	**36,388**
a) External Assistance	17,019	8,553	8,466	23,532	11,102	12,430
i) By India	94	112	-18	108	153	-45
ii) To India	16,925	8,441	8,484	23,424	10,949	12,475
b) Commercial Borrowings	1,21,942	30,855	91,086	70,947	34,016	36,931
i) By India	6,412	6,538	-126	9,225	3,644	5,581
ii) To India	1,15,529	24,317	91,212	61,722	30,372	31,350
c) Short Term To India	1,91,370	1,27,432	63,939	1,90,448	2,03,420	-12,972
i) Suppliers' Credit >180 days & Buyers' Credit	1,71,184	1,27,432	43,752	1,77,843	1,77,676	167
ii) Suppliers' Credit up to 180 days	20,187	–	20,187	12,605	25,744	-13,138
3. Banking Capital (a+b)	**2,23,979**	**1,76,824**	**47,155**	**2,95,408**	**3,14,613**	**-19,205**
a) Commercial Banks	2,23,664	1,75,113	48,551	2,94,842	3,11,869	-17,027
i) Assets	78,366	50,734	27,632	1,14,752	1,30,576	-15,823
ii) Liabilities	1,45,298	1,24,379	20,919	1,80,090	1,81,293	-1,203
of which: Non-Resident Deposits	1,18,077	1,17,372	705	1,71,047	1,50,617	20,430
b) Others	315	1,712	-1,397	565	2,744	-2,179
4. Rupee Debt Service	**–**	**492**	**-492**	**–**	**472**	**-472**
5. Other Capital	**1,17,094**	**73,716**	**43,377**	**93,704**	**93,712**	**-8**
Total Capital Account (1 to 5)	**17,57,933**	**13,30,007**	**4,27,926**	**14,17,551**	**13,89,060**	**28,490**
C. ERRORS & OMISSIONS	**5,241**	**–**	**5,241**	**6,009**	**–**	**6,009**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**30,29,270**	**26,59,582**	**3,69,689**	**30,31,853**	**31,28,967**	**-97,115**
E. MONETARY MOVEMENTS (i+ii)	**–**	**3,69,689**	**-3,69,689**	**97,115**	**–**	**97,115**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	3,69,689	-3,69,689	97,115	–	97,115

No. 40: India's Overall Balance of Payments *(Contd.)*

(Rs. crore)

Items	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.)*

(Rs. crore)

Items	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.)*

(Rs. crore)

Items	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.)*

(Rs. crore)

Items	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.)*

(Rs. crore)

Items	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.)*

(Rs. crore)

Items	Oct-Dec 2008 PR			Jan-Mar 2009 PR			Apr-Jun 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
1	44	45	46	47	48	49	50	51	52
A. CURRENT ACCOUNT									
I. Merchandise	**1,92,300**	**3,58,331**	**-1,66,031**	**1,91,536**	**2,92,099**	**-1,00,563**	**1,89,246**	**3,16,173**	**-1,26,927**
II. Invisibles (a+b+c)	**2,00,605**	**91,467**	**1,09,139**	**1,84,805**	**90,274**	**94,531**	**1,77,896**	**80,209**	**97,687**
a) Services	1,31,417	63,875	67,543	1,18,208	65,097	53,111	98,398	54,010	44,388
i) Travel	14,260	9,487	4,773	13,339	12,969	369	11,155	9,779	1,376
ii) Transportation	13,231	15,806	-2,575	14,514	12,441	2,072	12,147	13,549	-1,402
iii) Insurance	1,678	1,305	373	1,730	1,639	91	1,888	1,532	356
iv) G.n.i.e.	471	1,134	-663	404	1,765	-1,361	487	501	-14
v) Miscellaneous	1,01,777	36,142	65,635	88,221	36,282	51,939	72,721	28,649	44,071
of which									
Software Services	54,975	2,828	52,146	53,882	2,267	51,615	52,517	1,909	50,608
Business Services	20,408	17,397	3,011	19,163	22,978	-3,815	12,619	18,856	-6,237
Financial Services	4,337	3,607	730	3,838	3,150	688	5,447	4,526	921
Communication Services	2,402	1,252	1,151	2,136	1,533	603	2,039	1,523	516
b) Transfers	53,624	4,123	49,502	49,677	2,084	47,594	65,103	2,274	62,828
i) Official	1,390	477	912	801	552	249	222	520	-298
ii) Private	52,235	3,645	48,589	48,876	1,532	47,345	64,881	1,754	63,126
c) Income	15,564	23,469	-7,905	16,920	23,093	-6,174	14,395	23,925	-9,529
i) Investment Income	14,628	21,820	-7,193	15,978	21,541	-5,563	13,287	22,278	-8,991
ii) Compensation of Employees	936	1,649	-713	942	1,552	-610	1,109	1,647	-538
Total Current Account (I+II)	**3,92,905**	**4,49,797**	**-56,892**	**3,76,341**	**3,82,373**	**-6,032**	**3,67,142**	**3,96,382**	**-29,240**
B. CAPITAL ACCOUNT									
1. Foreign Investment (a+b)	**1,61,720**	**187,926**	**-26,207**	**1,34,752**	**1,32,299**	**2,453**	**2,36,285**	**1,61,668**	**74,617**
a) Foreign Direct Investment (i+ii)	32,021	29,846	2,174	41,882	26,028	15,853	47,836	13,560	34,276
i) In India	30,995	141	30,853	40,185	314	39,872	47,228	141	47,087
Equity	20,035	141	19,893	31,465	314	31,152	36,109	141	35,968
Reinvested Earnings	8,394	–	8,394	8,568	–	8,568	9,345	–	9,345
Other Capital	2,566	–	2,566	152	–	152	1,774	–	1,774
ii) Abroad	1,026	29,705	-28,679	1,697	25,715	-24,018	608	13,419	-12,811
Equity	1,026	21,891	-20,865	1,697	21,935	-20,238	608	10,017	-9,409
Reinvested Earnings	–	1,321	-1,321	–	1,349	-1,349	–	1,322	-1,322
Other Capital	–	6,492	-6,492	–	2,431	-2,431	–	2,080	-2,080
b) Portfolio Investment	1,29,699	1,58,080	-28,381	92,871	1,06,271	-13,400	1,88,449	1,48,108	40,340
i) In India	1,29,556	1,57,771	-28,215	92,483	1,05,365	-12,882	1,88,337	1,47,987	40,350
of which									
FIIs	1,29,520	1,57,773	-28,253	92,381	1,05,368	-12,986	1,88,127	1,47,987	40,140
GDRs/ADRs	34	–	34	100	–	100	210	–	210
ii) Abroad	143	309	-166	388	906	-518	112	121	-9
2. Loans (a+b+c)	**77,022**	**74,348**	**2,674**	**70,200**	**74,282**	**-4,082**	**63,039**	**71,920**	**-8,880**
a) External Assistance	8,068	3,233	4,835	6,883	3,017	3,866	4,004	3,593	411
i) By India	29	41	-12	29	41	-12	64	568	-504
ii) To India	8,039	3,192	4,847	6,854	2,976	3,878	3,940	3,025	915
b) Commercial Borrowings	26,456	8,035	18,421	17,355	12,393	4,962	9,633	11,786	-2,153
i) By India	3,230	721	2,509	1,988	1,524	464	1,190	1,624	-434
ii) To India	23,226	7,314	15,912	15,367	10,869	4,498	8,443	10,162	-1,718
c) Short Term To India	42,498	63,080	-20,583	45,962	58,872	-12,910	49,402	56,540	-7,139
i) Suppliers' Credit >180 days & Buyers' Credit	42,498	50,504	-8,007	45,962	52,013	-6,051	49,402	46,787	2,614
ii) Suppliers' Credit up to 180 days	–	12,576	-12,576	–	6,859	-6,859	–	9,753	-9,753
3. Banking Capital (a+b)	**72,314**	**96,483**	**-24,169**	**59,879**	**76,105**	**-16,226**	**75,997**	**92,417**	**-16,420**
a) Commercial Banks	72,303	94,381	-22,078	59,326	76,105	-16,779	75,996	91,253	-15,256
i) Assets	25,317	36,772	-11,456	12,831	27,364	-14,533	21,310	33,889	-12,579
ii) Liabilities	46,986	57,609	-10,622	46,495	48,741	-2,246	54,686	57,364	-2,678
of which: Non-Resident Deposits	46,532	41,453	5,079	46,445	35,615	10,829	54,505	45,639	8,866
b) Others	12	2,102	-2,091	553	–	553	1	1,165	-1,163
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**336**	**-336**	**–**	**110**	**-110**
5. Other Capital	**23,704**	**5,816**	**17,887**	**30,680**	**5,479**	**25,202**	**1,448**	**21,600**	**-20,152**
Total Capital Account (1 to 5)	**3,34,759**	**3,64,574**	**-29,815**	**2,95,512**	**2,88,502**	**7,010**	**3,76,770**	**3,47,716**	**29,054**
C. ERRORS & OMISSIONS	**–**	**487**	**-487**	**515**	**–**	**515**	**747**	**–**	**747**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,27,665**	**8,14,858**	**-87,193**	**6,72,368**	**6,70,875**	**1,493**	**7,44,658**	**7,44,097**	**561**
E. MONETARY MOVEMENTS (i+ii)	**87,193**	**–**	**87,193**	**–**	**1,493**	**-1,493**	**–**	**561**	**-561**
i) I.M.F.	–	–	–	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase – / Decrease +)	87,193	–	87,193	–	1,493	-1,493	–	561	-561
of which: SDR Allocation							–	–	–

No. 40: India's Overall Balance of Payments *(Concld.)*

(Rs. crore)

Items	Jul-Sep 2009 P			April-Sept 2008 PR			April-Sept 2009 P		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
1	53	54	55	56	57	58	59	60	61
A. CURRENT ACCOUNT									
I. Merchandise	**205,049**	**360,960**	**-155,911**	**474,124**	**750,687**	**-276,564**	**394,295**	**677,133**	**-282,838**
II. Invisibles (a+b+c)	**188,372**	**93,589**	**94,783**	**364,923**	**157,049**	**207,874**	**366,268**	**173,798**	**192,470**
a) Services	96,296	65,924	30,373	218,289	110,635	107,655	194,694	119,933	74,761
i) Travel	12,196	11,585	611	22,627	20,880	1,747	23,351	21,365	1,987
ii) Transportation	12,425	10,751	1,674	24,208	30,284	-6,076	24,572	24,300	272
iii) Insurance	1,859	1,649	210	3,109	2,286	823	3,746	3,181	566
iv) G.n.i.e.	485	628	-143	896	878	18	973	1,129	-156
v) Miscellaneous	69,331	41,311	28,021	167,449	56,307	111,142	142,052	69,960	72,092
of which									
Software Services	51,540	2,119	49,421	103,385	7,607	95,779	104,056	4,027	100,029
Business Services	12,122	22,332	-10,210	36,060	31,062	4,999	24,741	41,188	-16,447
Financial Services	3,545	5,495	-1,949	9,886	6,812	3,074	8,992	10,020	-1,028
Communication Services	1,484	1,514	-30	5,365	2,241	3,124	3,524	3,037	486
b) Transfers	69,082	2,738	66,343	113,605	6,362	107,243	134,184	5,012	129,172
i) Official	247	510	-263	838	871	-33	469	1,030	-560
ii) Private	68,835	2,229	66,606	112,766	5,491	107,275	133,715	3,983	129,732
c) Income	22,994	24,927	-1,933	33,029	40,053	-7,024	37,389	48,852	-11,463
i) Investment Income	22,000	23,198	-1,199	31,117	37,236	-6,119	35,286	45,476	-10,190
ii) Compensation of Employees	994	1,729	-735	1,912	2,817	-905	2,103	3,376	-1,273
Total Current Account (I+II)	**393,421**	**454,549**	**-61,128**	**839,046**	**907,737**	**-68,690**	**760,563**	**850,931**	**-90,368**
B. CAPITAL ACCOUNT									
1. Foreign Investment (a+b)	**270,254**	**188,941**	**81,312**	**447,041**	**411,501**	**35,540**	**506,539**	**350,610**	**155,929**
a) Foreign Direct Investment (i+ii)	55,474	21,018	34,456	90,585	31,781	58,804	103,310	34,578	68,732
i) In India	55,013	177	54,836	88,221	318	87,903	102,241	318	101,923
Equity	41,838	177	41,661	74,628	318	74,310	77,946	318	77,629
Reinvested Earnings	9,274	–	9,274	12,751	–	12,751	18,619	–	18,619
Other Capital	3,901	–	3,901	842	–	842	5,675	–	5,675
ii) Abroad	461	20,841	-20,380	2,364	31,462	-29,099	1,069	34,260	-33,191
Equity	461	12,657	-12,196	2,364	24,775	-22,411	1,069	22,674	-21,605
Reinvested Earnings	–	1,312	-1,312	–	2,316	-2,316	–	2,635	-2,635
Other Capital	–	6,871	-6,871	–	4,372	-4,372	–	8,952	-8,952
b) Portfolio Investment	214,780	167,924	46,856	356,456	379,720	-23,264	403,229	316,032	87,197
i) In India	214,761	167,789	46,972	356,307	379,406	-23,099	403,098	315,776	87,321
of which									
FIIs	201,864	167,789	34,075	351,550	379,406	-27,856	389,991	315,776	74,215
GDRs/ADRs	12,897	–	12,897	4,757	–	4,757	13,106	–	13,106
ii) Abroad	19	135	-115	149	314	-165	131	256	-125
2. Loans (a+b+c)	**77,453**	**65,262**	**12,192**	**137,704**	**99,907**	**37,797**	**140,493**	**137,182**	**3,311**
a) External Assistance	5,988	3,630	2,358	8,581	4,852	3,729	9,992	7,223	2,769
i) By India	64	564	-500	50	71	-21	128	1,132	-1,004
ii) To India	5,924	3,066	2,858	8,531	4,781	3,750	9,864	6,091	3,773
b) Commercial Borrowings	15,463	9,722	5,741	27,135	13,588	13,548	25,097	21,508	3,588
i) By India	995	1,039	-44	4,007	1,399	2,608	2,185	2,664	-479
ii) To India	14,468	8,683	5,785	23,129	12,189	10,940	22,911	18,844	4,067
c) Short Term To India	56,002	51,910	4,092	101,988	81,467	20,521	105,404	108,450	-3,046
i) Suppliers' Credit >180 days & Buyers' Credit	53,228	51,910	1,318	89,383	75,159	14,224	102,630	98,697	3,932
ii) Suppliers' Credit up to 180 days	2,774	–	2,774	12,605	6,309	6,296	2,774	9,753	-6,979
3. Banking Capital (a+b)	**80,101**	**58,687**	**21,414**	**163,215**	**142,025**	**21,190**	**156,098**	**151,104**	**4,994**
a) Commercial Banks	80,101	58,048	22,052	163,213	141,383	21,830	156,097	149,301	6,796
i) Assets	29,687	8,374	21,313	76,605	66,439	10,166	50,997	42,263	8,734
ii) Liabilities	50,414	49,674	740	86,609	74,944	11,665	105,100	107,038	-1,938
of which: Non-Resident Deposits	50,072	45,003	5,069	78,070	73,549	4,522	104,577	90,642	13,935
b) Others	–	639	-639	1	642	-641	1	1,803	-1,802
4. Rupee Debt Service	**–**	**4**	**-4**	**–**	**135**	**-135**	**–**	**114**	**-114**
5. Other Capital	**47,206**	**47,792**	**-585**	**39,320**	**82,416**	**-43,097**	**48,654**	**69,392**	**-20,738**
Total Capital Account (1 to 5)	**475,014**	**360,686**	**114,328**	787,280	**735,984**	**51,295**	**851,784**	**708,402**	**143,382**
C. ERRORS & OMISSIONS	**–**	**7,601**	**-7,601**	**5,980**	**–**	**5,980**	**–**	**6,854**	**-6,854**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**868,435**	**822,836**	**45,600**	**1,632,306**	**1,643,721**	**-11,415**	**1,612,346**	**1,566,186**	**46,161**
E. MONETARY MOVEMENTS (i+ii)	**–**	**45,600**	**-45,600**	**11,415**	**–**	**11,415**	**–**	**46,161**	**-46,161**
i) I.M.F.	–	–	–	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase – / Decrease +)	–	45,600	-45,600	11415	–	11415	–	46,161	-46,161
of which: SDR Allocation	–	24,983	-24,983	–	–	–	–	24,983	-24,983

