



RESERVE BANK OF INDIA

BULLETIN



APRIL 2026

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BI-MONTHLY MONETARY POLICY STATEMENT (APRIL 6 – 8, 2026)

Governor's Statement: April 8, 2026

Resolution of the Monetary Policy Committee (MPC)
April 6 to 8, 2026

Statement on Developmental and Regulatory Policies

Monetary Policy Report – April 2026

*Governor's Statement**

Sanjay Malhotra

Good morning and Namaskar. Let me welcome you all to the first policy of 2026-27 at a time when the global economy is facing unprecedented challenges from heightened geo-political tensions, the conflict in West Asia and the disruption in global supply chains.

Before the outbreak of the conflict, India's macroeconomic fundamentals exuded confidence with buoyant growth and low inflation. Conditions turned adverse in March with the widening of the conflict zone and its intensification. The fundamentals of the Indian economy are on a stronger footing at the current juncture than in previous crisis episodes as well as relative to many other economies, providing it with greater resilience to withstand shocks.

Global growth faces increasing downside risks as the sharp rise in energy prices and shortages of inputs for various industries have stoked inflation fears and pushed up the geopolitical risk premium in oil markets. Heightened uncertainty precipitated by the ongoing conflict is weighing on the outlook. Safe-haven flows have exerted depreciation pressure on currencies of major economies as the US dollar has strengthened. While commodity prices, such as of metal and gold, have moderated, financial markets have become more volatile. Equities registered a broad-based correction. Sovereign bond yields, already elevated due to long-run fiscal sustainability concerns, driven by inflation fears, have hardened across major economies.

Decisions of the Monetary Policy Committee (MPC)

The Monetary Policy Committee (MPC) met on the 6th, 7th and 8th of April to deliberate and decide on the policy repo rate. After a detailed assessment of the evolving macroeconomic and financial developments and the outlook, the MPC voted

unanimously to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 5.25 per cent; consequently, the standing deposit facility (SDF) rate remains at 5.00 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 5.50 per cent. The MPC also decided to continue with the neutral stance.

I shall now briefly set out the rationale for these decisions.

The MPC noted that since the last policy meeting, geopolitical uncertainties have heightened significantly. Headline inflation remains contained and below the target. However, upside risks to the inflation outlook, driven by increased energy price pressures and probable weather disturbances affecting food prices, have increased. Core inflation pressures remain muted, although supply chain dislocations and the risk of second-round effects render the future inflation trajectory uncertain.

The MPC further noted that high frequency indicators till February, 2026 suggest the continuation of strong momentum in economic activity. Growth impulses continue to be supported by robust private consumption and investment demand. However, the West Asia conflict is likely to impede growth. Higher input costs associated with increase in energy prices and international freight and insurance costs along with supply-chain disruptions that would constrain availability of key inputs for downstream sectors, would impair growth. The Government has taken several measures targeted at supporting exports and protecting supply chains. This should mitigate the adverse impact of the conflict.

The MPC opined that the intensity and the duration of the conflict and the resultant damage to the energy and other infrastructure add risk to the inflation and growth outlooks. However, the fundamentals of the Indian economy are on a stronger footing, providing it with greater resilience to

* Governor's Statement - April 8, 2026.

withstand shocks now than in the past. The economy is confronted with a supply shock. It is prudent to wait and watch the changing circumstances and the evolving growth-inflation outlook. Accordingly, the MPC voted to keep the policy rate unchanged even as it remains vigilant, closely monitoring incoming information and assessing the balance of risks. The MPC also decided to continue with the neutral stance, retaining the flexibility to respond judiciously to incoming information.

Assessment of Growth and Inflation

Impact of the West Asia Conflict on the Indian Economy

Before I provide an assessment of growth and inflation, let me briefly elucidate on the channels of transmission through which the Indian economy may get impacted by the ongoing conflict. First, elevated crude oil prices could increase imported inflation and widen the current account deficit. Second, disruptions in energy markets, fertilisers and other commodities may adversely impact industry, agriculture and services, reducing domestic output. Third, heightened uncertainty, increased risk aversion and safe haven demand could impact domestic liquidity conditions, economic activity, consumption and investment. Fourth, weaker global growth prospects may dampen external demand and reduce remittance flows. Finally, adverse spillovers from global financial markets could tighten domestic financial conditions and raise the cost of borrowing. Overall, the initial supply shock can potentially transform into a demand shock over the medium term if the restoration of supply chains is delayed.

Growth

As per the new GDP series (base year 2022-23), real GDP growth for 2025-26¹ is estimated at 7.6

¹ Gross value added (GVA) at basic prices (y-o-y) is estimated to grow by 7.7 per cent. Agriculture and allied activities witnessed a deceleration with growth at 2.4 per cent in 2025-26 while industrial growth improved to 9.5 per cent and services grew by 8.7 per cent.

per cent. This corroborates the underlying strong momentum in economic activity, supported by robust consumption and investment², amidst supportive policy measures, ongoing structural reforms, and favourable financial conditions.

Going forward, elevated energy and other commodity prices, as also shocks to availability of inputs due to disruptions in the Strait of Hormuz are likely to impact growth in 2026-27. The Government has, however, been proactive in ensuring supply of inputs across critical sectors to minimise the impact of supply chain disruptions.³ On the other hand, sustained momentum in services sector, persisting impact of GST rationalisation, and healthy balance sheets of financial institutions and corporates should continue to support economic activity. The agricultural sector's prospects are supported by healthy reservoir levels.⁴ Business expectations remain optimistic,⁵ and leading indicators point towards continued resilience in manufacturing and services sectors.⁶ Moreover, the Government's focus on scaling up domestic manufacturing in several strategic and frontier sectors augurs well for India's ensuing growth trajectory.

² As per the Second Advance Estimates (SAE) released by National Statistics Office (NSO), GDP growth in 2025-26 is estimated at 7.6 per cent, higher than 7.1 per cent in 2024-25 and 7.2 per cent in 2023-24. Private final consumption expenditure (PFCE) and gross fixed capital formation (GFCF) posted a growth of 7.7 per cent and 7.1 per cent, respectively. Government final consumption expenditure (GFCE) increased by 6.6 per cent over the previous year.

³ In view of the closure of the Strait of Hormuz, steps have been taken to (i) ensure stable availability of petroleum products and LPG across the country and (ii) safeguard Indian vessels and seafarers operating in the region (PIB, March 22, 2026).

⁴ All-India water storage in 166 major reservoirs stands at 47 per cent of the total capacity as of April 02, 2026, as against 40 per cent a year ago and decadal average of 37 per cent. As per the second advance estimate (SAE) for 2025-26, total foodgrain production is estimated to grow by 3.0 per cent.

⁵ PMI manufacturing Future Output Index in March 2026 was placed at 67.3. Future Output Index has hovered above 56.3 since April 2025.

⁶ GST E-way bills increased by a robust 17.2 per cent in Q4:2025-26. Gross GST revenues rose by 7.1 per cent and motor vehicle sales (retail) expanded by 22.2 per cent in Q4. Steel consumption grew by 12.8 per cent and cement production increased by 9.3 per cent in February 2026. Petroleum consumption growth decelerated to 2.2 per cent in March from 5.5 per cent in February 2026. PMI services for March has moderated to 57.5 from 58.1 in February.

On the demand side, private consumption in 2026–27 is expected to be supported by discretionary spending. Rural demand remains robust.⁷ It should gain further traction on the back of favourable agricultural conditions and a healthy labour market.⁸ Urban consumption is likely to strengthen further, aided by the beneficial impact of GST rationalisation and buoyant services sector activity. While the government's thrust on infrastructure spending continues,⁹ the revival in private sector investment is expected to sustain on the back of high capacity utilisation,¹⁰ strong credit growth¹¹ and benign financial conditions. On the external front, merchandise exports could be adversely impacted from disruptions to key shipping routes, the concomitant rise in freight and insurance costs and lower global demand on account of the conflict. However, merchandise exports may benefit from the recent trade agreements, while services exports¹² are expected to remain resilient.

Taking all these factors into consideration, real GDP growth for 2026-27 is projected at 6.9 per cent, with Q1 at 6.8 per cent; Q2 at 6.7 per cent; Q3 at 7.0 per cent; and Q4 at 7.2 per cent. Further escalation and wider spread of the conflict, heightened volatility in global financial markets and weather-related events, however, weigh on the domestic growth

⁷ Two-wheeler and tractor retail sales registered double digit growth of 23.2 per cent and 28.5 per cent, respectively, in January-February 2026.

⁸ According to the monthly periodic labour force survey (PLFS), all-India unemployment rate remained low at 4.9 per cent in February. Demand for work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) declined by 21.0 per cent in Q4:2025-26.

⁹ The central government's capex is budgeted to expand by 11.5 per cent in 2026-27. Effective capital expenditure (including grants-in-aid to state governments for capital expenditure) is budgeted to grow at 22.1 per cent.

¹⁰ As per the quarterly order books, inventories, and capacity utilisation (OBICUS) survey of the RBI, seasonally adjusted capacity utilisation (CU) of the manufacturing sector at 75.5 per cent in Q3:2025-26 was marginally above the long-term average of 73.9 per cent.

¹¹ Bank credit to textiles, chemicals, base metals, gems and jewellery and engineering goods increased y-o-y by 8.2 per cent, 19.1 per cent, 15.2 per cent, 40.2 per cent and 36.0 per cent, respectively, in February 2026.

¹² Services export expanded sharply by 9.8 per cent in January and 9.7 per cent in February 2026.

outlook. Risks to the baseline projections are tilted to the downside, with uncertainty remaining elevated due to the ongoing West Asia conflict.

Inflation

In January-February, headline inflation continued to remain below target (2.7 per cent and 3.2 per cent, respectively), with food group recording inflation¹³ *vis-à-vis* a deflation in the previous four months¹⁴. Inflation in fuel items¹⁵ was modest. Core inflation was at 3.7 per cent¹⁶ and the underlying price pressures benign, as evident from the much lower core inflation excluding precious metals at 2.1 per cent.

Turning to the inflation outlook, recent spikes in energy prices due to the conflict have emerged as a risk. Although retail prices of petrol and diesel have remained unchanged so far, the pass-through of higher global energy prices has resulted in some price increases in a few other fuel items.¹⁷ Food price outlook remains comfortable in the near term with robust *rabi* production, adequate reservoir levels and comfortable buffer stocks of foodgrains¹⁸. The

¹³ Food and beverages division recorded an inflation of 3.4 per cent in February, within which 'Meat, fresh, chilled or frozen', 'fruits and nuts', 'oils and fats', and 'fish and other seafood' classes have recorded an inflation of 9.7 per cent, 8.6 per cent, 7.4 per cent and 7.0 per cent, respectively.

¹⁴ During September-December 2025, CPI food and beverages group recorded a y-o-y deflation in the range of (-) 3.7 to (-) 1.4 per cent (as per the previous CPI (2012=100) series).

¹⁵ Fuel represents the group 'Electricity, gas and other fuels' and class 'Fuels and lubricants for personal transport equipment', both of which recorded a modest inflation of 0.1 per cent in February 2026.

¹⁶ This is significantly lower than 4.8 per cent recorded in the CPI-2012 series for the month of December 2025 on account of lower housing inflation and lower inflation in precious metals category, partly reflecting changes in specification of precious metals to include jewellery prices instead of bullion prices.

¹⁷ As the West Asia conflict led to a sharp spike in energy prices, domestic LPG prices were increased by ₹60; commercial LPG prices were increased in two tranches first by ₹115 per cylinder and again by ₹195.5 per cylinder; prices of diesel for bulk buyers (industrial use) by about 25 per cent; and prices of some variants of premium petrol were increased by about ₹2 per litre since March 2026.

¹⁸ As on March 16, 2026, the rice and wheat stocks stood at 742 lakh tonnes (9.7 times the buffer norm) and 229 lakh tonnes (1.7 times the buffer norm), respectively.

likely emergence of El Niño conditions could pose a risk.¹⁹ Considering all these factors, CPI inflation for 2026-27 is projected at 4.6 per cent with Q1 at 4.0 per cent; Q2 at 4.4 per cent; Q3 at 5.2 per cent; and Q4 at 4.7 per cent. Core inflation is projected at 4.4 per cent. Excluding precious metals, core inflation is even lower indicating that underlying inflation pressures are expected to remain contained. The risks are on the upside.

External Sector

Global trade is expected to witness a slowdown in growth during 2026 as compared to 2025, due to the lingering tariff related uncertainties, ongoing West Asia conflict and elevated energy prices.²⁰ India's merchandise exports contracted by 0.2 per cent during January-February 2026 on a year-on-year (y-o-y) basis, impacted by export contraction in key markets²¹. Merchandise imports recorded a double-digit growth of 22.2 per cent, largely driven by higher gold imports²², resulting in a widening of the trade deficit.²³ Expected robustness in services exports²⁴ and inward remittance receipts²⁵ during Q4:2025-26

¹⁹ As per National Oceanic and Atmospheric Administration, United States, El Niño is likely to emerge (with a 62 per cent probability) during June-August 2026 and is expected to persist at least till December 2026.

²⁰ According to WTO (March 2026), world goods and services trade volume growth is expected to moderate to 2.7 per cent in 2026 from 4.7 per cent in 2025.

²¹ Exports contracted in 7 destinations (38.5 per cent share in 2024-25) out of top 10 destinations covering 52.6 per cent of India's exports in 2024-25. Among these 10 destinations, exports to the US contracted by 17.5 per cent, followed by the Netherlands (14.2 per cent) and the UK (6.3 per cent) during January-February 2026.

²² Rise in gold imports was driven by an increase in import volume as well as a rise in gold price. While gold import volume rose by 146.1 per cent during January-February 2026, gold price rose by 74.4 per cent during the same period.

²³ As India's merchandise imports grew faster than merchandise exports, trade deficit rose to US\$ 61.8 billion in January-February 2026 from US\$ 37.1 billion during January-February 2025.

²⁴ India's services exports grew by 9.7 per cent (y-o-y) during February 2026, while services imports grew by 16.2 per cent. Net services exports grew by 4.1 per cent in February 2026. For 2025-26 so far, i.e., April-February 2025-26, services exports rose by 8.9 per cent, while imports grew by 3.4 per cent, resulting in a growth of 14.6 per cent in services trade surplus.

²⁵ India's inward remittance receipts increased by 5.1 per cent y-o-y to US\$ 37.8 billion in Q3:2025-26. For 2025-26 so far, i.e., April-December 2025-26, net remittance receipts rose by 11.3 per cent.

should keep India's current account deficit moderate and within the sustainable level in 2025-26. Rising global uncertainties and elevated prices of key energy commodities pose some upside risks to India's current account deficit in 2026-27. The recent bilateral and regional trade agreements with major trading partners are expected to boost India's trade and investment opportunities, widen and diversify its trading partners and integrate India into global value chains.²⁶

On the external financing front, gross foreign direct investment (FDI) witnessed strong growth, while net FDI showed improvement.²⁷ India remains an attractive destination for greenfield FDI projects.²⁸ Foreign portfolio investment (FPI) to India, driven by outflows in the equity segment, recorded net outflows of US\$ 16.5 billion in 2025-26, followed by outflows of US\$ 5.4 billion in 2026-27 (till April 6).²⁹ Flows under external commercial borrowings and non-resident deposits moderated as compared to 2024-25.³⁰ As on April 3, 2026, India's foreign exchange reserves stood at US\$ 697.1 billion. These are adequate in terms of the standard metrics of reserve adequacy including import cover (about 11 months) and external debt (91.1 per cent). Overall, India's external

²⁶ Trade deals with the UK and Oman have been signed; trade deal with the European Free Trade Association (EFTA) came into effect from October 1, 2025; trade deals with New Zealand and the European Union have been concluded; and the interim trade deal with the US has been announced.

²⁷ Gross FDI flows to India grew by 18.1 per cent to US\$ 88.3 billion in April-February 2025-26 from US\$ 74.7 billion a year ago. Net FDI inflows stood higher at US\$ 6.3 billion during April-February 2025-26 from US\$ 1.5 billion a year ago.

²⁸ As per fDi Markets data, during 2025-26 (April-January), greenfield project announcements to India were US\$ 65 billion (US\$ 73 billion during April-January 2024-25). Top 5 greenfield FDI project announcements in the fields of information technology and banking by Amazon, Microsoft, Google, General Catalyst and the MUFG Bank reflect investor optimism and a strong FDI pipeline.

²⁹ During 2025-26, FPI to India recorded net outflows of US\$ 18.6 billion from the equity segment, while debt segment registered net inflows of US\$ 2.1 billion. During April 1-6, 2026, FPI to India recorded net outflows of US\$ 4.0 billion and US\$ 1.3 billion from the equity and debt segments, respectively.

³⁰ Net inflows under external commercial borrowings to India moderated to US\$ 11.9 billion during April-February 2025-26 from US\$ 16.0 billion a year ago. Non-resident deposits recorded net inflows of US\$ 11.0 billion in April-February 2025-26, lower than US\$ 14.6 billion during April-February 2024-25.

sector indicators remain favourable.³¹ Nevertheless, elevated global geopolitical, trade and investment uncertainties require continuous vigil of the evolving developments.

Despite stronger macroeconomic fundamentals, the Indian rupee in 2025-26 depreciated more than the average in the previous years. In this regard, let me reiterate that our exchange rate policy remains unchanged. Specifically, intervention in the foreign exchange market is aimed at smoothening excessive and disruptive volatility without targeting any specific level or band for the exchange rate. This is consistent with our long-standing policy of the exchange rates being market-determined. The RBI stands committed to this policy and would judiciously contain excessive or disruptive volatility to ensure that self-fulfilling expectations do not exacerbate currency movements beyond what is warranted by fundamentals.

Liquidity and Financial Market Conditions

System liquidity, as measured by the net position under the Liquidity Adjustment Facility (LAF), stood at an average daily surplus of ₹2.3 lakh crore since the last MPC meeting.³² Since then, the weighted average call rate (WACR) traded in the lower half of the corridor except towards end-March³³. Short term money market rates, especially those of commercial papers and certificates of deposit, remained elevated³⁴. G-Sec yields remained largely rangebound with a softening bias in February but firmed up thereafter on account

³¹ India's external debt to GDP ratio increased to 20.4 per cent at end-December 2025 from 19.8 per cent at end-March 2025, while the net international investment position (IIP) moderated to (-) 7.1 per cent of GDP at end-December 2025 from (-) 9.0 per cent of GDP at end-March 2025.

³² The average daily net absorption under the liquidity adjustment facility (LAF) during December and January stood at ₹0.82 lakh crore and ₹0.79 lakh crore, respectively. In February 2026, average daily net absorption under the liquidity adjustment facility (LAF) increased to at ₹2.6 lakh crore. In March 2026, the average daily net absorption under the liquidity adjustment facility stood at ₹1.7 lakh crore and increased to ₹3.5 lakh crore in April (up to April 6, 2026).

³³ The WACR on average traded 6 basis points below the policy repo rate.

³⁴ The rates on 3-month treasury bill, 3-month certificates of deposit and 3-month commercial paper averaged 5.32 per cent, 7.18 per cent and 7.29 per cent respectively since February policy.

of the ongoing conflict, hardening global yields and the rise in energy prices³⁵. Transmission in the credit market remained satisfactory.³⁶

To ensure sufficient liquidity in the banking system, the Reserve Bank proactively undertook durable and transient liquidity measures³⁷. Going ahead, we will continue to be proactive and pre-emptive in liquidity management and ensure sufficient liquidity in the banking system to meet the productive requirements of the economy.

Financial Stability

The system-level financial parameters related to capital adequacy, liquidity, asset quality and profitability of Scheduled Commercial Banks (SCBs) continue to remain healthy.³⁸ Similarly, the system-level parameters of NBFCs too are sound, with adequate capital position and improved GNPA ratios³⁹.

³⁵ The 10-year G-sec yield hardened to 7.05 per cent as on April 06, 2026 from 6.66 per cent as on February 27, 2025.

³⁶ During the current easing cycle February 2025-February 2026, the weighted average lending rate (WALR) of Scheduled Commercial Banks on fresh and outstanding rupee loans declined by 89 bps (decline of 92 bps was interest rate effect) and 87 bps, respectively. On the deposit side, the weighted average domestic term deposit rate (WADTDR) on fresh and outstanding deposits declined by 97 bps and 47 bps, respectively, over the same period.

³⁷ The Reserve Bank conducted OMO purchase auctions amounting to ₹1,50,000 crore and long-term forex buy/sell swap auction of USD 10 billion in February and March 2026.

³⁸ **SCB Parameters:** The system-level Capital to Risk Weighted Assets Ratio (CRAR) of 16.91 per cent in December 2025 was well above the regulatory minimum level. Ratio of non-performing loans improved further (GNPA ratio at 1.89 per cent in December 2025 vis-à-vis 2.42 per cent in December 2024, NNPA Ratio at 0.44 per cent in December 2025 vis-à-vis 0.55 per cent in December 2024). Liquidity buffers were robust, with an LCR of 125.85 per cent as of end December 2025. The annualised return on assets (RoA) and return on equity (RoE) stood at 1.32 per cent and 12.95 per cent, respectively, in December 2025. Net Interest Margin was 3.28 per cent in December 2025 (3.49 per cent in December 2024).

³⁹ **NBFC Parameters:** Total CRAR of NBFCs was 25.59 per cent and Tier I CRAR was 23.71 per cent in December 2025, well above the minimum regulatory requirements. GNPA ratio has improved from 2.52 per cent in December 2024 to 2.14 per cent in December 2025, while NNPA ratio also improved from 1.10 per cent in December 2024 to 0.93 per cent in December 2025. RoA for the sector decreased slightly from 2.89 per cent in December 2024 to 2.71 per cent in December 2025. NIM has slightly decreased from 4.54 per cent in December 2024 to 4.43 per cent in December 2025.

As per the latest available data, credit from all sources grew at 14.3 per cent (y-o-y) as compared to 11.7 per cent (y-o-y) a year ago⁴⁰. Bank credit growth maintained its upward trajectory⁴¹, and remained broad-based.

Additional Measures

I shall now announce some measures related to Ease of Doing Business, capital adequacy, and market development.

Promoting ease of doing business

There are three measures proposed to promote ease of doing business.

First, to facilitate better utilisation of Bank Board's time, after a comprehensive review of all our extant instructions, we propose to revise and rationalise the matters requiring its attention.

Second, you would recall that we had recently undertaken a detailed exercise, to consolidate over 9000 regulatory instructions into 238 Master Directions. A similar consolidation exercise has now been completed for all our supervisory instructions.

Third, to facilitate ease of doing business by MSMEs, we propose to dispense with the requirement of due diligence while onboarding them on TReDS platforms.

Supporting Capital Adequacy

There are two measures regarding capital adequacy of banks.

First, it is proposed to remove the condition regarding NPA provisioning for inclusion of quarterly profits in CRAR computation.

Second, in view of the developments in prudential framework over the years, it is proposed to dispense with the requirement to maintain an Investment Fluctuation Reserve (IFR) as an additional buffer to hedge against depreciation in the value of investments.

Development of Money Market

For further development of the term money market, we have decided to permit certain additional categories of non-bank entities in this market segment. At present, only banks and standalone primary dealers (SPDs) are eligible to participate in this market. We are also enhancing the borrowing limit of SPDs in the term money market.

Concluding Remarks

To conclude, global economic conditions and sentiments have soured after the outbreak of the West Asia conflict. These have adversely impacted the growth-inflation outlook. As reiterated before, we shall remain vigilant of the evolving situation and put in place policies that prioritise the best interest of the economy.

Thank you. Namaskar and Jai Hind.

⁴⁰ The total flow of resources from bank and non-bank sources to the commercial sector stood higher at ₹40.4 lakh crore vis-à-vis ₹32.2 lakh crore in the corresponding period of the previous year. The increase in flows from non-food bank credit (₹6.9 lakh crore) and corporate bond issuances by non-financial entities (₹ 1.7 lakh crore) have been the major drivers of this growth.

⁴¹ Bank Credit recorded a growth (y-o-y) of 13.8 per cent as on the fortnight ended March 15, 2026, as compared to 11.0 per cent a year ago (based on fortnightly Section 42 return of RBI). Credit growth (y-o-y) has trended upward since May 2025.

*Monetary Policy Statement, 2026-27 Resolution of the Monetary Policy Committee (MPC) April 6 to 8, 2026**

Monetary Policy Decisions

The Monetary Policy Committee (MPC) held its 60th meeting from April 6 to 8, 2026, under the chairmanship of Shri Sanjay Malhotra, Governor, Reserve Bank of India. The MPC members Dr. Nagesh Kumar, Shri Saugata Bhattacharya, Prof. Ram Singh, Dr. Poonam Gupta and Shri Indranil Bhattacharyya attended the meeting.

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

Growth and Inflation Outlook

Global Outlook

The outbreak of the conflict in West Asia has led to severe disruption of global supply chains. This poses an unprecedented challenge for the global economy – higher prices and lower global growth. In this environment, monetary policy faces a difficult trade-off – anchoring inflation expectations through policy tightening while minimising its impact on growth forgone. Sovereign bond yields, already high from long-run fiscal sustainability concerns across major economies, have further hardened, driven by inflation fears. Additionally, equity valuations have

corrected. As a result of the turmoil in global financial markets, the US dollar has rallied, buoyed by safe-haven demand that has exerted pressure on currencies of major economies. Further intensification of the conflict, its prolongation and widening geographical spread remain the key downside risks to the global outlook.

Domestic Outlook

On the domestic front, the Indian economy remained resilient in 2025-26. Real gross domestic product (GDP) is estimated to grow by 7.6 per cent (y-o-y) during the year, as per the Second Advance Estimates (SAE) of the new GDP series (base year 2022-23). Private consumption and fixed investment contributed significantly to overall growth, while net external demand remained soft. On the supply side, estimated real GVA growth of 7.7 per cent was driven by buoyant services sector and robust manufacturing activity.

Looking ahead, elevated energy and other commodity prices coupled with supply shock due to disruptions in the Strait of Hormuz would act as a drag on domestic production in 2026-27. Heightened volatility in global financial markets with its spillover on domestic financial conditions would weigh on growth prospects. On the external front, merchandise exports may be adversely impacted from disruptions to key shipping routes and the concomitant rise in freight and insurance costs in case the conflict is long-drawn. On the other hand, sustained momentum in services sector, persisting impact of GST rationalisation, rising capacity utilisation in manufacturing, and healthy balance sheets of financial institutions and corporates should continue to support domestic demand. In this *milieu*, the Government's focus on scaling up domestic manufacturing in several strategic and frontier sectors announced in the Union Budget 2026-27 bodes well for India's ensuing growth trajectory.

* Released on April 8, 2026.

Taking all these factors into consideration and on the assumption that the adverse impact of the conflict would remain contained in the near term, real GDP growth for 2026-27 is projected at 6.9 per cent, with Q1 at 6.8 per cent; Q2 at 6.7 per cent; Q3 at 7.0 per cent; and Q4 at 7.2 per cent (Chart 1). Further escalation of the conflict, its continuation over a wider geographical spread and uncertainty regarding the damage to the energy infrastructure, apart from weather related events, pose downside risks to the domestic growth outlook.

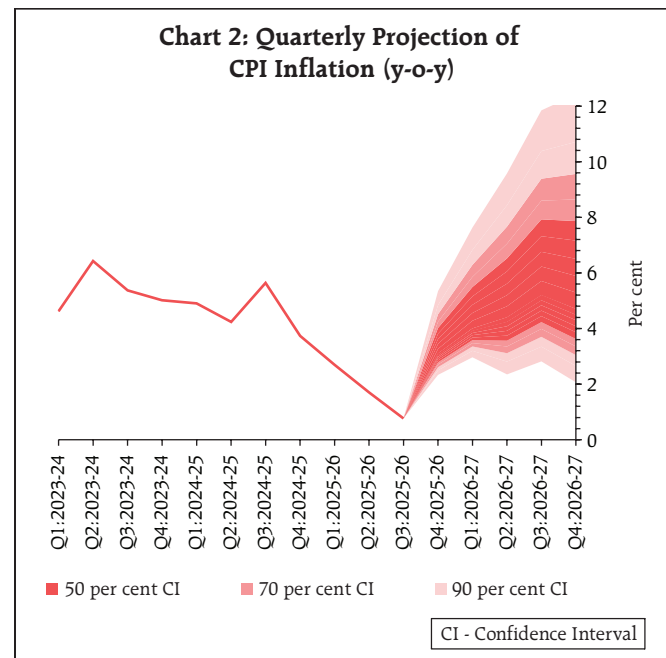
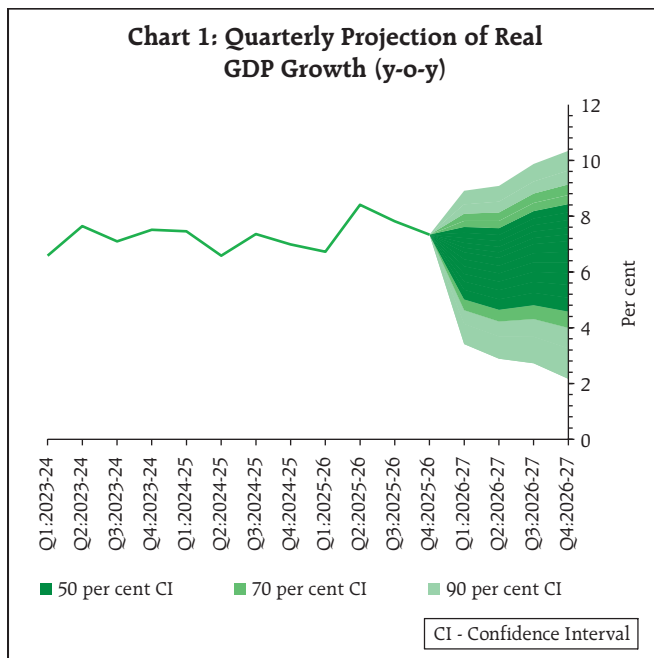
As per the new CPI series (2024=100), headline inflation increased to 3.2 per cent in February 2026 from 2.7 per cent in January. The uptick was primarily driven by unfavourable base effects even as the momentum remained muted. While food inflation increased in February, core (excluding food and fuel) inflation remained unchanged. Excluding precious metals, core inflation remained moderate at 2.1 per cent in January and February, suggesting subdued underlying inflation pressures.

The ongoing conflict has led to large volatility in international energy and other commodity prices

imparting considerable uncertainty to the near-term inflation outlook. The pass-through of higher global energy prices has resulted in price increases in select fuels such as premium petrol and LPG and diesel for industrial use. On the other hand, the near-term food supply prospects have been boosted by robust *rabi* crop providing some comfort. Considering all these factors, CPI inflation for 2026-27 is projected at 4.6 per cent with Q1 at 4.0 per cent; Q2 at 4.4 per cent; Q3 at 5.2 per cent; and Q4 at 4.7 per cent. Persistently elevated energy prices due to the West Asia conflict and possible *El Niño* conditions (which could have a negative impact on southwest monsoon) pose upside risks to inflation (Chart 2). Core inflation is projected at 4.4 per cent for 2026-27 and, excluding precious metals, it is even lower indicating that underlying inflation pressures are expected to remain contained.

Rationale for Monetary Policy Decisions

Since the last policy meeting, geopolitical uncertainties have heightened significantly. Headline inflation remains contained and below the target, but upside risks to the inflation outlook have increased,



driven by increased energy price pressures and probable weather disturbances affecting food prices. Core inflation pressures remain muted, although supply chain dislocations and the risk of second-round effects render the future inflation trajectory uncertain.

High frequency indicators till February 2026 suggest the continuation of strong momentum in economic activity. Growth impulses continue to be supported by robust private consumption and investment demand. However, the West Asia conflict will adversely impact growth. Higher input costs associated with increase in energy prices and international freight and insurance costs along with supply-chain disruptions could constrain availability of key inputs for downstream sectors, thus impairing growth. The Government has taken several measures targeted at supporting exports and protecting supply chains, which should mitigate the adverse impact of the conflict.

The MPC noted that the intensity and the duration of the conflict in West Asia and the resultant damage to the energy and other infrastructure add risk to the inflation and growth outlooks. However, the fundamentals of the Indian economy are on a stronger footing, providing it with greater resilience to withstand shocks now than in the past. The economy is confronted with a supply shock. It is prudent to wait and watch the changing circumstances and the evolving growth-inflation outlook. Accordingly, the MPC voted to keep the policy rate unchanged even as it remains vigilant, closely monitoring incoming information and assessing the balance of risks. The MPC also decided to continue with the neutral stance, retaining the flexibility to respond judiciously to incoming information.

The minutes of the MPC's meeting will be published on April 22, 2026.

The next meeting of the MPC is scheduled for June 3 to 5, 2026.

Statement on Developmental and Regulatory Policies

This Statement sets out various developmental and regulatory policy measures relating to (i) Regulations; (ii) Supervision; (iii) Payment Systems; and (iv) Financial Markets:

I. Regulations

1. Review of guidelines for inclusion of Quarterly Profits in Capital to Risk-weighted Assets Ratio (CRAR) computation – Commercial Banks

As per the extant guidelines, commercial banks (excluding Regional Rural Banks and Local Area Banks) are permitted to include quarterly net profits in the calculation of CRAR provided that the incremental provisions made for Non-Performing Assets (NPAs) at the end of any of the four quarters of the previous financial year, have not deviated more than 25 per cent of the average of the four quarters. On a review, it is proposed to dispense with this condition. The draft amendment directions in this regard will be issued for public comments shortly.

2. Review of Guidelines on Investment Fluctuation Reserve (IFR)

Banks currently maintain Investment Fluctuation Reserve (IFR) as an additional buffer against depreciation in the value of their investments, subject to mark-to-market (MTM) requirements. Currently, commercial banks (including Local Area Banks, but excluding Small Finance Banks, Payment Banks and Regional Rural Banks) already maintain capital charge for market risk and also follow revised norms on classification, valuation, and operation of investment portfolio. In consideration of these applicable prudential requirements, it is proposed to dispense with the IFR requirement for such commercial banks. The existing guidelines for other

bank categories are also being revised to address the operational challenges encountered by such banks in complying with the regulatory thresholds on IFR and to harmonise instructions across bank categories, thereby enhancing regulatory clarity and consistency. Draft directions in this regard will be issued shortly for public consultation.

3. Review of matters placed before the Boards of the Banks

The matters to be placed before the Boards of banks, along with their periodicity, are determined by the Boards themselves, guided by the seven broad themes prescribed by the Reserve Bank of India. Meanwhile, the Reserve Bank has also mandated certain policies and matters to be placed before the Board for approval, review, or information. In an endeavor to enable Boards to utilize its time effectively, and to facilitate a more focused and qualitative engagement on strategy and risk governance, the Reserve Bank has undertaken comprehensive review and rationalization of all such instructions. Draft directions in this regard will be issued shortly for public consultation.

II. Supervision

4. Consolidation of Supervisory Instructions

The Reserve Bank has constantly endeavored to refine and strengthen its regulatory and supervisory framework while minimising compliance costs, through periodic evaluation of instructions for their continued relevance. In furtherance of this objective, Reserve Bank had undertaken a comprehensive consolidation exercise of the regulatory instructions, on an 'as is' basis, in 2025. The exercise involved consolidation of more than 9000 existing regulatory circular/ guidelines into 238 function-wise Master Directions (MDs), specific to each category of regulated entity. A similar exercise has now been carried out for the supervisory instructions. Accordingly, the drafts of 64 Master Directions consolidating extant supervisory

instructions on up to nine functional areas are being published today on RBI website for public comments.

