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*Governor's Statement**

Shaktikanta Das

As the financial year 2020-21 – the year of the pandemic – was drawing to a close, the Indian economy was advantageously poised, relative to peers. India was at the foothills of a strong recovery, having regained positive growth, but more importantly, having flattened the infections curve. In a few weeks since then, the situation has altered drastically. Today, India is fighting a ferocious rise in infections and mortalities. New mutant strains have emerged, causing severe strains on healthcare and medical facilities, vaccine supplies and frontline health personnel. The fresh crisis is still unfolding. India has mounted a valiant defence, domestically and globally, to ramp up vaccines and medical support, and save lives.

Simultaneously, shoring up livelihoods and restoring normalcy in access to workplaces, education and incomes becomes an imperative. As in the recent past, the Reserve Bank of India (RBI) will continue to monitor the emerging situation and deploy all resources and instruments at its command in the service of the nation, especially for our citizens, business entities and institutions beleaguered by the second wave. The devastating speed with which the virus affects different regions of the country has to be matched by swift-footed and wide-ranging actions that are calibrated, sequenced and well-timed so as reach out to various sections of society and business, right down to the smallest and the most vulnerable. While doing so, our admiration and gratitude goes out to the brave citizens of our nation, to our doctors, healthcare and medical staff, police and law enforcement agencies and to other authorities who battle the second surge selflessly and tirelessly and have been at the frontline for more than a year. Their services to our nation are needed now, more than ever. The quarantine facilities of the Reserve Bank continue to operate with more than 250 Reserve Bank personnel and service providers – away from their homes – to ensure continuity of various segments of financial markets and Reserve Bank operations.

Since the pandemic began, I have on several occasions expressed my genuine faith in India's resilience and capacity to overcome all odds. To quote Mahatma Gandhi – "*My faith is brightest in the midst of impenetrable darkness*[1]." Over a year now, we have struggled to free ourselves from the pandemic's deadly grip. Between mid-September and February, as a country, we did manage to lower infections at a time when the rest of the world was reeling under malevolent surges of the virus. This time around, we have to marshal our resources and fight it again with renewed vigour, ignited by the determination to overcome, and to return to normalcy and sound health.

Assessment of the Current Economic Situation

Before I set out the measures that the Reserve Bank is proposing to undertake as the first part of a calibrated and comprehensive strategy against the pandemic, let me reflect on the macroeconomic and financial conditions that prevail, so that the context in which today's measures are being taken, can be appreciated.

The global economy is exhibiting incipient signs of recovery as countries renew their tryst with growth, supported by monetary and fiscal stimulus. Still, activity remains uneven across countries and sectors. The outlook is highly uncertain and clouded with downside risks. In April 2021, the International Monetary Fund (IMF) revised up its global growth projection for 2021 to 6.0 per cent (from 5.5 per cent

* Governor's Statement - May 5, 2021

[1] Source: Mind of Mahatma Gandhi-132 (Ed. Prabhu & Rao), 3rd Edn., 1968

projected in January 2021) on the assumption that vaccines would be available in advanced economies (AEs) and some emerging market economies (EMEs) by the summer of 2021 and in most other countries by the second half of 2022. World merchandise trade maintained its recent uptrend, growing by 5.4 per cent in February 2021 on a year-on-year (y-o-y) basis. Consumer price index (CPI) inflation remains benign for major AEs; in a few EMEs, however, it persists above targets on account of firming global food and commodity prices. Global financial markets regained buoyancy in April on vaccine optimism after bouts of volatility in February-March, followed by corrections.

Moving to domestic developments, aggregate supply conditions are underpinned by the resilience of the agricultural sector. The record foodgrains production and buffer stocks in 2020-21 provide food security and support to other sectors of the economy in the form of rural demand, employment and agricultural inputs and supplies, including for exports. The forecast of a normal monsoon by the India Meteorological Department (IMD) is expected to sustain rural demand and overall output in 2021-22, while also having a soothing impact on inflation pressures.

Aggregate demand conditions, particularly in contact-intensive services, are likely to see a temporary dip, depending on how the COVID situation unfolds. With restrictions and containment measures being localised and targeted, businesses and households are learning to adapt. Consequently, the dent to aggregate demand is expected to be moderate in comparison to a year ago. Reports suggest that the disruption in manufacturing units so far is minimal. Consumption demand is holding up, with sales of consumer goods rising in double digits in January-March 2021, and average daily electricity generation up by 40.0 per cent (y-o-y) in April. Rail freight has registered growth of over 76 per cent (y-o-y) in April. Toll collections in April suggest that mobility has declined but quite unlike the abrupt halt in mobility during April last year. Registration of automobiles in April 2021 has shown moderation compared to March. The tractor segment continues its robust pace. The Purchasing managers' index (PMI) for manufacturing continued in expansion mode at 55.5 in April 2021 compared to 55.4 in the preceding month. Overall, the high frequency indicators are emitting mixed signals. The Reserve Bank will closely and continuously monitor all incoming data to assess on a real time basis the impact of the second wave on macro-economic and financial conditions.

CPI inflation edged up to 5.5 per cent in March 2021 from 5.0 per cent a month ago on the back of a pick-up in food as well as fuel inflation while core inflation remained elevated. High-frequency food prices data for April 2021 from the Department of Consumer Affairs (DCA) suggests further softening of prices of cereals and key vegetables while price pressures in pulses and edible oils remain. Prices of petrol and diesel registered some moderation in April. Manufacturing and services PMIs along with rising wholesale price index inflation show a persistence of input price pressure. The May 12 release of the (NSO) will throw more light on inflation developments in April. Going forward, a normal south-west monsoon, as forecast by the IMD should help to contain food price pressures, especially in cereals and pulses. The build-up in input price pressures across sectors, driven in part by elevated global commodity prices, remains a concern. The inflation trajectory over the rest of the year will be shaped by the COVID-19 infections and the impact of localised containment measures on supply chains and logistics.

In the external sector, India's merchandise exports and imports rose sharply in March 2021. For the year 2020-21 as a whole, the merchandise trade deficit shrank to US $98.6 billion from US $ 161 billion a year ago. Preliminary data released by the Ministry of Commerce & Industry indicate that

India's merchandise exports and imports continue to witness broad-based robust growth performance in April 2021. The current account balance, which had been recording surpluses from January 2020 through September 2020, flipped and turned into a slender deficit of 0.2 per cent of GDP in Q3:2020-21. Foreign exchange reserves were at US$ 588 billion on April 30, 2021. This gives us the confidence to deal with global spillovers.

Domestic financial conditions remain easy on abundant and surplus system liquidity. The average daily net liquidity absorption under the liquidity adjustment facility (LAF) was at ₹5.8 lakh crore in April 2021. The first auction under G-SAP 1.0 conducted on April 15, 2021 for a notified amount of ₹25,000 crore elicited an enthusiastic response as reflected in the bid-cover ratio of 4.1. G-SAP has engendered a softening bias in G-sec yields which has continued since then. Given this positive response from the market, it has been decided that the second purchase of government securities for an aggregate amount of ₹35,000 crore under G-SAP 1.0 will be conducted on May 20, 2021. With system liquidity assured, the Reserve Bank is now focusing on increasingly channelising its liquidity operations to support growth impulses, especially at the grassroot level.

Additional Measures

In the fight against the second wave, alleviating any constraint from the financing side for all stake holders – government, hospitals and dispensaries, pharmacies, vaccine/medicine manufacturers/ importers, medical oxygen manufacturers/suppliers, private operators engaged in the critical healthcare supply chain, and above all the common man who may be facing sudden spike in health expenditure – requires a comprehensive targeted policy response. Small businesses and financial entities at the grassroot level are bearing the biggest brunt of the second wave of infections. Against this backdrop and based on our continuing assessment of the macroeconomic situation and financial market conditions, we propose to take further measures, as enumerated below.

Term Liquidity Facility of ₹50,000 crore to Ease Access to Emergency Health Services

To boost provision of immediate liquidity for ramping up COVID related healthcare infrastructure and services in the country, an on-tap liquidity window of ₹50,000 crore with tenors of up to three years at the repo rate is being opened till March 31, 2022. Under the scheme, banks can provide fresh lending support to a wide range of entities including vaccine manufactures; importers/suppliers of vaccines and priority medical devices; hospitals/dispensaries; pathology labs; manufactures and suppliers of oxygen and ventilators; importers of vaccines and COVID related drugs; logistics firms and also patients for treatment.

Banks are being incentivised for quick delivery of credit under the scheme through extension of priority sector classification to such lending up to March 31, 2022. These loans will continue to be classified under priority sector till repayment or maturity, whichever is earlier. Banks may deliver these loans to borrowers directly or through intermediary financial entities regulated by the Reserve Bank. Banks are expected to create a COVID loan book under the scheme. By way of an additional incentive, such banks will be eligible to park their surplus liquidity up to the size of the COVID loan book with the Reserve Bank under the reverse repo window at a rate which is 25 bps lower than the repo rate or, termed in a different way, 40 bps higher than the reverse repo rate.

Special Long-Term Repo Operations (SLTRO) for Small Finance Banks (SFBs)

Small finance banks (SFBs) have been playing a prominent role by acting as a conduit for last mile supply of credit to individuals and small businesses.

To provide further support to small business units, micro and small industries, and other unorganised sector entities adversely affected during the current wave of the pandemic, it has been decided to conduct special three-year long-term repo operations (SLTRO) of ₹10,000 crore at repo rate for the SFBs, to be deployed for fresh lending of up to ₹10 lakh per borrower. This facility will be available till October 31, 2021.

Lending by Small Finance Banks (SFBs) to MFIs for On-lending to be Classified as Priority Sector Lending

At present, lending by Small Finance Banks (SFBs) to Micro-Finance Institutions (MFIs) for on-lending is not reckoned for priority sector lending (PSL) classification. In view of the fresh challenges brought on by the pandemic and to address the emergent liquidity position of smaller MFIs, SFBs are now being permitted to reckon fresh lending to smaller MFIs (with asset size of up to ₹500 crore) for on-lending to individual borrowers as priority sector lending. This facility will be available up to March 31, 2022.

Credit to MSME Entrepreneurs

With a view to incentivise credit flow to the micro, small, and medium enterprise (MSME) borrowers, in February 2021 Scheduled Commercial Banks were allowed to deduct credit disbursed to new MSME borrowers from their net demand and time liabilities (NDTL) for calculation of the cash reserve ratio (CRR). In order to further incentivise inclusion of unbanked MSMEs into the banking system, this exemption currently available for exposures up to ₹25 lakh and for credit disbursed up to the fortnight ending October 1, 2021 is being extended till December 31, 2021.

Resolution Framework 2.0 for COVID Related Stressed Assets of Individuals, Small Businesses and MSMEs.

The resurgence of COVID-19 pandemic in India in recent weeks and the associated containment measures adopted at local/regional levels have created new uncertainties and impacted the nascent economic revival that was taking shape. In this environment the most vulnerable category of borrowers are individual borrowers, small businesses and MSMEs. The following set of measures are being announced today, specifically targeting these groups of borrowers.

(a) Borrowers *i.e.* individuals and small businesses and MSMEs having aggregate exposure of upto ₹25 crore and who have not availed restructuring under any of the earlier restructuring frameworks (including under the Resolution Framework 1.0 dated August 6, 2020), and who were classified as 'Standard' as on March 31, 2021 shall be eligible to be considered under Resolution Framework 2.0. Restructuring under the proposed framework may be invoked up to September 30, 2021 and shall have to be implemented within 90 days after invocation.

(b) In respect of individual borrowers and small businesses who have availed restructuring of their loans under Resolution Framework 1.0, where the resolution plan permitted moratorium of less than two years, lending institutions are being permitted to use this window to modify such plans to the extent of increasing the period of moratorium and/or extending the residual tenor up to a total of 2 years. Other conditions will remain the same.

(c) In respect of small businesses and MSMEs restructured earlier, lending institutions are also being permitted as a one-time measure, to review the working capital sanctioned limits, based on a reassessment of the working capital cycle, margins, etc.

Rationalisation of Compliance to KYC Requirements

Taking forward the initiatives of the Reserve Bank for enhancing customer convenience, it has been decided to rationalise certain components of the extant KYC norms. These include (a) extending the scope of video KYC known as V-CIP (video-based customer identification process) for new categories of customers such as proprietorship firms, authorised signatories and beneficial owners of Legal Entities and for periodic updation of KYC; (b) conversion of limited KYC accounts opened on the basis of Aadhaar e-KYC authentication in non-face-to-face mode to fully KYC-compliant accounts; (c) enabling the use of KYC Identifier of Centralised KYC Registry (CKYCR) for V-CIP and submission of electronic documents (including identity documents issued through DigiLocker) as identify proof; (d) introduction of more customer-friendly options, including the use of digital channels for the purpose of periodic updation of KYC details of customers.

Further, keeping in view the COVID related restrictions in various parts of the country, Regulated Entities are being advised that for the customer accounts where periodic KYC updating is due/pending, no punitive restriction on operations of customer account(s) shall be imposed till December 31, 2021 unless warranted due to any other reason or under instructions of any regulator/enforcement agency/court of law, etc. Account holders are requested to update their KYC during this period.

Utilisation of Floating Provisions and Countercyclical Provisioning Buffer

In order to mitigate the pandemic related stress on banks and as a measure to enable capital conservation, banks are being allowed to utilise 100 per cent of floating provisions/countercyclical provisioning buffer held by them as on December 31, 2020 for making specific provisions for non-performing assets with prior approval of their Boards. Such utilisation is permitted with immediate effect and up to March 31, 2022.

Relaxation in Overdraft (OD) Facility for State Governments

To enable the State Governments to better manage their fiscal situation in terms of their cash-flows and market borrowings, certain relaxations are being permitted with regard to availment of Overdraft (OD) facilities. Accordingly, the maximum number of days of OD in a quarter is being increased from 36 to 50 days and the number of consecutive days of OD from 14 to 21 days. This facility will be available up to September 30, 2021. The Ways and Means Advance (WMA) limits of states have already been enhanced on April 23, 2021.

The relevant circulars/notifications relating to all the announcements will be issued separately, starting today.

Concluding Remarks

The immediate objective is to preserve human life and restore livelihoods through all means possible. The second wave, though debilitating, is not unsurmountable. As I have said earlier, it is during our darkest moments that we must focus on the light. We have lessons to draw from our experience of last year, when as a nation we came together and overcame the once-in-a-generation challenge imposed by the first wave of the pandemic.

At the Reserve Bank, we stand in battle readiness to ensure that financial conditions remain congenial and markets continue to work efficiently. We will work in close co-ordination with the Government to ameliorate the extreme travails that our citizens are undergoing in this hour of distress. We are committed to go unconventional and devise new responses as and when the situation demands. We must also stay focused on our future, which appears bright even at this juncture, with India set to emerge as one of the fastest growing economies in the world. Today, we have taken some steps and we will continue to be proactive throughout the year – taking small and big steps – to deal with the evolving situation. We must remain resolutely focused on a post pandemic future of strong and sustainable growth with macroeconomic and financial stability. I call upon all stakeholders to come forward once again to address the challenges posed by the current wave of the pandemic, while remaining on guard against future waves. In closing, I again quote the words of Mahatma Gandhi, "*Our faith should be like an ever-burning lamp which not only gives us light but also illuminates the surroundings.*"[2]

Thank you, Namaskar.

[2] Source: The Collected Works of Mahatma Gandhi (CWMG), Vol. 83, p. 411

SPEECH

Open Banking in India
M. Rajeshwar Rao

*Open Banking in India**

M. Rajeshwar Rao

Ladies and Gentlemen,

A very warm good morning to you in Brasilia with the hopes and prayers that all of you remain safe and healthy from the clutches of the pandemic that is still raging amongst us. I am grateful to His Excellency, Shri Suresh Reddy, Ambassador of India in Brazil for extending this kind invitation to interact with you all in this futuristic but extremely relevant topic of Open Banking[1].

The modern world has become increasingly interconnected with mobile phones and handheld devices with internet connection enabling ubiquitous access and broader reach to information, services, and products. While technology is the omnipresent enabler in all modern human endeavours, it harnesses a disruptive power challenging the well-proven business models, opening new markets, while blurring the boundaries of geographical segmentation.

Technology has enabled and indeed empowered banks and financial firms to penetrate hitherto untouched market segments which have remained beyond the reach of formal financial systems and players despite significant progress in financial delivery methods. In the recent years, technology driven modes of financing, new financial business models, specialized financial services and products are emerging and driving FinTech innovation in areas such as P2P lending, wealth management, microfinance, smart-contract, AI/ML based decision analysis systems and robo-advisory, *etc.* and have started to shape the regulatory engagements and discourse. Integral to this discourse are the issues concerning data sharing, data access and to a large extent data democratisation.

The financial plumbing that once extensively focused on payments channels and transactions, now also looks to accessing the financial data of consumers. Digital exchange of financial data can become the building block for new emerging service models, removing inefficiencies in the system and opening new product possibilities. Therefore, regulators and national authorities are beginning to acknowledge the fact that enabling a simplified framework for financial information data exchange has the potential to transform the financial systems and may lead to product innovation and better facilitation of financial services for customers and end-users. Therefore, the financial data access and distribution has significant implications not only for the concerned stakeholder institutions but also for future economic growth.

An individual's financial data is normally fragmented and spread across in the silos of data warehouses of financial institutions, government bodies and in some cases regulators. Though there exists some sort of formalised frameworks for seamless, safe, and swift data sharing between financial information providers (FIPs) and financial information users (FIUs), there still exists a void in terms of legally enforceable and permitted integrated solutions to aggregate user data for a seamless, wide-ranging picture of the financial history and transactions of the individuals and firms. Consequently, this vast amount of fragmented information is not being effectively optimised to identify and address financial needs and provide comprehensive service delivery to end-users.

* Consolidated remarks made by Shri M. Rajeshwar Rao, Deputy Governor in a webinar on Open Banking organised by Tata Consultancy Services (TCS) in association with the Embassy of India in Brazil on April 14, 2021. The inputs provided by Shri Sunil T. S. Nair, Shri Anuj Ranjan, Shri Chandan Kumar and Shri Pradeep Kumar are gratefully acknowledged.

[1] Open banking is defined as the sharing and leveraging of customer-permissioned data by banks with third party developers and firms to build applications and services, including for example those that provide real-time payments, greater financial transparency options for account holders, marketing and cross-selling opportunities. Individual jurisdictions may define open banking differently (BCBS; November 2019).

In this regard, a BCBS study report[2] has observed that while sharing of bank-held, customer-permissioned data with third parties has been taking place for several years, increased use of digital devices and rapidly advancing data aggregation techniques are transforming retail banking services across the globe. This sharing of customer-permissioned data by banks with third parties is leveraged to build applications and services that provide faster and easier payments, greater financial transparency and options for account holders, new and improved account services, as well as additional marketing and cross-selling opportunities.

Such initiatives also raise the issue of whether financial institutions as holders of data of individual customers should act only as agents and whether they should have ownership stake driven by commercial considerations. It is quite clear that the right to data accessibility and usage should vest in the owners of data rather than the holders of data. Apart from this data democratisation, there are major concerns around transportation and storage of data in safe and secured manner enveloped within a consent-based architecture. Different jurisdictions are currently trying to address this need for a framework that allows efficient and secure navigation and enables use of customer's financial data through different methods; for example, by allowing use of open API frameworks within financial institution's user applications. In India, we too have envisioned a similar ecosystem of account aggregators (AAs) to broaden the scope of financial data sharing.

Let me dwell briefly on the Indian context:

Open Banking Initiatives in India

Globally, open banking regulatory frameworks are structured to enable third party access to customer-permissioned data, requiring licencing or authorisation of third parties, and implementing data privacy and disclosure and consent requirements. Some frameworks may also contain provisions related to whether third parties can share and/or resell data onward to "fourth parties", use the data for purposes beyond the customer's original consent and to whether banks or third parties could be remunerated for sharing data. Open banking frameworks may also contain expectations or requirements on data storage and security.

India has kickstarted its approach to Open Banking by enabling an intermediary which will be responsible for the customers' consent management. These intermediaries are licensed as Non-Banking Financial Companies. In September 2016, Reserve Bank announced creation of a new licensed entity called Account Aggregator (AA) and allowed them to consolidate financial information of a customer held with different financial entities, spread across financial sector regulators. In India, AA acts as an intermediary between Financial Information Provider (FIP) such as bank, banking company, non-banking financial company, asset management company, depository, depository participant, insurance company, insurance repository, pension fund *etc.*, and Financial Information User (FIU) which are entities registered with and regulated by any financial sector regulator. The flow of information takes place through appropriate Application Programming Interfaces (APIs).

The transfer of such information is based on an explicit consent of the customer and with appropriate agreements/ authorisations between the AA, the customer, and the financial information providers. Data cannot be stored by the aggregator or used by it for any other purpose. Explicit and robust data security and customer grievance redressal mechanisms have been prescribed and the Account Aggregators are not permitted to undertake any other activity, primarily to protect the customers' interest.

[2] November 2019; Report on open banking and application programming interfaces; Basel Committee on Banking Supervision; Bank for International Settlements

Consent Based Architecture

The emphasis of regulatory framework for account aggregators in India is thus on explicit customer consent for data sharing. No financial information of the customer is to be retrieved, shared, or transferred without the explicit consent of the customer. The other tenets of this open banking initiatives in India are - financial data integrity, security & confidentiality, robust IT governance & controls, and strong customer protection & grievance redressal mechanism. Further, in order to facilitate seamless movement of data & consent-based sharing of financial information in the AA ecosystem, a set of core technical specifications have been framed by Reserve Bank Information Technology Private Limited (ReBIT), a wholly-owned subsidiary of the Reserve Bank for adoption by all regulated entities, acting either as Financial Information Providers (FIP) or Financial Information Users (FIU) in November 2019.

In order to protect critical financial information of users and to enforce a mechanism for obtaining proper consent from customers, the consent of the customer to be obtained by the Account Aggregator shall be a standardised electronic consent format as prescribed under regulations. The AA is required to inform the customer of all necessary attributes to be contained in the consent format and the rights of the customer to file complaints. The customers are also provided a functionality to revoke consent post which a fresh consent would have to be obtained. Explicit onus has also been placed on Financial Information provider (FIP) to verify – validity of the consent, specified date and usage of it and the credentials of the AA.

Different jurisdictions have taken a different approach on the issue of Open Banking. While some have adopted a prescriptive approach, requiring banks to share customer-permissioned data and requiring third party users to register with regulatory authorities, others have taken a facilitative approach by issuing guidance and recommended standards, and releasing open API standards and technical specifications. Some jurisdictions also appear to be following a market-driven approach, currently having no explicit rules or guidance.

The AA is a regulatory initiative in India under a hybrid model which is a combination of prescriptive & facilitative approaches and is in its early stages of development. One of the key things to look out for is whether the market forces will drive the adoption of this initiative or further regulatory nudge will be required. The pace of adoption will also depend on the strength of the community to come together and continue to drive the technical specifications standards and scalability potential.

Now, to continue with the tradition of a central banker and regulator, let me also enunciate few risks and spread some words of caution along the way.

Risks Associated with Open Banking

Open banking may offer benefits in the form of convenient access to financial data and services to consumers and streamlining some costs for financial institutions. However, it also potentially poses significant risks and concerns around:

- *Financial privacy and data security*: In open banking frameworks, risks associated with the loss or theft of personal data on account of poor security, data protection violations, money laundering, and terrorist financing concerns cannot be ruled out. Therefore, large scale adoption of open banking frameworks should ideally be preceded by strong data protection and privacy laws. Such laws should anchor the ownership rights and ensure control and consent-based use of the data. They should also establish the boundaries of rights and obligations of third-party use, down-streaming of data to fourth parties and reselling it. India has already embarked upon the same and The Personal Data Protection Bill, 2019 has already been introduced. The Bill seeks to provide for protection of personal data of individuals and establishes a Data Protection Authority for the same.

- *Customer liability*: In absence of explicit arrangements for redressal of customer grievances and limiting their liability in case of erroneous or fraudulent activity, the acceptability of open banking frameworks may remain limited. Therefore, the jurisdictions should look to address customer liability for third party access of data through customer protection or indemnity laws. Reserve Bank has issued Charter of Customer Rights in December 2014 which lists 'right to privacy' along with 'right to grievance redress and compensation' among others. The right to privacy requires that customers' personal information should be kept confidential unless they have offered specific consent to the financial services provider or such information is required to be provided under the law or it is provided for a mandated business purpose.
- *Cybersecurity and Operational Risks*: Use of open banking architectures, which is premised on the enhanced sharing of data, increases the surface area for cyber frauds. As the open API provides uncluttered access to customer banking data such as transactions and balance stored within the infrastructure, it may also pose a severe cybersecurity risk. Losses caused to customers on account of cyber events would require financial institutions to compensate customers for such losses. Institutions may also face a variety of potential operational and cyber security issues related to the use of APIs, including data breaches, misuse, falsification, denial of service attacks and infrastructure malfunction.
- *Compliance and Reputational Risk*: While open banking expands vistas of traditional banking and offers unique business opportunities, it also reposes extreme responsibilities with respect to compliance with applicable prudential regulations and privacy laws. Risks arise due to exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements due to omissions and commissions of the third-party service provider.
- *Grievance Redressal*: With more parties and intermediaries involved in the provision of financial services in an open banking model, it is more difficult to assign liability. If the regulations governing customer grievance redressals are not updated to take open banking business models into consideration, the national authorities may find it difficult to provide the customers adequate levels of protections. In India, Reserve Bank has implemented a separate Ombudsman Scheme for Digital Transactions in January 2019. The number of complaints received under the Ombudsman Scheme for Digital Transactions (OSDT) have been consistently increasing reflecting increased adoption of digital modes of banking.

In addition to the above, open banking frameworks also present regulators with many challenges. In open banking, there can be wide-ranging third-party arrangements such as fintech firms, intermediary firms engaged in data aggregation and other service providers which may not have a contractual agreement with the bank over which regulators can exercise jurisdiction. Further, it may be possible that several of these firms may not fall under regulatory purview of any financial sector regulator. In such situations, it may become difficult for regulators to set requirements, specifications, and exercise regulatory jurisprudence.

In many jurisdictions, including India, outsourcing arrangements for banks and other regulated entities are covered under explicit regulations. Supervisors also have certain amount of oversight over the third-party entities. If the relationships in the open banking extend beyond the existing supervisory and regulatory perimeters, the enforcement of standards and prudential policies may become difficult.

Conclusion

Open banking is a potential disruptor in financial system and may change the way of doing banking for both- customers and banks. New pure tech-play entities have the potential to snatch market share from established but traditional financial institutions because they are technologically more advanced, digitally agile to cater to customer needs with higher efficiency, have better user interface, and are more competitive in pricing.

In contrast to the Open Banking initiatives witnessed in some countries, India has embraced an approach where both the Regulator and the market have collaborated for the development of the Open Banking space. In India, Reserve Bank and National Payments Corporation of India (NPCI) came out with a payment system like Unified Payments Interface (UPI) and released its API for the banks and third-party app providers to build upon. The market participants are also driving innovation and many banks are releasing their own APIs and joining forces with the fintech companies to provide better experience to their customers. Moreover, with the launch of Regulatory Sandbox and Reserve Bank Innovation Hub, Reserve Bank's approach has been that of encouragement and guidance.

At the same time, all stakeholders need to appreciate the fact that while technological innovation is of paramount importance, the customer privacy and data protection are non-negotiable. We must generate trust amongst the customers that their data is safe and secure in all their financial relationships with regulated entities and for that - innovation and regulation should go hand-in-hand. Regulators and Supervisors should also gear-up for the future challenges. Afterall, as the saying goes for (Regulators)….. "while they can overlook the weather of the day, they cannot ignore climate of the era".

Thank you.

ARTICLES

State of the Economy

Performance of NBFCs during the Pandemic: A Snapshot

*State of the Economy**

The ferocity of the COVID-19 second wave has overwhelmed India and the world. War efforts have been mounted to stop the second surge in its tracks. Real economy indicators moderated through April-May 2021.The biggest toll of the second wave is in terms of a demand shock - loss of mobility, discretionary spending and employment, besides inventory accumulation, while the aggregate supply is less impacted. The resurgence of COVID-19 has dented but not debilitated economic activity in the first half of Q1:2021-22. Although extremely tentative at this stage, the central tendency of available diagnosis is that the loss of momentum is not as severe as at this time a year ago.

Introduction

References to epidemics and major disasters like fire, floods and famines, are replete in ancient texts, medical doctrines and holy scriptures. The first systematic record of the visitations of pandemics in India covers the period between 1817 and 1920. In a meticulous chronicle of this period by a father for his eight-year-old son, it is revealed that of the 70 million lives lost worldwide, 57 per cent died in India – clearly, we were the epicentre[1]. Of all the pandemics of this age – cholera, plague, and influenza – it was influenza that was global in its impact. The influenza pandemic of 1918-20 turned out to be the deadliest, killing 40 million people worldwide of which 20 million died in India. This was also the time of the 'rise of the west', a phenomenon widely attributed to globalisation and mass migration, but should equally be associated with the pandemics which caused Asia's share in global output and population to fall precipitously. After 1920, influenza pandemics have occurred from time to time and we are familiar with them – Asian flu (H2N2), 1957-58; Severe Acute Respiratory Syndrome (SARS), 2002-04; swine flu (H1N1)[2], 2009-10; Middle East Respiratory Syndrome (MERS), 2012 – but none as deadly as the Spanish flu pandemic of 1918-20. Until COVID-19 struck!

It is also recorded that the Spanish flu appeared in waves. While the first wave spread widely in 1918, the second wave occurred towards the close of the year and was the deadliest, with some countries experiencing a third wave in 1919 and even a fourth in 1920. The second wave was W-shaped, affecting adults between 25 and 40, apart from the very young and the elderly. The only saving grace was that it was short-lived, populations rapidly acquired herd immunity and the virus mutated into less harmful variants within months. India was the worst affected country in absolute terms, with deaths accounting for 5 per cent of its population. Mahatma Gandhi contracted it as it spread to Gujarat; parts of his family residing there were devastated by it. By the last quarter of 1918 it had spread across the country.

The ferocity of the current second wave of COVID-19 has shaken the nation[3]. The pandemic's trajectory in India has become near-vertical (Chart 1). On May 6, 2021, India reported 4,14,188 people testing COVID-positive, the highest figure for any country at any point of time during the pandemic. This new surge has overwhelmed India and the world as spillovers break on various shores. The "double mutant" first detected in India has begun to be found in several other countries. Even as scientists labour to

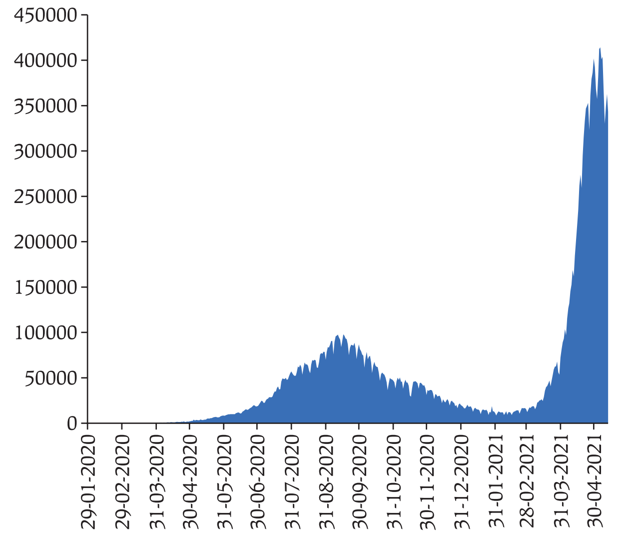
* This article has been prepared by Michael Debabrata Patra, Jibin Jose, Kunal Priyadarshi, Shashidhar M. Lokare, Priyanka Sachdeva, Shashi Kant, Abhinandan Borad, John V. Guria, Barkha Gupta, Shobhit Goel, Rishabh Kumar, Siddhant Kujur, Avnish Kumar, Sakshi Awasthy, Asish Thomas George, Deba Prasad Rath, Praggya Das and Samir Ranjan Behera. Views expressed in this article are those of the authors and do not necessarily represent the views of the Reserve Bank of India.

[1] Tumbe, Chinmay (2020). *Age of Pandemics (1817-1920). How They Shaped India and the World.* HarperCollins India.

[2] H and N represent two proteins – hemagglutinin and neuraminidase – found on the surface of the swine flu virus.

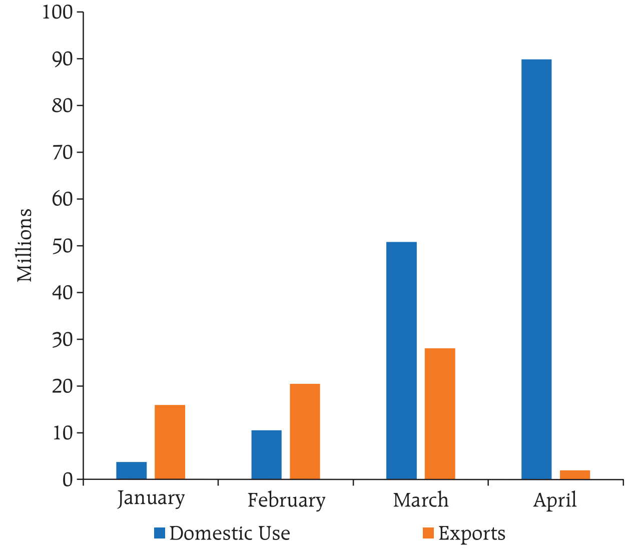
[3] Prime Minister in Mann Ki Baat on April 25, 2021.

Chart 1: New Cases of COVID-19



Source: Ministry of Health and Family Welfare.

Chart 2: Vaccine Usage (Year 2021)



Source: Ministry of Health and Family Welfare and Ministry of External Affairs.

understand how big a threat it poses, more variants are appearing. A more immediate global consequence is the pressure on vaccine supplies. With case numbers rising domestically and stretching the health and medical production infrastructure to its limits, India could ship just 1.9 million doses abroad in April, as compared with 64 million in the three prior months[4], impacting commercial commitments and the COVAX scheme[5] to supply more shots worldwide (Chart 2). The new surge of infections has also hit the global shipping industry as India is one of the largest sources of shipping crew, with a share of 15 per cent in global seafarers[6]. India is also one of the major contributors to nurses of the world, commemorating international nurses' day on May 12. The need of the hour is to do whatever it takes to bring the second wave under control.

India is mobilising a war effort to stop the second surge in its tracks (Table 1). The initial response has focused on micro-containment zones and 'test, track and treat'[7]. As the health infrastructure of the country came under intense pressure, including supply chains and logistics of oxygen and other life-saving drugs and equipment[8], 551 pressure swing

Table 1: Additions to the Hospital Infrastructure During the Pandemic – Select Statistics

	COVID Beds	Isolation Beds	ICU Beds	Oxygen Supported Beds
COVID Hospitals - 2084	4,68,974	2,63,573	50,408	1,54,993
COVID Health Centres - 4,043	3,57,096	2,31,462	25,459	1,00,175
Total	8,26,070	4,95,035	75,867	2,55,168

Source: *PIB (https://pib.gov.in/PressReleasePage.aspx?PRID=1710629)*

4 *https://www.mea.gov.in/vaccine-supply.htm*

5 COVAX is co-led by the Coalition for Epidemic Preparedness Innovations (CEPI), Gavi and the World Health Organization (WHO), alongside key delivery partner United Nations Children's Fund (UNICEF). Its aim is to accelerate the development and manufacture of COVID-19 vaccines, and to guarantee fair and equitable access for every country in the world.

6 Financial Times, May 7, 2021.

7 Guidelines for effective control of COVID-19, issued by the Ministry of Home Affairs, Government of India, dated March 23, 2021.

8 India is, in fact, a significant oxygen producer, turning out roughly 7,000 metric tons a day. Most plants are located in eastern industrial states, however, far from urban hubs such as Delhi or Mumbai. The hurdle turned out to be getting oxygen where it is needed. Inox Air Products, a local joint-venture of the US gas supplier, estimated that India's pre-pandemic medical oxygen demand had hovered at about 700 tonnes per day but it rose to 2,800 during the first wave and has soared past 5,000 in recent days (Financial Times, April 29, 2021).

adsorption (PSA) oxygen generation plants have been approved in public health facilities across the country. Imports of nebulisers, oxygen concentrators and 15 other life-saving medical devices have been cleared. The supply of oxygen is being prioritised for medical purposes. Steel companies, both public and private, have reduced the production of nitrogen and argon so as to produce medical oxygen in most plants. Corporates and businesses are weighing in by setting up large COVID centres, isolation facilities and by enabling storage and transportation of oxygen-related equipment[9]. The Indian railways chipped in by waiving charges on 'Oxygen Express' trains. By the end of April, production of liquid medical oxygen increased nearly 36 per cent over the level at the start of the month[10]. By mid-May, production has reached close to 9500 tonnes a day (*versus* a demand of 7500-7800 tonnes a day), with almost the entire output earmarked for medical purposes[11].

Recognising that vaccination offers hope to end the pandemic, a massive vaccination drive has been launched. From May 1, all Indians aged 18 years and above can be vaccinated and they can choose their vaccines. State governments have greater flexibility in procuring and stockpiling vaccine doses. The private sector is now fully engaged in the national vaccination efforts. Efforts are underway to step up the production and administration of vaccines.

Global support has poured in, with over 40 governments committing to help India with medical essentials. The World Trade Organisation's Director-General Ngozi Okonjo-Iweala tweeted: "India unselfishly exported over 40 per cent of her vaccines. Timely for India to get this support". The US has decided to divert vaccine-related raw materials to India for production of vaccines. Gilead Sciences and Merck, two large US has pharmaceutical companies, took steps to expand access to their drugs in India through the voluntary licensing route, while committing support to Indian companies manufacturing Remdesivir as well as contributing 450,000 vials up-front[12]. Russia began exporting the Sputnik V vaccine to India from May 1, 2021. Oxygen concentrators, liquid oxygen, cryogenic oxygen tanks, oxygen cylinders, mobile oxygen production plants and ventilators have been reaching through air and sea from a host of other countries – Singapore; the UK; France; Germany; the UAE; Ireland; Australia; Saudi Arabia; Hong Kong; and Thailand (Table 2). The Asian

Table 2: Global Support

Medicines and Equipment	Quantity
Oxygen Concentrators	9200
Oxygen Cylinders	5243
Oxygen Generation Plants	19
Ventilators/Bi PAP	5913
Remdesivir	3.44 lakhs

Note: Cumulative support received till May 10, 2021
Source: PIB

[9] Newspaper reports provide several examples. For instance, large COVID centres are being built on emergency basis around JSW Group's steel plants. On its part, HDFC Bank has converted three of its training centres based out of Bhubaneswar, Pune and Gurugram into isolation facilities. These facilities have been equipped with first line assistance and will have round the clock nurses and visiting doctors. Adani Ports and Special Economic Zone Ltd (APSEZ) has decided to waive off storage or handling charges for oxygen-related equipment, and also charges for ships exclusively carrying COVID-related equipment at its network of ports across India. Airlines, travel websites and transporters are deploying their resources to move oxygen across the country as hospitals struggled to treat covid-19 patients because of an acute shortage. Singapore-based Temasek has partnered with Air India Ltd and Amazon to airlift oxygen concentrators, non-invasive BiPAP ventilator machines and other essential medical supplies to local communities in urgent need.

[10] Times of India, April 28, 2021.

[11] Economic Times, May 12, 2021.

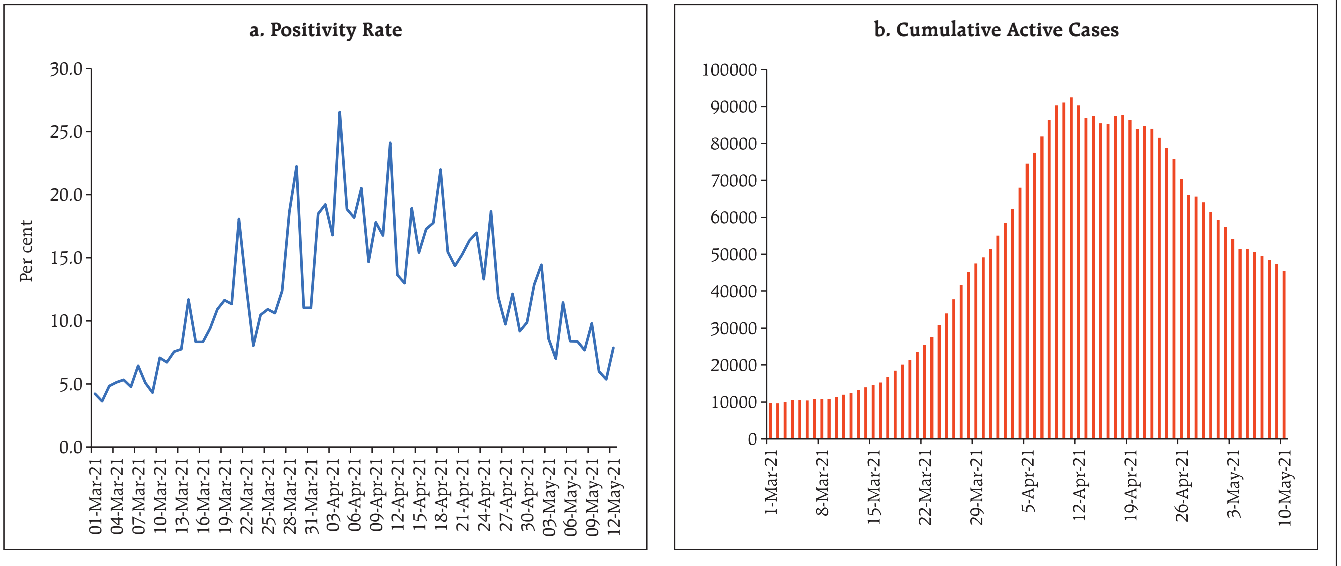
[12] Business Line, April 27.

Development Bank (ADB) has sanctioned US$1.5 billion to support India's pandemic response[13]. From every Indian, *Anugrahitosmi*![14] As raw materials become available and production capacity is ramped up, India will resume its export commitments at full steam.

There are, however, glimmers of hope amidst the gloom. At the end of the first half of May, the test-positivity rate in the 'maximum city' Mumbai, among the worst-hit in the second wave, dipped to 7.9 per cent on May 12 from 26.6 per cent in early April. Daily new cases in the city have declined from a recent peak of 10,000 on April 7 to around 2400 on May 12. Discharges are higher than daily detections and as a result, the active caseload has fallen from a peak of 90,000 on April 12 to about 40,000 on May 12. India's second wave hit Mumbai (and Maharashtra) first. The rest of India may hope that its trajectory is a sign of things to come (Chart 3).

How has the second wave impacted the economy? In a pandemic, such assessments tend to get blurred by disproportionate base effects and hence, measuring momentum can shine some light into the haze, as discussed in Section III. High frequency indicators for April and May 2021 are scanty in view of data lags, but they suggest that the biggest toll of the second wave is in terms of a demand shock - loss of mobility, discretionary spending and employment, besides inventory accumulation. Aggregate supply is less impacted. As Section III shows, agriculture remains robust. In the National Statistical Office (NSO) print for March 2021, industrial production surged out of a two-month contraction on the tailwinds of a large favourable base effect. Nonetheless, seasonally adjusted annualised month on month momentum was positive for the fourth consecutive month. Yet anecdotal evidence points to feedback loops from the demand contraction seeping through into curtailments of output in the months ahead unless infections ebb.

Chart 3: Mumbai COVID-19 Curve



Source: Brihanmumbai Municipal Corporation.

[13] *https://www.adb.org/news/adb-approves-1-5-billion-financing-support-indias-covid-19-response*

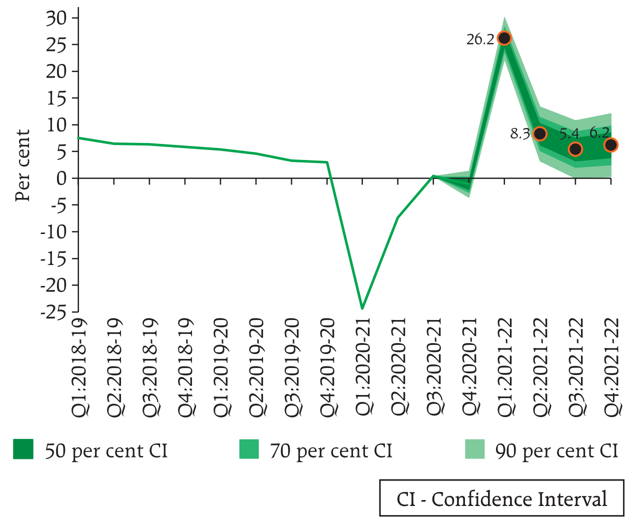
[14] *Anugrahitosmi* is a Sanskrit word which conveys gratitude.

In order to gauge the impact of the second wave, therefore, these proximate indications need to be seen in comparison with the Reserve Bank's real GDP growth projection of 26.2 per cent given in the MPC's resolution of April 7 for the first quarter of 2021-22, which was made before the full fury of the resurgence (Chart 4).

Meanwhile, corporate performance is undergoing a silent transformation as if it is positioning itself for a turn in the business cycle. The initial set of earnings results declared by 288 Indian listed companies (constituting around 51 per cent of the market capitalisation of all listed non-financial companies) for Q4:2020-21 marks a distinct shift from the previous quarters, with top-line growth gaining prominence in a broad-based manner (Table 3).

Sales emerged out of a prolonged contraction, fuelled by improvement in volumes, higher realisations and favourable base effects. Raw material costs grew sharply but other operating expenses such as wages and salaries grew at a slower pace as benefits from economies of scale set in and interest expenses declined. Thus, notwithstanding elevated raw material costs, the growth of operating profits and net profits was higher than in preceding quarters (Chart 5).

Chart 4: Quarterly Projection of Real GDP Growth (Y-o-Y)



Source: RBI.

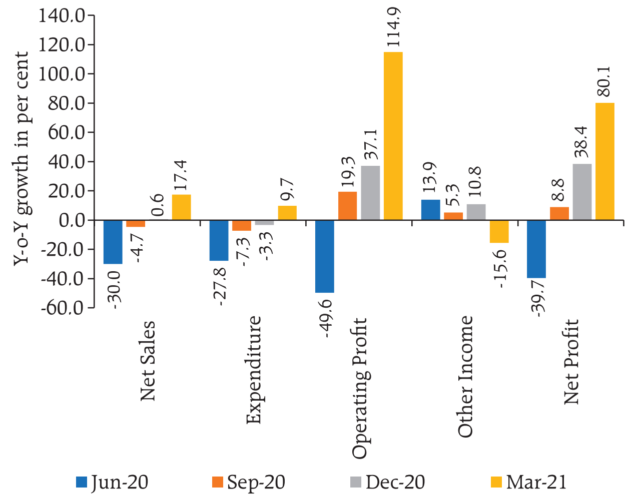
Furthermore, earnings results of 82 listed banking and financial sector companies in India (constituting around 68 per cent of the market capitalisation of all listed financial companies) indicate that net sales growth, which primarily includes interest income, remained moderate in Q4:2020-21. On the other hand, other income, which includes fees, commissions and profit/loss from transactions in securities, registered

Table 3: Industry-Wise Y-o-Y Net Sales Growth (%)

Quarter ended	Auto & Ancillaries	Chemicals	Communication Services	Construction & Real Estate	Construction Materials	Consumer Goods	Hotels & Tourism	Information Technology	Machinery	Metals & Mining	Oil & Gas	Pharmaceuticals	Textiles	Transport Services	Others
Mar-21	35.0	30.8	8.9	16.7	28.8	26.4	-37.8	8.0	36.1	44.3	9.2	20.7	32.8	15.1	6.7
Dec-20	20.5	11.8	6.7	10.7	11.1	12.0	-51.4	6.3	7.4	20.3	-23.7	15.9	-1.1	14.1	2.7
Sep-20	7.5	0.2	1.5	0.4	4.5	7.1	-58.8	4.5	-7.3	10.4	-26.9	16.5	-28.4	0.4	1.5
Jun-20	-66.3	-22.8	-2.2	-28.5	-35.6	-16.2	-77.5	4.3	-54.9	-35.0	-45.8	15.9	-67.6	-21.2	-23.2

Note: Data pertain to listed non-financial companies.
Sources: Prowess and RBI staff calculations.

Chart 5: Performance of Listed Non-Financial Companies



Note: Excludes extraordinary items.
Sources: Prowess and RBI staff calculations.

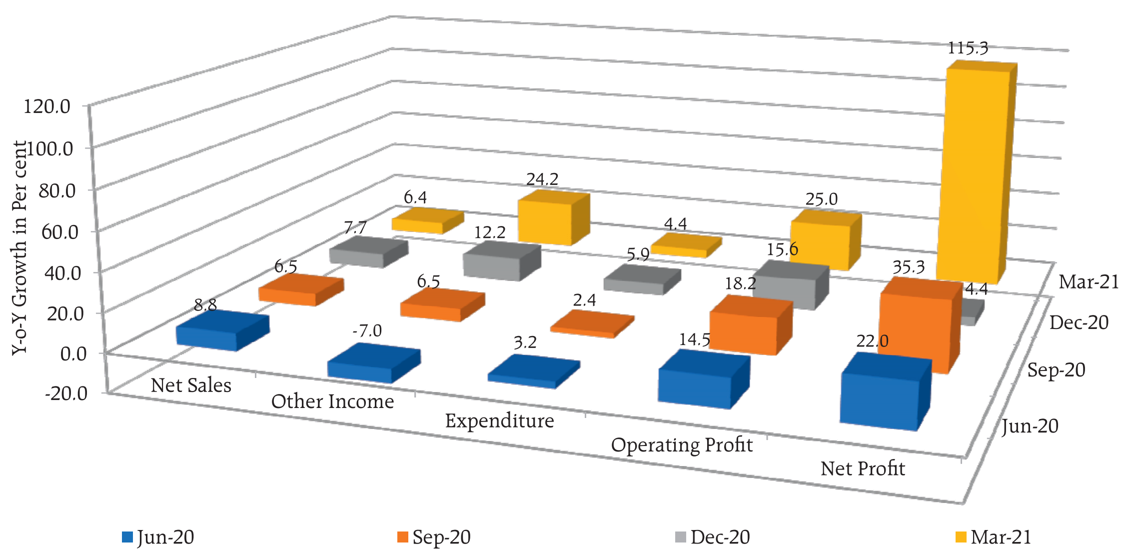
a sharp rise. Total expenditure growth moderated, reflecting the impact of fall in credit costs (Chart 6). Despite the second wave, analysts remain upbeat on 2021-22 corporate earnings[15] (Chart 7).

Thus, there is a shift in corporate performance. While net profits were higher in Q4 than in any preceding quarter, they were driven by sales growth turning positive after a hiatus of six quarters in respect of non-financial companies. On the other hand, financial companies, including banks, relied on other income and lower provisioning for the rise in their net profits. Overall, the corporate sector is turning into a net saver in the economy.

On May 5, the Reserve Bank went on the front foot against the second wave, unfurling a set of measures as part of a financial safety net for the economy. The objective, as Governor Shri Shaktikanta Das put it, is to alleviate any constraint from the financing side for all stake holders and above all the common man facing spikes in health expenditure. To quote from his statement made on that day:

> *"The Reserve Bank of India (RBI) will... deploy all resources and instruments at its command in the service of the nation, especially for our*

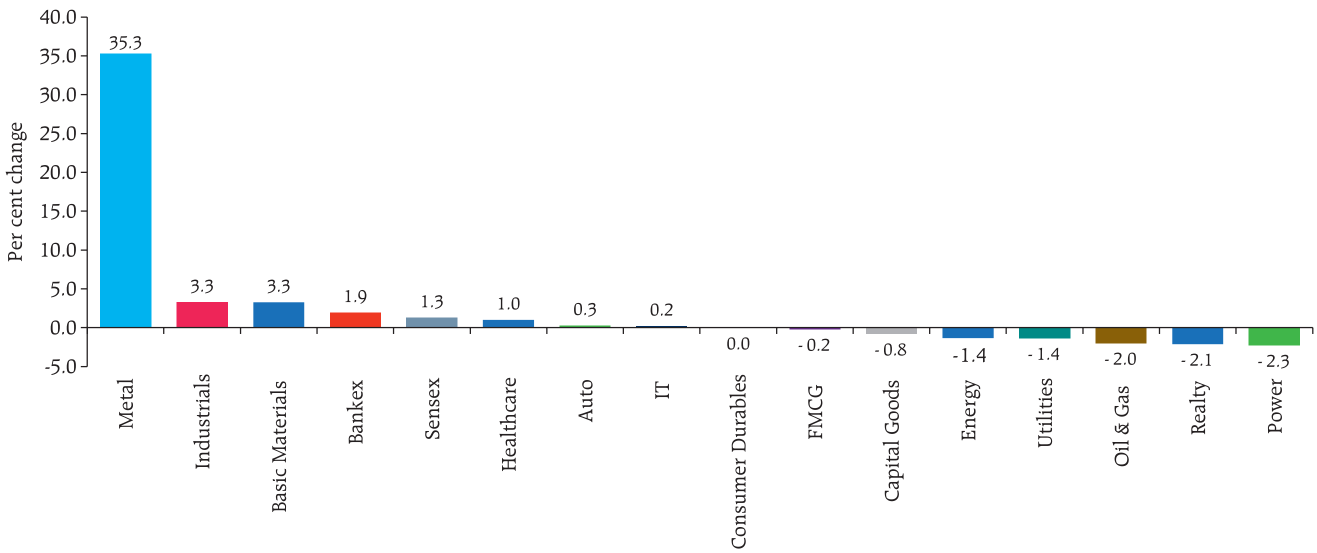
Chart 6: Performance of Listed Financial Companies



Note: Excludes extraordinary items. The analysis excludes a private sector bank to eliminate its distortionary impact on aggregate growth in net profit in Q3: 2020-21.
Sources: Prowess and RBI staff calculations.

15 *https://www.livemint.com/market/stock-market-news/earnings-estimates-for-fy22-optimistic-despite-virus-surge-11619426681739.html*

Chart 7: Revision in Forward Earnings for BSE Sectors for 2021-22 since April 2021



Sources: Bloomberg; and RBI staff calculations.

citizens, business entities and institutions. The devastating speed with which the virus affects different regions of the country has to be matched by swift-footed and wide-ranging actions that are calibrated, sequenced and well-timed so as reach out to various sections of society and business, right down to the smallest and the most vulnerable. ...We will continue to be proactive throughout the year – taking small and big steps – to deal with the evolving situation."

As overarching protective cover, system-level durable liquidity was bolstered by the announcement of the second tranche of government securities acquisition programme (GSAP) 1.0 which is going to be bigger than the first tranche - ₹35,000 crore of purchases of government securities will be auctioned on May 20 as against ₹25,000 crore offered in the first tranche on April 16. This enlargement rewards the orderly evolution of the yield curve that has taken place since the first tranche. It is timed to pre-emptively replenish the drainage of liquidity due to the restoration of 0.5 percent of the cash reserve ratio (CRR) that will take it back to its pre-pandemic level of 4 per cent of net demand and time liabilities (NDTL). As the narrative in the following sections will show, the Reserve Bank has been supplementing these bulk operations with operation twists, transactions on the Negotiated Dealing System-Order Matching (NDS-OM) platform and with primary dealers as well as forex operations that in the net have turned out to be domestic liquidity positive.

For 2021-22, on top of enhanced ways and means accommodation announced in April, State Governments were allowed more relaxed access to Over Draft (OD) facilities in terms of the maximum number of days of OD in a quarter. Further, banks were allowed to utilise 100 per cent of floating provisions/countercyclical provisioning for making specific provisions for non-performing assets. And for the citizen, know your customer (KYC) procedures at banks were eased by relaxing punitive restrictions and extending the scope of video KYC (video-based customer identification process). The use of digital channels for the purpose of periodically updating KYC details should work towards customer satisfaction.

The theme of the May 5 measures, first stage of the Reserve Bank's strategy to combat the second wave is: small is beautiful, with a focus on small businesses, MSMEs and individual borrowers, small finance banks and MFIs. Resolution Framework 2.0 offers succour for individual borrowers who have availed of personal and/or business loans, small businesses engaged in retail and wholesale trade other than MSMEs, and MSMEs, *i.e.*, the most vulnerable category of borrowers. Even for those individuals, small businesses and MSMEs that have restructured earlier, lending institutions can review working capital sanctioned limits, margins and the like as a one-time measure. For new MSME borrowers, banks have been allowed to get relief from CRR requirements for credit disbursed to the former, in addition to extending till end-December the exemption currently available for exposures up to ₹25 lakh.

An important component of the May 5 measures relates to health services. The Reserve Bank stepped up to provide liquidity of ₹50,000 crore for a period of up to three years to banks 'on tap' so that they, in turn, can on-lend and support vaccine manufactures, importers/suppliers of vaccines, priority medical devices and COVID related drugs, hospitals/ dispensaries, pathology labs and diagnostic centres, manufactures and suppliers of oxygen and ventilators, logistics firms and patients for treatment. To encourage quick delivery of credit, banks can reckon these loans as priority sector lending till repayment or maturity. As a special incentive for fast disbursements, banks are also allowed to avail of reverse repo under the LAF that is remunerated at 25 bps lower than the repo rate as against 3.35 under the fixed rate reverse repo window and a rate of about 3.5 per cent under the 14-day variable rate reverse repo auctions. The Reserve Bank has also sought to exploit synergies with small finance banks and their last mile connectivity. A three-year special long-term repo (SLTRO) of ₹10,000 crore at the repo rate will be conducted every month starting May 17, 2021 to support fresh lending of up to ₹10 lakh per borrower to small business units, micro and small industries, and other unorganised sector entities.

Governor Shri Das has committed the Reserve Bank to 'battle readiness' throughout the year, to go unconventional as needed, to be proactive in ameliorating the travails and distress all around, and to be on guard against future waves.

Set against this backdrop, the remainder of the article is structured into four sections. Section II presents an overview of the rapidly evolving developments in the global economy. The underlying impulses in the domestic economy are examined in Section III. Section IV takes stock of current financial conditions, while the last Section sets out some perspectives.

II. Global Setting

Global economic activity is gaining firmer ground as vaccination drives gather momentum. In several advanced economies (AEs), this is unclogging the path for gradual easing of restrictions / social distancing norms. Signs of rebound are in sight again in improved prints of high frequency indicators, though it is likely to be hesitant and divergent both within and between economies. The upward revisions in global growth projections for 2021 by major international organisations point to an improved outlook. In the Asian Development Outlook (ADO), released on April 28, 2021 the Asian Development Bank (ADB) has forecast a strong rebound for developing Asia in 2021. Tourism-dependent economies remain the hardest hit, however, and are expected to revive relatively slowly (Table 4).

The global composite PMI rose to a 11-year high in April, with services expanding at a higher pace than manufacturing for the first time since July 2020. (Chart 8).

Table 4: GDP Growth Projections for 2021 – Select AEs and EMEs

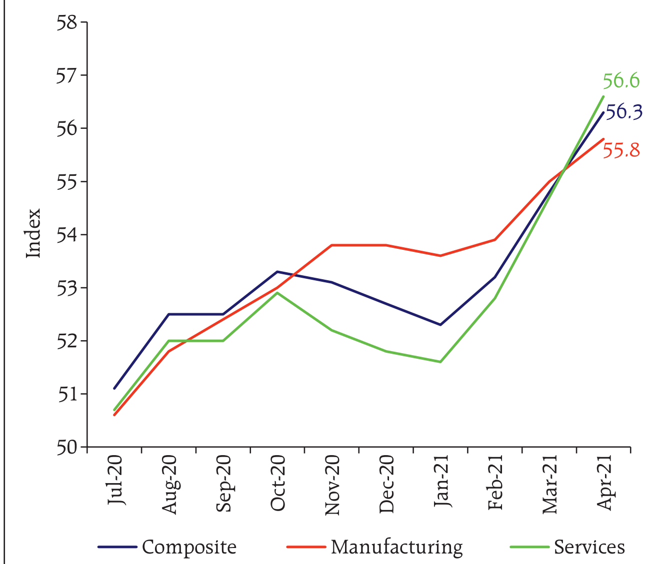
Country	December Development Outlook Supplement	April Asian Development Outlook 2021
Advanced Economies		
US	4.2	6.5
Euro area	5.6	4.3
Japan	2.3	2.9
Emerging Market Economies		
China	7.7	8.1
Indonesia	4.5	4.5
Malaysia	7.0	6.0
Philippines	6.5	4.5
India	8.0	11.0

Source: Asian Development Bank.

A strong bounce back in the US economy appears to be underway notching an annualised growth rate of 6.4 per cent in Q1:2021 on the back of stimulus, vaccinations and easing of lockdowns. The UK economy has emerged out of lockdown from the onset of Q2:2021. New surges of the virus have pushed the Eurozone into a double-dip recession, with widely differentiated growth profiles among members.