No. 41: India's Overall Balance of Payments

(US $ million)

Items	2005-06			2006-07		
	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7
A. CURRENT ACCOUNT						
I. Merchandise	**105,152**	**157,056**	**-51,904**	**128,888**	**190,670**	**-61,782**
II. Invisibles (a+b+c)	**89,687**	**47,685**	**42,002**	**114,558**	**62,341**	**52,217**
a) Services	57,659	34,489	23,170	73,780	44,311	29,469
i) Travel	7,853	6,638	1,215	9,123	6,684	2,439
ii) Transportation	6,325	8,337	-2,012	7,974	8,068	-94
iii) Insurance	1,062	1,116	-54	1,195	642	553
iv) G.n.i.e.	314	529	-215	253	403	-150
v) Miscellaneous	42,105	17,869	24,236	55,235	28,514	26,721
of which						
Software Services	23,600	1,338	22,262	31,300	2,267	29,033
Business Services	9,307	7,748	1,559	14,544	15,866	-1,322
Financial Services	1,209	965	244	3,106	2,991	115
Communication Services	1,575	289	1,286	2,262	796	1,466
b) Transfers	25,620	933	24,687	31,470	1,391	30,079
i) Official	669	475	194	635	381	254
ii) Private	24,951	458	24,493	30,835	1,010	29,825
c) Income	6,408	12,263	-5,855	9,308	16,639	-7,331
i) Investment Income	6,229	11,491	-5,262	8,926	15,688	-6,762
ii) Compensation of Employees	179	772	-593	382	951	-569
Total Current Account (I+II)	**194,839**	**204,741**	**-9,902**	**243,446**	**253,011**	**-9,565**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**77,298**	**61,770**	**15,528**	**133,210**	**118,457**	**14,753**
a) Foreign Direct Investment (i+ii)	9,178	6,144	3,034	23,590	15,897	7,693
i) In India	8,962	61	8,901	22,826	87	22,739
Equity	5,976	61	5,915	16,481	87	16,394
Reinvested Earnings	2,760	–	2,760	5,828	–	5,828
Other Capital	226	–	226	517	–	517
ii) Abroad	216	6,083	-5,867	764	15,810	-15,046
Equity	216	3,982	-3,766	764	13,368	-12,604
Reinvested Earnings	–	1,092	-1,092	–	1,076	-1,076
Other Capital	–	1,009	-1,009	–	1,366	-1,366
b) Portfolio Investment	68,120	55,626	12,494	109,620	102,560	7,060
i) In India	68,120	55,626	12,494	109,534	102,530	7,004
of which						
FIIs	65,552	55,626	9,926	105,756	102,530	3,226
GDRs/ADRs	2,552	–	2,552	3,776	–	3,776
ii) Abroad	–	–	–	86	30	56
2. Loans (a+b+c)	**39,479**	**31,570**	**7,909**	**54,642**	**30,152**	**24,490**
a) External Assistance	3,631	1,929	1,702	3,767	1,992	1,775
i) By India	24	88	-64	20	32	-12
ii) To India	3,607	1,841	1,766	3,747	1,960	1,787
b) Commercial Borrowings	14,343	11,835	2,508	20,883	4,780	16,103
i) By India	–	251	-251	626	966	-340
ii) To India	14,343	11,584	2,759	20,257	3,814	16,443
c) Short Term To India	21,505	17,806	3,699	29,992	23,380	6,612
i) Suppliers' Credit >180 days & Buyers' Credit	19,372	17,647	1,725	25,482	22,175	3,307
ii) Suppliers' Credit up to 180 days	2,133	159	1,974	4,510	1,205	3,305
3. Banking Capital (a+b)	**21,658**	**20,285**	**1,373**	**37,209**	**35,296**	**1,913**
a) Commercial Banks	20,586	20,144	442	36,799	35,218	1,581
i) Assets	772	3,947	-3,175	14,466	17,960	-3,494
ii) Liabilities	19,814	16,197	3,617	22,333	17,258	5,075
of which: Non-Resident Deposits	17,835	15,046	2,789	19,914	15,593	4,321
b) Others	1,072	141	931	410	78	332
4. Rupee Debt Service	**–**	**572**	**-572**	**–**	**162**	**-162**
5. Other Capital	**5,941**	**4,709**	**1,232**	**8,230**	**4,021**	**4,209**
Total Capital Account (1 to 5)	**144,376**	**118,906**	**25,470**	**233,291**	**188,088**	**45,203**
C. ERRORS & OMISSIONS	**–**	**516**	**-516**	**968**	**–**	**968**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**339,215**	**324,163**	**15,052**	**477,705**	**441,099**	**36,606**
E. MONETARY MOVEMENTS (i+ii)	**–**	**15,052**	**-15,052**	**–**	**36,606**	**-36,606**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	15,052	-15,052	–	36,606	-36,606

P : Preliminary. PR : Partially Revised.

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Items	2007-08			2008-09 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	8	9	10	11	12	13
A. CURRENT ACCOUNT						
I. Merchandise	**166,162**	**257,629**	**-91,467**	**189,001**	**307,651**	**-118,650**
II. Invisibles (a+b+c)	**148,875**	**73,144**	**75,731**	**163,534**	**73,612**	**89,923**
a) Services	90,342	51,490	38,853	101,678	52,047	49,631
i) Travel	11,349	9,258	2,091	10,894	9,425	1,469
ii) Transportation	10,014	11,514	-1,500	11,286	12,820	-1,534
iii) Insurance	1,639	1,044	595	1,419	1,130	289
iv) G.n.i.e.	331	376	-45	389	793	-404
v) Miscellaneous	67,010	29,298	37,712	77,691	27,879	49,812
of which						
Software Services	40,300	3,358	36,942	46,300	2,814	43,486
Business Services	16,772	16,553	219	16,445	15,435	1,010
Financial Services	3,217	3,133	84	3,948	2,958	990
Communication Services	2,408	860	1,548	2,172	1,087	1,084
b) Transfers	44,261	2,316	41,945	47,547	2,749	44,798
i) Official	753	514	239	645	413	232
ii) Private	43,508	1,802	41,706	46,903	2,336	44,567
c) Income	14,272	19,339	-5,068	14,309	18,816	-4,507
i) Investment Income	13,811	18,244	-4,433	13,483	17,506	-4,023
ii) Compensation of Employees	461	1,095	-635	825	1,309	-484
Total Current Account (I+II)	**315,037**	**330,774**	**-15,737**	**352,535**	**381,263**	**-28,728**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**271,122**	**227,796**	**43,326**	**164,915**	**161,448**	**3,467**
a) Foreign Direct Investment (i+ii)	37,321	21,429	15,893	36,261	18,763	17,498
i) In India	34,844	116	34,728	35,158	166	34,992
Equity	26,865	108	26,757	27,973	166	27,807
Reinvested Earnings	7,679	–	7,679	6,428	–	6,428
Other Capital	300	8	292	757	–	757
ii) Abroad	2,477	21,312	-18,835	1,103	18,597	-17,495
Equity	2,477	16,899	-14,422	1,103	14,669	-13,566
Reinvested Earnings	–	1,084	-1,084	–	1,084	-1,084
Other Capital	–	3,330	-3,330	–	2,844	-2,844
b) Portfolio Investment	233,800	206,367	27,433	128,654	142,685	-14,030
i) In India	233,564	206,294	27,270	128,512	142,365	-13,853
of which						
FIIs	226,621	206,294	20,327	127,349	142,366	-15,017
GDRs/ADRs	6,645	–	6,645	1,162	–	1,162
ii) Abroad	236	73	163	142	319	-177
2. Loans (a+b+c)	**82,192**	**41,539**	**40,653**	**62,126**	**53,458**	**8,669**
a) External Assistance	4,241	2,126	2,114	5,041	2,405	2,637
i) By India	23	28	-4	23	33	-10
ii) To India	4,217	2,098	2,119	5,018	2,371	2,647
b) Commercial Borrowings	30,293	7,684	22,609	15,244	7,303	7,941
i) By India	1,593	1,624	-31	1,997	783	1,214
ii) To India	28,700	6,060	22,640	13,248	6,521	6,727
c) Short Term To India	47,658	31,729	15,930	41,841	43,750	-1,909
i) Suppliers' Credit >180 days & Buyers' Credit	42,641	31,729	10,913	38,815	38,352	463
ii) Suppliers' Credit up to 180 days	5,017	–	5,017	3,026	5,398	-2,372
3. Banking Capital (a+b)	**55,814**	**44,055**	**11,759**	**65,207**	**68,453**	**-3,245**
a) Commercial Banks	55,735	43,623	12,112	65,094	67,868	-2,774
i) Assets	19,562	12,668	6,894	25,823	28,725	-2,902
ii) Liabilities	36,173	30,955	5,217	39,270	39,142	128
of which: Non-Resident Deposits	29,400	29,222	179	37,147	32,858	4,290
b) Others	79	432	-353	114	585	-471
4. Rupee Debt Service	**–**	**122**	**-122**	**–**	**100**	**-100**
5. Other Capital	**29,229**	**18,261**	**10,969**	**20,179**	**21,723**	**-1,545**
Total Capital Account (1 to 5)	**438,357**	**331,772**	**106,585**	**312,427**	**305,181**	**7,246**
C. ERRORS & OMISSIONS	**1,316**	**–**	**1,316**	**1,402**	**–**	**1,402**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**754,710**	**662,546**	**92,164**	**666,364**	**686,444**	**-20,080**
E. MONETARY MOVEMENTS (i+ii)	**–**	**92,164**	**-92,164**	**20,080**	**–**	**20,080**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	92,164	-92,164	20,080	–	20,080

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Items	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)

Items	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)

Items	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	0	271	-271	–	271	-271
Other Capital	0	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)

Items	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)

Items	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)

Items	Oct-Dec 2008 PR			Jan-Mar 2009 PR			Apr-Jun 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
1	44	45	46	47	48	49	50	51	52
A. CURRENT ACCOUNT									
I. Merchandise	**39,436**	**73,484**	**-34,049**	**38,481**	**58,685**	**-20,204**	**38,789**	**64,804**	**-26,016**
II. Invisibles (a+b+c)	**41,139**	**18,757**	**22,381**	**37,128**	**18,137**	**18,992**	**36,462**	**16,440**	**20,022**
a) Services	26,950	13,099	13,851	23,749	13,078	10,670	20,168	11,070	9,098
i) Travel	2,924	1,946	979	2,680	2,606	74	2,286	2,004	282
ii) Transportation	2,713	3,241	-528	2,916	2,499	416	2,490	2,777	-287
iii) Insurance	344	268	77	348	329	18	387	314	73
iv) G.n.i.e.	97	233	-136	81	355	-273	100	103	-3
v) Miscellaneous	20,872	7,412	13,460	17,724	7,289	10,435	14,905	5,872	9,033
of which									
Software Services	11,274	580	10,694	10,825	455	10,370	10,764	391	10,373
Business Services	4,185	3,568	618	3,850	4,616	-766	2,586	3,865	-1,278
Financial Services	889	740	150	771	633	138	1,116	928	189
Communication Services	493	257	236	429	308	121	418	312	106
b) Transfers	10,997	845	10,151	9,980	419	9,562	13,344	466	12,878
i) Official	285	98	187	161	111	50	46	107	-61
ii) Private	10,712	748	9,964	9,820	308	9,512	13,298	360	12,939
c) Income	3,192	4,813	-1,621	3,399	4,640	-1,240	2,951	4,904	-1,953
i) Investment Income	3,000	4,475	-1,475	3,210	4,328	-1,118	2,723	4,566	-1,843
ii) Compensation of Employees	192	338	-146	189	312	-123	227	338	-110
Total Current Account (I+II)	**80,574**	**92,241**	**-11,668**	**75,609**	**76,821**	**-1,212**	**75,251**	**81,244**	**-5,993**
B. CAPITAL ACCOUNT									
1. Foreign Investment (a+b)	**33,164**	**38,539**	**-5,374**	**27,073**	**26,580**	**493**	**48,430**	**33,136**	**15,294**
a) Foreign Direct Investment (i+ii)	6,567	6,121	446	8,414	5,229	3,185	9,805	2,779	7,025
i) In India	6,356	29	6,327	8,073	63	8,010	9,680	29	9,651
Equity	4,109	29	4,080	6,322	63	6,259	7,401	29	7,372
Reinvested Earnings	1,721	–	1,721	1,721	–	1,721	1,915	–	1,915
Other Capital	526	–	526	31	–	31	364	–	364
ii) Abroad	210	6,092	-5,881	341	5,166	-4,825	125	2,750	-2,626
Equity	210	4,489	-4,279	341	4,407	-4,066	125	2,053	-1,928
Reinvested Earnings	–	271	-271	–	271	-271	–	271	-271
Other Capital	–	1,331	-1,331	–	488	-488	–	426	-426
b) Portfolio Investment	26,598	32,418	-5,820	18,658	21,350	-2,692	38,625	30,357	8,268
i) In India	26,568	32,355	-5,786	18,580	21,169	-2,588	38,602	30,332	8,270
of which									
FIIs	26,561	32,355	-5,794	18,560	21,169	-2,609	38,559	30,332	8,227
GDRs/ADRs	7	–	7	20	–	20	43	–	43
ii) Abroad	29	63	-34	78	182	-104	23	25	-2
2. Loans (a+b+c)	**15,795**	**15,247**	**548**	**14,104**	**14,924**	**-820**	**12,921**	**14,741**	**-1,820**
a) External Assistance	1,654	663	992	1,383	606	777	821	737	84
i) By India	6	8	-2	6	8	-2	13	116	-103
ii) To India	1,649	655	994	1,377	598	779	808	620	188
b) Commercial Borrowings	5,426	1,648	3,778	3,487	2,490	997	1,974	2,416	-441
i) By India	662	148	514	399	306	93	244	333	-89
ii) To India	4,763	1,500	3,263	3,087	2,184	904	1,731	2,083	-352
c) Short Term To India	8,715	12,936	-4,221	9,234	11,828	-2,594	10,126	11,589	-1,463
i) Suppliers' Credit >180 days & Buyers' Credit	8,715	10,357	-1,642	9,234	10,450	-1,216	10,126	9,590	536
ii) Suppliers' Credit up to 180 days	–	2,579	-2,579	–	1,378	-1,378	–	1,999	-1,999
3. Banking Capital (a+b)	**14,830**	**19,786**	**-4,956**	**12,030**	**15,290**	**-3,260**	**15,577**	**18,942**	**-3,365**
a) Commercial Banks	14,827	19,355	-4,528	11,919	15,290	-3,371	15,577	18,704	-3,127
i) Assets	5,192	7,541	-2,349	2,578	5,498	-2,920	4,368	6,946	-2,578
ii) Liabilities	9,636	11,814	-2,178	9,341	9,792	-451	11,209	11,758	-549
of which: Non-Resident Deposits	9,543	8,501	1,042	9,331	7,155	2,176	11,172	9,354	1,817
b) Others	2	431	-429	111	–	111	–	238	-238
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**68**	**-68**	**–**	**23**	**-23**
5. Other Capital	**4,861**	**1,193**	**3,668**	**6,164**	**1,101**	**5,063**	**297**	**4,427**	**-4,131**
Total Capital Account (1 to 5)	**68,650**	**74,764**	**-6,114**	**59,370**	**57,962**	**1,408**	**77,225**	**71,270**	**5,955**
C. ERRORS & OMISSIONS	**–**	**100**	**-100**	**104**	**–**	**104**	**153**	**–**	**153**
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**	**152,629**	**152,514**	**115**
E. MONETARY MOVEMENTS (i+ii)	**17,881**	**–**	**17,881**	**–**	**300**	**-300**	**–**	**115**	**-115**
i) I.M.F.	–	–	–	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase – / Decrease +)	17,881	–	17,881	–	300	-300	–	115	-115