III. Payment Systems

5. Simplifying the onboarding process of MSMEs in Trade Receivables Discounting System (TReDS)

With a view to facilitating timely access to working capital for MSMEs, guidelines for Trade Receivables Discounting System (TReDS) were issued in 2014 and subsequently updated in 2018.¹ The scope of TReDS was further expanded in 2023 with the inclusion of insurance companies as the fourth participant. In order to promote ease of doing business for MSMEs and to encourage their greater participation on TReDS, it is proposed to dispense with the requirement of due diligence of MSMEs while onboarding on TReDS platforms. A comprehensive review of other extant instructions has also been undertaken, and draft directions will be issued shortly for public consultation.

IV. Financial Markets

6. Development of Term Money Market

An active-term money market, apart from providing an alternative funding avenue to the market participants, also helps in enhancing monetary policy transmission by creating a link between the overnight money market and longer-term interest rates. At present, only banks and standalone primary dealers are eligible to participate in the term money market, with certain prudential limits. With a view to further enhance the depth of participation and liquidity in the term money market segment, it has been decided to (a) expand the participant base in the term money market segment to include non-bank participants viz., AIFIs, NBFCs, including housing finance companies, companies, etc.; and (b) enhance the borrowing limit in the term money market for standalone primary dealers. The revised directions are being issued separately.

¹ https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?Id=3504

Executive Summary

Global growth remained resilient but below its historical average, with AI-driven investment and accommodative financial conditions somewhat offsetting tariff and geopolitical headwinds. Renewed inflation risks, driven by energy prices and volatile financial markets impart greater uncertainty to the global macroeconomic and financial outlook.

Amidst heightened uncertainty and volatile capital flows, domestic financial markets fluctuated intermittently in the second half of 2025-26. System liquidity remained in surplus during H2. Money market rates evolved largely in sync with system liquidity and monetary policy actions. A combination of domestic and global cues hardened long-term government bond yields and rendered equity markets volatile. The depreciation pressures in INR accentuated at the tail end of H2, breaching its previous record lows amidst concerns over West Asia conflict. While bank credit growth continued to improve and remained supportive of real economic activity, financing from non-bank sources also increased. Transmission of the policy rate to both lending and deposit rates continued in H2 and remained robust during the current easing cycle, *albeit* with some frictions. In recent months, the combination of sustained credit demand and persistent gap between credit and deposit growth prompted banks to increase their term deposit rates, in addition to resource mobilisation through certificate of deposits, to bridge the funding gap.

Domestic economic activity also remained resilient in the second half of 2025–26, primarily driven by private consumption, supported by both rural and urban demand, GST rate rationalisation and monetary easing. Structural reforms, favourable financial conditions and government's thrust on infrastructure spending aided investment activity. On the supply side, services remained buoyant, and manufacturing strengthened, although agricultural activity moderated due to weather disruptions. The underlying momentum in economic activity,

buoyed by further progress on trade deals with major economies, bodes well for India's overall growth outlook. Global headwinds from geopolitical tensions, volatile commodity prices and supply-chain disruptions pose downside risks to the outlook. Specifically, intensification of the West Asia conflict could strain input supplies to various downstream sectors that may be growth inhibiting.

Headline inflation in India increased from historical low levels seen in October 2025 but remained below the target thereafter. The pick-up in inflation was driven by the food group where the waning of base effects led to a turnaround from deflation. Fuel group inflation remained moderate and core inflation remained contained barring precious metals. Major methodological changes brought about by the introduction of the new series have significant implications for inflation, such as higher food group inflation and lower core. The realised cost conditions: input costs, wage costs, and margins showed no major pressures up to February 2026. Contribution of imported inflation, however, has been rising and imported input cost pressures have accentuated in March. The impact of conflict-driven spikes in global energy prices is also likely through multiple channels.

Going forward, India's macroeconomic outlook remains resilient despite elevated geopolitical tensions and lingering global trade frictions. Strong fundamentals, including sustained growth, low inflation, and fiscal consolidation, provides India the wherewithal to withstand the adverse impact of heightened global uncertainties. The surge in global crude oil prices since the West Asia conflict, exacerbated by significant supply disruptions, have tilted risks to inflation on the upside and growth on the downside, which have been communicated through asymmetric fan charts, scenario, and sensitivity analysis. In navigating through these turbulent times, monetary policy in India will continue to focus on reinforcing price stability while remaining growth supportive.

I. External Environment

Global growth remains below its long-term average amidst prolonged geopolitical tensions and trade-related uncertainty. AI-related investment and still-accommodative financial conditions are supporting activity, even as bouts of heightened asset price volatility reflect shifting market sentiment. Monetary policy stances in major economies remain cautious, with central banks closely monitoring these developments. Recent energy price increases due to the West Asia conflict have heightened upside inflation risks and clouded the global growth outlook.

Global growth was revised upwards by multilateral agencies prior to the onset of the West Asia conflict. However, in its March Economic Outlook, the Organisation for Economic Co-operation and Development (OECD) retained its 2026 growth projection but marginally trimmed its 2027 forecast, reflecting increased medium-term risks from the conflict. Global growth is still projected to remain below its historical average. The outlook is highly contingent on the evolving situation in West Asia: an early resolution would likely limit the damage, whereas further escalation and a protracted conflict could have a more severe impact on the global economy. At the same time, ongoing trade and policy imbroglio is reinforcing uncertainty about the outlook. Inflation outcomes remain mixed, with some key advanced economies (AEs) remaining above target amidst renewed price pressures, fuelling expectations of a faster than anticipated pivot towards policy tightening. Global equity markets have remained largely resilient, mainly supported by AI-related technology stocks. Concerns about stretched valuations, potential spillovers on other software industries, and escalating geopolitical tensions have,

however, generated episodes of turbulence. The US dollar generally depreciated till February which eased financing conditions for emerging market economies (EMEs), but strengthened after the outbreak of the West Asia conflict on safe-haven demand. Gold repeatedly scaled new highs on safe-haven demand and central bank buying, but much of the gain reversed as the West Asia conflict intensified and the dollar strengthened. Base metal prices have increased on the back of supply disruptions and a strong demand outlook.

I.1 Global Economic Conditions

In 2025, global economic activity displayed resilience despite high tariffs, elevated policy uncertainty and geopolitical tensions as the overall impact of tariff measures turned out to be less severe than initially anticipated. US trade deals with major partners provided relief, but the US Supreme Court's tariff ruling, and subsequent new tariff announcements in February, have rekindled uncertainty. In its January 2026 World Economic Outlook update, the International Monetary Fund (IMF) revised up its global growth projection for 2026 by 20 bps to 3.3 per cent, mainly reflecting stronger AI-related investment and fiscal spending. It kept its 2027 projection unchanged at 3.2 per cent. After the outbreak of the conflict, the OECD presented a more cautious picture. In its March economic outlook, it retained its growth forecast at 2.9 per cent for 2026 as the adverse effects of the West Asia conflict are expected to be offset by strong momentum in tech related investment and supportive fiscal and monetary policies. However, it marginally lowered its 2027 projection by 10 bps to 3.0 per cent.

Among key AEs, US real GDP growth fluctuated over the course of 2025, reflecting the impact of tariff uncertainty, geopolitical tensions, and the partial

government shutdown in the fourth quarter. The underlying economic activity, however, remained broadly resilient. After strong growth in Q3:2025, GDP growth decelerated in Q4, falling short of expectations due to weaker exports and lower government spending (Table I.1). Since October 2025, nonfarm payroll gains have slowed markedly, while the unemployment rate has remained broadly stable. In March, the composite PMI declined to its 2023 lows, as robust manufacturing activity was offset by a contraction in services. Consumer sentiment, as measured by the University of Michigan survey,

improved for three consecutive months through February before easing slightly in March. It, however, remains subdued relative to historical standards as inflation and job worries remain persistent.

Among other AEs, Japan's GDP was adversely affected by US tariffs, contracting in Q3:2025 as exports declined and residential investment fell due to stricter energy-efficiency standards. In Q4, GDP grew marginally supported by a rebound in residential investment and government expenditure. Fiscal expansion by the new government is expected to support near-term growth. Expansion in the PMI eased for both services and industrial activity in March. In the euro area, GDP rose in Q3 on the back of stronger investment and government spending despite a drag from net exports. Growth weakened in Q4 as investment and government outlays slowed. In Q1:2026 so far, composite PMI in the euro area signalled expansion in February, with manufacturing rebounding amid rising new factory orders. In the UK, GDP growth remained subdued in both Q3 and Q4 due to weak services activity and a decline in construction. The November UK budget is expected to support revenues and ease concerns over rising public debt. The labour market has softened, with unemployment rising to a nearly five-year high of 5.2 per cent in December and January 2026, despite recent signs of robust business activity as indicated by PMI readings.

Among major EMEs, China faced headwinds in 2025 from higher tariffs, a stagnant property market, and weak domestic consumption, yet realised its 5.0 per cent growth target. Real GDP growth moderated in Q3 and Q4 as front-loaded trade effects unravelled, and gross fixed capital formation declined. Government stimulus measures helped support consumption, even as the downturn in the property sector persisted. Notably, China's external

Table I.1: Real GDP Growth

(Per cent)							
Country	Q1-2025	Q2-2025	Q3-2025	Q4-2025	2025 (E)	2026 (P)	2027 (P)
Quarter-on-quarter, seasonally adjusted, annualised rate (q-o-q, saar)							
Canada	2.1	-0.9	2.4	-0.6	1.6	1.6	1.9
Euro area	2.4	0.6	1.2	0.8	1.4	1.3	1.4
Japan	1.1	2.4	-2.6	1.3	1.1	0.7	0.6
South Korea	-0.9	2.7	5.4	-0.6	1.0	1.9	2.1
UK	2.6	0.8	0.3	0.2	1.4	1.3	1.5
US	-0.6	3.8	4.4	0.7	2.1	2.4	2.0
Year-on-year							
Brazil	3.2	2.4	1.8	1.8	2.5	1.6	2.3
China	5.4	5.2	4.8	4.5	5.0	4.5	4.0
India	7.0	6.7	8.4	7.8	7.3	6.4	6.4
Indonesia	4.9	5.1	5.0	5.4	5.0	5.1	5.1
Philippines	5.4	5.5	3.9	3.0	5.1	5.6	5.8
Russia	1.4	1.1	0.6		0.6	0.8	1.0
South Africa	0.9	0.7	2.1	0.8	1.3	1.4	1.5
Thailand	3.1	2.8	1.2	2.5	2.1	1.6	2.2
<i>Memo:</i>							
World	2025 (E)		2026 (P)		2027 (P)		
Year-on-year							
Output	3.3		3.3		3.2		
Trade volume	4.1		2.6		3.1		

E: Estimate. P: Projection.

Notes: 1. India's data correspond to fiscal year (April-March); e.g., 2025 pertains to April 2025-March 2026.

2. Projections for 2026 and 2027 are taken from the IMF WEO, January 2026 update.

Sources: Official statistical agencies; Bloomberg; World Economic Outlook Update, January 2026, IMF; and RBI staff estimates.

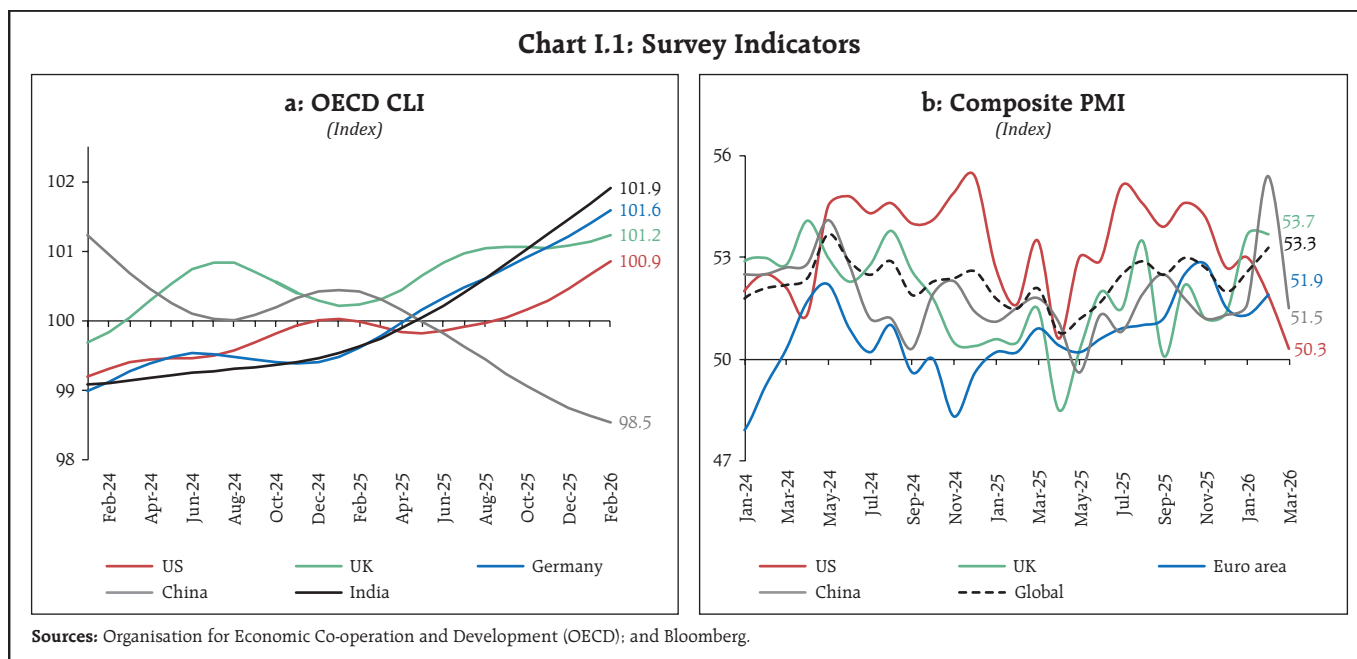
trade registered a record surplus in 2025, driven by diversification into new markets amid higher US tariffs. However, in March 2026, the pace of PMI expansion moderated as activity softened across both manufacturing and services.

Brazil's GDP growth remained stable at 1.8 per cent (y-o-y) in Q4 as growth in services and agriculture was offset by contraction in manufacturing. Household consumption remained weak despite a fall in the unemployment rate in Q4:2025 reflecting tighter financial conditions. The composite PMI contracted in March on falling sales across both manufacturing and services. Russia's growth weakened in Q3 due to softer net exports amidst dampened domestic demand due to increased sanctions and high interest rates. In South Africa also, GDP growth softened in Q4 due to contractions in manufacturing and mining while the services and agriculture sectors remained resilient. After a weak Q4, however, the composite PMI remained at a neutral level in Q1:2026 (up to February), indicating stable business conditions.

Growth in ASEAN¹ economies was revised upwards by the Asian Development Bank (ADB) in December, raising its 2025 projection by 20 bps to 4.5 per cent from the September forecast, reflecting strong Q3 performance across key economies. Growth projections for 2026 were also revised up by 10 bps to 4.4 per cent in the wake of an improved external environment and supportive public spending.

Turning to high-frequency indicators, the OECD's composite leading indicators (CLIs) showed that most economies remained above their long-term trend during Q4:2025 and Q1:2026 (up to February) (Chart I.1a). The global composite PMI stayed firmly in expansion territory in February, driven by growth in both manufacturing and services sector (Chart I.1b). However, in March manufacturing activity lost momentum as output and new orders slowed.

Despite disruptions from the rising tariff-related uncertainty brought about by the Liberation Day US tariff announcements, global merchandise trade volumes expanded for nine consecutive quarters through Q4:2025. The expansion was supported by



¹ Association of Southeast Asian Nations (ASEAN) includes Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

bilateral trade arrangements and front-loading of exports and imports by both emerging market and advanced economies (Chart I.2a). As per the WTO (March 2026), trade volume grew by 4.6 per cent (year-on-year) in 2025, driven by stronger trade in AI-related products that are largely exempt from tariffs and favourable macroeconomic conditions. However, the WTO projects global trade growth to decelerate sharply to 1.9 per cent in 2026 due to persistent policy uncertainty and weaker global demand. During 2025, freight rates, as reflected in the Freightos Baltic Global Index stayed below 2024 average, suggesting lower pressures on shipping cost (Chart I.2b).

I.2 Commodity Prices and Inflation

Since Q3:2025, commodity prices, as captured by the Bloomberg Commodity Index, have gradually moved higher with intermittent spikes led by precious metals on strong safe-haven demand (Chart I.3a). Commodity prices have diverged largely owing to sector-specific fundamentals as precious and industrial metals witnessed a sharp increase (Box I.1). Agricultural prices remained largely unchanged on ample supplies. Global food prices rose marginally

in Q1:2026 as compared to Q4:2025, driven by meat, cereals and vegetable oils (Chart I.3b).

Energy prices rose in Q1:2026 relative to the previous quarter, largely driven by crude oil in the wake of supply disruptions. Brent crude ended Q4:2025 on a weaker note amid ample supply but rebounded sharply in Q1:2026 on escalating tensions in West Asia in March (Chart I.3c).

Gold prices rose through Q4:2025 and the first two months of 2026, supported by safe-haven demand on persistent trade tensions, central bank buying and a softer US dollar. However, it receded in March on the back of shifting expectations on US monetary policy, dollar appreciation, higher US yields, and profit booking. Copper rose on tighter supply and uncertainty around tariff, which increased the risk premium. Aluminium and zinc rose on supply constraint and a bearish US dollar. Base metals were further supported by an improved demand outlook from China underpinned by new government stimulus measures and the economy's shift towards green technologies. Broader West Asia tensions added to uncertainty in global commodity markets. The

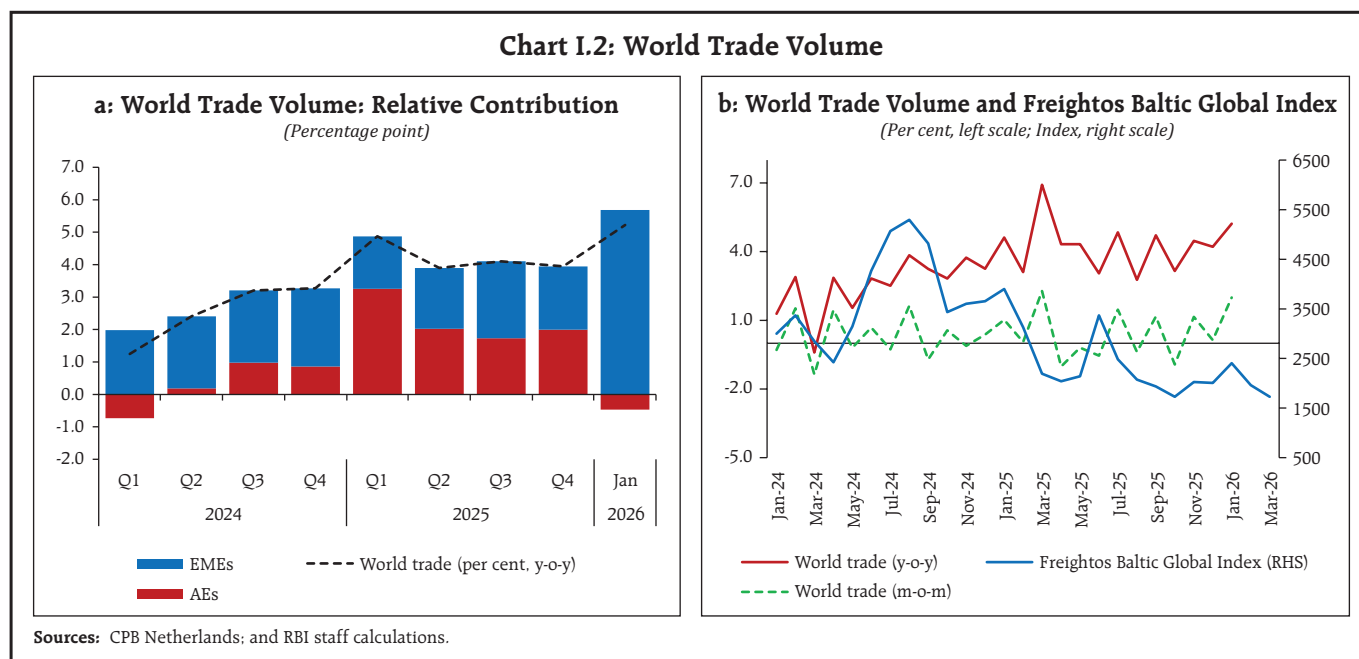
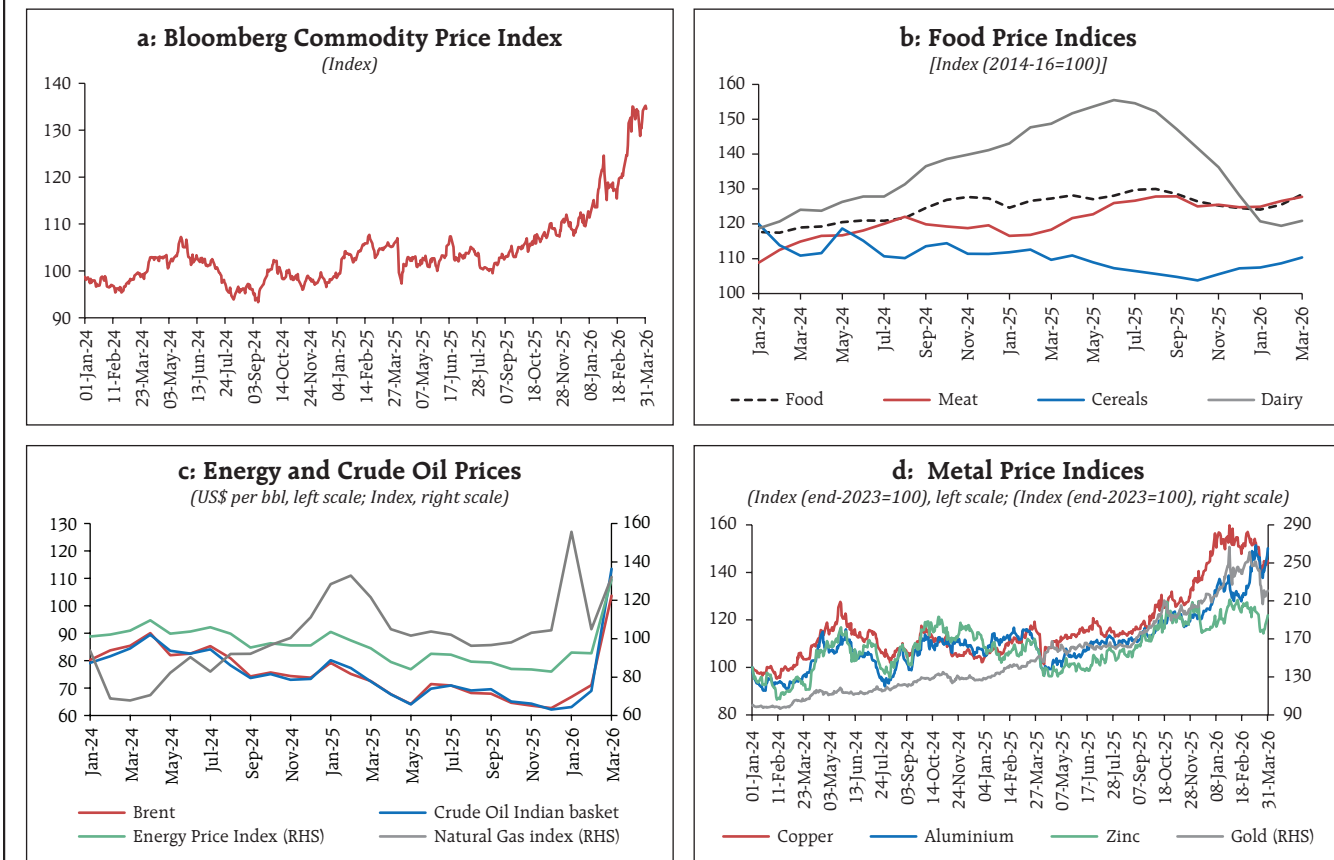


Chart I.3: Commodity Prices



Sources: Food and Agriculture Organisation; World Bank; Bloomberg; and Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas, Government of India.

metal price rally, however, faded as the US dollar strengthened in March amid rising US yields and safe-haven flows (Chart I.3d).

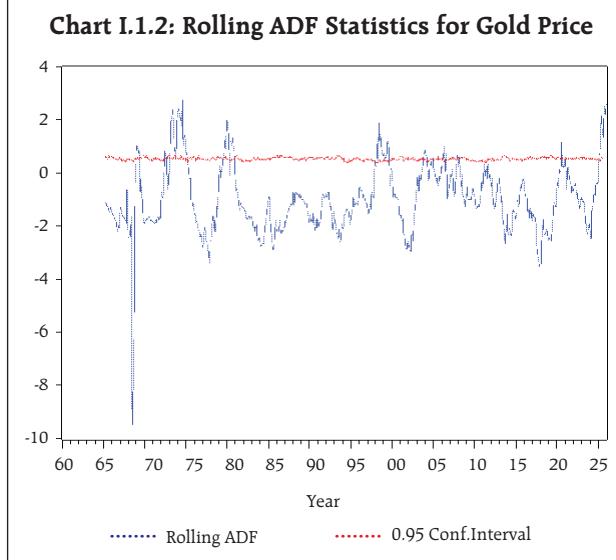
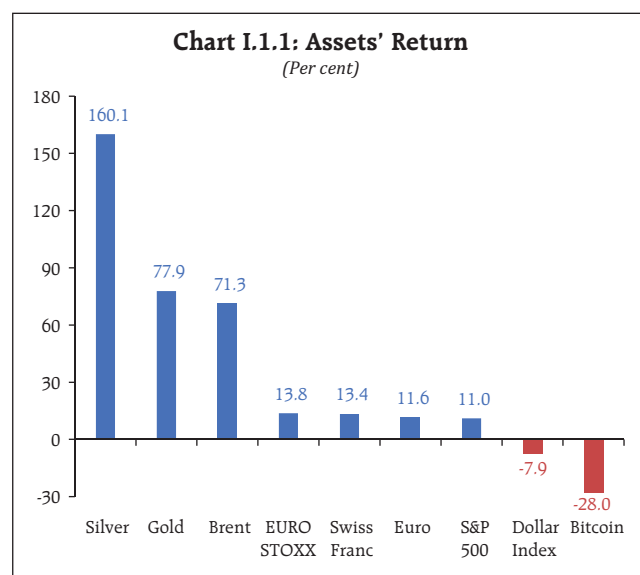
Consumer Price Inflation

Global disinflation continued, *albeit* at an uneven pace across advanced and emerging economies. A

Box I.1 Bubble Dynamics in Gold Prices?

Gold prices rose sharply since 2024, driven by escalating geopolitical tensions, a weakening US dollar, and growing expectations of monetary policy easing across major economies following the end of the global tightening cycle. Prices underwent a sharp appreciation – increasing by more than twice within a relatively short span from around US\$2,060 at end-2023 to US\$5,000 per ounce by February 2026 while repeatedly scaling new highs. During this period, gold ranked among the best-performing assets globally (Chart I.1. 1). While part of this increase reflects strong safe-haven demand and heightened uncertainty, the pace and persistence of the rise suggest the possibility

of the build-up of bubble-like dynamics during 2025. Bubbles typically feature rapid, accelerating price surges- usually referred to as explosive behaviour – followed by sharp corrections (Phillips *et al.*, 2011). Yet, their detection remains tricky: there is no conclusive evidence that post-surge crashes are predictable, making it difficult to distinguish irrational exuberance from rational responses to changes in fundamentals that may be latent or unobserved (Shiller, 2000). To avoid these identification issues, statistical methods focus on the time-series properties of prices rather than
(Contd...)



Note: Returns are calculated from January 1, 2025 to March 31, 2026.

Sources: World Bank commodity price data (the pink sheet); Bloomberg; and RBI staff estimates.

directly modelling fundamentals. In particular, they exploit hallmark explosiveness of bubbles, where the data-generating process becomes non-stationary with an upward drift, producing increasingly rapid price increases (Evans, 1991). This has motivated the use of methodology akin to unit-root in which the presence of a bubble corresponds to autoregressive roots exceeding unity, signalling explosive dynamics (Phillips *et al.*, 2015). The empirics concentrate on detecting such explosive episodes in observed price series rather than inferring bubbles solely from fundamentals.

To examine this, the Right-tailed Augmented Dickey-Fuller (RADF) methodology, implemented through rolling ADF regressions on monthly data from 1960 onwards, is used to identify episodes of explosive price behaviour. While the approach is useful in detecting periods of exuberance, it is not a conclusive test for identifying asset price bubbles. It suggests explosive behaviour even when rapid price increases are driven by shifts in fundamentals, structural breaks or volatility clustering. It also does not predict the precise timing of a potential reversal. The results show that the test statistics moved above the 95 per cent critical threshold in 2025, indicating a period of statistically significant explosive dynamics in gold prices (Chart I.1.2). A sharp correction in gold prices can trigger margin calls and

liquidation of leveraged positions, forcing investors to sell other financial assets and imparting volatility across markets. It can also affect portfolio allocation and market sentiment, leading to broader repricing in equities, bonds, and currencies.

Overall, the evidence suggests that gold prices entered a significant phase of price escalation in 2025, consistent with bubble-like behaviour, with the sharp and persistent price surge pointing to pronounced market exuberance and a possible increase in underlying risks.

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subdued US dollar helped ease imported inflation pressures, particularly in emerging markets with sizeable foreign-currency exposures. As per the latest OECD Economic Outlook, heightened uncertainty around the ongoing West Asia conflict has firmed up energy prices, which is expected to increase headline inflation in 2026 and raise medium-term inflation expectations.

Headline CPI inflation has gradually eased but remains above target in some major AEs. Inflation in the US, measured by the personal consumption expenditure (PCE) price index — the Federal Reserve’s preferred inflation metric — has been broadly stable but above target. PCE inflation has witnessed a slight uptick in recent months, reflecting higher energy prices and shelter cost amid persistent services inflation. In the UK, headline inflation has been trending lower since H2:2025, mainly due to easing services inflation amid slower wage growth, although it remains above target. In the euro area, headline inflation, which had remained close to the 2.0 per cent target in Q4:2025, dipped to 1.7 per cent in January 2026, but rose thereafter to 2.5 per cent in March, largely on account of higher energy inflation. Japan’s

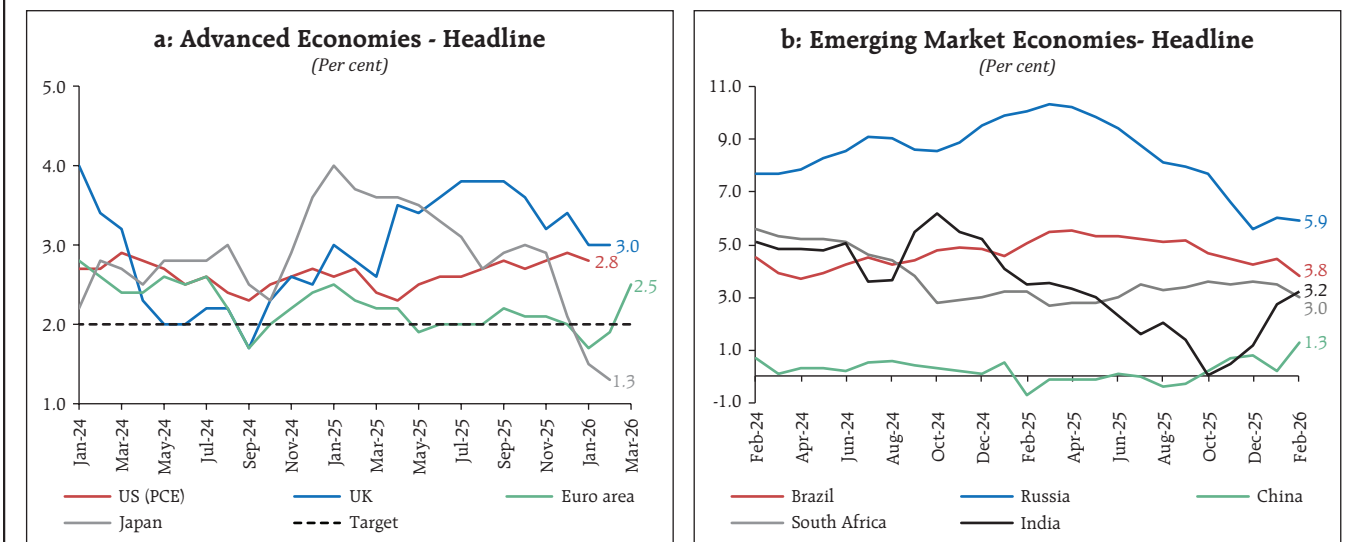
inflation has generally eased since the last MPR with easing food and lower electricity prices (Chart I.4a).

In key emerging markets, CPI inflation has generally declined since the last MPR. In Brazil, headline CPI has been gradually converging towards target on the back of monetary tightening undertaken earlier. In South Africa, headline inflation has remained within the target band with the recent decline driven by transportation costs. In Russia, CPI inflation has been on a disinflationary path. China’s headline CPI inflation remained positive, with February posting the sharpest rise since January 2023 due to Chinese New Year related spending (Chart I.4b).

Since the last MPR, inflation has edged lower in some advanced economies supported by easing of services’ inflation, while inflation in key emerging markets remain contained. However, renewed pressure on energy prices has emerged as a fresh upside risk to the inflation outlook.

Overall, while inflation remains contained in many economies, the recent rise in energy prices has increased upside risks, calling for cautious adjustments of monetary policy paths.

Chart I.4: CPI Inflation (y-o-y) – Select Economies



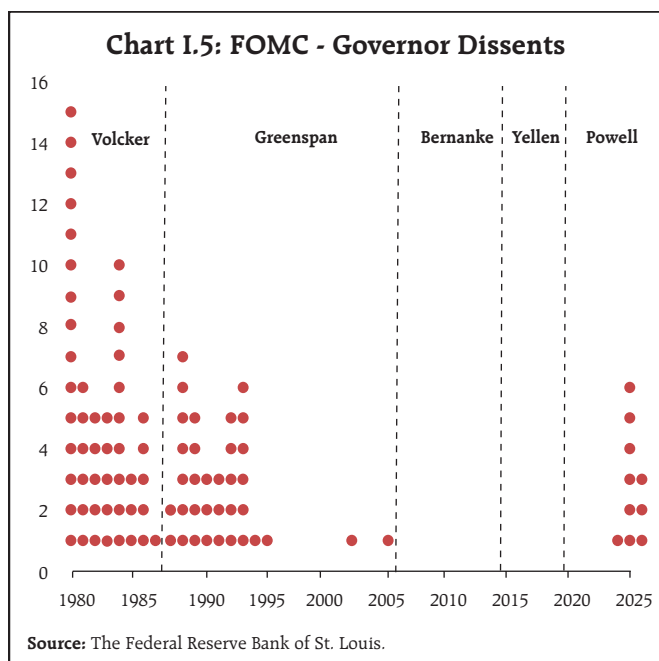
Source: Bloomberg.

I.3 Monetary Policy Stance

Since October 2025, the global easing cycle has slowed. Major central banks in AEs have largely paused, while the Bank of Japan (BoJ) and Australia have embarked on a gradual tightening cycle. A few EM central banks continued easing as inflation fell, resulting in the plateauing of policy rates.