Following corrections since mid-March, crude oil prices picked up in April and in the first half of May, briefly crossing US$ 69 per barrel before trading range-bound, despite the decision of the Organization of Petroleum Exporting Countries (OPEC) *plus* to ease current production cuts between May and July. At

Chart 8: Global PMI Indices

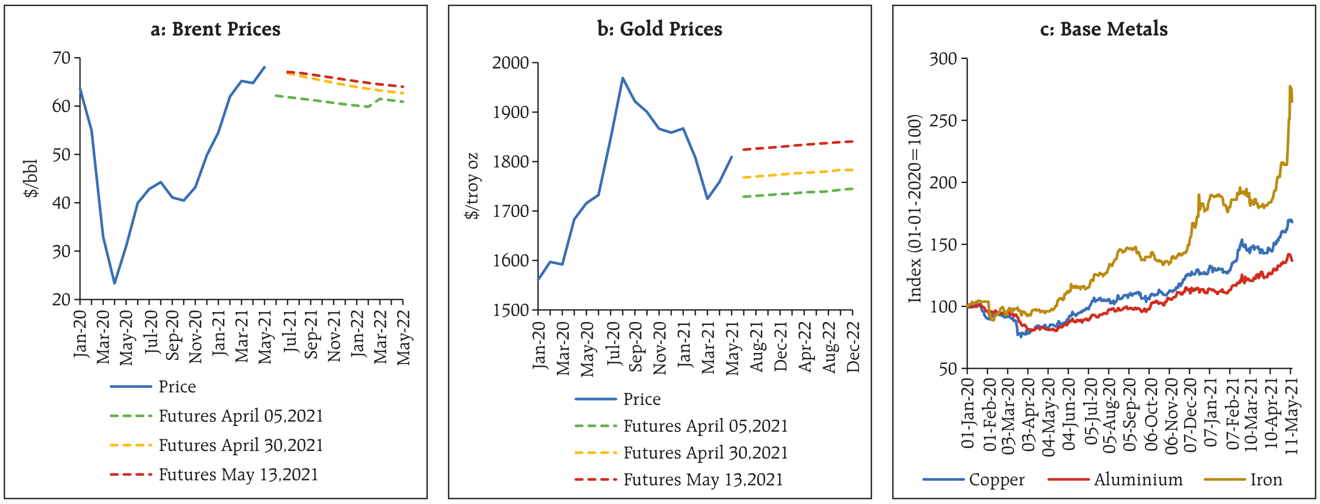


Source: IHS Markit.

US$ 66.96 per barrel on May 13, 2021, brent prices marked an overall year-to-date gain of 31.0 per cent (Chart 9a). Gold prices pared some losses in April and May with the pullback in US treasury yields and a weakening US dollar boosting safe-haven demand (Chart 9b). Base metal prices continued to boil as demand-supply imbalances fuelled bullish sentiments (Chart 9c).

Financial markets regained buoyancy in April and the first half of May, marked by some volatility. Equity markets across major AEs rallied, barring brief corrections at the end of April. In May so far (up to May 13, 2021), AE markets have exhibited volatile movements, with sharp corrections on May 11-12 on rising inflation concerns (Chart 10a). Stock indices across major emerging market economies (EMEs) remained uneasy on country-specific factors. Overall, the Morgan Stanley Capital International (MSCI) AE and EME stock indices posted net gains of 7.5 per cent and 0.1 per cent, respectively, on a year-to-date basis by May 13, 2021 (Chart 10b). Global initial public offerings (IPO) have risen at a breakneck pace,

Chart 9: Commodity Prices



Sources: World Bank pink sheet; and Bloomberg.

with 875 issuances raising US$230 billion in the first four months of 2021 – a two-decade record[16].

With markets retracting expectations of a premature roll-back of monetary accommodation, the US treasury bond yields have broadly eased in April and May so far (up to May 13, 2021), barring intermittent hardening, from a multi-month high in March (Chart 10c). As on May 13, 2021, the US 10-year G-sec bond yield had decreased by 8 basis points from 1.74 per cent recorded on March 31, 2021. Bond yields across most other AEs and major EMEs have exhibited similar movements (Chart 10d). In the currency markets, the US dollar broadly weakened in April and May so far, though on a year-to-date basis (up to May 13, 2021) it has recorded a marginal appreciation of 0.9 per cent. Most EME currencies strengthened against the US dollar, resulting in an appreciation in the MSCI emerging markets (MSCI-EM) index by 1.5 per cent in April and by 0.3 per cent in the first half of May (up to May 13, 2021) (Chart 10e).

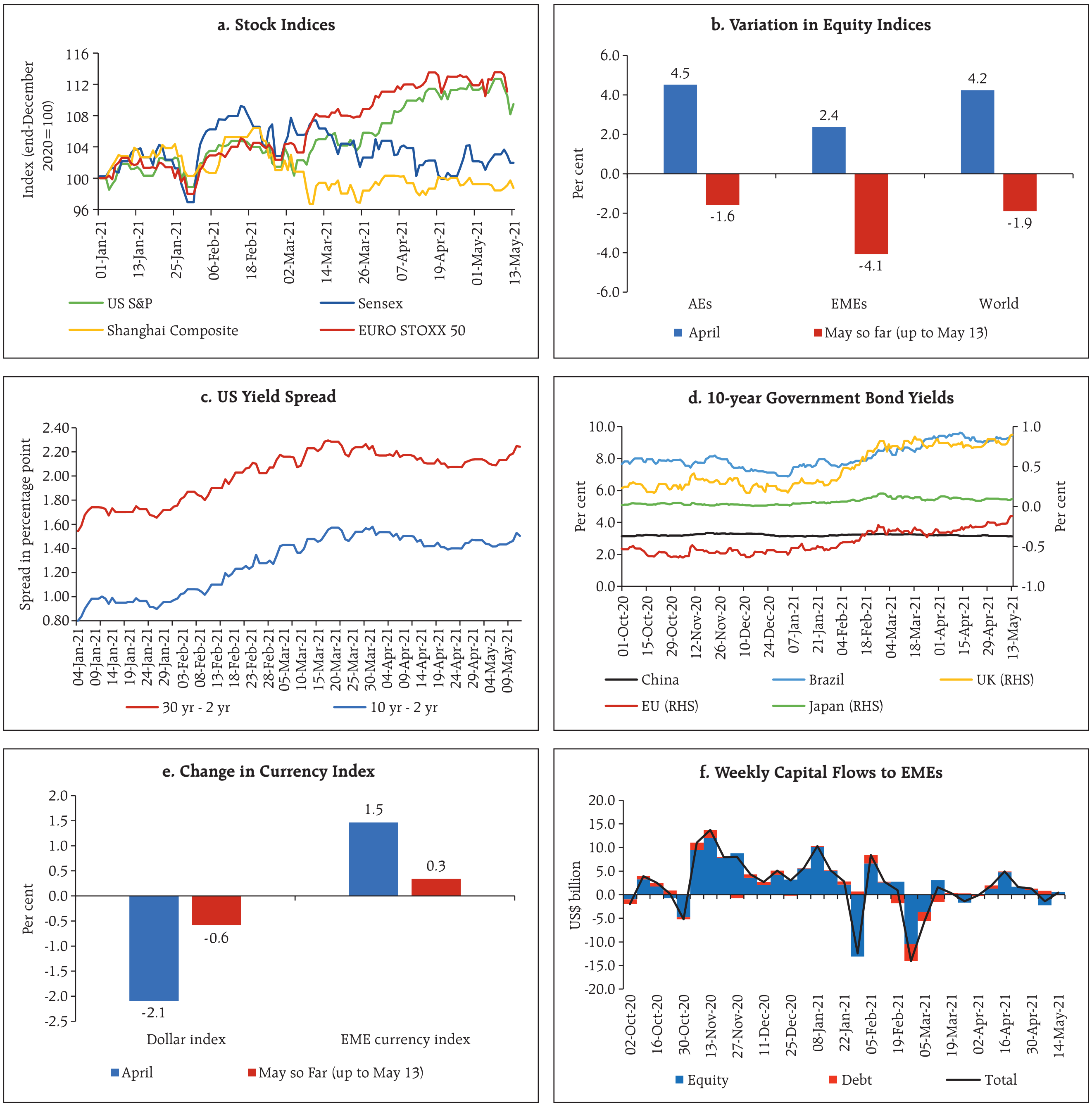
According to the Institute of International Finance (IIF), portfolio flows to EMEs resumed in April with a brief reversal in first week of May (Chart 10f). Total EM portfolio flows stood at US$ 45.5 billion in April, with debt flows accounting for US$ 31.2 billion of total inflows. In May so far (up to May 07, 2021), weekly data indicate net equity outflows.

On the monetary policy front, the US Federal Reserve and the European Central Bank (ECB) maintained their dovish stance as well as asset purchases, attributing incipient signs of pick-up in inflation to transitory elements. The Bank of England (BoE) maintained its dovish stance and the quantum of asset purchases, but it has indicated its intention to slowdown the pace of asset purchases per week to £3.4 billion from £4.4 billion currently[17]. Most major AEs have persevered with highly accommodative monetary policies, except the Bank of Canada, which scaled back its weekly purchases of government bonds. The Bank of Russia and Banco Central do Brasil raised their policy rates again in April and May, respectively, marking their second consecutive hikes this year and indicating further policy tightening amidst inflation concerns, while the central bank of

[16] Financial Times, April 28.

[17] *https://www.reuters.com/world/uk/bank-england-keeps-rates-size-bond-buying-plan-hold-2021-05-06/*

Chart 10: Financial Markets



Sources: Bloomberg; Federal Reserve Bank of St. Louis; IIF.

Turkey has maintained a pause in both April and May meetings, after raising its policy rate in March. China and Thailand, on the other hand, have maintained a pause on their policy rates since Q2:2020.

III. Domestic Developments

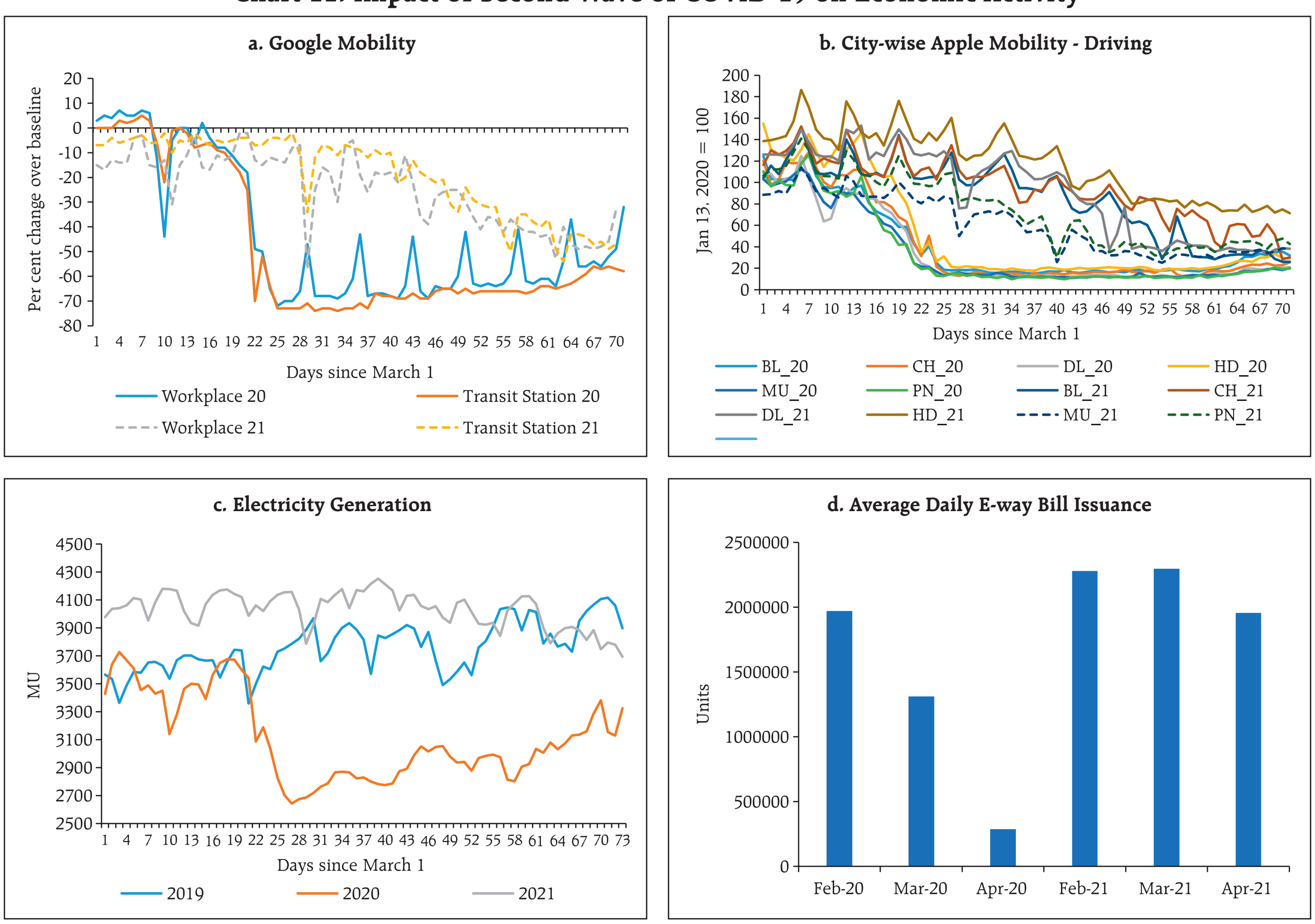
Real economy indicators moderated in April and May 2021, as many states imposed restrictions to arrest the renewed surge in infections. The second wave has intensified in metros/cities, and relative to the first wave, it has spread rapidly across states, regions, and into rural pockets. Google mobility indicators exhibited a dip across all major cities in April and May as compared to the baseline. The Apple mobility index also corroborated this declining mobility across cities (Chart 11a and 11b). The impact of the second wave on the real economy seems to be limited so far in comparison with the first wave. Evidently, the localised nature of lockdowns, better adaptation of people to work from home protocols, online delivery models, e-commerce and digital payments are at work (Chart 11c and 11d).

Aggregate Demand

Aggregate demand conditions have been impacted, *albeit* not on the scale of the first wave. Goods and services tax (GST) collections in April at ₹1.41 lakh crore were the highest since the introduction of GST (Chart 12).

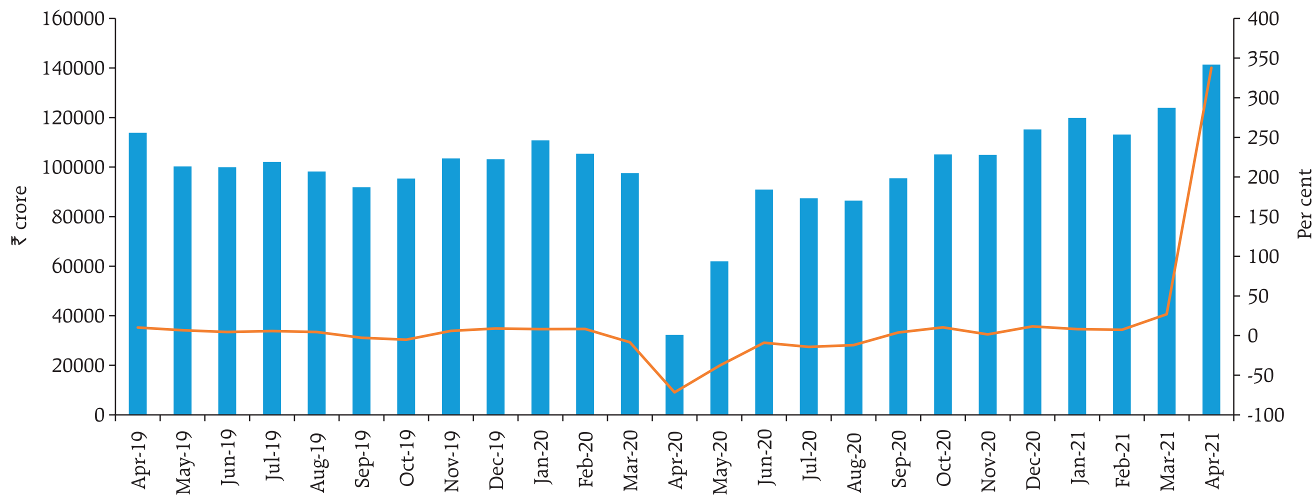
E-way bills — an indicator of domestic trade — recorded double digit contraction at 17.5 per cent month-on-month (m-o-m) in April 2021, with intra-state and inter-state e-way bills declining by (-) 16.5 per cent and (-) 19 per cent, respectively (Chart 13). This could be pointing to a moderation in GST collections

Chart 11: Impact of Second Wave of COVID-19 on Economic Activity



Sources: Google; CMIE; CEIC; and POSOCO.

Chart 12: GST Collections

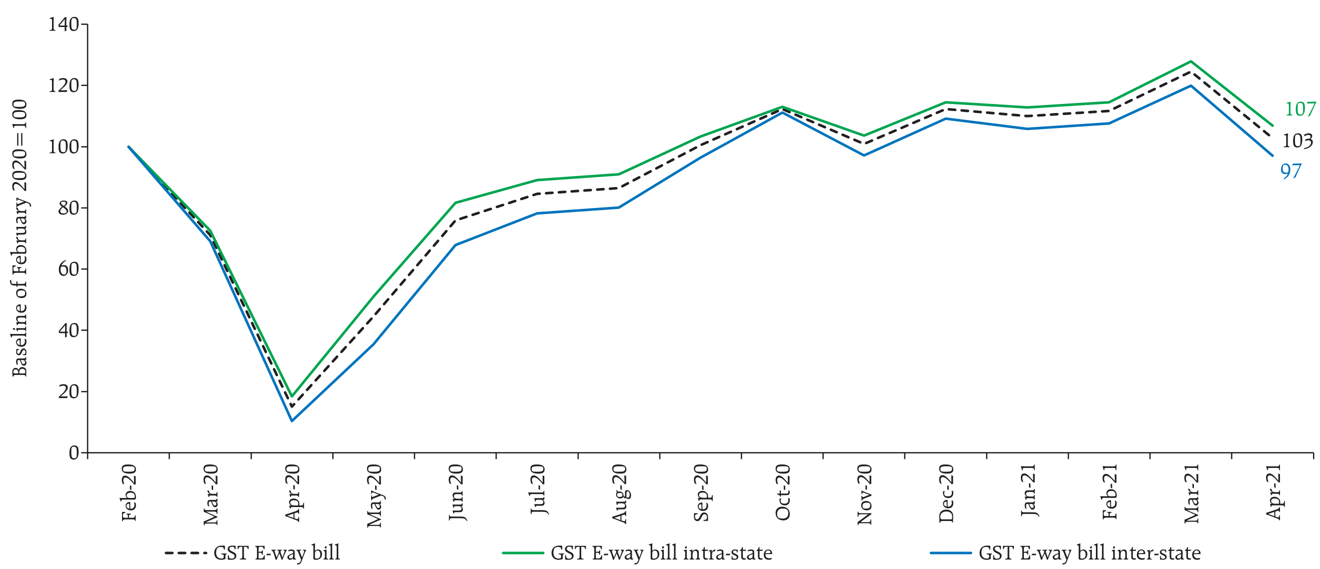


Source: Press Information Bureau.

in coming months. Despite the sharp decline, total e-way bills remained above the pre-pandemic baseline of February 2020, indicating that domestic trade has remained resilient on the back of digitisation of sales platforms.

Preliminary data on petrol and diesel sales point to a decline in fuel demand in April, attributable to mobility restrictions. Diesel sales contracted by 1.7 per cent m-o-m, while petrol sales declined by 6.3 per cent in April 2021. Electricity generation in April stagnated month-on-month but over the pre-pandemic base of April 2019, it increased by 8.1 per cent, indicating a limited hit of the second wave on industrial activity. On a year-on-year (y-o-y) basis, electricity generation expanded by 39.7 per cent.

Chart 13: E-Way Bills

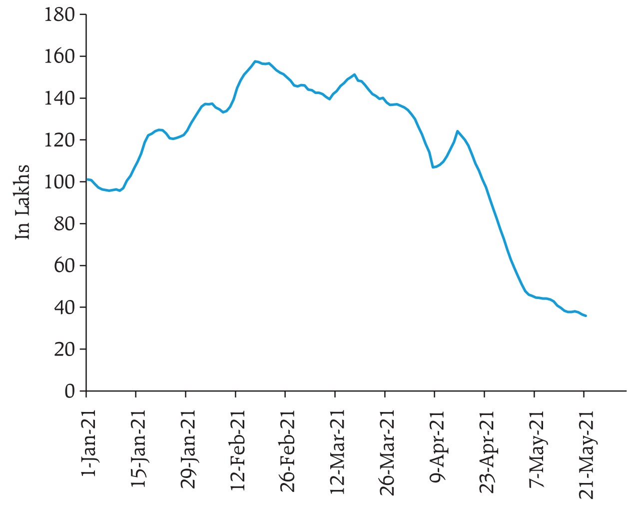


Source: CMIE.

Most of the original equipment manufacturers (OEMs) of passenger vehicles (PVs) reported a m-o-m dip in April, reflecting subdued demand. Dispatches of two wheelers also contracted by 33.5 per cent m-o-m, mirroring frail rural demand. Other vehicular indicators such as *Vahan* registrations and commercial vehicles sales reported a sequential double digit contraction. Tractor sales, which had been enjoying a stellar run, weakened amidst supply chain constraints and dwindling footfalls at dealerships[18].

With restrictions on public movement, freight and passenger movements reflected moderation. The average number of daily fliers fell for the sixth week in a row ending May 1, 2021[19]. The average number of daily fliers slid from less than 1,93,000 to 1,26,000 through the week ended April 17 to May 1. Railway passenger registrations have reverted to a slowdown mode since the first week of April (Chart 14).

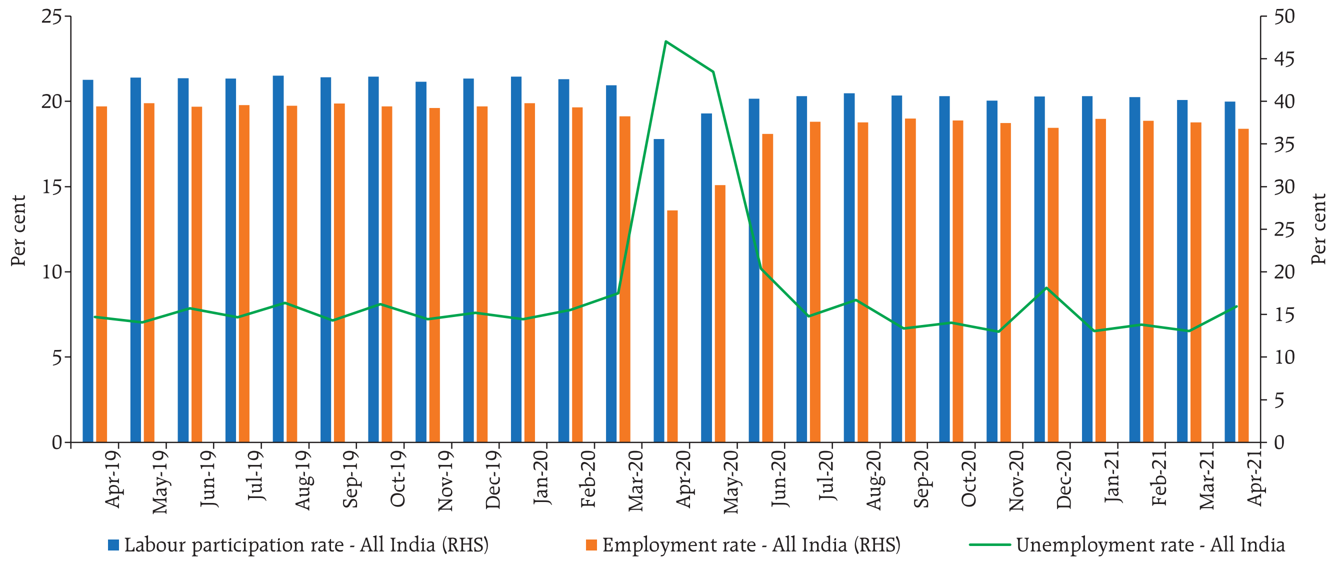
Chart 14: Passenger Reservation System: Last 7 Days



Source: Rail Drishti.

As per the household survey of the Centre for Monitoring Indian Economy (CMIE), employment conditions dampened in April, with the unemployment rate soaring to a four-month high of 8 per cent from 6.5 per cent a month ago. The unemployment rate, however, remained lower than the high of 23.5 per cent a year ago during the first wave. Similar movements were visible in both rural and urban areas (Chart 15). The pandemic has slowed down the labour

Chart 15: Employment, Unemployment and Labour Participation Rates

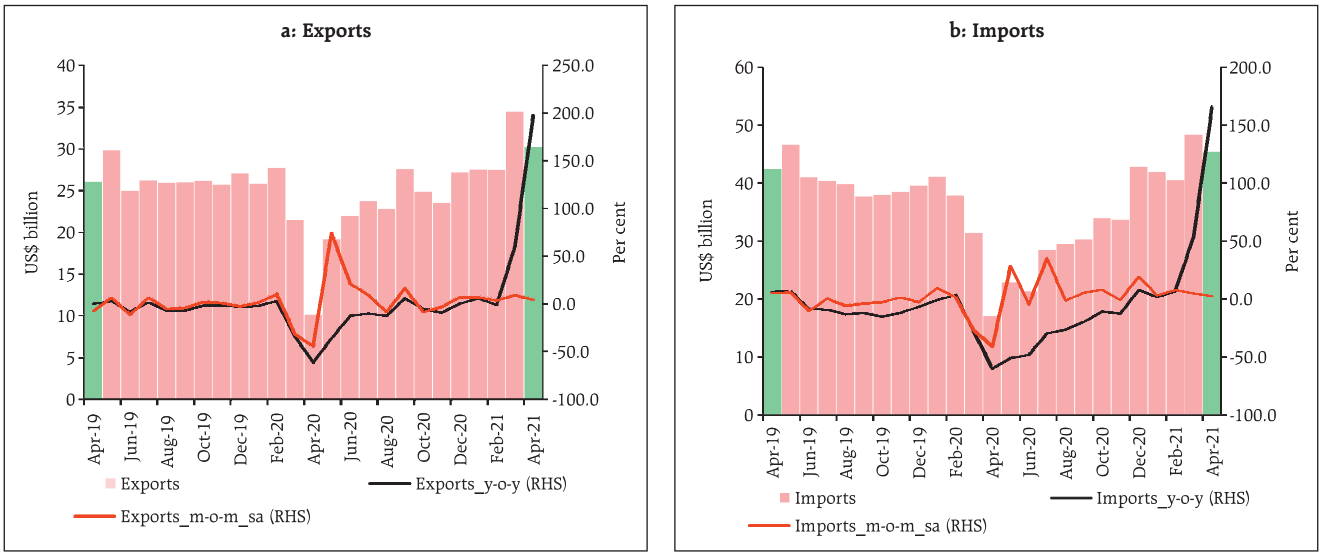


Source: CMIE.

[18] Business Line, May 2.

[19] ICICI Securities.

Chart 16: India's Foreign Trade – April 2021

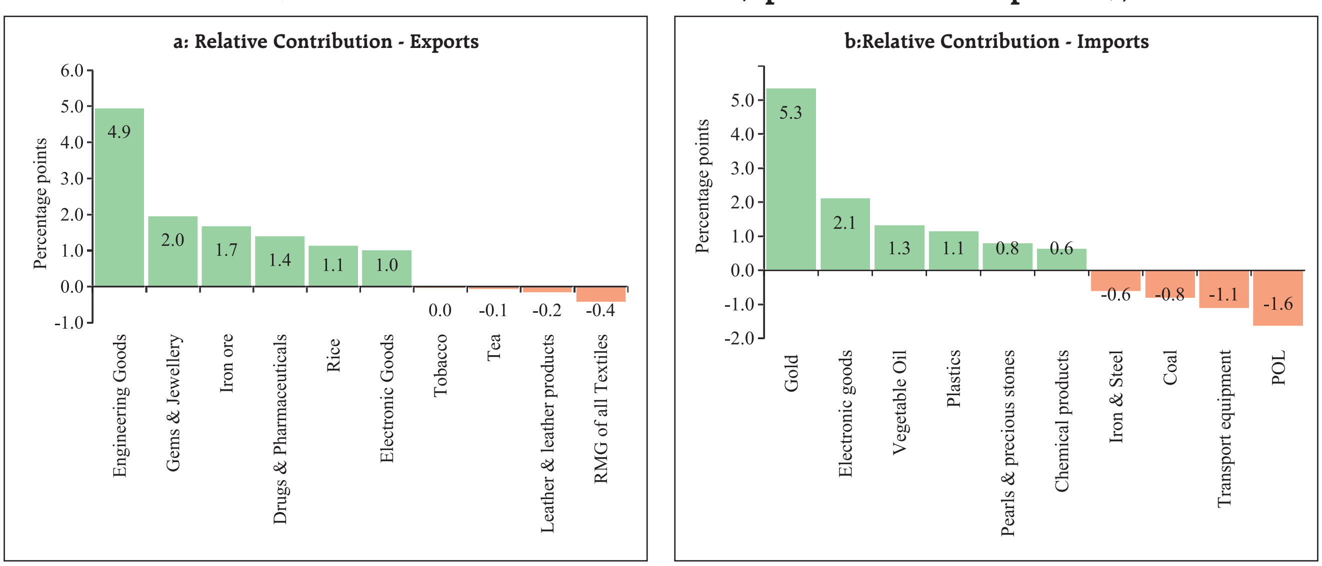


Sources: PIB; DGCI&S; and Authors' Calculations.

participation rate to 39.9 per cent from an average of 42.7 per cent in 2019-20.

India's merchandise exports surged to US$ 30.6 billion in April, reflecting a favourable base effect and an increase of about 16 per cent over the pre-pandemic level (April 2019) [Chart 16][20]. The major sectors that powered export growth in April 2021 (compared with April 2019) were engineering goods, gems and jewellery, iron ore, drugs and pharmaceuticals, and electronic goods (Chart 17a). Strong external demand

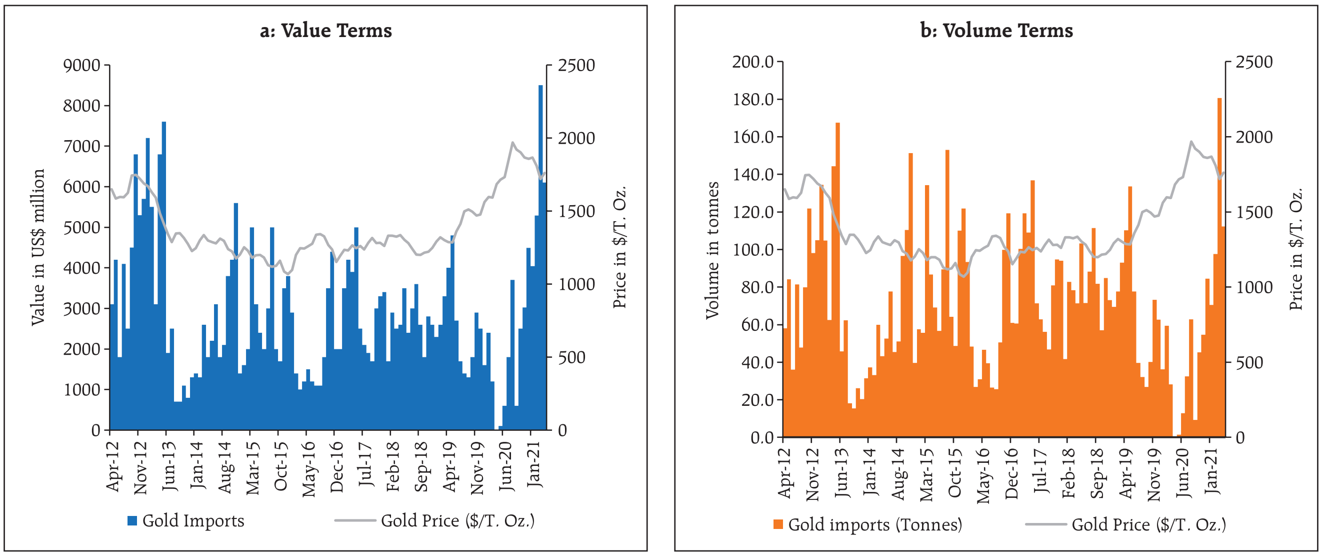
Chart 17: Relative Contribution of Sectors - (April 2021 *vis-à-vis* April 2019)



Sources: DGCI&S and Authors' Calculations.

[20] April 2021 has been compared with April 2019 to provide a more realistic assessment, as base effects pose several challenges in assessing economic activity since the lockdown started in March 2020.

Chart 18: Gold Imports



Sources: DGCI&S; World Gold Council; and Authors' Calculations.

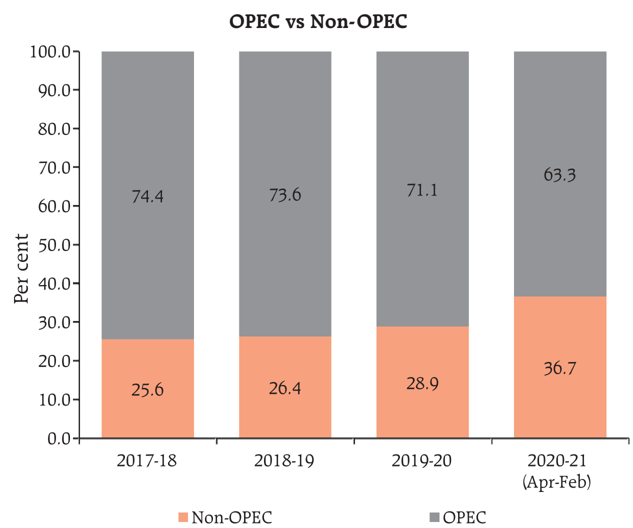
on the back of faster vaccine rollouts is evident in key exports destinations.

India's merchandise imports rose by around three times to US$ 45.7 billion in April, though the growth remained moderate as compared with the pre-COVID period (April 2019). The major sectors which pulled up import growth were gold, electronics, pearls and precious stones and chemical products (Chart 17b).

In recent months, gold imports have risen sharply, April marking the seventh consecutive month of expansion in both value and volume terms on top of record gold imports in March (Chart 18a and 18b). According to the Gems and Jewellery Export Promotion Council (GJEPC), improvement in demand conditions in major export destinations, pent up domestic demand for weddings postponed earlier along with the festive season, have pushed up demand for gold and jewellery. Improved business and consumer sentiments, reduction in customs duty, ebbing of gold prices from record peaks in August 2020 and the appreciation of Indian Rupee *vis-à-vis* US Dollar in Q4:2020-21 has also attracted retail investment in gold.

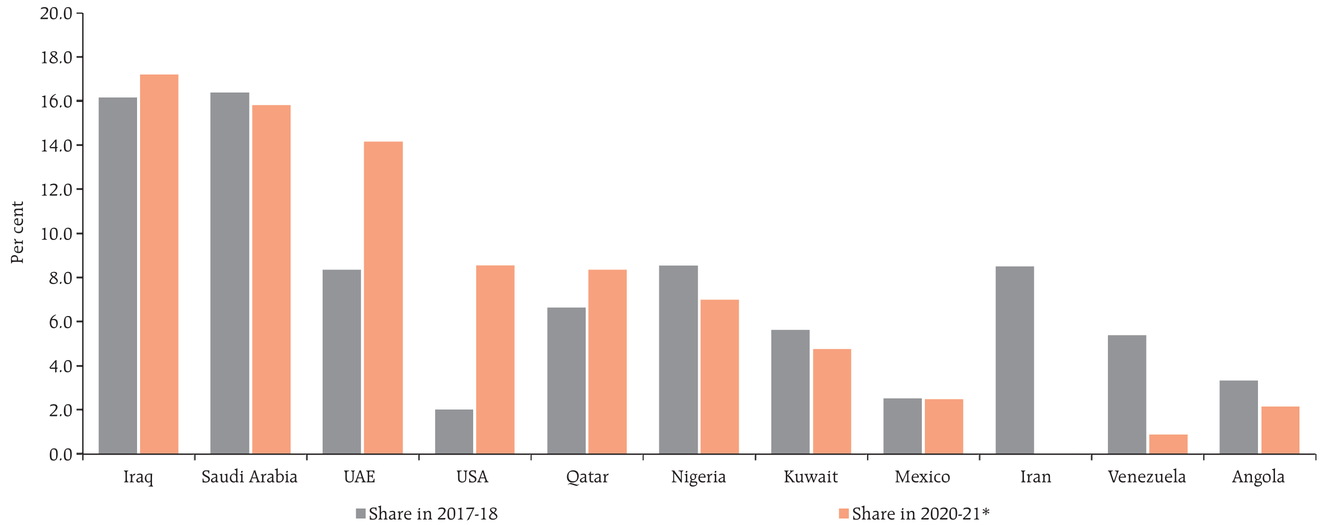
The recent rise in crude prices, following the OPEC+ decision to cut production, has lent impetus to India's oil import basket diversification. India has successfully diverted away from OPEC countries towards non-OPEC producers of crude in recent years, with a greater push for diversification coming in recent months (Chart 19). India has shifted towards

Chart 19: Reducing Crude Oil Import Dependence on OPEC



Sources: DGCI&S and Authors' Calculations.

Chart 20: Destination Profile of India's Crude Oil Imports

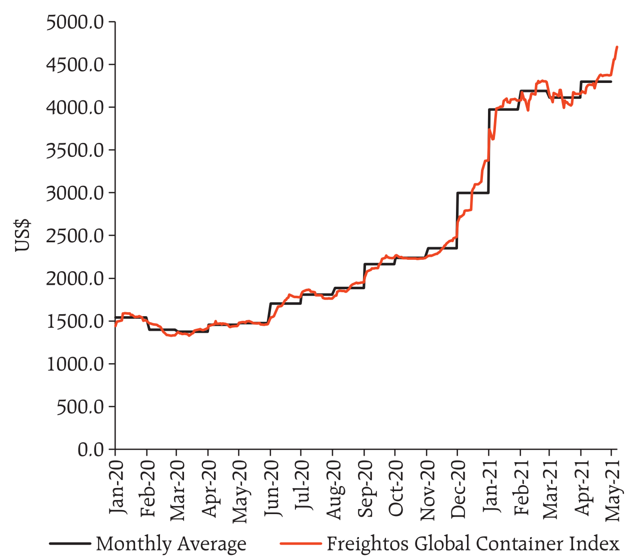


*April 20 – February 21 Period
Sources: DGCI&S and Authors' Calculations.

non-OPEC producers, especially the USA, Qatar and Mexico, reducing its dependence on Saudi Arabia (Chart 20). In fact, the share of OPEC in India´s oil imports slipped in March to a two-decade low[21].

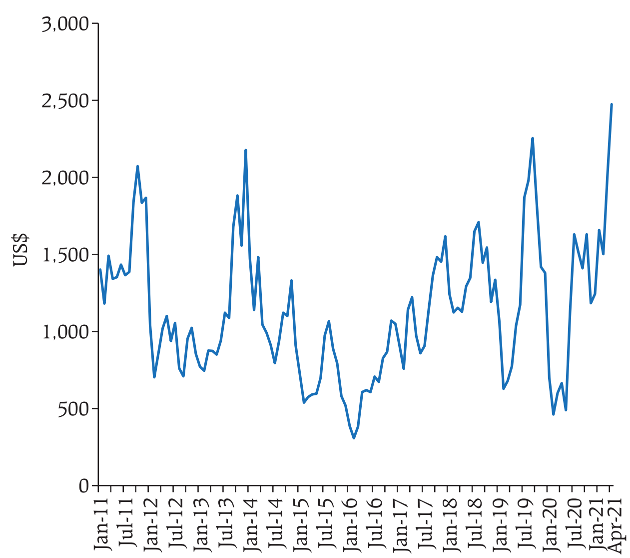
The reopening of the Suez Canal increased pressure on global logistics and shortage of shipping containers have resulted in a steep rise in freight prices (Chart 21). The rise in freight is not limited to container shipping as dry bulk cargo freight rates have also risen sharply. The Baltic Dry Index, which gives the weighted average freight rates across different sizes and routes, is at a decade-long peak (Chart 22).

Chart 21: Freightos Global Container Index



Source: Reuters.

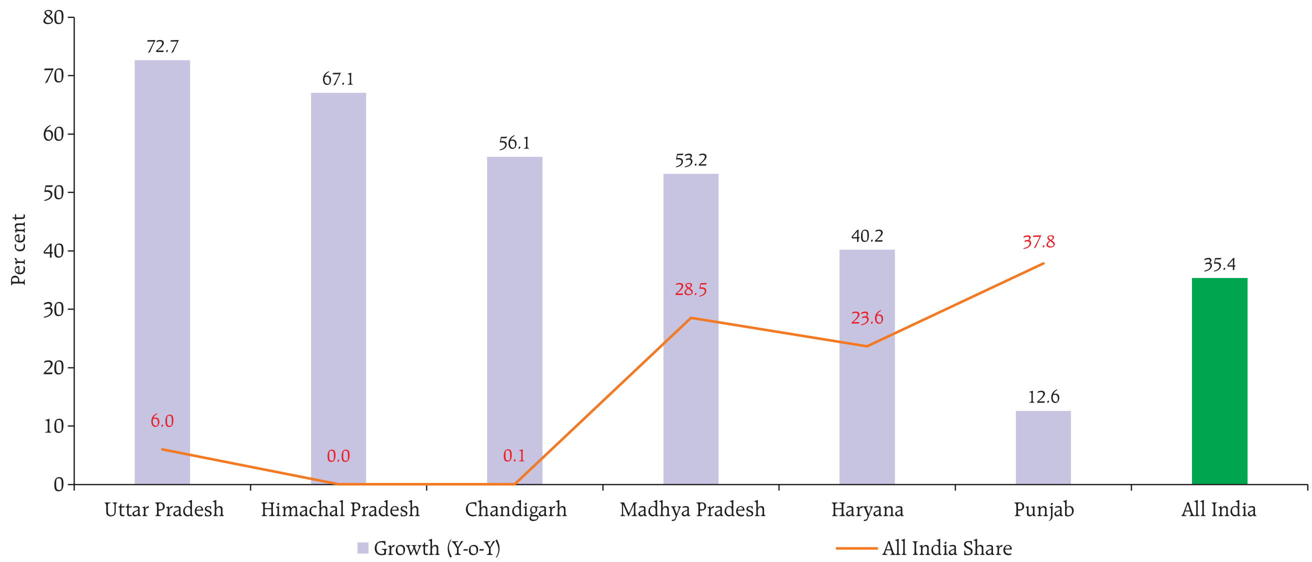
Chart 22: Baltic Dry Index



Source: CEIC.

21 Reuters, May 3.

Chart 23: Progress of Wheat Procurement in Major States (As on May 11, 2021)



Source: Food Corporation of India.

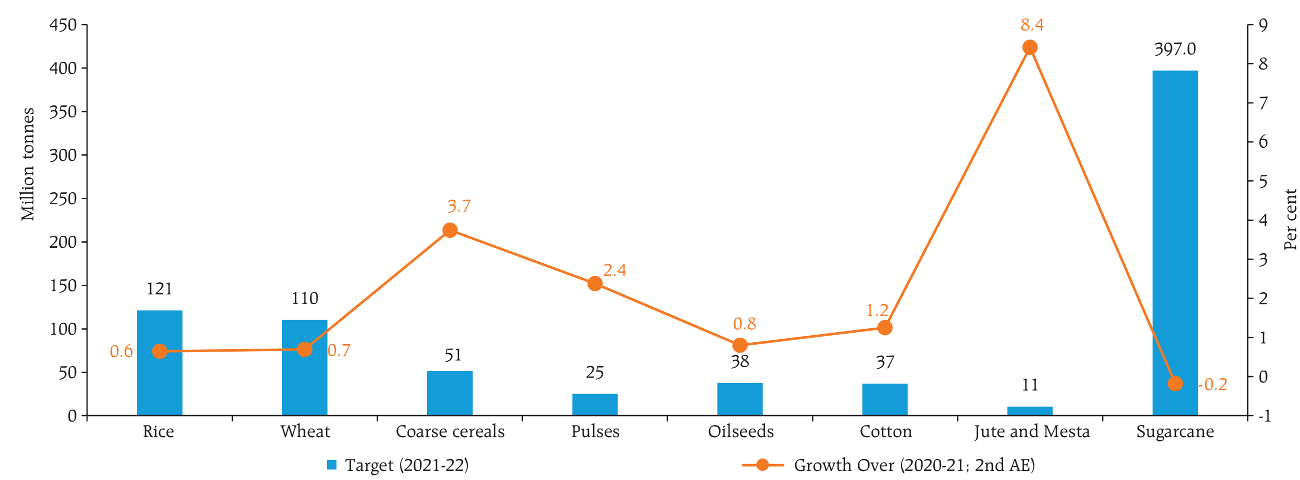
Aggregate Supply

Despite adverse conditions in the face of the pandemic, harvesting of *rabi* crops has been progressing apace, being almost complete in respect of pulses and oilseeds. Cumulative procurement of wheat has been 35.4 per cent higher than a year ago (as of May 11, 2021), benefitting over 34 lakh farmers across all major producer states (Chart 23). The minimum support prices (MSP) outflow due to wheat procurement has led to a transfer of around ₹67,500 crores to the farming community, which may boost rural demand. The public stock of cereals reached 4.8 times the buffer norms by end-April. The area under summer crops has increased to over 80 lakh hectares mainly under pulses (by 69.2 per cent) and rice (15.5 per cent), incentivised by higher returns that farmers are realising for these crops.

The India Meteorological Department (IMD) has forecast that South West Monsoon (SWM) will arrive in Kerala on May 31. In anticipation, the National Conference *Kharif* Campaign held on April 30, 2021, has placed food grain production at another record at 307 million tonnes, 1.7 per cent above the previous year's record production. Except sugarcane, production targets set for all the crops are higher than for the previous year (Chart 24).

The headline manufacturing PMI remained in expansion at 55.5 in April 2021, improving marginally from 55.4 a month ago (Chart 25a). The services sector PMI expanded in April too for the seventh consecutive month, but the pace softened (Chart 25b).

Chart 24: Target for Crop Production (2021-22)



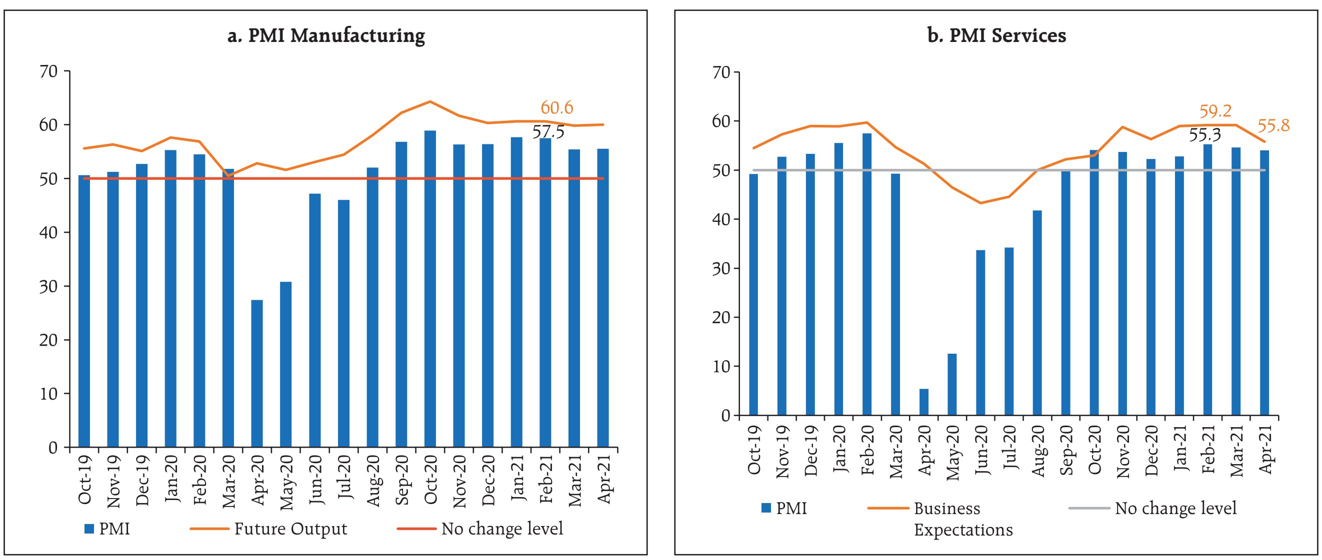
Cotton: Million bales of 170 kg each.
Jute and Mesta: Million bales of 180 kg each.
Source: Ministry of Agriculture and Farmers' Welfare.

Inflation

CPI inflation in April 2021[22] moderated by 122 bps to 4.3 per cent from 5.5 per cent in March 2021 as food and core (CPI excluding food and fuel) inflation eased even as fuel inflation registered a substantial pick-up (Chart 26a). Large favourable base effects brought about the softening in food and core inflation.

Among CPI groups, CPI food and beverages inflation moderated to 2.7 per cent in April from

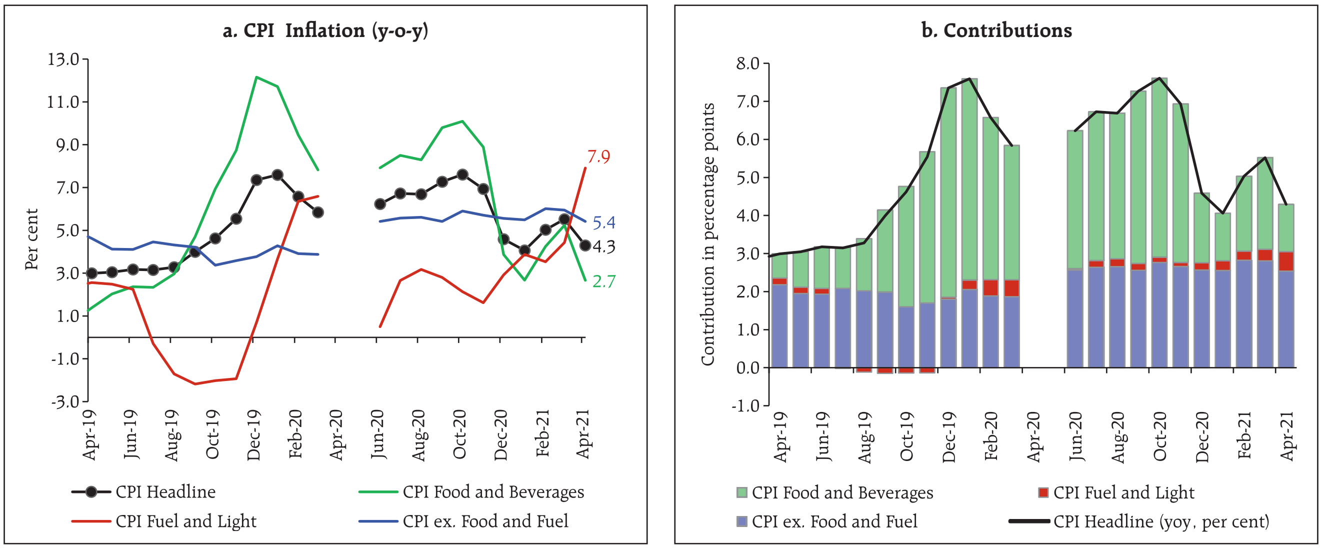
Chart 25: Purchasing Managers' Index (PMI)



Source: IHS Markit.

[22] The National Statistical Office (NSO) has used imputed indices of April 2020 for calculating April 2021 inflation.

Chart 26: CPI Inflation



Note: CPI inflation for April 2021 is computed based on an imputed CPI index for April 2020.
Sources: National Statistical Office (NSO); and RBI staff estimates.

5.2 per cent in March as the deflation in prices of vegetables, cereals, and sugar deepened, milk prices moved into deflation and inflation in pulses, spices, and prepared meals moderated (Chart 26b). The other noteworthy development was that CPI excluding food and fuel inflation moderated to 5.4 per cent in April from 5.9 per cent in March with most of the sub-groups registering a softening in inflation.

High frequency food price data from the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) for May so far (May 1-12, 2021) show, barring cereals, a pick-up in prices of key food items (Chart 27).

With international crude prices on an upward trajectory since mid-April 2021, domestic pump prices also increased with a lag from early May onwards. Between May 3, 2021 to May 12, 2021 petrol and diesel pump prices (average of prices in four major metros) increased by ₹1.53 per litre and ₹1.85 per litre to ₹94.10 per litre and ₹86.33 per litre, respectively. At this level, pump prices are scaling new historic highs (Table 5).

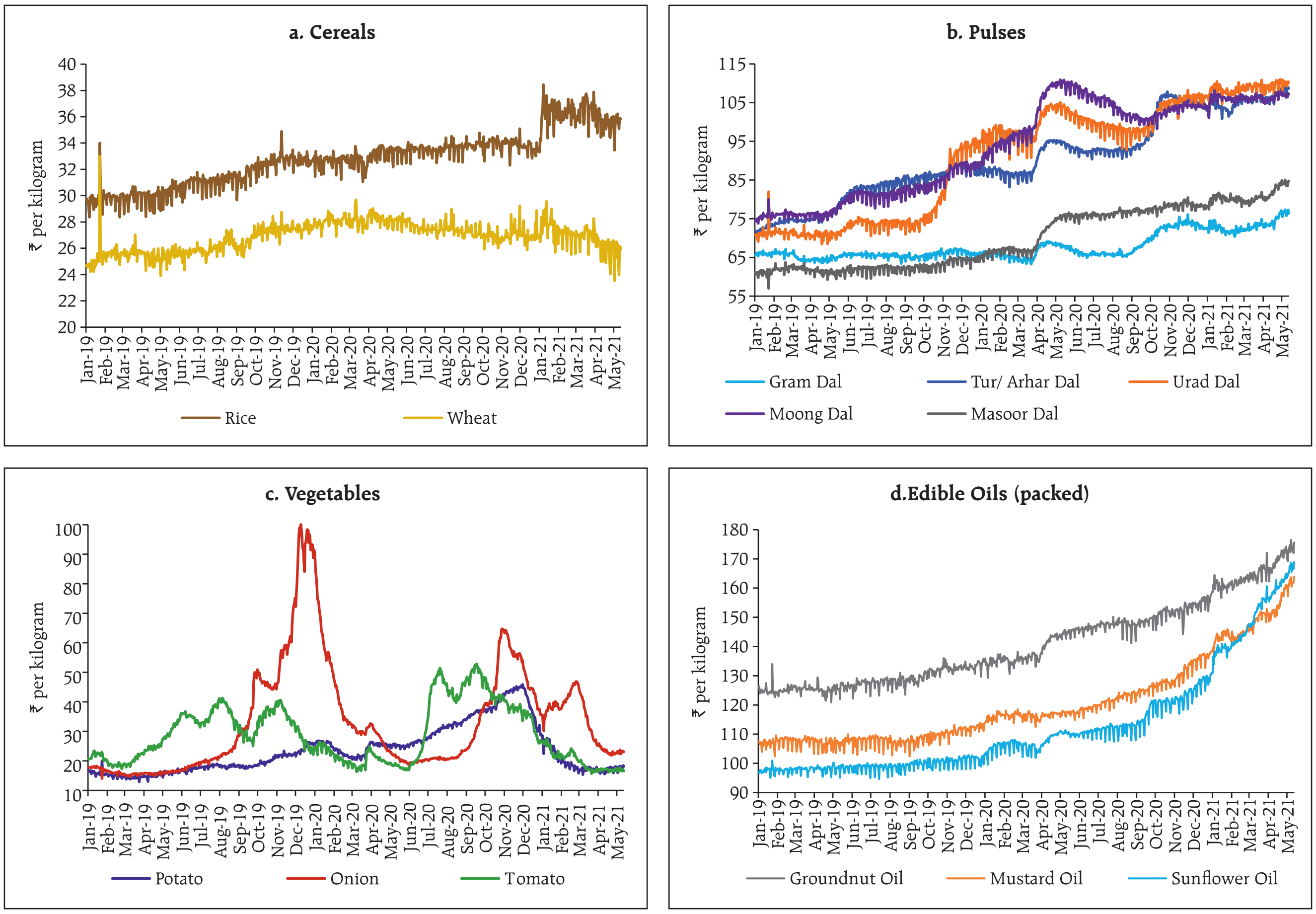
International commodity prices are registering sharp increases, cutting across agricultural, industrial raw-materials and energy segments. This is leading to a worsening of domestic cost conditions.

Table 5: Petroleum Product Prices

Item	Unit	Domestic Prices			Month-over-month (per cent)	
		May-20	Apr-21	May-21 ^	Apr-21	May-21
Petrol	₹/litre	73.97	92.64	93.17	-0.6	0.6
Diesel	₹/litre	67.07	84.54	85.21	-0.7	0.8
Kerosene (subsidised)	₹/litre	14.43	30.32	30.38	3.2	0.2
LPG (non-subsidised)	₹/cylinder	578.63	819.63	819.63	-1.2	0.0

^: For the period May 1 -12, 2021
Note: Other than kerosene, prices represent the average Indian Oil Corporation Limited (IOCL) prices in four major metros (Delhi, Kolkata, Mumbai and Chennai). For kerosene, prices denote the average of the subsidised prices in Kolkata, Mumbai and Chennai.
Sources: IOCL, Petroleum Planning and Analysis Cell (PPAC) and RBI staff estimates.

Chart 27: DCA Essential Commodity Prices



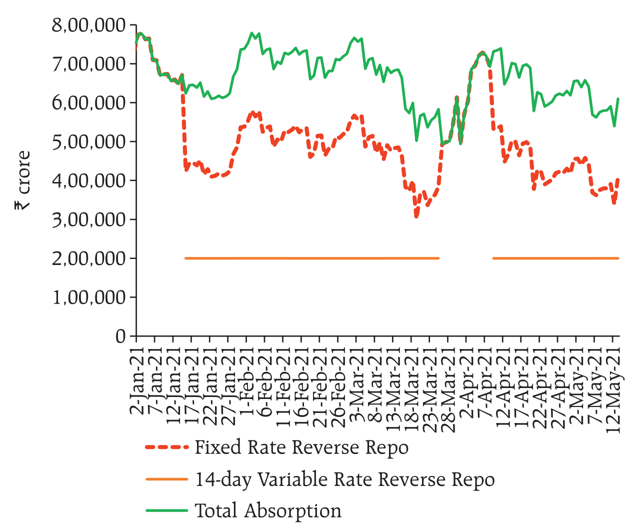
Sources: Department of Consumer Affairs, GoI; and RBI staff estimates.

IV. Financial Conditions

System liquidity remained abundant, with daily net absorption under the liquidity adjustment facility (LAF) averaging ₹5.78 lakh crore in April 2021 and ₹5.21 lakh crore in May 2021 (up to May 12, 2021) [Chart 28].

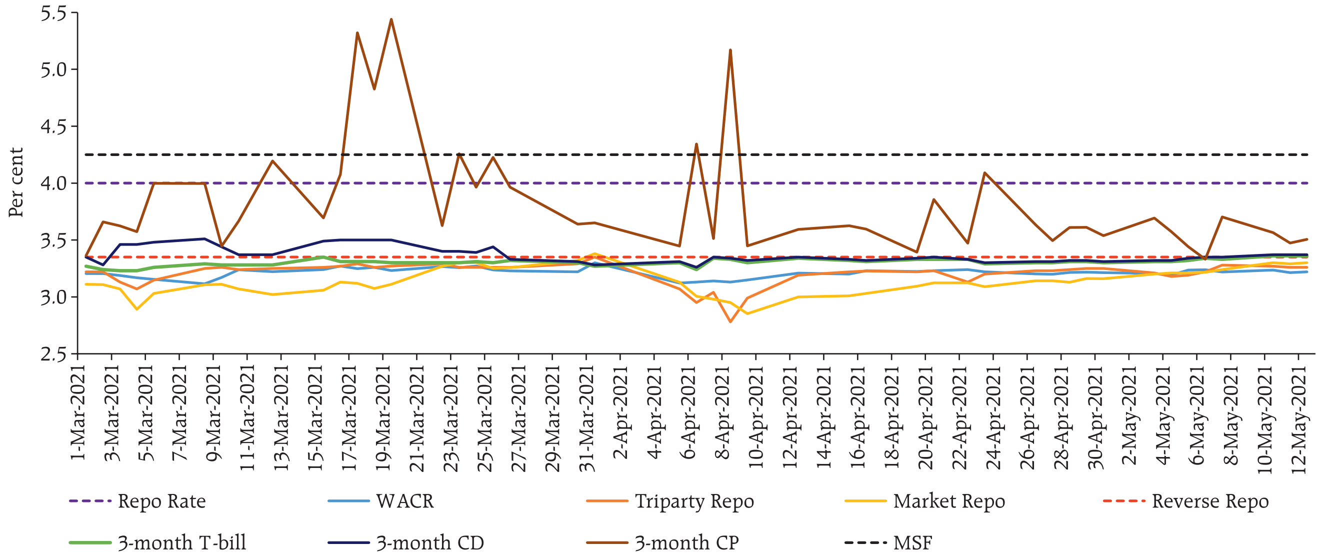
The weighted average call rate (WACR), the tri-party repo and the market repo rate traded below the reverse repo rate by 15 bps, 18 bps and 23 bps, respectively, on average, during April and May 2021 (up to May 12). Among other key money market rates, the 3-month T-bill rate and 3-month certificates of deposit (CD) rate traded below or close to the reverse repo rate, while the interest rate on 3-month commercial paper (CP) rates ruled above the reverse repo rate in May 2021 (Chart 29).

Chart 28: Surplus Liquidity - Absorption under LAF



Source: RBI.

Chart 29: Policy Corridor and Money Market Rates



Sources: RBI; and Bloomberg.