No. 41: India's Overall Balance of Payments *(Concld.)*

(US $ million)

Items	Jul-Sep 2009 P			April-Sept 2008 PR			April-Sept 2009 P		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
1	53	54	55	56	57	58	59	60	61
A. CURRENT ACCOUNT									
I. Merchandise	**42,350**	**74,552**	**-32,201**	**111,085**	**175,483**	**-64,398**	**81,139**	**139,356**	**-58,217**
II. Invisibles (a+b+c)	**38,906**	**19,330**	**19,576**	**85,267**	**36,718**	**48,549**	**75,368**	**35,770**	**39,599**
a) Services	19,889	13,616	6,273	50,979	25,870	25,110	40,057	24,686	15,371
i) Travel	2,519	2,393	126	5,290	4,874	416	4,805	4,397	408
ii) Transportation	2,566	2,221	346	5,656	7,079	-1,422	5,056	4,998	58
iii) Insurance	384	341	43	727	533	194	771	655	116
iv) G.n.i.e.	100	130	-29	211	206	5	200	232	-32
v) Miscellaneous	14,320	8,532	5,787	39,095	13,177	25,917	29,225	14,404	14,820
of which									
Software Services	10,645	438	10,207	24,201	1,778	22,423	21,409	829	20,580
Business Services	2,504	4,612	-2,109	8,410	7,251	1,159	5,090	8,477	-3,387
Financial Services	732	1,135	-403	2,288	1,586	702	1,849	2,062	-214
Communication Services	307	313	-6	1,250	523	727	725	625	100
b) Transfers	14,268	566	13,702	26,570	1,485	25,085	27,612	1,032	26,580
i) Official	51	105	-54	199	204	-6	97	212	-115
ii) Private	14,217	460	13,757	26,371	1,281	25,091	27,515	820	26,695
c) Income	4,749	5,148	-399	7,718	9,363	-1,646	7,700	10,052	-2,353
i) Investment Income	4,544	4,791	-248	7,273	8,704	-1,431	7,267	9,358	-2,090
ii) Compensation of Employees	205	357	-152	444	659	-215	433	695	-262
Total Current Account (I+II)	**81,256**	**93,881**	**-12,625**	**196,352**	**212,201**	**-15,849**	**156,507**	**175,126**	**-18,618**
B. CAPITAL ACCOUNT									
1. Foreign Investment (a+b)	**55817**	**39023**	**16794**	**104,678**	**96,329**	**8,349**	**104,248**	**72,160**	**32,088**
a) Foreign Direct Investment (i+ii)	11457	4341	7116	21,280	7,413	13,867	21,262	7,120	14,142
i) In India	11362	37	11326	20,728	74	20,655	21,042	65	20,977
Equity	8641	37	8604	17,543	74	17,469	16,042	65	15,977
Reinvested Earnings	1915	–	1915	2,985	–	2,985	3,831	–	3,831
Other Capital	806	–	806	200	–	200	1,169	–	1,169
ii) Abroad	95	4304	-4209	551	7,339	-6,788	220	7,055	-6,835
Equity	95	2614	-2519	551	5,773	-5,221	220	4,667	-4,447
Reinvested Earnings	–	271	-271	–	542	-542	–	542	-542
Other Capital	–	1419	-1419	–	1,024	-1,024	–	1,846	-1,846
b) Portfolio Investment	44360	34683	9678	83,398	88,916	-5,518	82,985	65,040	17,946
i) In India	44356	34655	9701	83,363	88,842	-5,479	82,959	64,987	17,972
of which									
FIIs	41693	34655	7038	82,228	88,842	-6,614	80,252	64,987	15,265
GDRs/ADRs	2664	0	2664	1,135	–	1,135	2,707	–	2,707
ii) Abroad	4	28	-24	35	74	-39	27	53	-26
2. Loans (a+b+c)	**15997**	**13479**	**2518**	**32,228**	**23,287**	**8,941**	**28,918**	**28,220**	**698**
a) External Assistance	1237	750	487	2,004	1,135	869	2,057	1,486	571
i) By India	13	116	-103	12	17	-5	26	233	-207
ii) To India	1224	633	590	1,992	1,119	874	2,031	1,253	778
b) Commercial Borrowings	3194	2008	1186	6,332	3,166	3,166	5,168	4,424	745
i) By India	206	215	-9	935	329	606	449	548	-98
ii) To India	2988	1793	1195	5,397	2,837	2,560	4,719	3,876	843
c) Short Term To India	11567	10721	845	23,892	18,986	4,906	21,692	22,310	-618
i) Suppliers' Credit >180 days & Buyers' Credit	10994	10721	272	20,866	17,545	3,321	21,119	20,311	808
ii) Suppliers' Credit up to 180 days	573	–	573	3,026	1,441	1,585	573	1,999	-1,426
3. Banking Capital (a+b)	**16544**	**12121**	**4423**	**38,348**	**33,377**	**4,971**	**32,121**	**31,063**	**1,057**
a) Commercial Banks	16544	11989	4555	38,347	33,223	5,125	32,120	30,693	1,428
i) Assets	6131	1730	4402	18,054	15,687	2,367	10,499	8,676	1,824
ii) Liabilities	10412	10259	153	20,294	17,536	2,758	21,621	22,017	-396
of which: Non-Resident Deposits	10342	9295	1047	18,274	17,202	1,072	21,513	18,649	2,864
b) Others	–	132	-132	–	154	-154	–	370	-370
4. Rupee Debt Service	**–**	**1**	**-1**	**–**	**32**	**-32**	**–**	**23**	**-23**
5. Other Capital	**9750**	**9871**	**-121**	**9,154**	**19,430**	**-10,276**	**10,047**	**14,298**	**-4,251**
Total Capital Account (1 to 5)	**98108**	**74495**	**23613**	**184,407**	**172,455**	**11,952**	**175,333**	**145,765**	**29,568**
C. ERRORS & OMISSIONS	**–**	**1570**	**-1570**	**1,398**	**–**	**1,398**	**–**	**1,417**	**-1,417**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**179364**	**169946**	**9418**	**382,157**	**384,656**	**-2,499**	**331,840**	**322,307**	**9,533**
E. MONETARY MOVEMENTS (i+ii)	**–**	**9418**	**-9418**	**2,499**	**–**	**2,499**	**–**	**9,533**	**-9,533**
i) I.M.F.	–	–	–	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase – / Decrease +)	–	9418	-9418	2,499	–	2,499	–	9,533	-9,533
of which: SDR Allocation	–	5160	-5160	–	–	–	–	5160	-5160

No. 42: Foreign Exchange Reserves

End of	Foreign Currency Assets*		Gold #		SDRs ##			Reserve Tranche Position in IMF		**Total**	
	Rupees crore	In millions of US $	Rupees crore	In millions of US $	In millions of SDRs	Rupees crore	In millions of US $	Rupees crore	In millions of US $	**Rupees 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)**
2004-05	5,93,121	135,571	19,686	4,500	3	20	5	6,289	1,438	6,19,116	141,514
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
2007-08											
April	8,12,995	196,899	29,051	7,036	7	45	11	1,910	463	8,44,001	204,409
May	8,17,440	200,697	28,147	6,911	1	6	1	1,870	459	8,47,463	208,068
June	8,39,913	206,114	27,655	6,787	1	6	1	1,875	460	8,69,449	213,362
July	8,88,680	219,753	27,850	6,887	8	49	12	1,840	455	9,18,419	227,107
August	9,07,301	221,509	28,186	6,881	1	9	2	1,866	455	9,37,362	228,847
September	9,53,581	239,955	29,275	7,367	1	8	2	1,740	438	9,84,604	247,762
October	10,08,271	256,427	30,712	7,811	8	52	13	1,735	441	10,40,770	264,692
November	10,50,165	264,725	33,151	8,357	2	13	3	1,727	435	10,85,056	273,520
December	10,50,485	266,553	32,819	8,328	2	13	3	1,703	432	10,85,020	275,316
January	11,17,080	283,595	36,236	9,199	6	36	9	1,720	437	11,55,072	293,240
February	11,62,671	291,250	38,154	9,558	–	1	-	1,705	427	12,02,531	301,235
March	11,96,023	299,230	40,124	10,039	11	74	18	1,744	436	12,37,965	309,723
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	1,301,645	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	3,082.66	23,597	4,828	6,595	1,349	13,55,209	277,252
September	12,70,049	264,373	49,556	10,316	3,297.23	25,096	5,224	6,557	1,365	13,51,258	281,278
October	12,52,740	266,768	50,718	10,800	3,297.23	24,618	5,242	7,426	1,581	13,35,502	284,391
November	12,23,313	263,191	84,508	18,182	3,297.14	24,676	5,309	6,806	1,464	13,39,303	288,146
December	12,07,065	258,583	85,387	18,292	3,297.14	24,128	5,169	6,655	1,426	13,23,235	283,470
January	11,88,753	256,362	83,724	18,056	3,297.14	23,762	5,124	6,554	1,413	13,02,793	280,955
January 1, 2010	12,06,530	258,634	85,387	18,292	3,297.14	24,113	5,169	6,650	1,426	13,22,680	283,521
January 8, 2010	11,88,080	259,406	85,387	18,292	3,297.14	23,563	5,145	6,499	1,419	13,03,529	284,262
January 15, 2010	11,88,603	260,259	85,387	18,292	3,297.14	23,660	5,181	6,526	1,429	13,04,176	285,161
January 22, 2010	11,91,556	258,080	85,387	18,292	3,297.14	23,762	5,147	6,554	1,419	13,07,259	282,938
January 29, 2010	11,88,753	256,362	83,724	18,056	3,297.14	23,762	5,124	6,554	1,413	13,02,793	280,955
February 5, 2010	11,83,438	254,175	83,724	18,056	3,297.14	23,664	5,082	6,525	1,401	12,97,351	278,714
February 12, 2010	11,83,320	254,696	83,724	18,056	3,297.14	23,479	5,054	6,474	1,393	12,96,997	279,199

– : 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 Rs. 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
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
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
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
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
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**

(US $ million)

Scheme	2008-09 (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) **	14,028	13,877	14,001	13,766	13,475	13,504	12,694	12,733	12,936	12,981	13,114	13,211
2. NR(E)RA	26,592	25,544	25,585	25,866	24,761	23,880	22,811	22,992	23,226	22,959	22,778	23,570
3. NRO	2,986	2,963	3,026	3,230	3,243	3,238	3,302	3,749	4,134	4,366	4,125	4,773
Total	**43,606**	**42,384**	**42,612**	**42,862**	**41,479**	**40,622**	**38,807**	**39,474**	**40,296**	**40,306**	**40,017**	**41,554**

(US $ million)

Scheme	2009-10 (P) End Month									
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
1	2	3	4	5	6	7	8	9	10	11
1. FCNR(B) **	13,384	14,017	14,014	14,156	14,053	14,188	14,625	14,698	14,660	14,539
2. NR(E)RA	23,935	25,418	24,952	25,369	24,931	25,434	25,715	26,079	25,650	25,744
3. NRO	5,063	5,613	5,613	5,971	6,003	6,350	6,652	6,962	6,878	7,060
Total	**42,382**	**45,048**	**44,579**	**45,496**	**44,987**	**45,972**	**46,992**	**47,739**	**47,188**	**47,343**

Inflow (+) /Outflow (–) During the Month (US $ million)

Scheme	2008-09												
	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)	-140	-151	124	-235	-291	29	-809	39	202	45	133	97	-957
	(41)	(-46)	(195)	(78)	(-163)	(128)	(24)	(-125)	(-503)	(-299)	(-174)	(-116)	(-960)
2. NR(E)RA	-71	462	160	-39	-205	527	645	124	-220	-192	607	710	2,508
	(-320)	(-265)	(-167)	(187)	(-122)	(126)	(-40)	(-205)	(-154)	(587)	(45)	(437)	(109)
3. NRO	204	148	77	163	128	182	302	445	314	246	-98	627	2,738
	(22)	(9)	(85)	(29)	(269)	(-164)	(19)	(49)	(82)	(237)	(216)	(177)	(1,030)
Total	**-7**	**459**	**361**	**-111**	**-368**	**738**	**138**	**608**	**296**	**99**	**642**	**1,434**	**4,289**
	(-257)	**(-302)**	**(113)**	**(294)**	**(-16)**	**(90)**	**(3)**	**(-281)**	**(-575)**	**(525)**	**(87)**	**(498)**	**(179)**

Inflow (+) /Outflow (–) During the Month

(US $ million)

Scheme	2009-10 (P)										
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Apr.- Jan.
1	2	3	4	5	6	7	8	9	10	11	12
1. FCNR(B)	173	633	-3	142	-103	135	437	73	-38	-122	1,327
	(-140)	(-151)	(124)	(-235)	(-291)	(29)	(-809)	(39)	(202)	(45)	-(1187)
2. NR(E)RA	67	128	187	234	-68	38	-270	-31	-186	-79	20
	(-71)	(462)	(160)	(-39)	(-205)	(527)	(645)	(124)	(-220)	(-192)	(1191)
3. NRO	229	257	146	316	120	233	166	207	-20	137	1,791
	(204)	(148)	(77)	(163)	(128)	(182)	(302)	(445)	(314)	(246)	(2209)
Total	**469**	**1,018**	**330**	**692**	**-51**	**406**	**333**	**249**	**-244**	**-64**	**3,138**
	(-7)	**(459)**	**(361)**	**(-111)**	**(-368)**	**(738)**	**(138)**	**(608)**	**(296)**	**(99)**	**(2213)**