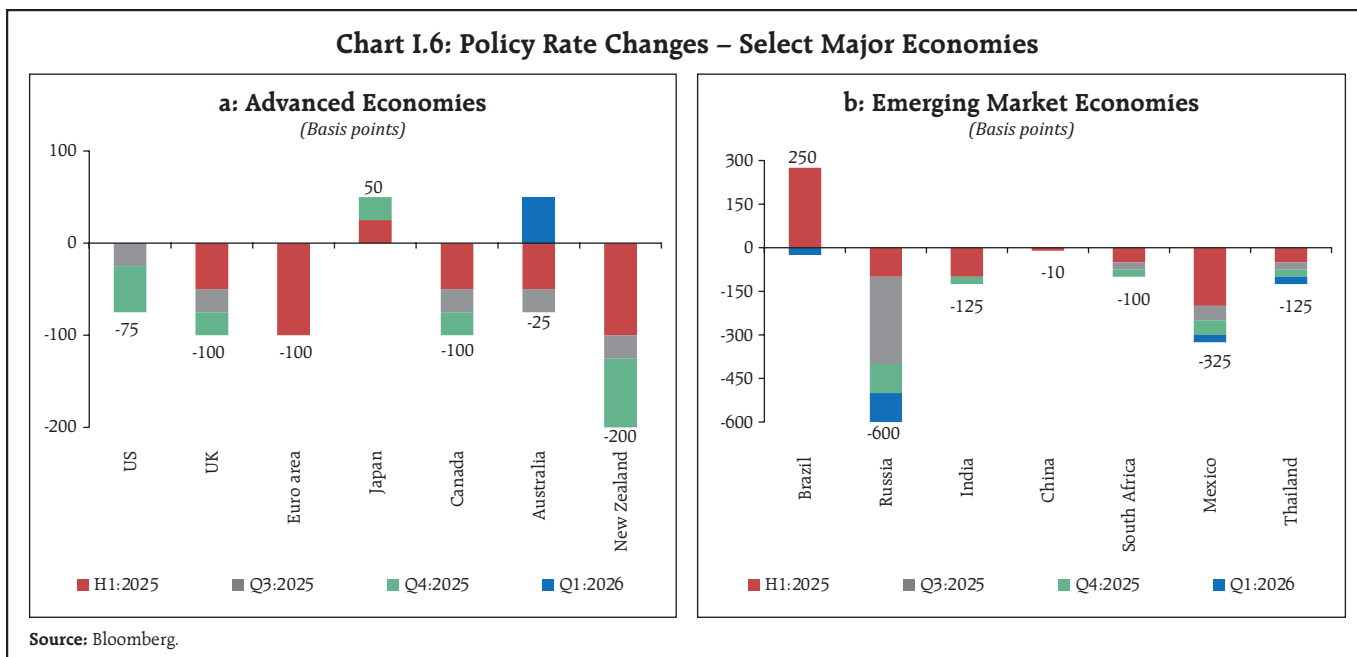
Among major AEs, the Fed reduced the policy rate by 25 basis points each in its October and December meetings as a calibrated response to the downside risks to employment. It then kept rates unchanged in Q1:2026 as inflation stayed somewhat elevated, choosing to wait and assess how earlier moves and the oil shock affect the economy before adjusting policy. In this regard, the opinions of the FOMC members have increasingly diverged in recent meetings. This reflects greater uncertainty over inflation, labour-market strength, and the timing of policy easing, with policymakers divided between guarding against persistent inflation and avoiding the costs of overtightening (Chart I.5).

Since September 2025, the Bank of England has shifted from active easing to a cautious pause.



cutting the Bank Rate in December but pausing thereafter as inflation trends toward target. The European Central Bank has largely completed its policy easing cycle, while maintaining a flexible and data dependent approach, with decision calibrated on a meeting-by-meeting basis. Since the last MPR, the BoJ moved from holding rates at 0.5 per cent to hiking by 25 basis points to 0.75 per cent, its highest level in three decades, as confidence grew that inflation and wages were firmer on a durable basis. The BoJ kept rates unchanged in Q1:2026, choosing to wait for clearer evidence on wage growth and underlying inflation while gauging the impact of weaker activity and the oil-price shock from West Asia tensions before considering further tightening. Among other AEs, the Reserve Bank of Australia embarked on policy tightening with rate hikes both in February and March to counter elevated inflation amid a tighter labour market. In contrast, the Bank of Canada cut the rate by 25 bps in October 2025 to support the economy and the soft labour market. It, however, kept the policy rates unchanged in its last three meetings amidst tariff related uncertainty and elevated geopolitical tensions. Likewise, New Zealand has moved from cutting rates in Q4:2025 amid slowing growth to holding policy rate steady in 2026 so far, adopting a wait-and-watch stance (Chart I.6a).

Among key EMEs, Brazil's central bank unanimously lowered the Selic rate by a quarter point in March, its first cut in almost two years as economic activity remained subdued. The Bank of Russia has gradually lowered its key rate as economic growth has moved to a more balanced pace while inflation has moved closer to target. China has held its benchmark rate at 3.0 per cent for almost a year. South Africa has moved from a target range to a point target of 3.0 per cent (± 1 percentage point). With improving



inflation prospects, the MPC cut the policy rate by 25 bps to 6.75 per cent in November but paused in 2026 so far due to upside risks to inflation. Thailand cut its policy rate twice to support a fragile recovery and ease debt burden. Mexico also delivered a cumulative 75 basis points rate reduction as weaker growth, and projections of inflation gradually converging toward target allowed policy normalisation (Chart I.6b).

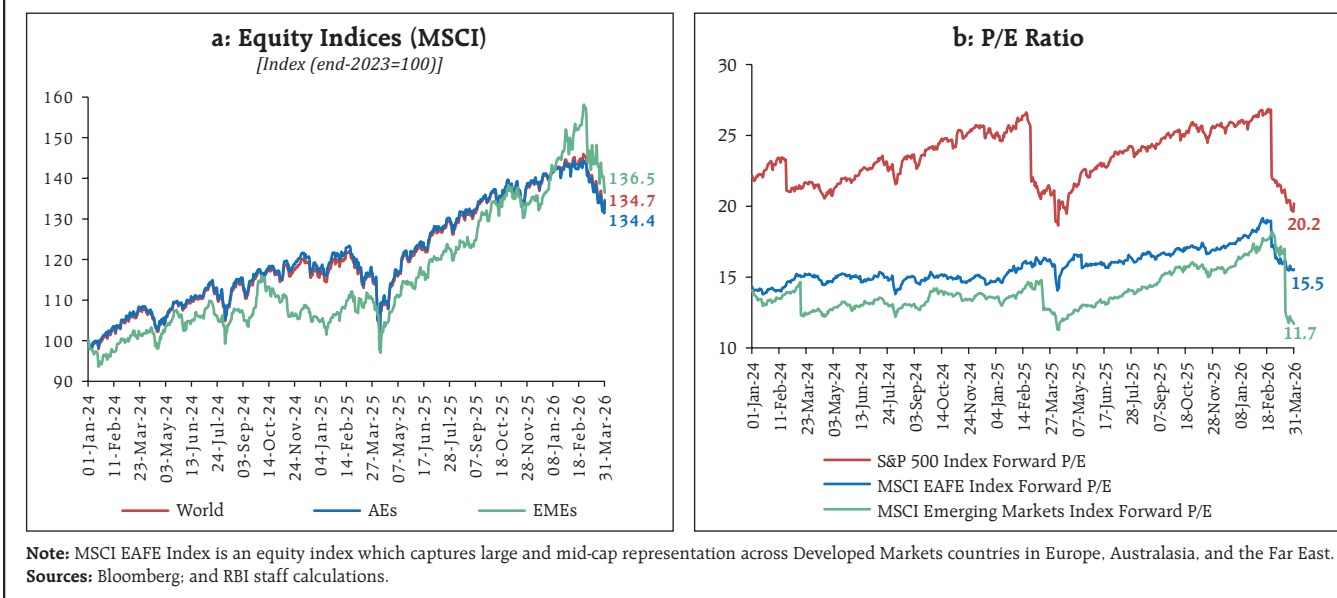
I.4 Financial Markets

Notwithstanding trade tensions and geopolitical flashpoints, global risk sentiment remained buoyant in late 2025 and early 2026 as inflation eased, monetary policy stayed accommodative and AI-related optimism persisted. In contrast, March 2026 witnessed a broad correction in equities with a shift from risk-on sentiment as the outbreak of conflict in West Asia and renewed inflation worries prompted investors to reduce exposure to risky assets. Sovereign bond yields remained elevated amid fiscal concerns, with the recent West Asia conflict adding further upward pressure. Currency markets also reflected this shift in sentiment with

the US dollar strengthening on safe-haven demand recently. Most advanced and emerging market currencies came under depreciation pressure.

Global equity markets gained in Q4:2025 with gains being observed in both advanced and emerging economies (Chart I.7a). Equity markets were supported by solid earnings growth, easing inflationary pressures and expectations that systemically important central banks would continue to lower interest rates in 2026. Over the Q4 of 2025, US equities registered gains, despite the longest government shutdown. The quarterly gains helped the market to deliver a double-digit return for the third straight year. The S&P 500 Index posted a nearly 16.0 per cent return for 2025 on AI related optimism, accommodative monetary policy and some progress on trade deals, though investors remained concerned over high valuations of tech stocks. Euro area also delivered positive gains in Q4 on easing inflation and improved outlook as GDP forecast for 2025 was revised upward. Japanese equities also gained in Q4 on expectations of strong growth in generative AI and higher defence spending. The formation of

Chart I.7: Global Equities and Valuations



the new Government in Japan was perceived as that providing greater political stability and supportive of more fiscal stimulus.

In Q1:2026, equities declined as risk sentiment deteriorated amid escalating West Asia tensions that weighed on major indices. A rising US dollar has further reinforced the risk-off tone, even as overall conditions remain supported by accommodative monetary and fiscal policies in several jurisdictions. Emerging markets have outperformed developed markets, helped by dollar weakness and country-specific factors, despite political tensions and shifting rate expectations. More recently, both advanced and emerging markets came under selling pressure following the latest FOMC decision and minutes as investors interpreted Fed policy to be hawkish, reassessed stretched technology stock valuations, and reacted to the ongoing West Asia conflict. Japanese shares initially rose on optimism about generative-AI demand even as domestic interest rates firmed up across the curve, reflecting higher growth and inflation along with mounting

concerns over fiscal discipline. Equities, however, have since slumped as rising oil prices have clouded the economic outlook.

Emerging market equity benchmarks have generally remained supported by a soft US dollar, capital inflows in specific jurisdictions, and improved sentiment around artificial intelligence (with EM Asia – particularly Korea and Taiwan – benefiting from their role in the chip and memory supply chain). China's domestically developed AI model has kept market attention on the region's AI potential, even as renewed trade-policy uncertainty and rising geopolitical tensions in March sparked risk-off sentiment, leading to decline in equities in Q1:2026.

Emerging markets still trade at lower forward P/E ratios than the S&P 500, supported by benign inflation and generally accommodative monetary and fiscal policies in many economies. However, global uncertainty persists driven by tensions in West Asia, uncertain tariff landscape, and risks to future path of inflation. As crude oil prices rise, there is a growing risk that the disinflation process could

pause or reverse, complicating the outlook for both inflation and monetary policy (Chart I.7b).

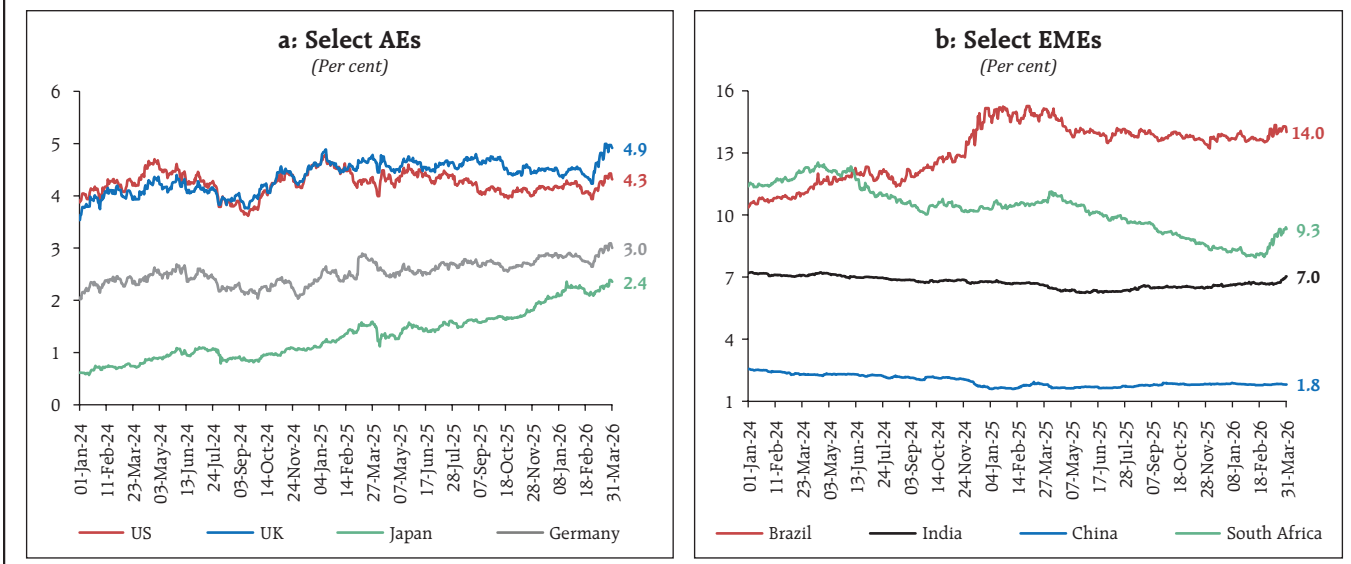
Sovereign debt levels remain high across major advanced economies, exerting upward pressure on bond yields and intensifying the imperative for central banks to rein in inflation. In most cases, this objective has either been largely achieved or is nearing completion, although the latest energy-price shock is again posing upside risks to inflation. In the US, yields briefly softened in October 2025 on safe-haven demand during the shutdown. However, they soon hardened, driven by hawkish Fed communication, sticky inflation prints, and monetary policy normalisation in Japan. Sovereign bond yields across major AEs largely traded in a narrow range in Q4:2025, reflecting persistent fiscal pressures and cautious monetary policy stances.

In Q1:2026, bond yields generally traded with a downward bias till February amid rotation risks following the tech sell-off, escalating geopolitical tensions, and soft Q4:2025 GDP data of the US. Markets took comfort from clearer policy signals

in Japan, easing inflation across several major economies, and episodic safe-haven demand driven by geopolitical tensions and concerns over stretched technology valuations. In March, however, yields reversed course partially and edged higher amid renewed inflation worries following the outbreak of the conflict in West Asia, prompting investors to reassess the path of global interest rates and term premia. Japanese government bond yields rose on the back of BoJ policy normalisation, persistent inflation, and expectations of expansionary fiscal policy under the new government. In March, bond yields firmed on higher crude prices (Chart I.8a).

Emerging-market bond yields were mixed through Q4:2025 and most of Q1:2026, while lower domestic inflation and expectations of easier policy in some advanced economies supported carry in several markets, yields elsewhere rose as investors reassessed inflation risks, the likely pace of rate cuts, and the impact of the West Asia conflict on fiscal and risk premia. In March, yields picked up notably in many economies amid renewed fears of energy-driven inflation (Chart I.8b).

Chart I.8: 10-Year Sovereign Bond Yields



Source: Bloomberg.

Currency markets remained turbulent in 2025, especially the US dollar, which stayed subdued and highly sensitive to risk sentiment and policy expectations, though investor enthusiasm in AI and the resulting capital flows into US equities provided some support to the dollar. The US dollar fell over 9.0 per cent in 2025 against major currencies, as looming Fed rate cuts narrowed yield differentials even as worries over US fiscal deficit and political uncertainty intensified. The US dollar remained broadly unchanged in Q4:2025, with intermittent rallies driven by a hawkish Fed tone, the release of strong Q3 GDP data and safe-haven flows. Thereafter, it has traded with a depreciating bias, reflecting weak data and deteriorating sentiment, though receiving support from safe-haven demand during the West Asia conflict. Overall, after remaining subdued for most of Q1:2026, the dollar firmed toward the end

of the quarter on renewed safe-haven demand and still-elevated inflation. Higher forex volatility in G7 currencies often coincided with a weaker US dollar, but this negative correlation has waned in March as safe-haven flows and a hawkish repricing of Fed expectations have produced several recent positive readings, with volatility spikes often accompanying a stronger dollar (Chart I.9). The MSCI emerging market currency index posted gains in Q4:2025 but declined in Q1:2026, as the West Asia conflict in March triggered renewed currency pressures and portfolio outflows amid a strengthening US dollar. While AI-related optimism and expansionary fiscal policies – provide a supportive backdrop, capital flows remain volatile amid headwinds from tariff uncertainty, geopolitical tensions, and shifting Fed policy expectations (Chart I.10 a & b).

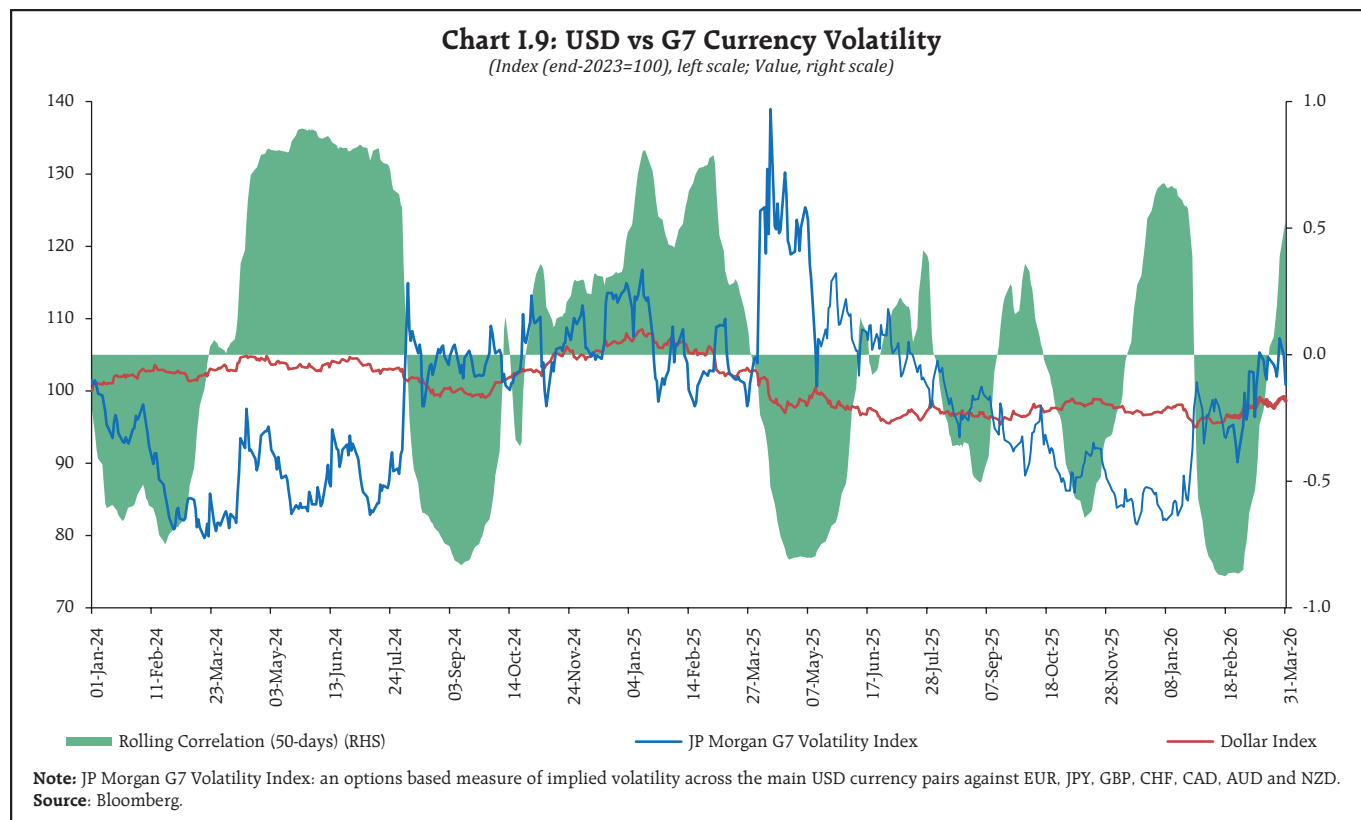
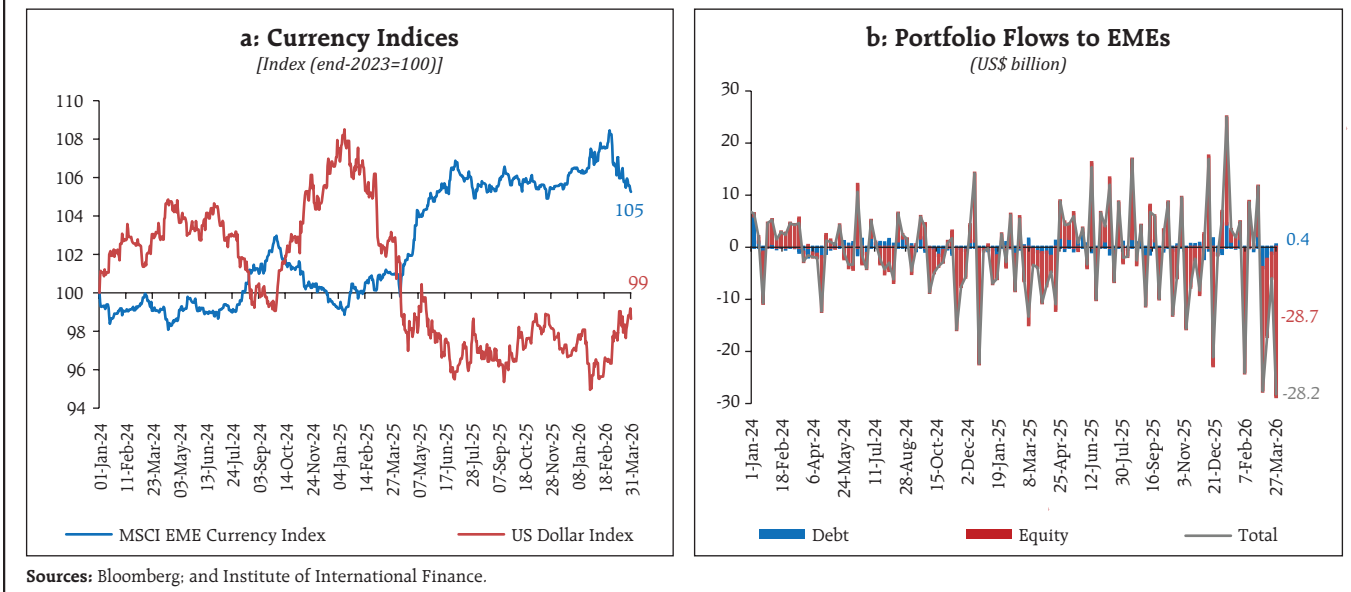


Chart I.10: Currency Movements and Capital Flows



I.5 Conclusion

The global economy faces significant headwinds from escalating geopolitical tensions, persistent trade frictions, rising public debt, and volatility around AI-driven equity valuations. Global growth has been resilient but remains below its historical average, while disinflation is uneven and could be

reversed by the recent rise in energy prices. Overall, the outlook for 2026 points to a moderate expansion and it remains highly sensitive to shifts in the geopolitical landscape and energy-driven inflation risks. The balancing of conflicting objectives would require cautious calibration of monetary policy paths while minimising the cost of adjustment.

II. Liquidity Conditions and Financial Markets

System liquidity remained in surplus during H2 supported by the Reserve Bank's liquidity augmenting measures. Domestic financial markets exhibited bouts of volatility amidst global uncertainty. Overnight rates in the money market evolved in sync with policy rate and prevailing liquidity conditions. Transmission to lending and deposit rates continued and bank credit growth improved in H2. Sectoral trends indicate strengthening of credit growth across segments.

Introduction

During H2:2025-26, global financial markets generally remained resilient, before turning volatile amidst heightened geopolitical tensions due to conflict in West Asia. Domestic financial markets displayed intermittent volatility amidst global uncertainties and volatile capital flows. The Monetary Policy Committee (MPC) reduced the policy rate by 25 basis points (bps) during H2, taking the cumulative reduction to 125 bps since February 2025. Moderation in system liquidity surplus in early H2 was reversed through calibrated injections of durable liquidity. Overnight money market rates largely moved in line with the evolving liquidity conditions. Monetary policy transmission was aided by a healthy passthrough to lending and deposit rates during H2. Bank credit growth continued to improve and remained supportive of real economic activity. The financing from non-bank sources also increased.

II.1 Liquidity Conditions and the Operating Procedure of Monetary Policy

The Reserve Bank of India (RBI) Act, 1934 requires the Reserve Bank to place the operating procedure relating to the implementation of monetary policy and changes thereto from time to time, if any, in the public domain.¹

During H2:2025-26, the MPC reduced the policy repo rate by 25 bps in the December meeting. Moreover, the MPC decided to maintain the neutral stance adopted in June 2025. The Reserve Bank also reduced the cash reserve ratio (CRR) by 100 bps to 3.0 per cent of net demand and time liabilities (NDTL) in a staggered manner during September-November 2025.² The CRR cuts supported system liquidity during H2. Effective December 15, 2025, the definition of reporting fortnight for banks was changed along with a change in the CRR maintenance cycle. As per the new definition, a reporting cycle is defined as the period from the first day to the fifteenth day of each calendar month and the sixteenth day to the last day of each calendar month, both days inclusive. The changes in reporting cycle imply that the number of days in the first reporting cycle of the month (15 days) may be different from the second reporting cycle (which can vary from 13-16 days) with attendant implications for demand for reserves within the reserve maintenance period. Moreover, the number of reporting cycles in a year is now standardised to 24 as against 26-27 reporting fortnights in the earlier system.

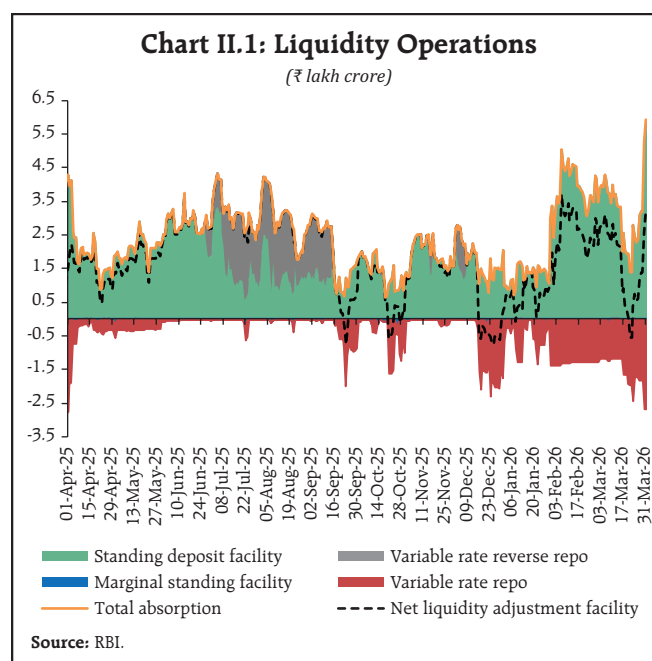
¹ The revised liquidity management framework was operationalised on September 30, 2025. The salient features of the framework were given in the Monetary Policy Report of October 2025.

² The reduction was implemented in four equal tranches of 25 bps each effective from the fortnights beginning September 6, October 4, November 1, and November 29, 2025.

Drivers and Management of Liquidity

System liquidity, as measured by the net balances under the liquidity adjustment facility (LAF), moderated in H2:2025–26 from a large surplus in H1 (Chart II.1). On a net basis, average daily absorption under the LAF declined to ₹1.43 lakh crore in H2, as compared with ₹2.29 lakh crore in H1. The expansion in currency in circulation (CiC) and volatile capital flows were principal drivers of liquidity conditions in H2.

System liquidity remained in surplus during H2:2025-26, except for a few intermittent occasions when tax payments withdrew liquidity from the banking system.³ System liquidity moderated in Q3, reflecting the increase in CiC during the festive season and the Reserve Bank's foreign exchange operations. It was partly offset by the reduction in the CRR and the Reserve Bank's purchase of securities through open market operations (OMOs). Liquidity conditions



improved in Q4, as a sharp rise in CiC was more than offset by liquidity injection through OMO purchases, long-term USD/INR Buy/Sell swap auctions, and term repo auctions (Table II.1).

Table II.1: Liquidity – Key Drivers and Management

(₹ crore)

	2024-25		2025-26			
	H1	H2	H1	Q3	Q4*	H2*
Drivers						
(i) CiC [withdrawal (-) /return (+)]	29,247	-2,42,234	-74,052	-1,25,023	-2,08,489	-3,33,512
(ii) Net Forex Purchases (+)/ Sales (-)	70,402	-3,61,635	-1,41,591	-3,28,665	14,632	-3,14,033
(iii) GoI Cash Balances [build-up (-) / drawdown (+)]	-2,04,802	2,98,531	-3,44,103	74,298	26,974	1,01,272
(iv) Excess Reserves [build-up (-) / drawdown (+)]	-15,839	16,655	14,376	17,884	-6,663	11,221
Management						
(i) Net OMO Purchases (+)/ Sales (-)	-24,040	2,83,386	2,39,223	1,81,435	4,06,900	5,88,335
(ii) Required Reserves [including both change in NDTL and CRR]	-55,613	76,450	15,674	1,67,530	-17,776	1,49,754
(iii) Term Repo Auctions	-	1,82,964	25,731	-	1,36,504	1,62,235
Memo Item						
(i) Long term Forex Swaps Buy/Sell (+)/ Sell/Buy (-) ^	-	2,19,245	-	46,147	1,80,738	2,26,885
(ii) Net Absorption (+)/ Injection (-) as at end-period	84,651	1,30,261	56,274	28,123	2,15,148	2,15,148

Notes: 1. (+) / (-) sign suggests accretion to / depletion of banking system liquidity.

2. Data pertain to the last reporting day of the respective period.

3. *: Data for Q4 and H2:2025-26 are up to Mar 15, 2026.

4. ^: approximate values.

Source: RBI.

³ In H2, system liquidity, as measured by net balances under the LAF, moved to deficit during October 20th to 22nd on GST related outflows. Further, during December 16th to 29th and March 20th to 21st, a combination of advance tax and GST related outflows pushed system liquidity into deficit.

With liquidity conditions remaining in surplus, banks' recourse to the marginal standing facility (MSF) averaged at ₹0.02 lakh crore during H2:2025-26, same as in H1, while daily balances under the standing deposit facility (SDF) increased from an average of ₹1.84 lakh crore in H1 to ₹2.20 lakh crore in H2. The Reserve Bank remained nimble and agile in its liquidity management operations to ensure sufficient liquidity in the banking system and facilitate transmission in money market (Box II.1). On a review of liquidity conditions and the outlook, the Reserve Bank undertook several measures including OMO purchases, buy/

Table II.2: Reserve Bank's Liquidity Measures during 2025-26

(₹ crore)			
Measures	H1:2025-26	H2:2025-26	FY:2025-26
CRR Cut	62,500*	1,87,500*	2,50,000*
OMO Purchase Auctions	2,39,203	5,00,000	7,39,203
USD/INR Buy/Sell Swap Auctions		2,26,885*	2,26,885*
Term Repo Auctions	25,731	1,36,504	1,62,235
Total	3,27,434	10,50,889	13,78,323

Note: * indicates approximate value.

Source: RBI.

sell forex swaps and long term repos during H2 to inject durable liquidity into the banking system (Table II.2).

Box II.1: Optimal Level of Liquidity

Central banks actively manage liquidity conditions in the banking system to ensure that the operating target remains aligned to the policy rate, hovering within the interest rate corridor. The guiding principle of liquidity management of the Reserve Bank, as reiterated in the revised liquidity management framework of September 2025, is to align the weighted average call rate (WACR) with the policy repo rate. Liquidity mismatches could lead to deviation of the operating target from the policy rate, hampering monetary policy transmission (Kavediya and Pattanaik, 2016).

Excessive liquidity surplus over a prolonged period runs the risk of driving short term interest rates to ultra-low levels, distorting risk perceptions and engendering asset price bubbles. Moreover, persistently large surplus liquidity tends to lull market participants to a state of complacency in which they get accustomed to large liquidity. In contrast, large deficit (shortage) in the banking system liquidity raises borrowing costs for banks, which constricts lending capacity, impede monetary transmission and potentially undermine financial stability. Therefore, it becomes essential to assess the optimal level of system liquidity in consonance with the monetary

policy stance. Against this backdrop, an attempt is made to estimate the adequate level of liquidity in the banking system which is consistent with the guiding principle of RBI's liquidity management, *ie.*, aligning the spread (weighted average call rate over policy repo rate) with the prevailing liquidity conditions (Liq) – net LAF.

Considering the well-known asymmetry in transmission across surplus and deficit regimes (RBI, 2021), two separate estimations, each for the phase of surplus and deficit liquidity have been undertaken based on daily data for the period January 2012 to March 2026. Since the extent of the impact of liquidity may vary within a particular phase depending on the initial conditions, this heterogeneous impact is estimated by fitting a non-linear function. Accordingly, fractional polynomial model is fitted using the standard eight-element powers set separately for surplus and deficit liquidity conditions.⁴ The best-fit model for each regime is selected using Royston-Sauerbrei closed testing procedure (Royston and Sauerbrei, 2008) based on likelihood ratio tests. The fitted curves are specified below.

(Contd...)

⁴ A degree one fractional polynomial (FP1) is of the form $\beta_0 + \beta_1 x^p$ with $p \in \emptyset$, and a degree two fractional polynomial (FP2) is of the form $\beta_0 + \beta_1 x^{p_1} + \beta_2 x^{p_2}$ with $p_1 \leq p_2, p_i \in \emptyset$; and where $p_1 = p_2 = p$, the repeated power FP2 polynomial becomes $\beta_0 + \beta_1 x^p + \beta_2 x^p \log(x)$. Here $\emptyset = \{-2, -1, -0.5, 0, 0.5, 1, 2, 3\}$ and $p = 0$ means $\log(x)$. Estimation yields 44 candidate non-linear specifications for each liquidity phase.

$Spread = 0.58 - 0.5 \cdot \log(Liq + 3.3)$; for $Liq < 0$ (Deficit phase)
 $Spread = -0.03 - 0.07 Liq^2 + 0.01 Liq^3$; for $Liq > 0$ (Surplus phase)

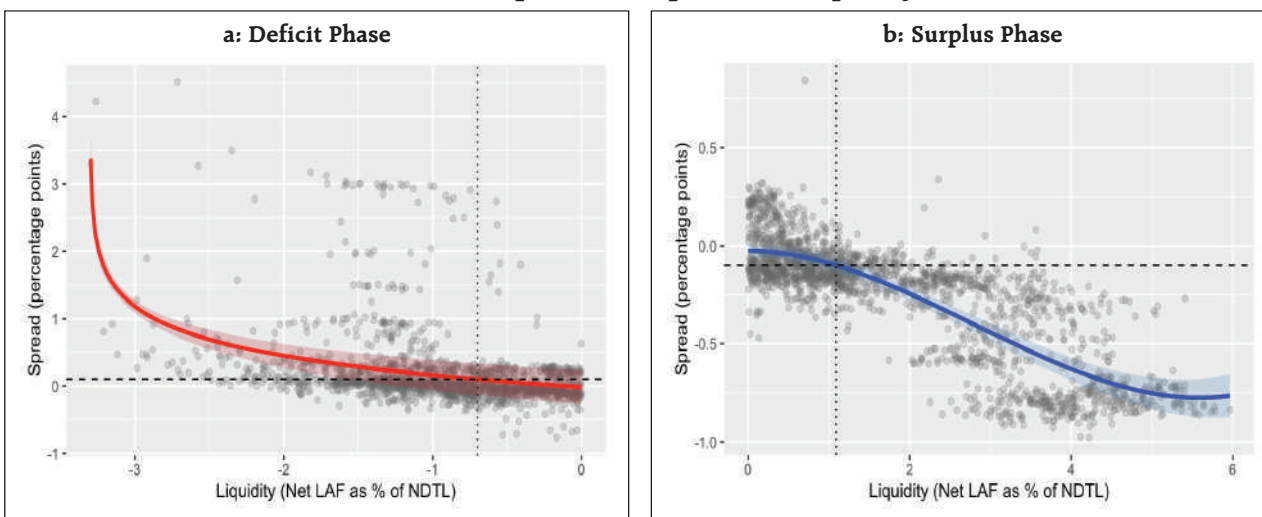
Accordingly, the best-fit curves for the surplus and deficit liquidity period are plotted in Chart II.1.1.