The downward adjustment in deposit rates has accelerated in the wake of COVID-19 on account of persistent surplus liquidity amidst weak credit demand. During March 2020 through April 2021, the moderation in median term deposit rate (representing card rates on new deposits) has been of the order of 144 bps. During the same period, the 1-year median marginal cost of funds-based lending rate (MCLR) softened cumulatively by 95 bps, mirroring the reduction in overall cost of funds (Table 6).

In the fixed income segment, the yield on 10-year G-sec declined by 14 bps to close at 6.03 per cent as at end-April 2021, enabled by G-SAP 1.0. In addition, the Reserve Bank signalled its stance on the yield curve through cancellations and devolvements in G-sec auctions. The first auction of 2021-22 on April 9, 2021 saw devolvement of the new 5-year G-sec paper for the entire notified amount of ₹11,000 crore. Furthermore, the Reserve Bank did not accept any bid for the 10-year G-sec paper (notified amount of ₹14,000 crore) on April

Table 6: Transmission from the Repo Rate to Banks' Deposit and Lending Rates

(Basis points)

Period	Repo Rate	Term Deposit Rates		Lending Rates		
		Median Term Deposit Rate	WADTDR	1 - Year Median MCLR	WALR - Outstanding Rupee Loans	WALR - Fresh Rupee Loans
Feb 2019 - Sep 2019	-110	-9	-7	-30	2	-40
Oct 2019 – Apr 2021*	-140	-174	-146	-120	-108	-154
Mar 2020 - Apr 2021*	-115	-144	-107	-95	-90	-123
Feb 2019 – Apr 2021*	**-250**	**-209**	**-153**	**-150**	**-106**	**-194**
March 2021	0	0	-1	0	-8	-16

*: Latest data on WALRs and WADTDR pertain to March 2021.
WALR: Weighted Average Lending Rate. WADTDR: Weighted Average Domestic Term Deposit Rate;
MCLR: Marginal Cost of Funds-based Lending Rate.
Source: RBI.

16, 2021 and also for another paper maturing in 2026 (notified amount of ₹11,000 crore) on April 23, 2021. In both these auctions, there was partial allotment of a G-sec maturing in 2061 on April 16, 2021 and another G-sec maturing in 2050 on April 23, 2021. Heading into May, the softening momentum was further supported by an operation twist for an aggregate amount of ₹10,000 crore on each side of the operation on May 6, and the announcement of another round of G-sec purchases under G-SAP 1.0 scheduled on May 20. In a primary G-sec auction conducted on May 14, 2021, the Reserve Bank did not accept any bid for 10 year G-sec paper with notified amount of ₹14,000 crore. With these developments, the benchmark 10-year G-sec yield eased to sub-6 per cent levels and closed at 5.99 on May 14, 2021. Of the gross borrowings by the Central government of ₹7.24 lakh crore for H1:2021-22, nearly 20 per cent amounting to ₹1.46 lakh crore has been completed so far (up to May 14, 2021). Corporate bond yields too eased, tracking the movement in G-sec yields. Furthermore, the spread on corporate bonds over corresponding G-secs moderated across issuer categories and ratings spectrum (Table 7).

The Indian equity markets exhibited wild swings during April 2021 as investors turned anxious over the rapid spread of the second wave of COVID-19 infections, oxygen/ vaccine supply issues and fresh lockdown-like restrictions in various parts of the country (Chart 30).

After a gap of six months, foreign portfolio investors (FPIs) turned bearish with net sales in equity markets of ₹11,116 crore in the month of April. Mutual funds, on the other hand, remained net buyers for the second consecutive month with net purchases of ₹5,526 crore. So far in 2021, FPIs are net buyers of stocks, worth ₹40,212 crore.

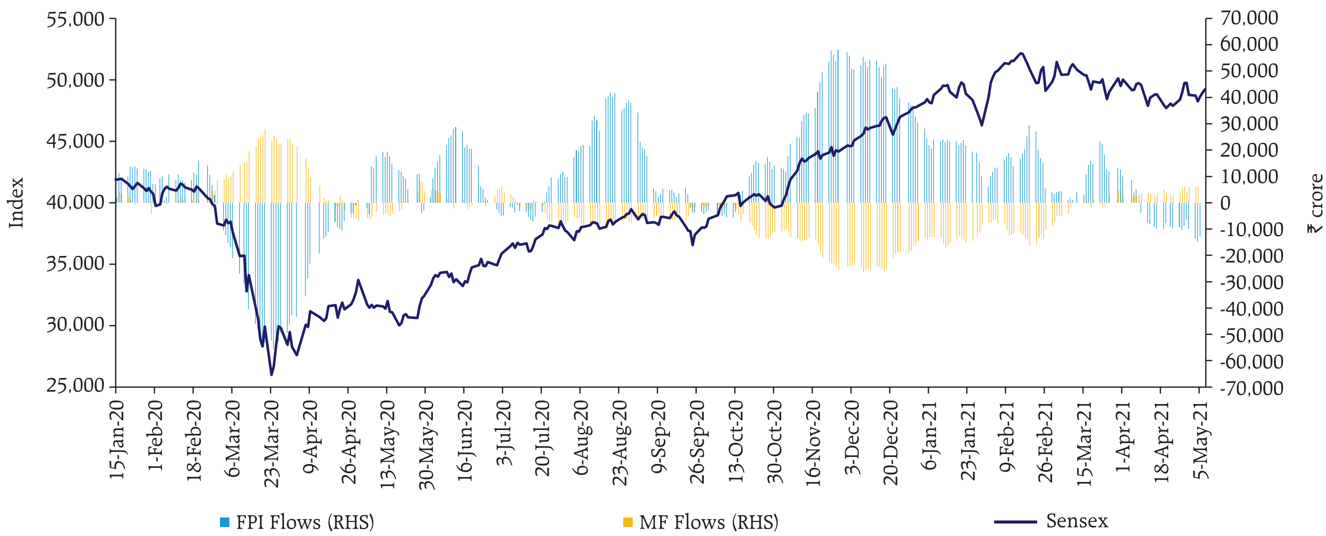
FPIs turned net sellers in both domestic equity and debt markets, to the tune of US$ 1.7 billion in April 2021. In May (up to 10th), FPIs have continued

Table 7: Corporate Bond Yield and Spread

Issuer	Rating	Yield					Spread				
		Apr-20	March 2021	April 2021	Variation (April 2021 over April 2020)	Variation (April 2021 over March 2021)	Apr-20	March 2021	April 2021	Variation (April 2021 over April 2020)	Variation (April 2021 over March 2021)
		(Per cent)			(bps)		(bps)			(bps)	
PSU, Banks and FIs	AAA	6.37	5.81	5.58	-79	-23	127	60	41	-86	-19
	AA	7.01	6.42	6.27	-74	-15	191	122	110	-82	-12
	BBB-	9.87	9.59	9.47	-39	-12	477	438	430	-47	-8
Corporates	AAA	7.19	5.56	5.38	-181	-18	211	35	19	-192	-16
	AA	7.99	6.31	6.08	-190	-23	291	110	94	-197	-16
	BBB-	11.15	10.17	10.05	-110	-12	614	496	486	-128	-10
NBFCs	AAA	7.29	5.69	5.52	-177	-17	217	48	34	-184	-14
	AA	8.12	6.92	6.78	-134	-14	300	171	160	-140	-11
	BBB-	11.56	11.18	11.04	-52	-14	638	597	586	-53	-11

Note: Yields and spreads are monthly averages.
Source: FIMMDA.

Chart 30: BSE Sensex and Institutional Flows



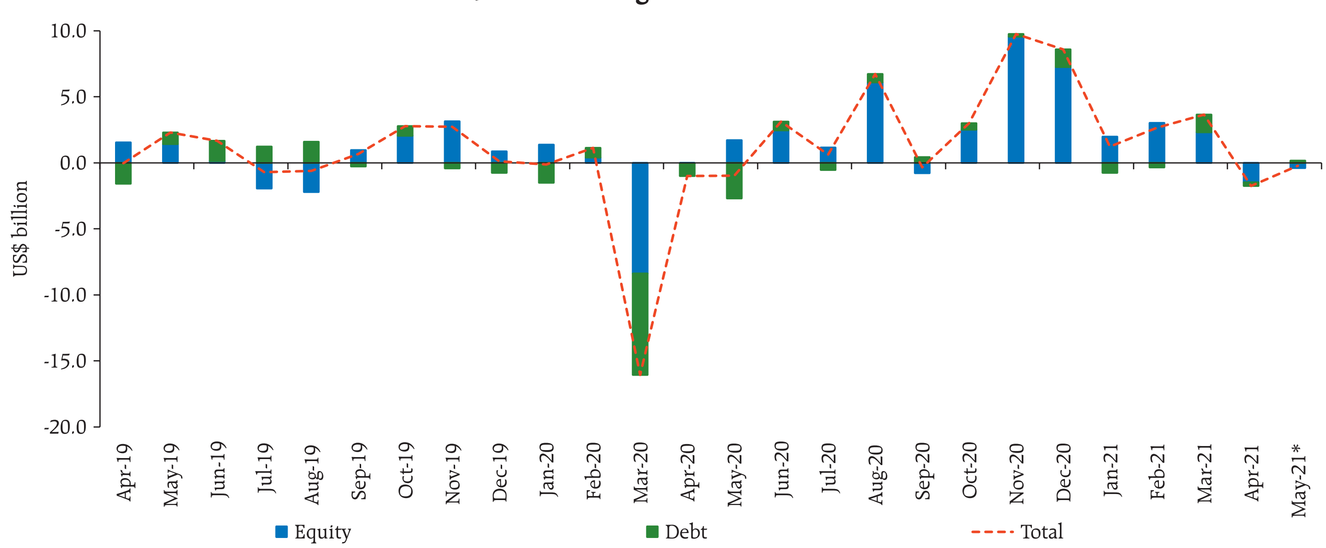
Note: FPI and MF investments are represented on 15 days rolling sum basis.
Source: Bloomberg.

to sell, prompting total net outflows of US$ 0.2 billion (Chart 31).

Foreign exchange reserves dipped to US$ 589.5 billion on May 7, 2021 on account of valuation loss, after reaching an all-time high of US$ 590.2 billion on January 29, 2021 (Chart 32).

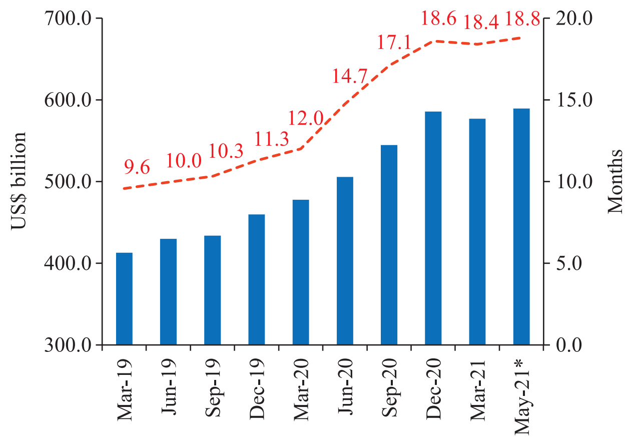
In the foreign exchange market, the Indian rupee (INR) depreciated against the US dollar in April 2021 on FPI outflows. The INR depreciated *vis-à-vis* the US dollar by 2.3 per cent in April over March 2021, but it has appreciated modestly in May (up to 11th). In terms of the 40-currency real effective exchange rate

Chart 31: Net Foreign Portfolio Investment



*: Up to 10th.
Source: National Securities Depository Limited (NSDL).

Chart 32: Foreign Exchange Reserves and Import Cover



***:** As on May 7.

Note: Figure on import cover for May 2021 is based on balance of payments data released for Q3:2020-21 and earlier quarters.

Source: RBI.

(REER) index, the INR depreciated by 2.6 per cent in April over its level a month ago (Chart 33).

Payment System

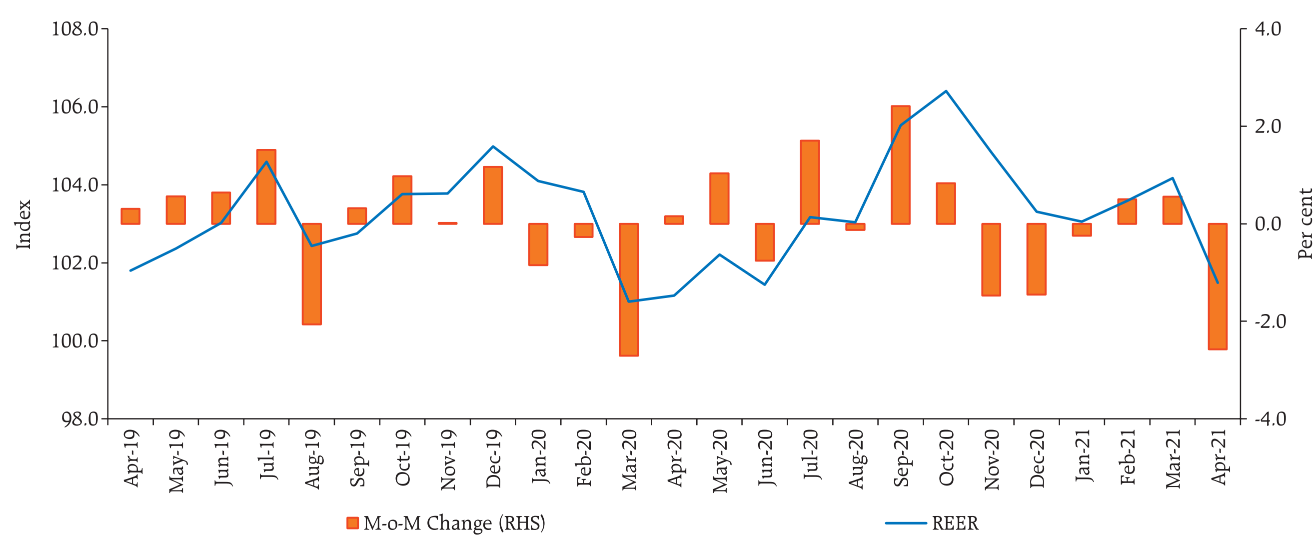
Digital transactions continued to surge into April and May 2021 so far. Real Time Gross Settlement (RTGS) transactions volume registered a triple digit growth of 179 per cent (y-o-y) in April. In the suite of retail digital modes, the National Electronic Fund Transfer (NEFT), the Immediate Payment Service (IMPS), the Bharat Bill Payment System (BBPS) and the National Electronic Toll Collection (NETC) also recorded strong growth. Under the Unified Payments Interface (UPI), transaction volume increased by 164 per cent and its value more than tripled to ₹4.9 trillion in April from ₹1.5 trillion a year ago (Table 8). The rally in digital numbers is indicative of rising adoption of these modes of payments by the general public.

Table 8: Growth Rates in Select Payment Systems

Payment System	Transaction Volume Growth (y-o-y, per cent)				Transaction Value Growth (y-o-y, per cent)			
	Mar-2020	Mar-2021	Apr-2020	Apr-2021	Mar-2020	Mar-2021	Apr-2020	Apr-2021
RTGS	-12.8	70.1	-52.6	178.8	-19.0	7.8	-42.7	36.6
NEFT	8.2	32.7	-13.5	62.7	-10.3	33.4	-36.4	56.6
UPI	55.9	119.1	27.9	164.2	54.7	144.5	6.4	226.6
IMPS	14.0	67.5	-33.8	163.7	14.6	62.0	-28.4	147.3
NACH	11.2	12.5	64.4	-48.6	31.5	21.4	6.3	14.9
NETC	216.3	128.6	-60.5	1500.8	138.5	117.2	-57.7	1021.6
BBPS	-66.2	122.4	44.6	175.2	84.2	165.9	29.9	279.4

Source: RBI.

Chart 33: Monthly Movement in 40-Currency Real Effective Exchange Rate (REER)
(Base: 2015-16 = 100)



Source: RBI.

V. Conclusion

The resurgence of COVID-19 has dented but not debilitated economic activity in the first half of Q1: 2021-22. Although extremely tentative at this stage, the central tendency of available diagnosis is that the loss of momentum is not as severe as at this time a year ago. Tragically, the loss of life and the caseload of infections are higher. As the WHO points out, this is completely unlike the first wave – the B.1.617 variant of the coronavirus, which was first detected in Vidarbha and has 13 mutations, has been declared a 'global variant of concern' in view of its rapid transmissibility. Apart from the severe incidence of infections in India, it has already spread to nearly 50 countries[23].

The impact of the new infections appears to be U-shaped. Each shoulder of the U represents sectors that are weathering the storm - agriculture at one end and IT on the other. On the slopes of the U are organised and automated manufacturing on one side and on the other, services that can be delivered remotely and do not require producers and consumers to move. These activities continue to function under pandemic protocols. In the well of the U are the most vulnerable - blue collar groups who have to risk exposure for a living and for rest of society to survive; doctors and healthcare workers; law and order; and municipal personnel; individuals eking out daily livelihood; small businesses, organised and unorganised - and they will warrant priority in policy interventions. It is in this direction that the Reserve Bank, re-armed and re-loaded, has stepped out. This is the beginning. There is more work to be done.

The effective reproduction number (R count), a key indicator of how fast COVID-19 infects people - the number of people in a population who can be infected by an individual at any specific time - is beginning to drop in India, according to a data modelling assessment of the University of Michigan. From a R count of 1.61 on April 1, the national metric stood at 0.99 on May 15, the lowest since mid-February, indicating a slowdown in the spread rate of the virus. On May 16, seven-day average of daily new cases declined for the eighth consecutive day, indicating that India might be approaching the peak of the devastating second wave. 18 states are reporting plateauing of new cases. The data show, however, that the wave is shifting from big cities to small towns and villages where testing is low and health infrastructure poor, and this is where we must refocus our efforts and energies to put down the virus.

What has worked so far? Lockdowns have worked in controlling transmissibility. Localised lockdowns rather than nation-wide lockdowns have been preferred in order to balance the spread of infections *versus* the loss of economic activity but the jury is out on which works and where. The key lesson from the visitation of the second wave is vaccinate, vaccinate, vaccinate. As Professor Arvind Panagariya writes, "With its well-developed vaccine manufacturing ecosystem, India is well positioned to ramp up its production… at speed. It must mobilise all its brownfield capacity… while de-risking potential investors in greenfield capacity…"[24]. Several successes are being studied for replication - the Kerala model of preventing vaccine wastage; the Mumbai model of decentralised war rooms for bed allotment; the Pune model of strict containment; the UP model of door to door testing to isolate hidden Covid cases; the Jammu and Kashmir model of *Atmanirbharta* on medical oxygen; a more muted migration; compassion as a business skill; and

[23] Voice of America.

[24] Arvind Panagariya, Economic Times, May 11, 2021 which lays out the blueprint for ramping up the vaccination programme.

most importantly, the resolve and fortitude to stand together and support people and families. As it is said in Zulu, Ubuntu, *i.e.*, I am because you are[25].

The road ahead is fraught with danger, but India's destiny lies not in the second wave, but in life beyond it. In these dire moments, one is reminded of the light shone by the late Shri S. S. Tarapore, the iconic and much revered Deputy Governor of the Reserve Bank:

> "गर जन्नत ही जाना हो तो चल मेरे साथ; याद रख ऐ बंदे कि रास्ता है दोज़ख़ के बीच"
>
> – If you wish to go to heaven, come with me. But remember, the path lies through hell[26].

[25] Sujaya Banerjee, Times of India, May 12, 2021.

[26] Inaugural address on May 12, 1993 at the Seminar on "Report of the Working Group on Financial Companies" organised by the Association of Leasing and Financial Services Companies and Mega Fin India Ltd.

*Performance of NBFCs during the Pandemic: A Snapshot**

The consolidated balance sheet of NBFCs grew at a slower pace in Q2 and Q3:2020-21 following the pandemic and muted credit demand. NBFCs continued to disburse credit despite disruptions caused by the pandemic, albeit at a slower pace. The retail sector benefitted from incremental credit from NBFCs, partly aided by their low GNPA ratios and the ability of NBFCs to adapt to customer preferences. The profitability of the NBFCs improved in Q2:2020-21 compared to the corresponding quarter of the previous year as fall in expenditure was steeper than fall in income. The asset quality of NBFCs witnessed improvement in 2020-21 so far, compared to Q4:2019-20 on account of regulatory forbearance; the full effect of the pandemic on asset quality, however, may only become evident over time.

Introduction

The Non-Banking Financial Companies (NBFC) sector in India has traversed highs and lows to reach where it is today. Their scale of operations and diversity in financial intermediation are testimony to their adaptability and agility in transforming their business models, gauging needs of a growing economy and the evolving regulatory milieu. NBFCs complement banks in the credit intermediation process by offering diversified, tailor-made financial products through innovative service delivery mechanisms. Furthermore, they facilitate financial inclusion by providing credit to unbanked sections of the population. Over the years, NBFCs have assumed systemic importance due to their inter-linkages with the banking sector, capital market and other financial sector entities. They consolidated their positions in the lending space following asset quality concerns for banks. NBFCs' credit to Gross Domestic Product (GDP) ratio increased from 8.6 per cent in 2012-13 to 12.2 per cent in 2018-19 before moderating slightly to 11.6 per cent in 2019-20 in the wake of the pandemic (Reserve Bank of India, 2019-20).

The IL&FS default in September 2018 impacted market confidence and resulted in liquidity stress and higher borrowing costs for NBFCs. The Reserve Bank strengthened its regulatory oversight over the sector, and NBFCs also took proactive steps in correcting asset-liability mismatches. NBFC credit grew even after the IL&FS default, *albeit* at a slower pace, aided by bank borrowings and supportive policy measures. However, just as the NBFC sector was finding its bearings, the COVID-19 pandemic struck and exacerbated the challenges faced by the sector.

This article looks at the performance of select NBFCs during the pandemic period, covering Q2 and Q3: 2020-21 using supervisory data filed by NBFCs[1]. As the impact of COVID-19 spilled over onto the real sector in 2020-21 due to the imposition of lockdowns, social distancing and a near standstill in economic activities, NBFCs have been hit hard. The impact of the pandemic can be seen on both asset quality and liquidity, although the latter was addressed to a considerable extent through timely policy measures. The article provides an overview of the sector during the pandemic period in Section II, covering various categories of NBFCs. Section III provides a balance sheet-based analysis of the sector and its sectoral disbursement of credit. Section IV discusses the financial performance and asset quality of NBFCs during the pandemic period. Section V concludes with key takeaways.

* This article is prepared by Nandini Jayakumar, K. M. Neelima, and Gopal Prasad, from the Department of Economic and Policy Research under the guidance of Ashok Sahoo, Adviser. The views expressed in this article are those of the authors and do not represent the views of the Reserve Bank of India.

[1] This article is based on the latest quarterly data till Q3: 2020-21 sourced from the XBRL platform. Data are provisional and provide indication of the direction and pattern of financial operations of NBFCs. Data on the XBRL platform are available since March 2019. For past data of a comparable set of companies, we have relied on the Business Objects platform.

II. A General Overview of the NBFC sector

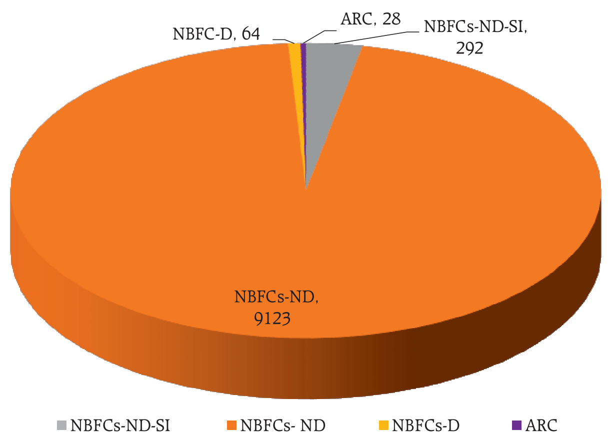
There were 9,507[2] NBFCs registered with the Reserve Bank as on January 31, 2021. In terms of distribution of number of companies, non-systemically important non-deposit taking NBFCs (NBFCs-ND) with an asset size of less than ₹500 crore have a preponderant share (Chart 1a). When grouped in terms of their liability structure (public deposits being a source of funds), NBFCS are classified as deposit-taking NBFCs (NBFCs-D) or non-deposit taking NBFCs. The number of deposit-taking NBFCs (NBFCs-D) have gradually diminished and currently stands at 64, of which six have been prohibited from accepting further deposits under Section 45 MB of RBI Act, 1934. A non- deposit taking NBFC with asset size greater than ₹500 crore is considered systemically important (NBFCs-ND-SI). In terms of total assets, NBFCs-ND-SI constituted around 83 per cent of the total assets of the sector, while NBFCs-D accounted for 14.5 per cent and NBFCs-ND, 2.3 per cent at end-March 2020 (Chart 1b).

As NBFCs specialise in offering loans to niche areas and cater to specific sectors, they are also categorised based on activities that they undertake. Till February 21, 2019, NBFCs were divided into 12 categories. Thereafter, these categories were harmonised in order to provide NBFCs with greater operational flexibility. As a result, asset finance companies (AFCs), loan companies (LCs) and investment companies (ICs) were merged into a new category called Investment and Credit Company (NBFC-ICC). At present, there are 12 categories of NBFCs in the activity-based classification (Table 1)[3].

For the sake of consistency in analysis, this article covers only those NBFCs which have regularly filed returns in all quarters from March 2019 to December 2020[4]. Our sample NBFCs represent around 78 per

Chart 1: Distribution of NBFCs: Number and Share in Assets

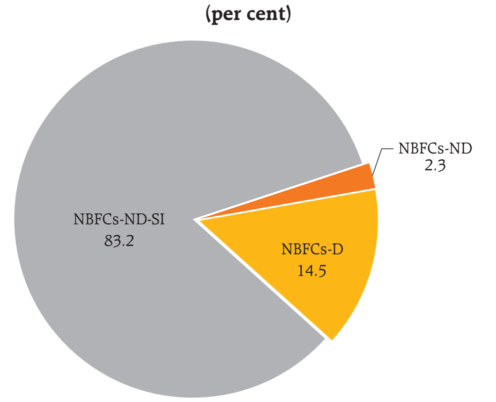
a. Number of NBFCs as on January 31, 2021



Notes: 1. Including CICs.
2. Data are provisional.

Source: RBI

b. Distribution of NBFCs by Asset-size in March 2020 (per cent)



Notes: 1. Based on NBFCs that filed returns regularly (excluding CICs). However, it includes 1,220 NBFCs-ND that filed the annual return in March 2020.
2. Data are provisional.

Source: RBI.

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[2] Excluding HFCs.

[3] Pursuant to the amendment of National Housing Bank Act, 1987, HFCs are also treated as a category of NBFCs for regulatory purposes.

[4] Sample excludes CICs and PDs.

Table 1: Classification of NBFC Sector by Activity

Type of NBFC	Nature of Activity / Principal Business
Investment and Credit Company (ICC)	Lending and investments
Infrastructure Finance Company (IFC)	Providing loans for infrastructure development
Infrastructure Debt Fund (IDF)	Facilitate flow of long-term debt to infrastructure projects
Core Investment Company (CIC)	Acquisition of shares and securities
NBFC- Micro Finance Institution (NBFC-MFI)	Collateral free loans and advances to small borrowers
NBFC – Factor	Factoring business i.e. financing of receivables
Non-Operative Financial Holding Company (NOHFC)	For setting up new banks in private sector through its promoter/promoter groups
Mortgage Guarantee Company (MGC)	Providing mortgage guarantees for loans
Asset Reconstruction Company (ARC)	Acquiring and dealing in financial assets sold by banks and financial institutions
Peer-to-Peer Lending platform (P2P)	Providing an online platform to bring lenders and borrowers together to help mobilise funds
Account Aggregator (AA)	Collecting and providing information about a customer's financial assets in a consolidated, organised and retrievable manner to the customer or others as specified by the customer
Housing Finance Company (HFC)	Financing for housing

Source: RBI.

cent of the assets of NBFC universe in December 2020.[5] In this sample, NBFCs- ICC account for over half the asset size at end-December 2020. IFCs, comprising largely of government-owned NBFCs, have the next largest share in total asset size of sampled NBFCs. NBFCs-MFI, which play a key role in micro finance and financial inclusion, accounted for around two per cent in the asset size of sampled NBFCs (Table 2).

Table 2: Category of NBFCs: Share in Total Assets

(Per cent)

Category of NBFC	Mar-20	Sep-20	Dec-20
Investment and Credit Company (ICC)	51.7 (212)	50.7 (212)	50.3 (212)
IFC	44.7 (4)	45.5 (4)	45.8 (4)
NBFC-IDF	1.3 (4)	1.4 (4)	1.4 (4)
NBFC - MFI	2.1 (17)	2.1 (17)	2.2 (17)
NBFC -NOHFC	0.1 (1)	0.2 (1)	0.2 (1)
NBFC -Factor	0.1 (2)	0.1 (2)	0.1 (2)

Note: Figures in parentheses denote number of companies in each category.
Source: Supervisory Returns, RBI.

5 NBFC universe excludes CICs.

III. A Balance Sheet-based Analysis of NBFCs

The consolidated balance sheet of NBFCs registered a Y-o-Y growth of 13.0 per cent and 11.6 per cent in Q2 and Q3:2020-21, respectively (Table 3). This deceleration compared to corresponding

Table 3: Consolidated Balance Sheet of NBFCs

(₹ crore)

Items	Amount outstanding at the end of			Y-o-Y growth (Per cent)	
	Mar-20	Sep-20	Dec-20	Sep 20 over Sep 19	Dec 20 over Dec 19
1. Share Capital	73,842	74,966	75,115	8.2	6.9
2. Reserves & Surplus	3,30,185	3,65,098	3,78,106	16.6	14.1
3. Public Deposits	30,560	34,956	38,271	15.4	33.2
4. Total Borrowings	17,01,232	17,43,952	17,63,138	11.7	11.0
5. Current Liabilities	39,589	49,208	54,602	-12.6	-25.2
6. Provisions	88,429	97,789	1,01,366	32.3	38.4
Total Liabilities/ Assets	**22,93,761**	**23,97,732**	**24,37,131**	13.0	11.6
1. Loans & Advances	16,47,904	17,11,491	17,31,859	4.8	2.5
2. Investments	1,88,784	2,03,077	2,03,094	9.7	8.7
3. Cash & Bank Balances	77,531	88,545	90,063	34.5	52.4
4. Other Current Assets	1,70,467	1,83,587	2,00,035	1,93.2	2,05.3

Notes: 1. Data are provisional.
2. Numbers may not add up as all components are not reported here.
Source: Supervisory Returns, RBI.

quarters of 2019-20 could be attributed to the COVID-19 induced economic slowdown and weak demand. However, this double-digit growth in an adverse macroeconomic environment points to the resilience of NBFCs, which were able to cushion the impact of the pandemic on their balance sheets through quick adoption of technology, policy support and reasonably strong fundamentals. Both NBFCs-ND-SI and NBFCs-D experienced a slowdown in their balance sheets in Q2 and Q3: 2020-21 *vis-à-vis* previous periods, as loans and advances moderated sharply (Annex Tables 1, 2 and 3).

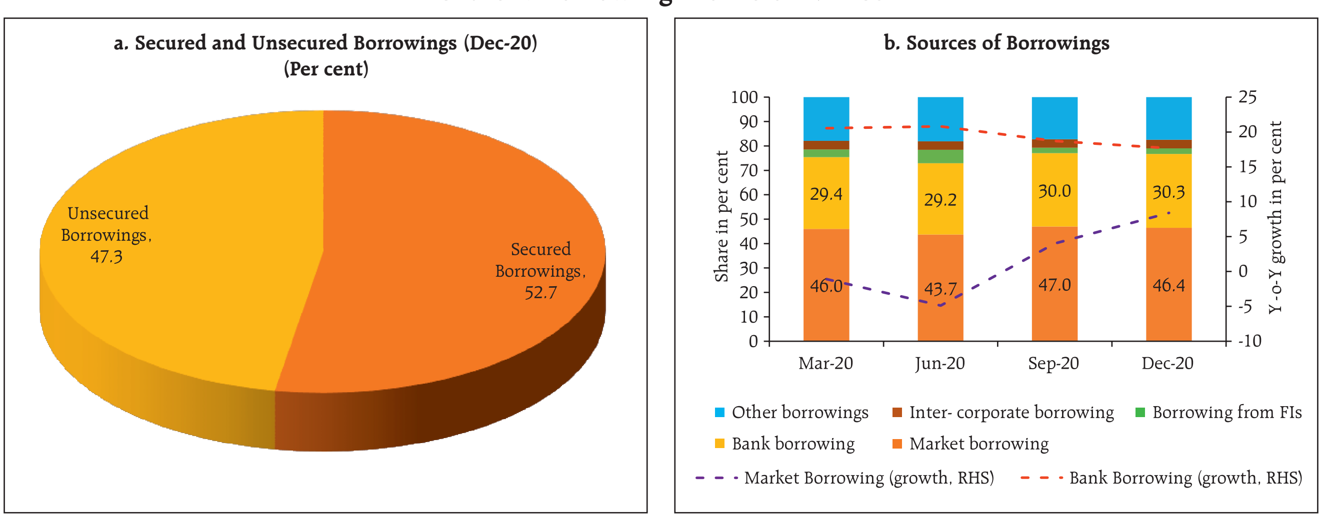
III.1 Liabilities Structure of NBFCs

NBFCs rely on both secured and unsecured sources of borrowings for their funding requirements. Bank borrowings, debentures, and commercial paper (CPs) are the major sources of their funding. While bank borrowings and debenture issuances may be secured or unsecured, commercial paper and inter-corporate borrowings are unsecured sources. Due to risk aversion and market pessimism post-IL&FS, the share of market borrowings (debentures and CPs) in the total borrowing had fallen and correspondingly, the share of bank borrowings had risen. NBFCs also moved towards longer term borrowings in tune with the tenure of their assets to manage their asset-liability mismatch.

Q1:2020-21, the quarter following the nationwide lockdown, witnessed a reduction in the growth as well as share of market borrowings due to heightened risk aversion and spike in yields. However, various liquidity augmenting measures undertaken by the Reserve Bank and the Government to tackle the COVID-19 disruptions created favourable market conditions and the situation eased in Q2 and Q3:2020-21 as indicated by the pick-up in market borrowings, particularly in debenture issuances. In the same period, bank borrowings grew at a robust pace, although slight deceleration was exhibited in Q3:2020-21 (Chart 2).

An unfavourable mix of COVID-19, sell-offs in financial markets and the abrupt winding-up of specific schemes by a mutual fund contributed to NBFCs facing record spike in yields on their debt in Q1: 2020-21. The extent of risk aversion was starkly visible from the spread of debt market instruments

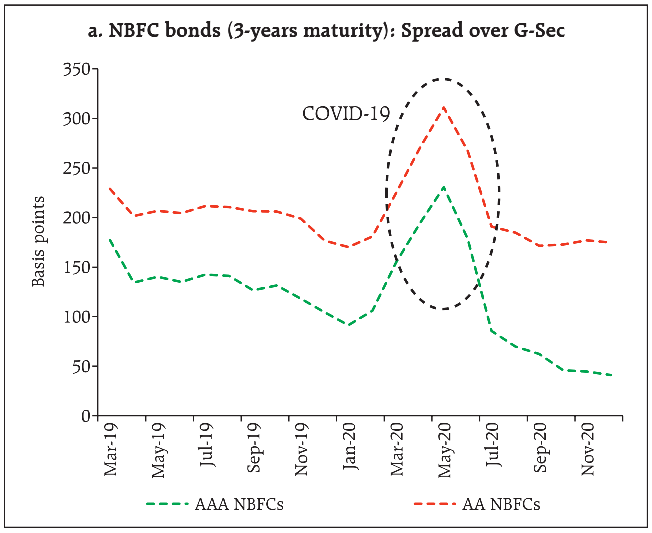
Chart 2: Borrowing Profile of NBFCs

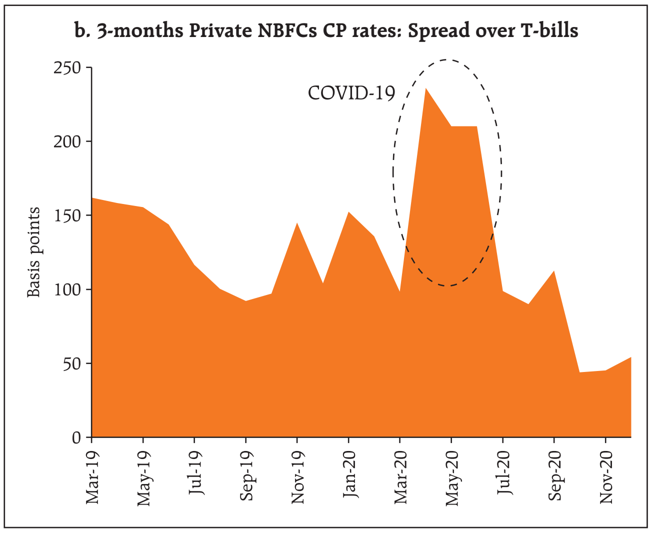


Notes: 1. Market borrowings comprise debentures and CPs which were 43.9 per cent and 2.5 per cent, respectively in Q3:2020-21.
2. Data are provisional.

Source: Supervisory Returns, RBI.

Chart 3: Spread of Market Instruments of NBFCs





Sources: 1. Bloomberg.
2. RBI.

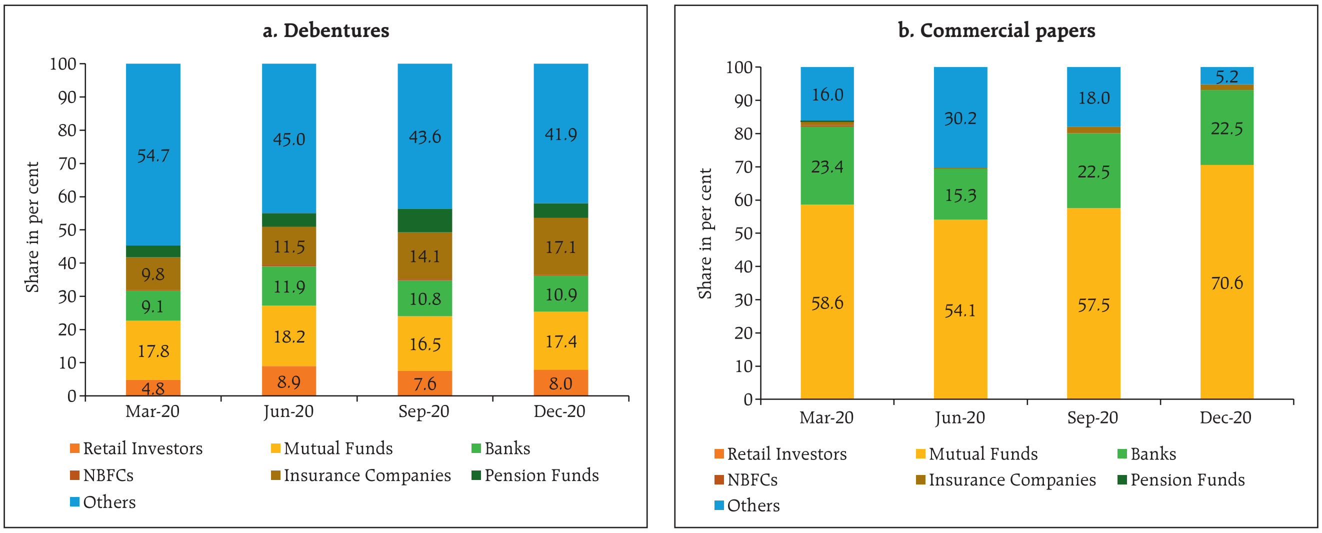
of NBFCs. The spread of three-year AAA NBFC bonds' yields over government securities' yields peaked to 230 basis points in May 2020, while the spread of CPs over treasury bills yields peaked to 236 basis points in April 2020.

As already noted, the policy interventions helped in alleviating the constraints in the sector and paved way for the return of market confidence as spreads in Q2 and Q3: 2020-21 narrowed to levels lower than the pre-COVID period (Chart 3). Nevertheless, the market differentiation continued between the highly rated and other NBFCs, notwithstanding the surplus liquidity and aggressive policy rate cuts.

NBFC papers, particularly debentures, are subscribed to by a host of market participants. Banks, mutual funds, insurance companies and pension funds together accounted for half the NBFC debenture market in December 2020. Retail participation in the NBFC debenture issuances, notwithstanding their small share in overall subscription, witnessed an upswing since June 2020 (Chart 4a). On the other hand, the CP market is dominated by mutual funds and banks, which together accounted for 93 per cent of the NBFC CP issuances in Q3:2020-21. Mutual funds reduced their exposure to NBFC CPs between March and September 2020 on account of redemption pressures, as noted earlier. However, Q3:2020-21 witnessed a renewed interest of mutual funds in NBFC CPs. Banks' subscription of CPs increased at a steady pace after Q1:2020-21 (Chart 4b).

Term loans constituted over four-fifth of NBFC bank borrowings at end-December 2020, followed by working capital loans and cash credit. While term loans continued to grow at a robust pace, they exhibited a deceleration in Q2 and Q3:2020-21, compared to Q2 and Q3: 2019-20 reflecting tepid demand for on-lending of funds. An uptick in working capital loans was witnessed in Q3: 2020-21 as NBFCs tried to find their footing and economic activity started gaining traction (Chart 5).

Chart 4: Institutional Break-up of Subscribers of NBFCs' Debt Instruments

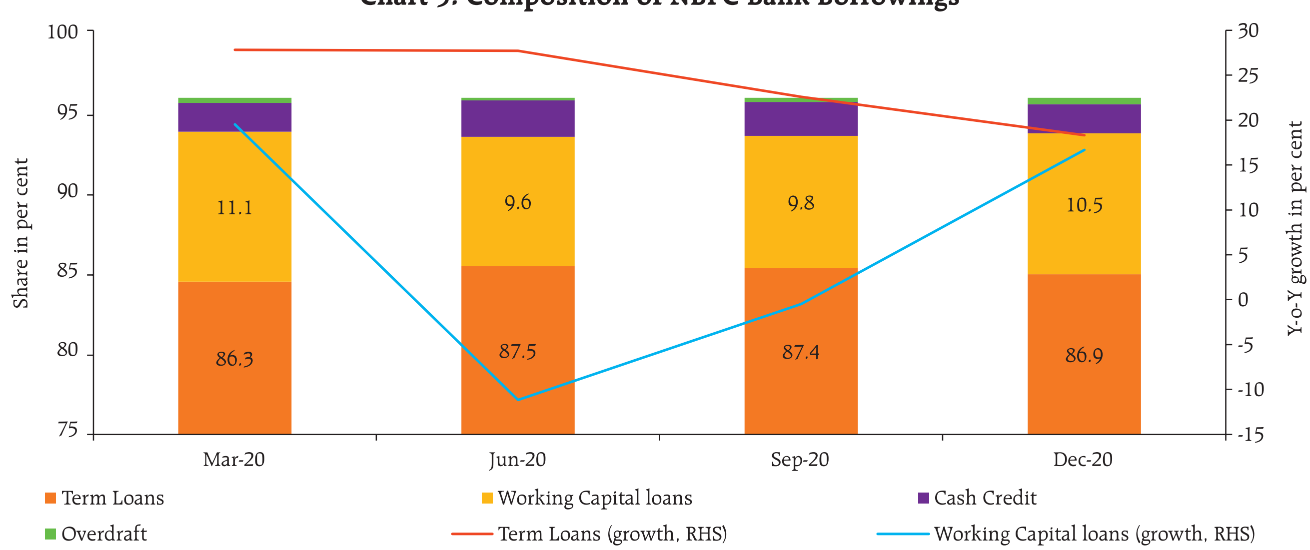


Note: Data are provisional.
Source: Supervisory Returns, RBI.

III.1.1 Trends in Short and Long-term Borrowings

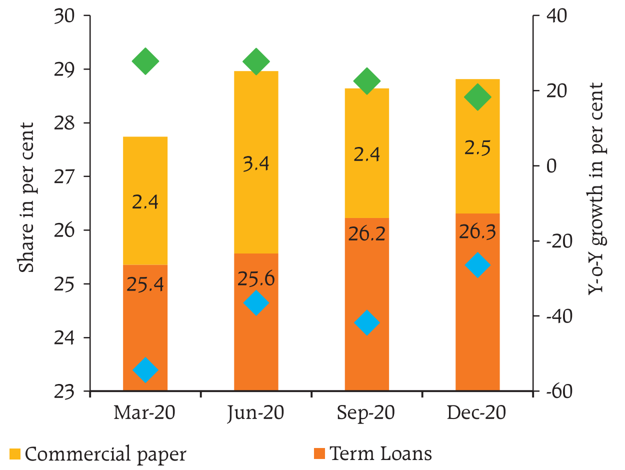
In the aftermath of the IL&FS event, the NBFC sector attempted to realign its asset-liability mismatches by moving away from short-term borrowings to long-term borrowings. Accordingly, term loans growth remained high at 22.6 per cent and 18.3 per cent in Q2 and Q3:2020-21 (Y-o-Y), respectively, *albeit* showing a gradual deceleration from March 2020. On the other hand, absolute issuance of CPs by NBFCs continued to decline in Q2 and Q3: 2020-21 (Chart 6). Over 70 per cent of the NBFC borrowings are payable after 12 months and their share has remained stable, indicative of the growing market discipline among NBFCs (Chart 7).

Chart 5: Composition of NBFC Bank Borrowings



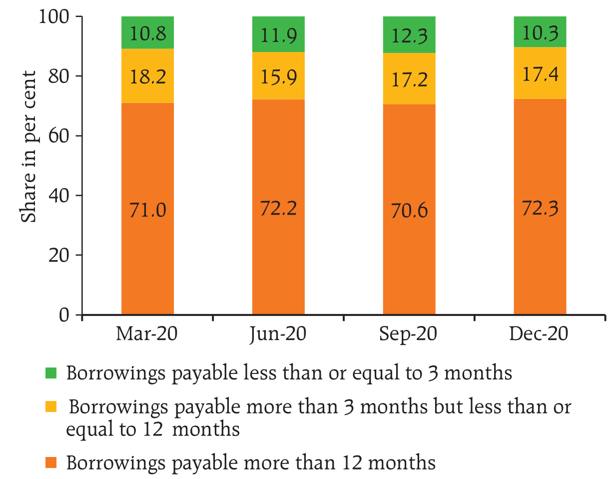
Note: Data are provisional.
Source: Supervisory Returns, RBI.

Chart 6: Short and Long-term Borrowings of NBFCs



Note: Data are provisional.
Source: Supervisory Returns, RBI.

Chart 7: Borrowings of NBFCs by Time-buckets

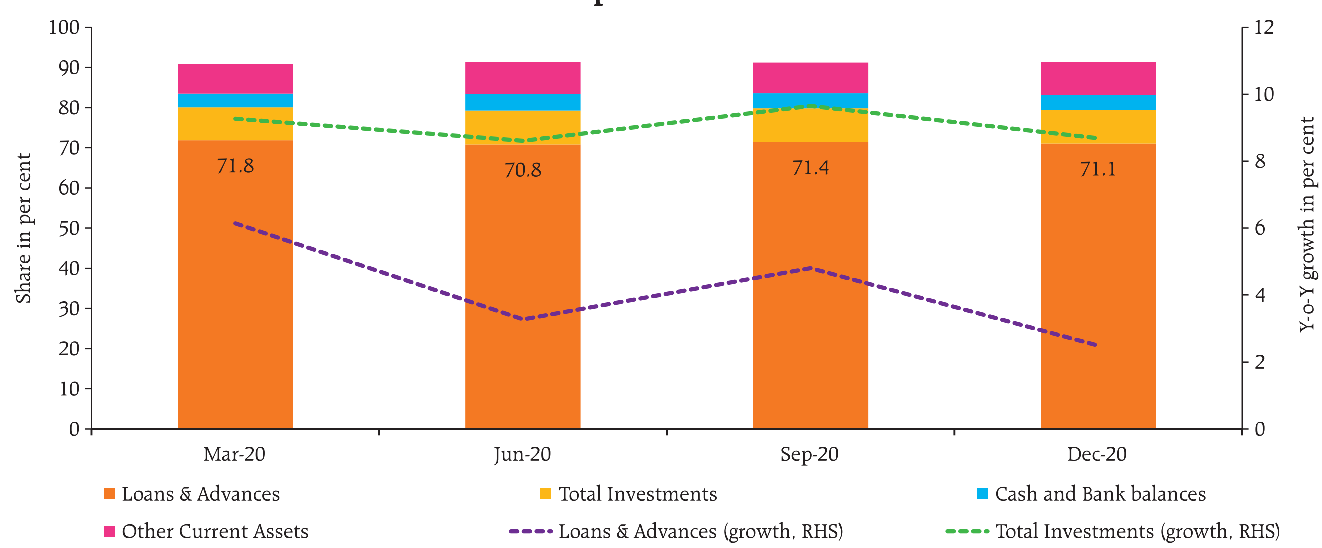


Note: Data are provisional.
Source: Supervisory Returns, RBI.

III.2 Assets Structure of NBFCs

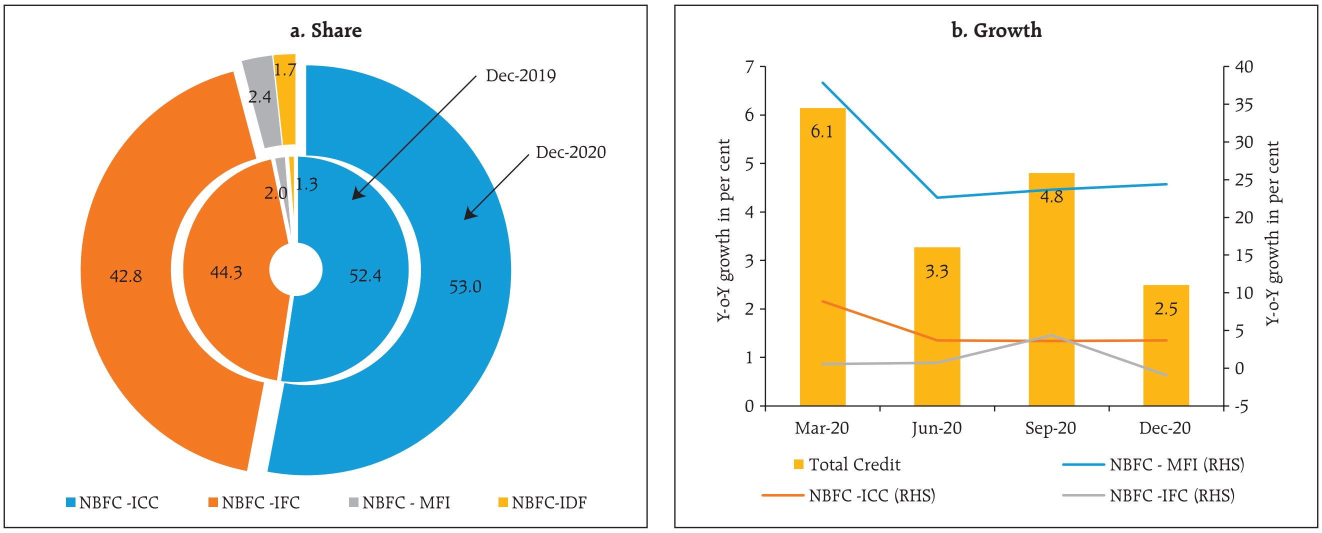
Loans and advances constituted around 71 per cent of the total assets in Q3:2020-21 and continued to be the largest component on the asset side of NBFCs' balance sheet. NBFCs posted 4.8 per cent and 2.5 per cent credit growth in Q2 and Q3:2020-21 (Y-o-Y), respectively. Loss of income and livelihoods and subsequent fall in consumption demand as well as discretionary spending resulted in NBFCs' credit growth remaining in modest zone in contrast to their usual robust trend. Even investments grew slowly at 8.7 per cent in Q3:2020-21, compared to 24.4 per cent in Q3:2019-20, reflecting lack of profitable investment opportunities in a low interest rate regime. However, NBFCs continued to preserve cash to ensure adequate liquidity in view of the prevailing uncertainty due to the pandemic (Chart 8).

Chart 8: Components of NBFC Assets



Note: Data are provisional.
Source: Supervisory Returns, RBI.

Chart 9: Category-wise Credit of NBFCs-ND-SI

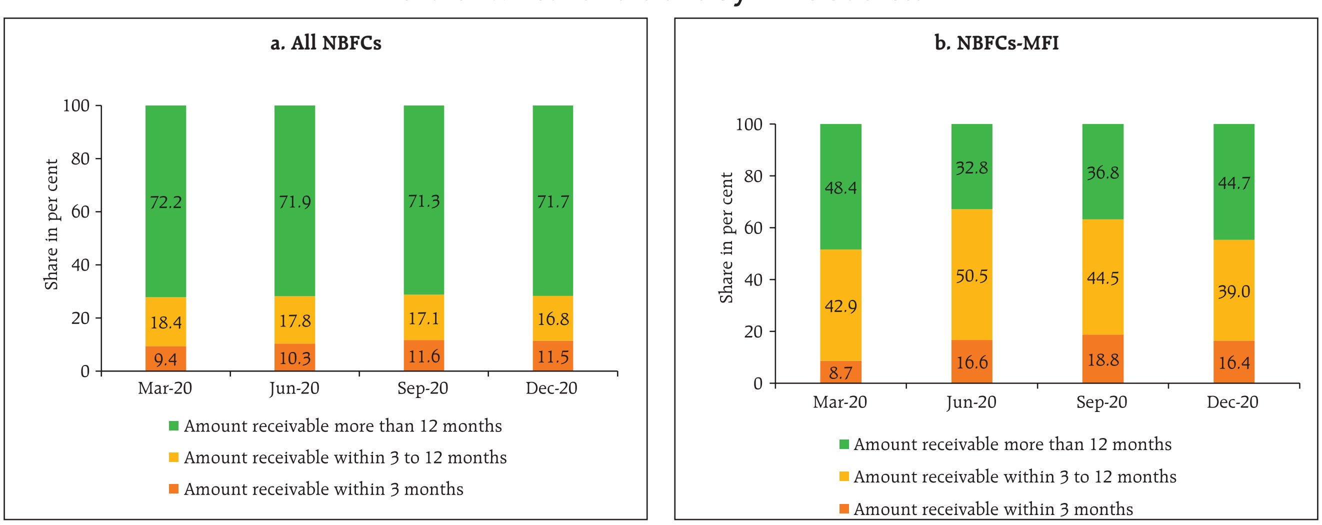


Note: Data are provisional.
Source: Supervisory Returns, RBI.

ICCs and IFCs together constitute about 96 per cent of the total credit extended by NBFCs (Chart 9a). The overall deceleration in credit growth was mirrored in all categories, notably in ICCs and IFCs, the latter witnessing a decline in credit growth in Q3:2020-21. Credit disbursal by NBFCs-MFI decelerated in Q2 and Q3:2020-21 but grew at a faster pace compared to other categories (Chart 9b).

An analysis of NBFC loan portfolio also reveals that over 70 per cent of NBFC advances are long-term (that is, receivable after more than one year). An increase in the share of NBFCs' loans in the less than 3- month bucket after the outbreak of pandemic indicates NBFCs' role in facilitating short-term credit needs of the economy (Chart 10a). Long-term loans and advances are largely disbursed by ICCs, IFCs and IDFs,

Chart 10: Loans Portfolio by Time-buckets



Note: Data are provisional.
Source: Supervisory Returns, RBI.

whereas ICCs and MFIs are the major players in the short-term lending. MFIs are particularly instrumental in providing small-ticket loans to further financial inclusion. An increase in the share of MFI loans in the less than 3- month bucket and 3-12 months bucket, particularly in Q1: 2020-21 (and continuing, in the case of less than 3-months loans), points to the crucial role they are undertaking in providing unsecured, short-term loans to small borrowers in the immediate aftermath of outbreak of COVID-19 to tide over short-term needs (Chart 10b).

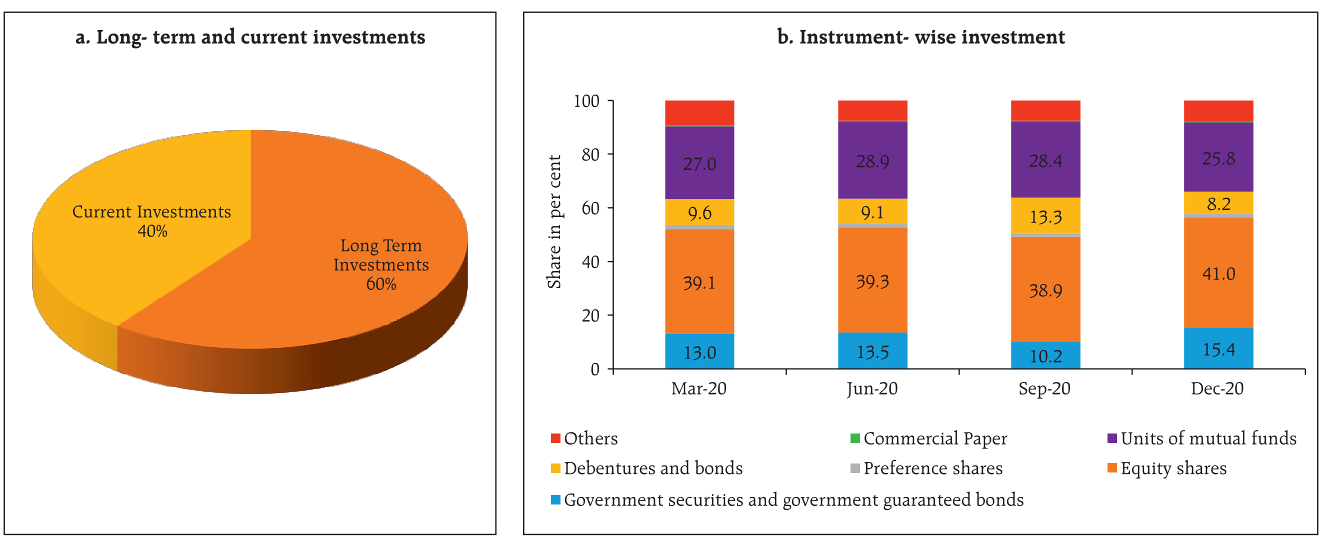
Investments are the second largest component on the assets side of NBFC balance sheets after loans and advances. Around 60 per cent of NBFCs investments are long- term in nature. Amongst a variety of instruments at the disposal of NBFCs, equity shares and units of mutual funds seems to be the most popular, where NBFCs invest around 67 per cent of total investments, followed by government securities and government guaranteed bonds. Investment in mutual funds saw a jump in Q1 and Q2:2020-21 before moderation in Q3:2020-21 (Chart 11).

III.3 Sectoral Deployment of Credit[6]

The industrial sector remained the largest recipient of credit from NBFCs-ND-SI even as its share moderated between Q3:2019-20 and Q3:2020-21. Retail sector, followed by services, are the other major beneficiaries and their share grew during the period under consideration (Chart 12a). Industrial sector, particularly micro and small and large industries, seemed the worst hit by the pandemic as they posted decline in credit growth. Imposition of lockdown, abrupt stoppage of economic activities and disruption in supply chains to contain the spread of the virus could have affected these sectors the most. Agriculture was the bright spot with the highest growth in disbursements in Q3:2020-21, however, it could be partly attributable to a favourable base effect. Services and retail loans segments bucked the overall trend and exhibited an improvement in growth *vis à vis* last year in December 2020, though in case of the former, it could be attributed to base effect (Chart 12b).

Incremental credit flows (on year-on-year basis) to the retail sector continued to increase in Q2 and Q3: 2020-21, but at a slower pace, while services

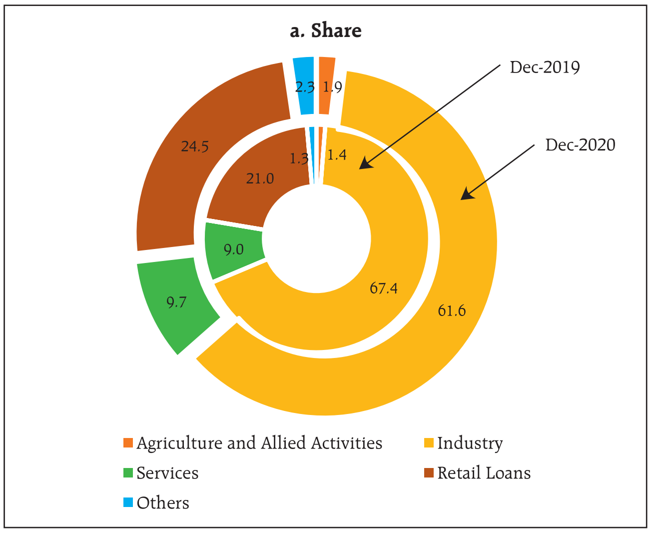
Chart 11: Investment Profile of NBFCs

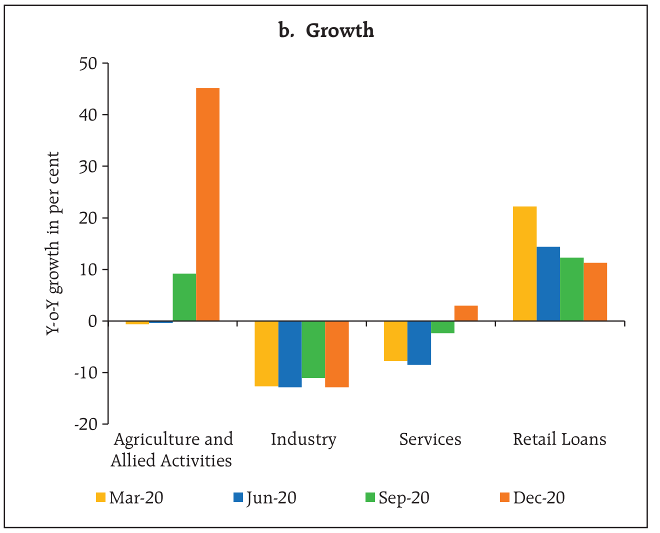


Note: Data are provisional.
Source: Supervisory Returns, RBI.