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 PR	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
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**
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
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
b. RBI	169	135	202	179	171	454	767	739	534	1,258	2,233	7,151	17,127	17,998
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
e. Equity capital of unincorporated bodies #	..	..	..	..	..	61	191	190	32	528	435	896	2,291	666
II. Reinvested earnings +	..	..	..	..	..	1,350	1,645	1,833	1,460	1,904	2,760	5,828	7,679	6,428
III. Other capital ++	..	..	..	..	..	279	390	438	633	369	226	517	292	757
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**
a. GDRs/ADRs # #	683	1,366	645	270	768	831	477	600	459	613	2,552	3,776	6,645	1,162
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
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**

(US $ million)

Item	2008-09 PR												
	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)	**3,749**	**3,932**	**2,392**	**2,247**	**2,328**	**2,562**	**1,497**	**1,083**	**1,362**	**2,733**	**1,488**	**1,956**	**35,180**
I. Equity (a+b+c+d)	3,749	3,932	2,392	2,247	2,328	2,562	1,497	1,083	1,362	2,733	1,488	1,956	27,995
a. Government (SIA/FIPB)	851	65	806	321	255	28	178	90	91	1,102	207	705	4,699
b. RBI	1,819	3,091	1,188	1,497	1,324	2,345	1,117	900	1,189	1,471	981	1,076	17,998
c. Acquisition of shares *	1,079	776	398	429	749	189	202	93	82	160	300	175	4,632
d. Equity capital of unincorporated bodies #	..	..	..	..	..	..	..	..	..	..	..	..	666
II. Reinvested earnings +	..	..	..	..	..	..	..	..	..	..	..	..	6,428
III. Other capital ++	..	..	..	..	..	..	..	..	..	..	..	..	757
B. Portfolio Investment (a+b+c)	**-880**	**-288**	**-3,010**	**-492**	**593**	**-1,403**	**-5,243**	**-574**	**30**	**-614**	**-1,085**	**-889**	**-13,855**
a. GDRs/ADRs # #	552	446	1	7	129	–	7	–	–	–	–	20	1,162
b. FIIs **	-1,432	-734	-3,011	-499	464	-1,403	-5,250	-574	30	-614	- 1,085	-909	-15,017
c. Offshore funds and others	–	–	–	–	–	–	–	–	–	–	–	–	–
Total (A+B)	**2,869**	**3,644**	**-618**	**1,755**	**2,921**	**1,159**	**-3,746**	**509**	**1,392**	**2,119**	**403**	**1,067**	**21,325**

(US $ million)

Item	2009-10 (P)										
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Apr.- Jan.
1	2	3	4	5	6	7	8	9	10	11	12
A. Direct Investment (I+II+III)	**2,339**	**2,095**	**2,471**	**3,476**	**3,247**	**1,512**	**2,332**	**1,722**	**1,542**	**2,042**	**28,548**
I. Equity (a+b+c+d)	2,339	2,095	2,471	3,476	3,247	1,512	2,332	1,722	1,542	2,042	23,548
a. Government (SIA/FIPB)	931	101	85	248	666	111	302	179	51	588	3,262
b. RBI	1,150	1,916	2,337	1,757	2,527	1,355	1,726	1,389	1,233	1,292	16,682
c. Acquisition of shares *	258	78	49	1,471	54	46	304	154	258	162	2,834
d. Equity capital of unincorporated bodies #	..	..	..	..	..	..	..	..	..	..	770
II. Reinvested earnings +	..	..	..	..	..	..	..	..	..	..	3,831
III. Other capital ++	..	..	..	..	..	..	..	..	..	..	1,169
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**	**26,839**
a. GDRs/ADRs # #	33	-	10	965	1,603	96	–	381	94	46	3,228
b. FIIs **	2,245	5,639	343	2,067	-29	4,999	2,922	893	**1,439**	**3,093**	**23,611**
c. Offshore funds and others	–	–	–	–	–	–	–	–	–	–	–
Total (A+B)	**4,617**	**7,734**	**2,824**	**6,508**	**4,821**	**6,607**	**5,254**	**2,996**	**3,075**	**5,181**	**55,387**

* : 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 2007-08 and 2008-09 are estimates.

: Represents the amount raised by Indian Corporates through Global Depository Receipts (GDRs) and American Depository Receipts (ADRs).

\+ : Data for 2007-08 and 2008-09 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 the April-September 2009. Which are included in the last column (cumulative FDI).

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
1	2	3	4	5	6
1. Deposit	9.1	23.2	19.7	24.0	30.4
2. Purchase of immovable property	0.5	1.9	8.5	39.5	55.9
3. Investment in equity/debt	–	–	20.7	144.7	151.4
4. Gift	–	–	7.4	70.3	133.0
5. Donations	–	–	0.1	1.6	1.4
6. Others**	–	–	16.4	160.4	436.0
Total (1 to 6)	**9.6**	**25.0**	**72.8**	**440.5**	**808.1**

(US $ million)

Purpose	2008-09											
	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	3.4	3.0	4.1	2.3	2.6	1.6	1.2	1.4	1.6	1.7	1.8	5.7
2. Purchase of immovable property	7.7	7.0	6.5	5.7	4.6	5.7	3.1	2.6	2.5	2.6	2.7	5.2
3. Investment in equity/debt	13.3	13.7	14.9	12.5	12.7	9.8	8.7	12.4	11.2	10.4	6.8	25.0
4. Gift	8.8	10.9	10.2	12.7	16.0	7.9	8.6	23.2	9.7	7.6	8.5	8.9
5. Donations	0.2	0.1	–	0.2	0.2	–	0.1	0.2	–	0.1	0.1	0.2
6. Others**	17.1	18.5	20.5	27.4	123.6	26.0	19.2	19.0	32.7	33.1	19.3	79.6
Total (1 to 6)	**50.5**	**53.2**	**56.2**	**60.8**	**159.7**	**51.0**	**40.9**	**58.8**	**57.7**	**55.5**	**39.2**	**124.6**

(US $ million)

Purpose	2009-10								
	April	May	June	July	August	September	October	November	December
1	2	3	4	5	6	7	8	9	10
1. Deposit	2.3	2.8	3.2	1.9	1.7	3.0	2.7	2.0	3.6
2. Purchase of immovable property	4.2	3.8	3.4	2.5	4.7	3.7	2.9	2.9	3.6
3. Investment in equity/debt	12.6	12.2	14.8	10.7	15.4	12.6	20.2	12.8	16.6
4. Gift	13.6	11.7	13.7	13.0	11.2	11.5	12.6	11.7	12.3
5. Donations	0.1	0.2	0.6	0.1	0.2	0.4	2.3	0.2	0.1
6. Travels	1.4	1.5	1.1	2.5	1.2	2.3	1.8	1.8	0.6
7. Maintenance of close relatives	10.5	10.0	8.8	9.7	13.3	10.8	19.5	16.5	17.6
8. Medical Treatment	1.3	2.3	2.4	2.3	1.6	1.9	1.6	1.4	1.0
9. Studies Abroad	6.1	6.8	89.3	12.7	21.0	18.5	7.7	11.0	10.6
10. Others	6.0	6.4	7.6	9.5	8.5	7.5	6.2	5.5	6.7
Total (1 to 10)	**58.1**	**57.7**	**145.0**	**64.9**	**78.8**	**72.2**	**77.5**	**65.8**	**72.7**

– : Not available.

**: Include items such as Education, Tours and Travels.

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

(Rupees per Unit of Foreign Currency)

Date	RBI's Reference Rate Rs. Per Foreign Currency		FEDAI Indicative Rates							
			US Dollar		Pound Sterling		Euro		One Hundred Japanese Yen	
	US Dollar	Euro	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
1	2	3	4	5	6	7	8	9	10	11
January 1, 2010	46.6500	66.8300	46.6350	46.6450	75.4000	75.4400	66.7950	66.8375	50.1175	50.1550
January 4, 2010	46.5100	66.4800	46.5000	46.5100	74.8750	74.9125	66.4725	66.4900	50.0550	50.0850
January 5, 2010	46.2000	66.7800	46.2000	46.2100	74.5200	74.5500	66.7775	66.8150	50.3375	50.3750
January 6, 2010	46.1200	66.2000	46.1100	46.1200	73.6850	73.7050	66.1875	66.2050	50.1025	50.1425
January 7, 2010	45.8700	65.9400	45.8650	45.8750	73.3025	73.3400	65.9400	65.9675	49.7500	49.7775
January 8, 2010	45.8000	65.5600	45.7850	45.7950	73.0350	73.0800	65.5375	65.5650	49.0525	49.0675
January 11, 2010	45.3600	65.7900	45.3500	45.3600	72.9125	72.9475	65.7850	65.8175	49.1325	49.1650
January 12, 2010	45.4000	65.8600	45.3800	45.3900	73.1250	73.1600	65.8225	65.8525	49.2200	49.2575
January 13, 2010	45.6800	66.2100	45.6750	45.6850	74.0200	74.0450	66.2050	66.2350	50.1325	50.1475
January 14, 2010	45.4800	66.1000	45.4650	45.4750	73.9750	74.0100	66.0700	66.0925	49.5800	49.6175
January 15, 2010	45.6700	65.8800	45.6600	45.6700	74.5525	74.5875	65.8375	65.8600	50.1325	50.1650
January 18, 2010	45.6600	65.6400	45.6600	45.6700	74.3425	74.3775	65.6325	65.6500	50.2525	50.2700
January 19, 2010	45.6200	65.6700	45.6150	45.6250	74.8225	74.8575	65.6575	65.6950	50.3875	50.4200
January 20, 2010	45.9500	65.2000	45.9450	45.9550	74.8525	74.8875	65.1825	65.2000	50.3400	50.3775
January 21, 2010	45.9700	64.8000	45.9700	45.9800	74.7925	74.8375	64.7800	64.8100	50.1975	50.2175
January 22, 2010	46.1700	65.2700	46.1650	46.1750	74.9675	74.9925	65.2675	65.2925	51.1475	51.1800
January 25, 2010	46.1800	65.4100	46.1700	46.1800	74.5000	74.5350	65.3825	65.4050	51.1625	51.1975
January 26, 2010 +										
January 27, 2010	46.2900	65.1200	46.2750	46.2850	74.6600	74.6850	65.0450	65.0675	51.8250	51.8725
January 28, 2010	46.3100	64.8800	46.3000	46.3100	74.9700	75.0125	64.8575	64.8850	51.3250	51.3700
January 29, 2010	46.3700	64.6300	46.3700	46.3800	74.7675	74.7975	64.6200	64.6400	51.5500	51.5900

FEDAI : Foreign Exchange Dealers' Association of India.

+ : Market closed.

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)			Rs. equivalent at contract rate (Rs. crore)	Cumulative (over end-April 2008)		Outstanding Net Forward Sales (-)/ Purchase (+) at the end of month (US $ million)
	Purchase (+)	Sale (-)	Net (+/-)		(US $ million)	(Rs. crore)	
1	2	3	4	5	6	7	8
20008-09							
April 2008	4,325.00	–	(+) 4,325.00	(+) 17,237.89	(+) 4,325.00	(+) 17,237.89	(+) 17,095.00
May 2008	1,625.00	1,477.00	(+) 148.00	(+) 118.51	(+) 4,473.00	(+) 17,356.40	(+) 15,470.00
June 2008	1,770.00	6,999.00	(–) 5,229.00	(–) 22,970.78	(–) 756.00	(–) 5,614.37	(+) 13,700.00
July 2008	3,580.00	9,900.00	(–) 6,320.00	(–) 27,829.05	(–) 7,076.00	(–) 33,443.43	(+) 11,910.00
August 2008	3,770.00	2,560.00	(+) 1,210.00	(+) 4,557.53	(–) 5,866.00	(–) 28,885.89	(+) 9,925.00
September 2008	2,695.00	6,479.00	(–) 3,784.00	(–) 18,396.49	(–) 9,650.00	(–) 47,282.38	(+) 2,300.00
October 2008	1,960.00	20,626.00	(–) 18,666.00	(–) 92,925.06	(–) 28,316.00	(–) 1,40,207.44	(+) 90.00
November 2008	2,355.00	5,456.00	(–) 3,101.00	(–) 16,252.20	(–) 31,417.00	(–) 1,56,459.64	(–) 487.00
December 2008	2,005.00	2,323.00	(–) 318.00	(–) 3,524.72	(–) 31,735.00	(–) 1,59,984.36	(–) 1,752.00
January 2009	1,055.00	1,084.00	(–) 29.00	(–) 1,116.19	(–) 31,764.00	(–) 1,61,100.55	(–) 1,723.00
February 2009	1,063.00	833.00	(+) 230.00	(+) 335.79	(–) 31,534.00	(–) 1,60,764.76	(–) 1,953.00
March 2009	360.00	3,748.00	(–) 3,388.00	(–) 17,826.91	(–) 34,922.00	(–) 1,78,591.67	(–) 2,042.00

Month	Foreign Currency (US $ million)			Rs. equivalent at contract rate (Rs. crore)	Cumulative (over end-April 2009)		Outstanding Net Forward Sales (-)/ Purchase (+) at the end of month (US $ million)
	Purchase (+)	Sale (-)	Net (+/-)		(US $ million)	(Rs. 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