The relationship shows that the increase in liquidity is inversely related to the spread; moreover, the relationship is found to be non-linear. The impact of excess liquidity on the spread diminishes significantly beyond a point. The curve flattens as excess liquidity rises, suggesting that large excess liquidity does not have substantial incremental impact on the spread beyond a threshold. However, under deficit

conditions, the spread becomes unbounded at higher levels of deficit.

The findings suggest that surplus liquidity in the range of 0.6 to 1.1 per cent of NDTL is likely to keep the spread between 5 to 10 bps below the repo rate, while liquidity deficit in the range of 0.4 to 0.7 per cent of NDTL is likely to keep the WACR above the repo rate between 5 to 10 bps. As evident from the findings, keeping the WACR aligned to the repo rate entails different levels of liquidity in deficit and surplus conditions. Moreover, the extent of alignment is also contingent on the level of the surplus/deficit.

Chart II.1.1: Relationship between Spread and Liquidity Conditions



Source: RBI Staff estimates.

References:

1. Kavediya, R. and Pattanaik, S. (2016), "Operating Target Volatility: Its Implications for Monetary Policy Transmission", Reserve Bank of India Occasional Papers Vol. 37, No. 1&2, 2016.
2. Reserve Bank of India, (2021), "Report on Currency and Finance".
3. Royston, P. and Sauerbrei, W. (2008). Multivariable Model-Building: A Practical Approach to Regression Analysis Based on Fractional Polynomials for Modelling Continuous Variables. John Wiley & Sons, Hoboken.

The Reserve Bank conducted several variable rate repo (VRR) and variable rate reverse repo (VRRR) operations of varying maturities to modulate transient liquidity and align the rates in the overnight

segment to the policy rate. Overall, 44 VRR and 7 VRRR auctions were conducted in H2:2025:26.

As on March 15, 2026, reserve money (M0) expanded by 5.8 per cent (y-o-y) as against 3.7 per

cent a year ago, reflecting expansion in CiC. Adjusted for the CRR change, growth in reserve money stood at 10.7 per cent (6.2 per cent a year ago). As on March 15, 2026, growth (y-o-y) in money supply (M3) rose to 10.7 per cent from 9.4 per cent a year ago with faster growth in aggregate deposits and currency with the public. Aided by CRR cuts, the money multiplier increased to 5.99 as on March 15, 2026, from 5.72 a year ago, notwithstanding an increase in the currency-deposit ratio.

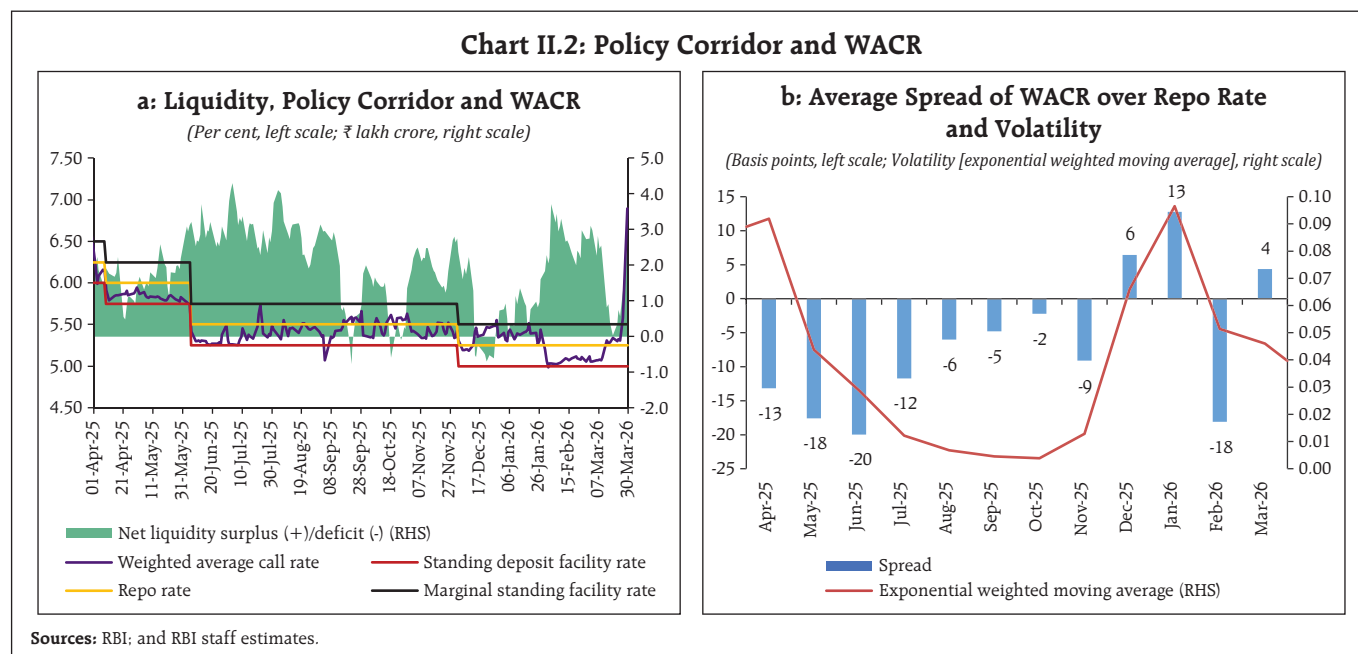
II.2 Domestic Financial Markets

Money market rates evolved in sync with system liquidity and monetary policy actions. A combination of domestic and global factors drove long-term government bond yields higher. Equity markets and the Indian rupee displayed two-way movements amidst volatile capital flows and evolving global risk perceptions. The West Asia conflict led to accentuated downward pressure for both equity markets and the Indian rupee in March. In the credit market, bank credit grew at a healthy pace.

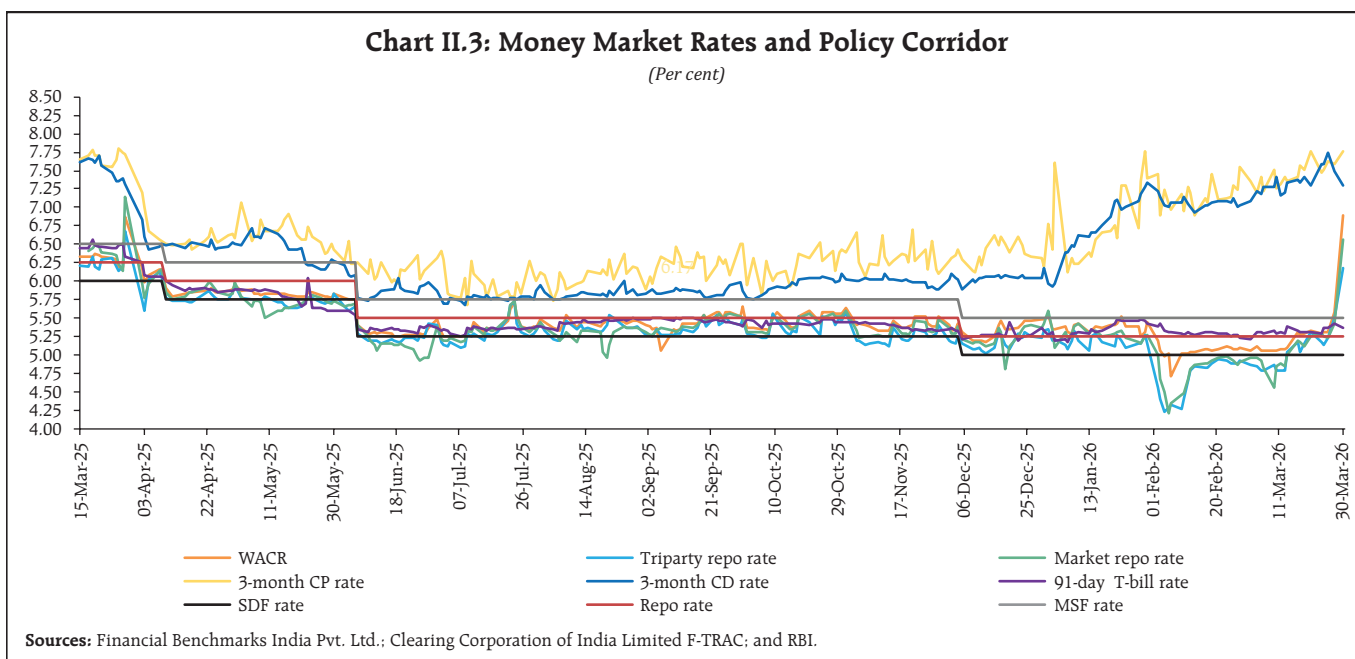
II.2.1 Money Market

During H2:2025-26, money market rates moved in tandem with the policy repo rate and evolving liquidity conditions. The weighted average call rate (WACR) – the operating target of monetary policy – largely remained below the policy repo rate until the first half of December 2025. Thereafter, during second half of December and January, the WACR traded above the policy repo rate amidst moderation in liquidity surplus (Chart II.2a). The WACR softened subsequently on the back of several liquidity augmenting measures by the Reserve Bank.

The WACR hovered largely within the policy rate corridor during H2: 2025-26, with its spread over the policy repo rate widening from (-)2 bps in October 2025 to (+)4 bps in March 2026. Volatility in the WACR, as measured by the exponential weighted moving average (EWMA)⁵, rose in December 2025 before moderating in February and March 2026 (Chart II.2b). Overnight rates in the collateralised



⁵ Exponential weighted moving average is an improvement over simple variance as it assigns greater weight to more recent observations. EWMA expresses volatility as a weighted average of past volatility with higher weights assigned to more recent observations.



segment, *i.e.*, tri-party repo and market repo, broadly moved in line with the WACR during H2 (Chart II.3).

Money market activity remained dominated by the collateralised segments (tri-party and market repo), with their share in overnight money market volume standing at 97 per cent. The share of the uncollateralised segment, *i.e.*, the call money market, remained largely flat at around 3 per cent (Table II.3).

Mutual funds (MFs) remained the major lenders in tri-party repo, despite their share tapering by 3 percentage points to 65 per cent in H2:2025-26 from

H1. In the market repo segment, however, the share of lending by mutual funds increased to 48 per cent in H2 from 40 per cent in H1. The share of foreign banks' lending in market repo remained steady at 29 per cent in H2. On the borrowing side, public sector banks (PSBs) remained the major players in the tri-party repo, with their share increasing to 32 per cent in H2 from 28 per cent in H1, while that of private sector banks declined to 24 per cent from 28 per cent. PSBs' share in market repo borrowings increased by 2 percentage points to 8 per cent over the same period.

Table II.3: Average Volume and Share in Overnight Money Market

(₹ lakh crore)

	2024-25		2025-26			
	H1	H2	H1	Q3	Q4	H2
Call/Notice	0.10 (2.12)	0.11 (2.18)	0.16 (2.78)	0.16 (2.72)	0.15 (2.40)	0.16 (2.56)
Tri-party Repo	3.30 (68)	3.62 (70)	3.69 (66)	3.91 (66)	4.35 (70)	4.12 (68)
Market Repo	1.48 (30)	1.42 (28)	1.73 (31)	1.87 (31)	1.69 (27)	1.78 (29)
Total	4.88 (100)	5.16 (100)	5.57 (100)	5.94 (100)	6.19 (100)	6.06 (100)

Notes: 1. Figures in parentheses denote share of each segment in overnight money market volume. Figures may not add up to total due to rounding off.
2. Data include working Saturdays.

Sources: Clearing Corporation of India Limited F-TRAC; and RBI.

Table II.4: Tenor wise Break up of CD Issuances

(₹ lakh crore)

	2024-25		2025-26			
	H1	H2	H1	Q3	Q4	H2
Up to 91 Days	3.93 (73)	3.74 (57)	3.55 (73)	2.07 (62)	2.33 (44)	4.40 (51)
92-180 Days	0.20 (4)	0.17 (3)	0.47 (10)	0.38 (11)	0.23 (4)	0.61 (7)
181-365 Days	1.22 (23)	2.64 (40)	0.84 (17)	0.88 (27)	2.71 (51)	3.58 (42)
Total	5.35 (100)	6.56 (100)	4.86 (100)	3.32 (100)	5.27 (100)	8.59 (100)

Note: Figures in parentheses denote share of each maturity profile. Figure may not add up to total due to rounding off.

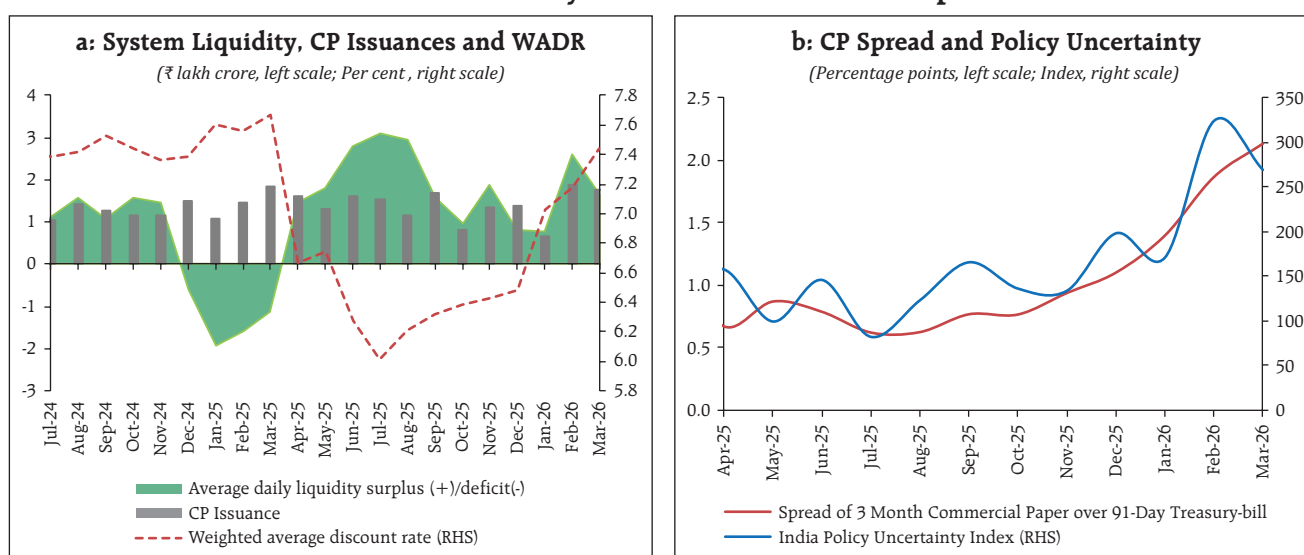
Sources: Clearing Corporation of India Limited F-TRAC; and RBI staff estimates.

The term segments of the money market witnessed slower transmission compared to the overnight market, mainly due to intermittent liquidity tightness and increased uncertainty. The rates on certificates of deposit (CDs) edged up especially in Q4 as banks increased issuances to bridge the widening funding gaps amidst the rollover of maturing papers and higher credit offtake. The average spread of CDs and CPs over the policy repo rate widened substantially to 116 bps and 136 bps, respectively, in H2:2025-26 from 36 bps and 60 bps, respectively, in H1. Similarly, the average spread of treasury bills (T-Bills) over the policy repo rate moved from negative to positive territory (Chart II.3).

Fresh issuances of CDs increased considerably to ₹8.6 lakh crore in H2:2025-26 from ₹4.9 lakh crore in H1, reflecting widening gap between growth in deposits and credit. Tenor-wise, share of CD issuances at the shorter tenor (up to 91-day) reduced while longer tenor issuances increased in Q4 compared to Q3 as banks sought to lock in funds for longer period to meet higher credit demand (Table II.4).

The issuances of CPs in the primary market declined to ₹7.9 lakh crore during H2:2025-26 from ₹8.9 lakh crore in H1, as higher rates led to a shift towards borrowings from banks (Chart II.4a). The risk premia on CPs (spread of 3-month CP rate over 91-day

Chart II.4: Primary Issuances of Commercial Paper



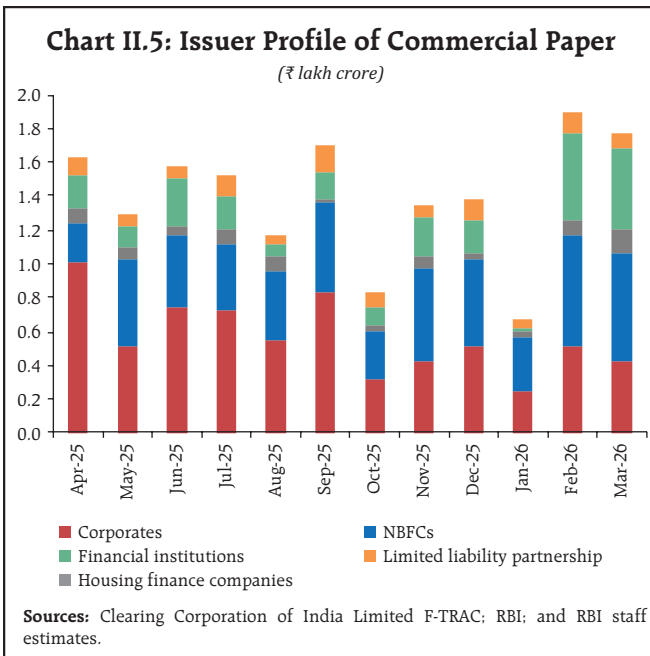


Table II.5: Maturity Profile of CP Issuances
(₹ lakh crore)

Tenor	H1: 2024-25	H2: 2024-25	H1: 2025-26	H2: 2025-26
7-30 days	0.63 (8)	0.51 (6)	0.43 (5)	0.66 (8)
31-90 days	2.35 (31)	2.33 (28)	3.10 (35)	1.87 (24)
91-180 days	3.94 (52)	4.24 (52)	4.56 (51)	4.24 (53)
181-365 days	0.64 (8)	1.11 (14)	0.86 (10)	1.16 (15)
Total	7.55 (100)	8.19 (100)	8.95 (100)	7.93 (100)
Outstanding (as at end-period)	3.98	4.43	4.88	4.60

Notes: 1. Figures in parentheses denote share of each maturity profile.
2. Figure may not add up to total due to rounding off.

Sources: Clearing Corporation of India Limited F-TRAC; and RBI.

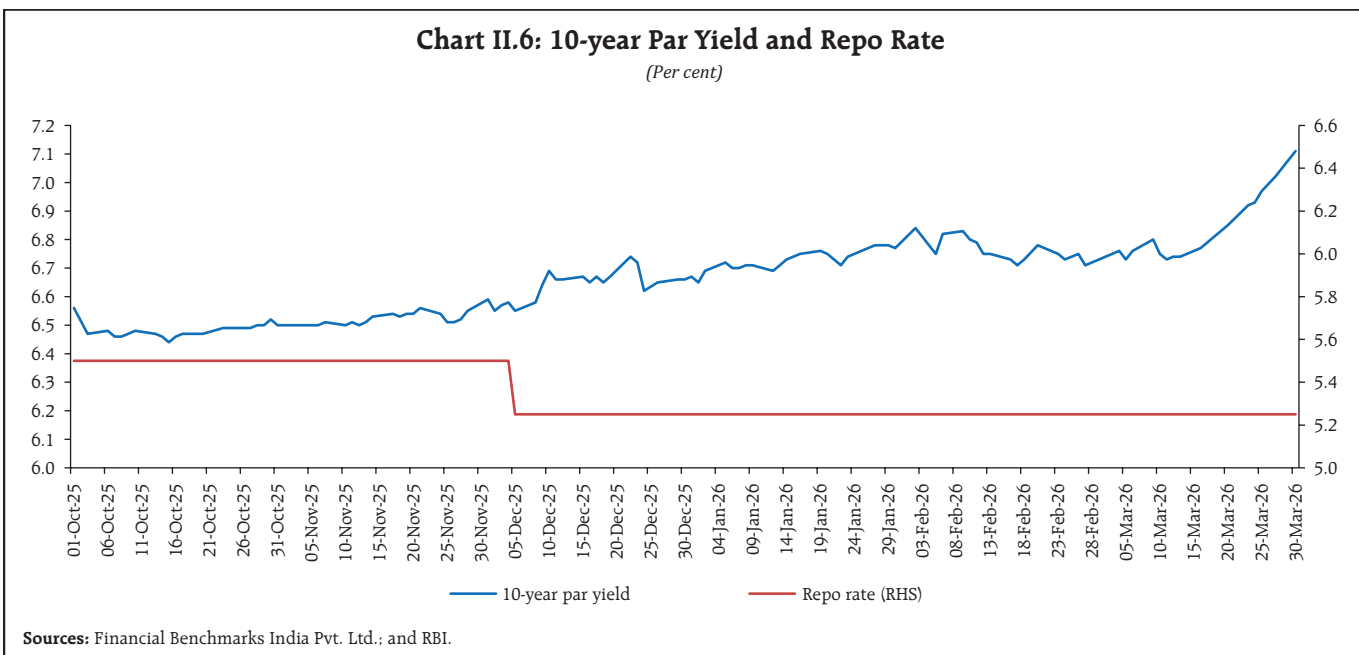
T-bill rate) showed an increasing trend tracking *inter alia* rising uncertainty in H2 (Chart II.4b).

Non-banking financial companies (NBFCs) dominated CP issuances, with an average share of 38 per cent in H2:2025-26. The share of corporates dropped to 32 per cent in H2 from 49 per cent in H1 (Chart II.5). In terms of maturity profile, the 91-180 days segment had the largest share (53 per cent)

in fresh CP issuances, followed by the 31-90 days segment (Table II.5).

II.2.2 Government Securities (G-sec) Market

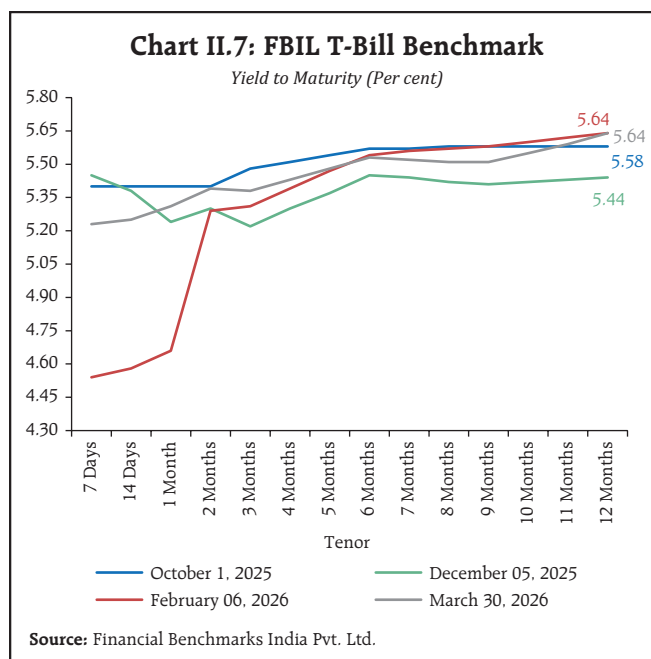
In the government securities (G-sec) market, yields generally remained under pressure during H2:2025-26 reflecting domestic as well as global factors (Chart II.6). At the beginning of H2, yields



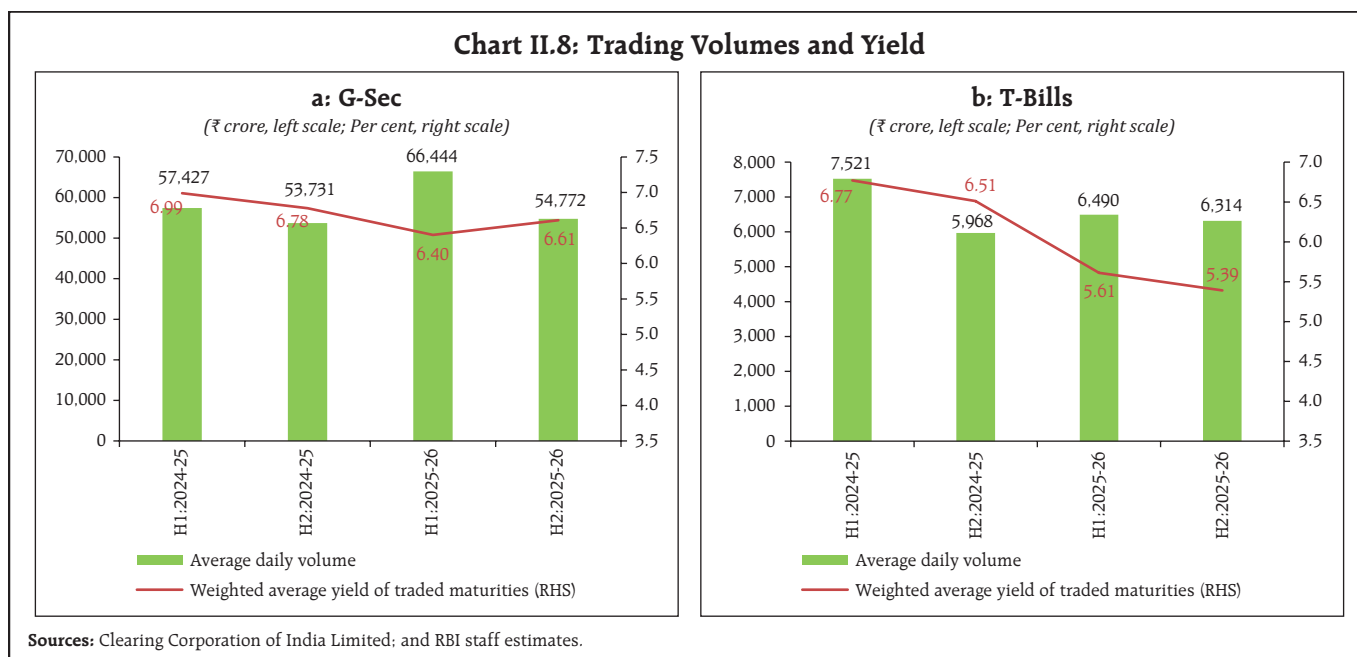
softened reflecting the MPC’s downward revision of CPI inflation forecasts for 2025–26 and Q1:2026–27 and a decline in crude oil prices. Thereafter, yields hardened in November and December, tracking rising crude oil prices, hardening US yields and increased FPI outflows.

In January, yields continued to harden before softening towards the month-end in response to OMO purchases undertaken by RBI. In February, yields hardened briefly due to higher-than-expected gross market borrowings announced in the Union Budget 2026-27. Subsequently, yields moved with a softening bias as RBI conducted more OMO purchases (Chart II.6). In March, yields hardened again amidst heightened geo-political tensions in West Asia triggering a rise in crude oil prices, and government's decision to cut special excise duty on diesel and petrol.

At the shorter end upto one year, yields generally softened during H2:2025-26 buoyed by a policy rate cut in December 2025 and the Reserve Bank's measures for augmenting durable liquidity (Chart II.7).



The average trading volume in G-secs and T-bills in H2:2025-26 was lower than H1 (Chart II.8). The weighted average yield (WAY) on traded maturities increased by 21 bps for G-secs, while it declined by 22 bps for T-bills in H2 as compared to H1.



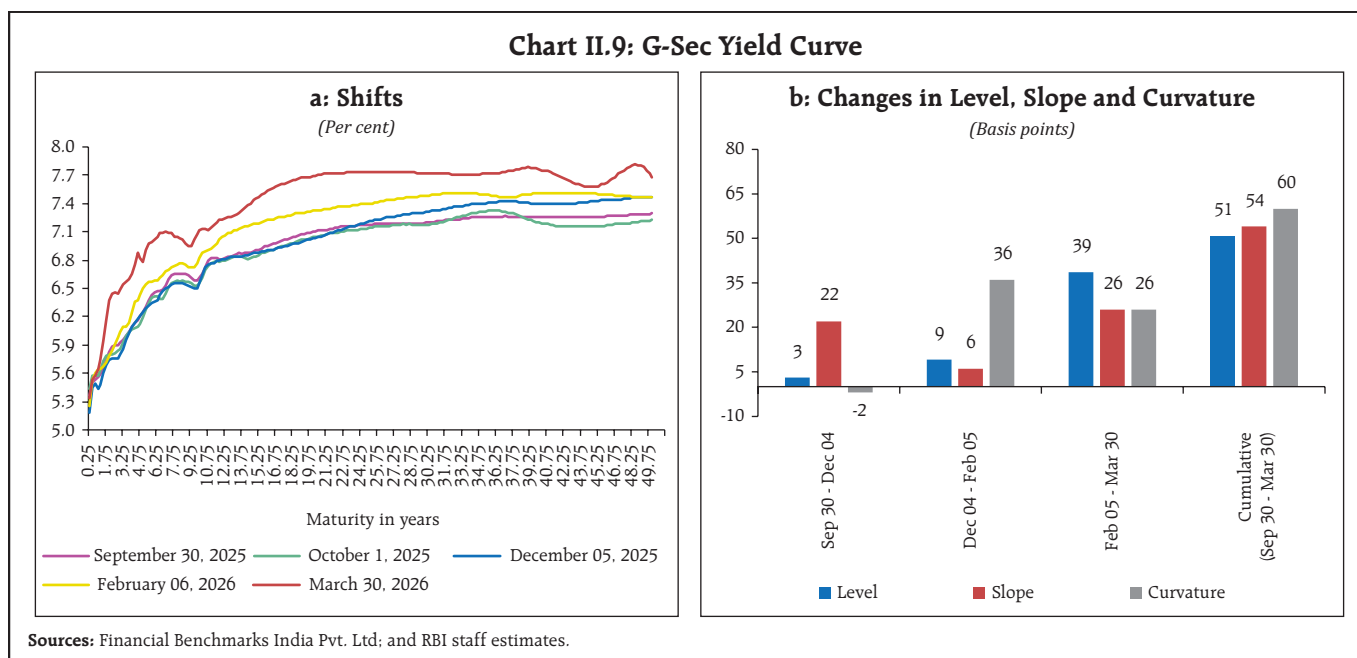
Sources: Clearing Corporation of India Limited; and RBI staff estimates.

The overall dynamics of the yield curve are captured by its latent factors, viz., level, slope and curvature⁶. Yields have generally hardened across the term structure (Chart II.9a). This was partly attributed to (i) increased market borrowings, (ii) higher issuance of longer-tenor state government securities (SGSs), and (iii) moderation in demand for long-tenor government securities by institutional investors.

The average level of yields increased by 51 bps, while the slope of the yield curve steepened by 54 bps, reflecting the hardening bias at the longer end (Chart II.9b). The curvature, on the other hand, also increased by 60 bps. In the Indian context, the level and curvature of the yield curve are found to have more information content on future macroeconomic outcomes than the slope owing to market segmentation and preferred habitat of investors, unlike in AEs (Patra *et al*, 2022).⁷

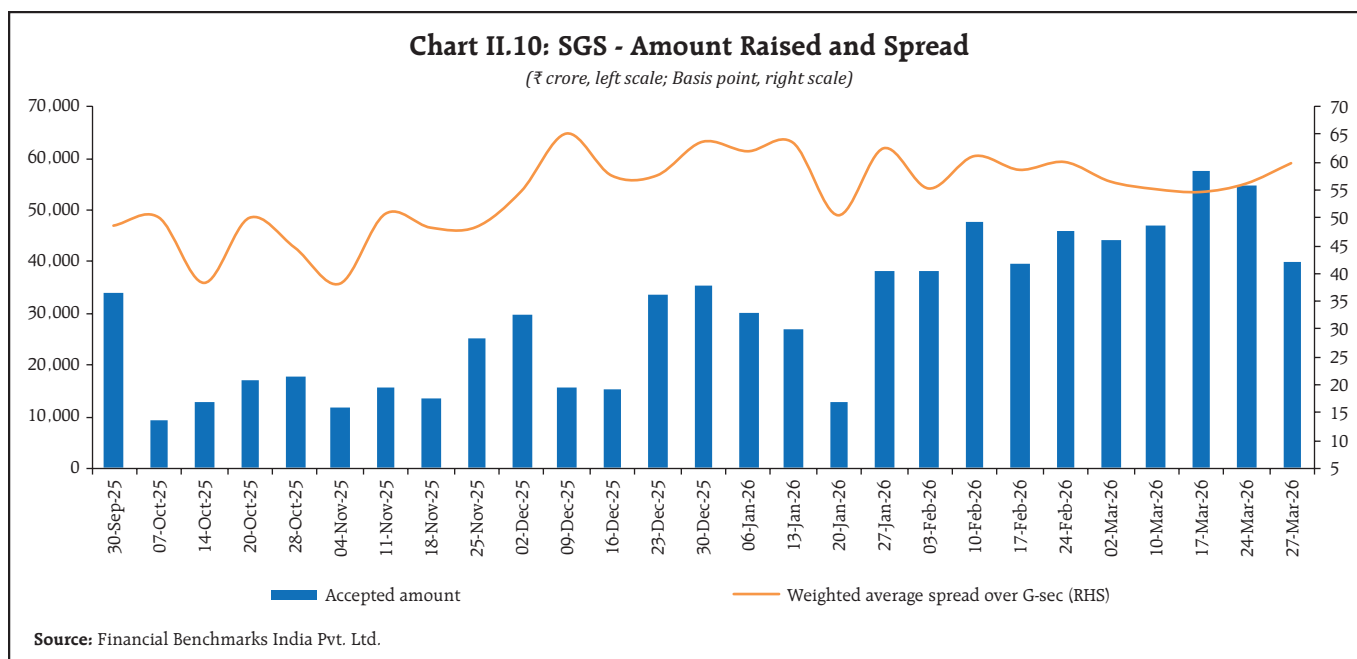
As part of active debt consolidation, the Reserve Bank conducted seven switch auctions of G-secs amounting to ₹1,45,377 crore during H2:2025-26, on behalf of the Government of India. Based on an assessment of the evolving demand conditions, the supply of long papers was reduced in H2. As a result, weighted average maturity (WAM) of G-sec issuance in H2 reduced to 17.96 years from 19.65 years in H1. The WAM of the outstanding stock, however, increased from 13.60 years at end-September 2025 to 13.70 years as at end-March 2026, while the weighted average coupon (WAC) declined from 7.20 per cent to 7.17 per cent over the same period.

The weighted average spread of cut-off yields on SGS over G-sec yields of comparable maturities was 57 bps in H2:2025-26 (Chart II.10) as against 38 bps in H1. The average inter-state spread of cut-off yields on SGS of 10-year tenor (fresh issuances) was 12 bps in H2 as against 5 bps in H1.