6 This section focusses only on the select NBFCs-ND-SI from our sample since comparable sectoral data for NBFCs-D are not available for 2018-19.

Chart 12: Sectoral Credit of NBFCs-ND-SI



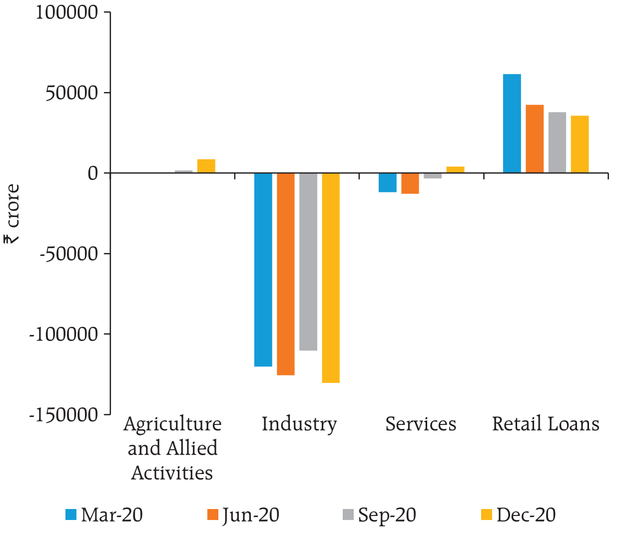


Note: Data are provisional.
Source: Supervisory Returns, RBI.

sector saw marginal increase in Q3: 2020-21, wherein vehicle loans, gold loans, transport and tourism were the beneficial segments. Players in the retail segment stayed above the curve by gauging the public sentiments and playing to their strengths.

With the persistence of the pandemic and the need for observing social distancing norms, passenger vehicles sales increased by 13.6 per cent in December 2020[7]. It is mirrored in the disbursal of vehicle loans by NBFCs, as these loans grew by 10.7 per cent in Q3:2020-21. Loans against gold also grew robustly as it filled in the cash requirements and possible working capital requirements of small firms. However, incremental credit to industries declined in the same period as the sector is yet to shake off the impact of the pandemic (Chart 13).

Chart 13: Incremental Credit



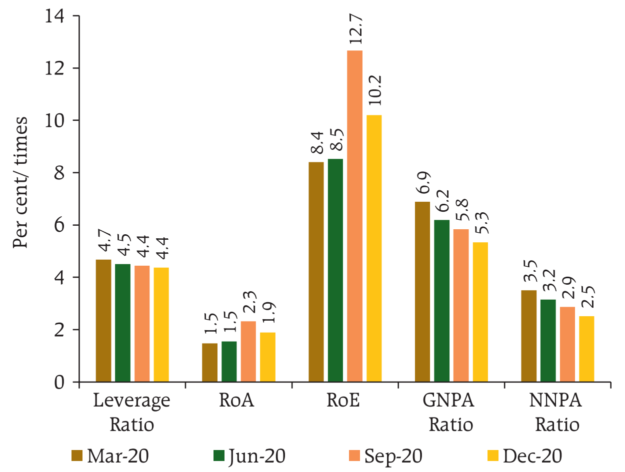
Note: Data are provisional.
Source: Supervisory Returns, RBI.

IV. Financial Performance and Asset Quality of NBFCs

The profitability of NBFCs dipped in the immediate aftermath of the COVID-19 in Q1:2020-21, as businesses suffered economic losses due to nation-wide lockdowns. Both return on assets (RoA) and return on equity (RoE) deteriorated in Q1:2020-21 compared to the corresponding period in 2019-20. However, the situation improved marginally in Q2: 2020-21 as NBFCs' expenditures registered a steeper fall than income. RoA and RoE improved from

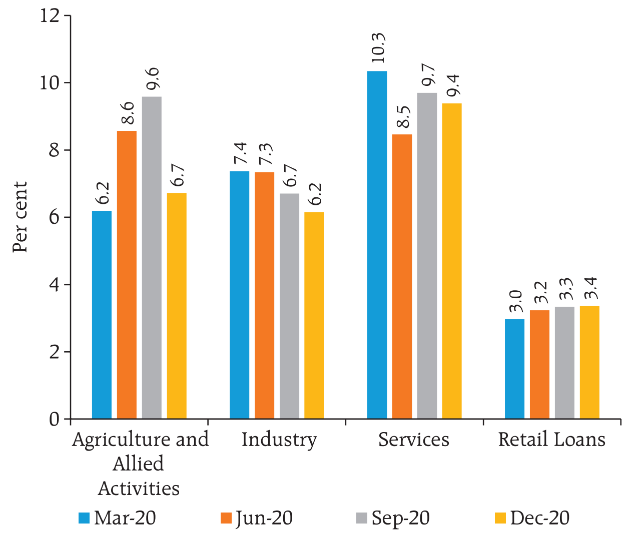
[7] Source: Society of Indian Automobile Manufacturers.

Chart 14: Financial Ratios and Asset Quality



Note: Data are provisional.
Source: Supervisory Returns, RBI. All ratios except leverage ratio[8] are in per cent. Leverage ratio is expressed as times of net owned funds.

Chart 15: Sector-wise GNPA ratio



Note: Data are provisional.
Source: Supervisory Returns, RBI.

1.8 and 10.3 per cent, respectively in Q2:2019-20 to 2.3 and 12.7 per cent, respectively in Q2:020-21. Profitability of the sector remained stable in Q3:2020-21.

Asset quality of NBFCs witnessed improvement in 2020-21 so far, compared to Q4:2019-20 on account of regulatory forbearance. However, GNPA ratio of NBFCs was elevated in Q1 and Q2:2020-21 compared to the corresponding period in 2019-20. In Q3:2020-21, both GNPA and NNPA ratios fell compared to Q3:2019-20. Nevertheless, the true extent of NPAs in the sector may be gauged in the upcoming quarters as the interim order by the Supreme Court on asset classification standstill was lifted in March 2021 (Chart 14).

Among sectors, industry witnessed sequential reduction in their GNPA ratio while GNPA ratio of retail loans remained low compared to other sectors. Improvement in asset quality of NBFCs during 2020-21, so far, can be partially attributable to the reduction in impaired assets in the industrial sector (Chart 15).

[8] Leverage ratio is defined as Total Outside Liabilities / Owned Funds.

V. Conclusion

The consolidated balance sheet of NBFCs grew at a slower pace in Q2 and Q3:2020-21 as the economy continued to weather the headwinds of COVID-19 pandemic and muted credit demand. However, NBFCs continued to disburse credit despite disruptions caused by the pandemic, *albeit* at a slower pace. Sequential easing of spread of NBFCs debentures over the corresponding G-sec yield along with increased retail participation in the NBFC debenture market augured well for the market and public perception regarding the sector. The retail sector benefitted from incremental credit disbursed by the sector, aided by their low GNPA ratios and by staying tuned to customer preferences. The profitability of the NBFCs improved in Q2:2020-21 compared to the corresponding quarter of the previous year on account of steeper fall in expenditure than in income. Given the persistence of infections, the full effects of the lockdown and suspension of business on the asset quality of NBFCs will be evident gradually.

Reference

Reserve Bank of India. (2019-20). *Report on Trend and Progress of Banking in India.*

Annex Table 1: Consolidated Balance Sheet of NBFCs

Items	Amount outstanding at the end of (₹ crore)			Y-o-Y Growth (Per cent)	
	Mar-20	Sep-20	Dec-20	Sep 20 over Sep 19	Dec 20 over Dec 19
Share Capital	73,842	74,966	75,115	8.2	6.9
Reserves & Surplus	3,30,185	3,65,098	3,78,106	16.6	14.1
Public Deposits	30,560	34,956	38,271	15.4	33.2
Total Borrowings	17,01,232	17,43,952	17,63,138	11.7	11.0
Debentures	7,42,284	7,77,540	7,74,549	8.6	11.4
Subscribed by Mutual Funds	1,32,404	1,28,016	1,34,649	9.8	5.2
Subscribed by Banks	67,358	84,055	84,045	25.6	30.1
Subscribed by NBFCs	2,213	2,977	2,189	19.7	-22.7
Subscribed by Others	4,05,957	3,38,798	3,24,847	-22.6	-13.9
Bank Borrowings	4,99,651	5,23,504	5,33,902	18.7	17.7
Term Loans	4,31,414	4,57,346	4,63,843	22.6	18.3
Working Capital Loans	55,629	51,315	55,927	-0.5	16.7
Cash Credit	10,659	13,129	11,553	-6.4	1.6
Over Draft	1,949	1,715	2,578	-24.5	8.5
Borrowings from FIs	54,246	38,778	40,526	107.7	44.9
Borrowings from Government	17,967	24,722	18,236	87.0	-1.4
Inter corporate borrowings	60,340	60,844	62,036	1.4	-29.1
Commercial Paper	40,479	42,175	44,183	-41.7	-26.4
Subordinated Debts	45,407	45,847	46,522	5.3	4.1
Current Liabilities	39,589	49,208	54,602	-12.6	-25.2
Provisions	88,429	97,789	1,01,366	32.3	38.4
Other Liabilities	29,924	31,762	26,532	67.4	39.0
Total Liabilities/Assets	22,93,761	23,97,732	24,37,131	13.0	11.6
Loans & Advances	16,47,904	17,11,491	17,31,859	4.8	2.5
HP & Lease Assets	1,47,651	1,53,847	1,60,331	13.4	12.4
Investments	1,88,784	2,03,077	2,03,094	9.7	8.7
Govt. Securities	24,562	20,771	31,282	2.9	43.6
Equity Shares	73,768	79,055	83,266	3.8	13.9
Preference Shares	3,001	2,636	2,815	0.1	-1.7
Debentures & Bonds	18,159	26,995	16,588	16.0	-23.6
Units of Mutual Funds	51,046	57,698	52,492	23.6	0.6
Commercial Paper	852	444	726	-	-
Other Investments	17,396	15,478	15,926	-4.8	4.6
Cash & Bank Balances	77,531	88,545	90,063	34.5	52.4
Cash in Hand	3,983	1,500	1,759	-50.7	-58.3
Deposits with Banks	73,085	84,819	81,822	36.9	49.3
Other Current Assets	1,70,467	1,83,587	2,00,035	193.2	205.3
Other Assets	61,423	57,184	51,748	42.9	30.2
Contingent Liabilities	22,190	24,266	23,187	7.0	-4.9

Note: The data are provisional and provide indication of the direction and pattern of financial operations of NBFCs. For this table data of a common set of companies have been taken, which filed regular returns in all quarters from March 2019 to December 2020.

Source: Supervisory Returns, RBI.

Annex Table 2: Consolidated Balance Sheet of NBFCs-ND-SI

Items	Amount outstanding at the end of (₹ crore)			Y-o-Y Growth (Per cent)	
	Mar-20	Sep-20	Dec-20	Sep 20 over Sep 19	Dec 20 over Dec 19
Share Capital	70,171	70,964	71,113	7.7	6.3
Reserves & Surplus	2,69,972	2,99,585	3,10,881	13.8	15.0
Total Borrowings	14,80,578	15,33,268	15,56,997	13.5	12.9
Debentures	6,69,917	7,12,246	7,11,178	9.4	12.8
Subscribed by Mutual Funds	1,14,726	1,16,019	1,23,038	13.4	9.3
Subscribed by Banks	53,942	69,511	71,109	21.4	27.9
Subscribed by NBFCs	1,986	2,747	1,810	23.0	-32.5
Subscribed by Others	3,95,748	3,29,046	3,16,943	-19.9	-12.9
Bank Borrowings	4,03,082	4,26,100	4,40,584	22.2	22.7
Term Loans	3,44,041	3,70,395	3,81,151	27.7	24.9
Working Capital Loans	50,457	45,900	49,474	-4.2	11.6
Cash Credit	7,159	8,432	7,765	-9.7	0.0
Over Draft	1,426	1,373	2,194	-8.1	12.5
Borrowings from FIs	46,602	31,707	31,487	114.6	34.8
Borrowings from Government	17,967	24,722	18,236	87.0	0.2
Inter corporate borrowings	52,072	54,901	55,540	4.9	-30.0
Commercial Paper	36,629	38,317	40,966	-36.5	-25.4
Subordinated Debts	34,427	36,283	36,996	14.1	11.3
Current Liabilities	29,231	39,000	43,991	-19.3	-29.9
Provisions	74,993	78,722	83,445	25.3	34.4
Other Liabilities	29,657	31,718	26,363	72.1	43.1
Total Liabilities/Assets	19,54,601	20,53,258	20,92,790	13.5	12.5
Loans & Advances	13,57,207	14,27,478	14,40,760	5.7	2.9
HP & Lease Assets	1,47,651	1,53,847	1,59,178	13.4	11.6
Investments	1,61,375	1,68,235	1,76,591	-0.8	4.8
Govt. Securities	18,078	12,053	22,470	-25.8	30.9
Equity Shares	67,432	72,681	76,858	1.8	12.7
Preference Shares	2,739	2,363	2,534	-1.3	-2.6
Debentures & Bonds	17,989	26,868	16,588	16.0	-23.3
Units of Mutual Funds	40,222	41,027	44,312	-1.9	-1.6
Commercial Paper	-	96	244	-	-
Other Investments	14,916	13,147	13,585	-9.4	-2.0
Cash & Bank Balances	63,570	70,387	71,690	24.2	47.6
Cash in Hand	3,890	1,350	1,587	-52.5	-60.3
Deposits with Banks	59,305	67,353	67,318	27.0	51.2
Other Current Assets	1,65,603	1,78,258	1,94,935	201.2	210.8
Other Assets	59,194	55,053	49,636	43.6	30.7
Contingent Liabilities	18,459	18,931	17,916	2.7	-10.9

Note: The data are provisional and provide indication of the direction and pattern of financial operations of NBFCs. For this table data of a common set of companies have been taken, which filed regular returns in all quarters from March 2019 to December 2020.

Source: Supervisory Returns, RBI.

Annex Table 3: Consolidated Balance Sheet of NBFCs-D

Items	Amount outstanding at the end of (₹ crore)			Y-o-Y Growth (Per cent)	
	Mar-20	Sep-20	Dec-20	Sep 20 over Sep 19	Dec 20 over Dec 19
Share Capital	3,671	4,002	4,002	17.3	18.8
Reserves & Surplus	60,213	65,513	67,224	31.9	10.1
Public Deposits	30,560	34,956	38,271	15.4	33.2
Total Borrowings	2,20,654	2,10,684	2,06,141	0.5	-1.0
Debentures	72,367	65,294	63,371	1.5	-2.0
Subscribed by Mutual Funds	17,678	11,997	11,611	-15.9	-24.8
Subscribed by Banks	13,415	14,544	12,936	50.6	43.9
Subscribed by NBFCs	227	230	379	-9.2	149.1
Subscribed by Others	10,209	9,752	7,904	-64.0	-42.1
Bank Borrowings	96,570	97,405	93,318	5.6	-1.3
Term Loans	87,374	86,951	82,692	4.6	-4.9
Working Capital Loans	5,173	5,415	6,453	47.0	79.1
Cash Credit	3,500	4,697	3,789	0.1	5.1
Over Draft	523	342	384	-56.0	-9.8
Borrowings from FIs	7,644	7,071	9,038	81.7	96.4
Borrowings from Government	-	-	-	-	-
Inter corporate borrowings	8,268	5,943	6,496	-22.5	-20.9
Commercial Paper	3,850	3,859	3,218	-68.0	-37.8
Subordinated Debts	10,980	9,564	9,526	-18.4	-16.8
Current Liabilities	10,359	10,208	10,610	28.0	2.8
Provisions	13,436	19,067	17,922	71.9	60.3
Other Liabilities	267	44	170	-91.9	-74.1
Total Liabilities/Assets	3,39,159	3,44,474	3,44,340	10.2	6.5
Loans & Advances	2,90,697	2,84,014	2,91,099	0.5	0.4
HP & Lease Assets	-	-	1,153	-	-
Investments	27,408	34,842	26,503	122.2	43.9
Govt. Securities	6,484	8,718	8,812	120.9	90.5
Equity Shares	6,336	6,374	6,408	33.6	30.1
Preference Shares	262	273	281	13.7	7.2
Debentures & Bonds	170	126	-	14.4	-100.0
Units of Mutual Funds	10,824	16,672	8,180	242.9	14.4
Commercial Paper	852	348	483	-	-
Other Investments	2,480	2,331	2,341	32.9	72.8
Cash & Bank Balances	13,961	18,158	18,373	98.7	74.5
Cash in Hand	93	149	172	-24.0	-21.0
Deposits with Banks	13,780	17,466	14,504	95.4	40.7
Other Current Assets	4,864	5,329	5,100	55.3	81.6
Other Assets	2,229	2,132	2,111	26.2	18.2
Contingent Liabilities	3,732	5,335	5,271	25.2	23.4

Note: The data are provisional and provide indication of the direction and pattern of financial operations of NBFCs. For this table data of a common set of companies have been taken, which filed regular returns in all quarters from March 2019 to December 2020.

Source: Supervisory Returns, RBI.

REPORT

Report of the Advisory Committee on Ways and Means Advances to State Governments

REPORT OF THE ADVISORY COMMITTEE ON WAYS AND MEANS ADVANCES TO STATE GOVERNMENTS

RESERVE BANK OF INDIA

MAY 2021

March 24, 2021

The Deputy Governor
Reserve Bank of lndia
Mumbai

Submission of the Report of the Advisory Committee on Ways and Means Advances to State Governments

The Advisory Committee on Ways and Means Advances to State Governments was constituted by the Reserve Bank in terms of the letter No. 381/10.18.013/2019-20 dated August 09, 2019, to review the existing Ways and Means Advances (WMA) Scheme of State Governments and examine other related issues included in the Terms of Reference.

The Committee reviewed the extant WMA Scheme in light of the growing needs of State Governments and the unprecedented fiscal challenges posed by the COVID-19 pandemic.

We are pleased to submit the Report of the Advisory Committee on Ways and Means Advances to State Governments.

(Sudhir Shrivastava)
Chairman

(S. Radha Chauhan)
Addl. Chief Secretary (Fin.)
Govt. of Uttar Pradesh

(Pankaj Joshi)
Addl. Chief Secretary (Fin.)
Govt. of Gujarat

(K. Ramakrishna Rao)
Principal Secretary
Govt. of Telangana

(Samir Kumar Sinha)
Principal Secretary (Fin.)
Govt. of Assam

(Ashok K. K. Meena)
Principal Secretary (Fin.)
Govt. of Odisha

(Suraj Kumar Pradhan)
Joint Director (PF-S), MoF
Govt. of India

(N.R. Bhanumurthy)
Vice Chancellor
BASE University, Bengaluru

(Brijesh P.)
Director, IDMD, RBI
Convenor & Member Secretary

ACKNOWLEDGEMENT

The Committee would like to thank the State Finance Secretaries/ other Officials of State Governments and Ministry of Finance, Government of India for their valuable suggestions and participation in the meetings.

The Committee is grateful to Shri. R. Gurumurthy, Chief General Manager (CGM), Internal Debt Management Department (IDMD) for his guidance and support. The Committee also thanks Shri. T.K. Rajan, former CGM of IDMD for giving his insights.

The Committee appreciates the contributions made by Shri. Neeraj Kumar, Assistant Adviser, Smt. Sangita E, Assistant General Manager, Shri. Sourit Das, Research Officer, Shri. Prashant Chandawat, Assistant Manager and Shri. Avinash Deo, Assistant Manager of IDMD. The Committee recognises the suggestions received from Smt. Latha Vishwanath and Dr.Sudarsana Sahoo, General Managers of IDMD. The Committee is also thankful to all other Officers and Staff of IDMD for their assistance during various stages of preparation of this report. The Committee acknowledges the support received from Officers of Central Accounts Section and Public Debt Office, RBI.

The Committee is also thankful to Shri. Deba Prasad Rath, Officer-in-Charge, Department of Economic Policy and Research (DEPR), Shri. Rajiv Ranjan, Adviser-in-Charge, Monetary Policy Department (MPD), Shri. Indranil Bhattacharya, Director, MPD, Smt. Sangita Misra, Director, DEPR, Shri. S. Suraj, Assistant Adviser, Shri Bichitrananda Seth, Assistant Adviser and Shri Rahul Agarwal, Manager for giving their inputs.

The Committee immensely benefitted from the overall guidance of Shri B.P. Kanungo, Deputy Governor and Shri. R. Subramanian, Executive Director of the Reserve Bank of India.

CONTENTS

EXECUTIVE SUMMARY

Ways and Means Advances (WMA) Scheme of States is periodically reviewed after assessing the evolving economic and fiscal situation as well as the implications for monetary policy objectives. The 31st Conference of State Finance Secretaries held on March 18, 2019 had decided to set up a Committee to review the WMA scheme. Accordingly, the Reserve Bank had set up the Advisory Committee on WMA to State Governments in August 2019.

The Committee comprised of nine members including the Chairman, Finance Secretaries of five State Governments representing each zone of Indian States, one member from PF-S, Ministry of Finance (MoF), Government of India (GoI), and an academic expert from National Institute of Public Finance and Policy (NIPFP). Secretarial assistance and research support was provided to the Committee by Internal Debt Management Department of Reserve Bank of India. The Committee adopted a consultative approach and finalised its recommendations, based on discussions held with member as also non-member States and fiscal/ monetary policy experts. Revision of WMA limits and review of Consolidated Sinking Fund (CSF) / Guarantee Redemption Fund (GRF) were also deliberated upon during the meetings of Executive Committee to State Finance Secretaries. The Committee had resorted to technology-based alternatives for holding virtual discussions, as physical meetings were rendered impossible due to the Covid-19 pandemic.

Recommendations

1. The States have been able to manage the fiscal stress caused by COVID-19, primarily through a mix of expenditure compression and additional open market borrowings and financial accommodation provided by the Reserve Bank through Special Drawing Facility (SDF), WMA and Overdraft (OD). The Committee calculated WMA limits based on the total expenditure of State Governments. The rationale for adopting expenditure-based methodology was to revise the limit according to the fiscal size of States. The formula-based revised limit, thus arrived, works out to ₹47,010 crore. As the effect of pandemic is still prevalent, and the formula-based revised WMA limit arrived at by the Committee is lower than the interim limit, the Committee is of the view that the interim WMA limit of ₹51,560 crore may continue for 6 months *i.e.*, up to September 30, 2021. Thereafter, depending on the course of the pandemic and its impact on the economy, Reserve Bank may review the limit, either based on the methodology suggested by the Committee or as may be necessary, after assessing the then requirement of States.

2. The Committee also recommends that the prevailing interest rate on SDF/ WMA/ OD may be retained.

3. The Committee proposes that the OD Regulations[1] may continue and the interim relaxations[2] on OD may cease to exist by March 31, 2021.

4. The Committee recommends that the operating limit of SDF should continue to be calculated against the collateral of investments in G-sec/ ATBs and the annual incremental investments in CSF and GRF, without any upper limit, and the usual haircut margin of 5 per cent shall be applied.

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[1] OD Regulations as detailed in the RBI Press Release on 'Ways and Means Advances (WMA) Scheme for the State Governments' dated January 29, 2016.

[2] Interim relaxation in OD facility was granted vide Press Release dated April 7, 2020 to increase the number of days a State can continue to be in OD, from 14 to 21 consecutive working days and 36 to 50 working days in a quarter. This relaxation will be valid up to March 31, 2021.

5. The Committee recommends that the limitation[3] on availing SDF against investment in 91-day Treasury Bills (T-bills) may be removed and States be allowed to invest in 91-day T-bills without the restriction of 90 days, provided the SDF/ WMA availed prior to such investment is fully repaid. Likewise, prevailing condition of permitting States to invest their cash surplus in Auction Treasury Bills (ATBs)[4] only when they have not availed WMA in the immediately preceding period of 90 consecutive days, may also be removed. However, States may take care to not avail SDF after investing their cash balances in 91-day T-bills. If such instances prevail, the Reserve Bank may take measures as deemed necessary to curtail such activities.

6. The Committee underscores that CSF and GRF are reserve funds, constituted voluntarily by States for a specific purpose, and need to be built up substantially. Hence, the Committee urges the remaining States to join CSF/ GRF schemes, which would facilitate them to withdraw from the Fund to repay liabilities in times of need, and also to avail SDF for managing temporary cash flow mismatches.

7. The Committee recommends that a minimum corpus be built by States in CSF and GRF, within the next 5 years, and be maintained on a rolling basis thereafter. States may build a minimum corpus of at least 5 per cent of the total liabilities/ guarantees outstanding at the end of previous Financial Year (FY).

8. Regarding lock-in period for withdrawal from CSF, the Committee recommends that withdrawal be allowed after a lock-in period of 2 years from constituting the Fund, in place of the prevailing lock-in period of 5 years.

9. The prevailing condition in CSF scheme which limits the quantum of withdrawal from CSF to the amount of redemption due for that year towards market borrowing, may be removed. States may be allowed to use the total quantum of interest accrued and accumulated in the Fund (up to the end of previous financial year) for repayment of outstanding liabilities[5].

10. On building the minimum corpus as stated above, States may be allowed to withdraw from CSF[6], any sum in excess of the minimum corpus of 5 per cent. This will enable States to use the funds invested in excess of the minimum requirement, for repayment of outstanding liabilities.

11. In case of CSF, States will continue to have the existing option of withdrawing from the interest accrued and accumulated in the Fund, and can exercise either one of the withdrawal option, at a single instance.

12. The prevailing provision in CSF/ GRF schemes which necessitate consultation with State Governments for selection of securities in case of premature disinvestment from CSF/ GRF, may be removed, in view of operational convenience. Reserve Bank may be allowed to decide on the securities to be liquidated, provided the securities chosen for disinvestment are in profit at the time of sale.

13. The States may, accordingly, amend their CSF and GRF Schemes and notify the same in their Official Gazette, to avail the benefit of above-mentioned relaxations in the CSF and GRF Schemes.

[3] If a State avails SDF against investment in 91-day T-bills, in the first occasion, this activity will be allowed for a limited period, but the State will not be allowed to invest further in 91-day T-bills for the next 90 days. However, if such arbitrage practice of availing SDF and subsequent investment in 91-day T-bills continue in the second and subsequent occasion during the financial year, such SDF availed would be treated as WMA after the first occasion.

[4] ATBs include 91-day, 182-day and 364-day Treasury Bills.

[5] Outstanding liabilities include internal debt and public account liabilities of the Government.

[6] This option will enable States to withdraw any sum out of the total corpus built in CSF, wherein 'total corpus' would include principal contribution, reinvestments and interest accrued in the Fund, as at the end of previous FY.

14. The Committee recommends that the minimum balance fixed for States may not be revised at present and the system of having differential minimum balance for each State/ UT can continue as it has been working fine so far (Annex 2). The Committee believes that raising the minimum cash balance does not serve any purpose and runs contrary to the objective, considering WMA limit is being revised upwards periodically in line with cash flows/ budgetary transactions of States.

Next Review of the WMA Scheme

As recommended, the interim WMA limit of ₹51,560 crore may continue for 6 months *i.e.*, up to September 30, 2021 and revision in the WMA limit thereafter may be decided by the Reserve Bank after assessing the requirement of States. Next Committee-based revision of the WMA Scheme may be carried out after the release of 16th Finance Commission (FC) report so that the fiscal road map proposed by the FC, and the then requirement of States, may be taken in to consideration.

I. INTRODUCTION

1.1 The Reserve Bank of India (RBI) acts as the debt manager and banker for 27 State Governments and the Union Territories of Puducherry and Jammu and Kashmir (J&K), while being a debt manager for the Government of Sikkim[7], in terms of the States' agreement with RBI under Section 21 A of the Reserve Bank of India Act, 1934. As per this Section, the Reserve Bank may, by agreement with the Government of any State, shall undertake all money, remittance, exchange and banking transactions in India, including in particular, the deposit, free of interest, of all its cash balances with the Bank; and the management of public debt of, and the issue of any new loans by that State.

1.2 In terms of Section 17 (5) of the RBI Act, the Reserve Bank makes advances to State Governments to tide over temporary mismatches in the cash flows of their receipts and payments. Such advances are termed as Ways and Means Advances (WMA) and are defined by the Act as '*advances repayable in each case not later than three months from the date of the making of the advance*'. The Reserve Bank has been extending WMA to State Governments since 1937. The maximum amount of WMA granted by the Reserve Bank and the interest charged thereon are regulated by agreements with the State Governments as also based on the recommendations of various Committees/ Groups constituted.

1.3 In January 2016, the WMA limits of State Governments was revised by the Advisory Committee headed by Shri Sumit Bose. The Committee had suggested that the next revision of WMA scheme may be effected in 2020-21 taking into account the then fiscal position of the States and the road map likely to be deliberated in the 15th FC report. Accordingly, an Advisory Committee was constituted in August 2019 under the Chairmanship of Shri Sudhir Shrivastava.

1.4 Initial composition[8] of the Committee was as under:

1) Shri Sudhir Shrivastava, Former Additional Chief Secretary, Maharashtra - Chairman
2) Shri Sanjiv Mittal, Additional Chief Secretary (Finance), Uttar Pradesh - Member
3) Shri Arvind Agarwal, Additional Chief Secretary (Finance), Gujarat - Member
4) Shri Rajiv Bora, Additional Chief Secretary (Finance), Assam - Member
5) Shri K Ramakrishna Rao, Principal Secretary (Finance), Telangana - Member
6) Shri A K K Meena, Principal Secretary (Finance), Odisha - Member
7) Shri Suraj Kumar Pradhan, Joint Director, PF-S, MoF, GoI - Member
8) Shri N R Bhanumurthy, Professor, National Institute of Public Finance and Policy (NIPFP)[9] - Member
9) Shri Brijesh P, Director, IDMD, RBI – Convenor & Member Secretary

7 Government of Sikkim has an agreement with RBI for managing its public debt.

8 Due to transfers/ retirement, some of the members were replaced in the Committee:

a) Shri Pankaj Joshi, Additional Chief Secretary, Gujarat took over from Shri Arvind Agarwal, Additional Chief Secretary, Gujarat
b) Shri Samir Kumar Sinha, Principal Secretary, Assam took over from Shri Rajiv Bora, Additional Chief Secretary, Assam
c) Smt Radha Chauhan, Additional Chief Secretary, Uttar Pradesh took over from Shri Sanjiv Mittal, Additional Chief Secretary, Uttar Pradesh

9 Shri N R Bhanumurthy is currently on deputation as Vice Chancellor, Bengaluru Dr BR Ambedkar School of Economics (BASE) University.

Terms of Reference

1.5 The Terms of reference (ToR) given to the Committee broadly cover the following:

a) To review the existing WMA scheme for State Governments, particularly the formula for fixation of limits, and recommend modifications, if necessary, in light of the recommendations of the Fifteenth Finance Commission (15th FC);

b) To examine the existing Overdraft (OD) regulations for the State Governments;

c) To examine the scheme of Special Drawing Facility (SDF) of the State Governments; and its linkage with the CSF/GRF scheme.

d) Any other issues germane to the subject.

Structure of the Report

1.6 Against the framework given in the ToR, the Report is structured into thirteen Sections. Evolution of the WMA scheme, and a brief on various Advisory Committees constituted for reviewing the scheme over the years, is covered in Section II. Trend in State finances and implications of the recommendations by 15th FC is elaborated in Section III. Impact of the revised WMA limits on money supply is examined in Section IV. WMA and Cash balance management by State Governments are explored in Section V. In this context, Section VI discusses the fiscal marksmanship of Indian States. Trends in utilisation of SDF/ WMA/ OD is analysed in Section VII. Methodology used for revising the WMA limit of State Governments is elaborated in Section VIII. Section IX examines the existing Overdraft (OD) regulations of State Governments while Section X discusses the scheme of SDF and its linkage with the CSF/GRF schemes. The existing features of CSF and GRF schemes are reviewed in Section XI with a view to encourage the States to augment their corpus in CSF and GRF. Minimum cash balance to be maintained by the State Governments is reviewed in Section XII. Recommendations of the Committee have been summarised in Section XIII.

II. EVOLUTION OF WAYS AND MEANS ADVANCES SCHEME

2.1 As indicated earlier, the Reserve Bank provides financial accommodation to States banking with it through agreement, in the form of WMA, to help the States tide over temporary mismatches in the cash flow of their receipts and payments. Such financial assistance is intended to aid the States in carrying out their essential activities and normal financial operations. WMA provided by Reserve Bank to the States is governed by Section 17(5) of the Reserve Bank of India (RBI) Act, 1934. There are two types of WMA, *viz.*, (i) Normal WMA or clean advance, which was introduced in 1937; and (ii) Special WMA instituted in 1953, which is a secured advance provided against the collateral of GoI securities. As requested by State Governments in the SFS conference held in May 2013, the nomenclature of Special WMA was changed to Special Drawing Facility (SDF) since June 23, 2014, by amending the agreement with respective State Governments. In addition to WMA, OD facility is also provided whenever financial accommodation to a State exceeds its SDF and WMA limits. Maximum amount of such advances by Reserve Bank and the interest charged thereon are, however, not specified in the RBI Act but are regulated by voluntary agreements with the State Governments as also based on the economic environment and recommendations of various Committees.

2.2 As a banker to State Governments, the Reserve Bank is not entitled to any remuneration for conduct of ordinary banking business, other than the advantages which may accrue to it from holding of States' cash balances, free of obligation to pay interest thereon. State Governments are required to maintain minimum balances not below the amount as may be agreed upon between the Government and the Bank from time to time.

2.3 The WMA Scheme has been periodically reviewed, keeping in view the States' requirements, the evolving fiscal, financial and institutional developments, as well as the objectives of monetary and fiscal management. When WMA was introduced in 1937, the limit was kept equal to the minimum balance of respective State Government. Thereafter, WMA limit of States was revised periodically[10] and fixed as a multiple of their respective minimum balance. A major change in principle adopted for working out WMA limits occurred in 1999, consequent to the recommendations made by an Informal Advisory Committee (IAC). Since 1999, the limits are being fixed based on the recommendations of Advisory Committees set up periodically by the Reserve Bank (Annex 1).

2.4 Advances granted to the State Governments by way of SDF, WMA and OD attract interest on the outstanding. Interest rates on such advances are fixed by the Reserve Bank and have witnessed periodic revisions. Prior to May 1976, the interest rate on WMA did not exceed the Bank Rate. From May 1976 to August 1996, a graduated scale of charges based on the duration of the advance was introduced to discourage the States from using the facility as a normal budgetary resource. Since then, a single rate of interest is being applied on WMA. At present, the Interest rate charged on WMA, SDF and OD is linked to the Repo Rate as indicated in Table 1 below:

Table 1: Interest Rates on SDF, WMA and OD

Scheme	Limit	Rate of Interest
SDF	If availed against net annual incremental investment in CSF and GRF	Repo rate *minus* 2 per cent
	If availed against investment in G-sec/ ATBs	Repo rate *minus* 1 per cent
WMA	If outstanding up to 3 months from the date of making the advance	Repo rate
	If outstanding beyond three months from the date of making the advance	Repo rate *plus* 1 per cent
OD	If availed up to 100 per cent of WMA limit	Repo rate *plus* 2 per cent
	If exceeds 100 per cent of WMA limit	Repo rate *plus* 5 per cent

Historical trend on interest rates of SDF/ WMA/ OD is summarised in Annex 3.

[10] Detailed historical evolution is given in the Report by Shri Sumit Bose Committee.

Advisory Committees Constituted by RBI

2.5 The WMA scheme was reviewed in the past by five advisory committees, including an informal Group of State Finance Secretaries (GSFS) set up by the Reserve Bank. Each Committee was headed by a renowned civil servant/ expert with experience in State finances (Table 2).

Advisory Committee Constituted in 2015 (Chairman: Shri Sumit Bose)

2.6 The WMA limits of State Governments/ UT of Puducherry were last revised in January 2016 as recommended by the Advisory Committee set up in 2015 under the chairmanship of Shri Sumit Bose. The Committee had used a formula based on total expenditure of States, which reflected distribution of limit to all States as per their fiscal size. It was felt that the increase in quantum of WMA should be in tandem with the growth in total expenditure. Consequently, the Committee had recommended that WMA limit will be set on the basis of total expenditure adjusted for lottery expenditure. The WMA quantum, thus revised, worked out to ₹32,225 crore for all the States/ UT (effective since February 2016 onwards).

2.7 The Committee had suggested that the limits may continue up to December 2017 after which a review may be undertaken to decide the quantum for 2018-20. Accordingly, the limits were reviewed in March 2018 and it was decided to retain the existing limits. The Committee had further recommended that the next revision of WMA Scheme may be effected in 2020-21 taking into account the then fiscal positions of the States and the road map likely to be deliberated in the 15th FC report.

Table 2: Advisory Committees Constituted by RBI

S. No.	Year	Chairman
1	1998	B.P.R. Vithal
2	2000	Informal Group of State Finance Secretaries
3	2003	C. Ramachandran
4	2005	M. P. Bezbaruah
5	2015	Sumit Bose

Advisory Committee Constituted in 2019 (Chairman: Shri Sudhir Shrivastava)

2.8 As suggested by the Sumit Bose Committee, and as decided in the 31st conference of SFS (held on March 18, 2019), a new Committee was constituted in August 2019, with members comprising of Finance Secretaries representing select States, representative from Department of Expenditure, GoI and an academic expert, under the chairmanship of Shri Sudhir Shrivastava, former Additional Chief Secretary, Maharashtra.

2.9 First meeting of the Committee was held on October 14, 2019. Various methodologies that can be used for arriving at the revised WMA limit of State Governments was deliberated during the meeting and it was decided that expenditure-based methodology may be adopted for devising the formula for revision of limits.

2.10 The Committee was required to consider the recommendations of 15th FC, before finalisation of its report. However, due to COVID-19 pandemic, the 15th FC had come out with an interim report for the Year 2020-21 and had indicated that the report would be finalised after the figures on key macro variables were made available to the FC. Pending submission of the Committee Report, the Reserve Bank had taken interim measures to relax WMA/ OD in response to the fiscal stress caused by the COVID-19 pandemic. On April 1, 2020, the WMA limit for all States / UTs was increased by 30 per cent to ₹41,900 crore, over the existing level of ₹32,225 crore. Subsequently, on April 17, 2020, the WMA limit was increased to ₹51,560 crore for all States/ UTs, which was 60 per cent over the limit prevalent on March 31, 2020 (₹32,225 crore). These measures were initially kept valid till September 30, 2020 but were eventually extended up to March 31, 2021.

2.11 Further, to provide greater flexibility to State Governments to tide over their cash flow mismatches, the Reserve Bank relaxed the OD regulation of States, effective from April 7, 2020 to Sep 30, 2020, wherein a State/ UT can be in OD continuously for 21 working days as against the existing 14 working days, and can remain in OD for a maximum of 50 working days in a quarter as against the existing 36 working days. These relaxations were eventually extended up to March 31, 2021.

2.12 Second meeting of the Committee was held on July 10, 2020 through video conference, in view of the nation-wide lock down imposed for containing the spread of COVID-19 pandemic. Member States had welcomed the interim measures taken by the Reserve Bank and stated that States have been able to manage the fiscal stress caused by COVID-19 through additional market borrowings and financial accommodation provided by the Reserve Bank. As the pandemic was still not contained, the Committee suggested that the interim WMA limit (*i.e.*, ₹51,560 crore) may continue for a while and any further revision in the interim limit can be decided by the Reserve Bank after assessing the evolving situation. It was decided that the Committee recommendations may be concluded after the final report of 15th FC is released, so that the fiscal roadmap recommended by the FC for States can be taken into consideration while setting the new WMA limits.

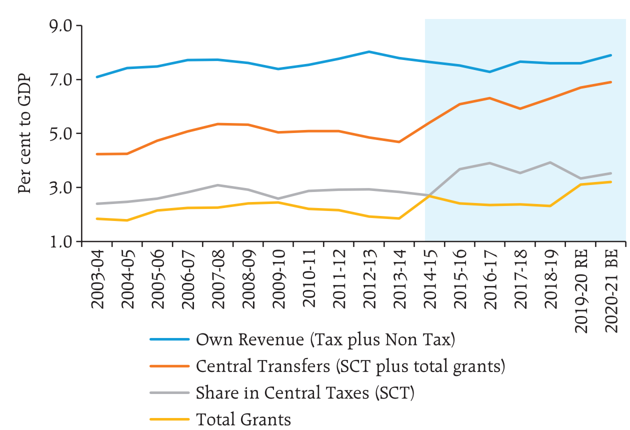
2.13 Third meeting of the Committee was held on February 26, 2021. The draft report prepared based on the deliberations of the Committee and suggestions received from States, was taken up for discussion. The Committee agreed to retain the current interim limit of ₹51,560 crore for six months in the ensuing financial year (FY 2021-22) *i.e.*, up to September 30, 2021, as the formula-based WMA limit arrived at by the Committee (₹47,010 crore) was lower than the interim limit. The Committee proposed that the Reserve Bank may review the WMA limits thereafter, after assessing the course of the pandemic, then macroeconomic situation and the requirement of States. The Committee also reviewed the suggestions received from States on the items included in the ToR *viz.* SDF/ WMA/ OD and CSF/ GRF schemes. It was also decided that the importance of accurate and timely reporting of data on contingent liabilities, including that of guarantees issued by States, needs to be underscored in the Report. Revision of WMA limit was also placed for discussion among States during the 13th Meeting of the Executive Committee (EC) to State Finance Secretaries, held on June 19, 2020.

III. IMPLICATIONS OF THE RECOMMENDATIONS BY 15th FINANCE COMMISSION ON STATE FINANCES

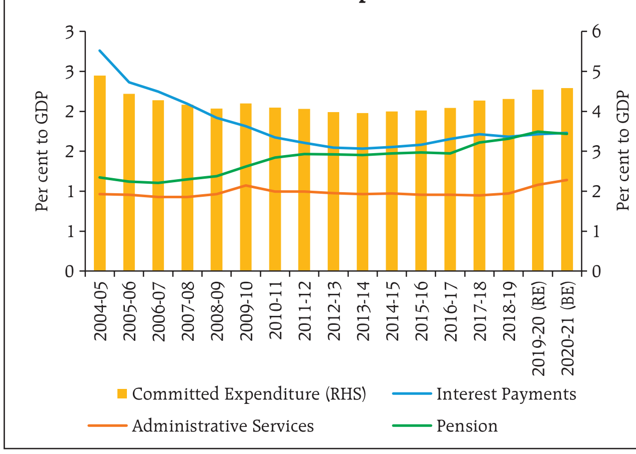
3.1 Large transfers to State Governments recommended by Finance Commissions (FC), particularly the 14th FC that increased the share of tax devolution from 32 to 42 per cent of the divisible pool, were essentially meant to address some of the vertical imbalances, while giving greater leeway to States in deciding on the usage of untied transfers. Mirroring this, States' receipt pattern exhibits an increasing share of revenue receipts coming from Central transfers, while States' own tax revenues, as a proportion of the States' GDP, have broadly stagnated, resulting in a reduction in the gap between States' own revenue and Central transfers that constituted around 7 per cent and 4 per cent of GDP, respectively, during 2000-05. Both have started converging since 2014, initially through higher transfers and more recently through higher grants (Chart 1a). Thus, central transfers have played an important role in bridging the resource gap arising on account of growing State expenditure (Reddy, 2018). Committed expenditure of States, however, has been on a rise, accounting for one third of total expenditure (Chart 1b). States have managed

Chart 1: State Finances: Broad Trends

a. States own Revenues and Central Transfers



b. Committed Expenditure



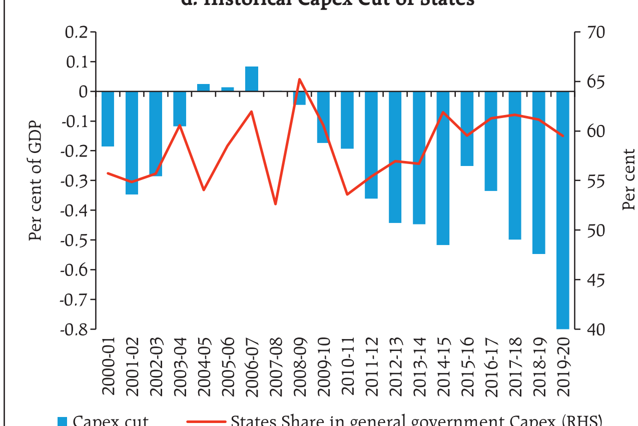
c. Major Deficit Indicators

As per cent to GDP

	2006-11 (avrg)	2011-16 (avrg)	2016-17	2017-18	2018-19	2019-20 PA	2020-21 BE
GFD	2.2	2.4	3.5	2.4	2.4	2.4	2.8
RD	-0.4	0.0	0.2	0.1	0.1	0.7	0.0
PD	0.3	0.8	1.8	0.7	0.8	0.9	1.1

GFD: Gross Fiscal Deficit; RD: Revenue Deficit;
PD: Primary Deficit

d. Historical Capex Cut of States



Sources: Handbook of Statistics on Indian economy, State Finances: A Study of Budgets, RBI.

to meet FRL- prescribed fiscal deficit targets by cutting down their capital outlay plans, by almost 0.5 per cent of GDP *vis-à-vis* budgeted, on an average, lending States' fiscal policy a pro-cyclical bias (Charts 1c and 1d). A similar tendency relative to BE can be expected in 2020-21, particularly since States have not been able to undertake much capex in this fiscal so far, because of lockdown, monsoons and social distancing norms.

Recommendations of the 15th FC

Vertical Devolution

3.2 Report of the 15th FC, which covers five financial years from 2021-22 to 2025-26, was released on February 1, 2021. It has placed the vertical tax devolution from the Centre to the States for the years 2021-26 at 41 per cent of the divisible pool, slightly reducing the share mandated by the 14th FC (42 per cent), but retaining the share recommended in its Interim Report given for the year 2020-21. Marginal reduction in share of States is primarily because of elimination of the share which used to be allocated to the erstwhile state of Jammu and Kashmir (0.8 per cent of the divisible pool in 2018-19) (Table 3a).

3.3 The FC is also entrusted with determination of criteria and formula for inter se distribution of taxes amongst States, with the objective of aiding minimum government services to all citizens while addressing varying revenue raising capacities of States owing to the disparity in their income level. The 15th FC has done away with the 1971 population census, as governed by its ToR and has graduated to using 2011 census as a criterion for the inter se distribution of taxes among States. To reward States that have successfully brought down population growth between 1971 and 2011, which may otherwise get penalised because of this shift, a new criterion of demographic performance has been introduced – product of the inverse of total fertility rate as per 2011 population census, and a State's population in 1971 (Table 3b). The other major change is re-introduction of the criterion for tax effort that was used by 10th, 11th and 12th FCs but was done away by the 13th and 14th FCs. This has been done to incentivise States' tax collection efforts and address concerns regarding fiscal consolidation. The weightage for forest and ecology has been increased while that of income distance has been reduced, though it continues to be the predominant criterion for tax devolution.

Grants-in-aid

3.4 Other than tax devolution, the FC also recommends specific transfers to States in the form of grants under Article 280 of the Constitution. Purpose of these grants has varied considerably over successive FCs, though the share of devolution to local bodies has increased considerably since the passage of 73rd and 74th amendments to the Constitution in 1992 that mandated federal transfers to local bodies. While devolution to local bodies commands the

Table 3: Devolution Criteria

a. Vertical Devolution Criteria (per cent)

Finance Commission	Tax Devolution Pattern (per cent of divisible pool)	States' Share/ Gross Tax revenue
FC-XI (2000-2005)	29.5	26.6
FC-XII (2005-2010)	30.5	25.9
FC-XIII (2010-2015)	32	27.9
FC-XIV (2015-2020)	**42**	**34.4**
FC-XV (I) (2020-2021)	**41**	**32.4**
FC-XV (F) (2021-2026)	**41**	

b. Horizontal Sharing Criteria (per cent)

Criteria	FC-XIV	FC-XV
Population - 1971	17.5	
Population - 2011	10	15
Area	15	15
Forest and Ecology	7.5	10
Income Distance	50	45
Demographic Performance		12.5
Tax and fiscal efforts		2.5
Total	**100**	**100**

Table 4: Grants-in-aid

(Amount in ₹ crore)

S. No.	Components	Annual					Full award period	
		2021-22	2022-23	2023-24	2024-25	2025-26	2021-26	% Share in total grants-in-aid
1	Revenue Deficit grants	1,18,452	86,201	51,673	24,483	13,705	2,94,514	28.5
2	Local governments grants	80,297	84,703	87,181	92,087	92,093	4,36,361	42.2
3	Disaster management grants	22,184	23,294	24,466	25,688	26,969	1,22,601	11.9
4	Sector-specific grants	12,346	23,729	24,773	33,062	36,077	1,29,987	12.6
5	State-specific grants	-	9,919	9,919	14,883	14,878	49,599	4.8
Total		**2,33,279**	**2,27,846**	**1,98,012**	**1,90,203**	**1,83,722**	**10,33,062**	**100.0**

Source: Finance Commission Report

major share in 15th FC grants, the Commission has also recommended a significant increase in grants for bridging revenue deficit and disaster management. 15th FC has also made recommendations on two new grants - Sector-specific grants and State-specific grants. Sector-specific grants are performance based (except for health sector grants) and are recommended for three areas: (1) Social sector - health, education; (2) Rural economy - agriculture reforms, rural roads, and (3) Governance - judiciary, statistics and aspirational districts and blocks (Table 4).

Implications on State Finances

3.5 On the issue of tax devolution, recommendations of 15th FC may not significantly alter the resource transfer from Centre. Maintaining the devolution share at 41 per cent of divisible pool adds predictability and stability to the transfer of resources. Notwithstanding this, the significant decrease in tax devolution since 2019-20, that continued in 2020-21, is primarily driven by shrinking tax divisible pool owing to contraction in economic activities as well as increasing share of cesses and surcharges that are kept outside the divisible pool. 15th FC has tried to compensate this by increasing grants, particularly revenue deficit grants, since 2020-21. The increasing share of grants in overall pool of transfers, which are assigned in terms of a fixed amount rather than a percentage of divisible pool, adds predictability to the quantum and timing of fund flow, thus reducing the revenue uncertainty. A detailed note on this subject is given in Annex-11.

IV. INCREASE IN WMA LIMIT – IMPACT ON MONETARY POLICY

4.1 As indicated earlier, the Reserve Bank, by agreement, acts as a banker and debt manager to State Governments and, in its role as a banker, provides temporary advances to State Governments in the form of SDF/ WMA/ OD to help them tide over temporary cash flow mismatches. Once WMA limits are decided, these advances act as a standing facility for States. Consequently, funds availed under the scheme become an autonomous driver of liquidity.

4.2 In practice, given their temporary nature, WMA to State Governments is not a major driver of systemic liquidity, although it can pose challenges for short-term liquidity forecasting and liquidity management of the Reserve Bank. Moreover, States have different temporal patterns of liquidity gaps and all States typically do not avail the facility simultaneously. On an incremental basis, during 2019-20, increase in the net Reserve Bank credit to State Governments accounted for only 0.4 per cent of accretion to reserve money, as compared to a negative contribution of 0.1 per cent in 2018-19. Reserve Bank credit to State Governments accounted for (-)0.2 per cent of incremental reserve money during 2020-21 (up to March 26, 2021). If, however, all States are simultaneously in WMA, and WMA limits are required to be increased because of an unanticipated protracted shock like Covid-19, it can have significant implications for liquidity management.

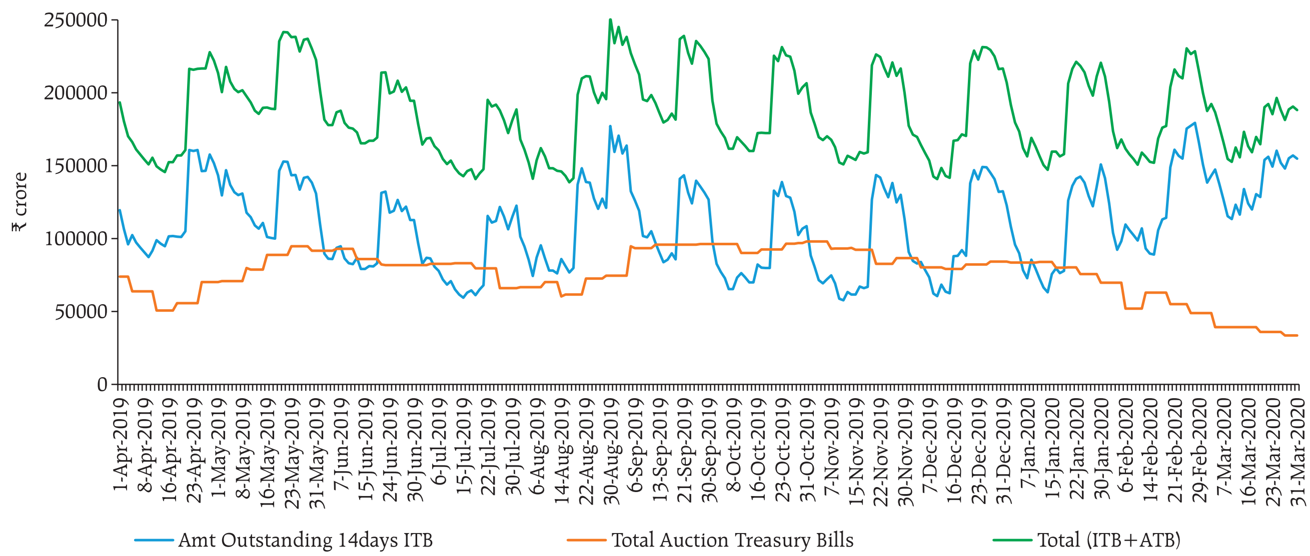
4.3 In view of the above, the WMA limit needs to be revised taking into account the need for discipline in cash management, fiscal prudence and implications for monetary and liquidity management.

V. WMA MANAGEMENT – CONTEXT AND ISSUES

5.1 The factors driving State Governments' revenue receipts are quite different from those that drive expenditure, and operate largely autonomous of each other. It is, therefore, natural that timing mismatch exist between receipt of revenues and outgo of expenses. Payment of salaries, pensions and repayment/ servicing of GoI loans generally happens during the first week of the month, resulting in substantial withdrawal of cash balances. The Goods and Services Tax (GST) revenue, which is one of the most important source of States' revenue, usually accrues in the third or fourth week of the month, leading to a build-up of cash balances (Chart 2). The State Governments, hence, either need cash buffers or access to short-term borrowings, or both, while also having avenues to park their temporary surplus. Reserve Bank, as a banker to State Governments, has devised the scheme of WMA precisely for this purpose.

5.2 One of the major item of receipts in States' budget is transfers from Government of India (GoI). States generally point out that uncertainties in transfers from GoI, including transfers relating to the GST, put significant pressure on States' finances which constrains them to maintain higher level of cash balance as a precautionary measure. Surplus cash balance of State Governments is automatically invested in Intermediate Treasury Bills (ITBs) of the GoI (Annex 4). Revenue loss to the States in this regard is evident from the difference in the interest rate on ITBs (return) and market rate on borrowings by States (cost). Many States have expressed concern on this negative carry. On the other hand, investment by States in ITBs are very volatile and unpredictable, thereby imparting volatility to the cash balance of the GoI that in turn affect the liquidity management of the Reserve Bank. While it is necessary for the States to keep adequate cash balances to cover uncertainties, maintaining excess cash balance than what is necessary, in the form of investment in ITBs/ ATBs should be avoided (Annex 5 and 6). States should have an idea of the optimal level of cash balance required by them and preferably utilise their excess cash balance

Chart 2: Trend in Cash Balance of State Governments



Source: RBI records.

Box 1: Cash Management Practice and WMA

Williams (2010), briefly explains what constitutes good practice in government cash management. It is indicated that, centralisation of government cash balances and establishment of a Treasury Single Account (TSA)[11] and modern systems, including reliance on electronic transactions, modern banking, payment and settlement systems, are essential pre-requisites for good cash management. Further, ability to make accurate projection of short-term cash inflows and outflows; information sharing between cash managers, revenue-collecting agencies and spending ministries; strong coordination of debt and cash management *etc.*, are also required (Pessoa and Williams, 2012). Any unexpected economic development may lead to deviation from expected revenue/ expenditure. In this context, in India, WMA is a facility to meet temporary mismatch between receipts and expenditure and is expected to help the States to meet the revenue gap. WMA is to be seen in the larger context of budget, expenditure, debt and liquidity management. Utilisation of WMA to a great extent also depends on the efficacy in cash management of States and fiscal marksmanship (accuracy in estimating receipts and expenditure). If a State is within its WMA limit and is availing WMA only to meet temporary mismatches, then it can be said that utilisation of WMA is optimum. On the other hand, if a State is continuously in WMA, even slipping in to OD on a frequent basis, then this needs to be seen as part of a larger problem of unbalanced budget and issues in accurate projection of cash flows need to be adequately addressed. In short, WMA management is like inventory management. There is a cost to holding cash (especially if it is excess) while, on the other hand, there is a risk of running out of cash with attendant consequences.

References:

1. Williams, Mike (2010), "Government Cash Management Its Interaction with Other Financial Policies", Fiscal Affairs Department, IMF Technical Notes and Manuals, July.

2. Pessoa, Mario and Mike Williams (2012), "Government Cash Management: Relationship between the Treasury and the Central Bank", Fiscal Affairs Department, IMF Technical Notes and Manuals, November.

before resorting to borrowings from the market at auction-determined rate. To achieve the same, cash-flow statement may be prepared and updated by States on a regular basis to plan and forecast their immediate cash requirement. Going forward, incentivising States with better cash management practices *viz.* adoption of information technology and online information system, may be deliberated.

5.3 There is a substantial body of literature which deals with the subject of cash management by Governments. The main objectives of good cash management are to ensure availability of adequate cash to meet expenditure, to borrow only when needed, to minimise borrowing costs and to maximise returns on idle cash, while managing the risks associated with the investment (Box 1).

5.4 The issue of ways and means management, thus has to be seen in the larger context of budget, expenditure, debt and liquidity management. It is clear that a balanced budget is a *sine qua non* to ensure that a State Government does not continually rely on WMA and eventually slip into OD. The budgets, as presented, are obviously balanced. However, quite often, the budgets are not comprehensive enough to accommodate all the expenditure, as there could be unforeseen expenditure too. The revenue estimates could be overly optimistic, when there could be unforeseen shortfalls in the actual revenue. All of this reflects on the fiscal marksmanship of a State and eventually will have a bearing on their WMA management. In this regard, next section attempts to provide a brief overview of fiscal marksmanship in Indian States.

[11] Consolidation of all Government cash balances into a single account.

VI. FISCAL MARKSMANSHIP OF STATES

Background

6.1 In the parlance of fiscal policy, fiscal marksmanship refers to the precision or accuracy of a Government's forecasts or estimates of fiscal indicators in a budgetary exercise. Government budgets typically consist of three set of numbers – Budget Estimates (BE) for the next year, Revised Estimates (RE) of the current year lapsed and Actuals of the previous year. Good fiscal marksmanship entails high forecast accuracy of Government estimates, typically measured through deviation of Actuals from BE and RE. While it is natural for budgetary forecasts to deviate from actual values, the nature of deviation (or errors) needs to be looked through, to determine the credibility of budgetary forecasts.

Fiscal marksmanship of Indian States: A Brief

6.2 A few recent studies have examined the forecast accuracy of State Government budgets in India. State Finances: A Study of Budgets 2014-15 (RBI, 2015) carried out an analysis of State Governments' forecasting performance for the period from 2001-02 to 2012-13. The analysis found that both BE and RE overestimate the revenue receipts and revenue expenditure, while the extent of overestimation was more for the latter. Chakraborty, Chakraborty and Shrestha (2020) had analysed the fiscal forecasting errors of 28 Indian states (excluding Telangana) for the period 2011-16. The study found overestimation in both revenue receipts and revenue expenditure, both in BE and RE, with the overestimation more for the former. The magnitude of overestimation was found to be significantly higher in grants from the Centre than States' own revenue and share of central taxes. Srinivasan and Misra (2020) had analysed the fiscal marksmanship of State Government revenues and observed that while overestimation of State Government revenues has been increasing over time, errors in forecasting of central grants (State plan schemes and centrally sponsored schemes) dominate overestimation of revenue.

6.3 An analysis of the fiscal marksmanship of major fiscal indicators of State Governments for the period of 2004-05 to 2018-19 (the latest year for which actual values are available) was done with 29 States and 2 Union Territories with legislature (Delhi and Puducherry). The deviation in Actuals from both BE and RE for receipts, expenditure and deficits was considered.