(+) : 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												
Jan. 1, 2010	495	160	116	41	4	4	913	699	30	133	260	–
Jan. 4, 2010	1,694	1,573	442	129	361	361	7,062	6,437	447	3,002	1,853	120
Jan. 5, 2010	1,825	1,055	405	149	538	417	5,988	4,640	209	3,327	1,447	219
Jan. 6, 2010	1,579	1,476	498	183	419	439	7,498	6,086	669	3,074	1,168	157
Jan. 7, 2010	1,791	1,393	873	158	579	564	6,975	7,121	874	2,821	1,207	997
Jan. 8, 2010	1,896	1,058	369	62	465	419	5,769	4,426	356	3,309	1,258	289
Jan. 11, 2010	2,125	1,263	858	183	907	922	6,812	4,315	364	3,685	1,357	86
Jan. 12, 2010	1,875	1,270	395	129	471	363	6,717	4,890	418	3,910	1,479	86
Jan. 13, 2010	2,005	1,015	557	115	745	692	6,011	5,905	440	3,721	1,283	84
Jan. 14, 2010	1,501	929	244	128	368	405	5,265	4,796	583	2,627	1,072	130
Jan. 15, 2010	1,868	1,286	866	124	519	522	5,973	4,736	356	3,127	1,095	63
Jan. 18, 2010	1,418	846	271	106	446	435	4,725	1,832	148	3,034	366	57
Jan. 19, 2010	1,596	1,173	495	120	485	436	6,449	4,919	524	4,157	1,380	109
Jan. 20, 2010	1,704	1,311	698	146	1,066	1,091	6,017	4,713	635	5,489	1,378	150
Jan. 21, 2010	1,928	1,019	666	162	779	720	6,626	3,887	291	4,215	1,246	123
Jan. 22, 2010	2,022	1,549	670	166	926	735	6,886	4,778	709	4,362	1,089	180
Jan. 25, 2010	1,923	1,028	1,292	169	611	583	5,218	3,896	338	2,955	1,347	294
Jan. 26, 2010 +	–	–	–	–	–	–	–	–	–	–	–	–
Jan. 27, 2010	3,918	1,899	1,783	453	854	883	8,038	6,298	581	4,079	1,898	263
Jan. 28, 2010	2,739	1,229	1,021	293	780	716	7,684	6,006	429	4,363	2,089	395
Jan. 29, 2010	2,801	1,724	1,911	194	716	687	6,887	5,491	458	3,538	1,248	167
Sales												
Jan. 1, 2010	396	112	30	29	9	3	856	478	16	125	260	–
Jan. 4, 2010	2,070	1,456	774	121	401	440	6,675	6,147	478	2,910	1,787	232
Jan. 5, 2010	1,480	1,117	654	140	532	487	5,930	3,938	295	3,323	1,706	201
Jan. 6, 2010	1,586	1,809	848	182	451	468	7,149	6,090	755	3,060	1,384	149
Jan. 7, 2010	1,604	1,699	1,092	195	578	618	6,670	6,468	908	2,803	1,329	993
Jan. 8, 2010	2,005	1,253	397	52	555	448	5,668	4,060	378	3,304	1,253	296
Jan. 11, 2010	2,277	1,785	715	168	902	947	6,667	4,016	382	3,661	1,351	103
Jan. 12, 2010	2,120	1,194	499	125	529	374	6,410	4,935	362	3,924	1,602	95
Jan. 13, 2010	2,107	1,309	493	99	774	717	5,844	5,868	631	3,724	1,486	82
Jan. 14, 2010	1,373	849	245	124	366	412	5,201	4,474	563	2,623	1,104	131
Jan. 15, 2010	2,159	1,135	854	96	650	704	5,574	3,882	368	3,137	1,277	67
Jan. 18, 2010	953	905	461	100	488	437	4,628	1,454	279	3,063	411	52
Jan. 19, 2010	2,321	980	509	116	559	359	6,323	5,132	555	4,168	1,652	82
Jan. 20, 2010	1,407	1,355	695	150	1,137	1,137	5,952	5,012	1,062	5,515	1,554	126
Jan. 21, 2010	1,707	1,165	389	130	804	859	6,779	3,868	683	4,225	1,285	115
Jan. 22, 2010	2,046	1,494	897	179	879	794	6,802	4,861	1,157	4,374	1,311	188
Jan. 25, 2010	2,307	2,043	585	169	576	741	5,158	4,276	422	2,948	1,783	299
Jan. 26, 2010 +	–	–	–	–	–	–	–	–	–	–	–	–
Jan. 27, 2010	3,572	1,942	1,367	451	961	862	7,838	6,694	925	4,056	2,103	275
Jan. 28, 2010	3,132	1,753	678	341	934	659	7,512	5,934	467	4,353	2,473	403
Jan. 29, 2010	2,944	2,475	1,294	193	822	758	6,663	5,868	838	3,529	1,465	170

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

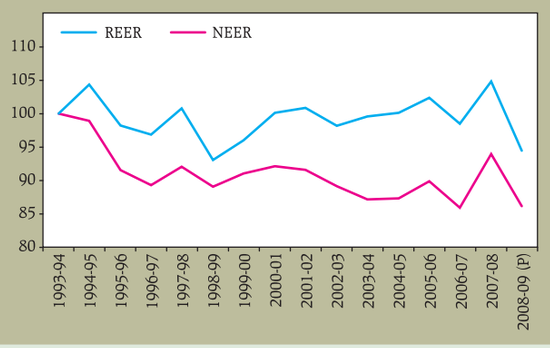
(36-Currency Export and Trade Based Weights)
(Base: 1993-94=100)*

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 (P)	94.32	84.66	94.12	84.67

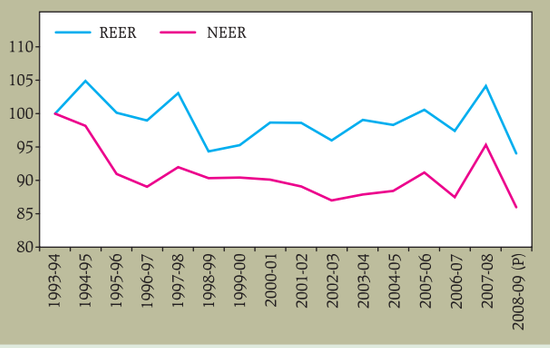
Year		Trade Based Weights		Export Based Weights	
		REER	NEER	REER	NEER
1		2	3	4	5
2007-08	April	102.60	91.80	101.88	92.89
	May	106.01	94.69	105.24	95.83
	June	105.92	94.97	105.03	96.07
	July	105.99	94.84	105.19	96.08
	August	105.34	94.38	104.47	95.52
	September	105.90	94.65	105.12	95.91
	October	106.09	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	87.62	83.61	87.10	80.73
	May	89.70	84.43	89.07	81.59
	June	90.21	84.78	89.53	81.86
	July	89.71	83.40	89.03	80.48
	August	90.26	83.13	89.54	80.21
	September	90.01	82.18	89.25	79.36
	October	92.06	84.31	91.36	81.53
	November	93.56	84.27	92.90	81.50
	December	93.62	84.73	93.03	81.95
	January	96.26	86.29	95.76	83.56

* : 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: 2007-08 (April-March) =100	
	NEER	REER	NEER	REER
1993-94	100.00	100.00	133.82	87.58
1994-95	96.96	105.82	129.69	92.63
1995-96	88.56	101.27	118.46	88.65
1996-97	86.85	101.11	116.17	88.51
1997-98	87.94	104.41	117.63	91.40
1998-99	77.49	96.14	103.65	84.16
1999-00	77.16	97.69	103.21	85.51
2000-01	77.43	102.82	103.57	90.01
2001-02	76.04	102.71	101.72	89.91
2002-03	71.27	97.68	95.33	85.51
2003-04	69.97	99.17	93.59	86.81
2004-05	69.58	101.78	93.07	89.10
2005-06	72.28	107.30	96.69	93.93
2006-07	69.49	105.57	92.96	92.41
2007-08	74.76	114.23	100.00	100.00
2008-09 (P)	64.87	104.47	86.78	91.45
2007-08 April	73.33	111.87	98.09	97.93
May	75.79	116.00	101.38	101.55
June	75.95	115.38	101.59	101.01
July	75.75	115.20	101.33	100.85
August	75.03	114.20	100.36	99.97
September	75.24	115.18	100.64	100.83
October	76.08	115.98	101.76	101.53
November	74.97	114.11	100.29	99.89
December	75.25	114.72	100.66	100.42
January	74.88	114.25	100.16	100.01
February	73.96	113.03	98.93	98.95
March	70.94	110.98	94.89	97.15
2008-09 (P) April	71.18	112.23	95.21	98.25
May	67.98	108.34	90.94	94.84
June	66.85	108.22	89.42	94.74
July	66.30	107.91	88.69	94.46
August	67.64	111.20	90.48	97.34
September	64.81	106.96	86.70	93.63
October	62.34	102.09	83.38	89.37
November	63.25	102.45	84.61	89.68
December	62.35	99.93	83.40	87.47
January	62.49	99.23	83.59	86.86
February	62.97	99.43	84.23	87.04
March	60.35	95.68	80.73	83.76
2009-10 (P) April	61.49	98.58	82.25	86.30
May	62.31	101.37	83.35	88.74
June	62.43	101.11	83.51	88.51
July (P)	61.36	100.64	82.08	88.10
August (P)	61.22	101.52	81.90	88.87
September (P)	60.61	101.25	81.08	88.63
October (P)	62.40	103.97	83.47	91.01
November (P)	62.30	105.81	83.34	92.63
December (P)	62.79	106.26	83.99	93.02
January (P)	64.30	108.86	86.01	95.29
As on				
January 29, 2010 (P)	64.20	108.69	85.87	95.14
February 5, 2010 (P)	64.43	109.09	86.19	95.49
February 11, 2010 (P)	64.50	109.19	86.27	95.59
February 19, 2010 (P)	65.13	110.26	87.12	96.52

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 2007-08 is a moving one, which gets updated every year.

Quarterly Tables

No. 50: Savings Deposits with Commercial Banks

(Rs. crore)

Last Friday / Last Reporting Friday (in case of March)	Scheduled Commercial Banks			Non-Scheduled Commercial Banks
	All	Indian	Foreign	
1	2	3	4	5
1990-91	50,501	49,542	959	31
2000-01	2,22,982	2,17,452	5,531	..
2001-02	2,79,107	2,72,119	6,988	..
2002-03	3,11,565	3,02,817	8,748	..
2003-04	3,85,369	3,73,137	12,232	..
2004-05	4,58,619	4,43,573	15,045	..
2005-06	5,75,130	5,56,303	18,827	..
2006-07	6,71,425	6,49,586	21,839	..
2007-08	7,72,282	7,47,189	25,093	..
2008-09	9,00,967	8,74,046	26,921	..
December 2007	7,25,815	7,02,471	23,343	..
Janaury 2008	7,30,072	7,06,688	23,384	..
February 2008	7,62,926	7,37,453	25,473	..
March 2008	7,72,282	7,47,189	25,093	..
April 2008	7,82,641	7,56,456	26,185	..
May 2008	8,15,036	7,87,431	27,606	..
June 2008	8,18,082	7,90,838	27,244	..
July 2008	8,23,770	7,96,962	26,808	..
August 2008	8,32,772	8,04,821	27,951	..
September 2008	8,36,121	8,08,489	27,632	..
October 2008	8,48,733	8,20,341	28,393	..
November 2008	8,48,812	8,21,526	27,287	..
December 2008	8,43,791	8,17,781	26,010	..
January 2009	8,64,331	8,37,408	26,923	..
February 2009	8,84,563	8,57,441	27,121	..
March 2009	9,00,967	8,74,046	26,921	..
April 2009	9,21,544	8,87,215	34,329	..
May 2009	9,45,963	9,16,392	29,572	..
June 2009	9,51,843	9,22,894	28,948	..
July 2009	9,88,833	9,57,120	31,713	..
August 2009	9,88,922	9,57,669	31,253	..
September 2009	10,25,930	9,93,582	32,348	..
October 2009	10,51,990	10,15,968	36,023	..
November 2009	10,54,622	10,20,199	34,424	..
December 2009	10,67,285	10,32,638	34,647	..

No. 51: Short and Medium Term Advances of the NABARD to the State Co-operative Banks

(Rs. crore)

Year / Month	Short Term													
	Agricultural Operations		Marketing of Crops Including Cotton and Kapas		Purchase and Distribution of Chemical Fertilisers		Financing of Cottage and Small Scale Industries						Working Capital Requirements of Co-operative Sugar Factories	
							Weavers' Co-operative Societies				Production and Marketing Activities of Other Groups of Industries Including Financing of Individual Rural Artisans Through PACS			
							Trading in Yarn by Apex/Regional Weavers' Societies		Production and Marketing Purposes					
	Amount drawn	Out-standing	Amount drawn	Out-standing	Amount drawn	Out-standing	Amount drawn	Out-standing	Amount drawn	Out-standing	Amount drawn	Out-standing	Amount drawn	Out standing
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1990-91	2,565	1,602	–	–	120	32	97	10	1,025	324	15	15	–	–
2001-02	7,556	5,036	7	7	11	5	15	4	789	437	28	19	–	–
2002-03	7,476	4,888	–	–	–	–	9	9	358	270	33	25	–	–
2003-04	7,970	4,628	28	9	3	3	9	9	418	247	11	11	–	–
2004-05	12,504	6,791	7	4	3	–	2	2	315	91	11	26	–	–
2005-06	11,095	7,228	20	3	–	4	4	4	180	152	17	17	–	–
2006-07	15,142	10,150	_	–	–	–	–	–	230	181	16	15	–	–
2007-08	13,653	14,269	24	4	1	1	90	107	19	4	–	–	–	–
2008-09 (P)	13,912	13,863	110	35	–	–	160	62	–	—	–	–	–	–
Dec. 2007	592	12,529	3	3	–	–	–	–	–	52	–	–	–	–
Jan. 2008	1,742	13,020	21	20	–	–	–	–	16	68	–	–	–	–
Feb. 2008	900	12,991	–	4	1	1	–	–	3	62	–	–	–	–
Mar. 2008	2,107	14,269	–	4	–	1	90	107	–	4	–	–	–	–
Apr. 2008	114	14,159	–	–	–	–	–	64	–	1	–	–	–	–
May 2008	–	13,116	–	–	–	–	–	62	–	–	–	–	–	–
Jun. 2008	1,025	12,806	75	75	–	–	–	62	–	–	–	–	–	–
Jul. 2008	1,226	13,462	–	75	–	–	–	62	–	–	–	–	–	–
Aug. 2008	1,645	13,354	–	75	–	–	–	62	–	–	–	–	–	–
Sep. 2008	2,169	14,602	–	75	–	–	–	62	–	–	–	–	–	–
Oct. 2008	1,382	13,288	–	75	–	–	68	105	–	–	–	–	–	–
Nov. 2008	1,111	13,243	–	45	–	–	32	111	–	–	–	–	–	–
Dec. 2008	353	12,764	–	20	–	–	–	105	–	–	–	–	–	–
Jan. 2009	390	11,705	–	–	–	–	–	78	–	–	–	–	–	–
Feb. 2009	2,217	12,720	–	–	–	–	–	39	–	–	–	–	–	–
Mar. 2009	2,280	13,863	35	35	–	–	61	62	–	–	–	–	–	–
Apr. 2009	–	13,427	–	–	–	–	–	55	–	–	–	–	–	–
May 2009	–	12,489	–	–	–	–	–	54	–	–	–	–	–	–
Jun. 2009	705	12,553	–	–	–	–	–	54	–	–	–	–	–	–
Jul. 2009	2,374	13,581	–	–	–	–	–	54	–	–	–	–	–	–
Aug. 2009	1,607	13,663	–	–	–	–	–	7	–	–	–	–	–	–
Sep. 2009	2,004	13,692	–	–	–	–	–	6	–	–	–	–	–	–
Oct. 2009	1,260	13,241	–	–	–	–	–	6	–	–	–	–	–	–
Nov. 2009	940	12,195	–	–	–	–	23	29	–	–	–	–	–	–
Dec. 2009	1,409	12,734	–	–	–	–	–	16	–	–	–	–	–	–

See 'Notes on Tables'.