⁶ The level is the average of par yields of all tenors up to 30-years published by FBIL and the slope (term spread) is the difference in par yields of 3-months and 30-year maturities. The curvature is calculated as twice the 15-year yield minus the sum of 30-year and 3-month yields.

⁷ Patra, M.D., Joice, J., Kushwaha, K.M., and I. Bhattacharyya (2022), "What is the Yield Curve telling us about the Economy?", Reserve Bank of India Bulletin, June.



II.2.3 Corporate Bond Market

Corporate bond yields increased following G-sec yields as well as due to rising risk premia during H2:2025-26 (Chart II.11a). The risk premia widened for higher and lower rated bonds. The average bond market risk premium (the spread of 3-year AAA corporate bond yields over 3-year

G-sec yields) increased from 80 bps to 109 bps for Public Sector Units (PSUs), Financial Institutions (FIs) and banks; from 107 bps to 129 bps for NBFCs and from 105 bps to 112 bps for corporates in H2 (March 2026 over September 2025), amidst mixed corporate earnings in Q3 (Chart II.11b and Table II.6).

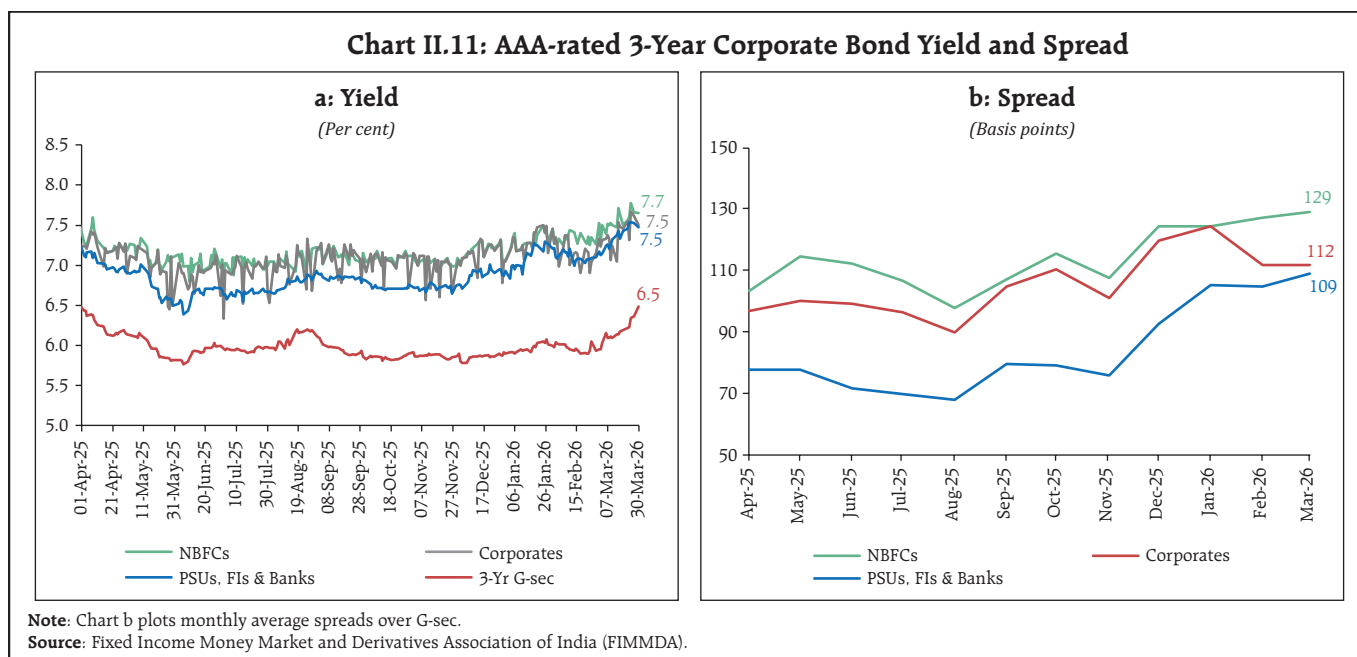


Table II.6: Corporate Bonds - Rates and Spreads

Instrument	Interest Rates (Per cent)			Spreads (bps) (Over corresponding risk-free rate)		
	March 2025	September 2025	March 2026	March 2025	September 2025	March 2026
1	2	3	4	5	6	7
<i>Corporate Bonds</i>						
(i) AAA (1-yr)	7.76	6.69	7.40	115	100	171
(ii) AAA (3-yr)	7.62	7.10	7.36	98	105	112
(iii) AAA (5-yr)	7.60	7.20	7.52	89	86	92
(iv) AA (3-yr)	8.43	8.20	8.22	178	215	198
(v) BBB-minus (3-yr)	12.09	11.88	11.92	544	583	567

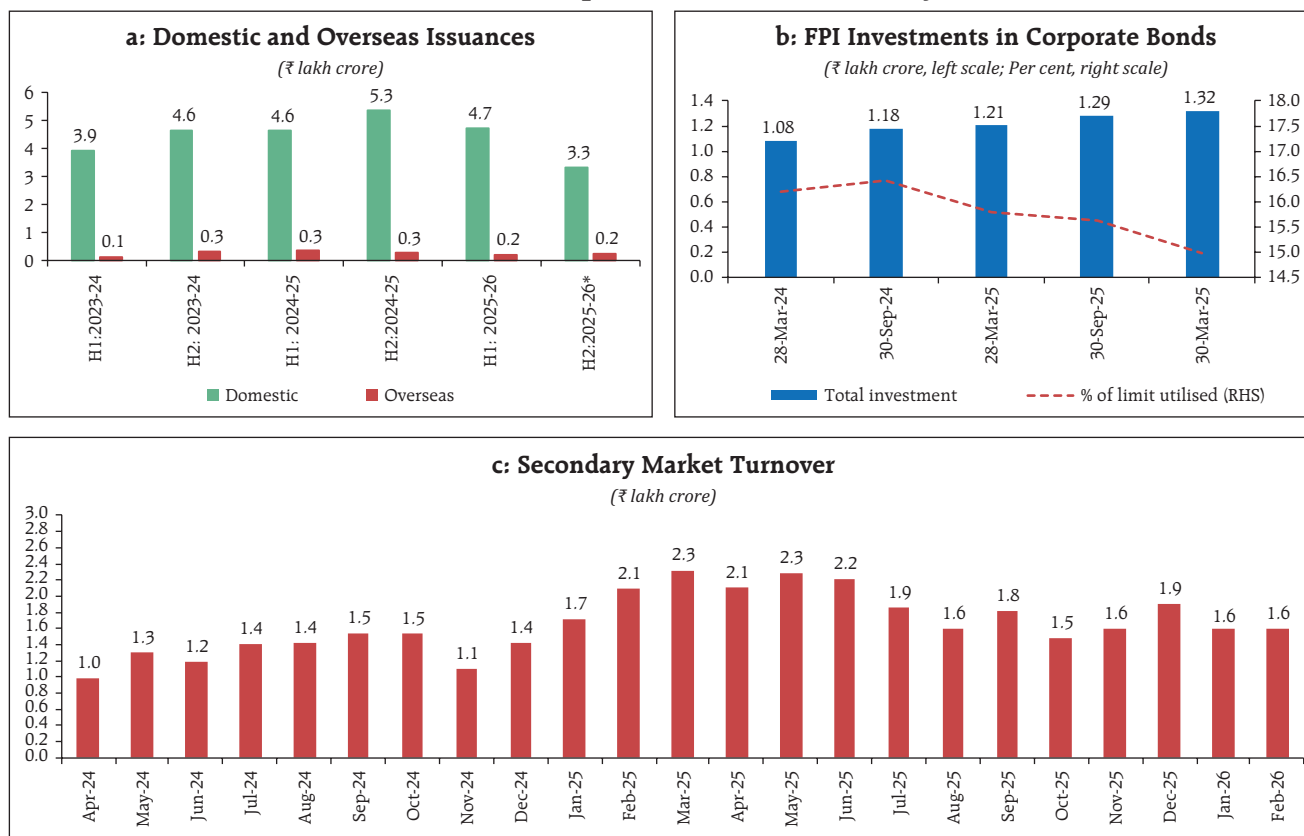
Note: Yields and spreads are computed as monthly averages.

Sources: Fixed Income Money Market and Derivatives Association of India (FIMMDA); and RBI staff estimates.

Primary issuances of listed corporate bonds in domestic markets declined markedly to ₹3.3 lakh crore during H2:2025-26 (up to February 2026) from ₹4.2 lakh crore during the corresponding period of the previous year due to rising cost (Chart II.12a).

Overseas issuances increased to ₹24,568 crore during H2 (up to February) from ₹22,953 crore during the same period last year. Most of the resource mobilisation in the corporate bond market (98.7 per cent) was through the private placement

Chart II.12: Corporate Bond Market Activity



*: Data are up to February 2026.

Sources: Securities and Exchange Board of India (SEBI); National Securities Depository Limited (NSDL); and Prime Database.

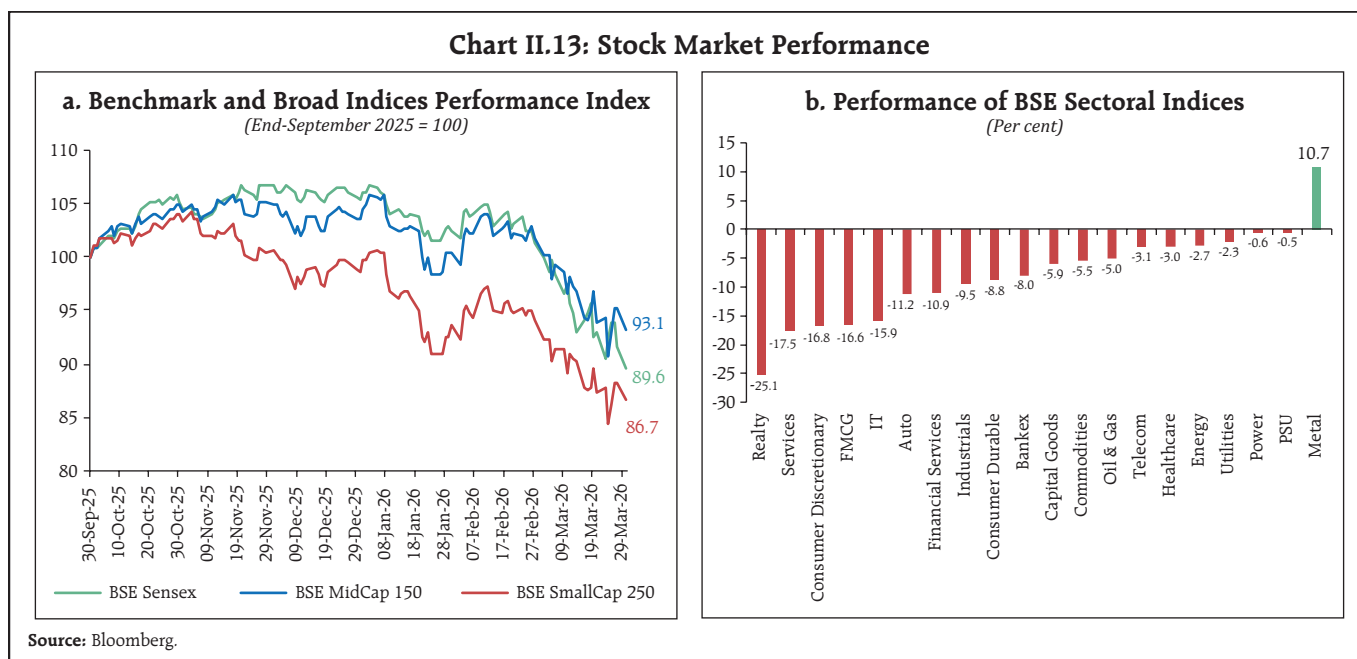
route. Outstanding investments by foreign portfolio investors (FPIs) in corporate bonds stood at ₹1.3 lakh crore as on March 30, 2026, with moderation in utilisation of investment limits to 15.0 per cent (Chart II.12b). Trading volume in secondary market surged to ₹8.2 lakh crore during H2 (up to February 2026) from ₹7.9 lakh crore during the corresponding period of the previous year (Chart II.12c).

II.2.4 Equity Market

During H2:2025-26, Indian equity markets witnessed bi-directional movements. Markets gained in October-November amidst strong corporate earnings results for Q2 and policy rate cut by the US Federal Reserve. It remained range-bound in December as caution surrounding India-US trade negotiations outweighed positive global cues from policy rate cut by the US Federal Reserve and renewed optimism on AI related developments. After declining in January on fresh tariff warnings by the US and mixed corporate earnings for Q3, markets rebounded with the announcement of landmark trade deals between India and its major trading partners – the

European Union and the US. Conflict in West Asia, however, led to a sharp decline in markets since end-February, which completely erased the earlier gains.

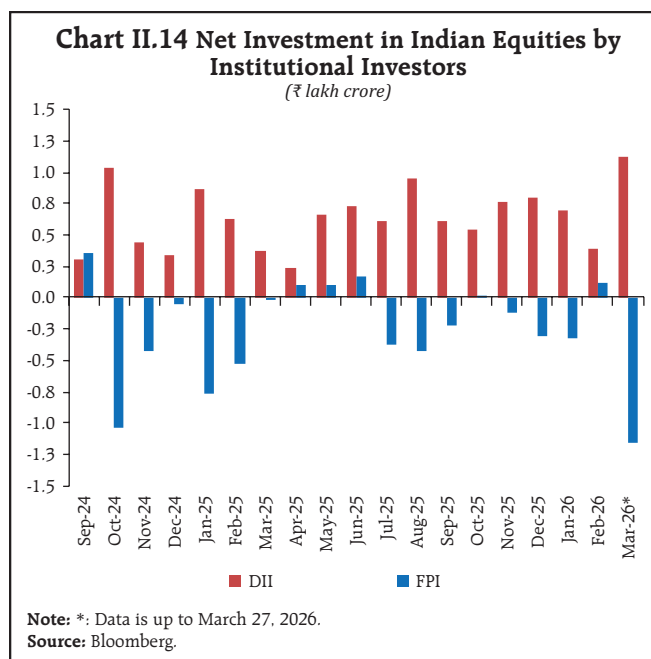
Overall, broader market indices underperformed the benchmark during H2:2025-26 leading to market normalisation (Chart II.13a). Reflecting this overall performance, the price-to-earnings (PE) ratios for the broader market indices fell sharper than the benchmark in H2. The PE ratio for the benchmark BSE Sensex declined to 19.8 at end-March 2026 from 22.2 at end-September 2025. In contrast, the PE ratio for the BSE 250 SmallCap index fell sharply to 26.3 at end-March 2026 from 34.0 at end-September 2025. The PE ratio for the BSE 150 MidCap index declined to 31.1 from 34.2 during this period. The India Volatility Index, a measure of short-term expected volatility of Nifty 50, increased to 27.9 at end-March 2026 from 11.1 at end-September 2025 amidst global tariff uncertainty and persisting geopolitical tensions. While all other sectors declined, metal stocks witnessed a rally led by a rise in the global prices of precious metals (Chart II.13b).



FPIs remained net sellers in the domestic equity market in H2:2025-26. Domestic institutional investors (DIIs), especially mutual funds, acted as a counterbalancing force with net buying and provided resilience to markets (Chart II.14). Resource mobilisation in primary equity markets rose to ₹2.3 lakh crore during H2 (up to February 2026), from ₹2.0 lakh crore in H1 (Chart II.15a). Average flows through systematic investment plans (SIPs) have witnessed a sustained increase in recent years supported by policy initiatives such as the 'Chhoti SIP' (Chart II.15b).

II.2.5 Foreign Exchange Market

The foreign exchange market remained volatile during H2:2025-26, driven by shifting US policies, tariff-related uncertainty, and sharp escalation in geopolitical tensions. The US dollar index witnessed a sustained decline till January, slipping to a multi-year low, weighed down by growing US growth and fiscal sustainability concerns, and uncertainty about the duration of the US Federal Reserve's rate-cutting cycle. With the onset of West Asia conflict at end-



February, the US dollar rose sharply, reflecting the rise in safe haven demand. Emerging market (EM) currencies broadly strengthened on weakening US dollar and improved global risk appetite until January 2026, but fell thereafter amidst rising global risk-off sentiments. The Indian rupee (INR) exhibited two-way movements with a depreciating bias on the

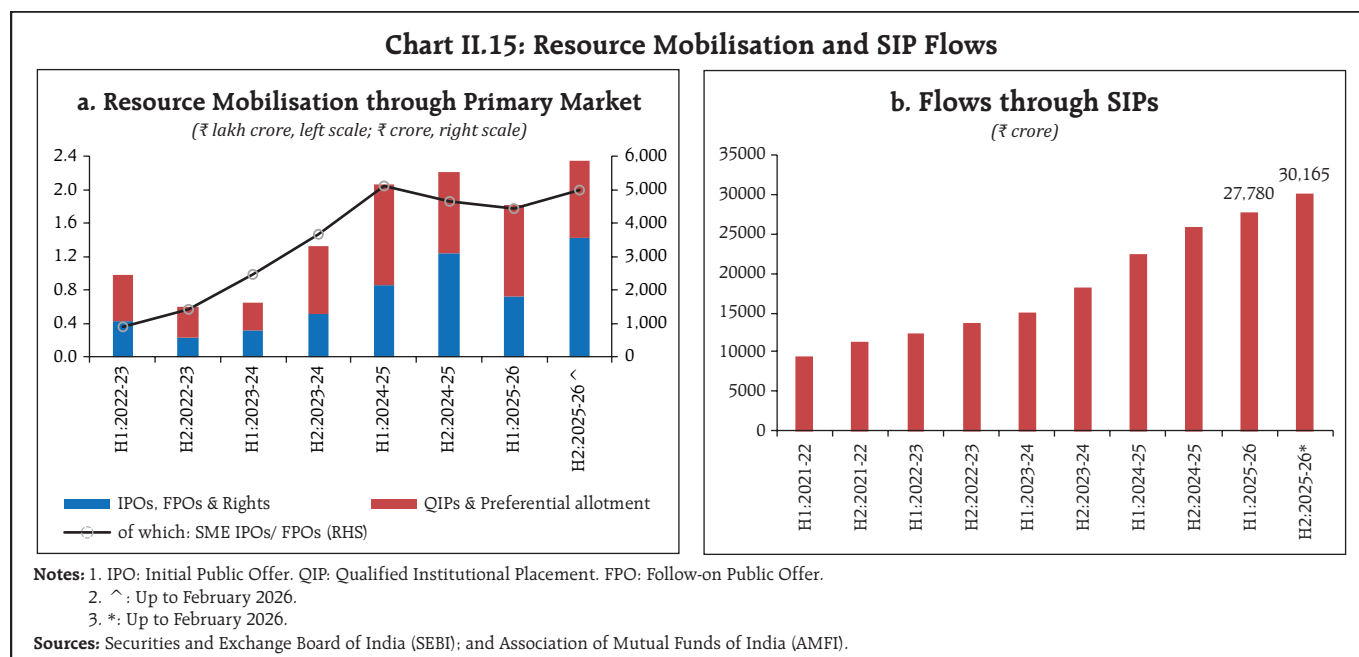
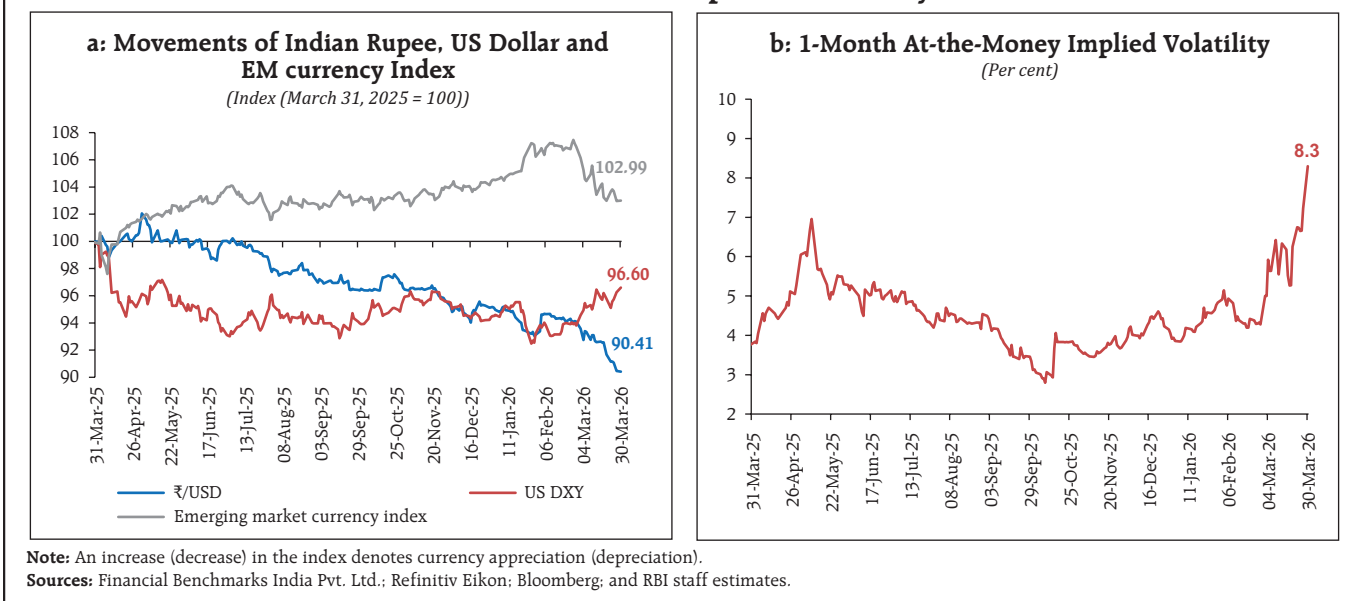


Chart II.16: Indian Rupee and Volatility



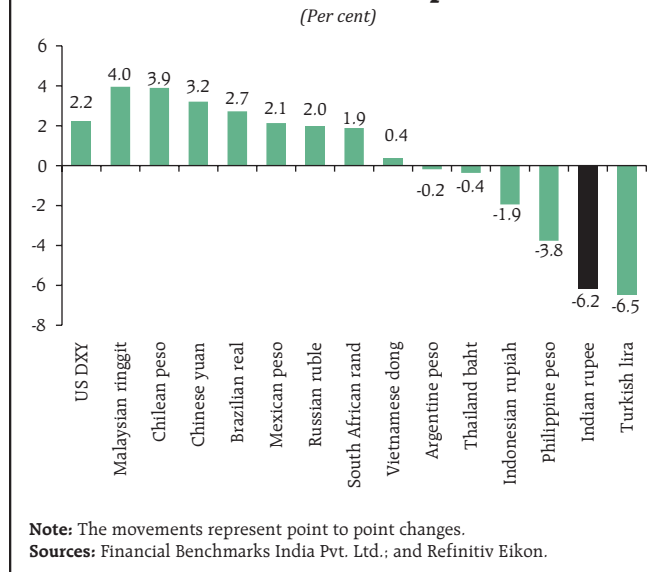
back of persistent FPI outflows, elevated corporate dollar demand and rise in global risk-off sentiments in H2. The INR appreciated from early February 2026 on the announcement of interim India-US trade deal agreement, but depreciated in March as the conflict in West Asia intensified (Chart II.16a). While implied option volatility, on average, moderated in H2 *vis-à-vis* H1, it remained high in the face of ongoing risk-off sentiments and rising geopolitical tensions in West Asia (Chart II.16b). In order to ensure orderly conditions in the foreign exchange market, the Reserve Bank introduced a prudential measure on March 27, 2026 that limited the net open position in INR (NOP-INR) of authorised dealers in the onshore deliverable market to within US\$ 100 million at the end of each business day. This was aimed at curbing excessive speculative positioning and mitigating systemic risks.

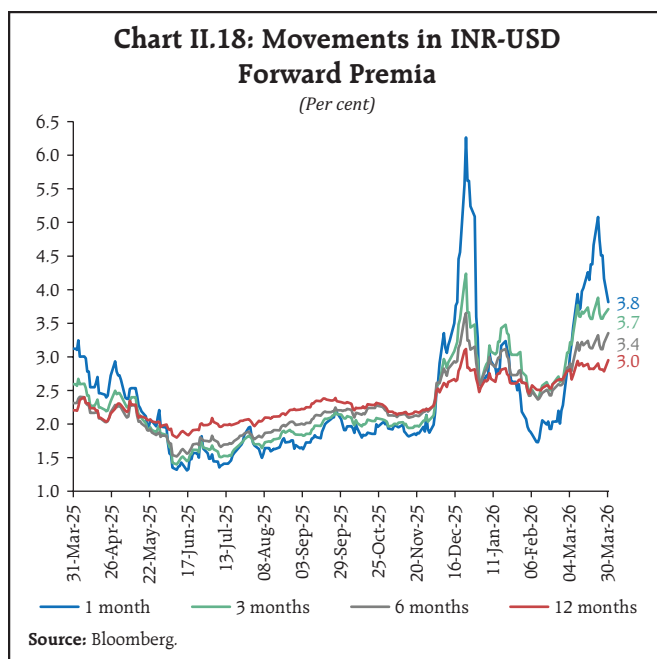
Overall, the INR depreciated by 6.2 per cent against the US dollar in H2 (Chart II.17). However, despite heightened volatility in global market, the INR remained among the least volatile EM currencies

during this period, supported by modest current account deficit and robust foreign exchange reserves.

Forward premia exhibited sharp movements during H2:2025-26, reflecting shifting interest rate differentials and evolving global sentiments (Chart II.18). The spike in short-term premia in December was driven by capital outflows, heightened global policy uncertainty, and elevated hedging demand,

Chart II.17: Movements in Major EM Currencies (end-March 2026 over end-September 2025)





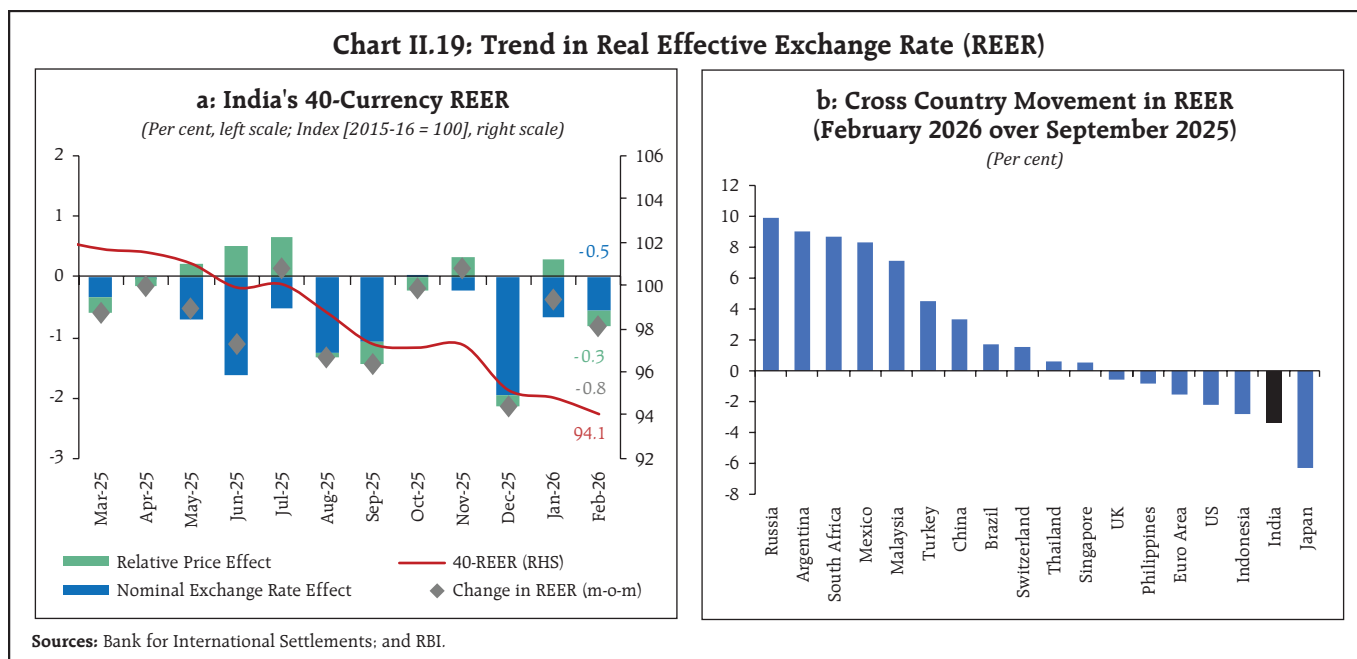
effectively inverting the forward premia term structure. Forward premia eased significantly from December peak as liquidity conditions eased in the wake of liquidity augmenting measures by the Reserve Bank, including USD/INR buy-sell swap

auctions. In March, forward premia shot up, reflecting elevated uncertainty in West Asia. On average, the 1-month forward premia hardened to 2.76 per cent in H2 from 1.95 per cent in H1. The 12-month premia increased to 2.54 per cent from 2.12 per cent during this period.

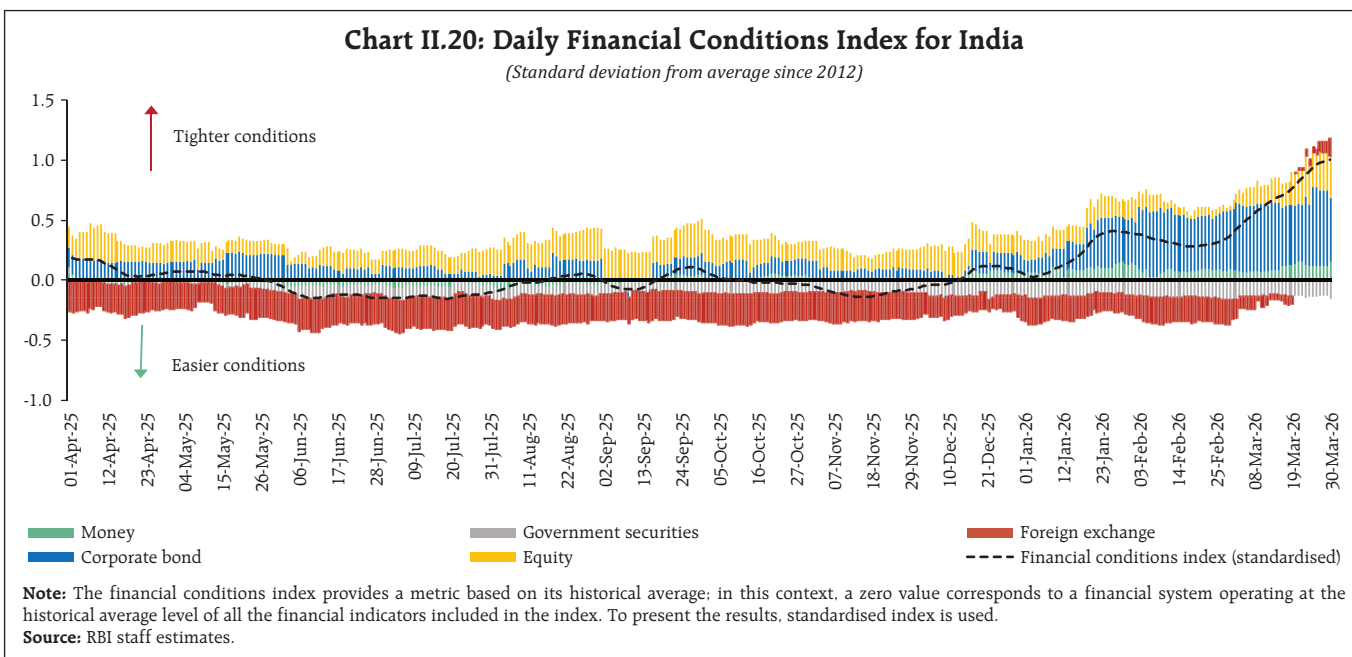
In terms of the 40-currency real effective exchange rate (REER), the INR depreciated by 3.3 per cent between September 2025 and February 2026, driven by depreciation of the INR in nominal effective terms (Chart II.19a). The depreciation of INR's 40-currency REER was broadly in line with some major economies (Chart II.19b).

Financial Conditions

Overall financial conditions⁸ remained benign during Q3. However, with the outbreak of the West Asia crisis at end-February 2026, financial conditions tightened due to broad based hardening across the entire market spectrum (Chart II.20).



⁸ The financial conditions index is based on twenty Indian financial market indicators at daily frequency. The chosen indicators represent five market segments, namely (i) the money market; (ii) the G-sec market; (iii) the corporate bond market; (iv) the forex market; and (v) the equity market. For detailed methodology, refer to Bandyopadhyay, P., Kumar, A., Kumar, P. and Bhattacharyya, I. (2025). 'Financial Condition Index for India: A High-frequency Approach'; Reserve Bank of India Bulletin, June. https://rbi.org.in/Scripts/BS_ViewBulletin.aspx?ld=23451



II.2.6 Bank and Non-Bank Credit

Bank Credit: Aggregate Trends

Bank credit recorded a robust growth during H2; 2025-26, owing to monetary policy easing and strong economic activity. Growth in bank credit of scheduled commercial banks accelerated to 13.8 per cent (y-o-y) as on March 15, 2026 from 11.0 per cent a year ago. Across bank groups, credit growth

of foreign banks remained the highest at 14.7 per cent (y-o-y), followed by public sector banks and private banks (Chart II.21a). As on March 15, 2026, public sector banks accounted for the largest share of incremental credit (y-o-y). However, credit growth has accelerated for private banks in recent months leading to improvement in their share in incremental credit (Chart II.21b).