Receipts budget

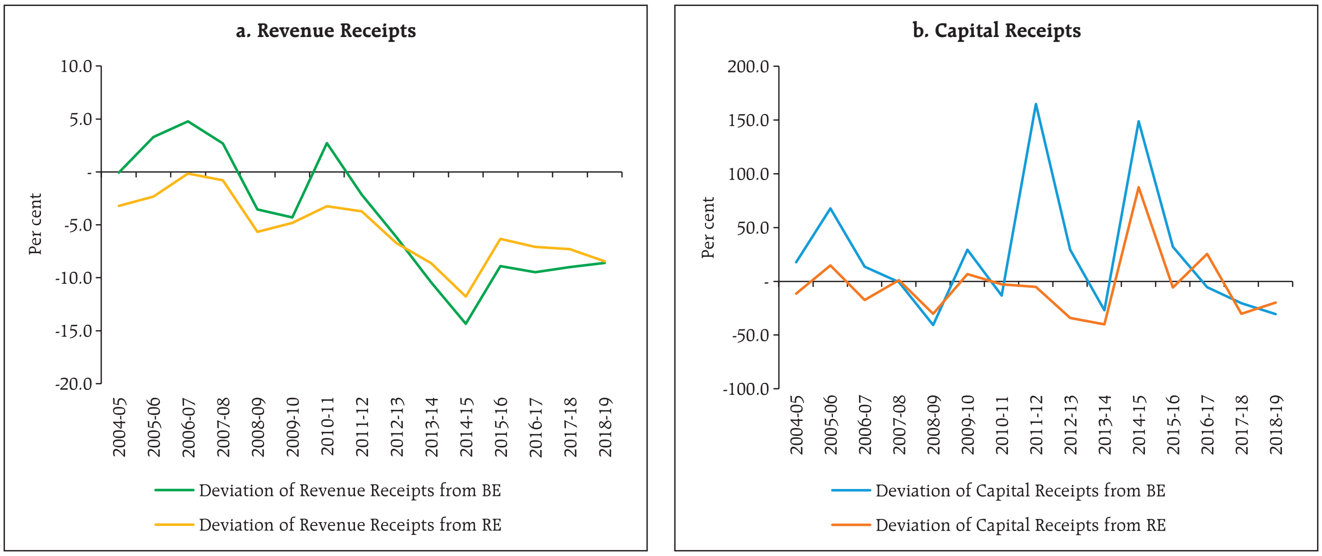
6.4 Revenue receipts for all States taken together have been consistently overestimated[12] in BE since 2011-12 and in RE since 2004-05. Further, the extent of overestimation has increased significantly since 2012-13 (Chart 3a). On capital account, the deviations are much larger, and the errors have fluctuated between overestimation and underestimation over the years (Chart 3b).

Expenditure budget

6.5 Revenue expenditure for all States taken together have been consistently overestimated in BE and RE since 2004-05, though the extent of overestimation has risen sharply since 2011-12. Further, RE have consistently performed poorer in forecasting revenue expenditure than BE (Chart 4a). Overestimation on capital account has also increased in recent years, except in 2015-16 and 2016-17 where UDAY related capital expenditure increased the actual capital expenditure to levels higher than the BE (Chart 4b).

[12] Error in forecasting of central grants, emanating from the union budgets, exhibit the largest forecasting error, by far, both in terms of mean error and Root Mean Square Error (RMSE).

Chart 3: Receipts Budget: Deviation between Accounts and BE/ RE

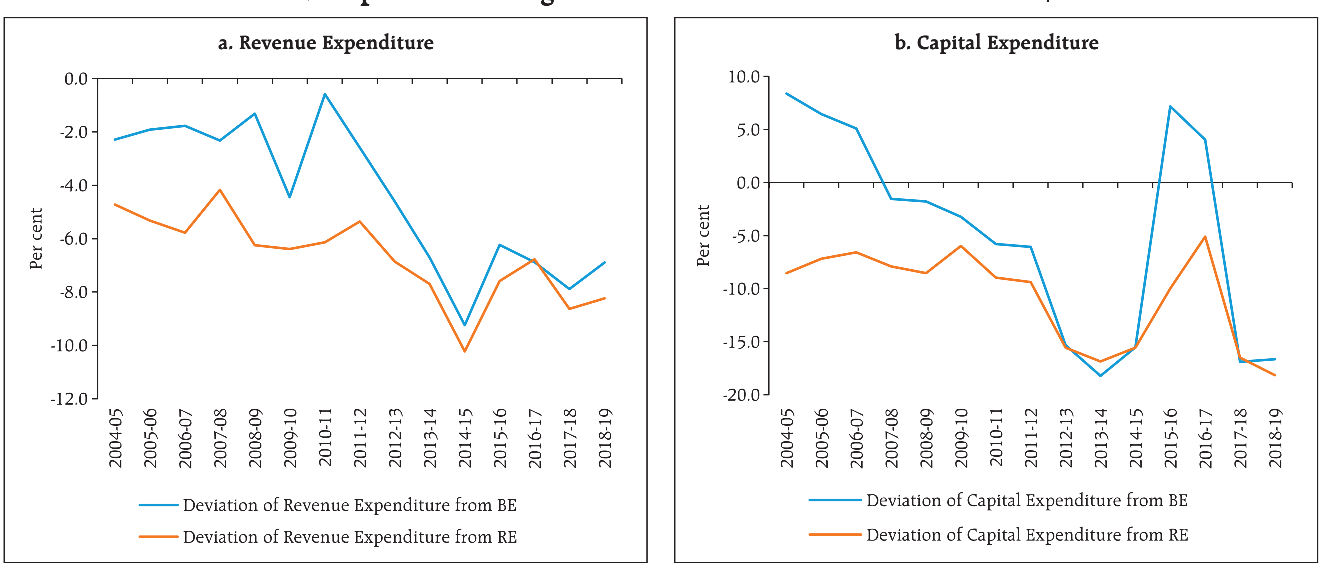


Sources: State Finances: A study of Budgets (various issues).

Deficits

6.6 Deficits are in effect derived indicators, and therefore, their deviation from forecasts is determined by the underlying deviation in receipts and expenditure. On a comparative basis, revenue deficits show much larger deviation from BE and RE compared to gross fiscal deficit. The proximate cause for this is possibly the limits imposed on States' borrowing in Fiscal Responsibility Legislations (FRLs), which forces them to adjust their capital expenditure to meet the fiscal deficit targets.

Chart 4: Expenditure Budget: Deviation between Accounts and BE/ RE



Sources: State Finances: A Study of Budgets (various issues).

VII. TRENDS IN UTILISATION OF SDF/ WMA/ OD

7.1 Dependence of States on financial accommodation through WMA/ OD/ SDF has seen an increase over the years, especially in the context of Covid-19 pandemic (Table 5). Number of States availing financial accommodation has doubled/ more than doubled between 2010-11 and 2020-21 (till end-February 2021). Few States have been using WMA/ OD regularly while some States have done so occasionally. Regular use of WMA/ OD facility indicates a persisting imbalance in the receipts and expenditure of States and requires focused attention.

Developments Post COVID-19

7.2 In response to the fiscal stress caused to States by the Covid-19 pandemic, the Reserve Bank had increased the prevailing WMA limits in the interim. Further, in order to facilitate State Governments to tide over their cashflow mismatches, the number of days permissible for OD was also relaxed, effective from April 7, 2020 to March 31, 2021.

7.3 Since April 2020, the number of States/ UTs availing WMA and the duration of utilisation of increased limits have shown a significant increase, along with an increase in the overall utilisation, due to the stressed economic situation. In the current FY 2020-21, out of the fifteen States/ UT that have availed WMA, 8 States/ UT have breached the limit and gone into OD so far.

Table 5: Utilisation of SDF, WMA and OD by States/ UTs (No. of States/ UTs)

Year	SDF	WMA	OD
2010-11	8	6	4
2011-12	8	9	6
2012-13	10	9	8
2013-14	13	13	8
2014-15	13	12	10
2015-16	12	12	9
2016-17	12	14	6
2017-18	11	13	7
2018-19	9	14	10
2019-20	16	13	9
2020-21 (till end-February 2021)	17	15	8

Source: RBI records.

Utilisation of SDF/ WMA and OD by States

7.4 Average utilisation of WMA by all States against the total WMA limit, stood at 4.14 per cent in 2016-17, but increased to 6.51 per cent in 2019-20 and further to 8 per cent for the current fiscal 2020-21 (till end-February 2021) (Table 6). Average utilisation of WMA and OD by States has increased nearly three times, from ₹1,843.39 crore in 2016-17 to ₹5,379.32 crore in 2020-21 (till end-Feb, 2021). In brief, utilisation of SDF/ WMA/ OD by States has increased significantly during 2020-21 (Annex 7).

Table 6: Utilisation of SDF, WMA and OD by States

(Amount in ₹crore)

Year	SDF		WMA			OD	
	Peak Utilisation	Average Utilisation	Peak Utilisation	Average Utilisation	Utilisation as percentage to total Limits	Peak Utilisation	Average Utilisation
2015-16	2665.81	981.57	2226.61	689.17	2.14	1068.09	230.01
2016-17	2232.04	697.42	4045.97	1332.73	4.14	2113.08	510.66
2017-18	3583.74	847.61	6305.6	1407.14	4.37	2508.61	639.24
2018-19	3819.76	824.06	6806.0	2266.86	7.03	5717.1	725.56
2019-20	7837.86	2223.96	6460.71	2097.12	6.51	5788.37	747.02
2020-21 (till end-February)	17241.71	4210.97	10793.56	4121.11	8.00	4059.07	1258.21

Source: RBI records.

VIII. WMA LIMITS - REVISION AND METHODOLOGY

8.1 The Committee deliberated on various formulas[13] but decided to continue with the expenditure-based method for arriving at the revised WMA limit for State Governments. The Committee avoided wide variation in inter-state distribution of WMA limits to ensure that all States get benefitted. It is pertinent to note that the previous Advisory Committee had also adopted the total expenditure of States as the base for calculation of WMA limit, as it was a surrogate for cash flows and facilitated distribution of WMA limit in proportion to the fiscal size of States. Accordingly, this Committee has studied the growth in expenditure of States from 2016-17 to 2018-19 (using only accounts level data) to arrive at the revised WMA limit.

8.2 The Committee decided that the increase in total quantum of WMA limit should not be lower than the CAGR of 9.0 per cent recorded in the total expenditure (Capital and Revenue Expenditure, excluding ad hoc and volatile expenditure like lottery expenditure, natural calamities *etc.*), during the 3-year period of 2016-17 to 2018-19. Taking into consideration the special developmental needs of Himalayan States and North Eastern States (HS & NES)[14], the quantum of WMA limit is distributed among the States in terms of a formula. The quantum of WMA is bifurcated between HS & NES and other States based on the average base[15] arrived at for HS & NES and other States. Thereafter, State-wise WMA limit for HS & NES and other States is obtained by applying the ratio[16] of 2 per cent and 1.75 per cent (after rounding off), respectively, to the average base. However, in order to avoid wide variation in the growth rate of WMA limit, the Committee limited the growth rate of WMA within a range, based on the average growth. Accordingly, the Committee fixed a lower bound of 19.30 per cent and upper bound of 60 per cent growth over the limits set by the previous Advisory Committee[17]. Thus, the total quantum of formula-based WMA limit of States/ UTs stand at ₹47,010 crore (Annex 8), with an overall increase of 45.9 per cent over the limit of ₹32,225 crore recommended by the Sumit Bose Committee. The distribution ratio between HS & NES and other States works out to 11:89. A limit of this order is expected to be sufficient to cover the temporary mismatches that could arise from any unexpected shortfall in revenue flows.

8.3 Requirement of WMA is not only dependent on the extent of temporary mismatch between revenue and expenditure streams, but also on the initial cash buffer maintained by it. The limits so proposed above take care of a substantial portion of the mismatch that exists. Hence, to ensure that the States do not draw beyond the WMA limits available, it is necessary that they start the monthly receipts-expenditure cycle with a suitable positive cash balance. The Committee reiterates that WMA facility is meant to finance the temporary mismatch in cash flows and should not be seen as a facility to finance durable needs of States.

Recommendations

8.4 State Governments have been able to manage the fiscal stress caused by COVID-19, primarily through market borrowings and financial accommodation provided by the Reserve Bank through Special Drawing Facility (SDF), WMA and Overdraft (OD). As the effect

[13] Based on trends in Revenue, GSDP of States *etc.*

[14] Himalayan States include Himachal Pradesh, Uttarakhand and Jammu & Kashmir. North Eastern States include Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura.

[15] As per the methodology, the base is defined as the average of total expenditure for the past three years (accounts data).

[16] Ratio is arrived by calculating and adjusting the share of derived WMA limit of HS&NE States as a percentage of the total expenditure of HS&NE States and similarly for other States.

[17] The interim increase in WMA limit on account of COVID-19 pandemic worked out to 60 per cent over the limit recommended by the Sumit Bose Committee.

Table 7: Proposed WMA Limits

(Amount in ₹ crore)

S. No.	State	Existing Limit (Shri Sumit Bose Committee)	Limit Recommended[18] up to September 30, 2021	S. No.	State	Existing Limit (Shri Sumit Bose Committee)	Limit Recommended[18] up to September 30, 2021
I. Other States (Non- HS & NES)				II. HS&NES			
1	Andhra Pradesh	1510	2416	19	Arunachal Pradesh	195	312
2	Bihar	1420	2272	20	Assam	940	1504
3	Chhattisgarh	660	1056	21	Himachal Pradesh	550	880
4	Goa	170	272	22	Manipur	195	312
5	Gujarat	1915	3064	23	Meghalaya	175	280
6	Haryana	915	1464	24	Mizoram	160	256
7	Jharkhand	720	1152	25	Nagaland	205	328
8	Karnataka	1985	3176	26	Tripura	255	408
9	Kerala	1215	1944	27	Uttarakhand	505	808
10	Madhya Pradesh	1600	2560	**Sub-total (II)**		**3,180**	**5,088**
11	Maharashtra	3385	5416				
12	Odisha	985	1576	28	Jammu and Kashmir	880	1408
13	Punjab	925	1480	29	Puducherry	130	208
14	Rajasthan	1630	2608	**Total (All States/UTs)**		**32,225**	**51,560**
15	Tamil Nadu	2475	3960				
16	Telangana	1080	1728				
17	Uttar Pradesh	3550	5680				
18	West Bengal	1895	3032				
Sub-total (I)		**28,035**	**44,856**				

of pandemic is still prevalent, and the formula-based revised WMA limit is lower than the interim limit, the Committee is of the view that the interim WMA limit of ₹51,560 crore may continue for 6 months *i.e.*, up to September 30, 2021 (Table 7). Thereafter, depending on the course of the pandemic and its economic and fiscal impact, Reserve Bank may revise the limit, either based on the formula suggested by the Committee or as may be necessary, after assessing the then requirement of States. Revised State-wise WMA limits arrived by this Committee is set out in Annex-8 of this report.

[18] The Committee recommends continuing the Interim Limit of ₹51,560 crore till September 30, 2021.

IX. OVERDRAFT FACILITY (OD)

9.1 When advances to State Governments exceed their SDF and WMA limits, OD facility is being provided. Historical evolution of OD facility as summarised by the Sumit Bose Committee indicates that the limit on number of days was initially fixed at 7 consecutive working days but was subsequently increased based on representations from few State Governments. Accordingly, the Reserve Bank introduced some flexibility in the Scheme by enhancing the period for which a State Government could run on OD, from 7 to 10 consecutive working days, with effect from November 1, 1993. As per the recommendations made by IAC, in 1998, the Reserve Bank imposed a ceiling on the OD amount at 100 per cent of the WMA limit with the provision that OD over 100 per cent of the WMA limit had to be cleared within three working days. Subsequently in 2001, based on the recommendations of the informal GSFS constituted by the Reserve Bank, the limit of 10 consecutive working days was extended to 12 consecutive working days and the restriction for bringing down the OD level within the level of 100 per cent of the WMA limit was relaxed to five consecutive working days. The Committee observed that even with the enhancement in WMA, resort to OD has not declined and that frequent resort to OD was seen as a manifestation of structural imbalance or bad cash management. The Ramachandran Committee observed that greater resort to OD was a clear indication of fiscal imbalance and unless regulated in time, it would lead to a situation where the corrections would become costly and difficult. However, the total number of days that a State can remain in OD had been extended to 14 consecutive working days by the Ramachandran Committee. The Bezbaruah Committee decided not to modify the existing time limits for OD and continued with the norms that if the OD exceeds beyond 14 consecutive working days, the RBI and its agencies shall stop payments in respect of the concerned State Government; if the WMA limit is exceeded continuously for 5 consecutive working days for the first time in a financial year, the State will be advised by the Reserve Bank to bring down the OD level and if such irregularity persists on a second or subsequent occasion in the financial year, the Reserve Bank will stop payments, notwithstanding the provision of permitting OD up to 14 days. In a quarter, the OD availed should not exceed 36 days irrespective of 14 days & 5 days rules. The Sumit Bose Committee had also retained the above OD regulations.

Interim Relaxation to Manage COVID-19

9.2 In order to provide greater flexibility to State Governments to tide over their cashflow mismatches caused by COVID-19, Reserve Bank, as an interim measure, had decided in April 2020 to

a) increase the number of days for which a State/ UT can be in OD continuously to 21 working days, from the current stipulation of 14 working days.

b) increase the number of days for which a State/ UT can be in OD in a quarter to 50 working days, from the current stipulation of 36 working days.

The above relaxation is valid up to March 31, 2021.

Recommendations

9.3 The Committee suggests that the above-mentioned interim relaxation may be discontinued w.e.f. April 1, 2021 and the existing OD Regulations as elaborated below may continue:

(i) A State can be in OD for 14 consecutive working days. In case the OD continues in the State's account beyond 14 consecutive working days, the Reserve Bank and its agencies shall stop payments in respect of the concerned State Government.

(ii) If the OD exceeds 100 per cent of the WMA limit for five consecutive working days for the first time in a financial year, Reserve Bank will advise the State to bring down the OD level within the 100 per cent of WMA limit. If, however, such irregularity occurs on a second or subsequent occasion in the financial year, the Reserve Bank will stop payments notwithstanding clause (i) above, which permits the State OD up to 14 consecutive working days.

(iii) No State Government will be allowed to be in OD for more than 36 working days in a quarter. If this is not adhered to, payments will be stopped, irrespective of clauses (i) and (ii) above.

(iv) The rate of interest on OD will be as under:

a) OD up to 100 per cent of WMA limit - two per cent above the Repo rate;

b) OD exceeding 100 per cent of the WMA limit - five per cent above the Repo rate.

X. SPECIAL DRAWING FACILITY

10.1 In addition to WMA, Special Drawing Facility[19] (SDF) is being provided to State Governments since April 1, 1953 against the collateral of their investments in marketable securities issued by the Government of India. Initially, a uniform limit of ₹2 crore was fixed for each State Government. Between March 1967 to Feb 1999, the limits were linked to the minimum balance fixed for each State, and revised periodically. In 1999, the IAC on WMA to State Governments recommended that the limits should be delinked from minimum balances and that States be allowed to draw Special WMA freely against their holdings of GoI securities, subject to margin.

10.2 In 2005, the Bezbaruah Committee had recommended that the net incremental (*i.e.* new investment less redemption/ liquidation) annual investment of States in CSF/ GRF may also be made eligible for availing Special WMA, with the quantum restricted to their Normal WMA limit. The Committee felt that this would encourage the States to continually add to their CSF/GRF balances while they also build a reserve fund for meeting their redemption liabilities. The Sumit Bose Committee, in 2016, had liberalised this facility further, by allowing the States to avail SDF against net incremental annual investments in CSF/ GRF without any upper limit. At present, a uniform hair cut margin of 5 per cent is applied on the market value of the securities for determining the operating limit of SDF on a daily basis.

10.3 Historically, the rate of interest charged on SDF was initially linked to the Bank Rate and later to the Repo Rate. While SDF against holdings of GoI securities continues to be granted at Repo Rate minus one per cent, the rate of interest on SDF availed against the incremental investments in CSF/ GRF was brought down to Repo Rate minus two per cent, w.e.f. August 10, 2018, in order to encourage the States to build their corpus in CSF/ GRF.

Liberalisation of SDF

10.4 Since its inception, SDF was being granted against the collateral of investments by State Governments in Central Government dated securities and Auction Treasury Bills, after applying suitable margin.

10.5 The Ramachandran Committee (2003) had noted that the reserves of Central Government securities built by States can be leveraged to raise collateralised funds from the Reserve Bank and therefore, to encourage the States, the Committee liberalised the scheme with some safeguards. While the margins applied earlier where ranging between ten to fifteen per cent, the Committee recommended application of a uniform haircut margin of five per cent on the market value of securities. The rate of interest was brought down from Bank Rate to Bank Rate minus one per cent and the States were allowed to utilise the Normal WMA only after having fully availed the Special WMA.

Availing of SDF against Investments in CSF/ GRF

10.6 The Ramachandran Committee had suggested that the securities eligible for SDF should be kept unencumbered and should not include those which are covered under the CSF, the GRF or any other such special schemes, to prevent 'double mortgage' of CSF/ GRF balances. The Bezbaruah Committee decided to permit investments in the CSF and GRF as eligible collateral to avail SDF, in the context of expected improvement in the fiscal environment over the medium term. However, a ceiling equivalent to the Normal WMA limit was prescribed for each State. The Sumit Bose Committee revisited the request of States for liberalising the Scheme further and recommended that the entire incremental investments in CSF and

[19] Prior to 2014, SDF was referred to as 'Special Ways and Means Advances (Special WMA)'.

GRF be made eligible for SDF without any limit, in line with dated securities and ATB investments. However, to avoid double mortgage issues, the Committee suggested that SDF eligibility be decided on a daily basis. At present, the operating limits of SDF are being calculated automatically by the System on a daily basis while the securities are revalued every quarter.

10.7 The Bezbaruah Committee, while permitting the States to avail Special WMA against net annual increments in CSF and GRF, observed that permitting States to invest temporary cash surpluses in dated GoI securities and allowing them to avail Special WMA thereafter, was not in accordance with sound financial principles. Hence, in order to discourage States from making investments in GoI securities unless they have 'durable surplus', the Committee had recommended that States may be permitted to invest their cash surplus in dated GoI securities, provided that they have not availed WMA in the immediate preceding period of 90 consecutive days. The minimum specified period of 90 days was kept consistent with the tenure of WMA to help obviate any possible incentive to utilise short-term accommodation from Reserve Bank for purposes of longer-term investment.

Recommendations

10.8 The Committee observed that, since liberalising the operating limit of SDF in 2016, the utilisation of SDF had not increased substantially, with fewer States availing SDF, though the incremental investment in CSF/ GRF has been increasing. However, with the onset of COVID-19 pandemic in March 2020, utilisation of SDF by States went up significantly, indicating the usefulness of the facility in times of financial stress.

10.9 Some States requested that SDF should be granted against the entire principal corpus of CSF/ GRF. However, the Committee feels that, if States were to be allowed to avail SDF against the collateral of principal corpus, they may not be able to liquidate their investments in CSF/ GRF should the need arise. This would defeat the purpose of maintaining CSF and GRF as reserve funds. In view of this, the Committee recommends that the present system of deciding the operating limit of SDF based on the net annual incremental investments in CSF and GRF should continue, without any upper limit.

10.10 The Committee underscores that CSF and GRF are reserve funds constituted for a specific purpose and needs to be built up substantially. However, as the existing provision bars investment in dated GoI securities for 90 days if a State has availed SDF/ WMA, States may not be able to invest in CSF & GRF for such period, even after repaying their SDF/ WMA. Hence, in order to remove ambiguity, if any, the Committee clarifies that the restrictions[20] on investment in government securities shall not apply to investments of State Governments in CSF and GRF.

Availing SDF against Investments in ATBs

10.11 The Sumit Bose Committee had suggested that, since ATBs are also government securities, it would be advisable for States to invest in ATBs only when they have not availed SDF for the previous 90 days, similar to the restriction implemented for investments in dated GoI securities. To encourage prudent cash management practices of State Governments, the Sumit Bose Committee had recommended that, if a State avails SDF against investment in 91-day T-bills, in the first occasion, this arbitrage activity may be allowed for a limited period, but the State will not be allowed to invest further in 91-day T-bills for the next 90 days. However, if such practices of availing SDF and subsequent investment in 91-day T-bills continue in the second and subsequent occasions during the financial year, such SDF availed would be treated as WMA after the first occasion. The Committee had

[20] At present, States are permitted to invest their cash surplus in dated GoI securities, provided that they have not availed WMA in the immediately preceding period of 90 consecutive days.

urged States to adhere to prudent cash management and avoid borrowing from Reserve Bank while their surplus is invested in ATBs.

Recommendations

10.12 At present, State Governments invest in GoI dated securities only through their investments in CSF and GRF. They continue to invest their durable cash surplus in ATBs (91-day, 182-days and 364-days). However, the Committee observed that very few States that have been investing continuously in ATBs, have not availed SDF against these investments, except for rare occasions when States have gone into SDF due to unanticipated expenditure. Further, the prevailing condition is unfavorable for States as they have limited options for short-term investment of their surplus balance *viz.* investment in ATBs & 14-day ITBs. If investment in 91-day T-bills is barred for 90 days, surplus of States will automatically get invested in 14-day ITBs which yield a very low return of Reverse Repo minus 2 per cent (1.35% at present). In view of this, the Committee feels that the restrictions[21] on availing SDF against investment in 91-day T-bills may be removed and States may be allowed to invest in 91-day T-bills without the restriction of 90 days, provided the SDF availed prior to such investment is fully repaid**.** However, as earlier Committees had noted, States may adhere to prudent cash management and avoid borrowing from the Reserve Bank while their surplus is invested in ATBs. If such instances prevail, the Reserve Bank may take action as deemed necessary to curtail such arbitrage activities.

[21] At present, if a State avails SDF against investment in 91-day T-bills, in the first occasion, this arbitrage activity will be allowed for a limited period, but the State will not be allowed to invest further in 91-day T-bills for the next 90 days. However, if such practices of availing SDF and subsequent investment in 91-day T-bills continue in the second and subsequent occasions during the financial year, such SDF availed would be treated as WMA after the first occasion.

XI. CONSOLIDATED SINKING FUND & GUARANTEE REDEMPTION FUND

Introduction

11.1 The Reserve Bank of India (RBI) manages two reserve funds on behalf of State Governments for meeting their contingent liabilities; the Consolidated Sinking Fund (CSF) and the Guarantee Redemption Fund (GRF). These funds are built from contributions made by the State Governments. CSF is an amortisation fund created to meet repayment obligations of the Government. The interest accrued and accumulated in the Fund is utilised towards redemption of outstanding liabilities of the Government. GRF is constituted by the State Governments for meeting their obligations arising out of guarantees issued on behalf of State level bodies. Accretions to the Fund can be utilised only towards payment of guarantees issued by the Government (and invoked by the beneficiary) in respect of bonds issued/ other borrowings by their State level undertakings/ other bodies.

Background

Consolidated Sinking Fund

11.2 In 1999, the Reserve Bank had prepared a model CSF Scheme at the request of State Governments and circulated it amongst them for adoption/ consideration. Subsequently, the Twelfth Finance Commission had recommended that the CSF may cover repayments in respect of all the loans of State Governments (and not just open market borrowings). Against this backdrop, the Reserve Bank had circulated a revised model scheme of CSF amongst the State Governments in May 2006. In October 2012, a Working Group (WG) set up to examine various avenues for investment of CSF, to make the Fund viable, had submitted its report. Major recommendations of the WG, *inter alia*, included building up a minimum corpus of 3-5 per cent of State liabilities within 5 years and maintaining it on a rolling basis thereafter. As on date, 24 States and the UT of Puducherry have set up CSF. The total corpus built up to March 31, 2020 amounts to ₹1,30,431.38 crore.

Guarantee Redemption Fund

11.3 Based on recommendations of the 'Technical Committee on State Government Guarantees' (February 1999), many States had taken initiatives to fix a ceiling on guarantees issued by them. Further, a Group of State Finance Secretaries constituted to assess the Fiscal Risk of State Government Guarantees (2002) underlined the importance of according appropriate risk weights in respect of devolvement of guarantees and suggested estimation of risk weighted guarantees so as to make adequate budgetary provisions for honouring these guarantees, if they devolve on the States. The Report of the Fiscal Responsibility Legislation (FRL) at the State Level (2005) recommended fixing a limit on annual incremental risk-weighted guarantees in relation to their GSDP/ total revenue receipts. Many States have incorporated this recommendation in their FRL. In 2003, the Reserve Bank had circulated a draft scheme on GRF amongst the State Governments, for voluntary adoption. As on March 31, 2020, 18 State Governments have joined the GRF and have invested a sum of ₹7,486 crore.

Measures taken by the Reserve Bank to encourage building of Reserve Funds

11.4 The Advisory Committees constituted in 2005 and 2015 had permitted the use of incremental investments in CSF and GRF as collateral for availing SDF, to encourage the State Governments to invest in CSF and GRF liberally. In June 2018, the rate of interest on SDF (availed against investments in CSF and GRF) was lowered from Repo Rate minus one per cent to Repo Rate minus two per cent, to further incentivise and encourage States to build the corpus in CSF and GRF.

11.5 **Key features of CSF and GRF**

Features	**CSF**	**GRF**
Contributions to the Fund	The Government shall commence contribution to the Fund on a modest scale of at least 0.5 per cent of the outstanding liabilities as at the end of the previous year and make efforts to raise the minimum contribution every year. There is no ceiling on such contributions to the Fund in terms of number of times of making contributions in a year.	The Fund shall be set up by the Government with an initial contribution of minimum 1 per cent of outstanding guarantees at the end of the previous year and thereafter minimum 0.5 per cent every year to achieve a minimum level of 3 per cent in next five years. The Fund shall be gradually increased to a desirable level of 5 per cent. If guarantees have been invoked or are likely to be invoked, additional Funds (over and above 5%) shall be maintained.
Withdrawal from the Fund	Permissible only for repayment of Outstanding liabilities which includes internal debt and Public Account liabilities of the Government.	Permissible only for meeting the payment obligations arising out of guarantees issued by the Government and invoked by the beneficiaries.
Withdrawal Limit	Withdrawal is allowed from the interest income accrued and accumulated in the Fund up to the end of previous financial year. The amount shall not exceed the amount of redemption due for that year in respect of open market borrowings.	Withdrawals allowed from out of the balance accumulated in the Fund up to the date towards redemption of the guarantees invoked and to be paid by the Government, as per its directions or Government shall have the option to withdraw excess fund over 5 per cent of outstanding guarantees of the previous year.
Lock-in Period	5 years	-
Facility to avail SDF	The net incremental annual investment of States (*i.e.* outstanding balance over and above the level in the corresponding period of the previous year) is eligible for availing SDF.	The net incremental annual investment of States (*i.e.* outstanding balance over and above the level in the corresponding period of the previous year) is eligible for availing SDF.

Advantages of Maintaining CSF/ GRF

11.6 The Committee deliberated on the various advantages that accrue to State Governments by maintaining CSF and GRF, as elaborated below:

a) CSF can act as a buffer fund for repayment of redemption dues, in the absence of which, States may have to resort to market borrowings.

b) Availability of a buffer fund increases the investors' confidence in a State's issuance, which may in turn have a positive impact on the borrowing cost of the State.

c) CSF can cushion the impact on States' Finances in times of economic stress.

d) Similarly, GRF can be used to meet the contingent liabilities created by States through issuance of guarantees, thus averting an adverse impact on States' finances.

e) The semi-annual coupons (interest) earned out of investments in CSF/ GRF, and the redemption proceeds received on maturity, gets reinvested in the Fund. This builds up a sizeable corpus over a period of time.

f) State Governments also benefit by using the incremental investment in CSF and GRF to avail SDF at a lower rate of interest[22] *i.e.*, at Repo minus two per cent.

Limitations in CSF and GRF Schemes

11.7 While States benefit at large by maintaining reserve funds in the form of CSF and GRF, some of the States had indicated below-mentioned factors that act as constraints in maintaining CSF/ GRF:

a) Contributing to Reserve funds using funds raised through market borrowing entails a cost to the State Governments. If States avail SDF against these investments, the cost may be mitigated to a limited extent (as SDF is granted at a concessional rate).

b) Under the prevailing CSF scheme, the principal contribution gets locked up as the States can withdraw only the interest accrued and accumulated in the Fund and not the principal corpus. Also, a State is allowed to withdraw after a lock-in period of 5 years, and only to meet the redemption requirements in the year of withdrawal. Likewise, under the GRF scheme, funds can be withdrawn only to meet the payment obligations arising out of guarantees invoked, irrespective of the size of the corpus.

The Committee believes that these restrictive features may act as a disincentive for maintaining/ contributing to the Fund.

Why States should continue to maintain CSF and GRF

11.8 From the pros and cons listed above, it is evident that the advantages of maintaining the buffer funds far outweigh the disadvantages. The outbreak of Covid-19 pandemic has also proven that, at times of financial stress, the buffer funds maintained by States largely assist them in meeting their redemption liabilities. The Committee also noticed that issuance of guarantee by States on behalf of their State level undertakings has increased considerably over the years making it necessary for States to maintain GRF, to meet such contingent liabilities.

11.9 Hence, it is felt that the States should continue to build their CSF and GRF to the desirable level of 5 per cent of their total outstanding liabilities/ guarantees. To aid the same, the Committee is of the opinion that the terms and conditions of CSF and GRF may be liberalised further. The Committee also urges the remaining States to join the CSF/ GRF Schemes, which would facilitate the States to withdraw from the fund to repay liabilities at times of need and also avail SDF at times of temporary cash flow mismatches.

[22] Prevailing interest rate (Repo rate minus 2 per cent) on SDF availed against investments in CSF and GRF works out to 2 per cent.

Recommendations

11.10 In order to address the issues raised by States and to encourage building up of the corpus in CSF and GRF, the Committee proposes the following measures:

<table>
<tr><th>Feature</th><th>Existing Provision</th><th colspan="2">Changes Recommended</th></tr>
<tr><td>Minimum corpus in CSF/ GRF</td><td>The Government may contribute to the Fund on a modest scale of at least 0.5 per cent of the outstanding liabilities as at the end of the previous year beginning with the year of inception and shall make efforts to raise the minimum contribution every year.</td><td colspan="2">Minimum corpus to be
a) at least 5 per cent of total outstanding liabilities/ guarantees, as applicable;
b) built within 5 years;
c) maintained on a rolling basis, thereafter.</td></tr>
<tr><td rowspan="3">Withdrawal from CSF</td><td>a) Withdrawal is permitted after a lock-in period of 5 years from constitution of CSF.</td><td colspan="2">Withdrawal to be allowed after a lock-in period of 2 years from constitution of CSF.</td></tr>
<tr><td rowspan="2">b) Withdrawal is allowed from the interest income accrued and accumulated in the Fund up to the end of previous financial year.
c) Permissible only for repayment of outstanding liabilities which includes internal debt and public account liabilities of the Government.</td><td>Till Minimum corpus is built</td><td>No change in existing terms</td></tr>
<tr><td>After achieving Minimum corpus of 5% of total outstanding liabilities</td><td>Withdraw from the balance outstanding (including Principal) in excess of the Minimum corpus, for repayment of outstanding liabilities[23];
(OR)
Withdraw from the interest accrued and accumulated in the Fund, for repayment of outstanding liabilities, as per the existing norms.
(States will be allowed to choose only one of the above options at a single instance)</td></tr>
<tr><td></td><td>d) The amount withdrawn shall not exceed the amount of redemption due for that year in respect of open market borrowings.</td><td colspan="2">This condition of limiting the quantum of withdrawal to the amount of market borrowing redemption due for that year, can be removed.
States may be allowed to use the total quantum of interest accrued and accumulated in the Fund (up to the end of previous financial year) for repayment of outstanding liabilities, which includes internal debt and public account liabilities of the Government.</td></tr>
</table>

[23] Outstanding liabilities include internal debt and public account liabilities of the Government.

11.11 The prevailing provision in CSF/ GRF Scheme necessitates consultation with State Governments for selection of securities to be liquidated, in case of premature disinvestment from CSF/ GRF. The Committee proposes that this condition may be removed in view of operational convenience and the Reserve Bank may be allowed to decide on the securities to be liquidated, provided the securities chosen for disinvestment are in profit, at the time of sale. Accordingly, the CSF and GRF Schemes may be amended.

11.12 The Committee observed that States need to ensure accuracy of data on contingent liabilities, including that of guarantees. They also need to strengthen data collection, disclosure and improve reporting of data on sector-wise guarantees.

Interim Liberalisation owing to COVID-19

11.13 In response to the COVID-19 pandemic, States had to take unprecedented measures to contain the spread of the epidemic which entailed a heavy cost to the State Governments. Hence, in order to ease the financial constraints faced by State Governments, the Reserve Bank had reviewed the CSF Scheme and had decided to temporarily relax the rules governing withdrawal from CSF. Accordingly, States were permitted to withdraw a portion of their total balance outstanding at the end of March 2020 (including both Principal and Interest accrued), while ensuring that a minimum balance is retained in the Fund. The relaxation had made available additional funds to the States for repaying their redemption dues. This additional sum, together with the normally permissible withdrawal limit under CSF, was expected to aid the States in meeting 45 per cent of the redemption of their market borrowings, due in 2020-21. This interim change in withdrawal norms came into force on May 22, 2020 and remain valid till March 31, 2021.

XII. REVIEW OF MINIMUM CASH BALANCE OF STATE GOVERNMENTS

12.1 The Committee reviewed the requirements of minimum cash balance to be maintained by State Governments. The Committee concluded that raising minimum cash balance does not serve any purpose as surplus cash maintained over the minimum balance automatically gets invested in ITBs, thereby generating returns for the States. Accordingly, the Committee recommends that the total minimum balance set for States/ UTs may be retained at ₹42.33 crore. A brief on the subject is given in the Annex-2.

XIII. RECOMMENDATIONS

1. The States have been able to manage the fiscal stress caused by COVID-19, primarily through a mix of expenditure compression and additional open market borrowings and financial accommodation provided by the Reserve Bank through SDF, WMA and OD. The Committee calculated WMA limits based on the total expenditure of State Governments. The rationale for adopting expenditure-based methodology was to revise the limit according to the fiscal size of States. The formula-based revised limit, thus arrived, works out to ₹47,010 crore. As the effect of pandemic is still prevalent, and the formula-based revised WMA limit arrived at by the Committee is lower than the interim limit, the Committee is of the view that the interim WMA limit of ₹51,560 crore may continue for 6 months *i.e.*, up to September 30, 2021. Thereafter, depending on the course of the pandemic and its impact on the economy, Reserve Bank may review the limit, either based on the methodology suggested by the Committee or as may be necessary, after assessing the then requirement of States.

2. The Committee also recommends that the prevailing interest rate on SDF/ WMA/ OD may be retained.

3. The Committee proposes that the OD Regulations[24] may continue and the interim relaxations[25] on OD may cease to exist by March 31, 2021.

4. The Committee recommends that the operating limit of SDF should continue to be calculated against the collateral of investments in G-sec/ ATBs and the net annual incremental investments in CSF and GRF, without any upper limit, and the usual haircut margin of 5 per cent shall be applied.

5. The Committee recommends that the limitation[26] on availing SDF against investment in 91-day T-bills may be removed and States be allowed to invest in 91-day T-bills without the restriction of 90 days, provided the SDF/ WMA availed prior to such investment is fully repaid. Likewise, prevailing condition of permitting States to invest their cash surplus in ATBs[27] only when they have not availed WMA in the immediately preceding period of 90 consecutive days, may also be removed. However, States may take care to not avail SDF after investing their cash balances in 91-day T-bills. If such instances prevail, the Reserve Bank may take measures as deemed necessary to curtail such activities.

6. The Committee underscores that CSF and GRF are reserve funds, constituted voluntarily by States for a specific purpose, and need to be built up substantially. Hence, the Committee urges the remaining States to join CSF/ GRF schemes, which would facilitate them to withdraw from the Fund to repay liabilities in times of need, and also to avail SDF for managing temporary cash flow mismatches.

7. The Committee recommends that a minimum corpus be built by States in CSF and GRF, within the next 5 years, and maintained on a rolling basis thereafter. States may build a minimum corpus of at least 5 per cent of the total liabilities/ guarantees outstanding at the end of previous FY.

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[24] OD Regulations as detailed in the RBI Press Release on 'Ways and Means Advances (WMA) Scheme for the State Governments' dated January 29, 2016.

[25] Interim relaxation in OD facility was granted vide Press Release dated April 7, 2020 to increase the number of days a State can continue to be in OD, from 14 to 21 consecutive working days and 36 to 50 working days in a quarter. This relaxation will be valid up to March 31, 2021.

[26] If a State avails SDF against investment in 91-day T-bills, in the first occasion, this activity will be allowed for a limited period, but the State will not be allowed to invest further in 91-day T-bills for the next 90 days. However, if such arbitrage practice of availing SDF and subsequent investment in 91-day T-bills continue in the second and subsequent occasion during the financial year, such SDF availed would be treated as WMA after the first occasion.

[27] ATBs include 91-day, 182-day and 364-day Treasury Bills.

8. Regarding lock-in period for withdrawal from CSF, the Committee recommends that withdrawal be allowed after a lock-in period of 2 years from constituting the Fund, in place of the prevailing lock-in period of 5 years.

9. The prevailing condition in CSF scheme which limits the quantum of withdrawal from CSF to the amount of redemption due for that year towards market borrowing, may be removed. States may be allowed to use the total quantum of interest accrued and accumulated in the Fund (up to the end of previous FY) for repayment of outstanding liabilities[28].

10. On building the minimum corpus as stated above, States may be allowed to withdraw from CSF[29], any sum in excess of the minimum corpus of 5 per cent. This will enable States to use the funds invested in excess of the minimum requirement, for repayment of outstanding liabilities.

11. In case of CSF, States will continue to have the existing option of withdrawing from the interest accrued and accumulated in the Fund, and can exercise either one of the withdrawal option, at a single instance.

12. The prevailing provision in CSF/ GRF schemes which necessitate consultation with State Governments for selection of securities in case of premature disinvestment from CSF/ GRF, may be removed, in view of operational convenience. Reserve Bank may be allowed to decide on the securities to be liquidated, provided the securities chosen for disinvestment are in profit at the time of sale.

13. The States may, accordingly, amend their CSF and GRF Schemes and notify the same in their Official Gazette, to avail the benefit of above-mentioned relaxations in the CSF and GRF Schemes.

14. The Committee recommends that the minimum balance fixed for States may not be revised at present and the system of having differential minimum balance for each State/ UT can continue as it has been working fine so far (Annex 2). The Committee believes that raising the minimum cash balance does not serve any purpose and runs contrary to the objective, considering WMA limit is being revised upwards periodically in line with cash flows/ budgetary transactions of States.

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[28] Outstanding liabilities include internal debt and public account liabilities of the Government.

[29] This option will enable States to withdraw any sum out of the total corpus built in CSF, wherein 'total corpus' would include principal contribution, reinvestments and interest accrued in the Fund, as at the end of previous FY.

Annex 1: Revision of WMA – Recommendation by Previous Committees *(Contd.)*

(Amount in ₹crore)

Items	Just Prior to the Vithal Committee	Vithal Committee	Group of State Finance Secretaries	Ramachandran Committee	Bezbaruah Committee	Sumit Bose
			Normal WMA			
Methodology for Computation of WMA Limit	Expressed 168 times the minimum balances of the States.	Average of revenue receipts and capital expenditure of the latest three years multiplied by a ratio of 2.25% for non-special category States and 2.75% for special category States	Average of revenue receipts and capital expenditure of the latest three years multiplied by a ratio of 2.4% for non-special category and 2.9% for special category States	Average of only revenue receipts of latest three years multiplied by a ratio of 3.19% for non-special category and 3.84% for special category States.	Average of revenue expenditure and capital expenditure of the latest three years adjusted for ad hoc expenditure and multiplied by a ratio of 3.1% for non-special category and 4.1% for special category States	Average of total expenditure (revenue expenditure plus capital expenditure) excluding lottery expenditure of the States. The State-wise WMA limits for HS&NES and other States were obtained by applying the ratio of 2.78 per cent and 2.03 per cent.
Aggregate WMA Limits	2,234	3,941	5,283	7,170	9,875	32,225
i) Non-Special Category	2,033	3,589	4,794	6,445	8,820	28,035
ii) Special Category	202	352	489	725	1,055	4,190

Annex 1: Revision of WMA – Recommendation by Previous Committees *(Contd.)*

(Amount in ₹crore)

Items	**Just Prior to the Vithal Committee**	**Vithal Committee**	**Group of State Finance Secretaries**	**Ramachandran Committee**	**Bezbaruah Committee**	**Sumit Bose**
Special Drawing Facility (SDF)						
Computation of limits (Margin)	Limits were placed at 64 times the minimum balances	Invst. In Gsec 15 %* 10 %**	Invst. In Gsec 15 %* 10 %**	Investment in G-Secs 5 per cent uniformly	Investments in GoI securities plus incremental investment of CSF and GRF subject to a maximum of NWMA limit.	A uniform hair cut margin of 5 per cent to be applied on the market value of securities for determining the operating limit of SDF. Accordingly, SDF limit for States will undergo changes based on the market value of outstanding securities.
Use of SDF	Availed of after Normal WMA	Availed of after Normal WMA	Availed of after Normal WMA	To be availed of before utilising Normal WMA limit.	To be availed of before utilising Normal WMA limit	To be availed of before utilising Normal WMA limit

Annex 1: Revision of WMA – Recommendation by Previous Committees *(Concld.)*

(Amount in ₹crore)

Items	Just Prior to the Vithal Committee	Vithal Committee	Group of State Finance Secretaries	Ramachandran Committee	Bezbaruah Committee	Sumit Bose
Overdraft (OD)						
No. of consecutive working Days	10	10	12	14	14	14
No. of days in a quarter	-	-	-	36	36	36
No. of consecutive working days in excess of NWMA limit	-	3	5	5	5	5

* For securities with residual maturity of more than 10 years.
** For securities with residual maturity of less than 10 years.
Source: Report of the Sumit Bose Committee

Annex 2: Minimum Cash Balance of State Governments: A Review

In terms of the agreement between the Reserve Bank and State Governments under Section 21A of the RBI Act 1934, States have to maintain with the Reserve Bank such minimum cash balances as may be agreed upon from time to time, and the Reserve Bank grants WMA to State Governments up to certain limits. The minimum balances were fixed for the first time on April 1, 1937 (effective only from April 1, 1938) based on the ratio of total revenue and expenditure of the concerned provincial Government to the total revenue and expenditure of the pre-provincial autonomy Central Government (based on data of previous 3 years). The minimum balances so fixed also represented the limits up to which States could avail WMA from the Reserve Bank.

In the subsequent years, minimum balance for States was reviewed and liberalised[30] as it was found inadequate with respect to the revenue and expenditure of State Governments. The minimum cash balance, as and when revised, formed the basis of revision of WMA limit of States as it was fixed as a multiple of minimum balance. In addition to Normal WMA, SDF has also been in operation since April 1953.

A comprehensive review of cash balance and WMA limit was done by Vithal Committee in 1998. Prior to Vithal Committee, WMA limit was equivalent to 168 times the minimum balance of States. The Vithal Committee observed that fixing the WMA limit as a multiple of an unchanged minimum balance, as in the past, does not capture the differing needs of States in line with the growth in their budgetary transactions. Hence, the Committee proposed linking the normal WMA limit to cash flows of the State and suggested total expenditure (*i.e.*, revenue plus capital) less revenue deficit, as the proxy for cash flows.

[30] Details of historical revisions are provided in the Report of the Advisory Committee on Ways and Means Advances to State Governments, chaired by Shri Sumit Bose.

As per the Vithal Committee, the minimum balance worked out to ₹41.04 crore for all States. (₹.37.97 crore for the non-special category States and ₹3.08 crore are for the special category States). Subsequent to joining of UTs of Puducherry and Jammu and Kashmir, the minimum balance went up by ₹0.15 crore (on December 17, 2007) and ₹1.14 crore (on April 1, 2011) to ₹41.19 crore and ₹42.33 crore, respectively.

Minimum balance of States has remained unchanged since Vithal Committee (1999). At present, it stands fixed at ₹42.33 crore for all States – bifurcated into ₹4.38 crore for HS & NES, including Jammu and Kashmir, and ₹37.95 crore for Other States. Excluding the UT of Jammu and Kashmir, effective minimum cash balance stands at ₹41.19 crore – ₹ 3.24 crore for NE & HS and ₹37.95 crore for other States.

State Governments are required to maintain a minimum balance with the Reserve Bank, which varies from State to State depending on the size of States' budget and economic activity. Accordingly, the differential minimum balance for States has last been set in 1999 according to their budget size (expenditure and revenue of individual States) relative to total expenditure and revenue, and linked to the same base as for WMA, to reflect the differing needs of States. The differential minimum balance has not been changed since then because the methodology for computing WMA limits had undergone a change and was based on cash flow data of receipts and expenditure as against the earlier methodology wherein WMA limit was derived as a multiple of minimum balance. Moreover, with the funding sources of States' GFD progressively tilted towards market borrowings, there was no requirement of keeping minimum cash balance as most of the States started having surplus cash which automatically gets invested in ITBs/ ATBs of Central Government.

The Committee deliberated on revising the minimum balance and concluded that raising minimum cash balance does not serve any purpose as surplus cash maintained over the minimum balance is automatically getting invested in ITBs, thereby generating returns for the States.

Accordingly, it is decided that the total minimum balance set for States/ UTs may be kept unchanged at ₹42.33 crore (Table 8).

Table 8: Minimum Cash Balance and WMA Limit for State/ UT Governments

(Amount in ₹ crore)

S. No.	Date of Revision	Minimum Balance (Total for all States)	Normal WMA Limits (In multiples of Minimum Balance)	SDF (Special WMA)
1	April 1, 1937 (effective April 1, 1938) (Provincial Government/Part A States)	1.95	1 (1.95)	*
2	April 1, 1953 (Part A/Part B States)	a) 3.94 on Friday b) 3.38 on day other than Friday c) 4.50 before repayment of WMA	2 (7.88)	2.00 for each State
3	March 1, 1967	6.25	3 (18.75)	6 (37.50)
4	May 1, 1972	6.50 +	12 (78.0)	6 (42.66)
5	May 1, 1976	13	10 (130.0)	10 (130.0)
6	October 1, 1978	13	20 (260.0)	10 (130.0)
7	July 1, 1982	13	40 (520.0)	20 (260.0)
8	October 1, 1986			
	a) April-September	13	52 (676.0)	20 (260.0)
	b) October-March	13	48 (624.0)	20 (260.0)
9	March 1, 1988	13.30 ##	56 (744.80)	20 (266.0)
10	November 1, 1993	13.3	84 (1,117.20)	32 (425.60)
11	August 1, 1996	13.3	168 (2,234.40)	64 (852.20)
12	March 1, 1999	41.04 **	3,941.00 #	++
13	February 1, 2001	41.04	5,283.00	++
14	April 1, 2002	41.04	6,035.00	++
15	April 1, 2003	41.04	7,170.00	++
16	April 1, 2005	41.04	8,935.00	++
17	April 1, 2006	41.04	9,875.00	++
18	December 17, 2007	41.19 ***	9,925.00	++
19	April 1, 2011	42.33 ****	10,240.00	++
20	November 11, 2013	42.33	15,360.00	++
21	November 20, 2015	42.33	32,225.00	++
22	March 26, 2018	42.33	32,225.00	++

* Secured Ways and Means Advances were occasionally granted on an ad-hoc basis.
+ The increase of ₹0.25 crore over the figure for 1967 was due to the fixation of minimum balance for four States *viz.* Himachal Pradesh, Manipur, Meghalaya and Tripura. There was no revision for other States.
** The minimum balance revised upwards linking it to the same base as for WMA.
++ The limits for special WMA liberalised, no upper limit on Special WMA, which is being provided against the actual holdings of Central Government Securities subject to margin.
# The aggregate amount applicable in March 1999 was ₹3,685 crore on the basis of the recommendation of IAC. On bifurcation of Bihar, Madhya Pradesh and Uttar Pradesh, interim limits were granted to the six recognised States effective November 2000.
Joining of Goa raised the minimum balance by ₹0.30 crore.
*** Joining of UT of Puducherry raised the minimum balance by ₹0.15 crore.
* Joining of Jammu & Kashmir raised the minimum balance by ₹1.14 crore.
Source: Report of the Sumit Bose Committee

Annex 3: Interest Rate on WMA, SDF and OD – Historical Trend *(Contd.)*

S. No.	Period	Normal WMA	SDF (Special WMA)	OD
1	2	3	4	5
1.	Prior to March 1967	1% below Bank Rate	i) Up to ₹50 lakh - 0.25% below Bank Rate ii) ₹51 lakh to ₹125 lakh - ½% below Bank Rate on the entire amount iii) Over ₹125 lakh – Bank rate on the entire amount	Bank rate
2.	March 1967 to April 1976	1% below Bank Rate	1% below Bank Rate	Bank Rate
3.	May 1976 to August 1996	i) First 90 days - 1% below Bank Rate ii) 91-180 days - 1% above bank Rate iii) Beyond 180 days - 2% above Bank Rate	i) First 90 days - 1% below Bank Rate ii) 91-180 days - 1% above bank Rate iii) Beyond 180 days - 2% above Bank Rate	i) For 7 days - Bank Rate ii) From 8th day onwards - 3% above Bank Rate
4.	August 1996 to January 15, 1998	Bank Rate	Bank Rate	Bank Rate plus 3%
5.	Jan 16, 1998 to March 18, 1998	2% below Bank Rate	2% below Bank Rate	Bank Rate
6.	March 19, 1998 to April 2, 1998	1.5% below Bank Rate	1.5% below Bank Rate	0.5% above Bank Rate
7.	April 3 to April 28, 1998	1% below Bank Rate	1% below Bank Rate	1% above Bank Rate
8.	April 29, 1998 to November 1998	Bank Rate	Bank Rate	2% above Bank Rate
9.	Vithal Committee-November 1998	Bank Rate	Bank Rate	Bank Rate plus 2%
10.	Group of State Finance Secretaries - January 2001	Bank Rate	Bank Rate	Bank Rate plus 2%

Annex 3: Interest Rate on WMA, SDF and OD – Historical Trend *(Concld.)*

S. No.	Period	Normal WMA	SDF (Special WMA)	OD
1	2	3	4	5
11.	Ramachandran Committee - January 2003	Bank Rate for the period of 1-90 days and 1% above Bank Rate for the period beyond 90 days.	1% below Bank Rate.	OD up to 100% of NWMA at 3% above the Bank Rate and for OD exceeding 100% of NWMA at 6% above the Bank Rate.
12.	Bezbaruah Committee - October 2005	Repo Rate for the period of 1-90 days and 1% above Repo Rate for the period beyond 90 days.	1% below Repo Rate.	OD up to 100% of NWMA at 2% above Repo Rate and for OD exceeding 100% of NWMA at 5% above the Repo Rate.
13.	Sumit Bose Committee - January 2016	Repo Rate for the period of 1-90 days and 1% above Repo Rate for the period beyond	1% below Repo Rate	OD up to 100% of NWMA at 2% above Repo Rate and for OD exceeding 100% of NWMA at 5% above the Repo Rate.

Source: Report of the Sumit Bose Committee

Annex 4: Investments in ITBs and ATBs by States (end- March)

(Amount in ₹crore)

State	2015-16		2016-17		2017-18		2018-19		2019-20		2020-21*	
	ITBs	ATBs	ITBs	ATBs	ITBs	ATBs	ITBs	ATBs	ITBs	ATBs	ITBs	ATBs
Andhra Pradesh	2707	500	3703	0	0	0	0	0	5137	0	0	0
Arunachal Pradesh	1201	0	277	0	313	0	673	0	1416	0	1840	0
Assam	6135	1400	3802	1400	937	0	8324	0	2933	0	6079	0
Bihar	8194		12997	0	17391	0	14787	0	17584	0	11402	0
Chhattisgarh	1858		2514	0	4075	0	9773	0	5250	5000	4436	4550
Goa	255	0	342	0	148	0	343	0	342	0	604	0
Gujarat	7951		11700	0	4137	0	5837	0	9289	0	10414	0
Haryana	4089	0	2471	0	2001	0	638	0	2249	0	3025	0
Himachal Pradesh	557	0	759	0	724	0	102	0	982	0	1601	3100
Jammu and Kashmir	43	0	0	0	0	0	0	0	0	0	0	0
Jharkhand	2102	0	1439	0	355	0	168	0	3071	0	2714	0
Karnataka	16949		24012	0	12674	0	5149	0	13652	0	33903	12000
Kerala	1643	0	1950	0	887	0	188	0	0	0	0	0
Madhya Pradesh	9503	0	10643	0	7423	0	8651	0	11280	0	21177	0
Maharashtra	21529	15000	32344	12000	43446	15000	9371	26000	14120	0	21105	10000
Manipur	0	0	0	0	0	0	0	0	58	0	0	0
Meghalaya	273	0	1375	0	1686	0	1076	0	807	0	396	0
Mizoram	155	0	443	0	461	0	163	0	295	0	15	0
Nagaland	0	0	35	0	63	0	135	0	0	0	0	0
Odisha	5786		8685	0	13314	12050	8945	15100	8034	17370	11391	16665
Puducherry	494	505	806	280	526	715	405	888	582	700	974	806
Punjab	5180	0	0	0	0	0	469	0	804	0	864	0
Rajasthan	2916	3000	5585	2517	6402	2974	2154	3792	5808	1800	3926	2000
Tamil Nadu	9443	5569	15181	19306	11278	31369	11038	27347	10171	8634	11245	19762
Telangana	2509	0	53	0	2281	0	1591	0	6911	0	0	0
Tripura	1354	1300	804	1100	1207	0	432	800	933	0	1938	0
Uttar Pradesh	615		1205	0	10173	0	25435	0	19880	0	31383	0
Uttarakhand	345	0	452	0	386	0	248	0	0	0	2354	0
West Bengal	6794	0	12481	0	8584	0	5989	0	13170	0	5574	0
Total	**120582**	**27274**	**156059**	**36603**	**150871**	**62108**	**122084**	**73927**	**154757**	**33504**	**188360**	**68883**

*: as on end-February 2021

Source: RBI records

Annex 5: Average Investment in ITBs

(Amount in ₹ crore)

States	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (end-February 2021)
Andhra Pradesh	1288	1271	1443	1379	1959	2289
Arunachal Pradesh	814	1263	1133	1865	1978	2394
Assam	4644	7601	5361	4619	5035	4733
Bihar	8691	14250	13504	18441	17371	12379
Chhattisgarh	936	1947	3451	3538	2425	2243
Goa	61	133	178	169	265	177
Gujarat	6670	7778	9839	5866	6642	6695
Haryana	3696	3478	2554	2424	2503	2637
Himachal Pradesh	644	732	1440	1169	1101	792
Jammu and Kashmir	528	431	447	533	568	1073
Jharkhand	2054	2234	2093	989	2303	3249
Karnataka	6354	7553	8355	7799	5983	14558
Kerala	1146	1828	1109	1234	919	1148
Madhya Pradesh	5083	9286	12678	4072	4557	9432
Maharashtra	7328	13367	16919	14361	13438	11299
Manipur	402	245	385	450	271	208
Meghalaya	651	795	1158	1300	738	490
Mizoram	260	541	649	732	347	200
Nagaland	139	148	223	193	181	91
Odisha	4693	6043	10567	9177	9121	11737
Puducherry	267	255	366	322	383	395
Punjab	507	990	399	470	586	1043
Rajasthan	3526	4362	5514	4802	2649	2655
Tamil Nadu	9035	11141	10256	10757	9610	16412
Telangana	2035	1286	1030	1171	1157	2665
Tripura	1047	779	961	960	569	1133
Uttar Pradesh	2819	5239	11684	19393	17878	14672
Uttarakhand	759	651	545	493	939	1024
West Bengal	1982	5043	7272	3115	3464	3763
Total	**78059**	**110670**	**131513**	**121793**	**114940**	**131586**

Source: RBI records.