No. 51: Short and Medium Term Advances of the NABARD to the State Co-operative Banks *(Concld.)*

(Rs. crore)

Year / Month	Short term (concld.)		Medium Term						**Total**	
	Advances Against Government and Other Trustee Securities Representing the Agricultural Credit Stabilisation Funds of State Co-operative Banks		Conversion of ST into MT Loans		Approved Agricultural Purposes		Purchase of Shares in Co-operative Societies			
	Amount drawn	Out-standing	Amount drawn	Out-standing	Amount drawn	Out-standing	Amount drawn	Out-standing	**Amount drawn**	**Out-standing**
1	16	17	18	19	20	21	22	23	**24**	**25**
1990-91	–	6	155	342	4	17	–	2	**3,983**	**2,352(1)**
2001-02	–	–	316	467	–	–	–	–	**8,723**	**5,976**
2002-03	–	–	18	356	–	–	–	–	**7,894**	**5,548**
2003-04	–	–	575	630	207	166	–	–	**9,221**	**5,702**
2004-05	–	–	790	790	137	124	–	–	**13,768**	**8,190**
2005-06	–	–	1,108	1,864	386	489	–	–	**12,810**	**9,761**
2006-07	–	–	60	1,863	123	288	–	–	**15,571**	**12,497**
2007-08	–	–	62	1,606	–	132	–	–	**14,784**	**15,673**
2008-09 (P)	–	–	–	46	2,255	1,698	–	–	**16,438**	**15,704**
Dec. 2007	–	–	–	20	–	132	–	–	**595**	**12,736**
Jan. 2008	–	–	–	117	–	132	–	–	**1,780**	**13,357**
Feb. 2008	–	–	–	1,606	–	132	–	–	**904**	**14,797**
Mar. 2008	–	–	–	1,170	–	118	–	–	**2,197**	**15,673**
Apr. 2008	–	–	–	880	–	98	–	–	**114**	**15,203**
May 2008	–	–	–	839	–	98	–	–	**–**	**14,117**
Jun. 2008	–	–	–	607	–	98	–	–	**1,100**	**13,649**
Jul. 2008	–	–	–	484	–	98	–	–	**1,226**	**14,181**
Aug. 2008	–	–	–	457	449	547	–	–	**2,094**	**14,496**
Sep. 2008	–	–	–	451	730	1,207	–	–	**2,899**	**16,398**
Oct. 2008	–	–	–	124	–	44	–	–	**1,449**	**13,637**
Nov. 2008	–	–	–	123	–	44	–	–	**1,143**	**13,566**
Dec. 2008	–	–	–	73	–	44	–	–	**353**	**13,006**
Jan. 2009	–	–	–	62	–	44	–	–	**390**	**11,889**
Feb. 2009	–	–	–	62	1,076	1,120	–	–	**3,293**	**13,940**
Mar. 2009	–	–	–	46	–	1,698	–	–	**2,376**	**15,704**
Apr. 2009	–	–	–	46	–	1,678	–	–	**35**	**15,226**
May 2009	–	–	–	–	–	1,284	–	–	**–**	**13,827**
Jun. 2009	–	–	–	–	–	20	–	–	**705**	**12,627**
Jul. 2009	–	–	–	–	–	20	–	–	**2,374**	**13,655**
Aug. 2009	–	–	–	–	–	20	–	–	**1,607**	**13,690**
Sep. 2009	–	–	–	–	–	20	–	–	**2,004**	**13,718**
Oct. 2009	–	–	–	–	–	20	–	–	**1,260**	**13,267**
Nov. 2009	–	–	–	–	–	20	–	–	**963**	**12,243**
Dec. 2009	–	–	–	–	–	20	–	–	**1,409**	**12,770**

Source : National Bank for Agriculture and Rural Development (NABARD).

No. 52: Small Savings

(Rs. crore)

Year / Month	Post Office Saving Bank Deposits (1)		National Saving Scheme, 1987		National Saving Scheme, 1992		Monthly Income Scheme		Senior Citizen Scheme	
	Receipts	Out-standing	Receipts	Out-standing	Receipts	Out-standing	Receipts	Out-standing	Receipts	Out-standing
1	2	3	4	5	6	7	8	9	10	11
1990-91	4,253	4,205	2,085	4,592	–	–	873	2,340	–	–
2001-02	14,077	10,045	548	3,032	67	785	18,798	57,335	–	–
2002-03	17,612	11,594	508	3,235	177	791	27,641	80,915	–	–
2003-04	21,720	13,367	454	3,380	55	763	38,851	1,13,386	–	–
2004-05	24,824	14,870	231	3,216	98	736	48,457	1,51,026	8,474	5,436
2005-06	31,432	16,790	290	3,383	2	674	47,273	1,83,077	7,436	15,916
2006-07	36,067	18,565	364	4,202	34	655	26,461	1,89,440	7,239	22,284
2007-08	43,165	19,789	275	4,030	46	609	17,025	1,82,390	2,011	22,197
2008-09	53,600	22,690	237	3,862	44	565	23,812	1,79,504	1,383	20,651
2007-08										
April	3,048	18,448	1	5,094	1	781	990	1,88,767	183	22,177
May	3,587	18,502	4	5,035	–	769	1,222	1,88,027	276	22,337
June	3,534	18,599	5	4,032	1	607	1,061	1,87,151	156	22,377
July	3,934	18,771	10	3,997	1	600	1,125	1,86,321	170	22,143
August	3,761	18,897	7	3,968	–	601	1,144	1,85,540	171	22,185
September	3,275	18,953	3	3,934	1	594	1,167	1,85,013	162	22,256
October	3,080	18,992	33	3,935	15	603	1,046	1,84,259	149	22,074
November	3,338	19,015	1	3,909	-14	584	1,284	1,83,519	171	22,150
December	3,419	19,239	13	3,890	2	581	1,451	1,82,959	79	22,120
January	3,953	19,320	2	3,861	3	578	2,102	1,82,561	168	22,003
February	3,802	19,374	2	3,833	–	573	2,222	1,82,286	158	22,097
March	4,434	19,789	194	4,030	36	609	2,211	1,82,390	168	22,197
2008-09										
April	3,181	19,646	–	3,966	–	596	1,790	1,82,461	167	22,141
May	3,785	19,794	10	3,923	4	591	2,225	1,82,728	172	22,269
June	3,927	20,050	1	3,887	14	596	2,043	1,82,945	136	22,323
July	4,534	20,299	–	3,846	–	589	2,047	1,83,020	122	22,116
August	4,127	20,362	7	3,803	–	578	1,753	1,82,758	80	22,039
September	4,330	20,653	14	3,774	7	578	1,564	1,82,107	88	21,904
October	4,650	21,022	54	3,787	1	574	1,480	1,81,521	67	21,170
November	4,399	21,023	2	3,755	–	567	1,642	1,80,823	80	20,801
December	4,516	21,316	2	3,743	–	564	1,723	1,80,051	63	20,687
January	5,001	21,654	–	3,693	–	559	2,119	1,79,528	98	20,468
February	4,794	21,899	–	3,690	24	580	2,484	1,79,223	134	20,558
March	6,356	22,690	147	3,862	-6	565	2,942	1,79,504	176	20,651
2009-10 (P)										
April	4,475	22,744	2	3,809	–	553	2,448	1,79,986	206	20,672
May	5,144	22,866	14	3,787	–	544	3,158	1,81,039	287	20,932
June	5,384	23,078	2	3,760	–	539	3,637	1,82,294	369	21,234
July	5,740	23,150	–	3,773	–	533	4,409	1,84,062	519	21,507
August	5,380	23,278	6	3,779	–	528	4,372	1,85,761	697	21,791
September	5,709	23,898	8	3,762	-5	518	4,275	1,87,342	964	21,851
October	5,548	24,001	-3	3,740	–	505	4,684	1,89,308	1,197	21,946
November	4,912	24,069	4	3,724	–	501	4,874	1,91,447	1,042	22,469
December	6,026	24,802	90	3,796	8	505	5,395	1,93,736	1,029	23,031

See 'Notes on Tables'.

No. 52: Small Savings *(Contd.)*

(Rs. crore)

Year / Month	Post Office Time Deposits (Total)		*Of which:* 1 year Post Office Time Deposits	2 year Post Office Time Deposits	3 year Post Office Time Deposits	5 year Post Office Time Deposits	Post Office Recurring Deposits		Post Office Cumulative Time Deposits (2), (6)
	Receipts	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding	Receipts	Outstanding	Outstanding
1	12	13	14	15	16	17	18	19	20
1990-91	746	2,973	414	95	54	2,410	1,428	2,638	274
2001-02	6,445	10,261	4,025	628	1,013	4,595	11,811	23,648	-48
2002-03	10,283	15,608	6,419	1,411	1,811	5,967	13,993	28,084	-32
2003-04	16,339	24,067	9,922	2,030	3,272	8,843	16,645	33,963	-29
2004-05	20,253	31,994	12,943	2,374	4,674	12,003	19,979	41,102	-26
2005-06	20,526	38,879	16,459	2,520	5,830	12,070	23,488	50,188	41
2006-07	19,798	36,714	17,830	1,989	5,781	11,114	26,339	60,228	21
2007-08	14,042	29,941	14,558	1,329	4,614	9,440	27,684	65,071	25
2008-09	13,253	26,265	14,493	1,112	3,690	6,970	28,443	65,072	24
2007-08									
April	999	36,280	17,622	1,916	5,684	11,058	1,876	60,822	21
May	1,317	35,760	17,343	1,853	5,585	10,979	2,379	61,834	21
June	1,234	35,243	17,026	1,780	5,478	10,959	2,187	62,687	25
July	1,350	34,655	16,731	1,715	5,376	10,833	2,325	63,400	27
August	1,351	33,982	16,470	1,644	5,281	10,587	2,305	63,957	31
September	1,192	33,432	16,160	1,575	5,160	10,537	2,220	64,444	34
October	971	32,908	15,882	1,524	5,065	10,437	2,262	64,948	19
November	1,129	32,400	15,567	1,483	4,982	10,368	2,378	65,541	19
December	1,121	31,835	15,235	1,431	4,891	10,278	2,319	65,789	19
January	1,169	31,262	14,943	1,390	4,796	10,133	2,400	65,249	20
February	1,058	30,532	14,723	1,359	4,698	9,752	2,353	64,628	25
March	1,151	29,941	14,558	1,329	4,614	9,440	2,680	65,071	25
2008-09									
April	876	29,467	14,476	1,305	4,534	9,152	1,898	65,334	25
May	1,188	29,305	14,450	1,282	4,484	9,089	2,442	65,982	25
June	1,167	28,930	14,469	1,265	4,413	8,783	2,231	66,449	17
July	1,230	28,615	14,470	1,242	4,324	8,579	2,508	66,758	17
August	1,133	28,249	14,424	1,219	4,219	8,387	2,301	66,853	17
September	1,019	27,964	14,370	1,197	4,136	8,261	2,283	66,783	25
October	944	27,521	14,319	1,176	4,059	7,967	2,370	66,848	24
November	1,005	27,363	14,301	1,155	4,017	7,890	2,312	66,711	34
December	1,102	27,105	14,308	1,141	3,943	7,713	2,420	66,503	38
January	1,140	26,678	14,279	1,124	3,756	7,519	2,454	65,569	38
February	1,069	26,517	14,334	1,114	3,722	7,347	2,316	64,991	38
March	1,380	26,265	14,493	1,112	3,690	6,970	2,908	65,072	24
2009-10 (P)									
April	990	26,215	14,626	1,109	3,660	6,820	1,987	64,886	24
May	1,285	26,242	14,845	1,111	3,636	6,650	2,429	64,991	16
June	1,375	26,278	15,067	1,115	3,626	6,470	2,373	65,032	16
July	1,473	26,311	15,302	1,118	3,608	6,283	2,606	64,838	10
August	1,369	26,354	15,556	1,123	3,601	6,074	2,459	64,528	14
September	1,307	26,322	15,806	1,130	3,597	5,789	2,411	64,279	19
October	1,326	26,376	16,099	1,141	3,600	5,536	2,678	64,013	19
November	1,370	26,526	16,448	1,155	3,607	5,316	2,334	63,899	37
December	1,649	26,710	16,867	1,169	3,616	5,058	2,700	63,876	21

No. 52: Small Savings *(Contd.)*

(Rs. crore)

Year / Month	Other Deposits	Total Deposits		National Saving Certificate VIII issue		Indira Vikas Patras		Kisan Vikas Patras	
	Outstanding	Receipts	Outstanding	Receipts	Outstanding	Receipts	Outstanding	Receipts	Outstanding
1	21	22	23	24	25	26	27	28	29
1990-91	..	9,455	17,022	1,609	3,135	2,469	8,709	4,136	9,514
2001-02	20	51,746	1,05,078	7,840	40,205	17	7,911	20,221	1,02,751
2002-03	21	70,214	1,40,216	9,583	44,525	98	6,096	23,234	1,13,675
2003-04	20	94,272	1,88,907	11,397	50,633	3	2,438	27,796	1,22,188
2004-05	11	1,22,616	2,51,665	10,097	55,128	-35	787	23,398	1,36,449
2005-06	20	1,30,447	3,06,986	10,541	58,541	-4	-927	29,282	1,46,607
2006-07	21	1,16,303	3,32,130	8,912	58,913	2,062	1,276	23,495	1,52,767
2007-08	25	1,04,250	3,24,077	6,285	57,388	–	1,218	14,975	1,50,408
2008-09	25	1,20,770	3,18,658	7,082	55,309	398	1,031	15,706	1,47,517
2007-08									
April	18	7,098	3,32,408	408	58,557	–	1,265	1,423	1,52,326
May	18	8,785	3,32,303	441	58,474	–	1,259	1,991	1,51,853
June	19	8,181	3,30,740	372	58,426	–	1,270	1,661	1,51,592
July	21	8,918	3,29,935	425	58,386	–	1,264	1,974	1,50,905
August	19	8,742	3,29,180	427	58,355	–	1,259	1,865	1,50,257
September	19	8,023	3,28,679	365	58,281	1	1,256	1,228	1,50,128
October	19	7,540	3,27,757	329	58,197	4	1,260	802	1,50,115
November	19	8,287	3,27,156	405	58,072	-4	1,254	907	1,50,273
December	19	8,404	3,26,451	456	57,962	–	1,264	773	1,50,346
January	20	9,798	3,24,874	585	57,816	-1	1,265	800	1,50,331
February	20	9,600	3,23,368	776	57,553	–	1,265	771	1,50,425
March	25	10,874	3,24,077	1,296	57,388	–	1,218	780	1,50,408
2008-09									
April	25	7,912	3,23,661	341	57,021	–	1,216	640	1,50,543
May	25	9,826	3,24,642	372	56,830	–	1,214	908	1,50,935
June	25	9,519	3,25,222	356	56,687	–	1,343	1,096	1,51,018
July	25	10,441	3,25,285	611	56,744	-400	942	1,497	1,50,979
August	26	9,402	3,24,685	371	56,613	–	940	1,264	1,50,469
September	26	9,305	3,23,814	358	56,462	2	944	1,207	1,49,805
October	26	9,566	3,22,493	374	56,386	–	939	1,215	1,49,164
November	26	9,450	3,21,103	438	56,278	–	950	1,357	1,48,620
December	26	9,834	3,20,033	556	56,108	–	962	1,392	1,48,123
January	26	10,812	3,18,213	721	55,945	–	967	1,465	1,47,804
February	26	10,821	3,17,522	900	55,627	–	957	1,548	1,47,649
March	25	13,882	3,18,658	1,684	55,309	–	1,031	2,117	1,47,517
2009-10 (P)									
April	25	10,108	3,18,914	540	54,969	1	1,024	1,579	1,47,439
May	25	12,317	3,20,442	594	54,840	-1	1,028	2,154	1,47,561
June	25	13,140	3,22,256	606	54,719	1	1,027	1,849	1,48,269
July	–	14,747	3,24,213	644	54,640	-1	1,025	1,651	1,49,138
August	25	14,283	3,26,058	656	54,595	–	1,024	1,440	1,49,987
September	25	14,672	3,28,016	602	54,529	–	1,022	1,263	1,50,777
October	25	15,431	3,29,933	688	54,553	–	1,021	1,389	1,51,663
November	25	14,536	3,32,697	734	54,557	–	1,025	1,566	1,52,287
December	25	16,899	3,36,502	950	54,601	–	1,022	1,945	1,52,858