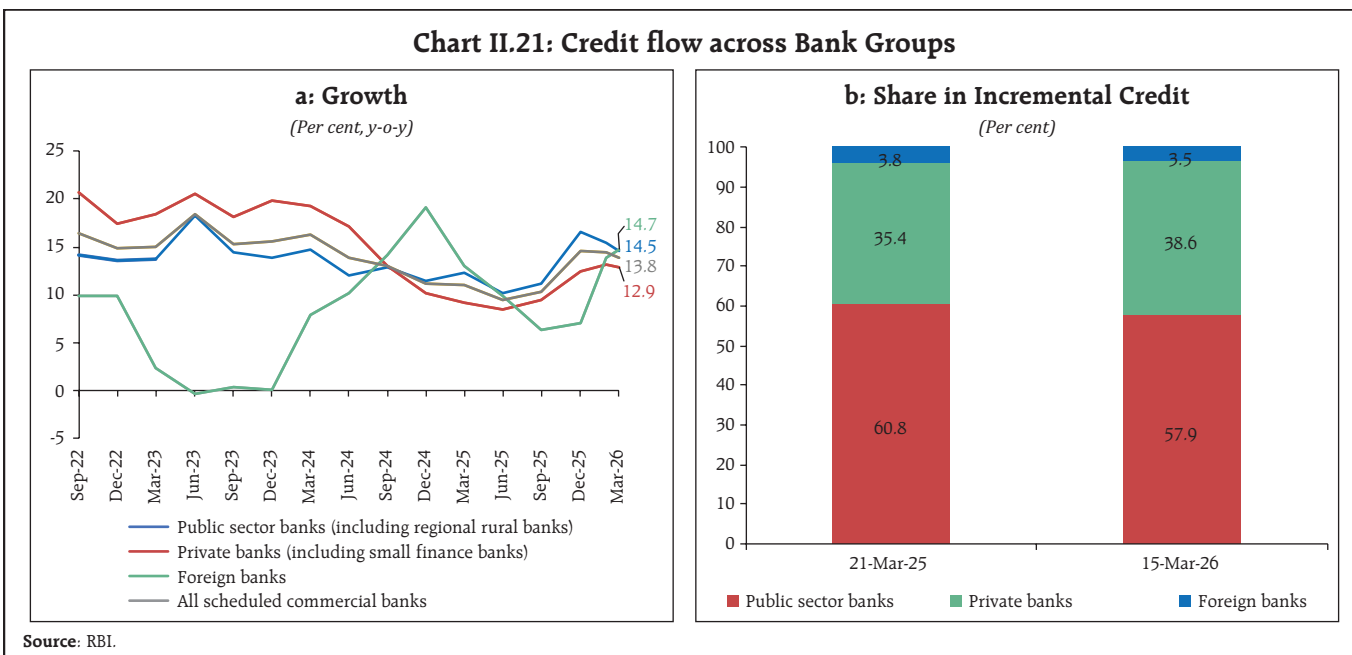
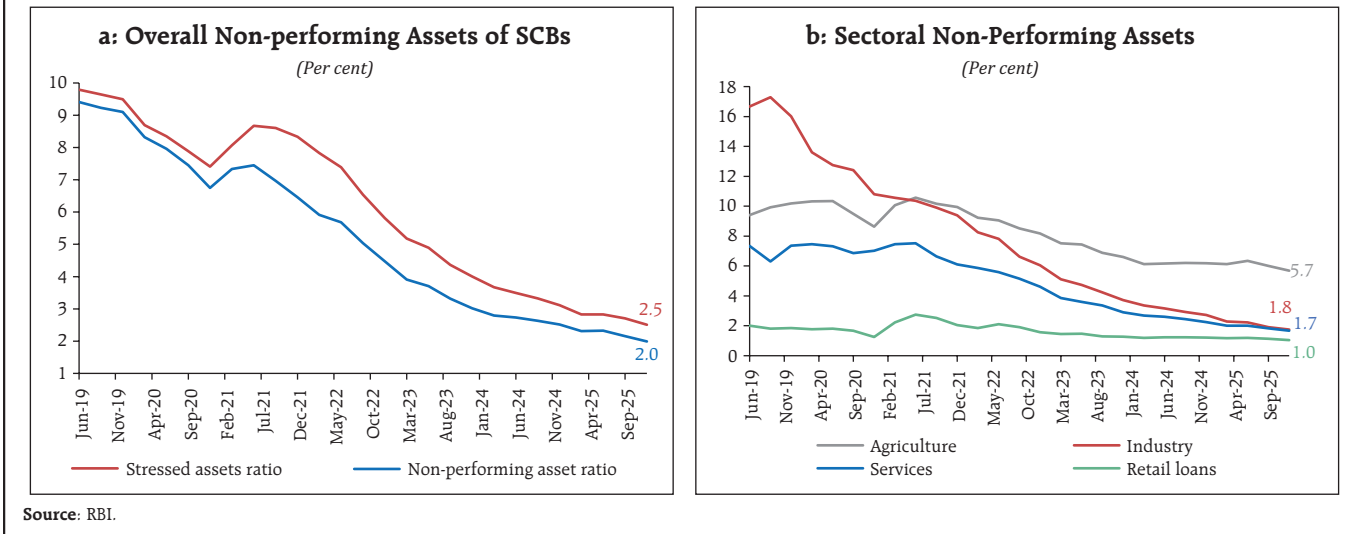


Chart II.22: Stressed Assets and Non-Performing Assets of SCBs



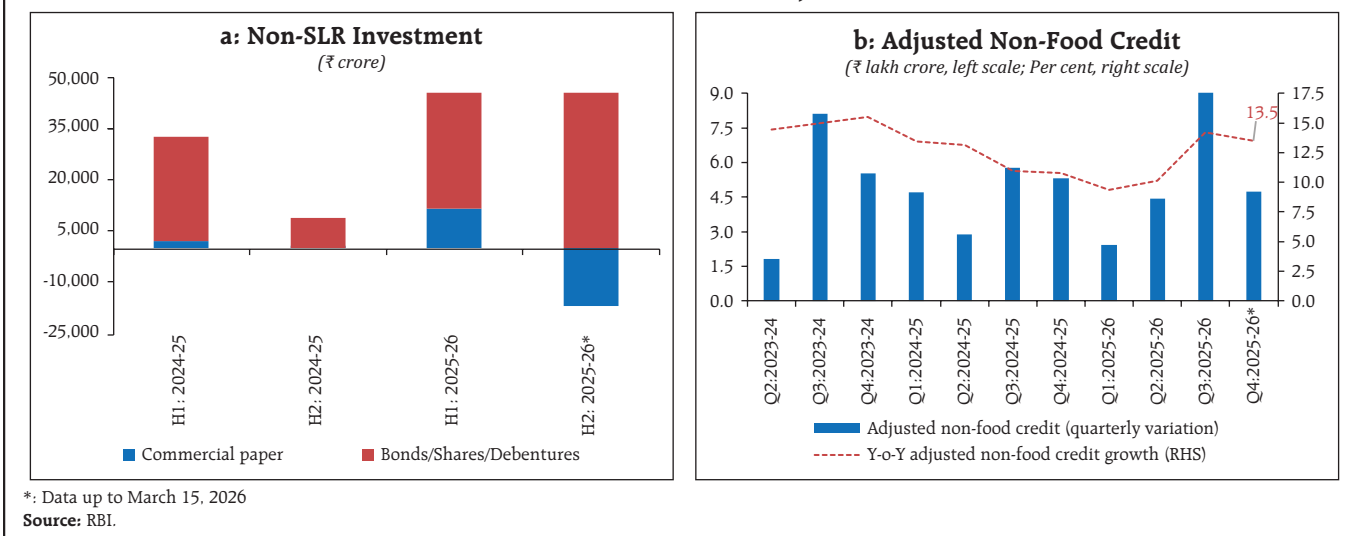
The asset quality of SCBs improved further during 2025-26 (up to December 2025), with the overall gross non-performing assets (NPA) ratio declining to 2.0 per cent in December 2025 from 2.5 per cent a year ago (Chart II.22a). Asset quality improved across all major sectors (Chart II.22b).

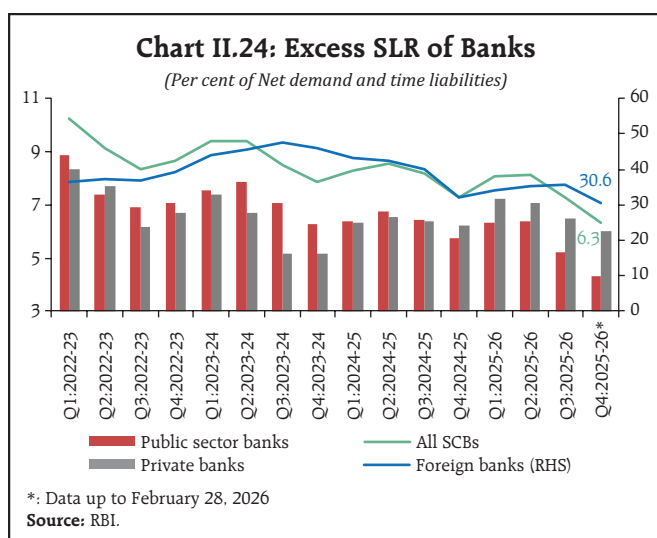
Banks' non statutory liquidity ratio (non-SLR) investments (comprising CPs, bonds, debentures and shares of public and private corporates) grew moderately by 2.7 per cent in H2:2025-26 (up to March 15) due to decline in commercial paper

holdings (Chart II.23a). Growth in adjusted non-food credit (non-food bank credit plus banks' non-SLR investments) increased to 13.5 per cent (y-o-y) in Q4:2025-26 (up to March 15) from 10.8 per cent in Q4:2024-25 (Chart II.23b).

As on February 28, 2026, excess holdings of SLR securities by SCBs moderated to 6.3 per cent of their NDTL from 7.3 per cent at end-March 2025 as banks brought down their investment portfolio to fund credit demand (Chart II.24).

Chart II.23: Non-SLR Investment and Adjusted Non-food Credit





Bank Credit: A Sectoral Perspective

Sectoral trends⁹ indicate strengthening of credit growth across major segments. Industrial credit growth remained above its long-term average, thereby supporting overall credit expansion. Although personal loans growth remained below its long-term average, it has accelerated recently (Table II.7 and Chart II.25a). Personal loans and services sector continued to drive the overall credit growth (Charts II.25a and II.25b).

Within the industrial sector, credit to MSMEs¹⁰ segment remained buoyant, recording a marked

Table II.7: Credit Growth

(Y-o-y, per cent)

Sectors/Sub-sectors	Average*	Post-COVID**	Nov-23	Mar-24	Sep-24	Dec-24	Feb-25	Mar-25	Jun-25	Sep-25	Dec-25	Jan-26	Feb-26
Bank Credit	11.1	14.8	20.7	20.2	13.0	11.2	11.1	11.0	9.5	10.4	14.5	14.6	14.5
Sectoral Deployment of Bank Credit													
Agriculture (13.0)	11.4	14.2	18.1	20.0	16.4	12.5	11.4	10.4	6.8	9.0	12.1	11.4	12.3
Industry (22.7)	4.6	8.6	6.9	9.4	10.0	7.5	7.5	8.2	6.3	7.8	12.8	12.1	13.5
Micro and Small (5.3)	9.8	17.7	17.9	15.8	14.5	9.8	9.6	8.9	19.2	22.0	30.4	31.2	30.4
Medium (2.2)	14.4	19.3	12.9	14.2	21.4	19.8	18.0	18.5	13.2	14.5	20.4	22.3	21.0
MSMEs (7.5)	10.9	18.1	16.4	15.3	16.5	12.8	12.1	11.8	17.4	19.7	27.3	28.5	27.5
Large (15.2)	2.8	5.3	3.7	7.2	7.5	5.5	5.6	6.9	2.0	3.0	6.9	5.5	7.8
Infrastructure (7.4)	4.0	5.2	4.1	8.5	4.4	1.6	1.7	2.8	0.8	5.0	7.2	6.4	7.9
Services (29.6)	14.1	17.2	24.5	22.3	12.4	11.5	11.7	12.0	8.8	9.8	15.4	15.5	16.3
Services excluding NBFCs (19.7)	12.6	17.6	27.5	27.3	14.0	14.1	13.5	14.4	11.7	12.7	15.6	14.4	14.0
NBFCs (9.9)	19.6	16.6	19.2	13.4	9.4	6.5	8.1	7.4	3.1	3.9	15.1	17.8	20.9
Personal Loans (34.7)	17.7	19.1	30.4	27.8	13.8	12.0	11.7	11.7	11.7	11.8	14.6	14.9	15.2
Personal Loans with unchanged Risk Weight (23.6)	17.3	19.2	32.2	31.5	13.9	12.9	13.5	13.5	13.9	14.1	17.1	17.5	17.6
Housing (Including Priority Sector Housing) (16.9)	16.7	18.8	36.7	36.5	12.6	11.1	11.1	10.7	9.6	10.1	11.1	11.1	11.0
Vehicle Loans (3.7)	18.0	15.2	20.6	17.6	13.9	8.8	9.6	8.6	9.2	7.3	16.7	17.1	17.1
Education (0.8)	8.5	16.2	23.0	23.7	17.6	15.8	15.3	15.1	14.4	14.0	14.8	14.0	13.7
Personal Loans with increased Risk Weight (11.1)	18.8	19.0	27.1	21.3	13.5	10.4	8.4	8.3	7.5	7.1	9.8	10.0	10.4
Credit Cards (1.5)	24.2	21.2	34.2	25.6	18.0	15.6	11.2	10.6	7.2	3.7	1.0	1.5	1.7
Other Personal Loans (8.7)	20.3	18.9	27.3	22.8	13.1	8.8	7.6	7.5	7.1	7.4	11.5	11.6	12.1

Notes: 1. Provisional data.

2. *: Simple average of growth from March 2016 to February 2026.

3. **: Simple average of growth from April 2022 to February 2026

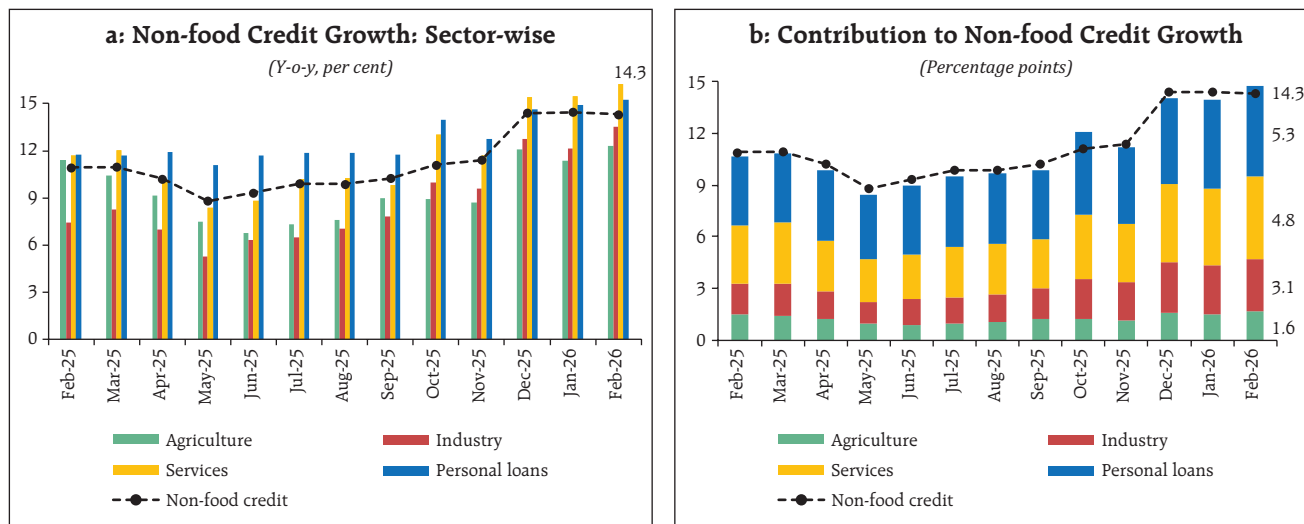
4. Figures in parentheses against each sector and sub-sectors denote share in total non-food credit as per the latest data.

Source: RBI.

⁹ Non-food credit growth is based on fortnightly Section-42 return, which covers all scheduled commercial banks (SCBs) while sectoral non-food credit data are based on sector-wise and industry-wise bank credit (SIBC) return, covering select banks accounting for about 95 per cent of the total outstanding non-food credit. With effect from December 31, 2025, definition of reporting fortnight has been changed to the fifteenth and last day of the month under the Banking Laws (Amendment) Act 2025. Accordingly, the y-o-y growth rates from December 2025 onwards are based on end-of-month data for the current year and data for the last reporting fortnight (as per old definition) for the corresponding month of the previous year.

¹⁰ Pertains to credit to micro, small and medium segments within industry.

Chart II.25: Sectoral Deployment of Bank Credit



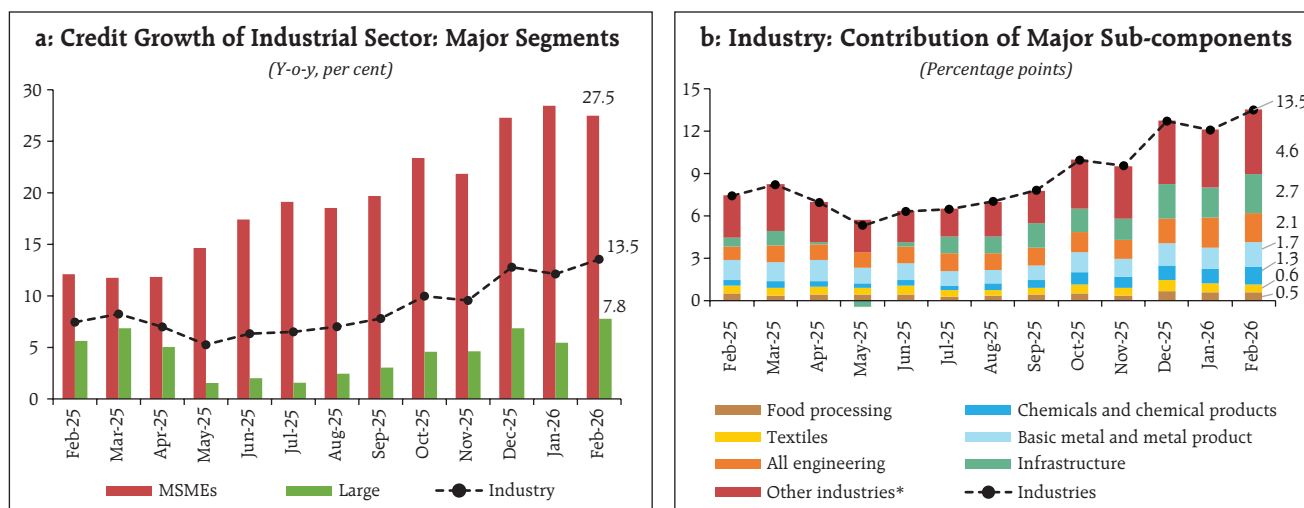
Note: Non-food bank credit data are based on fortnightly Section-42 return and sectoral non-food credit data are based on SIBC return.
Source: RBI.

acceleration and contributing significantly to overall credit growth in H2:2025-26 so far¹¹ (Chart II.26a). The flow of credit to MSMEs was supported by regulatory measures such as the enhanced limit under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme, introduction of customised credit card scheme for micro enterprises,

expansion of digital and fintech lending through the co-lending framework with banks, and the updated definition of MSMEs, among others.

Among the major industrial sub-sectors, credit growth of infrastructure sector strengthened in recent months, making a significant contribution to overall industrial credit expansion. Additionally, credit

Chart II.26: Credit Growth of Industrial Sector



*: Other industries include percentage point contribution to sectors except 'food processing', 'textiles', 'chemicals and chemical products', 'basic metal and metal product', 'all engineering' and 'infrastructure'.
Source: RBI.

¹¹ H2: 2025-26 data up to February 2026.

Table II.8: Credit Growth in Major Sub-sectors of Industry

(Y-o-y, per cent)

Sector	Feb-25	Mar-25	Jun-25	Sep-25	Dec-25	Jan-26	Feb-26
Infrastructure	1.7	2.8	0.8	5.0	7.2	6.4	7.9
Basic Metal and Metal Product	13.1	12.8	11.0	9.1	14.2	13.8	15.2
Textiles	7.1	8.3	8.6	7.1	11.8	10.0	8.2
Chemicals and Chemical Products	6.8	7.4	6.3	8.3	14.8	15.1	19.1
All Engineering	18.9	22.0	22.1	22.4	30.4	35.9	36.0
Food Processing	9.3	5.1	8.1	7.7	11.7	9.6	10.2

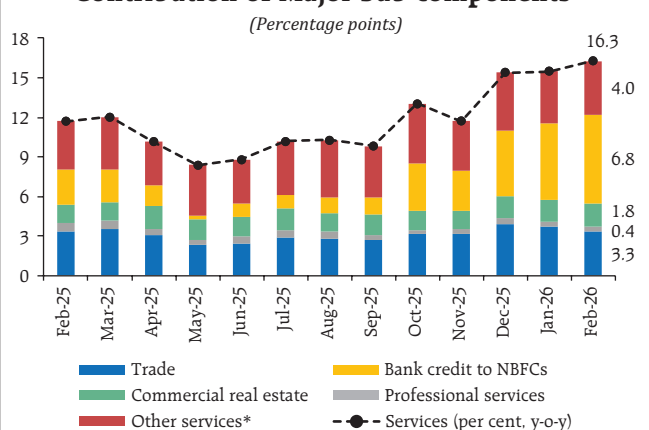
Note: Within a row, darker shade of green pertains to acceleration in credit growth, while red indicates deceleration in credit growth.

Source: RBI.

growth in 'basic metal and metal product', 'chemicals and chemical products' and 'all engineering' showed sustained improvement (Chart II.26b and Table II.8).

Within the services sector, 'non-banking financial companies' (NBFCs) remained the largest recipient of bank credit, with lending to them improving following the withdrawal of the additional risk weights effective April 1, 2025 (Chart II.27). Credit to services excluding NBFCs also expanded at a steady pace. Segments such as trade and commercial real estate recorded robust growth (Chart II.27 and Table II.9).

Chart II.27: Credit Growth of Services Sector: Contribution of Major Sub-components



*: Services excluding 'trade', 'professional services', 'commercial real estate' and 'bank credit to NBFCs' are categorised into Other services.

Source: RBI.

Table II.9: Impact of Change in Risk Weights on Credit Growth

(Y-o-y, per cent)

Sector	Feb-25	Mar-25	Jun-25	Sep-25	Dec-25	Jan-26	Feb-26
Total personal loans (with change in risk weights)	8.4	8.3	7.5	7.1	9.8	10.0	10.4
NBFCs (with change in risk weight)*	8.1	7.4	3.1	3.9	15.1	17.8	20.9
Total personal loans (no change in risk weight)	13.5	13.5	13.9	14.1	17.1	17.5	17.6
Services excluding NBFCs (no change in risk weight)	13.5	14.4	11.7	12.7	15.6	14.4	14.0

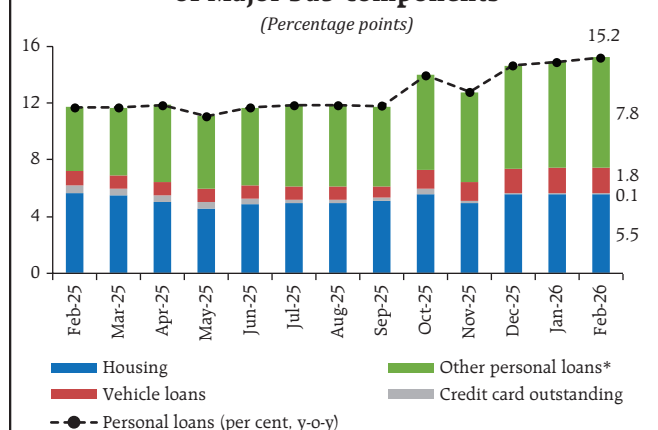
Notes: 1. *Risk weights were restored for NBFCs in April 2025.

2. Within a row, darker shade of green pertains to acceleration in credit growth, while red indicates deceleration in credit growth.

Source: RBI.

Credit growth in the personal loans segment was driven primarily by housing loans, vehicle loans and loans against gold jewellery during H2:2025-26 (Chart II.28). Both segments of personal loans, *i.e.*, with and without change in risk weights recorded robust growth (Table II.9). The impact of increase in risk weights has gradually moderated across major sectors and subsectors. Sustained economic growth led to increased demand for bank credit.

Chart II.28: Personal Loans: Contribution of Major Sub-components



*: Personal loans except 'housing', 'credit card outstanding' and 'vehicle loans' are categorised into Other personal loans.

Source: RBI.

NBFCs Credit¹²

Credit extended by NBFCs has also strengthened since September 2025, recording sustained double-digit growth. Retail lending continued to drive overall expansion, led by housing and vehicle loans. Industrial credit exhibited steady growth, with higher lending to infrastructure, especially power sector, underscoring the important role of NBFCs in providing formal credit to *niche* sectors in the economy. NBFCs credit to the services sector also expanded at a healthy pace during H2:2025–26 (up to February) (Chart II.29 and Table II.10).

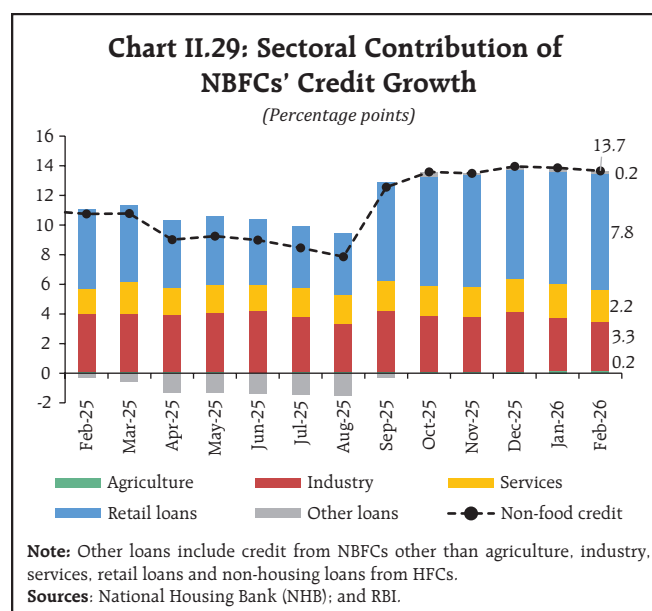


Table II.10: Sector-wise Growth in Credit by NBFCs (including HFCs)

(Y-o-y, per cent)

Sector	Average*	Feb-25	Mar-25	Jun-25	Sep-25	Dec-25	Jan-26	Feb-26
NBFCs Credit	8.7	10.6	10.6	8.8	12.4	14.0	13.9	13.7
Agriculture and Allied Activities (1.3)	13.9	9.0	6.0	5.1	5.2	9.4	10.4	12.6
Industry (38.6)	10.9	9.5	9.7	10.3	10.2	9.8	8.9	8.1
<i>of which</i>								
Infrastructure (35.4)	10.1	8.7	9.2	9.1	9.4	8.9	8.0	7.1
<i>of which</i>								
Power (24.9)	12.5	12.3	12.2	13.3	11.5	10.1	9.2	7.8
Road (0.9)	18.3	31.4	27.7	6.7	7.6	7.6	7.7	5.4
Services (12.2)	18.8	13.8	17.4	14.2	15.8	19.6	19.4	18.8
<i>of which</i>								
Transport Operators (3.0)	14.7	12.8	12.5	10.9	9.3	9.0	8.6	9.8
Trade (2.0)	25.9	26.9	25.1	18.3	13.3	16.2	15.7	22.3
Retail Loans (42.6)	8.7	13.6	13.1	11.0	16.6	18.1	18.7	19.2
<i>of which</i>								
Housing Loans (14.4)**	-5.7	4.2	4.7	0.4	9.3	10.7	10.2	10.0
Vehicle Loans (10.6)	18.3	17.9	16.8	14.8	14.9	14.3	14.3	14.1
Loans against gold jewellery (5.3)	27.2	29.0	32.2	40.6	50.7	61.2	68.1	71.9
Consumer Durables (1.0)	26.1	25.2	24.0	18.8	22.2	23.3	26.4	28.8
Other Loans (5.3)***	-10.6	-4.8	-8.0	-19.5	-4.6	4.2	4.4	3.5

Notes: 1. Provisional data.

2. *: Simple average of growth from January 2023 to February 2026.

3. **: Housing loans data also include credit from Housing Finance Companies (HFCs).

4. ***: Other loans include credit from NBFCs other than agriculture, industry, services, retail loans, and non-housing loans from HFCs.

5. Data include the impact of change of nature of business of some NBFCs.

6. Figures in parenthesis represent share within total NBFCs credit.

Sources: National Housing Bank (NHB); and RBI.

¹² Data on sectoral deployment of outstanding credit from select NBFCs including HFCs pertain to the last day of every month. As a pilot work, the collection of monthly sectoral credit information from select NBFCs has been initiated. These NBFCs including HFCs represent about 87 per cent of total credit extended by all NBFCs in the Upper and Middle Layers with respect to data published in 'Report on Trend and Progress of Banking in India 2024-25'.

II.3 Transmission to Lending and Deposit Rates

Transmission of the policy rate during the current easing cycle (from February 2025) continued in H2:2025-26 with softening of both lending and deposit rates. The policy rate cut of 25 bps in December 2025 led to a cumulative rate reduction of 125 basis points (bps). The median 1-year marginal cost of funds-based lending rate (MCLR) of scheduled commercial banks (SCBs) declined by 20 bps in H2. The weighted average lending rate (WALR) on fresh rupee loans increased by 5 bps during H2 (up to February 2026), mainly reflecting compositional shift in volume towards sectors attracting relatively higher interest rates, while it declined by 26 bps for outstanding loans. On the deposit side, the weighted average domestic term deposit rate (WADTDR) on outstanding deposits declined by 20 bps in H2:2025-26 (up to February 2026), while it firmed up by 4 bps for fresh deposits (Table II.11).

The combination of sustained credit demand and persistent gap between credit and deposit growth led banks to increase their term deposit rates, especially bulk deposit rates, to bridge the funding gap in recent months.

In the current easing cycle (up to February 2026), the WALR for outstanding loans declined by 87 bps. For fresh rupee loans, the WALR declined by 89 bps. The interest rate effect, relatively a better measure of pricing, declined by 92 bps, reflecting robust pass-through to fresh lending rates. A lower moderation in WALR *vis-à-vis* the interest rate effect suggests a shift in composition-mix towards higher interest rate loans across banks and across sectors (Box II.2).

The share of the external benchmark-based lending rate (EBLR) linked loans in total outstanding floating rate loans of SCBs increased from 62.9 per cent as at end-June 2025 to 65.4 per cent as at end-December 2025. Consequently, the share of

Table II.11: Transmission to Banks' Deposit and Lending Rates

(Basis points)

Period	Repo Rate	Term Deposit Rates			Lending Rates				
		WADTDR Fresh Deposits		WADTDR Outstanding Deposits	EBLR	1-Yr. MCLR (Median)	WALR Fresh Rupee Loans		WALR Outstanding Rupee Loans
		Retail Deposits	Retail and Bulk Deposits	Retail and Bulk Deposits			Overall Effect	Interest Rate Effect [#]	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Tightening Cycle May 2022 to Jan 2025	+250	190	259	206	250	175	182	191	115
Easing Cycle Feb 2025 to Mar 2026*	-125	-77	-97	-47	-125	-60	-89	-92	-87
Memo									
H2: 2025-26*	-25	-6	4	-20	-25	-20	5	-14	-26
Dec – 2025	-25	-4	8	-5	-25	-5	-43	-12	-15
Jan – 2026	0	-4	-1	-4	0	-5	21	3	-2
Feb – 2026	0	-3	-1	-2	0	5	-5	-1	-4

Notes: 1. *: Data on WALR and WADTDR are up to February 2026. #: At constant weight.

2. Data on EBLR pertain to 32 domestic banks.

WALR: Weighted average lending rate; WADTDR: weighted average domestic term deposit rate; MCLR: Marginal cost of funds-based lending rate; EBLR: External benchmark-based lending rate.

Sources: MPD06 return; and RBI.

**Box II.2: Decomposing Monetary Policy Transmission to Lending Rates:
Price and Composition Effects in WALR**

The weighted average lending rate (WALR), commonly used to assess monetary policy transmission, is reflective of both changes in lending rates and shifts in the composition of credit across banks and sectors. Decomposing WALR into pure pricing effect and changes arising due to credit reallocation enables a more prescient evaluation of policy rate pass-through. Huerga and Steklacova (2008) provide an index number-based framework in which changes in aggregate interest rate can be decomposed into repricing and composition effects. Building on this insight, the analysis deconstructs the WALR using index-number theory.

Let $r_{i,j}^t$ denote the lending rate charged by bank i to sector j in month t and let $w_{i,j}^t$ denote the corresponding loan amount. The associated loan share is defined as:

$$\theta_{i,j}^t = \frac{w_{i,j}^t}{\sum_{i,j} w_{i,j}^t}$$

The WALR at time t is given by:

$$walr_t = \sum_{i,j} \theta_{i,j}^t * r_{i,j}^t$$

Monetary policy transmission, *i.e.*, change in WALR between period 1 and 2 can be written as:

$$\Delta walr = \sum_{i,j} \theta_{i,j}^2 * r_{i,j}^2 - \sum_{i,j} \theta_{i,j}^1 * r_{i,j}^1$$

Adding and subtracting $\sum_{i,j} \theta_{i,j}^1 * r_{i,j}^2$ and re-arranging,

The change can be decomposed as:

$$\Delta walr = \sum_{i,j} \theta_{i,j}^1 * (r_{i,j}^2 - r_{i,j}^1) + \sum_{i,j} r_{i,j}^2 * (\theta_{i,j}^2 - \theta_{i,j}^1)$$

The first term represents the interest rate effect, measuring the contribution of changes in lending rates holding loan shares constant at the base period (period 1). The second term captures the composition effect, reflecting shifts in loan shares or product-mix across banks and sectors. The decomposition is implemented in levels (basis points), allowing direct interpretation of contribution to changes in aggregate

Table 1: Decomposition of Weighted Average Lending Rates (February 2025-February 2026)

Sectors	Share (per cent)		WALR (per cent)			Transmission (bps)		
	Jan-25	Feb-26	Jan-25	Feb-26	Feb-26 (Constant)	Overall	Interest Rate Effect	Weight Effect
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (5)-(4)	(8) = (6)-(4)	(9) = (7)-(8)
Agriculture	10.9	12.9	10.29	9.76	10.06	-53	-23	-30
Large industry	31.0	28.6	8.08	7.04	7.00	-104	-108	4
MSMEs	9.7	12.7	9.94	8.76	8.83	-118	-111	-7
Infrastructure	3.6	3.4	8.55	7.39	7.59	-116	-96	-20
Trade	9.8	8.5	8.38	7.57	7.48	-81	-90	9
Professional Services	2.6	2.1	8.75	8.04	8.05	-71	-70	-1
Credit Cards	0.9	0.7	37.87	37.15	37.63	-72	-24	-48
Education	0.2	0.1	10.76	9.52	9.68	-124	-108	-16
Vehicle	2.3	2.0	10.67	9.60	9.84	-107	-83	-24
Housing	5.6	4.9	8.70	7.61	7.63	-109	-107	-2
Other Personal Loans	9.4	11.3	11.27	10.24	10.38	-103	-89	-14
Rupee Export Credit	2.0	1.5	8.39	7.30	7.25	-109	-114	5
Others	12.0	11.3	8.86	7.87	7.90	-99	-96	-3
Aggregate	100.0	100.0	9.33	8.44	8.41	-89	-92	3

Notes: 1. Weight is the corresponding share of loans out of total loans.

2. Transmission during February 2025-February 2026 is calculated by subtracting the WALR of January 2025 from that of February 2026.

Sources: MPD06 return, RBI; and RBI staff calculations.

(Contd...)

WALR. Accordingly, movements in WALR may not solely reflect pricing behaviour as compositional shifts in credit allocation can amplify or dampen observed transmission. Decomposition-based diagnostics, therefore, improve the assessment of monetary policy transmission and associated lags.

Sectoral WALRs are computed by aggregating bank-level data, which are subsequently used to arrive at the system-wide WALR. The WALR in period 1 (January 2025) was 9.33 per cent, which declined to 8.44 per cent in period 2 (February 2026). This implies that on a weighted average basis, banks have reduced their lending rates by 89 bps against a policy rate reduction of 125 bps. However, when the change in WALR is decomposed into interest rate effect and compositional shift in volume (weight effect), the pure interest rate transmission is (-) 92 bps, which is larger than a decline in overall WALR. Thus, compositional shift in lending

worked in opposite direction, reducing the impact of interest rate effect by 3 bps.

The above results indicate that even though lending rates declined across sectors, a shift in lending towards relatively higher interest rate sectors can partly offset this reduction through weight effect. As a result, the observed change in WALR may appear smaller, suggesting weaker policy transmission. Decomposing the change in WALR into interest rate and weight effects, therefore, provides a more realistic assessment of transmission. In essence, monetary policy transmission depends not only on change in lending rate but also on the change in composition of loan mix across sectors.