Annex 6: Average Investment in ATBs

(Amount in ₹crore)

States	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (end-February, 2021)
Andhra Pradesh	1645	2122	811	0	0	0
Arunachal Pradesh	0	0	0	0	0	0
Assam	1400	1400	1400	3151	3537	0
Bihar	400	5944	8193	9167	11837	0
Chhattisgarh	0	0	0	217	5418	4499
Goa	0	0	0	0	0	0
Gujarat	3694	2036	3435	0	0	0
Haryana	0	0	0	0	0	0
Himachal Pradesh	0	500	646	602	1200	2324
Jammu and Kashmir	0	0	0	0	0	0
Jharkhand	0	0	0	0	0	0
Karnataka	10528	12261	13829	11146	7569	18742
Kerala	0	0	0	0	0	0
Madhya Pradesh	0	0	0	0	0	0
Maharashtra	23905	24219	32333	39193	18364	18834
Manipur	0	0	0	0	0	0
Meghalaya	0	0	0	0	0	0
Mizoram	0	0	0	0	0	0
Nagaland	0	0	0	0	0	0
Odisha	2084	2688	5228	19861	21319	18254
Puducherry	361	484	635	935	876	908
Punjab	0	0	0	0	0	0
Rajasthan	6577	6525	5538	5220	2013	1921
Tamil Nadu	9155	14835	25386	29158	14419	11964
Telangana	0	0	0	0	0	0
Tripura	2004	1615	1167	800	800	0
Uttar Pradesh	0	0	0	0	0	0
Uttarakhand	0	0	0	0	0	0
West Bengal	0	0	5000	3000	0	0
Total	**61753**	**74629**	**103601**	**122450**	**87352**	**77446**

Source: RBI records

Annex 7: Monthly Average Position of SDF/ WMA/ OD availed by State Governments/ UTs

(Amount in ₹crore)

Month	SDF	WMA	OD	Total
Dec-17	27.77	44.82	11.04	83.64
Jan-18	42.29	73.21	17.02	132.53
Feb-18	24.02	68.26	21.1	113.39
Mar-18	33.97	55.64	11.83	101.45
Apr-18	9.92	42.31	4.92	57.16
May-18	16.16	43.88	9.09	69.14
Jun-18	33.22	41.22	3.24	77.69
Jul-18	46.1	35.78	3.06	84.95
Aug-18	12.08	40.39	10.07	62.65
Sep-18	20.62	42.77	0.21	63.61
Oct-18	30.74	120.64	18.03	169.42
Nov-18	22.21	76.83	5.12	104.17
Dec-18	27.08	131.95	22.08	181.12
Jan-19	21.25	88.22	15.21	124.69
Feb-19	24.19	98.98	18.81	141.98
Mar-19	27.41	69.59	13.82	110.84
Apr-19	25.75	93.73	42.42	161.91
May-19	17.99	66.9	9.93	94.83
Jun-19	48.19	99.53	28.1	175.83
Jul-19	94.03	42.85	2.58	139.47
Aug-19	47.64	22.24	0	69.88
Sep-19	19.22	20.67	2.34	42.24
Oct-19	102.88	69.77	6.37	179.02
Nov-19	86.48	87.77	13.01	187.28
Dec-19	112.61	77.9	9.85	200.36
Jan-20	83.33	70.05	21.79	175.18
Feb-20	139.46	70.5	10.61	220.58
Mar-20	90.17	76.09	17.45	183.71
Apr-20	14.14	24.28	0.11	38.44
May-20	91.72	93.9	10.53	196.15
Jun-20	140.08	80.66	12.06	232.81
Jul-20	130.19	126.69	4.81	261.7
Aug-20	151.64	167.58	19.87	339.1
Sep-20	312.65	244.67	59.62	616.95
Oct-20	145.52	196.23	37.44	379.19
Nov-20	220.91	160.97	35.27	417.15
Dec-20	153.1	115.59	20.52	289.21
Jan-21	83.98	125.91	30.07	239.96
Feb-21	85.11	143.87	60.36	289.34

Source: RBI records

Annex 8: Expenditure-based WMA Limit

	Capital Expenditure			Revenue Expenditure			Total Expenditure adjusted for Volatile items			Average Base	Formula-based WMA Limit
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19		
	1	2	3	4	5	6	7	8	9	10	11
I. Other States (Non- HS&NES)											
Andhra Pradesh	15745	16271	21820	116178	121214	128569	101562	135562	148931	128685	2252
Bihar	27322	29150	22529	94765	102624	124897	121266	128305	145818	131796	2272
Chhattisgarh	9743	10370	9144	48165	56230	64411	57347	66339	73233	65640	1056
Goa	1642	2128	2163	8866	10543	11083	8717	11509	10782	10336	203
Gujarat	22833	26944	29793	103895	118060	132790	125937	143871	161840	143882	2518
Haryana	11378	14933	16062	68403	73257	77156	78758	87599	92304	86220	1464
Jharkhand	12113	13804	12196	45086	50950	50255	56745	64343	61859	60982	1067
Karnataka	30085	35759	39147	131921	142482	164300	158968	176996	201817	179261	3137
Kerala	11286	10289	9753	91096	99948	110316	93263	95899	99419	96193	1683
Madhya Pradesh	32229	32463	30514	119537	130246	141577	150669	161578	167281	159843	2560
Maharashtra	31826	27821	36594	213229	241571	267022	241872	266571	294897	267780	4686
Odisha	18900	22984	24652	65041	71837	85356	81953	93791	108732	94825	1576
Punjab	45710	3112	3773	55296	62465	75404	71890	37757	49536	53061	1104
Rajasthan	29945	21957	20751	127140	145842	166773	154930	166274	185470	168891	2608
Tamil Nadu	46756	26720	30789	153195	167874	197201	197587	194058	225751	205799	3601
Telangana	36773	30111	31347	81432	85365	97083	105503	92494	106309	101435	1728
Uttar Pradesh	76530	40597	68766	236592	266224	301728	301595	303140	369895	324877	5680
West Bengal	12534	19338	24583	133918	141077	156374	143923	154401	154468	150931	2641
Sub-Total (I)	**473350**	**384753**	**434377**	**1893755**	**2087808**	**2352295**	**2252486**	**2380487**	**2658343**	**2430439**	**41837**
II. HS&NES											
Arunachal Pradesh	1550	3193	5748	9395	10900	12429	10816	13979	18008	14268	285
Assam	6001	7947	11362	49363	55481	56899	53633	65134	67736	62168	1243
Himachal Pradesh	6789	4258	5052	25344	27053	29429	30132	30587	32479	31066	656
Manipur	1494	1432	1731	8185	9274	9749	8766	10381	8774	9307	233
Meghalaya	1321	1005	1507	8337	8423	10256	9629	9398	11745	10258	209
Mizoram	938	2041	1909	6230	6881	7506	7156	8688	9401	8415	191
Nagaland	1075	1275	1601	8664	10191	10920	5148	7520	10350	7673	245
Tripura	3318	1784	1482	8748	10357	11889	12029	12106	13313	12482	304
Uttarakhand	5119	5991	6368	25271	29083	32196	25074	28624	29988	27895	602
Sub-total(II)	**27605**	**28927**	**36759**	**149536**	**167643**	**181273**	**162383**	**186418**	**201794**	**183532**	**3968**
Jammu and Kashmir	8362	10378	8418	39812	40916	56090	32954	31953	46215	37040	1050
Puducherry	447	395	316	5458	5807	6387	5903	6174	6682	6253	155
Total (All States)	**509764**	**424453**	**479870**	**2088562**	**2302175**	**2596044**	**2453725**	**2605031**	**2913034**	**2657263**	**47010**

Source: RBI records.

Annex 9: Trend in Interest Rate *(Contd.)*

	2015-16				2016-17				2017-18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Repo Rate (end of the quarter)	7.25	6.75	6.75	6.75	6.5	6.5	6.25	6.25	6.25	6	6	6
Bank Rate (end of the quarter)	8.25	7.75	8.25	7.75	7	7	6.75	6.75	6.5	6.25	6.25	6.25
Treasury Bills (Weighted Average)												
91	7.82	7.45	7.15	7.28	6.81	6.55	6.18	6.1	6.19	6.13	6.12	6.29
182	7.86	7.53	7.19	7.22	6.91	6.66	6.28	6.19	6.33	6.24	6.23	6.45
364	7.82	7.56	7.21	7.2	6.93	6.69	6.26	6.22	6.4	6.27	6.27	6.58
Weighted Average GoI dated securities (Primary Auctions)	7.91	7.95	7.77	7.88	7.63	7.19	6.75	6.74	6.98	6.77	7.07	7.32
Average of 10 years Benchmark GoI Securities (Secondary Markets)	7.84	7.78	7.67	7.8	7.46	7.15	6.56	6.65	6.58	6.52	6.97	7.66
14 Day- ITBs	5	5	5	5	5	5	5	5	4	3.75	3.75	3.75
Weighted Average Yields (SDLs)	8.17	8.26	8.12	8.47	8.01	7.52	7.15	7.56	7.43	7.31	7.65	8.09

*: till end February 2021

Annex 9: Trend in Interest Rate *(Concld.)*

	2018-19				2019-20				2020-21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Repo Rate (end of the quarter)	6.25	6.5	6.5	6.25	5.75	5.4	5.15	4.4	4	4	4	4
Bank Rate (end of the quarter)	6.5	6.75	6.75	6.5	6	5.65	5.4	4.65	4.25	4.25	4.25	4.25
Treasury Bills (Weighted Average)												
91	6.3	6.76	6.85	6.51	6.26	5.51	5.04	4.99	3.49	3.24	3.22	3.26 *
182	6.63	7.05	7.11	6.58	6.32	5.73	5.2	5.23	3.64	3.43	3.37	3.50*
364	6.81	7.38	7.32	6.65	6.34	5.82	5.26	5.22	3.71	3.54	3.46	3.65 *
Weighted Average GoI dated securities (Primary Auctions)	7.78	8.03	7.83	7.48	7.22	6.65	6.71	6.71	5.87	5.77	5.73	5.76*
Average of 10 years Benchmark GoI Securities (Secondary Markets)	7.73	7.9	7.7	7.52	7.2	6.56	6.54	6.42	5.8	5.97	5.9	5.9*
14 Day- ITBs	4	4.25	4.25	4.25	3.5	3.15	2.9	2	1.35	1.35	1.35	1.35
Weighted Average Yields (SDLs)	8.14	8.55	8.41	8.23	7.84	7.15	7.15	7.14	6.58	6.29	6.49	6.51*

*: till end February 2021

Annex 10: Operating Procedure of Monetary Policy - Liquidity Management Framework of RBI

The main features of the revised liquidity management framework implemented on February 14, 2020 are as follows[31]:

a) The Weighted Average Call Rate (WACR) was retained as the operating target of the Monetary Policy and the corridor continued to be defined by the Marginal Standing Facility (MSF) rate as its upper bound (ceiling) and the fixed rate reverse repo rate as the lower bound (floor);

b) a 14-day term repo/ reverse repo operation at a variable rate and conducted to coincide with the Cash Reserve Ratio (CRR) maintenance cycle was adopted as the main liquidity management tool for managing frictional liquidity requirements;

c) the daily fixed rate repo and four 14-day term repos conducted earlier every fortnight stood withdrawn;

d) the main liquidity operation is supported by fine-tuning operations (overnight/ longer) to tide over any unanticipated liquidity changes during the reserve maintenance period;

e) longer-term variable rate repo/ reverse repo operations of more than 14 days may be conducted, if required;

f) Standalone Primary Dealers (SPDs) were allowed to participate directly in all overnight liquidity management operations;

g) instruments of liquidity management include fixed and variable rate repo/reverse repo auctions, outright Open Market Operations (OMOs), forex swaps and other instruments to ensure that the system has adequate liquidity at all times;

h) the daily Money Market Operations press release was modified to show both the daily flow as well as the stock impact of the Reserve Bank's liquidity operations and a quantitative assessment of durable liquidity conditions of the banking system on a fortnightly basis is published with a lag of one fortnight. As liquidity forecasts assumes primacy in the revised framework, adherence to an indicative calendar of WMA for the Centre along with the States would aid liquidity management.

[31] COVID-19 related changes in the operating procedure and liquidity management are discussed in detail in Chapter IV of the Monetary Policy Report of April 2020 and October 2020.

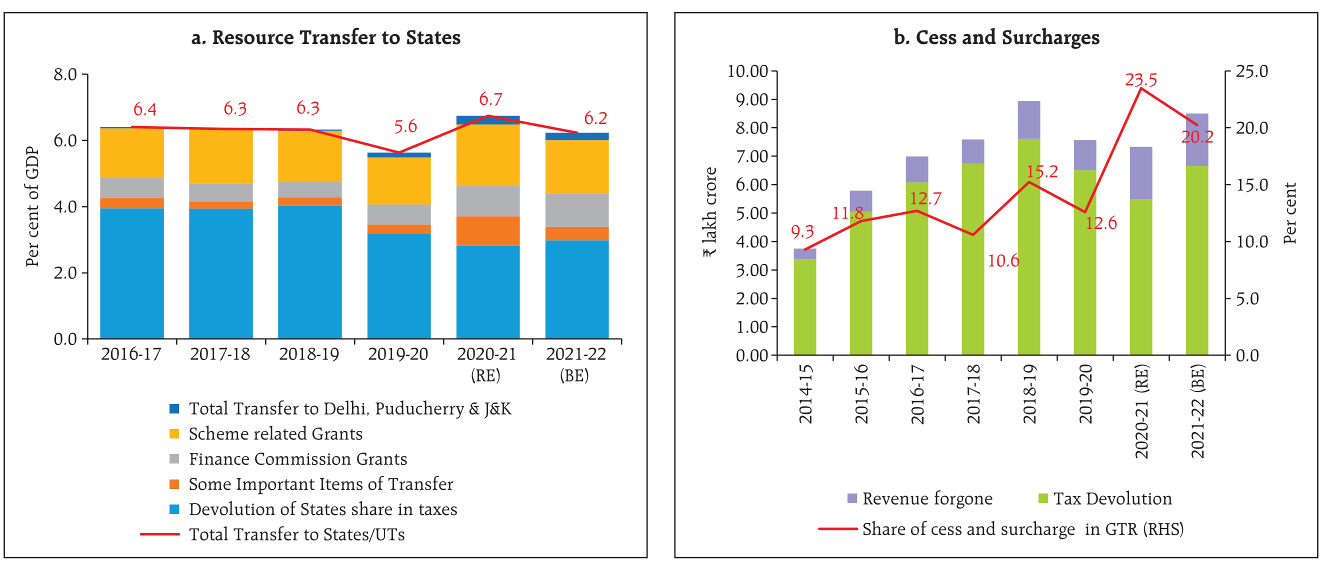
Annex 11: Implications of the Recommendations by 15th FC on State Finances

On the issue of tax devolution, 15th FC's recommendations may not significantly alter the resource transfer from Centre. Maintaining the devolution share at 41 per cent of divisible pool adds predictability and stability to the transfer of resources.

Notwithstanding this, the significant decrease in tax devolution since 2019-20 that continued in 2020-21 is primarily driven by the shrinking tax divisible pool because of contraction in economic activities as well as increasing share of cesses and surcharges that are kept outside the divisible pool. The increase in proceeds from cesses and surcharges from 3 per cent of gross tax revenue in 2000-01 to 15 per cent in 2018-19 and further to 23.5 per cent in 2020-21 has reduced the divisible pool and thus has brought down the effective devolution share to about 30 per cent of gross tax revenue (Chart 5). 15th FC has tried to compensate for this by increasing grants, particularly revenue deficit grants since 2020-21.

The increasing share of grants in overall pool of transfers, which are assigned in terms of a fixed amount rather than a percentage of divisible pool, adds predictability to the quantum and timing of fund flow, thus reducing the revenue uncertainty. The focus on incentive/ performance-based grants is unique and can be regarded as seeds of change for States. Given states' revealed preference to borrow lesser than the borrowing space, incentive-based grants may be a preferred choice than incentive based additional borrowing. While the Government has said that these grants will be subsumed while restructuring the centrally sponsored and central sector schemes, some of the new ones suggested by FC-XV like the one on incentivising states on producing robust statistics, as in the case of Brazil, can go a long way in effective policy making in times to come. Data transparency on 'below the line' items may help financial markets accurately assess the financial position of the states and may in fact be rewarded by the markets, Centre being an example where enhanced transparency in the recent Budget was supported by markets.

Chart 5: Resource Transfer to States



Source: Union Budgets across years.

The fiscal roadmap as provided by 15th FC has given some flexibilities. As against the budgeted GFD-GDP ratio of 2.8 per cent for 2020-21, actual could be about 4.5 per cent of GDP, with states' fiscal succumbing to the scissors' effects of higher pandemic related expenditure coupled with lower revenues due to growth contraction. The relaxed FC XV fiscal roadmap of GFD-GDP ratio of 4.0 per cent and 3.5 per cent in 2021-22 and 2022-23, respectively, as accepted by the Union Budget, will help ensure that there is no sudden drop in resources. The return to 3.0 per cent target is only from 2023-24 onwards. Another important flexibility given by FC is that it has allowed states to utilise any utilised borrowing space across years within the award period, which the states should try and utilise towards capex push.

Annex 12: Revision of WMA limits of State Governments – Suggestions received from States/ CAS, Nagpur *(Contd.)*

Item Discussed	Existing Provision	Suggestion/ Comments	Remarks of IDMD
WMA limit	Existing WMA limit - ₹32,225 crore	1. Facility of SDF/WMA/OD has become important as there are frequent cash imbalances on account of unpredictability and lower-than-expected resource transfers from the GoI. 2. The State Government is also facing a major strain on its resource availability due to the impact of the implementation of the 7th Central Pay Commission recommendations for its employees. 3. Dependence of the State on WMA/OD/SDL is likely to increase, and RBI should consider a liberal dose of WMA facility for the State.	The Committee has proposed that the interim limit of ₹51,560 crore may continue for six months in the FY 2021-22 *i.e.*, up to September 30, 2021. Thereafter, RBI may review the limit after assessing the evolving economic situation and the requirement of States.
		4. WMA limits may be revised based on 1% of the GSDP of States. 5. Committee may consider allowing WMA for 120 days at Repo Rate instead of 90 days as prevalent. 6. Tax revenues are yet to recover while the State's expenditure continues to see an uptick mostly on account of pandemic related expenditure. 7. Revision of limits based on total expenditure base seems to be reasonable.	Sec 17(5) of the RBI Act defines WMA as advances repayable in each case not later than 3 months. Hence, a penal rate of Repo plus 1% is charged for WMA outstanding beyond 3 months.

Annex 12: Revision of WMA limits of State Governments – Suggestions received from States/ CAS, Nagpur *(Contd.)*

Item Discussed	Existing Provision	Suggestion/ Comments	Remarks of IDMD
WMA limit		9. However, the pandemic Induced slowdown has severely affected the finances of the States and the revival is expected to be rather slow.	
		10. Hence, while arriving at the new WMA limits of the states, ratio of 3% (instead of 2.03%) may be applied to the average total expenditure of states for the next 5 years or till all the States regain the growth trajectory. Or at least the existing ratio of 2.03% may be retained.	The existing methodology has been retained after due deliberations by the Committee.
	Existing limits have been calculated using the total expenditure of States as the base.	11. Annual expenditure for 2018-19, 2019-20 & 2021-22 (BE) may be considered instead of 2020-21 (RE) as 2020-21 has been an exceptional year due to COVID-19 pandemic and expenditure of this year may not reflect the actual quantum of SDL required by States to meet their short-term cash crunch.	Based on the formula-based methodology adopted by the Committee, the ratio was working out to 1.3% for 'other States', which, however, was enhanced to 1.75% to provide a growth in the WMA limit.
	A ratio of 2.03% has been considered by the previous Advisory Committee for calculating the WMA limits.	12. Multiplying factor for fixing the WMA limit may be reviewed at higher side.	
OD Regulations	Payments of the State stopped if a) If a State continues to be in OD beyond 14 consecutive working days; b) If a State continues to be in overdraft for more than 36 working days in a quarter. c) If the OD exceeds 100 per cent of the WMA limit for 5 consecutive working days for the second/ subsequent time in a financial year	1. The interim measure may be made permanent as it appears reasonable. 2. However, the provision of stopping of payment may be suspended in case of Natural Calamities/Disasters of rare and severe nature as notified by Disaster Management Authorities and also at times of COVID-19 like pandemic.	Interim relaxation provided by RBI for the FY 2020-21, wherein the limit has been extended to 21 working days. The relaxation will be available till March 31, 2021.

Annex 12: Revision of WMA limits of State Governments – Suggestions received from States/ CAS, Nagpur *(Contd.)*

Item Discussed	Existing Provision	Suggestion/ Comments	Remarks of IDMD
OD Regulations	**Interim Relaxation for FY 2020-21** a) No. of days for which a State/ UT can be in OD continuously - increased to 21 working days from the current stipulation of 14 working days. b) No. of days for which a State/ UT can be in OD in a quarter - increased to 50 working days from the current stipulation of 36 working days.	3. The interim relaxation may be retained beyond the stipulated date of 31-03-2021 and for the full term of the recommendations of the 15th FC *i.e.* 2021-2026. 4. States may be allowed to remain in OD continuously for 21 days instead of the current limit of 14 days. 5. State may be allowed to avail OD in excess of its WMA limit, for at least 10 working days, instead of the prevailing limit of 5 working days. 6. The interim relaxation which allows States to be in OD continuously for 21 working days may be retained.	
SDF	**Limitation on investment in G-sec/ ATBs** - States can invest their cash surplus in dated GoI securities, provided that they have not availed WMA in the immediately preceding period of 90 consecutive days.	1. Given the low rate of return on 14-day ITBs, above condition will amount to penalising States even in case of accidental availment of SDF for few days. Hence this condition about availment of SDF in the previous 90 days may be removed in the report. 2. Restriction on investment in CSF (G-sec) and availing SDF thereafter, limits further investments in CSF for 90 days. If removed, this will act as an incentive for States to invest in CSF. 3. Existing provision may be reviewed in view of the operational difficulties faced in implementing the restrictions.	Proposal included in the draft Report for removing this restriction.

Annex 12: Revision of WMA limits of State Governments – Suggestions received from States/ CAS, Nagpur *(Contd.)*

Item Discussed	Existing Provision	Suggestion/ Comments	Remarks of IDMD
SDF	**Limitation on investment in ATBs after availing SDF** - When States avail SDF immediately after investing in 91-day TBs, they are not allowed to invest further in 91-day TBs for 90 days.	1. Existing provision may be reviewed in view of the operational difficulties faced in implementing the restrictions. 2. Proposal to remove the condition is agreed to. 3. This condition may be relaxed, and the states may be allowed to avail SDF as per their requirement.	Proposal included in the draft Report for removing this restriction.
		4. Committee may consider temporarily delinking SDF to the investment in CSF and GRF and allow the State to avail SDF at the rate of 50 per cent of the revised WMA for the full term of the recommendations of the 15th FC.	It is not feasible to implement the suggestion. SDF is not a clean advance like WMA, but is granted against collateral *i.e.*, State's investment in G-sec (CSF & GRF)/ ATBs. Hence, it is linked to investments in CSF/ GRF which act as the collateral.
		5. SDF limit - may be computed against entire balance in CSF & GRF.	SDF limit is being calculated on a daily basis.
	Other Issues	6. Prevailing condition of calculating SDF limit against annual incremental investments in CSF & GRF implies that, a State with negligible holdings may get rewarded if they make fresh investment in a year, while States which continue to hold a sizeable corpus but not making incremental investment will get denied of SDF. This would encourage States to maintain the corpus even at times of crisis.	Coupon & redemption payments generated out of existing investments in CSF & GRF get REINVESTED into the Fund. Reinvestments are also treated as incremental investments. Hence, even when a State doesn't make fresh investment in the Fund during a FY, it will continue to have an operating SDF limit. However, fresh investments every year will get a higher SDF limit for States and also will help in building a sizeable corpus.

Annex 12: Revision of WMA limits of State Governments – Suggestions received from States/ CAS, Nagpur *(Contd.)*

Item Discussed	Existing Provision	Suggestion/ Comments	Remarks of IDMD
SDF		7. Limit for SDF may be fixed on certain percentage of weighted average of outstanding balance of CSF and GRF as at the end of last FY plus incremental investment in CSF and GRF during the last FY taken together.	
		8. SDF limit may be changed on a monthly basis, instead of being calculated daily.	It is not feasible to implement the suggestion. SDF limit has to be calculated every day as the value of collateral *i.e.*, G-sec/ ATBs will change whenever there is investment/ disinvestment/ redemption of holdings.
		9. SDF should be provided against the total investment in CSF & GRF, instead of being provided only against the annual incremental investments. This will encourage States to invest in CSF/ GRF.	It is not feasible to implement the suggestion. SDF is a collateralised advance. If a State is allowed to avail SDF against the total corpus in CSF/ GRF, till the advance is repaid, the State may not be able to disinvest if need arises, as the securities will remain mortgaged against SDF. Hence, SDF limit is calculated only against annual incremental investments in CSF & GRF.
CSF/GRF	**Minimum Corpus** – not prescribed in the prevailing Scheme.	1. Agree to the proposed amendment. 2. CSF - may be fixed at a rate lower than 5% of outstanding liabilities, say 3 or 4%. GRF - agree to the proposed minimum corpus.	**Proposed Amendment** – to build at least 5 per cent of total outstanding liabilities/ guarantees; to be achieved within 5 years & to be maintained thereafter on a rolling basis.

Annex 12: Revision of WMA limits of State Governments – Suggestions received from States/ CAS, Nagpur *(Concld.)*

Item Discussed	Existing Provision	Suggestion/ Comments	Remarks of IDMD
CSF/ GRF	**Withdrawal** – **CSF** - allowed after 5 years of constituting the Fund. **GRF** – no lock-in period	1. Agree to the recommendation. However, there should be a provision for relaxation of the minimum corpus of 5% of the total outstanding liabilities at times of abnormal fiscal crisis like Natural Calamities of rare and severe nature and also at times of COVID-19 like pandemic in order to enable State Governments to take counter cyclical fiscal response. In such situations withdrawal from accumulated balance may be allowed beyond 2.5% of the total outstanding liabilities for any purpose which can be recouped in a period of 3-5 years to the level of 5%. 2. Withdrawal should be allowed before 5 years, considering the significant redemption pressure on States in the next few years. 3. Interim relaxation by RBI is welcomed by the State due to the prevailing resource position.	Relaxation for withdrawal from accumulated balance can be allowed on case to case basis, whenever situation demands such response. RBI has provided such interim relaxation in the current FY, in response to fiscal stress caused by COVID-19. States were allowed to withdraw up to 75% of the balance accumulated in their Fund.
Minimum Cash Balance	Revision of Minimum Balance not required	Agree to the recommendation.	
Any other Issues	**Negative Carry -** by holding surplus cash balance by State Government	1. Interest rate on 14-day ITBs should be equivalent to interest rate on WMA chargeable to Central Government, as States are now getting an interest of only 1.35% (Reverse Repo Rate minus 200 bps) on 14-day ITBs. 2. The Ministry of Finance, GoI and RBI may thus introduce a scheme for allowing the State Governments to invest their short-term cash surpluses in short-term CMBs as non-competitive bidders.	

Annex 13: Meetings held by the Advisory Committee

First meeting of the Advisory Committee was held on October 14, 2019 at RBI, Mumbai. Following officials participated in the meeting:

Chairman & Members

1 Shri. Sudhir Shrivastava, Chairman

2 Shri. N R Bhanumurthy, Professor, NIPFP

3 Shri. Sanjiv Mittal, Additional Chief Secretary (Finance), Uttar Pradesh

4 Shri. Arvind Agarwal, Additional Chief Secretary (Finance), Gujarat

5 Shri. K Ramakrishna Rao, Principal Secretary (Finance), Telangana

6 Shri. A K K Meena, Principal Secretary (Finance), Odisha.

Ministry of Finance, GoI

7 Shri. Suraj Kumar Pradhan, Joint Director, PF-S Division, DoE, MoF, GoI

Reserve Bank of India

8 Shri. B P Kanungo, Deputy Governor

9 Smt .Malvika Sinha, Executive Director

10 Shri. T.K. Rajan, Chief General Manager, IDMD

11 Ms. Sangeeta Lalvani, General Manager, IDMD

12 Shri. Brijesh P, Director/ Convenor, IDMD

13 Shri. S. Suraj, Assistant Adviser, IDMD

14 Smt Sangita E, Assistant General Manager, IDMD

15 Shri. Ashish Gupta, Assistant General Manager/ Dealer, IDMD

16 Shri. Arvind Ekka, Manager/ Dealer, IDMD

17 Shri. Sourit Das, Research Officer, IDMD

18 Shri. Prashant Chandawat, Assistant Manager, IDMD

Second meeting of the Advisory Committee was held on July 10, 2020 through video conference, in view of the then prevailing lock down conditions. Following officials participated in the meeting:

Chairman & Members

1 Shri. Sudhir Shrivastava, Chairman

2 Shri. N R Bhanumurthy, Professor, NIPFP

3 Shri. Sanjiv Mittal, Additional Chief Secretary (Finance), Uttar Pradesh

4 Shri. Pankaj Joshi, Additional Chief Secretary (Finance), Gujarat

5 Shri. K Ramakrishna Rao, Principal Secretary (Finance), Telangana

6 Shri. A K K Meena, Principal Secretary (Finance), Odisha.

7 Shri. Samir Kumar Sinha, Principal Secretary (Finance), Assam

Ministry of Finance, GoI

8 Shri. Suraj Kumar Pradhan, Joint Director, PF-S Division, DoE, MoF, GoI

Reserve Bank of India

9 Shri. T.K. Rajan, Chief General Manager, IDMD

10 Shri. Brijesh P, Director/ Convenor, IDMD

11 Shri. Neeraj Kumar, Assistant Adviser, IDMD

12 Smt. Sangita E, Assistant General Manager, IDMD

13 Shri. Sourit Das, Research Officer, IDMD

14 Shri. Prashant Chandawat, Assistant Manager, IDMD

Third meeting of the Advisory Committee was held on February 26, 2021 through video conference. Following officials participated in the meeting:

Chairman/ Members & other Officials

1 Shri. Sudhir Shrivastava, Chairman

2 Shri. N R Bhanumurthy, Professor, NIPFP

3 Smt. S. Radha Chauhan, Additional Chief Secretary (Finance), Uttar Pradesh

4 Shri. Pankaj Joshi, Additional Chief Secretary (Finance), Gujarat

5 Shri. K Ramakrishna Rao, Principal Secretary (Finance), Telangana

6 Shri. A. K. K. Meena, Principal Secretary (Finance), Odisha

7 Shri. Samir Kumar Sinha, Principal Secretary (Finance), Assam

8 Shri. Neel Ratan Kumar, Special Secretary (Finance), Uttar Pradesh

9 Shri Alok Dixit, Special Secretary (Finance), Uttar Pradesh

Ministry of Finance, GoI

10 Shri. Suraj Kumar Pradhan, Joint Director, PF-S Division, DoE, MoF, GoI

Reserve Bank of India

11 Shri. R. Subramanian, Executive Director

12 Shri. R. Gurumurthy, Chief General Manager, IDMD

13 Shri. Deba Prasad Rath, Officer-in-charge, DEPR

14 Shri. Rajiv Ranjan, Adviser-in-charge, MPD

15 Smt. Latha Vishwanath, General Manager, IDMD

16 Shri. Indranil Bhattacharya, Director, MPD

17 Smt. Sangita Misra, Director, DEPR

18 Shri Brijesh P, Director/ Convenor, IDMD

19 Shri. Neeraj Kumar, Assistant Adviser, IDMD

20 Smt. Sangita E, Assistant General Manager, IDMD

21 Shri. Sourit Das, Research Officer, IDMD

22 Shri. Avinash Deo, Assistant Manager, IDMD

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CURRENT STATISTICS

Contents

Notes: .. = Not available.
– = Nil/Negligible.
P = Preliminary/Provisional. PR = Partially Revised.

No. 1: Select Economic Indicators

Item	2020-21	2019-20		2020-21	
		Q2	Q3	Q2	Q3
	1	2	3	4	5
1 Real Sector (% Change)					
1.1 GVA at Basic Prices	-6.5	4.6	3.4	-7.3	1.0
1.1.1 Agriculture	3.0	3.5	3.4	3.0	3.9
1.1.2 Industry	-7.4	-2.7	-3.0	-1.6	1.4
1.1.3 Services	-8.4	7.3	5.8	-10.9	-0.04
1.1a Final Consumption Expenditure	-7.1	7.0	6.8	-13.6	-2.2
1.1b Gross Fixed Capital Formation	-12.4	3.9	2.4	-6.8	2.6
	2020-21	2020		2021	
		Feb.	Mar.	Feb.	Mar.
	1	2	3	4	5
1.2 Index of Industrial Production	-	5.2	-18.7	-3.6	-
2 Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	11.4	9.0	7.9	12.1	11.4
2.1.2 Credit	5.6	6.1	6.1	6.6	5.6
2.1.2.1 Non-food Credit	5.5	6.1	6.1	6.6	5.5
2.1.3 Investment in Govt. Securities	19.3	10.6	10.6	18.3	19.3
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	15.2	11.3	9.4	13.6	15.2
2.2.2 Broad Money (M3)	11.7	10.2	8.9	12.8	11.7
3 Ratios (%)					
3.1 Cash Reserve Ratio	3.50	4.00	3.00	3.00	3.50
3.2 Statutory Liquidity Ratio	18.00	18.25	18.25	18.00	18.00
3.3 Cash-Deposit Ratio	4.2	4.7	4.6	3.7	4.2
3.4 Credit-Deposit Ratio	72.4	75.8	76.4	72.2	72.4
3.5 Incremental Credit-Deposit Ratio	37.4	44.3	60.3	29.6	37.4
3.6 Investment-Deposit Ratio	29.5	28.3	27.6	29.9	29.5
3.7 Incremental Investment-Deposit Ratio	46.8	51.8	36.2	52.8	46.8
4 Interest Rates (%)					
4.1 Policy Repo Rate	4.00	5.15	4.40	4.00	4.00
4.2 Reverse Repo Rate	3.35	4.90	4.00	3.35	3.35
4.3 Marginal Standing Facility (MSF) Rate	4.25	5.40	4.65	4.25	4.25
4.4 Bank Rate	4.25	5.40	4.65	4.25	4.25
4.5 Base Rate	7.40/8.80	8.45/9.40	8.15/9.40	7.30/8.80	7.40/8.80
4.6 MCLR (Overnight)	6.55/7.05	7.50/7.90	7.40/7.90	6.55/7.05	6.55/7.05
4.7 Term Deposit Rate >1 Year	4.90/5.50	6.00/6.40	5.90/6.40	4.90/5.50	4.90/5.50
4.8 Savings Deposit Rate	2.70/3.00	3.25/3.50	3.00/3.50	2.70/3.00	2.70/3.00
4.9 Call Money Rate (Weighted Average)	3.25	4.96	5.05	3.25	3.25
4.10 91-Day Treasury Bill (Primary) Yield	3.32	5.08	4.36	3.17	3.32
4.11 182-Day Treasury Bill (Primary) Yield	3.47	5.18	4.97	3.48	3.47
4.12 364-Day Treasury Bill (Primary) Yield	3.83	5.16	4.94	3.70	3.83
4.13 10-Year G-Sec Par Yield (FBIL)	6.34	6.65	6.71	6.34	6.34
5 Reference Rate and Forward Premia					
5.1 INR-US$ Spot Rate (Rs. Per Foreign Currency)	72.40	72.19	74.84	73.04	72.40
5.2 INR-Euro Spot Rate (Rs. Per Foreign Currency)	85.31	79.44	82.64	88.80	85.31
5.3 Forward Premia of US$ 1-month (%)	6.80	3.82	8.98	5.59	6.80
3-month (%)	5.64	3.93	5.93	5.59	5.64
6-month (%)	5.47	3.91	5.05	5.19	5.47
6 Inflation (%)					
6.1 All India Consumer Price Index	6.18	6.6	5.8	5.0	5.5
6.2 Consumer Price Index for Industrial Workers	5.03	6.8	5.5	4.5	5.7
6.3 Wholesale Price Index	1.20	2.3	0.4	4.2	7.4
6.3.1 Primary Articles	1.54	6.5	2.2	1.8	6.4
6.3.2 Fuel and Power	-8.07	3.1	-2.9	0.6	10.3
6.3.3 Manufactured Products	2.69	0.5	0.3	5.8	7.3
7 Foreign Trade (% Change)					
7.1 Imports	-15.51	3.6	-28.0	7.0	53.7
7.2 Exports	-5.97	3.3	-34.3	-0.8	60.3

Note : Financial Benchmark India Pvt. Ltd. (FBIL) has commenced publication of the G-Sec benchmarks with effect from March 31, 2018 as per RBI circular FMRD.DIRD.7/14.03.025/2017-18 dated March 31, 2018. FBIL has started dissemination of reference rates w.e.f. July 10, 2018.

Reserve Bank of India

No. 2: RBI - Liabilities and Assets *

(₹ Crore)

Item	As on the Last Friday/ Friday						
	2020-21	2020	2021				
		Apr.	Apr. 2	Apr. 9	Apr. 16	Apr. 23	Apr. 30
	1	2	3	4	5	6	7
1 Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	2831727	2496611	2827991	2857645	2872895	2880247	2887884
1.1.2 Notes held in Banking Department	11	12	12	14	12	14	14
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	**2831738**	**2496623**	**2828003**	**2857660**	**2872907**	**2880261**	**2887898**
1.2 Assets							
1.2.1 Gold	106555	112280	104579	110968	110497	113430	110440
1.2.2 Foreign Securities	2724437	2383506	2722681	2745966	2761696	2766125	2776759
1.2.3 Rupee Coin	746	837	743	725	715	705	699
1.2.4 Government of India Rupee Securities	–	–	–	–	–	–	–
2 Banking Department							
2.1 Liabilities							
2.1.1 Deposits	1504697	1222589	1490520	1466403	1467822	1473016	1507507
2.1.1.1 Central Government	100	100	101	100	101	100	100
2.1.1.2 Market Stabilisation Scheme							
2.1.1.3 State Governments	42	43	42	42	42	42	42
2.1.1.4 Scheduled Commercial Banks	542693	423731	558014	535652	561141	552893	579344
2.1.1.5 Scheduled State Co-operative Banks	6529	5255	15221	6030	6405	6462	6487
2.1.1.6 Non-Scheduled State Co-operative Banks	3204	2673	4734	3483	3312	3281	3311
2.1.1.7 Other Banks	31820	25519	33095	32077	31008	32735	32482
2.1.1.8 Others	895440	765191	870953	879400	865806	877493	885731
2.1.1.9 Financial Institution Outside India	24868	77	8359	9618	8	8	8
2.1.2 Other Liabilities	1343670	1462216	1352309	1472718	1456515	1511087	1458976
2.1/2.2 Total Liabilities or Assets	**2848367**	**2684805**	**2842829**	**2939120**	**2924337**	**2984104**	**2966482**
2.2 Assets							
2.2.1 Notes and Coins	11	12	12	14	12	14	14
2.2.2 Balances held Abroad	1204135	1019120	1227372	1314089	1285645	1325678	1296637
2.2.3 Loans and Advances							
2.2.3.1 Central Government	–	111985	–	–	–	–	–
2.2.3.2 State Governments	1674	1063	3372	2355	5384	2363	4506
2.2.3.3 Scheduled Commercial Banks	90275	288194	91080	89650	89851	89731	89934
2.2.3.4 Scheduled State Co-op.Banks	–	–	–	–	–	–	–
2.2.3.5 Industrial Dev. Bank of India	–	–	–	–	–	–	–
2.2.3.6 NABARD	26422	–	25426	25426	21426	21426	17077
2.2.3.7 EXIM Bank	–	–	–	–	–	–	–
2.2.3.8 Others	6678	4162	6905	6708	6708	6708	6729
2.2.3.9 Financial Institution Outside India	24858	7736	8353	4773	9	8	8
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	–	–	–	–	–	–	–
2.2.4.2 Government Treasury Bills	–	–	–	–	–	–	–
2.2.5 Investments	1331671	1102739	1335140	1341887	1361696	1380443	1397597
2.2.6 Other Assets	162643	149794	145168	154219	153607	157733	153979
2.2.6.1 Gold	146572	139271	144188	152997	152347	156392	152269

* Data are provisional

No. 3: Liquidity Operations by RBI

(₹ Crore)

Date	Repo	Reverse Repo	Variable Rate Repo	Variable Rate Reverse Repo	MSF	Standing Liquidity Facilities	Market Stabilisation Scheme	Sale	Purchase	Long Term Repo Operations &	Targeted Long Term Repo Operations #	Special Liquidity Facility for Mutual Funds	Special Liquidity Scheme for NBFCs/ HFCs **	Net Injection (+)/ Absorption (-) (1+3+5+6+9+10+ 11+12+13-2-4-7-8)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Mar. 1, 2021	-	553510	-	-	16	–	-	-	-	-	-	-	-	-553494
Mar. 2, 2021	-	566757	-	-	0	–	-	-	-	-	-	-	-	-566757
Mar. 3, 2021	-	556574	-	-	11	–	-	-	190	-	-	-	-	-556373
Mar. 4, 2021	-	564499	-	-	0	–	-	-	200	-	-	-	-	-564299
Mar. 5, 2021	-	487208	-	-	31	–	-	15000	15000	-	-	-	-	-487177
Mar. 6, 2021	-	23493	-	-	1674	–	-	-	-	-	-	-	-	-21819
Mar. 7, 2021	-	3830	-	-	509	–	-	-	-	-	-	-	-	-3321
Mar. 8, 2021	-	471854	-	-	0	–	-	-	-	-	-	-	-	-471854
Mar. 9, 2021	-	496861	-	-	0	25	-	-	-	-	-	-	-	-496836
Mar. 10, 2021	-	453691	-	-	0	–	-	-	-	-	-	-	-	-453691
Mar. 11, 2021	-	36932	-	-	819	–	-	-	-	-	-	-	-	-36113
Mar. 12, 2021	-	476649	-	200007	23	-250	-	10895	20330	-	-	-	-	-667448
Mar. 13, 2021	-	6600	-	-	3	-	-	-	-	-	-	-	-	-6597
Mar. 14, 2021	-	1557	-	-	78	–	-	-	-	-	-	-	-	-1479
Mar. 15, 2021	-	463741	-	-	2985	–	-	-	-	-	-	-	-	-460756
Mar. 16, 2021	-	383878	-	-	0	–	-	-	-	-	-	-	-	-383878
Mar. 17, 2021	-	373224	-	-	0	–	-	-	-	-	-	-	-	-373224
Mar. 18, 2021	-	399249	-	-	13	–	-	-	-	-	-	-	-	-399236
Mar. 19, 2021	-	302050	-	-	6	40	-	4750	10000	-	-	-	-	-296754
Mar. 20, 2021	-	63812	-	-	177	–	-	-	-	-	-	-	-	-63635
Mar. 21, 2021	-	5567	-	-	1850	–	-	-	-	-	-	-	-	-3717
Mar. 22, 2021	-	336724	-	-	2530	-85	-	-	-	-	5000	-	-	-329279
Mar. 23, 2021	-	354918	-	-	47	–	-	60	-	-	-	-	-	-354931
Mar. 24, 2021	-	362996	-	-	43	-185	-	1065	-	-	-	-	-	-364203
Mar. 25, 2021	-	383316	-	-	60	–	-	1500	-	-	-	-	-	-384756
Mar. 26, 2021	-	493576	500	-	182	–	-	11255	10000	-	-	-	-	-494149
Mar. 27, 2021	-	4776	-	-	2581	–	-	-	-	-	-	-	-	-2195
Mar. 28, 2021	-	2702	-	-	58	–	-	-	-	-	-	-	-	-2644
Mar. 29, 2021	-	45703	-	-	3913	–	-	-	-	-	-	-	-	-41790
Mar. 30, 2021	-	613590	-	-	25	735	-	-	-	-	-	-	-	-612830
Mar. 31, 2021	-	493904	0	-	111	-1803	-	-	-	-	-	-	-	-495596

Notes: #Includes Targeted Long Term Repo Operations (TLTRO), Targeted Long Term Repo Operations 2.0 (TLTRO 2.0) and On Tap Targeted Long Term Repo Operations. Negative (-) sign indicates repayments done by Banks.

**As per RBI Notification No. 2020-21/01 dated July 01, 2020.

Negative (-) sign indicates maturity proceeds received for RBI's investment in the Special Liquidity Scheme.

& Negative (-) sign indicates repayments done by Banks.

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

i) Operations in onshore / offshore OTC segment

Item	2019-20	2020	2021	
		Mar.	Feb.	Mar.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	45097	-4054	-1219	-5699
1.1 Purchase (+)	72205	3984	23352	20250
1.2 Sale (–)	27108	8038	24571	25949
2 ₹ equivalent at contract rate (₹ Crores)	312005	-30974	-8475	-41123
3 Cumulative (over end-March) (US $ Million)	45097	45097	74014	68315
(₹ Crores)	312005	312005	551639	510516
4 Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ Million)	-4939	-4939	73201	72751

ii) Operations in currency futures segment

Item	2019-20	2020	2021	
		Mar.	Feb.	Mar.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	0	0	0	0
1.1 Purchase (+)	7713	2808	4841	830
1.2 Sale (–)	7713	2808	4841	830
2 Outstanding Net Currency Futures Sales (–)/ Purchase (+) at the end of month (US $ Million)	-500	-500	0	690

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

Item	As on March 31, 2021		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	7407	0	7407
2. More than 1 month and upto 3 months	13701	0	13701
3. More than 3 months and upto 1 year	61318	5020	56298
4. More than 1 year	345	5000	-4655
Total (1+2+3+4)	**82771**	**10020**	**72751**

No. 5: RBI's Standing Facilities

(₹ Crore)

Item	2020-21	As on the Last Reporting Friday						
		2020			2021			
		Apr. 24	Nov. 20	Dec. 18	Jan. 29	Feb. 26	Mar. 26	Apr. 23
	1	2	3	4	5	6	7	8
1 MSF	182	45	266	1	0	58	182	149
2 Export Credit Refinance for Scheduled Banks								
2.1 Limit	-	-	-	-	-	-	-	-
2.2 Outstanding	-	-	-	-	-	-	-	-
3 Liquidity Facility for PDs								
3.1 Limit	4900	10000	4900	4900	4900	4900	4900	4900
3.2 Outstanding	–	4162	0	0	0	0	0	0
4.1 Limit	75000	50000	75000	75000	75000	75000	75000	75000
4.2 Outstanding	32387	0	33234	34760	32205	32842	32387	27122
5 Total Outstanding (1+2.2+3.2+4.2)	32569	4207	33500	34761	32205	32900	32569	27271

Note :1.Special refinance facility to Others, i.e. to the EXIM Bank, is reopened since May 22, 2020
2.Refinance facility to Others, i.e. to the NABARD/SIDBI/NHB U/S 17(4H) of RBI ACT,1934, since, April 17, 2020.

Money and Banking

No. 6: Money Stock Measures

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2020-21	2020	2021		
		Mar. 27	Feb. 26	Mar. 12	Mar. 26
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	2757754	2341744	2735085	2759473	2757754
1.1 Notes in Circulation	2831727	2412993	2809858	2834462	2831727
1.2 Circulation of Rupee Coin	26076	25572	26076	26076	26076
1.3 Circulation of Small Coins	743	743	743	743	743
1.4 Cash on Hand with Banks	100793	97563	101592	101809	100793
2 Deposit Money of the Public	2031608	1775870	1869210	1864880	2031608
2.1 Demand Deposits with Banks	1984261	1737692	1824436	1819084	1984261
2.2 ‘Other’ Deposits with Reserve Bank	47347	38177	44774	45796	47347
3 M_1 (1 + 2)	**4789363**	**4117614**	**4604295**	**4624353**	**4789363**
4 Post Office Saving Bank Deposits	150963	150963	150963	150963	150963
5 M_2 (3 + 4)	**4940326**	**4268577**	**4755258**	**4775316**	**4940326**
6 Time Deposits with Banks	13983686	12674016	13959469	13989462	13983686
7 M_3 (3 + 6)	**18773048**	**16791629**	**18563764**	**18613815**	**18773048**
8 Total Post Office Deposits	433441	433441	433441	433441	433441
9 M_4 (7 + 8)	**19206489**	**17225070**	**18997205**	**19047256**	**19206489**

No. 7: Sources of Money Stock (M_3)

(₹ Crore)

Sources	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2020-21	2020	2021		
		Mar. 27	Feb. 26	Mar. 12	Mar. 26
	1	2	3	4	5
1 Net Bank Credit to Government	**5692569**	**5062304**	**5770646**	**5831114**	**5692569**
1.1 RBI's net credit to Government (1.1.1–1.1.2)	982063	1094134	1064827	1070490	982063
1.1.1 Claims on Government	1332127	1094277	1324907	1338889	1332127
1.1.1.1 Central Government	1330453	1092310	1320970	1330367	1330453
1.1.1.2 State Governments	1674	1967	3938	8522	1674
1.1.2 Government deposits with RBI	350065	143	260080	268398	350065
1.1.2.1 Central Government	350022	100	260038	268356	350022
1.1.2.2 State Governments	42	43	42	42	42
1.2 Other Banks' Credit to Government	4710506	3968170	4705818	4760624	4710506
2 Bank Credit to Commercial Sector	**11610050**	**11037091**	**11433720**	**11453932**	**11610050**
2.1 RBI's credit to commercial sector	8524	11613	8625	8511	8524
2.2 Other banks' credit to commercial sector	11601526	11025478	11425094	11445420	11601526
2.2.1 Bank credit by commercial banks	10949512	10370861	10774742	10795818	10949512
2.2.2 Bank credit by co-operative banks	643045	637776	640793	640144	643045
2.2.3 Investments by commercial and co-operative banks in other securities	8969	16842	9559	9458	8969
3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	**4511386**	**3756567**	**4616641**	**4546402**	**4511386**
3.1 RBI's net foreign exchange assets (3.1.1–3.1.2)	4181453	3545933	4286707	4216469	4181453
3.1.1 Gross foreign assets	4181689	3546167	4286948	4216710	4181689
3.1.2 Foreign liabilities	237	234	241	241	237
3.2 Other banks' net foreign exchange assets	329934	210634	329934	329934	329934
4 Government's Currency Liabilities to the Public	**26819**	**26315**	**26819**	**26819**	**26819**
5 Banking Sector's Net Non-monetary Liabilities	**3067777**	**3090648**	**3284061**	**3244452**	**3067777**
5.1 Net non-monetary liabilities of RBI	1331957	1344671	1410269	1353501	1331957
5.2 Net non-monetary liabilities of other banks (residual)	1735819	1745977	1873792	1890952	1735819
M_3 (1+2+3+4–5)	**18773048**	**16791629**	**18563764**	**18613815**	**18773048**

No. 8: Monetary Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2020-21	2020	2021		
		Mar. 27	Feb. 26	Mar. 12	Mar. 26
	1	2	3	4	5
Monetary Aggregates					
NM_1 (1.1 + 1.2.1+1.3)	4789363	4117614	4604299	4624355	4789363
NM_2 (NM_1+ 1.2.2.1)	11013373	9737442	10811824	10850013	11013373
NM_3 (NM_2 + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	18864522	16915559	18643536	18702438	18864522
1 Components					
1.1 Currency with the Public	2757754	2341744	2735090	2759477	2757754
1.2 Aggregate Deposits of Residents	15815395	14226198	15618934	15653878	15815395
1.2.1 Demand Deposits	1984261	1737692	1824434	1819082	1984261
1.2.2 Time Deposits of Residents	13831134	12488506	13794500	13834796	13831134
1.2.2.1 Short-term Time Deposits	6224010	5619828	6207525	6225658	6224010
1.2.2.1.1 Certificates of Deposit (CDs)	78702	169419	55560	56509	78702
1.2.2.2 Long-term Time Deposits	7607124	6868678	7586975	7609138	7607124
1.3 ‘Other’ Deposits with RBI	47347	38177	44774	45796	47347
1.4 Call/Term Funding from Financial Institutions	244025	309439	244737	243288	244025
2 Sources					
2.1 Domestic Credit	18294061	16957414	18169968	18257752	18294061
2.1.1 Net Bank Credit to the Government	5692569	5062304	5770643	5831114	5692569
2.1.1.1 Net RBI credit to the Government	982063	1094134	1064827	1070490	982063
2.1.1.2 Credit to the Government by the Banking System	4710506	3968170	4705816	4760623	4710506
2.1.2 Bank Credit to the Commercial Sector	12601492	11895110	12399325	12426638	12601492
2.1.2.1 RBI Credit to the Commercial Sector	34946	11613	35473	35163	34946
2.1.2.2 Credit to the Commercial Sector by the Banking System	12566546	11883497	12363852	12391475	12566546
2.1.2.2.1 Other Investments (Non-SLR Securities)	951313	846284	920260	928990	951313
2.2 Government’s Currency Liabilities to the Public	26819	26315	26819	26819	26819
2.3 Net Foreign Exchange Assets of the Banking Sector	4420255	3567834	4506195	4469472	4420255
2.3.1 Net Foreign Exchange Assets of the RBI	4181453	3545933	4286707	4216469	4181453
2.3.2 Net Foreign Currency Assets of the Banking System	238802	21900	219488	253004	238802
2.4 Capital Account	2790207	2645611	2868954	2811295	2790207
2.5 Other items (net)	1086406	990393	1190493	1240310	1086406

No. 9: Liquidity Aggregates

(₹ Crore)

Aggregates	2020-21	2020	2021		
		Mar.	Jan.	Feb.	Mar.
	1	2	3	4	5
1 NM_3	**18864522**	**16923893**	**18479351**	**18643536**	**18864522**
2 Postal Deposits	433441	433441	433441	433441	433441
3 L_1 (1 + 2)	**19297963**	**17357334**	**18912792**	**19076977**	**19297963**
4 Liabilities of Financial Institutions	34673	57479	34795	34795	34673
4.1 Term Money Borrowings	2645	7928	2645	2645	2645
4.2 Certificates of Deposit	27050	46249	28865	28865	27050
4.3 Term Deposits	4978	3302	3285	3285	4978
5 L_2 (3 + 4)	**19332635**	**17414812**	**18947587**	**19111772**	**19332635**
6 Public Deposits with Non-Banking Financial Companies	31905	31905	..	..	31905
7 L_3 (5 + 6)	**19364540**	**17446717**	..	..	**19364540**

Note : 1. Since November 2019, updated data on liabilities of financial institutions have been incorporated in this table , and hence, are not comparable with past data.

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

No. 10: Reserve Bank of India Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2020-21	2020	2021		
		Mar. 27	Feb. 26	Mar. 12	Mar. 26
	1	2	3	4	5
1 Components					
1.1 Currency in Circulation	2858547	2439308	2836677	2861282	2858547
1.2 Bankers' Deposits with the RBI	584246	579875	497226	496454	584246
1.2.1 Scheduled Commercial Banks	542693	536186	462156	461182	542693
1.3 'Other' Deposits with the RBI	47347	38177	44774	45796	47347
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	3490140	3057360	3378677	3403531	3490140
2 Sources					
2.1 RBI's Domestic Credit	613825	829783	475420	513744	613825
2.1.1 Net RBI credit to the Government	982063	1094134	1064827	1070490	982063
2.1.1.1 Net RBI credit to the Central Government (2.1.1.1.1 + 2.1.1.1.2 + 2.1.1.1.3 + 2.1.1.1.4 – 2.1.1.1.5)	980431	1092210	1060932	1062011	980431
2.1.1.1.1 Loans and Advances to the Central Government	–	50477	0	0	0
2.1.1.1.2 Investments in Treasury Bills	–	0	0	0	0
2.1.1.1.3 Investments in dated Government Securities	1329707	1040987	1320154	1329578	1329707
2.1.1.1.3.1 Central Government Securities	1329707	1040987	1320154	1329578	1329707
2.1.1.1.4 Rupee Coins	746	846	816	788	746
2.1.1.1.5 Deposits of the Central Government	350022	100	260038	268356	350022
2.1.1.2 Net RBI credit to State Governments	1632	1924	3895	8480	1632
2.1.2 RBI's Claims on Banks	-403183	-275964	-624880	-591909	-403183
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	-376761	-275964	-598033	-565257	-376761
2.1.3 RBI's Credit to Commercial Sector	34946	11613	35473	35163	34946
2.1.3.1 Loans and Advances to Primary Dealers	1	4782	1	1	1
2.1.3.2 Loans and Advances to NABARD	26422	0	26848	26652	26422
2.2 Government's Currency Liabilities to the Public	26819	26315	26819	26819	26819
2.3 Net Foreign Exchange Assets of the RBI	4181453	3545933	4286707	4216469	4181453
2.3.1 Gold	253128	231083	260239	251515	253128
2.3.2 Foreign Currency Assets	3928343	3314868	4026486	3964971	3928343
2.4 Capital Account	1187995	1140238	1273838	1216152	1187995
2.5 Other Items (net)	143962	204433	136431	137349	143962

No. 11: Reserve Bank - Components and Sources

(₹ Crore)

Item	2020-21	Outstanding as on March 31/ last Fridays of the month/ Fridays					
		2020	2021				
		Mar. 27	Feb. 26	Mar. 5	Mar. 12	Mar. 19	Mar. 26
	1	2	3	4	5	6	7
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 + 2.4 + 2.5 – 2.6)	3490233	3057360	3378677	3432391	3403531	3449938	3490233
1 Components							
1.1 Currency in Circulation	2858640	2439308	2836677	2843513	2861282	2849641	2858640
1.2 Bankers' Deposits with RBI	584246	579875	497226	545332	496454	554192	584246
1.3 'Other' Deposits with RBI	47347	38177	44774	43546	45796	46105	47347
2 Sources							
2.1 Net Reserve Bank Credit to Government	982063	1094134	1064827	1113495	1070490	938636	982063
2.2 Reserve Bank Credit to Banks	-376761	-275964	-598033	-575717	-565257	-390766	-376761
2.3 Reserve Bank Credit to Commercial Sector	8524	11613	8625	8642	8511	8642	8524
2.4 Net Foreign Exchange Assets of RBI	4181453	3545933	4286707	4218095	4216469	4205353	4181453
2.5 Government's Currency Liabilities to the Public	26913	26315	26819	26819	26819	26819	26913
2.6 Net Non- Monetary Liabilities of RBI	1331957	1344671	1410269	1358944	1353501	1338746	1331957

No. 12: Commercial Bank Survey

(₹ Crore)

Item	Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month				
	2020-21	2020	2021		
		Mar. 27	Feb. 26	Mar. 12	Mar. 26
	1	2	3	4	5
1 Components					
1.1 Aggregate Deposits of Residents	14960977	13381983	14768614	14801138	14960977
1.1.1 Demand Deposits	1861209	1617003	1703094	1696362	1861209
1.1.2 Time Deposits of Residents	13099768	11764979	13065520	13104776	13099768
1.1.2.1 Short-term Time Deposits	5894896	5294241	5879484	5897149	5894896
1.1.2.1.1 Certificates of Deposits (CDs)	78702	169419	55560	56509	78702
1.1.2.2 Long-term Time Deposits	7204873	6470739	7186036	7207627	7204873
1.2 Call/Term Funding from Financial Institutions	244025	309439	244737	243288	244025
2 Sources					
2.1 Domestic Credit	16368358	14967529	16166115	16248176	16368358
2.1.1 Credit to the Government	4461632	3738696	4460126	4513933	4461632
2.1.2 Credit to the Commercial Sector	11906727	11228833	11705989	11734243	11906727
2.1.2.1 Bank Credit	10949512	10370861	10774742	10795818	10949512
2.1.2.1.1 Non-food Credit	10888258	10319097	10699536	10726626	10888258
2.1.2.2 Net Credit to Primary Dealers	13970	11997	18752	17319	13970
2.1.2.3 Investments in Other Approved Securities	894	8653	1197	1078	894
2.1.2.4 Other Investments (in non-SLR Securities)	942351	837321	911298	920028	942351
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1–2.2.2–2.2.3)	238802	21900	219488	253004	238802
2.2.1 Foreign Currency Assets	454866	315641	437539	455746	454866
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	152552	185510	164966	154667	152552
2.2.3 Overseas Foreign Currency Borrowings	63512	108231	53085	48075	63512
2.3 Net Bank Reserves (2.3.1+2.3.2–2.3.3)	1010202	899410	1151726	1118234	1010202
2.3.1 Balances with the RBI	542693	536186	462156	461182	542693
2.3.2 Cash in Hand	90748	87260	91537	91795	90748
2.3.3 Loans and Advances from the RBI	-376761	-275964	-598033	-565257	-376761
2.4 Capital Account	1578041	1481202	1570946	1570973	1578041
2.5 Other items (net) (2.1+2.2+2.3–2.4–1.1–1.2)	834319	716216	953032	1004016	834319
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	593102	495445	571210	589339	593102
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	70853	66273	77310	73405	70853

No. 13: Scheduled Commercial Banks' Investments

(₹ Crore)

Item	As on March 26, 2021	2020	2021		
		Mar. 27	Feb. 26	Mar. 12	Mar. 26
	1	2	3	4	5
1 SLR Securities	4462526	3747349	4461323	4515011	4462526
2 Commercial Paper	82584	104526	81193	82267	82584
3 Shares issued by					
3.1 PSUs	9841	14106	11366	11041	9841
3.2 Private Corporate Sector	64051	75415	65650	64445	64051
3.3 Others	5210	5734	5254	5237	5210
4 Bonds/Debentures issued by					
4.1 PSUs	121008	125710	121080	119537	121008
4.2 Private Corporate Sector	308934	226559	299693	301133	308934
4.3 Others	152329	191690	143843	148732	152329
5 Instruments issued by					
5.1 Mutual funds	31142	35610	30584	28873	31142
5.2 Financial institutions	167252	97665	152649	158763	167252

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

(₹ Crore)

Item	As on the Last Reporting Friday (in case of March)/ Last Friday							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2020-21	2020	2021		2020-21	2020	2021	
		Mar.	Feb.	Mar.		Mar.	Feb.	Mar.
	1	2	3	4	5	6	7	8
Number of Reporting Banks	209	219	209	209	133	142	133	133
1 Liabilities to the Banking System	**259530**	**320240**	**254778**	**259530**	**254589**	**314513**	**249780**	**254589**
1.1 Demand and Time Deposits from Banks	200585	239943	197528	200585	195866	234348	192925	195866
1.2 Borrowings from Banks	40886	64001	39370	40886	40880	64001	39194	40880
1.3 Other Demand and Time Liabilities	18059	16295	17881	18059	17843	16163	17661	17843
2 Liabilities to Others	**16457551**	**14905949**	**16236929**	**16457551**	**16014167**	**14480607**	**15802618**	**16014167**
2.1 Aggregate Deposits	15539931	13975551	15351268	15539931	15113529	13567492	14933580	15113529
2.1.1 Demand	1899283	1653242	1739178	1899283	1861209	1617003	1703095	1861209
2.1.2 Time	13640647	12322309	13612089	13640647	13252320	11950489	13230486	13252320
2.2 Borrowings	248168	313908	249469	248168	244025	309439	244737	244025
2.3 Other Demand and Time Liabilities	669452	616491	636193	669452	656614	603676	624301	656614
3 Borrowings from Reserve Bank	**90275**	**285623**	**84686**	**90275**	**90275**	**285623**	**84651**	**90275**
3.1 Against Usance Bills /Promissory Notes	–	–	–	–	–	–	–	–
3.2 Others	90275	285623	84686	90275	90275	285623	84651	90275
4 Cash in Hand and Balances with Reserve Bank	650737	643038	568446	650737	633440	623446	553693	633440
4.1 Cash in Hand	92786	89671	93583	92786	90748	87260	91537	90748
4.2 Balances with Reserve Bank	557951	553367	474863	557951	542693	536186	462156	542693
5 Assets with the Banking System	**265396**	**323680**	**255137**	**265396**	**197706**	**260238**	**191221**	**197706**
5.1 Balances with Other Banks	179179	181460	176207	179179	143301	155401	141756	143301
5.1.1 In Current Account	16553	17204	17429	16553	14233	14457	15043	14233
5.1.2 In Other Accounts	162626	164256	158778	162626	129068	140945	126713	129068
5.2 Money at Call and Short Notice	36476	43335	31307	36476	10654	20273	8075	10654
5.3 Advances to Banks	19910	38266	20544	19910	16766	30531	17435	16766
5.4 Other Assets	29831	60619	27080	29831	26986	54032	23955	26986
6 Investment	**4598841**	**3865544**	**4595331**	**4598841**	**4462526**	**3747349**	**4461323**	**4462526**
6.1 Government Securities	4591812	3850819	4587708	4591812	4461632	3738696	4460126	4461632
6.2 Other Approved Securities	7029	14724	7624	7029	894	8653	1197	894
7 Bank Credit	**11296771**	**10705336**	**11123028**	**11296771**	**10949512**	**10370861**	**10774742**	**10949512**
7a Food Credit	91653	82172	105605	91653	61254	51764	75206	61254
7.1 Loans, Cash-credits and Overdrafts	11081425	10480934	10933135	11081425	10736493	10149509	10586842	10736493
7.2 Inland Bills-Purchased	30896	26214	26578	30896	30531	25658	26275	30531
7.3 Inland Bills-Discounted	128831	147209	113084	128831	127883	145683	112204	127883
7.4 Foreign Bills-Purchased	20762	20866	18907	20762	20394	20458	18675	20394
7.5 Foreign Bills-Discounted	34857	30114	31324	34857	34211	29554	30746	34211

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

(₹ Crore)

Sector	Outstanding as on				Growth (%)	
	Mar.27, 2020	2020	2021		Financial year so far	Y-o-Y
		Mar.27	Feb.26	Mar.26	2020-21	2021
	1	2	3	4	%	%
1 Gross Bank Credit	**9263132**	**9263132**	**9569167**	**9723065**	**5.0**	**5.0**
1.1 Food Credit	**51590**	**51590**	**74943**	**61043**	**18.3**	**18.3**
1.2 Non-food Credit	**9211542**	**9211542**	**9494225**	**9662022**	**4.9**	**4.9**
1.2.1 Agriculture & Allied Activities	**1157795**	**1157795**	**1274075**	**1299914**	**12.3**	**12.3**
1.2.2 Industry	**2905151**	**2905151**	**2786202**	**2918028**	**0.4**	**0.4**
1.2.2.1 Micro and Small[1]	381825	381825	376919	383854	0.5	0.5
1.2.2.2 Medium	105597	105597	130105	136054	28.8	28.8
1.2.2.3 Large	2417729	2417729	2279177	2398121	-0.8	-0.8
1.2.3 Services	**2594947**	**2594947**	**2660022**	**2630566**	**1.4**	**1.4**
1.2.3.1 Transport Operators	137815	137815	148681	145195	5.4	5.4
1.2.3.2 Computer Software	20050	20050	18520	21043	5.0	5.0
1.2.3.3 Tourism, Hotels & Restaurants	45978	45978	48102	50140	9.1	9.1
1.2.3.4 Shipping	5469	5469	7557	7172	31.1	31.1
1.2.3.5 Aviation	17983	17983	21440	21350	18.7	18.7
1.2.3.6 Professional Services	176997	176997	124228	121698	-31.2	-31.2
1.2.3.7 Trade	552391	552391	584996	617627	11.8	11.8
1.2.3.7.1 Wholesale Trade	263396	263396	294029	319197	21.2	21.2
1.2.3.7.2 Retail Trade	288995	288995	290967	298430	3.3	3.3
1.2.3.8 Commercial Real Estate	229770	229770	232473	235547	2.5	2.5
1.2.3.9 Non-Banking Financial Companies (NBFCs)[2] *of which,*	904638	904638	896459	945061	4.5	4.5
1.2.3.9.1 Housing Finance Companies (HFCs)	159758	159758	168883	187324	17.3	17.3
1.2.3.9.2 Public Financial Institutions (PFIs)	39642	39642	80091	78441	97.9	97.9
1.2.3.10 Other Services[3]	503855	503855	577564	465733	-7.6	-7.6
1.2.4 Personal Loans	**2553649**	**2553649**	**2773926**	**2813513**	**10.2**	**10.2**
1.2.4.1 Consumer Durables	9299	9299	7242	7307	-21.4	-21.4
1.2.4.2 Housing	1337899	1337899	1440095	1459066	9.1	9.1
1.2.4.3 Advances against Fixed Deposits	79494	79494	66073	71544	-10.0	-10.0
1.2.4.4 Advances to Individuals against share & bonds	5334	5334	4319	4570	-14.3	-14.3
1.2.4.5 Credit Card Outstanding	108097	108097	116290	116537	7.8	7.8
1.2.4.6 Education	65744	65744	64346	63805	-3.0	-3.0
1.2.4.7 Vehicle Loans	220610	220610	239406	241657	9.5	9.5
1.2.4.8 Loan against gold jewellery	33303	33303	56263	60464	81.6	81.6
1.2.4.9 Other Personal Loans	693870	693870	779891	788564	13.6	13.6
1.2A Priority Sector *(Memo)*						
1.2A.1 Agriculture & Allied Activities[4]	1131285	1131285	1249160	1264151	11.7	11.7
1.2A.2 Micro & Small Enterprises[5]	1080373	1080373	1131832	1107236	2.5	2.5
1.2A.3 Medium Enterprises[6]	130588	130588	193765	206122	57.8	57.8
1.2A.4 Housing	459574	459574	474863	469863	2.2	2.2
1.2A.5 Education Loans	50335	50335	48552	48201	-4.2	-4.2
1.2A.6 Renewable Energy	1037	1037	1411	1171	12.9	12.9
1.2A.7 Social Infrastructure	997	997	2144	2352	135.8	135.8
1.2A.8 Export Credit[7]	16575	16575	15070	19028	14.8	14.8
1.2A.9 Others	15393	15393	20073	18818	22.2	22.2
1.2A.10 Weaker Sections including net PSLC- SF/MF	727810	727810	781858	813263	11.7	11.7

Note 1: Data are provisional and relate to select banks which cover about 90 per cent of total non-food credit extended by all scheduled commercial banks.
Note 2: With effect from January 2021, sectoral credit data are based on revised format due to which values and growth rates of some of the existing components published earlier have undergone some changes.