No. 52: Small Savings *(Concld.)*

(Rs. crore)

Year / Month	National Saving Certificate VI issue (6)	National Saving Certificate VII issue (6)	Other Certificates(6)	Total Certificates		Public Provident Fund (3)		**Total**	
	Outstanding	Outstanding	Outstanding	Receipts	Outstanding	Receipts	Outstanding	**Receipts**	**Outstanding**
1	30	31	32	33	34	35	36	**37**	**38**
1990-91	11,137	737	25 (4)	8,214	33,257	..	..	**17,700 (5)**	**50,279 (5)**
2001-02	-852	-178	-170	28,078	1,49,667	1,929	8,111	**81,753**	**2,62,856**
2002-03	-734	-64	-77	33,051	1,63,421	2,337	10,156	**1,05,601**	**3,13,793**
2003-04	-558	-63	-75	39,170	1,74,563	2,528	12,267	**1,35,970**	**3,75,737**
2004-05	-430	-69	-71	33,369	1,91,794	2,534	14,273	**1,58,519**	**4,57,732**
2005-06	-403	-61	14	39,812	2,03,771	3,024	16,872	**1,73,283**	**5,27,611**
2006-07	-160	-74	63	34,532	2,12,785	4,065	19,457	**1,54,836**	**5,64,372**
2007-08	-38	-60	60	21,364	2,08,976	3,347	21,358	**1,23,652**	**5,09,411**
2008-09	-60	-43	59	22,390	2,03,813	3,652	23,402	**1,46,801**	**5,45,873**
2007-08									
April	50	-74	61	1,831	2,12,185	247	19,329	**9,176**	**5,63,922**
May	47	-74	61	2,432	2,11,620	224	19,264	**11,441**	**5,63,187**
June	47	-74	-150	2,033	2,11,111	168	19,313	**10,379**	**5,61,164**
July	46	-74	-150	2,399	2,10,377	148	19,365	**11,462**	**5,59,677**
August	45	-78	-150	2,292	2,09,688	153	19,437	**11,184**	**5,58,305**
September	-60	-78	60	1,699	2,09,587	117	19,488	**9,731**	**5,57,754**
October	-59	-68	61	1,136	2,09,506	143	19,568	**8,834**	**5,56,831**
November	-57	-57	60	1,307	2,09,454	130	19,634	**9,725**	**5,56,335**
December	-57	-58	61	1,229	2,09,518	207	19,777	**9,840**	**5,55,746**
January	-53	-58	60	1,383	2,09,361	216	19,907	**11,397**	**5,54,142**
February	-49	-64	60	1,547	2,09,190	251	20,089	**11,393**	**5,52,647**
March	-38	-60	60	2,076	2,08,976	1,343	21,358	**14,293**	**5,09,411**
2008-09									
April	-41	-71	60	981	2,08,728	269	21,159	**9,162**	**5,53,548**
May	-48	-82	60	1,280	2,08,909	222	21,159	**11,328**	**5,54,710**
June	-55	-86	60	1,452	2,08,967	156	21,181	**11,127**	**5,55,370**
July	-55	-63	60	1,708	2,08,607	153	21,217	**12,302**	**5,55,109**
August	-56	–62	60	1,635	2,07,964	73	21,198	**11,109**	**5,53,847**
September	-56	–63	59	1,567	2,07,151	171	21,276	**11,043**	**5,52,241**
October	-57	-63	59	1,589	2,06,428	350	21,552	**11,505**	**5,50,473**
November	-57	-59	59	1,795	2,05,791	131	21,600	**11,366**	**5,48,494**
December	-65	-57	59	1,948	2,05,130	179	21,716	**11,961**	**5,46,879**
January	-66	-58	59	2,186	2,04,651	236	21,882	**13,234**	**5,44,746**
February	-60	-59	59	2,448	2,04,173	291	22,115	**13,560**	**5,43,810**
March	-60	-43	59	3,801	2,03,813	1,421	23,402	**19,104**	**5,45,873**
2009-10 (P)									
April	-65	-47	58	2,120	2,03,378	345	23,322	**12,573**	**5,45,614**
May	-64	-47	59	2,747	2,03,377	254	23,381	**15,318**	**5,47,200**
June	-66	-43	59	2,456	2,03,965	256	23,499	**15,852**	**5,49,720**
July	-67	-45	59	2,294	2,04,750	203	23,601	**17,244**	**5,52,564**
August	-67	-43	59	2,096	2,05,555	175	23,688	**16,554**	**5,55,301**
September	-67	-43	59	1,865	2,06,277	159	23,773	**16,696**	**5,58,066**
October	-66	-58	59	2,077	2,07,172	167	23,874	**17,675**	**5,60,979**
November	-66	-58	64	2,305	2,07,809	315	24,052	**17,156**	**5,64,558**
December	-67	-58	59	2,890	2,08,415	321	24,309	**20,110**	**5,69,226**

Source : Accountant General, Post & Telegraph.

No. 53: Details of Central Government Market Borrowings

Medium and Long Term Borrowing (Rs. crore)

Date of		Notified Amount	Maturity		Bids Received				Bids Accepted				De-volve-ment/ on Primary Dealers	Devolve-ment/ Private place-ment on RBI	Indicative YTM at cut-off price/ reissue price/ coupon rate	Nomenclature of Loan
					Competitive		Non-Competitive		Competitive		Non-Competitive					
Auction	Issue		Period/ Residual period	Year	Num-ber	Value	Num-ber	Value	Num-ber	Value	Num-ber	Value				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
2009-10																
4-Sep-09	7-Sep-09	5000.00	5.75	2015	207	11,478.00	2	2.02	81	4,650.00	2	2.02	347.98	–	95.54/ 7.4543	6.49% GS 2015 (1) (9)
4-Sep-09	7-Sep-09	5000.00	9.85	2019	237	11,608.02	5	8.50	87	4,283.02	5	8.50	708.48	–	95.85/ 7.5016	6.90% GS 2019 (1) (9)
4-Sep-09	7-Sep-09	2000.00	17.44	2027	122	5,173.00	4	17.20	27	1,982.80	4	17.20	–	–	100.45/ 8.1901	8.24% GS 2027 (1) (9)
11-Sep-09	14-Sep-09	5000.00	2.64	2012	170	11,142.01	5	8.30	59	4,991.70	5	8.30	–	–	101.35/ 6.8266	7.40% GS 2012 (1) (9)
11-Sep-09	14-Sep-09	4000.00	10.30	2020	194	12,142.56	4	3.40	33	3,996.60	4	3.40	–	–	89.56/ 7.8442	6.35% GS 2020 (1) (9)
11-Sep-09	14-Sep-09	2000.00	22.42	2032	106	4,930.29	5	17.75	37	1,982.25	5	17.75	–	–	100.00/ 8.2789	8.28 % GS 2032 (1) (9)
18-Sep-09	22-Sep-09	5000.00	6.90	2016	165	11,118.00	7	17.30	60	4,982.70	7	17.30	–	–	99.83/ 7.0498	7.02% GS 2016 (1) (9)
18-Sep-09	22-Sep-09	4000.00	9.81	2019	152	8,917.01	5	16.00	63	3,984.00	5	16.00	–	–	98.93/ 7.0509	6.90% GS 2019 (1) (9)
18-Sep-09	22-Sep-09	2000.00	17.40	2027	132	6,246.00	9	26.01	44	1,973.99	9	26.01	–	–	101.75/ 8.0499	8.24% GS 2027 (1) (9)
25-Sep-09	29-Sep-09	6000.00	5.69	2015	149	10,179.46	2	2.55	111	5,997.45	2	2.55	–	–	97.06/ 7.1244	6.49 % GS 2015 (1) (9)
25-Sep-09	29-Sep-09	4000.00	10.26	2020	157	7,353.30	4	6.00	78	3,994.00	4	6.00	–	–	91.64/ 7.5324	6.35% GS 2020 (1) (9)
25-Sep-09	29-Sep-09	2000.00	22.38	2032	83	4,294.40	4	7.75	25	1,992.25	4	7.75	–	–	100.90/ 8.1901	8.28 % GS 2032 (1) (9)
9-Oct-09	12-Oct-09	3000.00	6.85	2016	186	7,544.10	6	19.95	53	2,980.05	6	19.95	–	–	98.60/ 7.2808	7.02 % GS 2016 (1) (9)
9-Oct-09	12-Oct-09	4000.00	9.75	2019	156	6,630.00	5	15.60	109	3,408.00	5	15.60	576.40	–	97.13/ 7.3145	6.90% GS 2019 (1) (9)
9-Oct-09	12-Oct-09	3000.00	22.34	2032	93	5,857.90	7	9.15	47	2,835.90	7	9.15	154.95	–	99.37/ 8.3408	8.28% GS 2032 (1) (9)
16-Oct-09	20-Oct-09	4000.00	10.20	2020	177	10,105.74	4	5.25	55	3,994.75	4	5.25	–	–	89.14/ 7.9197	6.35% GS 2020 (1) (9)

No. 53: Details of Central Government Market Borrowings *(Contd.)*

Medium and Long Term Borrowing (Rs. crore)

Date of		Notified Amount	Maturity		Bids Received				Bids Accepted				Devolvement/ on Primary Dealers	Devolvement/ Private placement on RBI	Indicative YTM at cut-off price/ reissue price/ coupon rate	Nomenclature of Loan
					Competitive		Non-Competitive		Competitive		Non-Competitive					
Auction	Issue		Period/ Residual period	Year	Number	Value	Number	Value	Number	Value	Number	Value				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
16-Oct-09	20-Oct-09	3000.00	14.67	2024	95	5,415.80	5	5.90	44	2,783.80	5	5.90	210.30	–	91.58/ 8.3542	7.35% GS 2024 (1) (9)
16-Oct-09	20-Oct-09	3000.00	5.00	2014	175	9,433.50	2	0.85	57	2,999.15	2	0.85	–	–	7.32	7.32% GS 2014 (4) (9)
23-Oct-09	26-Oct-09	3000.00	6.81	2016	154	6,251.10	5	9.44	91	2,990.56	5	9.44	–	–	97.56/ 7.4810	7.02% GS 2016 (1) (9)
23-Oct-09	26-Oct-09	4000.00	9.71	2019	166	7,270.05	3	7.50	115	3,992.50	3	7.50	–	–	96.05/ 7.4770	6.90% GS 2019 (1) (9)
23-Oct-09	26-Oct-09	3000.00	22.30	2032	106	6,204.00	7	11.67	51	2,988.33	7	11.67	–	–	98.5/ 8.4282	8.28% GS 2032 (1) (9)
6-Nov-09	9-Nov-09	3000.00	4.95	2014	142	9410.00	5	8.75	8	2991.25	5	8.75	–	–	100.93/ 7.0924	7.32% GS, 2014 (1) (9)
6-Nov-09	9-Nov-09	4000.00	10.15	2020	230	10722.05	6	15.50	52	3984.50	6	15.50	–	–	90.14/ 7.7706	6.35 % GS, 2020 (1) (9)
6-Nov-09	9-Nov-09	2000.00	24.75	2034	93	4566.94	8	21.55	38	1978.45	8	21.55	–	–	91.15/ 8.3495	7.50 % GS, 2034 (1) (9)
13-Nov-09	16-Nov-09	3000.00	6.75	2016	178	8243.91	4	5.50	42	2994.50	4	5.50	–	–	98.20/ 7.3600	7.02 % GS, 2016 (1) (9)
13-Nov-09	16-Nov-09	4000.00	9.66	2019	183	10027.00	1	1.00	57	3999.00	1	1.00	–	–	96.96/ 7.3430	6.90 % GS, 2019 (1) (9)
13-Nov-09	16-Nov-09	3000.00	17.25	2027	120	5478.50	6	30.11	68	2969.90	6	30.11	–	–	99.62/ 8.2795	8.24% GS, 2027 (1) (9)
20-Nov-09	23-Nov-09	3000.00	4.91	2014	163	12969.50	4	11.85	8	2988.15	4	11.85	–	–	101.7/ 6.9035	7.32 % GS, 2014 (1) (9)
20-Nov-09	23-Nov-09	4000.00	10.11	2020	252	12239.00	6	27.25	56	3972.75	6	27.25	–	–	91.55/ 7.5591	6.35 % GS, 2020 (1) (9)
20-Nov-09	23-Nov-09	3000.00	24.71	2034	123	6806.32	7	25.79	68	2974.21	7	25.79	–	–	91.84/ 8.2789	7.50 % GS, 2034 (1) (9)
4-Dec-09	7-Dec-09	3000.00	6.69	2016	176	7226.75	4	5.52	75	2994.49	4	5.52	–	–	98.45/ 7.3141	7.02% GS, 2016 (1) (9)
4-Dec-09	7-Dec-09	4000.00	9.60	2019	170	9024.00	2	3.02	51	3996.99	2	3.02	–	–	96.69/ 7.3859	6.90 % GS, 2019 (1) (9)

No. 53: Details of Central Government Market Borrowings *(Concld.)*

Medium and Long Term Borrowing

(Rs. crore)