Reference:

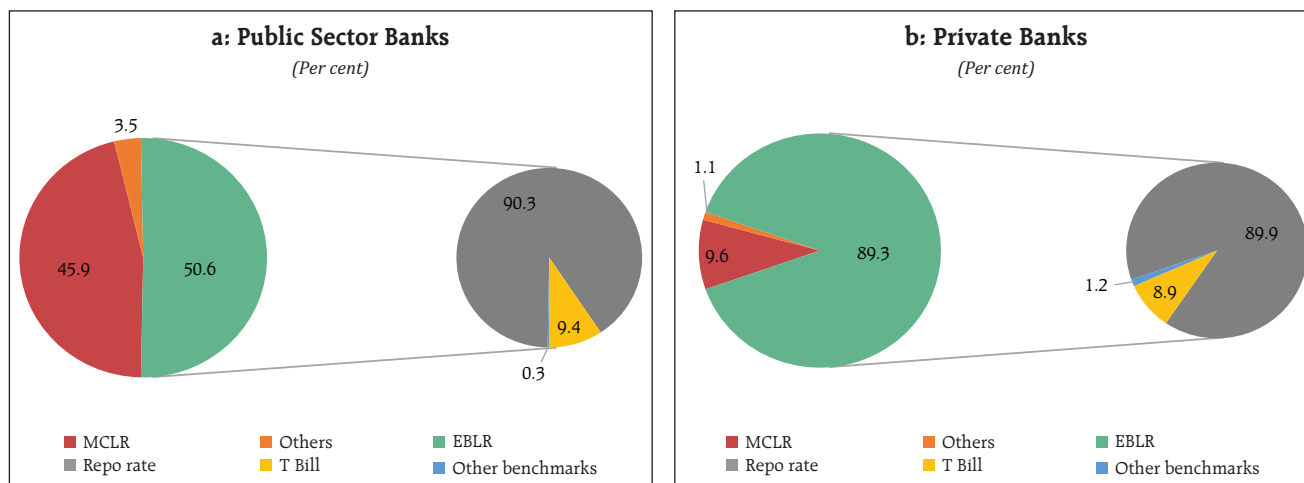
Huerga, J. and Steklacova, L. (2008). An application of index numbers theory to interest rates. ECB Working Paper No. 939, September 22.

MCLR linked loans declined from 33.8 per cent to 32.0 per cent over the same period. Public sector banks (PSBs) still have a significant proportion of their loans linked to the MCLR (Chart II.30a). Private banks (PVBs) extend a large part of their loans linked to EBLR (Chart II.30b). The bulk of the external

benchmark-based loans use policy repo rate as the benchmark. The MCLR and other legacy rates – based on internal benchmarks and having longer reset periods – impede the pace of policy transmission.

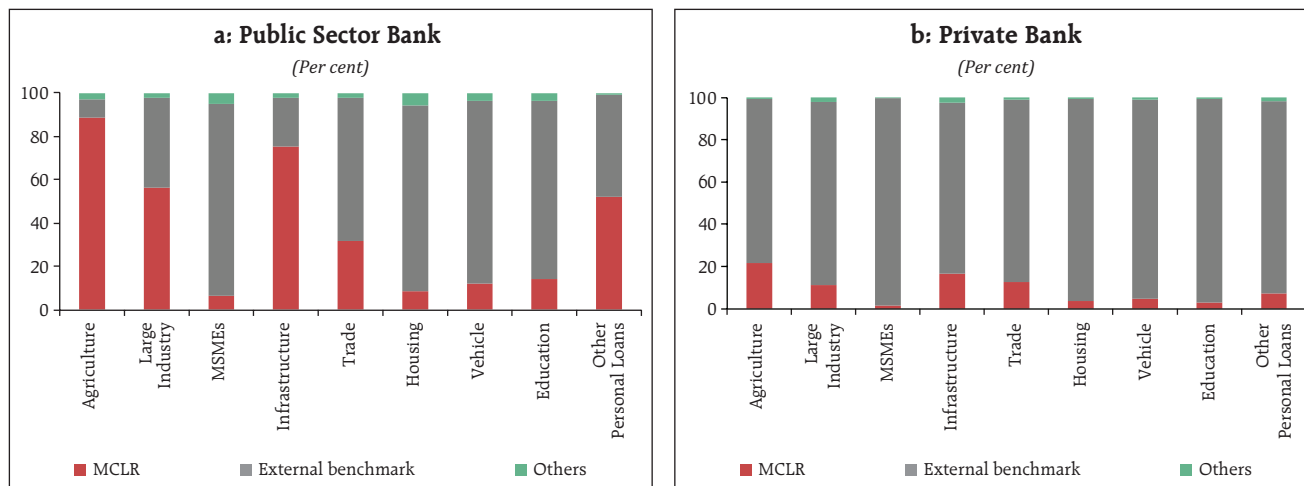
Sectorally, PSBs have a high share of MCLR-linked loans in agriculture, large industry, infrastructure,

Chart II.30: Bank Group-wise Share of Interest Rate Benchmarks



Notes: 1. EBLR: External benchmark linked lending rate; MCLR: Marginal cost of funds-based lending rate.
 2. Data pertain to outstanding floating rate rupee loans as at end-December 2025.
 3. 'Others' include benchmark prime lending rate, base rate and other internal benchmarks.
Source: Ad-hoc survey, MPD.

Chart II.31: Sector-wise Share of Interest Rate Benchmarks



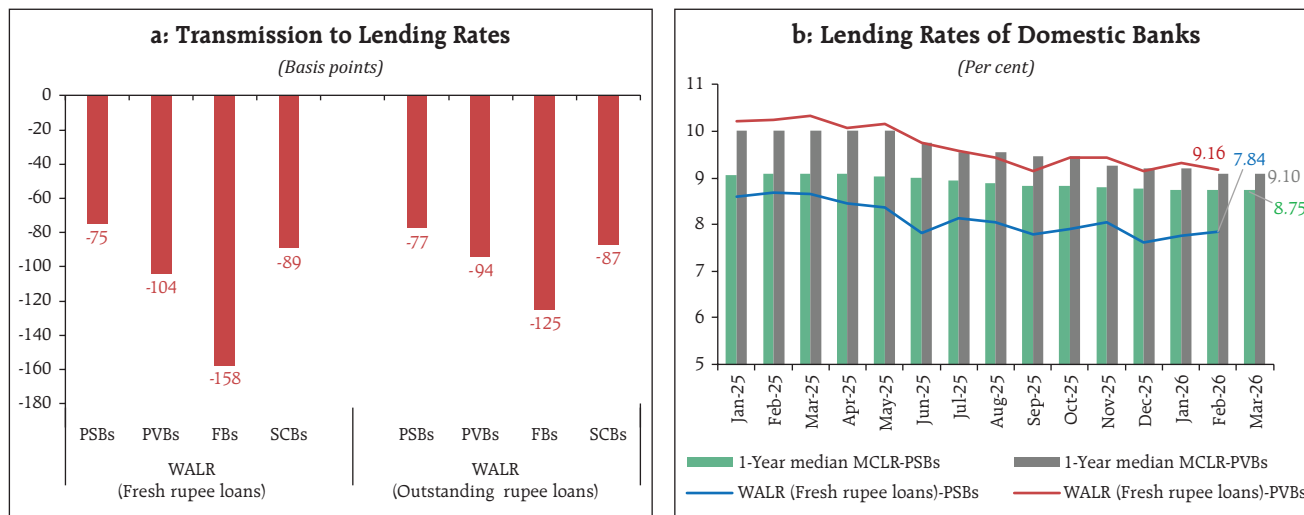
Notes: 1. MCLR: Marginal cost of funds-based lending rate.
 2. Data pertain to outstanding floating rate rupee loans as at end-December 2025.
 3. 'Others' include benchmark prime lending rate, base rate and other internal benchmarks.
Source: Ad-hoc survey, MPD.

and other personal loans (Chart II.31a). For PVBs, the shares of MCLR-linked loans are lower across sectors (Chart II.31b). The high share of MCLR-linked loans dampen the pace of transmission.

Bank group-wise, transmission to WALRs of fresh and outstanding rupee loans was higher in PVBs

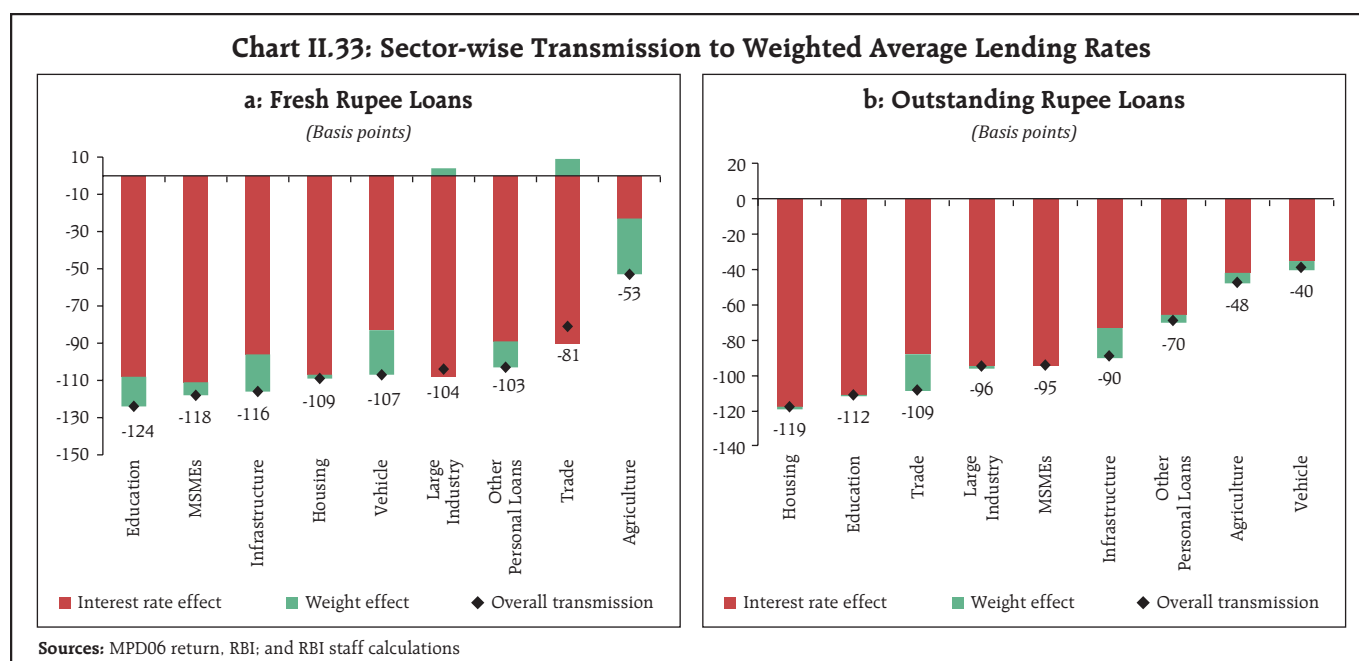
compared to PSBs (Chart II.32a). The large share of EBLR-based loans led to higher transmission for PVBs. However, lending rates of PVBs remained above those of PSBs (Chart II.32b). The maximum pass-through to lending rates was witnessed among foreign banks, reflecting their larger share of EBLR-linked loans.¹³

Chart II.32: Bank Group-wise Lending Rates and Transmission



Note: PSBs: Public sector banks; PVBs: Private banks; FBs: Foreign banks; SCBs: Scheduled commercial banks; WALR: Weighted average lending rate; MCLR: Marginal cost of funds-based lending rate.
Source: RBI.

¹³ The proportion of external benchmark-based lending rate linked loans was the highest for foreign banks (94.0 per cent), followed by private banks (89.3 per cent) and public sector banks (50.6 per cent) as at end-December 2025.



Sectoral analysis shows that the transmission to lending rates on fresh and outstanding loans has been broad-based. As discussed in Box II.2, the shifts in volume towards banks with relatively higher interest rates can have a bearing on overall transmission. During the current easing cycle, therefore, transmission to fresh WALR of large industry and trade has been offset by weight effect to some extent (Chart II.33).

For repo-linked external benchmark loans, banks have increased their spreads (interest rate charged over and above the policy repo rate), dampening the extent of transmission (Table II.12). The spread

on fresh rupee loans was the highest for education loans, followed by other personal loans, and MSME loans for domestic banks.

Non-banking financial companies (NBFCs) are increasingly playing a crucial role in meeting the credit requirements of the economy. They provide last-mile credit to previously unbanked areas and offer specialised financing across sectors thereby broadening the reach of the credit channel of monetary policy transmission. However, their lending rates are generally higher than those of SCBs, mainly due to their liability structure and relatively higher risk profile of their borrowers. As a result, the extent of

Table II.12: Spread of Weighted Average Lending Rates on Fresh Rupee Loans*

Sectors	Jan-25			Feb-26		
	Public sector banks	Private banks	Domestic banks	Public sector banks	Private banks	Domestic banks
MSME Loans	3.43	3.12	3.20	3.31	3.28	3.29
Personal Loans						
Housing	2.09	2.44	2.34	2.30	2.51	2.44
Vehicle	2.63	4.03	3.07	2.81	4.43	3.17
Education	3.84	4.76	4.41	3.69	5.56	4.62
Other personal loans	3.01	5.38	3.36	3.22	4.74	3.47

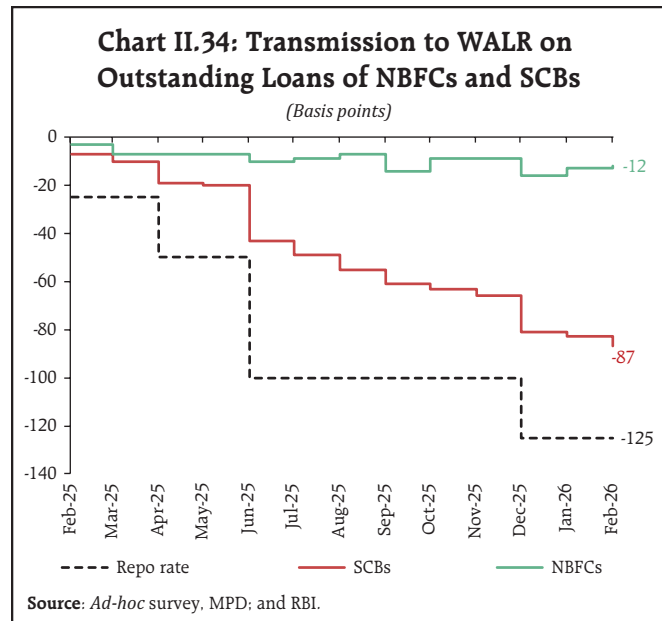
Note: Other personal loans include loans other than housing, vehicle, education and credit card loans.

*: Calculated over the repo rate for loans linked to external benchmarks.

Sources: MPD06 return, RBI; and RBI staff calculations.

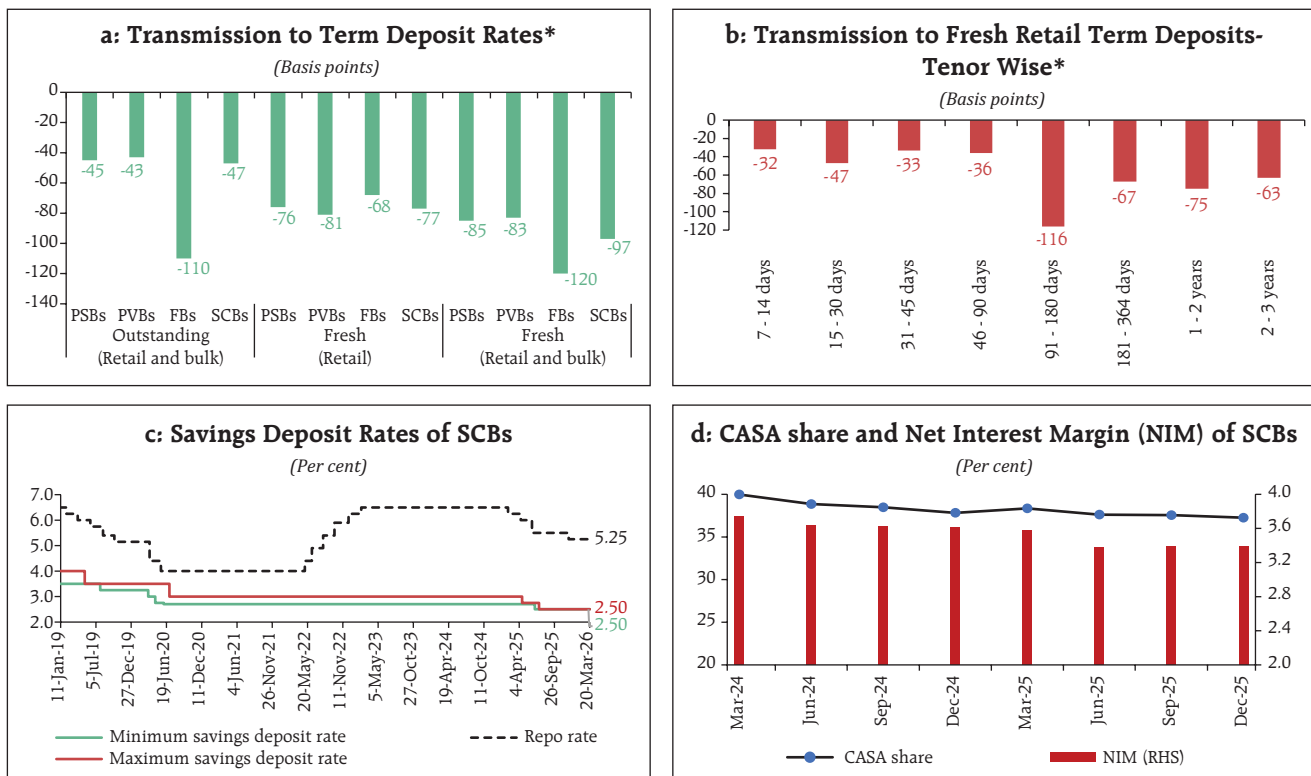
monetary policy transmission varies between NBFCs and SCBs (Chart II.34).

Transmission to deposit rates has also been robust during the current easing cycle. The weighted average domestic term deposit rates (WADTDRs) for fresh and outstanding deposits declined by 97 bps and 47 bps, respectively, during February 2025 to February 2026. Across bank groups, the transmission to both fresh and outstanding deposits was slightly higher for PSBs than PVBs; however, for fresh retail deposits it was higher for PVBs (Chart II.35a). Interest rates on fresh retail deposits moderated across tenors, although the extent varied (Chart II.35b). The share of low-cost current account and savings account (CASA) deposits declined marginally, although interest rate on savings deposit (comprising around 30 per cent of total deposits) has also declined to its lowest since its



deregulation in June 2025 (Chart II.35c), helping banks to protect their net interest margins (Chart II.35d).

Chart II.35: Deposit Rates and Banks' Profitability



Notes: PSBs: Public sector banks; PVBs: Private banks; FBs: Foreign banks; SCBs: Scheduled commercial banks; WADTDR: weighted average domestic term deposit rate; CASA: Current account and savings account; NIM: Net interest margin.
*: Transmission is calculated for the period February 2025-February 2026.
#: Savings deposit rates pertain to five major banks and relate to account balances of up to Rs 1 lakh.
Sources: MPD 06 return; and RBI.

Table II.13: Interest Rates on Small Savings Instruments – Q1:2026-27

Small Savings Scheme	Maturity (years)	Spread [§] (Percentage point)	Average G-sec yield [#] (Per cent)	Formula-based rate of Interest (Per cent)	GoI Announced Rate of Interest (Per cent)	Difference (Percentage point)
(1)	(2)	(3)	(4)	(5) = (3) + (4)	(6)	(7) = (6) – (5)
Savings Deposit	-	-			4	-
Public Provident Fund	15	0.25	6.83	7.08	7.1	2
Term Deposits						
1 Year	1	0	5.49	5.49	6.9	141
2 Year	2	0	5.70	5.70	7	130
3 Year	3	0	5.91	5.91	7.1	119
5 Year	5	0.25	6.34	6.59	7.5	91
Recurring Deposit Account	5	0	5.91	5.91	6.7	79
Monthly Income Scheme	5	0.25	6.31	6.56	7.4	84
<i>Kisan Vikas Patra</i>	115 Months	0	6.83	6.83	7.5	67
NSC VIII issue	5	0.25	6.50	6.75	7.7	95
Senior Citizens Savings Scheme	5	1.00	6.34	7.34	8.2	86
<i>Sukanya Samridhi</i> Account Scheme	21	0.75	6.83	7.58	8.2	62

Note: Compounding frequency varies across instruments.

§: Spreads for fixing small saving rates as per the Government of India Press Release of February 2016.

#: Based on semi-annualised yield on G-sec of corresponding maturity for the period Dec 2025 - Feb 2026.

Sources: Government of India; Financial Benchmarks India Pvt. Ltd; and RBI staff calculations.

The Government of India reviewed the interest rates on various small savings instruments (SSIs) and kept them unchanged for Q1:2026-27. This led to widening gap between interest rates on SSIs and their formula-based rates (Table II.13). This gap may limit the transmission of policy rate to banks' deposit rates, especially in an easing cycle, due to the substitution effect (Jha *et al.*, 2025).¹⁴ The share of small savings deposit in total deposits (sum of banks' retail term deposits and small savings deposits) has increased to 19.1 per cent in January 2026 from 17.9 per cent in January 2025. It may also encourage greater migration of bank deposits to small savings thereby posing challenges for bank-based financial intermediation.

II.4 Conclusion

System liquidity remained in surplus during H2, except for a few sporadic instances when GST and advance tax payments withdrew liquidity from the

banking system. Due to heightened global uncertainty and volatile capital flows, domestic financial markets fluctuated intermittently in H2. Money market rates evolved largely in sync with system liquidity and monetary policy actions. A combination of domestic and global factors led to hardening in long-term government bond yields. Indian equity markets demonstrated resilience, but experienced some volatility in the face of global headwinds and volatile capital flows. The Indian rupee (INR) exhibited two-way movements with depreciating bias during H2:2025-26. Following the outbreak of the West Asia conflict, both equity markets and the Indian Rupee came under accentuated pressure in March. Healthy policy transmission to bank lending rates during the current easing cycle supported robust bank credit growth. Going forward, the Reserve Bank will remain agile and nimble in liquidity management operations to ensure adequate liquidity in the banking system while safeguarding financial stability.

¹⁴ Jha, A., Das, S., and Kashyap, Y., (2025), "Rigidity in Small Savings Rates: Implications for Monetary Policy Transmission", Economic and Political Weekly, Vol.60, Issue No 52, December.

III. Demand and Output

Economic activity remained resilient in H2 of 2025–26 (up to February), primarily driven by robust domestic demand. Private consumption held up well, supported by GST rate rationalisation and monetary easing. Investment activity strengthened on the back of structural reforms, congenial financial conditions and infrastructure spending. On the supply side, services remained buoyant, and manufacturing strengthened, although agricultural activity moderated due to weather disruptions. Global headwinds from geopolitical tensions, volatile commodity prices and supply-chain disruptions pose downside risks to the outlook. Input supplies to downstream sectors need to be closely monitored for proactive policy response going forward.

Recent revisions to the national accounts with an updated base year, improvements in methodology and expanded data coverage reaffirm that economic activity remained resilient in H2:2025-26, supported by robust domestic demand. Private consumption was underpinned by improving rural and urban demand conditions supported by Goods and Services Tax (GST) rate rationalisation and monetary easing. Investment activity maintained momentum, aided by ongoing structural reforms and congenial financial conditions. Government consumption also remained supportive of growth, notwithstanding continued fiscal consolidation. External demand was uneven, with resilient services exports partly offsetting softer merchandise exports in an uncertain global environment. On the supply side, services continued to be buoyant, led by high-value services, while industrial activity strengthened on the back of robust manufacturing. Agricultural activity moderated,

reflecting weather-related disruptions. The Union Budget 2026-27 has proposed a six-point plan which focuses on scaling up domestic manufacturing in several strategic and frontier sectors, rejuvenating legacy industrial sectors, creating champion MSMEs, boosting infrastructure, ensuring long-term energy security and stability, and developing city economic regions. This, coupled with further progress on trade deals with major economies, bodes well for India's overall growth outlook. Global headwinds stemming from rising geopolitical tensions, elevated commodity prices and supply-chain disruptions, however, pose downside risks to the growth outlook.

III.1 Aggregate Demand

Aggregate demand has maintained resilience since the October 2025 Monetary Policy Report (MPR). According to the National Statistics Office (NSO)'s Second Advance Estimates (SAE) with the new base year 2022-23, real GDP growth is placed at 7.6 per cent in 2025-26, up from 7.1 per cent in 2024-25. The pick-up was led by private final consumption expenditure (PFCE) and gross fixed capital formation (GFCF), which have expanded by 7.7 per cent and 7.1 per cent, respectively (Table III.1).

PFCE contributed 4.3 percentage points to the real GDP growth, up from 3.3 percentage points a year ago. GFCF contributed 2.3 percentage points (2.1 percentage points in 2024-25), while government final consumption expenditure (GFCE) contributed 0.7 percentage points, unchanged from a year ago. In contrast, net exports acted as a drag, albeit marginally, on GDP growth (Table III.1 and Chart III.1a).

Table III.1: Real GDP Growth

(Y-o-y growth, per cent) ^

Item	2024-25	2025-26	Weighted Contribution*		2024-25				2025-26			
	(FRE)	(SAE)	2024-25	2025-26	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4#
Private final consumption expenditure (PFCE)	5.8	7.7	3.3	4.3	6.1	5.6	6.0	5.6	9.2	8.0	8.7	5.1
Government final consumption expenditure (GFCE)	6.5	6.6	0.7	0.7	7.5	7.0	7.6	3.6	5.8	6.6	4.7	9.4
Gross fixed capital formation (GFCF)	6.4	7.1	2.1	2.3	6.5	6.6	6.3	6.2	4.9	8.4	7.8	7.2
Exports	6.6	6.5	1.5	1.5	7.3	3.1	10.5	5.4	6.6	10.2	5.6	4.0
Imports	5.3	6.4	1.3	1.5	8.3	4.6	2.9	5.5	7.4	5.9	8.6	3.6
GDP at market prices	7.1	7.6	7.1	7.6	7.5	6.6	7.4	7.0	6.7	8.4	7.8	7.3

Note: *: Component-wise contributions to growth do not add up to GDP growth because change in stocks, valuables and discrepancies are not included.

^: Unless specified otherwise, all discussion on growth rates in this chapter are on year-on-year (y-o-y) basis.

FRE: First revised estimates; SAE: Second advance estimates. #: implicit.

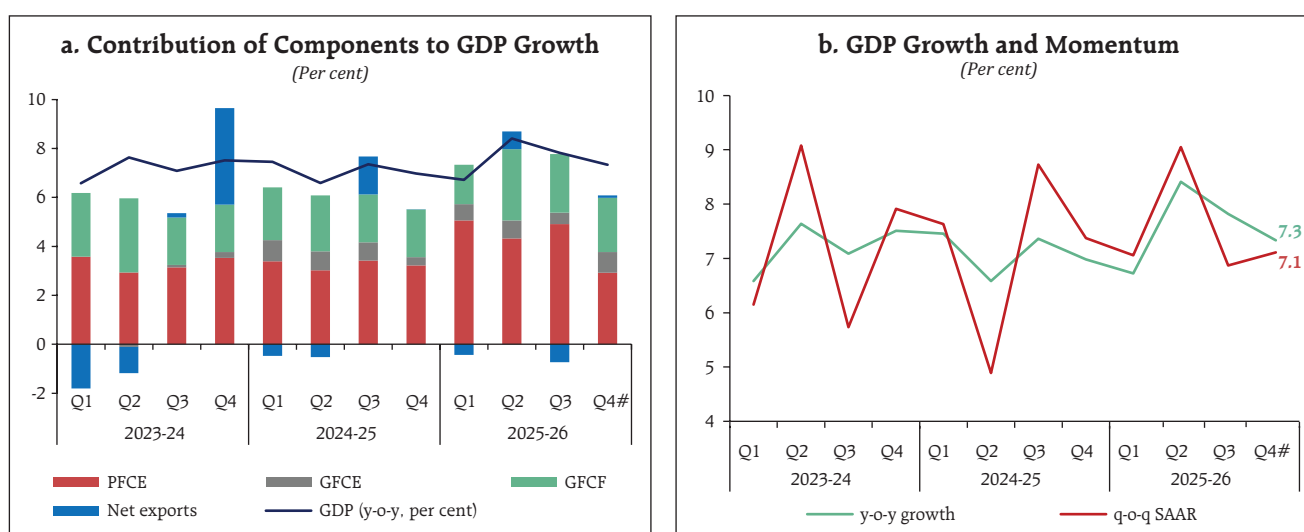
Sources: National statistics office (NSO); and RBI staff estimates.

The quarterly trajectory of GDP growth indicates that activity strengthened after a relatively softer first quarter. Real GDP growth was estimated at 6.7 per cent in Q1:2025-26, 8.4 per cent in Q2 and 7.8 per cent in Q3, with an implicit estimate of 7.3 per cent for Q4. The seasonally adjusted annualised rate (SAAR) also exhibited a similar trend, with the Q4 implicit number at 7.1 per cent (Chart III.1b). In the October 2025 MPR, real GDP growth was projected at 7.0 per cent in Q2 and 6.4 per cent in Q3, but actual

growth in Q2 and Q3 turned out to be stronger at 8.4 per cent and 7.8 per cent, respectively (Chart III.2). The overshoot was mainly driven by higher-than-expected buoyancy in private consumption and a lower drag from net external demand.

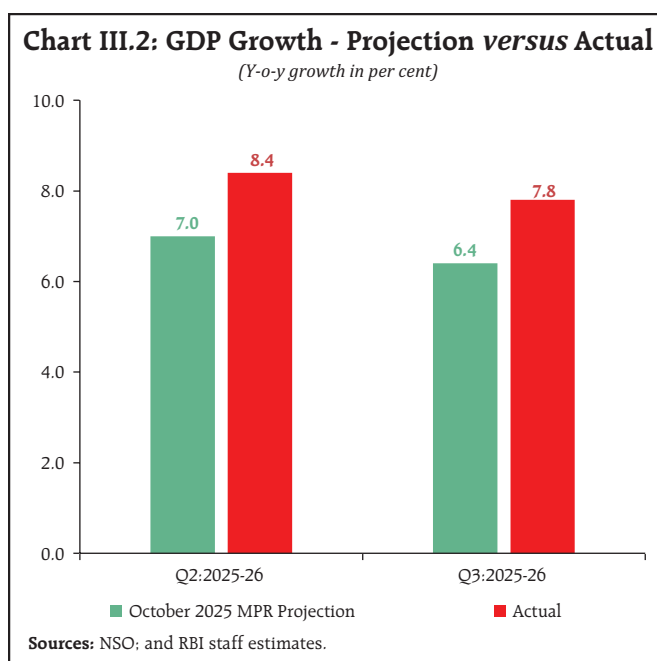
Overall, available high-frequency data indicate that growth remained robust in 2025-26 (up to February). Household consumption provided the main thrust, while investment demand retained traction. Net exports remained volatile.

Chart III.1: GDP Growth and its Constituents



Notes: SAAR: seasonally adjusted annualised rate; and #: implicit estimates for Q4 based on the second advance estimates for 2025-26.

Sources: NSO; and RBI staff estimates.



III.1.1 Private Final Consumption Expenditure

PFCE remained the mainstay of aggregate demand in 2025-26, although its share has declined under the new GDP series (base year 2022-23), reflecting both structural changes in the economy

and the use of new data sources (Box III.1). As per the SAE, PFCE recorded a growth of 7.7 per cent in 2025-26, up from 5.8 per cent in 2024-25. The quarterly trajectory of PFCE growth, however, points to some moderation, with 9.2 per cent in Q1, 8.0 per cent in Q2, 8.7 per cent in Q3 and an implicit 5.1 per cent in Q4 (Table III.1).

Urban demand indicators generally presented an improving picture in H2:2025-26 (Table III.2). Passenger vehicle sales registered strong double-digit growth in Q3:2025-26, before moderating in January and February 2026. Consumer durables output remained in expansionary territory in the first two months of Q4:2025-26. Domestic air passenger traffic remained volatile, but stayed in expansionary territory, on average, in Q3 and Q4. The pace of unsecured household credit accelerated – personal loans recorded robust growth in Q3 and January-February 2026, even as growth in credit card outstanding remained muted during this period.

Box III.1: New Series of National Accounts - Improvements in Methodology and Coverage

India's revised national accounts series with base year 2022-23 strengthens the measurement framework through methodological improvements, enhanced data coverage and improved reconciliation between the production and expenditure sides. Methodologically, the revised series, *inter alia*, adopts double deflation¹ in manufacturing and agriculture, uses more granular deflators, updates compilation ratios using recent survey evidence, improves the allocation of corporate-sector value added across activities using MGT-7/7A annual return filings², and aligns quarterly estimates more closely with annual national accounts. Regarding data, it makes greater use of surveys and administrative sources, including GST, Annual Survey of Unincorporated Sector Enterprises (ASUSE), Periodic Labour Force Survey (PLFS), Household Consumption Expenditure Survey (HCES), Public Financial

Management System (PFMS) and e-Vahan, while also improving the coverage of paid household services and digital/platform activities. Moreover, the incorporation of the Supply and Use Table (SUT) framework through product balancing strengthens reconciliation between production- and expenditure-side estimates that helps in reducing statistical discrepancies. The major methodological improvements, data coverage enhancements, and system integration measures are summarised in Table III.1.1.

The base year revision, together with methodological improvements, has addressed several issues in India's national accounts highlighted in the IMF's Article IV Reports on India. One important implication is a modest shift in the measured sectoral composition

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¹ Double deflation estimates real value added by separately deflating output and input, thereby improving the measurement of volume changes.

² MGT-7/7A: annual return forms filed by companies under the Companies Act, providing information on corporate structure and business activities.