1 Micro & Small includes credit to micro & small industries in the manufacturing sector.

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

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

4 Agriculture and Allied Activities also include priority sector lending certificates (PSLCs).

5 Micro and Small Enterprises include credit to micro and small enterprises in manufacturing and services sector and also include PSLCs.

6 Medium Enterprises include credit to medium enterprises in the manufacturing and services sector.

7 Export credit under the priority sector relates to foreign banks only.

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

(₹ Crore)

Industry	Outstanding as on				Growth (%)	
	Mar. 27, 2020	2020	2021		Financial year so far	Y-o-Y
		Mar. 27	Feb.26	Mar. 26	2020-21	2021
	1	2	3	4	%	%
1 Industries (2.1 to 2.19)	**2905151**	**2905151**	**2786202**	**2918028**	**0.4**	**0.4**
1.1 Mining & Quarrying (incl. Coal)	**43926**	**43926**	**44393**	**46094**	**4.9**	**4.9**
1.2 Food Processing	**154145**	**154145**	**152568**	**165669**	**7.5**	**7.5**
1.2.1 Sugar	27382	27382	22049	25552	–6.7	–6.7
1.2.2 Edible Oils & Vanaspati	19239	19239	19799	20547	6.8	6.8
1.2.3 Tea	5374	5374	5506	5512	2.6	2.6
1.2.4 Others	102149	102149	105214	114058	11.7	11.7
1.3 Beverage & Tobacco	**16523**	**16523**	**16117**	**15663**	**–5.2**	**–5.2**
1.4 Textiles	**192423**	**192423**	**203029**	**201250**	**4.6**	**4.6**
1.4.1 Cotton Textiles	89283	89283	92874	91567	2.6	2.6
1.4.2 Jute Textiles	2116	2116	2686	2713	28.3	28.3
1.4.3 Man-Made Textiles	26074	26074	30173	30674	17.6	17.6
1.4.4 Other Textiles	74951	74951	77295	76295	1.8	1.8
1.5 Leather & Leather Products	**11098**	**11098**	**11358**	**11299**	**1.8**	**1.8**
1.6 Wood & Wood Products	**12234**	**12234**	**13272**	**13296**	**8.7**	**8.7**
1.7 Paper & Paper Products	**30965**	**30965**	**35353**	**35540**	**14.8**	**14.8**
1.8 Petroleum, Coal Products & Nuclear Fuels	**75834**	**75834**	**59991**	**72323**	**–4.6**	**–4.6**
1.9 Chemicals & Chemical Products	**202949**	**202949**	**179163**	**186911**	**–7.9**	**–7.9**
1.9.1 Fertiliser	49066	49066	32455	32212	–34.3	–34.3
1.9.2 Drugs & Pharmaceuticals	53427	53427	50023	51138	–4.3	–4.3
1.9.3 Petro Chemicals	42233	42233	41602	45767	8.4	8.4
1.9.4 Others	58223	58223	55082	57794	–0.7	–0.7
1.10 Rubber, Plastic & their Products	**50415**	**50415**	**51951**	**53494**	**6.1**	**6.1**
1.11 Glass & Glassware	**8777**	**8777**	**9209**	**9124**	**3.9**	**3.9**
1.12 Cement & Cement Products	**58689**	**58689**	**57655**	**52196**	**–11.1**	**–11.1**
1.13 Basic Metal & Metal Product	**350325**	**350325**	**329889**	**328663**	**–6.2**	**–6.2**
1.13.1 Iron & Steel	262396	262396	240559	232849	–11.3	–11.3
1.13.2 Other Metal & Metal Product	87930	87930	89330	95814	9.0	9.0
1.14 All Engineering	**157258**	**157258**	**143925**	**147312**	**–6.3**	**–6.3**
1.14.1 Electronics	30159	30159	31533	32433	7.5	7.5
1.14.2 Others	127100	127100	112392	114879	–9.6	–9.6
1.15 Vehicles, Vehicle Parts & Transport Equipment	**82606**	**82606**	**82573**	**83559**	**1.2**	**1.2**
1.16 Gems & Jewellery	**59515**	**59515**	**61175**	**62714**	**5.4**	**5.4**
1.17 Construction	**104288**	**104288**	**97133**	**95511**	**–8.4**	**–8.4**
1.18 Infrastructure	**1053913**	**1053913**	**1003000**	**1091624**	**3.6**	**3.6**
1.18.1 Power	559774	559774	553216	566455	1.2	1.2
1.18.2 Telecommunications	143760	143760	89972	113080	–21.3	–21.3
1.18.3 Roads	176323	176323	201052	236947	34.4	34.4
1.18.4 Airports	4856	4856	6333	7327	50.9	50.9
1.18.5 Ports	11547	11547	7069	7363	–36.2	–36.2
1.18.6 Railways	10680	10680	10839	11021	3.2	3.2
1.18.7 Other Infrastructure	146972	146972	134520	149432	1.7	1.7
1.19 Other Industries	**239269**	**239269**	**234446**	**245786**	**2.7**	**2.7**

Note : With effect from January 2021, sectoral credit data are based on revised format due to which values and growth rates of some of the existing components published earlier have undergone some changes.

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

(₹ Crore)

Item	Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday								
	2019-20	2020			2021				
		Feb, 28	Dec, 18	Dec, 25	Jan, 01	Jan, 15	Jan, 29	Feb, 12	Feb, 26
	1	2	3	4	5	6	7	8	9
Number of Reporting Banks	32	32	32	32	32	32	32	31	32
1 Aggregate Deposits (2.1.1.2+2.2.1.2)	**124101.8**	**123608.0**	**128204.7**	**128069.6**	**129799.1**	**127765.4**	**126732.3**	**123854.2**	**124513.6**
2 Demand and Time Liabilities									
2.1 Demand Liabilities	**26213.8**	**23751.0**	**22746.4**	**22701.0**	**23521.4**	**22039.6**	**21955.8**	**22090.4**	**21473.4**
2.1.1 Deposits									
2.1.1.1 Inter-Bank	5295.0	4673.7	4330.2	4320.8	4029.7	4267.1	3939.0	3845.8	3526.9
2.1.1.2 Others	14,523.6	12553.9	14298.1	13899.7	14236.5	13447.2	13869.6	12868.6	13379.6
2.1.2 Borrowings from Banks	100.0	0.0	0.0	0.0	0.0	0.0	342.5	199.9	353.0
2.1.3 Other Demand Liabilities	6295.2	6523.4	4118.0	4480.4	5255.2	4325.3	3804.7	5176.0	4214.0
2.2 Time Liabilities	**167684.5**	**166281.8**	**173110.4**	**174092.7**	**176086.7**	**176871.2**	**175205.9**	**172658.6**	**173903.3**
2.2.1 Deposits									
2.2.1.1 Inter-Bank	56564.0	53699.0	56572.7	57412.6	58778.8	59552.0	59535.3	59971.1	59862.2
2.2.1.2 Others	109578.2	111054.1	113906.6	114169.8	115562.6	114318.2	112862.8	110985.6	111134.0
2.2.2 Borrowings from Banks	630.2	629.9	630.0	630.0	629.9	629.9	629.9	629.9	629.9
2.2.3 Other Time Liabilities	912.1	898.8	2001.1	1880.4	1115.4	2371.1	2177.8	1072.0	2277.1
3 Borrowing from Reserve Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	36.0	35.0
4 Borrowings from a notified bank / Government	52772.2	47470.2	57823.7	58860.6	59754.7	59935.9	57881.3	61288.4	60792.5
4.1 Demand	13764.4	12968.7	13030.4	13515.1	13117.3	13543.8	13137.7	14160.3	14579.3
4.2 Time	39007.8	34501.5	44793.3	45345.5	46637.4	46392.1	44743.5	47128.1	46213.1
5 Cash in Hand and Balances with Reserve Bank	**9428.2**	**8979.8**	**7062.2**	**7125.5**	**7579.7**	**7371.9**	**8310.8**	**6961.7**	**6871.4**
5.1 Cash in Hand	750.5	840.0	594.3	568.6	619.1	615.5	591.6	620.0	572.5
5.2 Balance with Reserve Bank	8677.8	8139.8	6467.9	6556.9	6960.6	6756.4	7719.2	6341.7	6298.9
6 Balances with Other Banks in Current Account	**1521.7**	**1417.3**	**802.0**	**990.4**	**933.4**	**881.9**	**871.6**	**795.0**	**834.6**
7 Investments in Government Securities	**50626.9**	**47261.4**	**60836.1**	**61776.2**	**61168.7**	**61387.5**	**60775.8**	**60358.3**	**61913.1**
8 Money at Call and Short Notice	**25283.9**	**19849.1**	**25484.9**	**25995.4**	**27501.0**	**27428.4**	**25277.1**	**25868.3**	**26344.9**
9 Bank Credit (10.1+11)	**110905.5**	**107127.0**	**110488.8**	**111808.2**	**110706.8**	**112016.2**	**112134.6**	**113201.7**	**114409.0**
10 Advances									
10.1 Loans, Cash-Credits and Overdrafts	**110901.5**	**107123.0**	**110469.5**	**111788.9**	**110687.5**	**111996.9**	**112115.1**	**113182.1**	**114389.5**
10.2 Due from Banks	81300.1	79645.0	86694.6	86450.6	88502.4	88603.4	88670.2	90417.9	91887.8
11 Bills Purchased and Discounted	4.0	4.0	19.3	19.3	19.3	19.4	19.5	19.5	19.5

Prices and Production

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

Group/Sub group	2020-21			Rural			Urban			Combined		
	Rural	Urban	Combined	Mar. 20	Feb. 21	Mar 21(P)	Mar. 20	Feb. 21	Mar 21(P)	Mar. 20	Feb. 21	Mar 21(P)
	1	2	3	4	5	6	7	8	9	10	11	12
1 Food and beverages	**156.7**	**161.1**	**158.3**	**148.2**	**154.7**	**154.5**	**150.1**	**160.8**	**160.5**	**148.9**	**156.9**	**156.7**
1.1 Cereals and products	145.4	149.9	146.8	144.4	142.8	142.5	146.5	147.6	147.5	145.1	144.3	144.1
1.2 Meat and fish	185.2	192.4	187.7	166.8	184.2	189.4	167.5	191.3	197.5	167.0	186.7	192.2
1.3 Egg	160.3	164.8	162.0	147.6	168.0	163.3	148.9	170.1	164.7	148.1	168.8	163.8
1.4 Milk and products	154.1	154.4	154.2	151.7	154.5	154.5	151.1	155.1	155.6	151.5	154.7	154.9
1.5 Oils and fats	148.2	139.9	145.2	133.3	163.1	168.2	127.5	151.5	156.4	131.2	158.8	163.9
1.6 Fruits	146.9	153.4	149.9	141.8	147.2	150.5	143.3	153.9	157.4	142.5	150.3	153.7
1.7 Vegetables	174.2	196.3	181.7	152.3	149.7	141.1	167.0	180.0	166.5	157.3	160.0	149.7
1.8 Pulses and products	154.4	156.0	154.9	141.8	158.4	159.2	139.7	159.8	161.1	141.1	158.9	159.8
1.9 Sugar and confectionery	114.4	117.0	115.3	112.6	111.8	111.7	114.4	114.8	114.4	113.2	112.8	112.6
1.10 Spices	161.9	160.4	161.4	154.0	165.0	164.0	151.5	162.6	162.6	153.2	164.2	163.5
1.11 Non-alcoholic beverages	149.8	141.2	146.2	140.1	160.1	160.6	131.9	149.3	150.6	136.7	155.6	156.4
1.12 Prepared meals, snacks, sweets	163.2	165.5	164.3	160.0	165.8	166.4	159.1	169.4	170.2	159.6	167.5	168.2
2 Pan, tobacco and intoxicants	**181.8**	**188.7**	**183.6**	**170.5**	**186.5**	**186.1**	**173.3**	**193.3**	**193.4**	**171.2**	**188.3**	**188.0**
3 Clothing and footwear	**155.6**	**149.7**	**153.3**	**152.5**	**158.4**	**158.9**	**145.6**	**151.8**	**152.6**	**149.8**	**155.8**	**156.4**
3.1 Clothing	156.4	152.0	154.7	153.4	159.2	159.6	147.7	154.3	155.1	151.2	157.3	157.8
3.2 Footwear	151.1	137.2	145.3	147.6	154.0	154.4	133.8	138.3	138.7	141.9	147.5	147.9
4 Housing	**--**	**157.2**	**157.2**	**--**	**--**	**--**	**154.5**	**159.8**	**159.9**	**154.5**	**159.8**	**159.9**
5 Fuel and light	**149.1**	**140.9**	**146.0**	**153.4**	**154.4**	**156.1**	**141.4**	**149.2**	**154.8**	**148.9**	**152.4**	**155.6**
6 Miscellaneous	**153.9**	**146.1**	**150.1**	**148.6**	**157.2**	**157.3**	**138.7**	**149.3**	**149.9**	**143.8**	**153.4**	**153.7**
6.1 Household goods and services	152.9	145.2	149.3	151.5	154.8	154.8	140.8	146.5	147.2	146.4	150.9	151.2
6.2 Health	160.3	151.3	156.9	156.7	164.3	164.6	145.0	156.2	156.9	152.3	161.2	161.7
6.3 Transport and communication	144.9	135.0	139.7	135.8	150.2	151.3	124.6	140.5	141.7	129.9	145.1	146.2
6.4 Recreation and amusement	154.0	144.3	148.5	151.2	157.2	157.8	137.9	147.3	148.4	143.7	151.6	152.5
6.5 Education	162.5	156.2	158.8	161.2	163.7	163.7	152.5	156.7	157.4	156.1	159.6	160.0
6.6 Personal care and effects	153.7	155.8	154.5	145.1	155.2	153.1	145.3	156.8	154.9	145.2	155.9	153.8
General Index (All Groups)	**156.1**	**154.4**	**155.3**	**149.8**	**156.7**	**156.7**	**147.3**	**156.5**	**156.9**	**148.6**	**156.6**	**156.8**

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

No. 19: Other Consumer Price Indices

Item	Base Year	Linking Factor	2020-21	2020	2021	
				Mar.	Feb.	Mar.
	1	2	3	4	5	6
1 Consumer Price Index for Industrial Workers	2016	2.88	--	–	119	119.6
2 Consumer Price Index for Agricultural Labourers	1986-87	5.89	1034	1007	1037	1035
3 Consumer Price Index for Rural Labourers	1986-87	–	1040	1013	1044	1043

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

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

Item	2019-20	2020	2021	
		Mar.	Feb.	Mar.
	1	2	3	4
1 Standard Gold (₹ per 10 grams)	37018	42285	47107	44648
2 Silver (₹ per kilogram)	42514	41382	69065	65981

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

No. 21: Wholesale Price Index

(Base: 2011-12 = 100)

Commodities	Weight	2020-21	2020	2021		
			Mar.	Jan.	Feb. (P)	Mar. (P)
	1	2	3	4	5	6
1 ALL COMMODITIES	**100.000**	**123.3**	**120.4**	**126.5**	**127.3**	**129.3**
1.1 PRIMARY ARTICLES	**22.618**	**145.5**	**137.4**	**144.9**	**145.4**	**146.2**
1.1.1 FOOD ARTICLES	**15.256**	**160.6**	**151.2**	**155.8**	**156.8**	**156.1**
1.1.1.1 Food Grains (Cereals+Pulses)	3.462	159.3	159.8	157.2	157.4	158.1
1.1.1.2 Fruits & Vegetables	3.475	179.3	148.7	158.3	160.7	154.7
1.1.1.3 Milk	4.440	153.3	151.2	154.0	154.4	155.2
1.1.1.4 Eggs,Meat & Fish	2.402	151.0	146.8	150.3	152.5	154.7
1.1.1.5 Condiments & Spices	0.529	149.5	147.7	151.5	151.5	151.9
1.1.1.6 Other Food Articles	0.948	161.3	142.4	166.0	165.0	164.2
1.1.2 NON-FOOD ARTICLES	**4.119**	**130.4**	**124.8**	**137.7**	**136.9**	**139.5**
1.1.2.1 Fibres	0.839	119.7	122.9	126.1	130.1	132.5
1.1.2.2 Oil Seeds	1.115	161.7	149.7	171.0	175.3	185.0
1.1.2.3 Other non-food Articles	1.960	109.0	105.0	114.2	113.9	115.2
1.1.2.4 Floriculture	0.204	210.0	186.6	228.7	176.7	154.2
1.1.3 MINERALS	**0.833**	**162.6**	**156.8**	**172.8**	**172.2**	**172.8**
1.1.3.1 Metallic Minerals	0.648	156.8	148.0	168.3	168.2	168.3
1.1.3.2 Other Minerals	0.185	183.0	187.7	188.5	186.3	188.5
1.1.4 CRUDE PETROLEUM & NATURAL GAS	**2.410**	**69.5**	**64.7**	**78.7**	**78.7**	**85.5**
1.2 FUEL & POWER	**13.152**	**93.9**	**99.5**	**100.7**	**104.2**	**109.7**
1.2.1 COAL	**2.138**	**126.6**	**126.5**	**127.0**	**127.0**	**126.9**
1.2.1.1 Coking Coal	0.647	141.8	141.9	141.9	141.9	141.9
1.2.1.2 Non-Coking Coal	1.401	119.3	119.0	119.8	119.8	119.8
1.2.1.3 Lignite	0.090	131.0	131.1	131.1	131.1	129.9
1.2.2 MINERAL OILS	**7.950**	**78.9**	**86.7**	**87.4**	**93.2**	**102.3**
1.2.3 ELECTRICITY	**3.064**	**110.0**	**113.9**	**116.9**	**116.9**	**116.9**
1.3 MANUFACTURED PRODUCTS	**64.231**	**121.4**	**118.6**	**125.3**	**125.7**	**127.3**
1.3.1 MANUFACTURE OF FOOD PRODUCTS	**9.122**	**141.3**	**136.5**	**145.2**	**146.7**	**148.8**
1.3.1.1 Processing and Preserving of meat	0.134	137.0	136.0	138.7	138.1	138.8
1.3.1.2 Processing and Preserving of fish, Crustaceans, Molluscs and products thereof	0.204	138.8	136.7	140.3	141.9	145.2
1.3.1.3 Processing and Preserving of fruit and Vegetables	0.138	120.2	115.1	121.1	121.7	121.6
1.3.1.4 Vegetable and Animal oils and Fats	2.643	143.3	127.3	159.0	163.7	170.8
1.3.1.5 Dairy products	1.165	147.0	152.1	147.0	148.4	147.0
1.3.1.6 Grain mill products	2.010	143.5	146.3	142.0	142.1	141.6
1.3.1.7 Starches and Starch products	0.110	115.9	131.6	118.9	118.6	119.4
1.3.1.8 Bakery products	0.215	138.1	136.5	138.6	139.1	139.4
1.3.1.9 Sugar, Molasses & honey	1.163	118.4	118.5	116.8	116.7	117.0
1.3.1.10 Cocoa, Chocolate and Sugar confectionery	0.175	127.8	125.6	128.4	126.8	126.3
1.3.1.11 Macaroni, Noodles, Couscous and Similar farinaceous products	0.026	132.2	131.3	130.2	130.9	135.6
1.3.1.12 Tea & Coffee products	0.371	166.1	129.7	158.3	155.2	156.2
1.3.1.13 Processed condiments & salt	0.163	147.2	140.1	149.1	152.4	150.3
1.3.1.14 Processed ready to eat food	0.024	132.0	130.3	132.4	134.7	134.8
1.3.1.15 Health supplements	0.225	142.8	156.9	138.8	139.1	137.5
1.3.1.16 Prepared animal feeds	0.356	170.3	166.0	172.6	173.1	178.4
1.3.2 MANUFACTURE OF BEVERAGES	**0.909**	**124.6**	**124.6**	**123.8**	**125.3**	**125.3**
1.3.2.1 Wines & spirits	0.408	120.4	119.5	119.7	122.2	121.2
1.3.2.2 Malt liquors and Malt	0.225	126.4	127.4	124.6	125.4	127.1
1.3.2.3 Soft drinks; Production of mineral waters and Other bottled waters	0.275	129.3	129.9	129.1	129.7	129.8
1.3.3 MANUFACTURE OF TOBACCO PRODUCTS	**0.514**	**157.2**	**154.5**	**157.7**	**159.0**	**157.8**
1.3.3.1 Tobacco products	0.514	157.2	154.5	157.7	159.0	157.8

No. 21: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities		Weight	2020-21	2020	2021		
				Mar.	Jan.	Feb. (P)	Mar. (P)
1.3.4	**MANUFACTURE OF TEXTILES**	**4.881**	**117.6**	**116.7**	**123.1**	**124.4**	**127.1**
1.3.4.1	Preparation and Spinning of textile fibres	2.582	106.5	105.6	114.4	116.2	119.6
1.3.4.2	Weaving & Finishing of textiles	1.509	131.7	130.7	135.2	136.1	138.7
1.3.4.3	Knitted and Crocheted fabrics	0.193	115.0	113.3	115.6	115.8	117.6
1.3.4.4	Made-up textile articles, Except apparel	0.299	132.3	133.1	133.9	133.0	133.5
1.3.4.5	Cordage, Rope, Twine and Netting	0.098	155.6	147.7	160.6	165.1	167.1
1.3.4.6	Other textiles	0.201	116.2	117.4	115.7	117.1	116.8
1.3.5	**MANUFACTURE OF WEARING APPAREL**	**0.814**	**138.5**	**138.4**	**139.5**	**139.3**	**139.4**
1.3.5.1	Manufacture of Wearing Apparel (woven), Except fur Apparel	0.593	138.0	139.0	138.6	138.3	138.3
1.3.5.2	Knitted and Crocheted apparel	0.221	139.7	136.9	141.8	142.1	142.4
1.3.6	**MANUFACTURE OF LEATHER AND RELATED PRODUCTS**	**0.535**	**117.9**	**117.5**	**118.6**	**117.3**	**116.7**
1.3.6.1	Tanning and Dressing of leather; Dressing and Dyeing of fur	0.142	101.3	103.5	100.2	99.6	94.7
1.3.6.2	Luggage, HandbAgs, Saddlery and Harness	0.075	138.5	138.3	138.6	139.0	139.8
1.3.6.3	Footwear	0.318	120.4	118.9	122.1	120.0	121.0
1.3.7	**MANUFACTURE OF WOOD AND PRODUCTS OF WOOD AND CORK**	**0.772**	**134.7**	**132.8**	**136.3**	**137.3**	**137.4**
1.3.7.1	Saw milling and Planing of wood	0.124	120.7	119.7	122.3	121.3	123.4
1.3.7.2	Veneer sheets; Manufacture of plywood, Laminboard, Particle board and Other panels and Boards	0.493	136.7	135.2	138.2	138.7	139.4
1.3.7.3	Builder's carpentry and Joinery	0.036	185.8	178.0	189.6	190.4	191.3
1.3.7.4	Wooden containers	0.119	125.9	123.4	127.2	132.6	127.6
1.3.8	**MANUFACTURE OF PAPER AND PAPER PRODUCTS**	**1.113**	**121.4**	**120.4**	**124.0**	**124.5**	**128.2**
1.3.8.1	Pulp, Paper and Paperboard	0.493	123.9	123.4	126.3	127.4	133.9
1.3.8.2	Corrugated paper and Paperboard and Containers of paper and Paperboard	0.314	121.6	115.6	126.8	126.8	126.3
1.3.8.3	Other articles of paper and Paperboard	0.306	117.3	120.6	117.2	117.4	121.1
1.3.9	**PRINTING AND REPRODUCTION OF RECORDED MEDIA**	**0.676**	**153.8**	**153.5**	**155.6**	**155.2**	**153.2**
1.3.9.1	Printing	0.676	153.8	153.5	155.6	155.2	153.2
1.3.10	**MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS**	**6.465**	**118.1**	**115.5**	**120.8**	**122.4**	**125.0**
1.3.10.1	Basic chemicals	1.433	118.3	115.6	122.9	125.5	128.3
1.3.10.2	Fertilizers and Nitrogen compounds	1.485	123.5	123.2	123.6	123.9	124.4
1.3.10.3	Plastic and Synthetic rubber in primary form	1.001	116.4	108.1	122.5	126.7	135.0
1.3.10.4	Pesticides and Other agrochemical products	0.454	124.4	122.0	125.3	125.6	125.6
1.3.10.5	Paints, Varnishes and Similar coatings, Printing ink and Mastics	0.491	115.0	112.9	117.1	118.6	120.0
1.3.10.6	Soap and Detergents, Cleaning and Polishing preparations, Perfumes and Toilet preparations	0.612	120.5	117.2	121.8	121.8	122.3
1.3.10.7	Other chemical products	0.692	115.0	114.3	116.5	117.9	120.0
1.3.10.8	Man-made fibres	0.296	93.6	95.4	97.7	99.1	102.7
1.3.11	**MANUFACTURE OF PHARMACEUTICALS, MEDICINAL CHEMICAL AND BOTANICAL PRODUCTS**	**1.993**	**130.7**	**129.7**	**131.5**	**131.0**	**132.9**
1.3.11.1	Pharmaceuticals, Medicinal chemical and Botanical products	1.993	130.7	129.7	131.5	131.0	132.9
1.3.12	**MANUFACTURE OF RUBBER AND PLASTICS PRODUCTS**	**2.299**	**111.2**	**107.4**	**116.1**	**116.3**	**119.0**
1.3.12.1	Rubber Tyres and Tubes; Retreading and Rebuilding of Rubber Tyres	0.609	98.3	97.9	99.4	99.5	100.0
1.3.12.2	Other Rubber Products	0.272	93.2	92.0	94.4	95.2	97.0
1.3.12.3	Plastics products	1.418	120.2	114.4	127.5	127.5	131.3
1.3.13	**MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS**	**3.202**	**117.5**	**116.1**	**117.4**	**117.4**	**119.5**
1.3.13.1	Glass and Glass products	0.295	127.2	123.8	129.4	129.5	130.4
1.3.13.2	Refractory products	0.223	109.3	107.8	110.9	110.9	111.8
1.3.13.3	Clay Building Materials	0.121	109.3	107.7	108.4	111.2	112.2
1.3.13.4	Other Porcelain and Ceramic Products	0.222	109.5	112.3	111.1	111.3	112.0
1.3.13.5	Cement, Lime and Plaster	1.645	120.7	119.0	119.0	119.1	122.5

No. 21: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2020-21	2020	2021		
			Mar.	Jan.	Feb. (P)	Mar. (P)
1.3.13.6 Articles of Concrete, Cement and Plaster	0.292	125.3	122.2	126.0	126.1	126.4
1.3.13.7 Cutting, Shaping and Finishing of Stone	0.234	121.0	121.8	123.2	122.3	123.5
1.3.13.8 Other Non-Metallic Mineral Products	0.169	78.9	78.1	81.9	79.9	79.6
1.3.14 MANUFACTURE OF BASIC METALS	**9.646**	**111.3**	**106.0**	**122.8**	**120.9**	**123.6**
1.3.14.1 Inputs into steel making	1.411	109.2	103.5	123.2	121.4	124.7
1.3.14.2 Metallic Iron	0.653	113.3	107.9	128.0	124.6	129.1
1.3.14.3 Mild Steel - Semi Finished Steel	1.274	99.7	95.8	107.2	105.8	109.7
1.3.14.4 Mild Steel -Long Products	1.081	112.0	106.6	125.6	124.9	124.6
1.3.14.5 Mild Steel - Flat products	1.144	117.1	108.5	136.8	133.2	133.2
1.3.14.6 Alloy steel other than Stainless Steel- Shapes	0.067	108.3	100.9	120.6	120.2	121.6
1.3.14.7 Stainless Steel - Semi Finished	0.924	108.4	102.0	126.1	115.9	124.8
1.3.14.8 Pipes & tubes	0.205	127.8	125.0	134.7	135.8	141.6
1.3.14.9 Non-ferrous metals incl. precious metals	1.693	112.3	105.6	119.2	120.4	123.6
1.3.14.10 Castings	0.925	109.2	107.9	112.8	113.3	112.2
1.3.14.11 Forgings of steel	0.271	145.7	145.2	147.6	146.1	148.3
1.3.15 MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT	**3.155**	**115.8**	**115.3**	**119.7**	**120.5**	**120.9**
1.3.15.1 Structural Metal Products	1.031	114.1	113.5	119.7	120.0	118.5
1.3.15.2 Tanks, Reservoirs and Containers of Metal	0.660	127.7	125.1	134.4	138.8	138.6
1.3.15.3 Steam generators, Except Central Heating Hot Water Boilers	0.145	98.9	107.7	97.2	97.2	97.2
1.3.15.4 Forging, Pressing, Stamping and Roll-Forming of Metal; Powder Metallurgy	0.383	96.4	99.8	96.0	95.0	97.8
1.3.15.5 Cutlery, Hand Tools and General Hardware	0.208	102.9	100.8	103.9	104.2	106.5
1.3.15.6 Other Fabricated Metal Products	0.728	124.8	122.6	127.8	127.2	129.3
1.3.16 MANUFACTURE OF COMPUTER, ELECTRONIC AND OPTICAL PRODUCTS	**2.009**	**109.8**	**110.1**	**110.1**	**110.9**	**111.4**
1.3.16.1 Electronic Components	0.402	99.0	98.0	99.8	100.1	101.0
1.3.16.2 Computers and Peripheral Equipment	0.336	134.8	135.0	134.4	134.4	134.5
1.3.16.3 Communication Equipment	0.310	114.9	114.9	115.1	115.0	116.4
1.3.16.4 Consumer Electronics	0.641	98.5	99.0	99.1	101.2	102.4
1.3.16.5 Measuring, Testing, Navigating and Control equipment	0.181	107.9	111.0	108.8	109.0	106.1
1.3.16.6 Watches and Clocks	0.076	141.8	141.1	141.8	141.7	141.9
1.3.16.7 Irradiation, Electromedical and Electrotherapeutic equipment	0.055	102.6	104.5	101.5	101.5	101.5
1.3.16.8 Optical instruments and Photographic equipment	0.008	102.6	112.2	95.2	95.2	95.5
1.3.17 MANUFACTURE OF ELECTRICAL EQUIPMENT	**2.930**	**113.3**	**111.5**	**115.7**	**115.5**	**116.7**
1.3.17.1 Electric motors, Generators, Transformers and Electricity distribution and Control apparatus	1.298	112.6	110.8	115.3	113.6	114.9
1.3.17.2 Batteries and Accumulators	0.236	117.1	116.4	115.6	117.3	116.3
1.3.17.3 Fibre optic cables for data transmission or live transmission of images	0.133	98.1	103.8	101.6	99.5	100.1
1.3.17.4 Other electronic and Electric wires and Cables	0.428	115.7	108.8	122.5	123.2	127.9
1.3.17.5 Wiring devices, Electric lighting & display equipment	0.263	111.1	112.2	111.4	111.8	111.8
1.3.17.6 Domestic appliances	0.366	119.7	118.1	121.0	122.9	123.5
1.3.17.7 Other electrical equipment	0.206	109.5	109.1	109.8	110.5	110.4
1.3.18 MANUFACTURE OF MACHINERY AND EQUIPMENT	**4.789**	**114.0**	**113.3**	**115.3**	**115.3**	**116.3**
1.3.18.1 Engines and Turbines, Except aircraft, Vehicle and Two wheeler engines	0.638	106.3	105.0	108.4	109.7	110.7
1.3.18.2 Fluid power equipment	0.162	119.4	119.9	120.1	120.2	119.8
1.3.18.3 Other pumps, Compressors, Taps and Valves	0.552	111.6	110.0	112.4	112.2	113.6
1.3.18.4 Bearings, Gears, Gearing and Driving elements	0.340	111.8	112.6	111.9	112.3	112.5
1.3.18.5 Ovens, Furnaces and Furnace burners	0.008	82.0	81.0	82.5	82.4	81.9
1.3.18.6 Lifting and Handling equipment	0.285	113.4	111.1	115.6	115.5	115.6

No. 21: Wholesale Price Index (Concld.)

(Base: 2011-12 = 100)

Commodities	Weight	2020-21	2020	2021		
			Mar.	Jan.	Feb. (P)	Mar. (P)
1.3.18.7 Office machinery and Equipment	0.006	130.2	130.2	130.2	130.2	130.2
1.3.18.8 Other general-purpose machinery	0.437	128.7	128.4	130.6	128.1	130.8
1.3.18.9 Agricultural and Forestry machinery	0.833	121.6	121.5	122.7	123.0	122.7
1.3.18.10 Metal-forming machinery and Machine tools	0.224	108.3	109.6	108.2	107.2	108.7
1.3.18.11 Machinery for mining, Quarrying and Construction	0.371	75.7	74.8	76.6	76.3	76.8
1.3.18.12 Machinery for food, Beverage and Tobacco processing	0.228	127.9	130.1	132.4	128.0	130.2
1.3.18.13 Machinery for textile, Apparel and Leather production	0.192	122.3	119.1	122.4	126.2	124.9
1.3.18.14 Other special-purpose machinery	0.468	128.7	125.7	129.6	131.1	133.9
1.3.18.15 Renewable electricity generating equipment	0.046	65.2	64.3	66.0	66.2	66.3
1.3.19 MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	**4.969**	**117.8**	**115.6**	**118.7**	**119.3**	**120.0**
1.3.19.1 Motor vehicles	2.600	119.3	116.5	120.9	121.0	121.6
1.3.19.2 Parts and Accessories for motor vehicles	2.368	116.1	114.7	116.2	117.5	118.2
1.3.20 MANUFACTURE OF OTHER TRANSPORT EQUIPMENT	**1.648**	**126.2**	**120.5**	**128.3**	**128.8**	**128.7**
1.3.20.1 Building of ships and Floating structures	0.117	158.8	158.8	158.8	158.9	158.9
1.3.20.2 Railway locomotives and Rolling stock	0.110	105.0	105.2	104.6	104.6	104.0
1.3.20.3 Motor cycles	1.302	124.7	117.6	127.1	127.7	127.5
1.3.20.4 Bicycles and Invalid carriages	0.117	130.3	128.2	134.3	134.5	134.5
1.3.20.5 Other transport equipment	0.002	128.5	127.4	129.3	131.2	132.6
1.3.21 MANUFACTURE OF FURNITURE	**0.727**	**132.8**	**132.0**	**136.7**	**136.1**	**139.7**
1.3.21.1 Furniture	0.727	132.8	132.0	136.7	136.1	139.7
1.3.22 OTHER MANUFACTURING	**1.064**	**132.4**	**119.8**	**133.7**	**137.9**	**134.5**
1.3.22.1 Jewellery and Related articles	0.996	130.6	117.3	131.9	136.4	132.7
1.3.22.2 Musical instruments	0.001	172.5	174.5	175.1	175.6	192.3
1.3.22.3 Sports goods	0.012	131.8	131.0	134.2	131.4	134.2
1.3.22.4 Games and Toys	0.005	142.4	137.6	143.0	146.9	144.2
1.3.22.5 Medical and Dental instruments and Supplies	0.049	167.4	163.2	168.9	168.8	168.8
2 FOOD INDEX	**24.378**	**153.4**	**145.7**	**151.8**	**153.0**	**153.4**

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

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

Industry	Weight	2018-19	2019-20	April-February		February	
				2019-20	2020-21	2020	2021
	1	2	3	4	5	6	7
General Index	100.00	130.1	129.0	130.1	115.4	134.2	129.4
1 Sectoral Classification							
1.1 Mining	14.37	107.9	109.6	107.6	97.3	123.3	116.5
1.2 Manufacturing	77.63	131.5	129.6	131.2	114.7	134.2	129.3
1.3 Electricity	7.99	156.9	158.4	159.4	155.5	153.7	153.9
2 Use-Based Classification							
2.1 Primary Goods	34.05	126.1	127.0	126.3	115.6	131.0	124.3
2.2 Capital Goods	8.22	108.4	93.3	95.2	72.8	97.4	93.3
2.3 Intermediate Goods	17.22	126.2	137.7	138.7	121.8	145.8	137.6
2.4 Infrastructure/ Construction Goods	12.34	141.7	136.6	138.3	121.4	145.0	138.2
2.5 Consumer Durables	12.84	130.4	119.0	122.2	98.2	117.3	124.7
2.6 Consumer Non-Durables	15.33	145.5	145.3	147.4	140.6	153.4	147.6

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

Government Accounts and Treasury Bills

No. 23: Union Government Accounts at a Glance

(₹ Crore)

Item	Financial Year	April - February			
	2020-21 (Revised Estimates)	2020-21 (Actuals)	2019-20 (Actuals)	Percentage to Revised Estimates	
				2020-21	2019-20
	1	2	3	4	5
1 Revenue Receipts	**1555153**	**1370272**	**1377777**	**88.1**	**74.5**
1.1 Tax Revenue (Net)	1344501	1216086	1114636	90.4	74.1
1.2 Non-Tax Revenue	210652	154186	263141	73.2	76.2
2 Non-Debt Capital Receipt	**46497**	**42824**	**51092**	**92.1**	**62.6**
2.1 Recovery of Loans	14497	17156	15849	118.3	95.4
2.2 Other Receipts	32000	25668	35243	80.2	54.2
3 Total Receipts (excluding borrowings) (1+2)	**1601650**	**1413096**	**1428869**	**88.2**	**74.0**
4 Revenue Expenditure	3011142	2413375	2160701	80.1	92.0
4.1 Interest Payments	692900	559483	512984	80.7	82.1
5 Capital Expenditure	439163	405268	304653	92.3	87.3
6 Total Expenditure (4+5)	**3450305**	**2818643**	**2465354**	**81.7**	**91.4**
7 Revenue Deficit (4-1)	**1455989**	**1043103**	**782924**	**71.6**	**156.7**
8 Fiscal Deficit (6-3)	**1848655**	**1405547**	**1036485**	**76.0**	**135.2**
9 Gross Primary Deficit (8-4.1)	**1155755**	**846064**	**523501**	**73.2**	**369.3**

Source: Controller General of Accounts (CGA), Ministry of Finance, Government of India and Union Budget 2021-22.

No. 24: Treasury Bills – Ownership Pattern

(₹ Crore)

Item	2019-20	2020	2021					
		Mar. 27	Feb. 19	Feb. 26	Mar. 5	Mar. 12	Mar. 19	Mar. 26
	1	2	3	4	5	6	7	8
1 91-day								
1.1 Banks	10165	10165	2399	2438	2622	2829	5666	5676
1.2 Primary Dealers	9190	9190	22215	20266	17236	19630	17730	16740
1.3 State Governments	8173	8173	52737	49738	43066	37566	29778	13347
1.4 Others	48004	48004	76390	73109	71027	63215	57243	52802
2 182-day								
2.1 Banks	66419	66419	49607	47294	52588	55695	62948	67473
2.2 Primary Dealers	43302	43302	30630	31476	31277	31599	31161	30966
2.3 State Governments	13386	13386	791	786	803	803	803	9436
2.4 Others	22465	22465	71344	66900	56745	49642	40211	31800
3 364-day								
3.1 Banks	49660	49660	132942	120536	121328	126917	123826	119024
3.2 Primary Dealers	70672	70672	147304	146544	154980	158925	157758	154197
3.3 State Governments	11945	11945	15855	18360	18515	18515	18510	18510
3.4 Others	70576	70576	159830	175183	170998	167382	168245	174501
4 14-day Intermediate								
4.1 Banks								
4.2 Primary Dealers								
4.3 State Governments	155112	155112	173627	188361	153745	177412	189666	220351
4.4 Others	617	617	457	91	149	423	299	747
Total Treasury Bills (Excluding 14 day Intermediate T Bills) #	423957	423957	762044	752630	741185	732718	713880	694471

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

No. 25: Auctions of Treasury Bills

(Amount in ₹ Crore)

Date of Auction	Notified Amount	Bids Received			Bids Accepted			Total Issue (6+7)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)
		Number	Total Face Value		Number	Total Face Value				
			Competitive	Non-Competitive		Competitive	Non-Competitive			
	1	2	3	4	5	6	7	8	9	10
91-day Treasury Bills										
2020-21										
Mar. 3	4000	92	29865	5206	23	3994	5206	9200	99.20	3.2204
Mar. 10	4000	77	22705	1805	17	3999	1805	5804	99.20	3.2485
Mar. 17	4000	86	19764	5087	28	3975	5087	9063	99.19	3.2885
Mar. 24	4000	73	16413	1524	34	3976	1524	5500	99.18	3.3280
Mar. 30	4000	68	22440	16	13	3984	16	4000	99.18	3.3162
182-day Treasury Bills										
2020-21										
Mar. 3	7000	103	34302	0	32	7000	0	7000	98.29	3.4818
Mar. 10	7000	81	24226	0	27	7000	0	7000	98.29	3.4808
Mar. 17	7000	85	23079	0	33	7000	0	7000	98.28	3.5198
Mar. 24	7000	84	23328	8633	14	7000	8633	15632	98.30	3.4698
Mar. 30	7000	75	21388	0	17	7000	0	7000	98.30	3.4683
364-day Treasury Bills										
2020-21										
Mar. 3	8000	98	24871	0	48	8000	0	8000	96.42	3.7231
Mar. 10	8000	65	13294	0	53	8000	0	8000	96.30	3.8500
Mar. 17	8000	132	31818	0	40	8000	0	8000	96.31	3.8373
Mar. 24	8000	152	43077	0	35	8000	0	8000	96.36	3.7874
Mar. 30	8000	102	24475	0	57	8000	0	8000	96.32	3.8264

Financial Markets

No. 26: Daily Call Money Rates

(Per cent per annum)

As on			Range of Rates	Weighted Average Rates
			Borrowings/ Lendings	Borrowings/ Lendings
			1	2
March	1,	2021	1.90-3.50	3.21
March	2,	2021	1.90-3.50	3.20
March	3,	2021	1.90-3.50	3.19
March	4,	2021	1.90-3.50	3.17
March	5,	2021	1.90-3.45	3.15
March	6,	2021	2.55-3.40	2.92
March	8,	2021	1.90-3.40	3.11
March	9,	2021	1.90-3.40	3.17
March	10,	2021	1.90-3.50	3.24
March	12,	2021	1.90-3.50	3.22
March	15,	2021	1.90-3.50	3.24
March	16,	2021	1.90-3.60	3.27
March	17,	2021	2.10-3.50	3.25
March	18,	2021	1.90-3.60	3.26
March	19,	2021	1.90-3.60	3.23
March	20,	2021	2.60-3.20	2.97
March	22,	2021	1.90-3.50	3.27
March	23,	2021	1.90-3.50	3.26
March	24,	2021	1.90-3.60	3.27
March	25,	2021	1.90-3.50	3.24
March	26,	2021	1.90-3.50	3.23
March	30,	2021	1.90-3.50	3.22
March	31,	2021	2.10-3.60	3.29
April	3,	2021	2.60-3.35	3.15
April	5,	2021	1.90-3.50	3.12
April	6,	2021	2.10-3.50	3.13
April	7,	2021	1.90-3.50	3.14
April	8,	2021	1.90-3.50	3.13
April	9,	2021	1.90-3.57	3.15
April	12,	2021	1.90-3.50	3.21
April	15,	2021	1.90-3.50	3.20

Note: Includes Notice Money.

No. 27: Certificates of Deposit

Item	2020	2021			
	Mar. 27	Feb. 12	Feb. 26	Mar. 12	Mar. 26
	1	2	3	4	5
1 Amount Outstanding (₹ Crore)	172996.00	58195.00	56390.00	57410.00	80095.00
1.1 Issued during the fortnight (₹ Crore)	18290.30	1878.96	4415.32	11372.63	25590.02
2 Rate of Interest (per cent)	4.96-8.80	3.62-4.77	3.34-5.12	3.26-5.00	3.28-5.12

No. 28: Commercial Paper

Item	2020	2021			
	Mar. 31	Feb. 15	Feb. 28	Mar. 15	Mar. 31
	1	2	3	4	5
1 Amount Outstanding (₹ Crore)	344526.95	399404.00	390852.95	403442.70	364374.30
1.1 Reported during the fortnight (₹ Crore)	63166.10	88216.10	69500.35	127121.00	96417.25
2 Rate of Interest (per cent)	4.88-12.39	3.22-13.52	3.10-12.60	3.16-12.52	3.32-13.37

No. 29: Average Daily Turnover in Select Financial Markets

(₹ Crore)

Item	2019-20	2020	2021					
		Mar. 27	Feb. 19	Feb. 26	Mar. 5	Mar. 12	Mar. 19	Mar. 26
	1	2	3	4	5	6	7	8
1 Call Money	26815	23920	13315	16616	12704	14992	16306	25647
2 Notice Money	3660	1904	4956	424	3151	450	5329	575
3 Term Money	790	1239	499	568	777	754	601	504
4 CBLO/TRIPARTY REPO	300691	356209	672716	560631	634152	457326	584134	462956
5 Market Repo	221719	203083	378296	341540	444238	315683	404702	358990
6 Repo in Corporate Bond	2468	3670	430	740	2620	9260	492	9399
7 Forex (US $ million)	67793	64600	62462	100046	81646	80189	71740	90158
8 Govt. of India Dated Securities	93960	41929	36808	38987	36586	47180	38774	55985
9 State Govt. Securities	5800	2699	7626	7647	4744	6130	6934	7252
10 Treasury Bills								
10.1 91-Day	3720	1848	3028	3166	1675	1855	3983	5756
10.2 182-Day	2380	1988	3105	2190	2196	4852	5788	2971
10.3 364-Day	2900	1543	7607	8736	3308	5890	4705	11791
10.4 Cash Management Bills	2310							
11 Total Govt. Securities (8+9+10)	111070	50006	58173	60726	48509	65907	60183	83755
11.1 RBI	–	7873	3876	4322	6283	7946	3001	4872

Note : Collateralised Borrowing and Lending Obligation (CBLO) segment of the money market has been discontinued and replaced with Triparty Repo with effect from November 05, 2018.

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

(Amount in ₹ Crore)

Security & Type of Issue	2019-20		2019-20 (Apr.-Mar.)		2020-21 (Apr.-Mar.) *		Mar. 2020		Mar. 2021 *	
	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount
	1	2	3	4	5	6	7	8	9	10
1 Equity Shares	**72**	**64926**	**72**	**64926**	**74**	**102062**	**7**	**390**	**19**	**6454**
1A Premium	70	43259	70	43259	73	97648	7	371	18	6216
1.1 Public	57	9867	57	9867	53	38004	4	16	16	6382
1.1.1 Premium	55	9434	55	9434	53	34848	4	9	16	6163
1.2 Rights	15	55059	15	55059	21	64059	3	374	3	72
1.2.1 Premium	15	33825	15	33825	20	62800	3	362	2	53
2 Preference Shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 Public	–	–	–	–	–	–	–	–	–	–
2.2 Rights	–	–	–	–	–	–	–	–	–	–
3 Bonds & Debentures	**34**	**14984**	**34**	**14984**	**16**	**5806**	**2**	**325**	**2**	**900**
3.1 Convertible	–	–	–	–	–	–	–	–	–	–
3.1.1 Public	–	–	–	–	–	–	–	–	–	–
3.1.2 Rights	–	–	–	–	–	–	–	–	–	–
3.2 Non-Convertible	34	14984	34	14984	16	5806	2	325	2	900
3.2.1 Public	34	14984	34	14984	16	5806	2	325	2	900
3.2.2 Rights	–	–	–	–	–	–	–	–	–	–
4 Total(1+2+3)	**106**	**79910**	**106**	**79910**	**90**	**107868**	**9**	**715**	**21**	**7353**
4.1 Public	91	24851	91	24851	69	43809	6	341	18	7281
4.2 Rights	15	55059	15	55059	21	64059	3	374	3	72

Note : 1.Since April 2020, monthly data on equity issues is compiled on the basis of their listing date.
2.Figures in the columns might not add up to the total due to rounding of numbers.

Source : Securities and Exchange Board of India.

* : Data is Provisional

External Sector

No. 31: Foreign Trade

Item	Unit	2019-20	2020			2021		
			Mar.	Nov.	Dec.	Jan.	Feb.	Mar.
		1	2	3	4	5	6	7
1 Exports	₹ Crore	2219854	159785	174799	200182	201473	200211	250756
	US $ Million	313361	21491	23552	27201	27558	27518	34448
1.1 Oil	₹ Crore	292340	18719	11450	17113	15912	17752	24837
	US $ Million	41289	2518	1543	2325	2176	2440	3412
1.2 Non-oil	₹ Crore	1927514	141066	163349	183069	185561	182460	225919
	US $ Million	272072	18973	22009	24876	25381	25078	31036
2 Imports	₹ Crore	3360954	233988	247857	315251	306697	294983	352191
	US $ Million	474709	31471	33742	42837	41950	40544	48383
2.1 Oil	₹ Crore	925168	74705	46525	70561	68899	65673	74768
	US $ Million	130550	10048	6302	9588	9424	9026	10271
2.2 Non-oil	₹ Crore	2435787	159284	201332	244691	237798	229310	277423
	US $ Million	344159	21423	27440	33249	32526	31518	38111
3 Trade Balance	₹ Crore	-1141100	-74204	-73058	-115070	-105223	-94771	-101435
	US $ Million	-161348	-9980	-10191	-15636	-14393	-13026	-13935
3.1 Oil	₹ Crore	-632828	-55986	-35075	-53448	-52987	-47921	-49931
	US $ Million	-89262	-7530	-4759	-7263	-7248	-6586	-6859
3.2 Non-oil	₹ Crore	-508273	-18218	-37983	-61622	-52236	-46851	-51504
	US $ Million	-72087	-2450	-5432	-8373	-7145	-6439	-7075

Source: DGCI&S and Ministry of Commerce & Industry.

No. 32: Foreign Exchange Reserves

Item	Unit	2020	2021					
		Apr. 17	Mar. 12	Mar. 19	Mar. 26	Apr. 2	Apr. 9	Apr. 16
		1	2	3	4	5	6	7
1 Total Reserves	**₹ Crore**	**3662709**	**4236881**	**4222759**	**4200668**	**4218115**	**4343833**	**4330087**
	US $ Million	**479568**	**582037**	**582271**	**579285**	**576869**	**581213**	**582406**
1.1 Foreign Currency Assets	₹ Crore	3374844	3938366	3924756	3901003	3922298	4031672	4019056
	US $ Million	441884	541022	541179	537953	536438	539455	540585
1.2 Gold	₹ Crore	249585	251515	251152	253128	248767	263965	262843
	US $ Million	32679	34551	34631	34907	34023	35320	35354
	Volume (Metric Tonnes)	653.01	692.51	693.45	694.38	695.31	695.31	695.31
1.3 SDRs	SDRs Million	1045	1049	1049	1049	1049	1049	1049
	₹ Crore	10896	10928	10873	10808	10866	11153	11138
	US $ Million	1427	1501	1499	1490	1486	1492	1498
1.4 Reserve Tranche Position in IMF	₹ Crore	27384	36072	35978	35729	36183	37042	37051
	US $ Million	3578	4963	4961	4935	4923	4946	4969

* Difference,if any, is due to rounding off.