Date of		Notified Amount	Maturity		Bids Received				Bids Accepted				Devolvement/ on Primary Dealers	Devolvement/ Private placement on RBI	Indicative YTM at cut-off price/ reissue price/ coupon rate	Nomenclature of Loan
					Competitive		Non-Competitive		Competitive		Non-Competitive					
Auction	Issue		Period/ Residual period	Year	Number	Value	Number	Value	Number	Value	Number	Value				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
4-Dec-09	7-Dec-09	3000.00	22.19	2032	125	6620.60	11	40.60	72	2959.40	11	40.60	–	–	99.59/ 8.3188	8.28 % GS, 2032 (1) (9)
11-Dec-09	14-Dec-09	3000.00	4.85	2014	102	7524.28	4	6.64	32	2993.36	4	6.64	–	–	100.71/ 7.1409	7.32 % GS, 2014 (1) (9)
11-Dec-09	14-Dec-09	4000.00	10.05	2020	177	8521.50	4	6.00	74	3994.00	4	6.00	–	–	91.32/ 7.5999	6.35 % GS, 2020 (1) (9)
11-Dec-09	14-Dec-09	3000.00	17.17	2027	113	5758.25	7	31.75	56	2968.25	7	31.75	–	–	99.27/ 8.3185	8.24% GS, 2027 (1) (9)
18-Dec-09	21-Dec-09	2000.00	11.00	2020	50	3025.00	0	0.00	36	2000.00	0	0.00	–	–	91.00/ 4.8557	GOI FRB 2020 (1) (9)
18-Dec-09	21-Dec-09	4000.00	6.66	2016	157	6838.06	3	10.68	114	3762.06	3	10.68	227.26	–	97.50/ 7.5013	7.02 % GS, 2016 (1) (9)
18-Dec-09	21-Dec-09	3000.00	22.15	2032	102	5464.00	7	31.90	52	2968.10	7	31.90	–	–	98.75/ 8.4035	8.28 % GS, 2032 (1) (9)
8-Jan-10	11-Jan-10	4000.00	4.78	2014	154	9181.03	7	7.70	58	3992.30	7	7.70	–	–	100.18/ 7.2706	7.32 % GS, 2014 (1) (9)
8-Jan-10	11-Jan-10	3000.00	9.51	2019	177	7438.27	3	5.80	49	2994.20	3	5.80	–	–	94.22/ 7.7712	6.90 % GS, 2019 (1) (9)
8-Jan-10	11-Jan-10	3000.00	22.09	2032	141	7146.02	7	51.40	60	2948.60	7	51.40	–	–	99.51/ 8.3276	8.28 % GS, 2032 (1) (9)
15-Jan-10	18-Jan-10	3000.00	6.58	2016	165	7876.00	5	5.00	40	2995.00	5	5.00	–	–	98.09/ 7.3901	7.02 % GS, 2016 (1) (9)
15-Jan-10	18-Jan-10	4000.00	9.96	2020	156	7787.00	5	9.05	69	3990.95	5	9.05	–	–	91.11/ 7.6407	6.35% GS, 2020 (1) (9)
15-Jan-10	18-Jan-10	3000.00	17.08	2027	123	5732.00	9	40.90	76	2959.10	9	40.90	–	–	99.63/ 8.2797	8.24 % GS, 2027 (1) (9)
22-Jan-10	25-Jan-10	2000.00	4.74	2014	109	5021.50	4	5.15	40	1994.85	4	5.15	–	–	100.74/ 7.1291	7.32 % GS, 2014 (1) (9)
22-Jan-10	25-Jan-10	3000.00	10.91	2020	133	9730.00	0	0.00	17	3000.00	0	0.00	–	–	93.00/ 5.0214	GOI FRB 2020 (1) (9)
22-Jan-10	25-Jan-10	2000.00	22.06	2032	112	4906.25	7	39.48	48	1960.52	7	39.48	–	–	100.00/ 8.2792	8.28 % GS, 2032 (1) (9)

GS : Government Stock.

Note: Allotment to non-competitive bidders were at weighted average yield/price of competitive bids.

Also see 'Notes on Tables'.

No. 53 A: Details of State Government Market Borrowings

(Amount in Rs. crore)

State	2009-10					
	Amount raised through auctions on	Cut-off rate in the auctions	Amount raised through auctions on	Cut-off rate in the auctions	Amount raised through auctions on	Cut-off rate in the auctions
	10/11/2009	10 Years	24/11/2009	10 Years	8/12/2009	
1	2	3	4	5	6	7
1. Andhra Pradesh	–	–	–	–	500.00	8.26
2. Arunachal Pradesh	–	–	–	–	–	–
3. Assam	–	–	–	–	–	–
4. Bihar	600.00	8.25	–	–	607.19	8.35
5. Chhattisgarh	700.00	8.25	–	–	–	–
6. Goa	–	–	–	–	–	–
7. Gujarat	–	–	–	–	1,000.00	8.27
8. Haryana	–	–	–	–	1,000.00	8.27
9. Himachal Pradesh	–	–	–	–	200.00	8.26
10. Jammu & Kashmir	–	–	–	–	–	–
11. Jharkhand	–	–	–	–	–	–
12. Karnataka	–	–	2,000.00	8.05	–	–
13. Kerala	–	–	676.00	8.05	–	–
14. Madhya Pradesh	–	–	–	–	1560.00	8.32
15. Maharashtra	–	–	–	–	–	–
16. Manipur	–	–	–	–	–	–
17. Meghalaya	–	–	–	–	–	–
18. Mizoram	–	–	–	–	–	–
19. Nagaland	–	–	89.00	8.10	100.00	8.26
20. Orissa	–	–	–	–	–	–
21. Punjab	200.00	8.05	320.00	8.03	–	–
22. Rajasthan	500.00	8.11	500.00	8.06	500.00	5.26
23. Sikkim	–	–	–	–	–	–
24. Tamil Nadu	1,000.00	8.12	1,000.00	8.05	1,000.00	8.26
25. Tripura	–	–	–	–	–	–
26. Uttar Pradesh	1,306.36	8.26	–	–	–	–
27. Uttarakhand	–	–	–	–	–	–
28. West Bengal	–	–	2,330.91	8.10	–	–
29. Puducherry	–	–	–	–	500.00	8.30
Total	**4,306.360**	**–**	**6,915.910**	**–**	**6,967.190**	**–**

No. 53 A: Details of State Government Market Borrowings *(Concld.)*

(Amount in Rs. crore)

State	2009-10						
	Amount raised through auctions on	Cut-off rate in the auctions	Amount raised through auctions on	Cut-off rate in the auctions	Amount raised through auctions on	Cut-off rate in the auctions	Total raised so far
	22/12/2009	10 Years	5/1/2010	10 Years	19/1/2010		
1	8	9	10	11	12	13	14
1. Andhra Pradesh	–	–	–	–	500.00	8.25	13,000.00
2. Arunachal Pradesh	–	–	–	–	79.05	8.29	79.05
3. Assam	–	–	–	–	–	–	0.00
4. Bihar	–	–	–	–	–	–	3,000.00
5. Chhattisgarh	–	–	–	–	–	–	700.00
6. Goa	100.00	8.40	–	–	–	–	500.00
7. Gujarat	–	–	1,500.00	8.33	–	–	8,200.00
8. Haryana	–	–	–	–	–	–	2,900.00
9. Himachal Pradesh	–	–	100.00	8.22	200.00	8.25	500.00
10. Jammu & Kashmir	–	–	–	–	–	–	538.85
11. Jharkhand	–	–	–	–	–	–	1,843.98
12. Karnataka	–	–	–	–	–	–	4,750.00
13. Kerala	500.00	8.35	–	–	–	–	3,976.00
14. Madhya Pradesh	–	–	1,553.00	8.32	–	–	4,673.00
15. Maharashtra	–	–	1,000.00	8.30	–	–	11,000.00
16. Manipur	–	–	–	–	–	–	188.78
17. Meghalaya	–	–	–	–	50.00	8.27	273.54
18. Mizoram	–	–	–	–	–	–	101.29
19. Nagaland	–	–	–	–	–	–	449.00
20. Orissa	–	–	–	–	–	–	0.00
21. Punjab	465.00	8.37	200.00	8.23	–	–	4,985.00
22. Rajasthan	500.00	8.35	500.00	8.30	500.00	8.25	7,500.00
23. Sikkim	–	–	–	–	–	–	0.00
24. Tamil Nadu	1,000.00	8.36	1,000.00	8.32	1,000.00	8.25	11,200.00
25. Tripura	100.00	8.40	–	–	–	–	250.00
26. Uttar Pradesh	1,500.00	8.44	–	–	–	–	10,806.36
27. Uttarakhand	–	–	–	–	–	–	600.00
28. West Bengal	1,000.00	8.42	–	–	–	–	15,751.91
29. Puducherry	–	–	–	–	–	–	500.00
Total	**5,165.000**	**–**	**5,853.000**	**–**	**2,329.050**	**–**	**1,08,266.76**

* : The West Bengal Govt. Stock has put option.
Note : Amount are at face value.

No. 53 B: Ownership Pattern of Government of India Dated Securities

(Per cent)

Category	2008				2009			
	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Oct.
1	2	3	4	5	6	7	8	9
1. Commercial Banks	42.51	42.87	41.95	40.16	38.85	39.29	38.76	39.18
2. Insurance Companies	24.78	25.53	25.52	24.52	23.20	23.07	22.14	22.07
3. Primary Dealers	8.75	8.44	9.52	9.00	8.34	7.89	8.30	8.38
(of which Non-Bank PDs)	0.34	0.23	0.19	0.34	0.29	0.11	0.26	(0.18)
4. Mutual Funds	0.79	0.58	0.31	1.10	0.82	0.83	0.75	0.78
5. Co-operative Banks	3.22	3.37	3.21	3.01	2.92	3.08	3.08	3.24
6. Financial Institutions	0.41	0.48	0.42	0.43	0.41	0.40	0.29	0.28
7. Corporates	3.48	1.66	1.52	3.82	4.72	3.54	3.65	3.27
8. FIIs	0.52	0.47	0.71	0.49	0.24	0.30	0.45	0.59
9. Provident Funds	6.38	6.62	6.25	6.59	6.59	6.41	6.31	6.51
10. RBI	4.78	5.64	5.73	7.52	9.71	11.06	10.57	10.2
11. Others	4.38	4.33	4.86	3.38	4.20	4.13	5.69	5.50
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

N.B.: 1. Primary Dealers include banks offering the services of Primary Dealership as on date.

2. Government of India dated securities includes securities issued under the Market Stabilization Scheme and the Special Securities like bonds issued to the Oil Marketing Companies, *etc.*

3. The data is provisional in nature and subject to revisions. The information on category-wise outstanding amounts of Government Securities is disseminated on an annual basis through the *Handbook of Statistics on the Indian Economy* published by the Bank.

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) Relating to five major banks. PLR concept was introduced with effect from October 1994.
(11) Monthly data are averages of the weeks and 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 Rs.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 Rs.5 crore (ii) Reserve Fund of Rs.6,500 crore (iii) National Industrial Credit (Long-Term Operations): Fund of Rs.16 crore and (iv) National Housing Credit (Long-Term Operations) Fund of Rs.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 Rs.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 Rs.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 :

$$I^{A}_{O} = 5.89\ [\ (0.8126 \times I^{A}_{N}) + (0.0491 \times I^{Ma}_{N}) + (0.0645 \times I^{Me}_{N}) + (0.0738 \times I^{T}_{N})]$$

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 :

$$I^{P}_{O} = 6.36\ [(0.6123 \times I^{P}_{N}) + (0.3677 \times I^{Ha}_{N}) + (0.0200 \times I^{Hi}_{N})]$$

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 1993-94=100 was introduced in April 2000. Details regarding the scope and coverage of new series are published in June 2000 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. The financial year data (1994-95, 2007-08 and 2008-09) are averages of weekly data.

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 (5th 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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1	2	3	4	5	6
5. Handbook of Statistics on State Government Finances 2004	DEAP	2004			
(a) Print version			170		
			200 *	25 □	
			125 **	20 *	
(b) CD ROM			120	15 □	
			140 *	10 *	
			90 **		
6. Handbook of Monetary Statistics in India 2006	do	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 *	
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 *		

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1		2	3	4	5		6
3.	i) Form A-1 (Revised)	DSIM	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.)						
4.	Banking Statistics Basic Statistical Returns 1 & 2	do	2004	420	59 □		
	Vol. 1 to 31, 1972 to 2002 DISC 1 & 2			475 *	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 *			
	Name changed w.e.f. Sept. 2003 issue as Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks.						
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 *	40		
				50 **			
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		

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Title of the Publication		Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.
1		2	3	4	5	6
13. Statistical Tables Relating to Banks in India		DSIM				
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	
v) 1995-96			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		

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15. Selected Banking Indicators 1981 to 2002	DSIM	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	
19. Annual Accounts of Scheduled Commercial Bank (Including Regional Rural Banks 1979-2004) CD-Rom	do	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 □	
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		2001			1700
1982-83 To 1990-1991 Vol.II		2001	700 *	140	1500
1990-91 To 1999-2000 Vol.III		2001			2000
(Rs.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	

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	1	2	3	4	5		6
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
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 (Sen Committee Report) Vol. I (Hard Bound) Vol. II	DEAP	1985 1985	70 * £ 85 * £	15 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 *			

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	1	2	3	4	5		6
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		
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		

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	1	2	3	4	5		6
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		
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		

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1	2	3	4	5	6	
iv) Circulars on Monetary and Credit Policy Vol. No. 7 (from April 2003 to March 2004) (English & Hindi)	MPD					
a) Print Version		2004	250	25 □		
			275 *	20 *		
			200 **			
b) CD-ROM			180	5 □		
			200 *	12 *		
			140 **			
v) Circulars on Monetary and Credit Policy Vol. No. 8		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 **			
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) on CD-ROM	do	2004	120			
			150 *			
10. Compendium of Circulars on Small Scale Industries (January 2000 - March 2004)	do	2004	140			
			170 *			

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	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.	
1		2	3	4	5		6
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
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	–				
	i) 1987 to 1989 (Yearly four issues)			30 * @ £	10 @		
	ii) 1990 to 1995 (Yearly four issues)			35 * @ £	25 @		
	iii) 1996 (Yearly four issues)			35 * @	25 @		
	iv) 1997 (Three issues)			35 * @	25 @		
	v) (Combined issue June-September, 1997)			70 * @	50 @		
	vi) 1998 (Yearly four issues)			40 * @	25 @		
	vii) 1999 (Yearly 3 issues)			50 * @	30 @		
	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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8.	Indian Financial Network (INFINET) Banking Applications Messages Formats Vol. II	do	2002	100 *			
9.	Balance of Payments compilation	DEAP	1987	45 *	30		
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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
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22.	Facilities for Non-resident Indians	do	1999	35 £ 50 *	8		
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25.	Directory of Bank Offices 1993 (English)	DBOD	1996	485 568 *	36		
26.	Computer Paribhasha Kosh (Hindi)	do	1999	100		528	23
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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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Yes ☐ No ☐

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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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– 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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Perspectives on Central Banking: Governors Speak

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The compendium provides a glimpse into the ideas, issues and concerns that shaped the institution over the years. The array of themes covered in the speeches - monetary policy, external sector management, issues in the financial sector and the real economy, regulation and supervision of banks, poverty and financial inclusion and the policy challenges in a globalised environment - is a reflection of the broad mandate of the Reserve Bank and its enduring concern for the larger public good.

The book will be available on sale at all the Sales & Dissemination counters of the Reserve Bank all over India and also at Sales Section, Division of Reports, Reviews and Publications, Department of Economic Analysis and Policy, Reserve Bank of India, Amar Building (First Floor), P. M. Road, Fort, Mumbai - 400 001 (Contact Number: 022 - 2260 3000 Extn.: 4002). M/s Jain Book Agency, C-9, Connaught Place, New Delhi - 110 001 and their dealer network are the official distributors, Ph.: 011 2341 6390 upto 94, Fax: 011 4151 3850, website: www.jba.in, email: sales@jba.in *w.e.f.* January 15, 2010, 1700 hours.