No. 33: NRI Deposits

(US$ Million)

Scheme	Outstanding				Flows	
	2020-21	2020	2021		2019-20	2020-21
		Mar.	Feb.	Mar.	Apr.-Mar.	Apr.-Mar.
	1	2	3	4	5	6
1 NRI Deposits	**141895**	**130581**	**142354**	**141895**	**8627**	**7365**
1.1 FCNR(B)	20474	24244	22093	20474	1074	-3770
1.2 NR(E)RA	102579	90367	101797	102579	5565	8845
1.3 NRO	18842	15969	18464	18842	1988	2290

No. 34: Foreign Investment Inflows

(US$ Million)

Item	2020-21	2019-20	2020-21	2020	2021	
		Apr.-Mar.	Apr.-Mar.	Mar.	Feb.	Mar.
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1–1.1.2)	**43366**	**43013**	**43366**	**3974**	**-2891**	**1971**
1.1.1 Direct Investment to India (1.1.1.1–1. 1.1.2)	**54665**	**56006**	**54665**	**4937**	**-1093**	**2731**
1.1.1.1 Gross Inflows/Gross Investments	**81722**	**74390**	**81722**	**6293**	**4310**	**4592**
1.1.1.1.1 Equity	61423	51734	61423	4516	2825	3110
1.1.1.1.1.1 Government (SIA/FIPB)	948	3265	948	188	36	6
1.1.1.1.1.2 RBI	51597	39364	51597	3004	1917	2252
1.1.1.1.1.3 Acquisition of shares	7091	7348	7091	1086	633	613
1.1.1.1.1.4 Equity capital of unincorporated bodies	1787	1757	1787	238	238	238
1.1.1.1.2 Reinvested earnings	16216	14175	16216	1257	1257	1257
1.1.1.1.3 Other capital	4082	8482	4082	520	227	225
1.1.1.2 Repatriation/Disinvestment	**27056**	**18384**	**27056**	**1357**	**5403**	**1861**
1.1.1.2.1 Equity	26993	18212	26993	1354	5397	1834
1.1.1.2.2 Other capital	63	173	63	3	6	28
1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3–1.1.2.4)	**11299**	**12993**	**11299**	**963**	**1797**	**760**
1.1.2.1 Equity capital	5599	7572	5599	614	328	507
1.1.2.2 Reinvested Earnings	3232	3151	3232	263	263	263
1.1.2.3 Other Capital	6780	5674	6780	625	1302	1032
1.1.2.4 Repatriation/Disinvestment	4313	3403	4313	539	95	1041
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3–1.2.4)	**36843**	**1403**	**36843**	**-14635**	**2845**	**3634**
1.2.1 GDRs/ADRs	–	–	–	–	–	–
1.2.2 FIIs	38097	552	38097	-14968	2670	3663
1.2.3 Offshore funds and others	–	–	–	–	–	–
1.2.4 Portfolio investment by India	1254	-851	1254	-333	-174	30
1 Foreign Investment Inflows	**80209**	**44417**	**80209**	**-10661**	**-46**	**5605**

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

(US$ Million)

Item	2019-20	2020			2021
		Jan.	Nov.	Dec.	Jan.
	1	2	3	4	5
1 Outward Remittances under the LRS	**18760.69**	**1804.50**	**942.44**	**1149.17**	**1253.63**
1.1 Deposit	623.37	55.94	23.32	35.33	40.85
1.2 Purchase of immovable property	86.43	6.67	3.53	5.05	5.64
1.3 Investment in equity/debt	431.41	26.20	25.39	38.76	34.89
1.4 Gift	1907.71	158.44	110.55	145.15	134.16
1.5 Donations	22.33	1.10	0.65	0.67	0.67
1.6 Travel	6955.98	712.56	253.26	322.25	356.92
1.7 Maintenance of close relatives	3439.74	310.83	160.81	217.30	216.64
1.8 Medical Treatment	33.90	2.59	2.92	2.82	2.56
1.9 Studies Abroad	4991.07	510.26	355.77	373.32	455.51
1.10 Others	268.75	19.90	6.24	8.54	5.79

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

Item	2019-20	2020-21	2020	2021	
			April	March	April
	1	2	3	4	5
40-Currency Basket (Base: 2015-16=100)					
1 Trade-weighted					
1.1 NEER	98.00	93.92	94.00	95.01	92.56
1.2 REER	103.20	103.49	101.16	104.16	101.48
2 Export-weighted					
2.1 NEER	97.38	93.59	93.50	94.52	92.27
2.2 REER	102.88	102.97	100.37	103.53	100.89
6-Currency Basket (Trade-weighted)					
1 Base: 2015-16 = 100					
1.1 NEER	94.92	88.47	89.18	88.54	86.52
1.2 REER	103.60	101.77	100.37	101.49	99.02
2 Base: 2018-19 = 100					
2.1 NEER	100.78	93.93	94.69	94.00	91.86
2.2 REER	103.30	101.48	100.08	101.20	98.74

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

(Amount in US$ Million)

Item	2019-20	2020	2021	
		Mar.	Feb.	Mar.
	1	2	3	4
1 Automatic Route				
1.1 Number	1292	115	78	106
1.2 Amount	38011	4959	2077	3883
2 Approval Route				
2.1 Number	41	8	1	5
2.2 Amount	14921	2478	500	5350
3 Total (1+2)				
3.1 Number	1333	123	79	111
3.2 Amount	52932	7437	2577	9233
4 Weighted Average Maturity (in years)	6.00	5.58	8.74	7.35
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over 6-month LIBOR or reference rate for Floating Rate Loans	1.34	1.07	2.61	2.19
5.2 Interest rate range for Fixed Rate Loans	0.00-25.00	0.00-10.50	0.00-10.25	0.00-10.69

No. 38: India's Overall Balance of Payments

(US $ Million)

Item	Oct-Dec 2019			Oct-Dec 2020(P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**316590**	**294989**	**21601**	**337696**	**305213**	**32483**
1 CURRENT ACCOUNT (1.1+ 1.2)	**162793**	**165423**	**-2630**	**157442**	**159188**	**-1746**
1.1 MERCHANDISE	**81245**	**117285**	**-36040**	**77231**	**111774**	**-34542**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**81548**	**48138**	**33410**	**80211**	**47414**	**32796**
1.2.1 Services	55158	33280	21879	53741	30131	23610
1.2.1.1 Travel	8545	5569	2977	2170	2833	-664
1.2.1.2 Transportation	5448	6411	-963	5602	5147	455
1.2.1.3 Insurance	617	549	68	575	577	-2
1.2.1.4 G.n.i.e.	157	218	-62	179	260	-82
1.2.1.5 Miscellaneous	40391	20533	19859	45216	21314	23901
1.2.1.5.1 Software Services	23760	2305	21455	25687	2312	23375
1.2.1.5.2 Business Services	11889	12027	-138	12534	12799	-265
1.2.1.5.3 Financial Services	1183	550	633	1068	1192	-124
1.2.1.5.4 Communication Services	757	308	449	738	381	357
1.2.2 Transfers	20827	1935	18893	20757	1498	19258
1.2.2.1 Official	50	290	-240	62	298	-236
1.2.2.2 Private	20777	1645	19132	20695	1200	19494
1.2.3 Income	5562	12923	-7361	5713	15785	-10072
1.2.3.1 Investment Income	4122	12229	-8107	4179	15070	-10891
1.2.3.2 Compensation of Employees	1440	694	746	1534	715	819
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**153192**	**129566**	**23626**	**179536**	**146025**	**33511**
2.1 Foreign Investment (2.1.1+2.1.2)	**94412**	**76840**	**17572**	**119992**	**81803**	**38190**
2.1.1 Foreign Direct Investment	19717	9974	9743	28387	11414	16973
2.1.1.1 In India	19089	5856	13233	26907	6932	19974
2.1.1.1.1 Equity	11033	5747	5286	21846	6919	14926
2.1.1.1.2 Reinvested Earnings	3590		3590	4398		4398
2.1.1.1.3 Other Capital	4467	109	4358	663	13	650
2.1.1.2 Abroad	628	4118	-3490	1480	4482	-3002
2.1.1.2.1 Equity	628	2169	-1541	1480	1963	-483
2.1.1.2.2 Reinvested Earnings	0	788	-788	0	815	-815
2.1.1.2.3 Other Capital	0	1162	-1162	0	1704	-1704
2.1.2 Portfolio Investment	74695	66866	7829	91605	70388	21217
2.1.2.1 In India	71761	63627	8133	91216	69514	21703
2.1.2.1.1 FIIs	71761	63627	8133	91216	69514	21703
2.1.2.1.1.1 Equity	56356	50342	6014	80566	60741	19825
2.1.2.1.1.2 Debt	15405	13285	2119	10650	8772	1877
2.1.2.1.2 ADR/GDRs	0		0	0	0	0
2.1.2.2 Abroad	2934	3239	-304	389	875	-485
2.2 Loans (2.2.1+2.2.2+2.2.3)	**23041**	**19907**	**3135**	**19517**	**19354**	**164**
2.2.1 External Assistance	2511	1243	1268	2567	1383	1184
2.2.1.1 By India	2	28	-26	10	21	-11
2.2.1.2 To India	2509	1215	1294	2557	1362	1195
2.2.2 Commercial Borrowings	11007	7771	3237	6497	7747	-1249
2.2.2.1 By India	2692	2687	5	970	484	486
2.2.2.2 To India	8315	5084	3231	5528	7263	-1735
2.2.3 Short Term to India	9523	10893	-1370	10453	10224	229
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	9523	10129	-606	9538	10224	-686
2.2.3.2 Suppliers' Credit up to 180 days	0	764	-764	915	0	915
2.3 Banking Capital (2.3.1+2.3.2)	**21012**	**23336**	**-2324**	**21093**	**28707**	**-7614**
2.3.1 Commercial Banks	21012	23279	-2266	20700	28707	-8007
2.3.1.1 Assets	5753	7260	-1507	5384	15872	-10489
2.3.1.2 Liabilities	15259	16019	-760	15316	12834	2481
2.3.1.2.1 Non-Resident Deposits	14407	13579	828	14151	11183	2969
2.3.2 Others	0	58	-58	393	0	393
2.4 Rupee Debt Service		0	0	0	0	0
2.5 Other Capital	14726	9483	5243	18934	16162	2772
3 Errors & Omissions	**605**		**605**	**718**		**718**
4 Monetary Movements (4.1+ 4.2)	0	**21601**	**-21601**	0	**32483**	**-32483**
4.1 I.M.F.						
4.2 Foreign Exchange Reserves (Increase - / Decrease +)		21601	-21601		32483	-32483

Note : P : Preliminary

No. 39: India's Overall Balance of Payments

(₹ Crore)

Item	Oct-Dec 2019			Oct-Dec 2020(P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**2255004**	**2101143**	**153861**	**2490751**	**2251168**	**239583**
1 CURRENT ACCOUNT (1.1+ 1.2)	**1159541**	**1178274**	**-18733**	**1161249**	**1174126**	**-12877**
1.1 MERCHANDISE	**578694**	**835399**	**-256706**	**569637**	**824411**	**-254774**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**580847**	**342875**	**237973**	**591612**	**349715**	**241897**
1.2.1 Services	392882	237044	155838	396378	222240	174138
1.2.1.1 Travel	60866	39664	21202	16002	20896	-4894
1.2.1.2 Transportation	38806	45662	-6856	41322	37963	3359
1.2.1.3 Insurance	4395	3914	481	4238	4254	-16
1.2.1.4 G.n.i.e.	1116	1555	-438	1317	1918	-601
1.2.1.5 Miscellaneous	287699	146249	141450	333498	157208	176290
1.2.1.5.1 Software Services	169238	16420	152819	189459	17051	172408
1.2.1.5.2 Business Services	84680	85666	-986	92447	94400	-1953
1.2.1.5.3 Financial Services	8427	3917	4510	7879	8793	-914
1.2.1.5.4 Communication Services	5390	2194	3196	5440	2809	2632
1.2.2 Transfers	148348	13780	134568	153095	11051	142044
1.2.2.1 Official	358	2066	-1708	457	2199	-1742
1.2.2.2 Private	147990	11714	136276	152638	8852	143786
1.2.3 Income	39617	92050	-52433	42139	116425	-74285
1.2.3.1 Investment Income	29362	87107	-57745	30824	111150	-80326
1.2.3.2 Compensation of Employees	10255	4943	5312	11315	5274	6041
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**1091155**	**922869**	**168286**	**1324209**	**1077042**	**247167**
2.1 Foreign Investment (2.1.1+2.1.2)	**672478**	**547315**	**125163**	**885030**	**603352**	**281678**
2.1.1 Foreign Direct Investment	140440	71043	69398	209376	84190	125186
2.1.1.1 In India	135969	41710	94259	198458	51132	147326
2.1.1.1.1 Equity	78585	40936	37649	161128	51035	110092
2.1.1.1.2 Reinvested Earnings	25569	0	25569	32436	0	32436
2.1.1.1.3 Other Capital	31815	774	31041	4894	96	4797
2.1.1.2 Abroad	4472	29333	-24861	10918	33058	-22140
2.1.1.2.1 Equity	4472	15446	-10975	10918	14479	-3561
2.1.1.2.2 Reinvested Earnings	0	5611	-5611	0	6010	-6010
2.1.1.2.3 Other Capital	0	8276	-8276	0	12570	-12570
2.1.2 Portfolio Investment	532037	476272	55765	675655	519162	156492
2.1.2.1 In India	511136	453204	57933	672784	512712	160072
2.1.2.1.1 FIIs	511136	453204	57933	672784	512712	160072
2.1.2.1.1.1 Equity	401412	358574	42838	594234	448009	146225
2.1.2.1.1.2 Debt	109725	94630	15095	78550	64703	13847
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.2.2 Abroad	20901	23068	-2168	2871	6450	-3580
2.2 Loans (2.2.1+2.2.2+2.2.3)	**164119**	**141790**	**22329**	**143955**	**142748**	**1207**
2.2.1 External Assistance	17887	8856	9031	18933	10202	8731
2.2.1.1 By India	14	201	-187	71	153	-82
2.2.1.2 To India	17873	8655	9218	18862	10049	8813
2.2.2 Commercial Borrowings	78404	55349	23055	47922	57137	-9214
2.2.2.1 By India	19175	19136	39	7153	3567	3586
2.2.2.2 To India	59229	36212	23016	40770	53570	-12800
2.2.3 Short Term to India	67829	77586	-9757	77100	75409	1690
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	67829	72147	-4318	70350	75409	-5059
2.2.3.2 Suppliers' Credit up to 180 days	0	5439	-5439	6749	0	6749
2.3 Banking Capital (2.3.1+2.3.2)	**149666**	**166220**	**-16553**	**155574**	**211734**	**-56160**
2.3.1 Commercial Banks	149666	165808	-16142	152674	211734	-59060
2.3.1.1 Assets	40978	51709	-10731	39708	117071	-77362
2.3.1.2 Liabilities	108688	114099	-5411	112966	94663	18303
2.3.1.2.1 Non-Resident Deposits	102621	96723	5898	104375	82480	21896
2.3.2 Others	0	411	-411	2900	0	2900
2.4 Rupee Debt Service	0	0	0	0	0	0
2.5 Other Capital	104892	67545	37347	139650	119208	20442
3 Errors & Omissions	**4308**	0	**4308**	**5293**	0	**5293**
4 Monetary Movements (4.1+ 4.2)	0	**153861**	**-153861**	0	**239583**	**-239583**
4.1 I.M.F.	0	0	0			
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	0	153861	-153861	0	239583	-239583

Note : P: Preliminary

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

(US $ Million)

Item	Oct-Dec 2019			Oct-Dec 2020(P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**162791**	**165395**	**-2605**	**157438**	**159161**	**-1724**
1.A Goods and Services (1.A.a+1.A.b)	**136404**	**150565**	**-14161**	**130972**	**141905**	**-10933**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**81245**	**117285**	**-36040**	**77231**	**111774**	**-34542**
1.A.a.1 General merchandise on a BOP basis	80308	110034	-29726	76317	101765	-25448
1.A.a.2 Net exports of goods under merchanting	938	0	938	914	0	914
1.A.a.3 Nonmonetary gold		7252	-7252		10008	-10008
1.A.b Services (1.A.b.1 to 1.A.b.13)	**55158**	**33280**	**21879**	**53741**	**30131**	**23610**
1.A.b.1 Manufacturing services on physical inputs owned by others	76	9	67	49	5	45
1.A.b.2 Maintenance and repair services n.i.e.	64	207	-143	38	291	-253
1.A.b.3 Transport	5448	6411	-963	5602	5147	455
1.A.b.4 Travel	8545	5569	2977	2170	2833	-664
1.A.b.5 Construction	734	570	164	619	705	-86
1.A.b.6 Insurance and pension services	617	549	68	575	577	-2
1.A.b.7 Financial services	1183	550	633	1068	1192	-124
1.A.b.8 Charges for the use of intellectual property n.i.e.	184	2197	-2013	359	2297	-1937
1.A.b.9 Telecommunications, computer, and information services	24592	2712	21880	26498	2810	23688
1.A.b.10 Other business services	11889	12027	-138	12534	12799	-265
1.A.b.11 Personal, cultural, and recreational services	535	757	-222	579	768	-190
1.A.b.12 Government goods and services n.i.e.	157	218	-62	179	260	-82
1.A.b.13 Others n.i.e.	1134	1503	-369	3471	448	3023
1.B Primary Income (1.B.1 to 1.B.3)	**5562**	**12923**	**-7361**	**5713**	**15785**	**-10072**
1.B.1 Compensation of employees	1440	694	746	1534	715	819
1.B.2 Investment income	3312	12075	-8764	3188	14720	-11533
1.B.2.1 Direct investment	1369	5760	-4391	1693	9699	-8007
1.B.2.2 Portfolio investment	28	2435	-2408	67	1974	-1906
1.B.2.3 Other investment	138	3868	-3730	130	3046	-2917
1.B.2.4 Reserve assets	1777	12	1764	1298	1	1297
1.B.3 Other primary income	811	154	657	992	349	642
1.C Secondary Income (1.C.1+1.C.2)	**20825**	**1907**	**18918**	**20752**	**1472**	**19281**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	20777	1645	19132	20695	1200	19494
1.C.1.1 Personal transfers (Current transfers between resident and/	20062	1189	18873	19969	847	19122
1.C.1.2 Other current transfers	715	455	260	725	353	373
1.C.2 General government	48	262	-214	58	272	-214
2 Capital Account (2.1+2.2)	**108**	**258**	**-150**	**98**	**265**	**-167**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	19	108	-89	4	109	-105
2.2 Capital transfers	89	150	-61	94	156	-62
3 Financial Account (3.1 to 3.5)	**153086**	**150937**	**2150**	**179442**	**178270**	**1173**
3.1 Direct Investment (3.1A+3.1B)	**19717**	**9974**	**9743**	**28387**	**11414**	**16973**
3.1.A Direct Investment in India	19089	5856	13233	26907	6932	19974
3.1.A.1 Equity and investment fund shares	14623	5747	8875	26243	6919	19324
3.1.A.1.1 Equity other than reinvestment of earnings	11033	5747	5286	21846	6919	14926
3.1.A.1.2 Reinvestment of earnings	3590		3590	4398		4398
3.1.A.2 Debt instruments	4467	109	4358	663	13	650
3.1.A.2.1 Direct investor in direct investment enterprises	4467	109	4358	663	13	650
3.1.B Direct Investment by India	628	4118	-3490	1480	4482	-3002
3.1.B.1 Equity and investment fund shares	628	2956	-2328	1480	2778	-1298
3.1.B.1.1 Equity other than reinvestment of earnings	628	2169	-1541	1480	1963	-483
3.1.B.1.2 Reinvestment of earnings		788	-788		815	-815
3.1.B.2 Debt instruments	0	1162	-1162	0	1704	-1704
3.1.B.2.1 Direct investor in direct investment enterprises		1162	-1162		1704	-1704
3.2 Portfolio Investment	**74695**	**66866**	**7829**	**91605**	**70388**	**21217**
3.2.A Portfolio Investment in India	71761	63627	8133	91216	69514	21703
3.2.1 Equity and investment fund shares	56356	50342	6014	80566	60741	19825
3.2.2 Debt securities	15405	13285	2119	10650	8772	1877
3.2.B Portfolio Investment by India	2934	3239	-304	389	875	-485
3.3 Financial derivatives (other than reserves) and employee stock options	**7328**	**7194**	**134**	**9304**	**12458**	**-3154**
3.4 Other investment	**51346**	**45302**	**6044**	**50146**	**51526**	**-1381**
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	14407	13637	770	14544	11183	3362
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	0	58	-58	393	0	393
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	14407	13579	828	14151	11183	2969
3.4.2.3 General government						
3.4.2.4 Other sectors						
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	20124	18713	1411	15613	26654	-11041
3.4.3.A Loans to India	17430	15998	1431	14633	26150	-11517
3.4.3.B Loans by India	2694	2715	-21	979	504	475
3.4.4 Insurance, pension, and standardized guarantee schemes	190	660	-469	55	44	11
3.4.5 Trade credit and advances	9523	10893	-1370	10453	10224	229
3.4.6 Other accounts receivable/payable - other	7102	1399	5703	9481	3422	6059
3.4.7 Special drawing rights			0			0
3.5 Reserve assets	0	**21601**	**-21601**	0	**32483**	**-32483**
3.5.1 Monetary gold						
3.5.2 Special drawing rights n.a.						
3.5.3 Reserve position in the IMF n.a.						
3.5.4 Other reserve assets (Foreign Currency Assets)	0	21601	-21601	0	32483	-32483
4 Total assets/liabilities	**153086**	**150937**	**2150**	**179442**	**178270**	**1173**
4.1 Equity and investment fund shares	82059	70137	11922	118038	83815	34223
4.2 Debt instruments	63925	57799	6126	51923	58550	-6627
4.3 Other financial assets and liabilities	7102	23001	-15898	9481	35904	-26424
5 Net errors and omissions	**605**		**605**	**718**		**718**

Note : P : Preliminary

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

(₹ Crore)

Item	Oct-Dec 2019			Oct-Dec 2020(P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**1159525**	**1178077**	**-18552**	**1161217**	**1173930**	**-12713**
1.A Goods and Services (1.A.a+1.A.b)	**971576**	**1072443**	**-100867**	**966014**	**1046650**	**-80636**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**578694**	**835399**	**-256706**	**569637**	**824411**	**-254774**
1.A.a.1 General merchandise on a BOP basis	572015	783748	-211733	562893	750592	-187699
1.A.a.2 Net exports of goods under merchanting	6679	0	6679	6744	0	6744
1.A.a.3 Nonmonetary gold	0	51652	-51652	0	73819	-73819
1.A.b Services (1.A.b.1 to 1.A.b.13)	**392882**	**237044**	**155838**	**396378**	**222240**	**174138**
1.A.b.1 Manufacturing services on physical inputs owned by others	543	63	480	364	34	330
1.A.b.2 Maintenance and repair services n.i.e.	456	1477	-1021	281	2143	-1863
1.A.b.3 Transport	38806	45662	-6856	41322	37963	3359
1.A.b.4 Travel	60866	39664	21202	16002	20896	-4894
1.A.b.5 Construction	5227	4057	1170	4565	5197	-633
1.A.b.6 Insurance and pension services	4395	3914	481	4238	4254	-16
1.A.b.7 Financial services	8427	3917	4510	7879	8793	-914
1.A.b.8 Charges for the use of intellectual property n.i.e.	1312	15650	-14338	2651	16941	-14290
1.A.b.9 Telecommunications, computer, and information services	175162	19318	155844	195443	20727	174716
1.A.b.10 Other business services	84680	85666	-986	92447	94400	-1953
1.A.b.11 Personal, cultural, and recreational services	3813	5395	-1582	4269	5668	-1398
1.A.b.12 Government goods and services n.i.e.	1116	1555	-438	1317	1918	-601
1.A.b.13 Others n.i.e.	8079	10707	-2628	25599	3305	22294
1.B Primary Income (1.B.1 to 1.B.3)	**39617**	**92050**	**-52433**	**42139**	**116425**	**-74285**
1.B.1 Compensation of employees	10255	4943	5312	11315	5274	6041
1.B.2 Investment income	23588	86010	-62422	23511	108573	-85062
1.B.2.1 Direct investment	9753	41027	-31274	12484	71538	-59054
1.B.2.2 Portfolio investment	199	17347	-17148	497	14556	-14059
1.B.2.3 Other investment	982	27548	-26566	957	22470	-21513
1.B.2.4 Reserve assets	12655	88	12567	9573	9	9564
1.B.3 Other primary income	5774	1097	4677	7313	2577	4736
1.C Secondary Income (1.C.1+1.C.2)	**148332**	**13584**	**134749**	**153064**	**10855**	**142209**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	147990	11714	136276	152638	8852	143786
1.C.1.1 Personal transfers (Current transfers between resident and/	142897	8471	134426	147287	6249	141038
1.C.1.2 Other current transfers	5093	3243	1850	5351	2603	2748
1.C.2 General government	342	1869	-1527	426	2003	-1577
2 Capital Account (2.1+2.2)	**770**	**1837**	**-1068**	**724**	**1955**	**-1232**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	132	768	-636	32	803	-772
2.2 Capital transfers	637	1069	-432	692	1152	-460
3 Financial Account (3.1 to 3.5)	**1090402**	**1075090**	**15312**	**1323517**	**1314866**	**8651**
3.1 Direct Investment (3.1A+3.1B)	**140440**	**71043**	**69398**	**209376**	**84190**	**125186**
3.1.A Direct Investment in India	135969	41710	94259	198458	51132	147326
3.1.A.1 Equity and investment fund shares	104154	40936	63218	193564	51035	142529
3.1.A.1.1 Equity other than reinvestment of earnings	78585	40936	37649	161128	51035	110092
3.1.A.1.2 Reinvestment of earnings	25569	0	25569	32436	0	32436
3.1.A.2 Debt instruments	31815	774	31041	4894	96	4797
3.1.A.2.1 Direct investor in direct investment enterprises	31815	774	31041	4894	96	4797
3.1.B Direct Investment by India	4472	29333	-24861	10918	33058	-22140
3.1.B.1 Equity and investment fund shares	4472	21057	-16585	10918	20489	-9571
3.1.B.1.1 Equity other than reinvestment of earnings	4472	15446	-10975	10918	14479	-3561
3.1.B.1.2 Reinvestment of earnings	0	5611	-5611	0	6010	-6010
3.1.B.2 Debt instruments	0	8276	-8276	0	12570	-12570
3.1.B.2.1 Direct investor in direct investment enterprises	0	8276	-8276	0	12570	-12570
3.2 Portfolio Investment	**532037**	**476272**	**55765**	**675655**	**519162**	**156492**
3.2.A Portfolio Investment in India	511136	453204	57933	672784	512712	160072
3.2.1 Equity and investment fund shares	401412	358574	42838	594234	448009	146225
3.2.2 Debt securities	109725	94630	15095	78550	64703	13847
3.2.B Portfolio Investment by India	20901	23068	-2168	2871	6450	-3580
3.3 Financial derivatives (other than reserves) and employee stock options	**52196**	**51239**	**957**	**68626**	**91886**	**-23260**
3.4 Other investment	**365729**	**322675**	**43053**	**369860**	**380044**	**-10183**
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	102621	97135	5486	107275	82480	24796
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	0	411	-411	2900	0	2900
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	102621	96723	5898	104375	82480	21896
3.4.2.3 General government	0	0	0	0	0	0
3.4.2.4 Other sectors	0	0	0	0	0	0
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	143336	133289	10047	115154	196593	-81439
3.4.3.A Loans to India	124147	113952	10195	107930	192873	-84943
3.4.3.B Loans by India	19189	19337	-148	7224	3720	3504
3.4.4 Insurance, pension, and standardized guarantee schemes	1355	4699	-3344	404	326	78
3.4.5 Trade credit and advances	67829	77586	-9757	77100	75409	1690
3.4.6 Other accounts receivable/payable - other	50588	9967	40621	69928	25237	44691
3.4.7 Special drawing rights	0	0	0	0	0	0
3.5 Reserve assets	**0**	**153861**	**-153861**	**0**	**239583**	**-239583**
3.5.1 Monetary gold	0	0	0	0	0	0
3.5.2 Special drawing rights n.a.	0	0	0	0	0	0
3.5.3 Reserve position in the IMF n.a.	0	0	0	0	0	0
3.5.4 Other reserve assets (Foreign Currency Assets)	0	153861	-153861	0	239583	-239583
4 Total assets/liabilities	**1090402**	**1075090**	**15312**	**1323517**	**1314866**	**8651**
4.1 Equity and investment fund shares	584489	499573	84916	870616	618195	252421
4.2 Debt instruments	455325	411689	43636	382973	431851	-48878
4.3 Other financial assets and liabilities	50588	163828	-113240	69928	264820	-194892
5 Net errors and omissions	**4308**	**0**	**4308**	**5293**	**0**	**5293**

Note : P: Preliminary

No. 42: International Investment Position

(US$ Million)

Item	As on Financial Year /Quarter End							
	2019-20		2019		2020			
			Dec.		Sep.		Dec.	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	1	2	3	4	5	6	7	8
1 Direct Investment Abroad/in India	182957	418239	179734	426944	188302	455972	191304	480298
1.1 Equity Capital and Reinvested Earnings	118442	395426	117163	404393	121516	430742	122814	454640
1.2 Other Capital	64515	22813	62572	22552	66786	25231	68490	25658
2 Portfolio Investment	3847	246699	4845	266705	5041	253289	5527	274053
2.1 Equity	602	134778	2619	148859	1906	149095	1732	170630
2.2 Debt	3246	111921	2226	117846	3136	104194	3795	103423
3 Other Investment	52422	427242	53415	429326	64921	431149	69530	438322
3.1 Trade Credit	1460	104271	2224	105210	2917	102190	3333	102597
3.2 Loan	6741	179577	6180	177315	9048	180599	10620	183526
3.3 Currency and Deposits	26011	130761	27099	133331	34864	137519	37343	140683
3.4 Other Assets/Liabilities	18210	12634	17912	13469	18092	10841	18234	11516
4 Reserves	477807		459863		544687		585771	
5 Total Assets/ Liabilities	717033	1092180	697858	1122975	802952	1140410	852131	1192673
6 IIP (Assets - Liabilities)		-375147		-425117		-337458		-340542

Payment and Settlement Systems

No.43: Payment System Indicators

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

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2020-21	2020	2021		FY 2020-21	2020	2021	
		Mar.	Feb.	Mar.		Mar.	Feb.	Mar.
	1	2	3	4	5	6	7	8
A. Settlement Systems								
Financial Market Infrastructures (FMIs)								
1 CCIL Operated Systems (1.1 to 1.3)	27.97	3.14	2.44	2.92	161943141	13808922	15872384	17383479
1.1 Govt. Securities Clearing (1.1.1 to 1.1.3)	11.55	1.27	0.95	0.91	110634315	8427404	10901991	11182301
1.1.1 Outright	6.28	0.86	0.47	0.42	10032187	1306083	681845	678873
1.1.2 Repo	2.84	0.23	0.24	0.26	43751173	3096901	3678988	4362390
1.1.3 Tri-party Repo	2.43	0.19	0.24	0.23	56850956	4024420	6541158	6141037
1.2 Forex Clearing	16.04	1.82	1.44	1.95	48903961	5034489	4629628	5828078
1.3 Rupee Derivatives @	0.38	0.04	0.05	0.06	2404865	347030	340765	373100
B. Payment Systems								
I Financial Market Infrastructures (FMIs)	–	–	–	–	–	–	–	–
1 Credit Transfers - RTGS (1.1 to 1.2)	1591.92	118.95	157.70	202.35	105599849	12047221	9050425	12982215
1.1 Customer Transactions	1573.47	117.06	156.20	200.70	91008367	10368946	7645510	11427958
1.2 Interbank Transactions	18.45	1.89	1.50	1.65	14591482	1678274	1404916	1554257
II Retail								
2 Credit Transfers - Retail (2.1 to 2.6)	317851.82	19743.26	30592.16	37208.47	33522150	2831185	2936833	4053692
2.1 AePS (Fund Transfers) @	11.32	0.66	0.92	1.16	623	36	54	72
2.2 APBS $	14372.99	1247.79	835.54	1128.83	112747	7951	5369	11086
2.3 IMPS	32783.47	2168.23	3189.73	3631.44	2941500	201962	275230	327236
2.4 NACH Cr $	16449.51	1234.43	815.96	1648.80	1232714	131109	78273	164083
2.5 NEFT	30927.89	2623.70	2821.07	3481.39	25130910	2283665	2152844	3046329
2.6 UPI @	223306.64	12468.45	22928.94	27316.85	4103658	206462	425063	504886
2.6.1 of which USSD @	10.45	0.68	0.82	0.94	172	12	13	15
3 Debit Transfers and Direct Debits (3.1 to 3.3)	10440.40	818.06	861.58	1023.06	872399	76126	76497	86351
3.1 BHIM Aadhaar Pay @	160.84	8.88	9.33	12.92	2580	141	223	346
3.2 NACH Dr $	9629.61	791.30	781.07	904.64	868906	75952	76185	85851
3.3 NETC (linked to bank account) @	649.96	17.88	71.18	105.50	913	33	88	154
4 Card Payments (4.1 to 4.2)	57841.30	5246.70	5067.32	5681.24	1293080	98783	119582	139715
4.1 Credit Cards (4.1.1 to 4.1.2)	17641.06	1638.57	1613.77	1887.27	630414	50574	60105	72319
4.1.1 PoS based $	8688.81	900.64	863.91	1012.86	280769	26656	27754	33286
4.1.2 Others $	8952.25	737.93	749.87	874.41	349645	23918	32350	39033
4.2 Debit Cards (4.2.1 to 4.2.1)	40200.24	3608.13	3453.55	3793.97	662667	48209	59478	67396
4.2.1 PoS based $	20805.24	1925.25	2013.95	2240.07	378044	27238	37465	42816
4.2.2 Others $	19395.00	1682.88	1439.60	1553.89	284623	20971	22013	24580
5 Prepaid Payment Instruments (5.1 to 5.2)	49392.26	3982.85	4519.80	5154.57	197695	15341	18274	21371
5.1 Wallets	39987.01	3178.60	3652.79	4182.92	152065	13111	12742	14856
5.2 Cards (5.2.1 to 5.2.2)	9405.25	804.25	867.00	971.65	45630	2229	5532	6515
5.2.1 PoS based $	437.31	81.02	35.79	42.20	11639	1021	1257	1579
5.2.2 Others $	8967.94	723.23	831.21	929.45	33992	1209	4275	4937
6 Paper-based Instruments (6.1 to 6.2)	6703.70	710.34	636.07	806.59	5627189	565315	547109	722031
6.1 CTS (NPCI Managed)	6702.53	710.01	636.07	806.59	5625941	565046	547109	722031
6.2 Others	1.17	0.33	0.00	0.00	1249	269	–	–
Total - Retail Payments (2+3+4+5+6)	442229.48	30501.21	41676.93	49873.93	41512514	3586750	3698295	5023161
Total Payments (1+2+3+4+5+6)	443821.40	30620.16	41834.63	50076.28	147112363	15633971	12748721	18005375
Total Digital Payments (1+2+3+4+5)	437117.70	29909.81	41198.56	49269.69	141485173	15068656	12201612	17283344

PART II - Payment Modes and Channels

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2020-21	2020	2021		FY 2020-21	2020	2021	
		Mar.	Feb.	Mar.		Mar.	Feb.	Mar.
	1	2	3	4	5	6	7	8
A. Other Payment Channels								
1 Mobile Payments (mobile app based) (1.1 to 1.2)	252364.97	13830.33	24274.50	32971.49	9089832	520199	931529	1246220
1.1 Intra-bank $	25130.99	1287.27	2345.81	4852.88	1865484	109624	186602	270764
1.2 Inter-bank $	227233.98	12543.06	21928.69	28118.60	7224348	410575	744927	975456
2 Internet Payments (Netbanking / Internet Browser Based) @ (2.1 to 2.2)	32483.42	2530.83	2900.22	3390.80	41534334	3421077	3999196	4976087
2.1 Intra-bank @	6886	584.09	580.98	707.26	20601554	1595574	2076458	2355028
2.2 Inter-bank @	25597.27	1946.74	2319.24	2683.55	20932780	1825503	1922739	2621059
B. ATMs								
3 Cash Withdrawal at ATMs $ (3.1 to 3.3)	60905.79	5444.16	5534.33	6040.00	2889825	248574	259249	285267
3.1 Using Credit Cards $	51.41	7.54	4.98	5.92	2560	360	253	307
3.2 Using Debit Cards $	60602.23	5413.75	5506.07	6007.92	2878025	247429	258100	283955
3.3 Using Pre-paid Cards $	252.15	22.87	23.28	26.16	9239	785	895	1006
4 Cash Withdrawal at PoS $ (4.1 to 4.2)	394.60	33.69	21.79	22.38	1532	110	117	119
4.1 Using Debit Cards $	353.33	30.55	19.81	19.49	1483	105	114	114
4.2 Using Pre-paid Cards $	41.27	3.14	1.98	2.90	49	5	3	5
5 Cash Withrawal at Micro ATMs @	9460.43	344.98	656.57	763.86	225420	9993	18381	22276
5.1 AePS @	9460.43	344.98	656.57	763.86	225420	9993	18381	22276

PART III - Payment Infrastructures (Lakh)

System	As on March 2021	2020	2021	
		Mar.	Feb.	Mar.
	1	2	3	4
Payment System Infrastructures				
1 Number of Cards (1.1 to 1.2)	9602.51	8863.07	9556.49	9602.51
1.1 Credit Cards	620.49	577.45	616.47	620.49
1.2 Debit Cards	8982.02	8285.62	8940.02	8982.02
2 Number of PPIs @ (2.1 to 2.2)	21951.37	18251.64	21556.23	21951.37
2.1 Wallets @	20052.10	17032.85	19733.68	20052.10
2.2 Cards @	1899.27	1218.79	1822.56	1899.27
3 Number of ATMs (3.1 to 3.2)	2.39	2.34	2.35	2.39
3.1 Bank owned ATMs $	2.14	2.11	2.10	2.14
3.2 White Label ATMs $	0.25	0.24	0.25	0.25
4 Number of Micro ATMs @	4.04	2.71	3.73	4.04
5 Number of PoS Terminals	47.20	43.71	47.15	47.20
6 Bharat QR @	35.70	20.28	34.92	35.70
7 UPI QR *	925.22	–	875.86	925.22

@: New inclusion w.e.f. November 2019
$: Inclusion separately initiated from November 2019 - would have been part of other items hitherto.
*: New inclusion w.e.f. September 2020; Includes only static UPI QR Code

Note : 1. Data is provisional.
2. ECS (Debit and Credit) has been merged with NACH with effect from January 31, 2020.
3. The data from November 2019 onwards for card payments (Debit/Credit cards) and Prepaid Payment Instruments (PPIs) may not be comparable with earlier months/ periods, as more granular data is being published along with revision in data definitions.
4. Only domestic financial transactions are considered. The new format captures e-commerce transactions; transactions using FASTags, digital bill payments and card-to-card transfer through ATMs, etc.. Also, failed transactions, chargebacks, reversals, expired cards/ wallets, are excluded.

Occasional Series

No. 44: Small Savings

(₹ Crore)

Scheme		2018-19	2019		2020	
			Feb.	Dec.	Jan.	Feb.
		1	2	3	4	5
1 Small Savings	**Receipts**	**115714**	**9839**	**15814**	**15184**	**16911**
	Outstanding	**918459**	**899191**	**1015010**	**1030037**	**1046766**
1.1 Total Deposits	**Receipts**	**91108**	**7130**	**12117**	**11091**	**11460**
	Outstanding	**618418**	**606920**	**693812**	**704903**	**716363**
1.1.1 Post Office Saving Bank Deposits	Receipts	31037	2360	3455	3106	2690
	Outstanding	140247	134863	150462	153568	156258
1.1.2 MGNREG	Receipts					
	Outstanding					
1.1.3 National Saving Scheme, 1987	Receipts	-31	-19	-31	-25	-20
	Outstanding	3107	2877	2984	2959	2939
1.1.4 National Saving Scheme, 1992	Receipts	53	0	-827	-2	-3
	Outstanding	10	-8	-18	-20	-23
1.1.5 Monthly Income Scheme	Receipts	10967	928	1753	1712	1887
	Outstanding	192658	191653	203460	205172	207059
1.1.6 Senior Citizen Scheme 2004	Receipts	13990	1184	2070	2133	2131
	Outstanding	55708	54446	69464	71597	73728
1.1.7 Post Office Time Deposits	Receipts	25000	2451	4296	3999	4494
	Outstanding	124292	121687	152622	156621	161115
1.1.7.1 1 year Time Deposits	Outstanding	71534	70179	86344	88247	90327
1.1.7.2 2 year Time Deposits	Outstanding	5910	5824	6749	6854	6970
1.1.7.3 3 year Time Deposits	Outstanding	6901	6910	7328	7397	7464
1.1.7.4 5 year Time Deposits	Outstanding	39947	38774	52201	54123	56354
1.1.8 Post Office Recurring Deposits	Receipts	10081	215	1401	168	281
	Outstanding	102401	101407	114842	115010	115291
1.1.9 Post Office Cumulative Time Deposits	Receipts	11	11	0	0	0
	Outstanding	-26	-26	-25	-25	-25
1.1.10 Other Deposits	Receipts	0	0	0	0	0
	Outstanding	21	21	21	21	21
1.2 Saving Certificates	**Receipts**	**16067**	**1732**	**3326**	**3524**	**3937**
	Outstanding	**221517**	**219257**	**240900**	**244267**	**248022**
1.2.1 National Savings Certificate VIII issue	Receipts	11318	1262	2272	2458	2619
	Outstanding	98492	94795	110050	112508	115127
1.2.2 Indira Vikas Patras	Receipts	334	3	0	0	1
	Outstanding	263	300	-289	-289	-288
1.2.3 Kisan Vikas Patras	Receipts	-18678	-1609	-971	-1713	-1120
	Outstanding	19303	21232	6782	5069	3949
1.2.4 Kisan Vikas Patras - 2014	Receipts	23018	2065	2025	2782	2452
	Outstanding	93630	91314	113273	116055	118507
1.2.5 National Saving Certificate VI issue	Receipts	93	12	0	-1	0
	Outstanding	2	-47	-179	-180	-180
1.2.6 National Saving Certificate VII issue	Receipts	-18	-1	0	-2	-15
	Outstanding	-80	-82	-82	-84	-99
1.2.7 Other Certificates	Outstanding	9907	11745	11345	11188	11006
1.3 Public Provident Fund	**Receipts**	**8539**	**977**	**371**	**569**	**1514**
	Outstanding	**78524**	**73014**	**80298**	**80867**	**82381**

Source: Accountant General, Post and Telegraphs.

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

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

(Per cent)

Central Government Dated Securities

Category	2020				2021
	Mar.	Jun.	Sep.	Dec.	Mar.
	1	2	3	4	5
(A) Total (in ₹. Crore)	**6486585**	**6704983**	**7137069**	**7357111**	**7635902**
1 Commercial Banks	40.41	38.98	38.55	37.81	37.77
2 Non-Bank PDs	0.39	0.36	0.34	0.25	0.27
3 Insurance Companies	25.09	26.24	25.33	25.64	25.30
4 Mutual Funds	1.43	2.02	2.42	2.62	2.94
5 Co-operative Banks	1.90	1.86	1.86	1.83	1.82
6 Financial Institutions	0.53	1.19	1.42	1.00	1.00
7 Corporates	0.81	0.78	0.94	1.05	1.06
8 Foreign Portfolio Investors	2.44	1.79	2.05	2.10	1.87
9 Provident Funds	4.72	4.96	4.77	4.61	4.44
10 RBI	15.13	14.70	15.00	15.71	16.20
11. Others	7.17	7.11	7.32	7.37	7.33
11.1 State Governments	2.05	1.99	1.86	1.76	1.69

State Governments Securities

Category	2020				2021
	Mar.	Jun.	Sep.	Dec.	Mar.
	1	2	3	4	5
(B) Total (in ₹. Crore)	**3265990**	**3393099**	**3564979**	**3721573**	**3879982**
1 Commercial Banks	34.99	33.54	34.60	34.19	33.69
2 Non-Bank PDs	0.76	0.74	0.54	0.36	0.48
3 Insurance Companies	31.63	30.85	30.26	30.25	30.04
4 Mutual Funds	1.14	1.74	1.96	1.92	1.82
5 Co-operative Banks	4.12	4.38	4.19	4.11	4.05
6 Financial Institutions	0.11	1.96	1.92	1.88	1.86
7 Corporates	0.30	0.31	0.39	0.45	0.49
8 Foreign Portfolio Investors	0.02	0.02	0.02	0.02	0.02
9 Provident Funds	22.22	21.70	21.31	21.20	22.00
10 RBI	0.00	0.00	0.00	0.81	0.77
11. Others	4.71	4.78	4.80	4.82	4.77
11.1 State Governments	0.18	0.18	0.18	0.18	0.18

Treasury Bills

Category	2020				2021
	Mar.	Jun.	Sep.	Dec.	Mar.
	1	2	3	4	5
(C) Total (in ₹. Crore)	**538409**	**881362**	**982286**	**839729**	**690646**
1 Commercial Banks	61.06	46.11	53.50	54.75	55.54
2 Non-Bank PDs	2.26	1.48	2.16	1.65	2.82
3 Insurance Companies	7.45	4.64	4.06	4.50	5.61
4 Mutual Funds	13.24	23.45	19.90	18.98	17.80
5 Co-operative Banks	2.55	1.95	1.63	1.61	2.43
6 Financial Institutions	0.58	1.67	1.34	1.11	1.24
7 Corporates	1.89	1.43	1.63	2.01	3.16
8 Foreign Portfolio Investors	0.00	0.00	0.00	0.00	0.00
9 Provident Funds	0.02	0.05	0.00	0.09	0.22
10 RBI	0.00	11.27	4.80	0.68	0.49
11. Others	10.95	7.95	10.99	14.63	10.70
11.1 State Governments	6.22	4.35	7.76	13.27	5.98

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

(₹ Crore)

Item	2015-16	2016-17	2017-18	2018-19	2019-20 RE	2020-21 BE
	1	2	3	4	5	6
1 Total Disbursements	**3760611**	**4265969**	**4515946**	**5040747**	**5875914**	**6470254**
1.1 Developmental	2201287	2537905	2635110	2882758	3486519	3818358
1.1.1 Revenue	1668250	1878417	2029044	2224367	2708218	2920507
1.1.2 Capital	412069	501213	519356	596774	694262	794599
1.1.3 Loans	120968	158275	86710	61617	84038	103252
1.2 Non-Developmental	1510810	1672646	1812455	2078276	2295105	2556504
1.2.1 Revenue	1379727	1555239	1741432	1965907	2171963	2421566
1.2.1.1 Interest Payments	648091	724448	814757	894520	969344	1091617
1.2.2 Capital	127306	115775	69370	111029	121159	132961
1.2.3 Loans	3777	1632	1654	1340	1984	1977
1.3 Others	48514	55417	68381	79713	94290	95393
2 Total Receipts	**3778049**	**4288432**	**4528422**	**5023352**	**5779396**	**6524526**
2.1 Revenue Receipts	2748374	3132201	3376416	3797731	4338225	4828088
2.1.1 Tax Receipts	2297101	2622145	2978134	3278947	3547958	3951657
2.1.1.1 Taxes on commodities and services	1440952	1652377	1853859	2030050	2157126	2436871
2.1.1.2 Taxes on Income and Property	852271	965622	1121189	1246083	1386652	1510287
2.1.1.3 Taxes of Union Territories (Without Legislature)	3878	4146	3086	2814	4180	4500
2.1.2 Non-Tax Receipts	451272	510056	398282	518783	790267	876430
2.1.2.1 Interest Receipts	35779	33220	34224	36273	33272	30911
2.2 Non-debt Capital Receipts	59827	69063	142433	140287	129507	232172
2.2.1 Recovery of Loans & Advances	16561	20942	42213	44667	62499	18302
2.2.2 Disinvestment proceeds	43266	48122	100219	95621	67008	213870
3 Gross Fiscal Deficit [1 - (2.1 + 2.2)]	**952410**	**1064704**	**997097**	**1102729**	**1408183**	**1409995**
3A Sources of Financing: Institution-wise						
3A.1 Domestic Financing	939662	1046708	989167	1097210	1403250	1405373
3A.1.1 Net Bank Credit to Government	231090	617123	144792	387091	518093	-----
3A.1.1.1 Net RBI Credit to Government	60472	195816	-144847	325987	190241	-----
3A.1.2 Non-Bank Credit to Government	708572	429585	844375	710119	885156	-----
3A.2 External Financing	12748	17997	7931	5519	4933	4622
3B Sources of Financing: Instrument-wise						
3B.1 Domestic Financing	939662	1046708	989167	1097210	1403250	1405373
3B.1.1 Market Borrowings (net)	673298	689821	794856	795845	962386	1105573
3B.1.2 Small Savings (net)	80015	35038	71222	88961	213430	213430
3B.1.3 State Provident Funds (net)	35261	45688	42351	51004	42900	42529
3B.1.4 Reserve Funds	-3322	-6436	18423	-18298	-241	2978
3B.1.5 Deposits and Advances	13470	17792	25138	66289	32949	35987
3B.1.6 Cash Balances	-17438	-22463	-12476	17395	96518	-54272
3B.1.7 Others	158378	287268	49653	96014	55309	59147
3B.2 External Financing	12748	17997	7931	5519	4933	4622
4 Total Disbursements as per cent of GDP	*27.3*	*27.7*	*26.4*	*26.6*	*28.9*	*28.8*
5 Total Receipts as per cent of GDP	*27.4*	*27.9*	*26.5*	*26.5*	*28.4*	*29.0*
6 Revenue Receipts as per cent of GDP	*20.0*	*20.3*	*19.7*	*20.0*	*21.3*	*21.5*
7 Tax Receipts as per cent of GDP	*16.7*	*17.0*	*17.4*	*17.3*	*17.4*	*17.6*
8 Gross Fiscal Deficit as per cent of GDP	*6.9*	*6.9*	*5.8*	*5.8*	*6.9*	*6.3*

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

Source : Budget Documents of Central and State Governments.

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

(₹ Crore)

Sr. No	State/Union Territory	During March-2021					
		Special Drawing Facility (SDF)		Ways and Means Advances (WMA)		Overdraft (OD)	
		Average amount availed	Number of days availed	Average amount availed	Number of days availed	Average amount availed	Number of days availed
	1	2	3	4	5	6	7
1	Andhra Pradesh	1139	26	2107	26	1360	14
2	Arunachal Pradesh	-	-	-	-	-	-
3	Assam	-	-	-	-	-	-
4	Bihar	-	-	-	-	-	-
5	Chhattisgarh	-	-	-	-	-	-
6	Goa	10	1	-	-	-	-
7	Gujarat	-	-	-	-	-	-
8	Haryana	-	-	-	-	-	-
9	Himachal Pradesh	-	-	-	-	-	-
10	Jammu & Kashmir UT	-	-	711	24	587	2
11	Jharkhand	-	-	-	-	-	-
12	Karnataka	-	-	-	-	-	-
13	Kerala	243	21	835	20	125	2
14	Madhya Pradesh	-	-	-	-	-	-
15	Maharashtra	-	-	-	-	-	-
16	Manipur	-	-	279	30	165	22
17	Meghalaya	58	4	-	-	-	-
18	Mizoram	-	-	104	12	-	-
19	Nagaland	154	24	129	4	145	1
20	Odisha	-	-	-	-	-	-
21	Puducherry	-	-	-	-	-	-
22	Punjab	703	5	82	3	-	-
23	Rajasthan	-	-	-	-	-	-
24	Tamil Nadu	-	-	-	-	-	-
25	Telangana	962	25	1556	23	1147	18
26	Tripura	-	-	-	-	-	-
27	Uttar Pradesh	-	-	-	-	-	-
28	Uttarakhand	75	2	-	-	-	-
29	West Bengal	-	-	-	-	-	-

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

No. 48: Investments by State Governments

(₹ Crore)

Sr. No	State/Union Territory	As on end of March 2021			
		Consolidated Sinking Fund (CSF)	Guarantee Redemption Fund (GRF)	Government Securities	Auction Treasury Bills (ATBs)
	1	2	3	4	5
1	Andhra Pradesh	8667	854	--	-
2	Arunachal Pradesh	1684	2	--	-
3	Assam	3981	57	--	-
4	Bihar	5832	--	--	-
5	Chhattisgarh	4890	--	1	-
6	Goa	623	314	--	4608
7	Gujarat	5090	502	--	-
8	Haryana	807	1261	--	-
9	Himachal Pradesh	--	--	--	800
10	Jammu & Kashmir UT	--	--	--	-
11	Jharkhand	288	--	--	-
12	Karnataka	6045	--	--	-
13	Kerala	2248	--	--	-
14	Madhya Pradesh	--	959	--	-
15	Maharashtra	43978	660	--	-
16	Manipur	162	105	--	4000
17	Meghalaya	755	43	9	-
18	Mizoram	367	47	--	-
19	Nagaland	1720	35	--	-
20	Odisha	11694	1523	88	-
21	Puducherry	307	--	--	11665
22	Punjab	1146	--	8	807
23	Rajasthan	--	--	129	-
24	Tamil Nadu	6937	--	40	2000
25	Telangana	5920	1292	--	17414
26	Tripura	388	9	--	-
27	Uttar Pradesh	970	--	180	-
28	Uttarakhand	3410	134	--	-
29	West Bengal	9300	608	214	-
	Total	**127208**	**8405**	**668**	**41293**

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

No. 49: Market Borrowings of State Governments

(₹ Crore)

Sr. No.	State	2018-19		2019-20		2020-21						Total amount raised, so far in 2020-21	
						January		February		March			
		Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross	Net
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Andhra Pradesh	30200	23824	42415	33444	3000	2417	3646	1926	-	-1137	50896	41915
2	Arunachal Pradesh	719	693	1366	1287	-	-	-	-	286	286	767	767
3	Assam	10595	8089	12906	10996	500	500	3500	3500	2130	1330	15030	14230
4	Bihar	14300	10903	25601	22601	4000	3000	1993	1993	1292	692	27285	24685
5	Chhattisgarh	12900	12900	11680	10980	2000	500	1000	1000	2000	2000	13000	10500
6	Goa	2350	1850	2600	2000	200	200	300	300	500	500	3354	3054
7	Gujarat	36971	27437	38900	28600	1500	500	1500	500	12000	10458	44780	33280
8	Haryana	21265	17970	24677	20677	2000	2000	3500	2300	2000	1350	30000	25550
9	Himachal Pradesh	4210	2108	6580	4460	1000	700	1000	820	-	-965	6000	3755
10	Jammu & Kashmir UT	6684	4927	7869	6760	500	21	700	-50	818	239	9328	6020
11	Jharkhand	5509	4023	7500	5656	1400	1400	1400	1400	3000	3000	9400	8900
12	Karnataka	39600	32183	48500	42500	2000	2000	3000	3000	9000	9000	69000	61900
13	Kerala	19500	13984	18073	12617	-	-	2000	-	7000	6000	28566	23066
14	Madhya Pradesh	20496	15001	22371	16550	2000	1000	11000	11000	10573	6773	45573	38773
15	Maharashtra	20869	3107	48498	32998	-	-1875	1000	-1471	3000	567	69000	50022
16	Manipur	970	667	1757	1254	150	-	152	152	120	12	1302	1044
17	Meghalaya	1122	863	1344	1070	106	106	-	-	256	256	1777	1587
18	Mizoram	0	-123	900	745	90	50	50	50	30	-97	944	677
19	Nagaland	822	355	1000	423	-	-	437	437	-	-155	1721	1366
20	Odisha	5500	4500	7500	6500	-	-	-	-1000	-	-500	3000	500
21	Puducherry	825	475	970	470	250	250	150	-100	340	190	1390	790
22	Punjab	22115	17053	27355	18470	2200	1400	1500	972	7772	7772	32995	23467
23	Rajasthan	33178	20186	39092	24686	3700	3700	8500	6646	5948	1798	57359	44273
24	Sikkim	1088	795	809	481	204	204	100	100	61	61	1292	1292
25	Tamil Nadu	43125	32278	62425	49826	6500	5875	10000	9700	8477	8477	87977	76796
26	Telangana	26740	22183	37109	30697	3000	2583	2000	770	2250	1437	43784	37365
27	Tripura	1543	1387	2928	2578	-	-	142	142	61	-124	1916	1631
28	Uttar Pradesh	46000	33307	69703	52744	12000	11500	14000	14000	16000	13972	75500	59185
29	Uttarakhand	6300	5289	5100	4500	500	208	-	-	2000	2000	6200	5208
30	West Bengal	42828	30431	56992	40882	7000	7000	7000	7000	10680	10680	59680	50180
	Grand Total	478323	348643	634521	487454	55800	45239	79570	65087	107594	85872	798816	651777

- : Nil.

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

Source: Reserve Bank of India.

Explanatory Notes to the Current Statistics

Table No. 1

1.2& 6: Annual data are average of months.

3.5 & 3.7: Relate to ratios of increments over financial year so far.

4.1 to 4.4, 4.8,4.9 &5: Relate to the last friday of the month/financial year.

4.5, 4.6 & 4.7: Relate to five major banks on the last Friday of the month/financial year.

4.10 to 4.12: Relate to the last auction day of the month/financial year.

4.13: Relate to last day of the month/ financial year

7.1&7.2: Relate to Foreign trade in US Dollar.

Table No. 2

2.1.2: Include paid-up capital, reserve fund and Long-Term Operations Funds.

2.2.2: Include cash, fixed deposits and short-term securities/bonds, e.g., issued by IIFC (UK).

Table No. 4

Maturity-wise position of outstanding forward contracts is available at http://nsdp.rbi.org.in under ''Reserves Template''.

Table No. 5

Special refinance facility to Others, i.e. to the EXIM Bank, is closed since March 31, 2013.

Table No. 6

For scheduled banks, March-end data pertain to the last reporting Friday.

2.2: Exclude balances held in IMF Account No.1, RBI employees' provident fund, pension fund, gratuity and superannuation fund.

Table Nos. 7 & 11

3.1 in Table 7 and 2.4 in Table 11: Include foreign currency denominated bonds issued by IIFC (UK).

Table No. 8

NM_2 and NM_3 do not include FCNR (B) deposits.

2.4: Consist of paid-up capital and reserves.

2.5: includes other demand and time liabilities of the banking system.

Table No. 9

Financial institutions comprise EXIM Bank, SIDBI, NABARD and NHB.

L_1 and L_2 are compiled monthly and L_3 quarterly.

Wherever data are not available, the last available data have been repeated.

Table No. 13

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

Table No. 14

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

Table No. 17

2.1.1: Exclude reserve fund maintained by co-operative societies with State Co-operative Banks

2.1.2: Exclude borrowings from RBI, SBI, IDBI, NABARD, notified banks and State Governments.

4: Include borrowings from IDBI and NABARD.

Table No. 24

Primary Dealers (PDs) include banks undertaking PD business.

Table No. 30

Exclude private placement and offer for sale.

1: Exclude bonus shares.

2: Include cumulative convertible preference shares and equi-preference shares.

Table No. 32

Exclude investment in foreign currency denominated bonds issued by IIFC (UK), SDRs transferred by Government of India to RBI and foreign currency received under SAARC SWAP arrangement. Foreign currency assets in US dollar take into account appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen and Australian Dollar) held in reserves. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI holding rates.

Table No. 34

1.1.1.1.2 & 1.1.1.1.1.4: Estimates.

1.1.1.2: Estimates for latest months.

'Other capital' pertains to debt transactions between parent and subsidiaries/branches of FDI enterprises.

Data may not tally with the BoP data due to lag in reporting.

Table No. 35

1.10: Include items such as subscription to journals, maintenance of investment abroad, student loan repayments and credit card payments.

Table No. 36

Increase in indices indicates appreciation of rupee and vice versa. For 6-Currency index, base year 2018-19 is a moving one, which gets updated every year. REER figures are based on Consumer Price Index (combined). The details on methodology used for compilation of NEER/REER indices are available in December 2005, April 2014 and January 2021 issues of the RBI Bulletin.

Table No. 37

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

Table Nos. 38, 39, 40 & 41

Explanatory notes on these tables are available in December issue of RBI Bulletin, 2012.

Table No. 43

Part I-A. Settlement systems

1.1.3: Tri- party Repo under the securities segment has been operationalised from November 05, 2018.

Part I-B. Payments systems

4.1.2: 'Others' includes e-commerce transactions and digital bill payments through ATMs, etc.

4.2.2: 'Others' includes e-commerce transactions, card to card transfers and digital bill payments through ATMs, etc.

5: Available from December 2010.

5.1: includes purchase of goods and services and fund transfer through wallets.

5.2.2: includes usage of PPI Cards for online transactions and other transactions.

6.1: Pertain to three grids – Mumbai, New Delhi and Chennai.

6.2: 'Others' comprises of Non-MICR transactions which pertains to clearing houses managed by 21 banks.

Part II-A. Other payment channels

1: Mobile Payments –
- Include transactions done through mobile apps of banks and UPI apps.
- The data from July 2017 includes only individual payments and corporate payments initiated, processed, and authorised using mobile device. Other corporate payments which are not initiated, processed, and authorised using mobile device are excluded.

2: Internet Payments – includes only e-commerce transactions through 'netbanking' and any financial transaction using internet banking website of the bank.

Part II-B. ATMs

3.3 and 4.2: only relates to transactions using bank issued PPIs.

Part III. Payment systems infrastructure

3: Includes ATMs deployed by Scheduled Commercial Banks (SCBs) and White Label ATM Operators (WLAOs). WLAs are included from April 2014 onwards.

Table No. 45

(-): represents nil or negligible

The revised table format since June 2016, incorporates the ownership pattern of State Governments Securities and Treasury Bills along with the Central Government Securities.

State Government Securities include special bonds issued under Ujwal DISCOM Assurance Yojana (UDAY) scheme.

Bank PDs are clubbed under Commercial Banks. However, they form very small fraction of total outstanding securities.

The category 'Others' comprises State Governments, Pension Funds, PSUs, Trusts, HUF/Individuals *etc.*

Table No. 46

GDP data is based on 2011-12 base. GDP data from 2019-20 pertains to the Provisional Estimates of National Income released by National Statistics Office on 29th May 2020. GDP for 2020-21 is from Union Budget 2020-21.

Data pertains to all States and Union Territories.

Total receipts and total expenditure exclude National Calamity Contingency Fund expenditure.

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

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

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

3A.1.1: Data as per RBI records.

3B.1.1: Borrowings through dated securities.

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

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

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

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

Table No. 47

SDF is availed by State Governments against the collateral of Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF) & Auction Treasury Bills (ATBs) balances and other investments in government securities.

WMA is advance by Reserve Bank of India to State Governments for meeting temporary cash mismatches.

OD is advanced to State Governments beyond their WMA limits.

Average amount Availed is the total accommodation (SDF/WMA/OD) availed divided by number of days for which accommodation was extended during the month.

- : Nil.

Table No. 48

CSF and GRF are reserve funds maintained by some State Governments with the Reserve Bank of India.

ATBs include Treasury bills of 91 days, 182 days and 364 days invested by State Governments in the primary market.

--: Not Applicable (not a member of the scheme).

The concepts and methodologies for Current Statistics are available in Comprehensive Guide for Current Statistics of the RBI Monthly Bulletin **(https://rbi.org.in/Scripts/PublicationsView.aspx?id=17618)**

Time series data of 'Current Statistics' is available at https://dbie.rbi.org.in.

Detailed explanatory notes are available in the relevant press releases issued by RBI and other publications/releases of the Bank such as **Handbook of Statistics on the Indian Economy**.

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12. Perspectives on Central Banking Governors Speak (1935-2010) Platinum Jubilee	₹1400 per copy (over the counter)	US$ 50 per copy (inclusive of air mail courier charges)

Notes

1. Many of the above publications are available at the RBI website (www.rbi.org.in).
2. Time Series data are available at the Database on Indian Economy (http://dbie.rbi.org.in).
3. The Reserve Bank of India History 1935-1997 (4 Volumes), Challenges to Central Banking in the Context of Financial Crisis and the Regional Economy of India: Growth and Finance are available at leading book stores in India.

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