Table III.1.1: Key Methodological Improvements, Data Coverage Enhancements and System Integration Measures

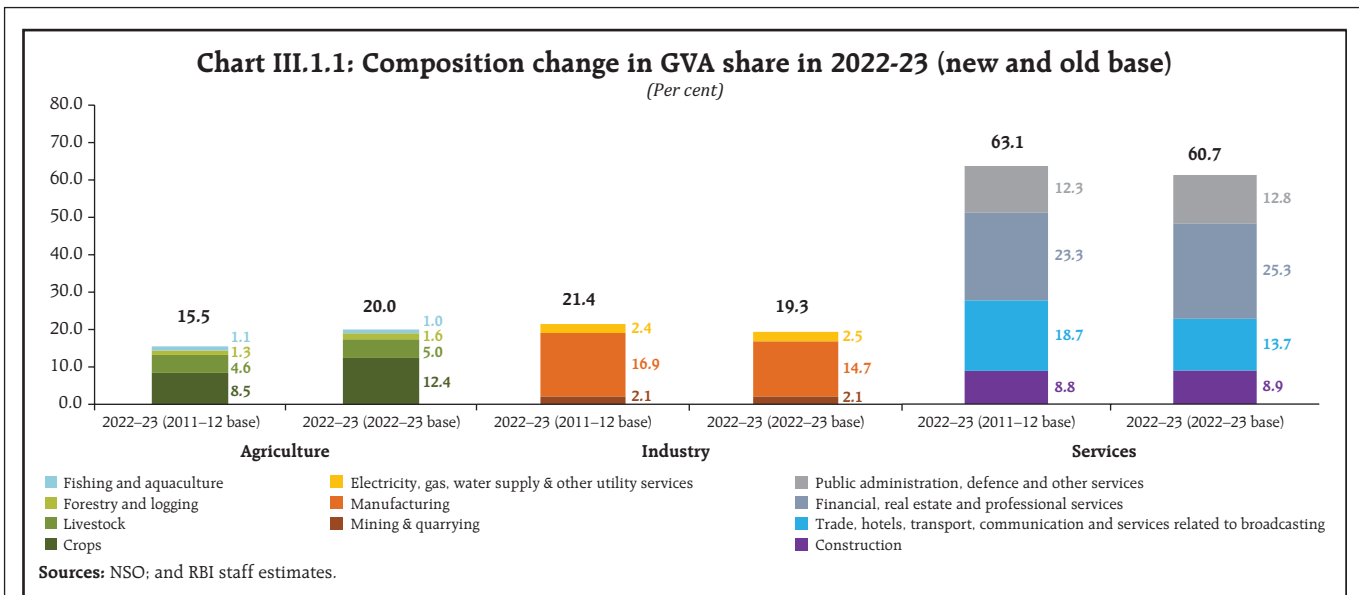
			Changes	Implications
Methodological improvements	Deflation strategy	Double deflation and single extrapolation are used in manufacturing and agriculture; single deflation discontinued.	Improves separation of price and volume effects and strengthens measurement of real value added.	
	Granular deflators	Wider use of CPI, WPI and unit value indices at item-group level rather than aggregate deflators.	Enhances accuracy of constant-price estimates and comparability across sectors.	
	Updated rates and ratios	Compilation parameters revised using recent surveys and sectoral studies.	Improves representativeness of sectoral estimates.	
	Multi-activity corporate reporting	Use of MGT-7/7A filings to allocate value added across activities rather than assigning it solely to principal activity.	Improves industry classification and sectoral GVA allocation.	
	PFCE compilation	Mixed methodology, combining HCES, administrative data and commodity-flow methods; adoption of COICOP 2018 classification.	Strengthens the level and composition of private consumption and improves international comparability.	
	Quarterly-annual alignment	Quarterly compilation framework aligned more closely with annual national accounts in classification and deflation practices.	Improves consistency between quarterly and annual GDP estimates and reduces revisions arising from methodological differences.	
Data and coverage enhancements	Household enterprise measurement	ASUSE provides direct benchmarks for output and value added of informal enterprises.	Improves measurement of household/unincorporated sector production.	
	Labour input information	PLFS provides employment and labour-force information used in estimating labour-intensive activities.	Strengthens estimation of household-based services and informal sector activity.	
	Administrative data integration	Greater use of GST, PFMS and e-Vahan databases in compilation.	Improves timeliness and cross-validation of production and expenditure estimates.	
	Coverage of household services	Explicit inclusion of hired domestic workers in GDP estimates.	Expands coverage of paid household services within GVA.	
	Digital and platform economy	Improved capture of digital, platform and gig-economy activities, including informal and self-employed segments.	Enhances measurement of emerging services and digitally mediated activities.	
Integration and institutional accounts	SUT integration	Systematic integration of the SUT framework through product-balancing to reconcile supply and use.	Improves reconciliation between production and expenditure estimates and reduces statistical discrepancies.	
	Government sector estimation	Enhanced use of budget documents and administrative accounts; improved treatment of NPS/OPS pensions, HRA imputation, local bodies coverage, and subsidy deflation.	Improves completeness and valuation of government output and expenditure.	
	State accounts (GSDP) alignment	Revised guidelines and methodological support to states to align GSDP compilation with national accounts.	Strengthens consistency between national and state accounts and reduces reliance on allocation methods.	

Note: PFCE: Private Final Consumption Expenditure; GVA: Gross Value Added; GSDP: Gross State Domestic Product; NPS: National Pension System; OPS: Old Pension Scheme; HRA: House Rent Allowance; e-Vahan: national vehicle registration database.

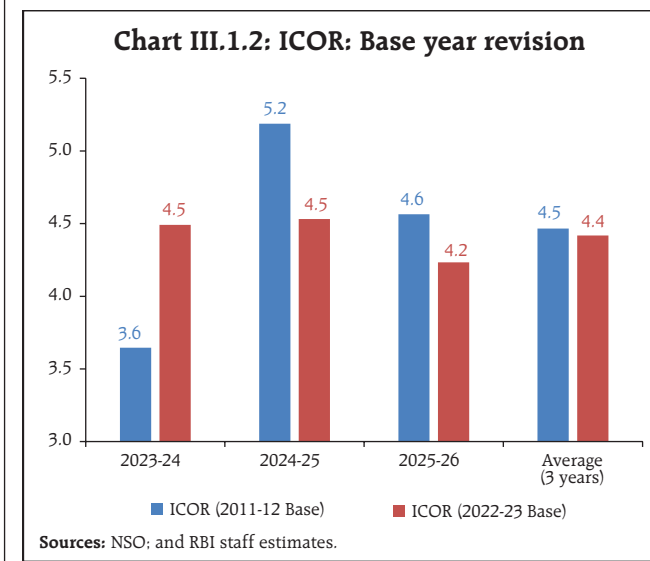
of real GVA over 2022–23 to 2024–25, with a higher share for agriculture and allied activities, and lower shares for industry and services (Chart III.1.1). The increase in the agriculture share likely reflects improved measurement of crop and allied activities, updated input-output structures, and better use of season-wise source data for crops, livestock and fisheries, with some quarterly estimates apportioned

from season-wise information. By contrast, the moderation in the services share is consistent with better capture of informal service activity in the revised series, including through ASUSE-based information. In absolute terms, the discrepancy as a share of GDP averaged about 2.0 per cent under the earlier series, as against around 0.3 per cent under the

(Contd...)



revised series over 2022-23 to 2025-26, pointing to improved reconciliation between the production and expenditure sides of the accounts. The revised series also yields a somewhat smoother Incremental Capital Output Ratio (ICOR) profile in recent years, suggesting lower cyclicality rather than any material change in its average level (Chart III.1.2).



Looking ahead, India's statistical system is expected to evolve further in line with emerging international statistical standards. With the global transition from the System of National Accounts (SNA) 2008 to the forthcoming SNA 2025 framework over the next decade, further refinements, particularly in measuring the digital economy, global production arrangements and multinational enterprise activity, and in deepening the use of administrative data are expected to strengthen the robustness and transparency of national accounts.

References:

Ministry of Statistics and Programme Implementation (MoSPI). (2026). Press Release: Redefining Growth—India's Revised GDP Estimates and the New Measurement Framework. Government of India.

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Rural demand conditions improved further. Tractor and motorcycle sales posted strong expansion in Q3 and the first two months of Q4:2025-26. Consumer non-durables output turned positive in Q3 after remaining in contraction during the first half of the year. Demand

for work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) remained in contraction in Q3 and subsequent months, indicating improved employment in the rural sector. Fast-moving consumer goods (FMCG) volume growth in

Table III.2: Indicators of Consumption*(Y-o-y growth, per cent)*

Indicator	2024-25				2025-26				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Jan	Feb
Urban demand									
Domestic air passenger traffic	5.6	7.3	11.4	12.0	5.3	-1.9	1.7	3.1	-0.1
Passenger vehicle sales (wholesale)	20.2	-1.3	5.1	3.6	-1.4	-1.5	20.6	8.0#	7.3#
Consumer durables	10.7	6.6	9.0	5.9	2.6	6.9	7.3	7.2	7.3
Personal loan	25.6	13.4	12.0	11.7	11.7	11.7	14.4	14.9	15.2
Vehicle loan	12.0	10.6	8.8	8.6	9.2	7.3	16.5	17.1	17.1
Credit card outstanding	23.3	18.0	15.6	10.6	7.2	3.7	1.0	1.5	1.7
Rural demand									
Tractor sales	0.5	0.7	13.5	17.3	9.2	30.7	23.2	43.0	34.2
Motorcycle sales	16.8	10.2	-1.9	-3.5	-9.2	5.0	12.0	20.3	30.8
Consumer non-durables	-0.2	-2.2	-1.6	-2.0	-1.5	-2.0	4.1	-2.3	-0.6
Fertiliser sales	2.4	-7.3	0.4	-9.6	-14.7	30.6	7.5^		
MGNREGA work demand	-16.1	-16.5	1.7	6.5	1.3	-21.3	-31.8	-25.7	-14.2
FMCG sales									
Rural		5.7	9.1	9.5	8.4	7.7	2.9	-0.5	-0.2
Urban		1.9	4.0	3.5	4.1	4.0	2.3	2.4	2.4
All India		3.5	6.2	6.1	6.0	5.5	2.6	1.1	1.3

Notes: #: Does not include Tata Motors. ^ Fertiliser sales in Q3:2025-26 correspond to October and November 2025.

Sources: Directorate General of Civil Aviation (DGCA), Society of Indian Automobile Manufacturers (SIAM); Tractor and Mechanization Association (TMA); NSO; RBI; Ministry of Chemicals and Fertilizers (MoC&F); Ministry of Rural Development (MoRD); NielsenIQ's Retail Audit Service; and RBI staff estimates.

rural area outpaced that in urban area in Q3, while the position reversed in January-February 2026, with urban demand outpacing rural demand.

According to the March 2026 round of the Reserve Bank's urban consumer confidence survey, both the Current Situation Index (CSI) and the Future Expectations Index (FEI) moderated from the previous round. However, both current perceptions and one year ahead expectations on consumer spending have improved marginally in March 2026 compared to January 2026 (Table III.3).

Labour market conditions presented a mixed picture in H2:2025-26 (Chart III.3). The worker population ratio (WPR) improved in Q4 (up to February 2026), while the labour force participation rate (LFPR) remained broadly stable with some month-to-month variation. The unemployment rate, after edging up in January 2026, moderated in February. The

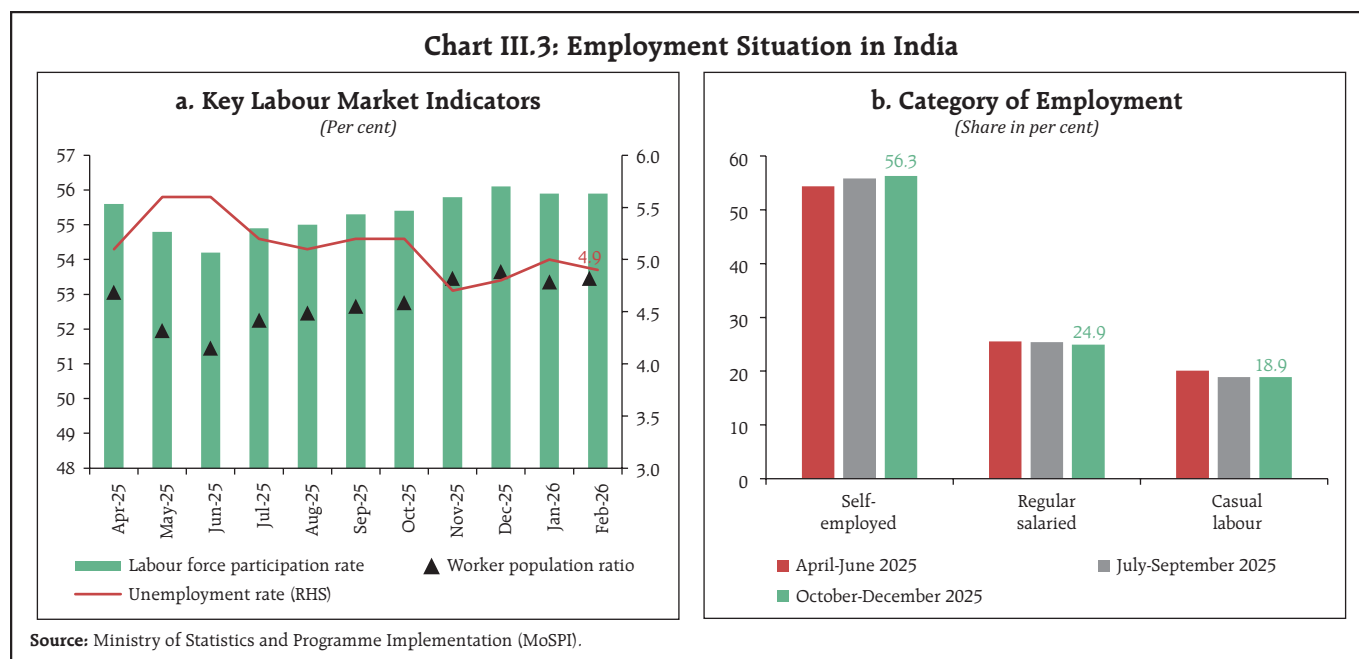
composition of employment shifted further towards self-employment in Q3, alongside some moderation in the share of regular salaried employment.

Table III.3: Summary of Urban Consumer Confidence based on Net Responses*(Percentage responses)*

Main variable	Current Perceptions		One year ahead Expectations	
	Jan-26	Mar-26	Jan-26	Mar-26
Economic Situation	-3.5	-8.6	29.3	23.1
Employment	-6.3	-9.1	33.0	25.2
Price Level	-81.2	-85.2	-75.2	-76.7
Income	3.3	3.0	50.1	48.4
Spending	78.0	78.4	80.0	81.2
Consumer Confidence Index	98.1	95.7	123.4	120.2

Note: 'Net response' is the difference between the percentage of respondents reporting optimism and those reporting pessimism. It ranges between -100 and 100. Any value greater than zero indicates expansion/optimism and values less than zero indicate contraction/pessimism. Consumer Confidence Index = 100 + Average of Net Responses on the economic situation, income, spending, employment and the price level.

Source: Urban Consumer Confidence Survey, RBI.



III.1.2 Gross Fixed Capital Formation

Gross fixed capital formation (GFCF) maintained momentum in 2025-26. As per the SAE, GFCF posted a growth of 7.1 per cent in 2025-26, up from 6.4 per cent in 2024-25. It remained the second largest contributor to the real GDP growth (Table III.1). After a softer first quarter, investment activity strengthened in the subsequent quarters, with GFCF growth at 8.4 per cent in Q2, and 7.8 per cent in Q3.

High-frequency indicators pointed to sustained investment activity. Imports of capital goods recorded double digit growth in Q3:2025-26 and maintained a healthy pace during January-February 2026 (Table III.4). The production of capital goods also recorded strong growth in Q3, with a notable

pick-up in February 2026. Construction-related indicators continued to display a healthy picture – cement production increased at double digit rate in Q3:2025-26 and January 2026, while finished steel consumption grew at a modest pace in Q3 although it gained momentum in February 2026.

The resilience in investment activity is also borne out of survey and corporate indicators. Capacity utilisation in manufacturing improved in Q3:2025-26, and remained above both its 12-quarter moving average (QMA) and its long-period average. The interest coverage ratio (ICR) of listed private manufacturing companies improved to 9.0 in Q3:2025-26. Among service sector companies, the ICR of non-IT services firms improved, while that of IT services moderated,

Table III.4: Indicators of Investment Demand

(Y-o-y growth, per cent)

Indicators	2024-25				2025-26				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Jan	Feb
Import of capital goods	10.0	11.7	6.0	7.9	14.3	8.5	11.4	7.1	19.7
IIP: capital goods	3.0	4.9	7.4	7.0	9.8	5.6	6.8	4.1	12.5
Finished steel consumption	15.3	12.1	8.1	11.2	7.9	8.8	4.6	4.9	12.8
Cement production	0.4	3.2	8.7	12.4	8.0	7.3	11.2	11.3	9.3

Sources: Directorate General of Commercial Intelligence and Statistics. (DGCI&S); NSO; Joint Plant Committee; and Office of the Economic Adviser.

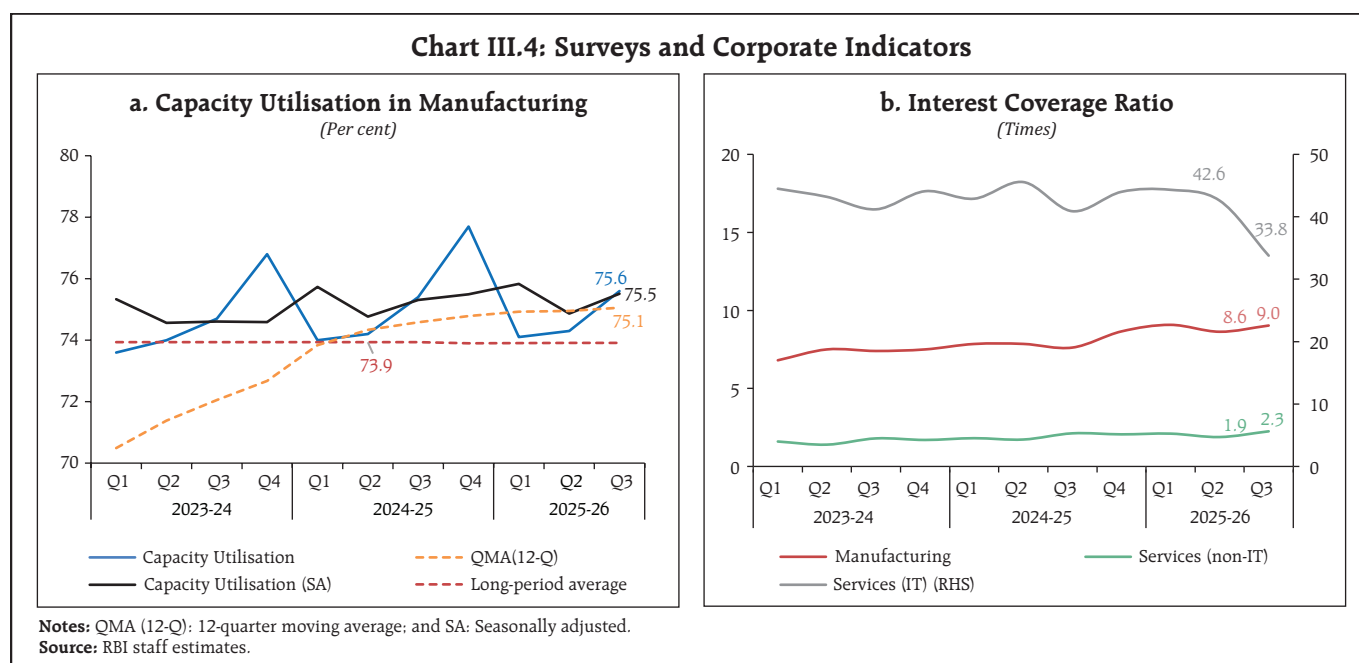
albeit remaining at an elevated level. Improving ICR points to strengthening the financial health of the corporate sector, which, along with benign financial conditions, should support the ongoing investment cycle (Chart III.4).

On the aggregate financing side, the savings-investment gap narrowed modestly in 2024-25, with the gap between gross capital formation (GCF) and gross domestic savings (GDS) easing to 0.6 per cent of GDP from 0.8 per cent a year ago. The gross domestic investment rate – measured by the ratio of GCF to GDP at current prices – rose to 35.5 per cent in 2024-25 from 33.6 per cent in the preceding year, indicating buoyancy in capital formation. GDS also increased to 34.9 per cent of GDP in 2024-25 from 32.8 per cent a year ago, reflecting lower dissaving by the general government sector alongside an increase in household net financial saving (Chart III.5a).³ These dynamics suggest a reduced dependence on external savings for domestic investment.

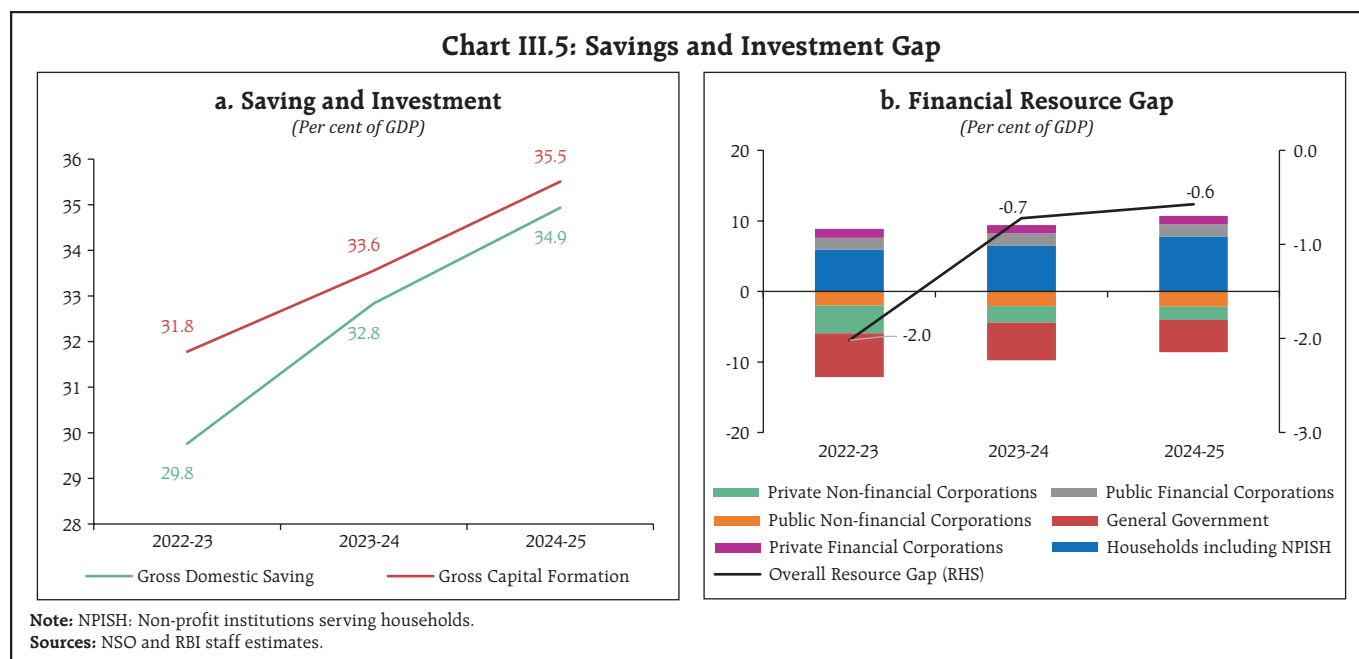
The sectoral saving-investment balances also indicate an easing in financing pressures during 2024-25. The household sector remained the net supplier of funds, imparting stability to financing conditions. The resource gap of private non-financial corporations narrowed, while fiscal consolidation reduced general government dissaving (Chart III.5b). Overall, the narrowing of the aggregate resource gap suggests an improvement in the financing conditions that drive the investment cycle.

III.1.3 Government Consumption

As per the SAE, GFCE increased by 6.6 per cent in 2025-26, marginally higher as compared to 6.5 per cent in the previous year. GFCE recorded a growth of 4.7 per cent in Q3:2025-26 and an implicit growth of 9.4 per cent in Q4. The Central Government's revenue expenditure, net of interest payments and major subsidies, contracted during Q2 and Q3, partly on account of a decline in grants-in-aid to State governments/UTs. It is, however, expected to register high growth in Q4 to achieve its full year revised



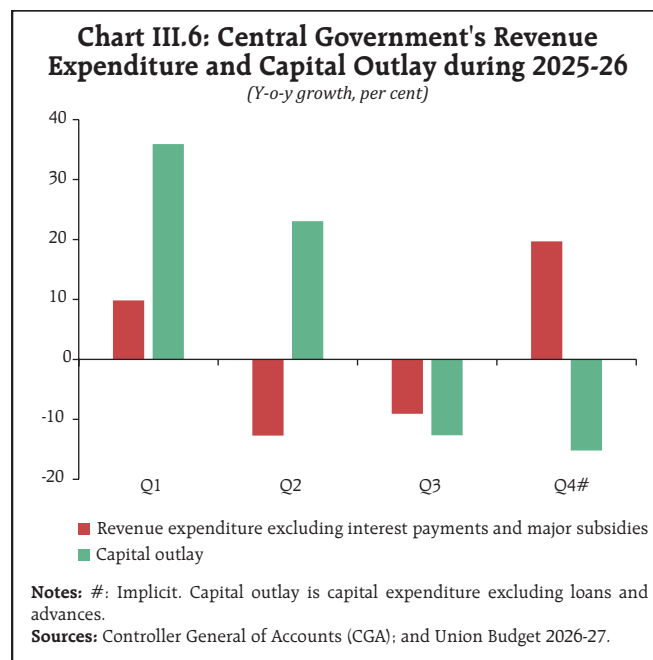
³ Households' net financial saving rate is estimated at 7.1 per cent of GDP in 2024-25 as against 5.9 per cent in the preceding year.



estimates (Chart III.6). As per the Union Budget 2026-27, revenue expenditure net of interest payments and major subsidies for 2026-27 is budgeted to grow by 6.7 per cent, higher than 3.1 per cent in the revised estimates for 2025-26.

The Central Government's gross fiscal deficit (GFD)⁴ stood at 4.4 per cent of GDP in 2025-26(RE), adhering to its medium-term target of a GFD below 4.5 per cent by 2025-26 (as announced in the Union Budget 2021-22). This was achieved through rationalisation of expenditure, and higher than budgeted non-tax revenue receipts. For 2026-27, the Central Government budgeted a lower GFD at 4.3 per cent of GDP, thus adhering to the path of fiscal prudence. Further consolidation is budgeted mainly through containment of revenue expenditure to 10.5 per cent of GDP [from 10.8 per cent in 2025-26 (RE)], while maintaining capital expenditure at 3.1 per cent of GDP. Revenue expenditure to capital outlay ratio⁵ (RECO) has remained low at 4.4, suggesting the preservation of expenditure quality (Table III.5).

During 2025-26 (April-February), the Central government's capital expenditure grew by 14.5 per cent, while revenue expenditure excluding interest payments and major subsidies contracted by 6.0 per cent (y-o-y). On the receipts side, the gross tax revenue posted a growth of 6.7 per cent, driven by



⁴ In this chapter, the fiscal indicators as per cent of GDP of the Central government are calculated using old GDP series (2011-12 base year). It may be noted that the new GDP series (2022-23 base year) is not available for 2026-27 and financial years prior to 2022-23.

⁵ A lower RECO ratio indicates improved quality of public expenditure.

corporation tax, union excise duties, and customs duties. Within direct taxes, corporation tax recorded a robust growth of 12.4 per cent (y-o-y), compared to 1.9 per cent during the corresponding period of last year. Income tax collections grew at 0.9 per cent during 2025-26 (April-February), substantially lower than 22.0 per cent during the previous year. Under indirect taxes, growth of GST collections moderated to 5.1 per cent from 11.6 per cent a year ago, while growth in customs and union excise duty collections accelerated. Monthly GST collections⁶ (Centre *plus* States) averaged at ₹1.94 lakh crore during 2025-26 (Chart III.7).

The consolidated GFD of State governments and Union Territories is budgeted at 3.3 per cent of GDP

Table III.5: Central Government Finances

(Per cent of GDP)

Indicator	2023-24	2024-25	2025-26 (RE)	2026-27 (BE)
1. Revenue receipts	9.1	9.2	9.4	9.0
a. Tax revenue (Net)	7.7	7.6	7.5	7.3
b. Non-tax revenue	1.3	1.6	1.9	1.7
2. Non-debt capital receipts	0.2	0.1	0.2	0.3
3. Revenue expenditure	11.6	10.9	10.8	10.5
a. Interest payments	3.5	3.4	3.6	3.6
b. Major subsidies	1.4	1.2	1.2	1.0
4. Revenue expenditure excluding interest payments and major subsidies	6.7	6.4	6.1	5.9
5. Capital expenditure	3.2	3.2	3.1	3.1
6. Capital outlay	2.6	2.6	2.5	2.4
7. Total expenditure	14.8	14.1	13.9	13.6
8. Gross fiscal deficit	5.5	4.8	4.4	4.3
9. Revenue deficit	2.5	1.7	1.5	1.5
10. Primary deficit	2.0	1.4	0.8	0.7
<i>Memo:</i>				
Ratio of Revenue Expenditure to Capital Outlay	4.4	4.2	4.4	4.4

Notes: RE: Revised Estimates; and BE: Budget Estimates.

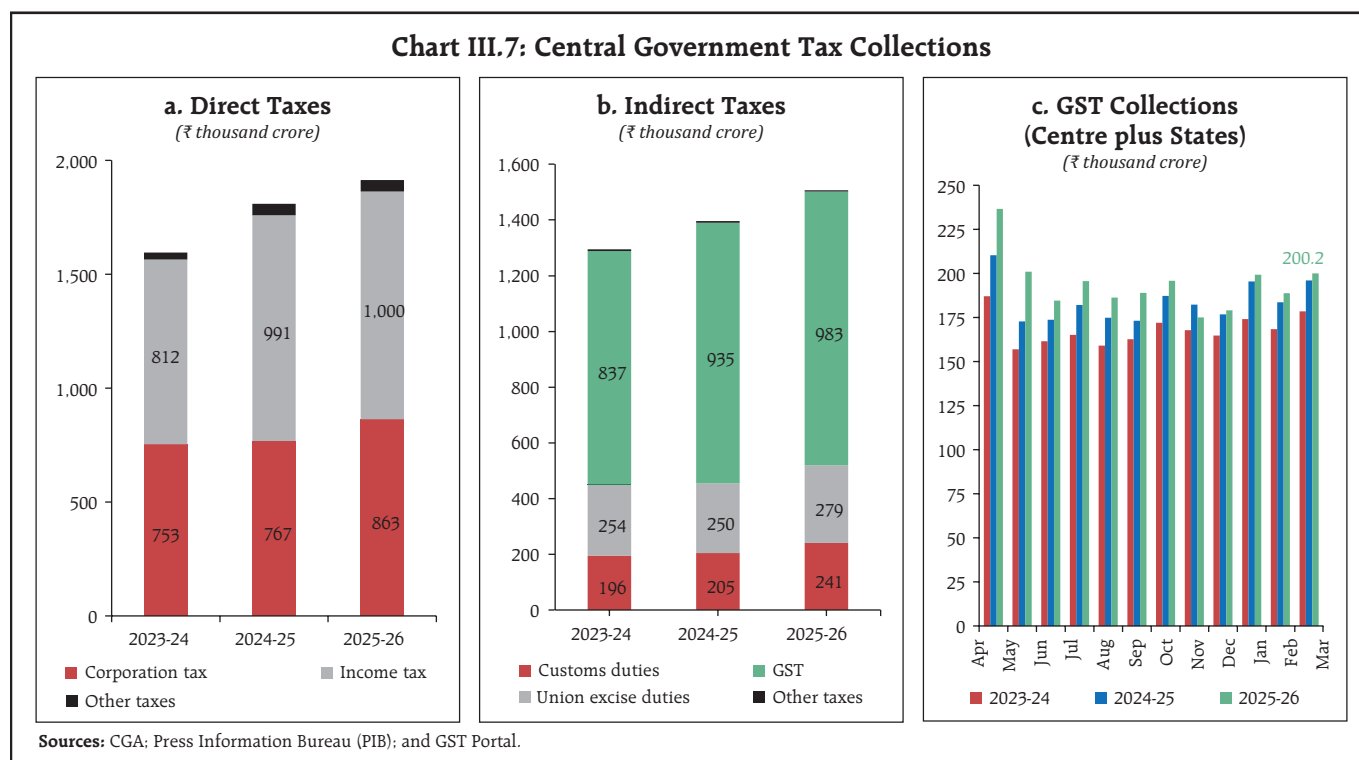
Sources: Union Budget Documents and RBI staff estimates.

for 2025–26, the same as the provisional estimates of 2024-25 (Table III.6). States have projected an increase of 23.0 per cent in revenue receipts, driven by both tax and non-tax revenues. State governments' continued emphasis on capital expenditure led to an improvement in their RECO ratio and a rise in capital outlay to GDP ratio in 2025-26 (BE) [Chart III.8]. Going forward, the Centre's enhanced allocation of ₹2 lakh crore towards 'Special Assistance to States for Capital Investment' announced in the Union Budget 2026-27 would provide further boost to States' capex.

The deficit indicators of States during 2025-26 (April-January), as a proportion of BE, were higher than the comparable period of the previous year (Chart III.9a), primarily due to a moderation in revenue receipts. States' goods and services tax (SGST), the major source of tax revenue, recorded decelerated growth, partly reflecting rationalisation of GST rates. State excise collections, stamp duties and registration fees, on the other hand, registered robust growth. States' revenue expenditure grew at a slower pace than a year ago, while capital expenditure recorded a turnaround (Chart III.9b).

In 2025-26, the Centre's gross market borrowings through issuance of dated securities amounted to ₹14.61 lakh crore, marginally lower than the budgeted estimates of ₹14.82 lakh crore. In pursuit of active debt consolidation, the Reserve Bank conducted 14 switch auctions/ operations on behalf of the Central Government (amounting to ₹2.75 lakh crore) involving the substitution of shorter-maturity securities with those of longer-maturity. The weighted average yield on issuances during 2025-26 declined to 6.7 per cent from 7.0 per cent in 2024-25. The weighted average maturity of borrowings also

⁶ Including GST compensation cess collections.



declined to 18.9 years from 20.7 years in the previous year. State Governments/UTs raised gross market borrowings of ₹12.76 lakh crore in 2025-26, higher than ₹10.73 lakh crore in the previous year (Table III.7). The Centre's gross market borrowings and net borrowings for 2026-27 are budgeted at ₹17.20 lakh crore and ₹11.73 lakh crore, respectively. The WMA limit for Central Government for H1 of 2026-27 has been fixed at ₹2.5 lakh crore to meet the temporary mismatches between receipts and payments. Consequent on the Reserve Bank entering into an

agreement with the Government of National Capital Territory of Delhi (GNCTD) on January 05, 2026, the revised aggregate WMA limit for State Governments/UTs, including GNCTD has been fixed at ₹61,008 crore as against the existing limit of ₹60,118 crore.

Table III.6: State Government Finances - Key Fiscal Indicators

(Per cent of GDP)

Item	2023-24 (A)	2024-25 (PA)	2025-26 (BE)
Revenue deficit	0.3	0.6	0.2
Gross fiscal deficit	2.9	3.3	3.3
Primary deficit	1.2	1.7	1.5

Note: Data pertain to 31 States/UTs.

A: Actuals; PA: Provisional Accounts; BE: Budget Estimates.

Sources: Budget Documents of States/UTs and Comptroller and Auditor General (CAG) of India.

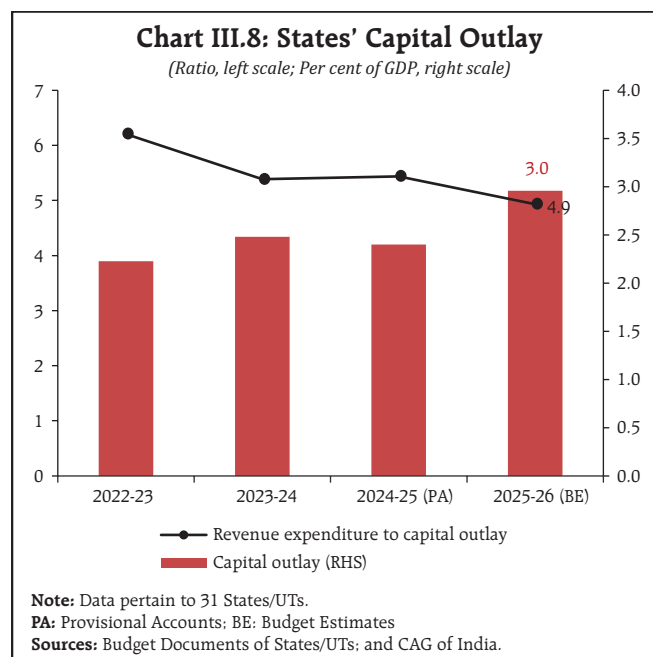
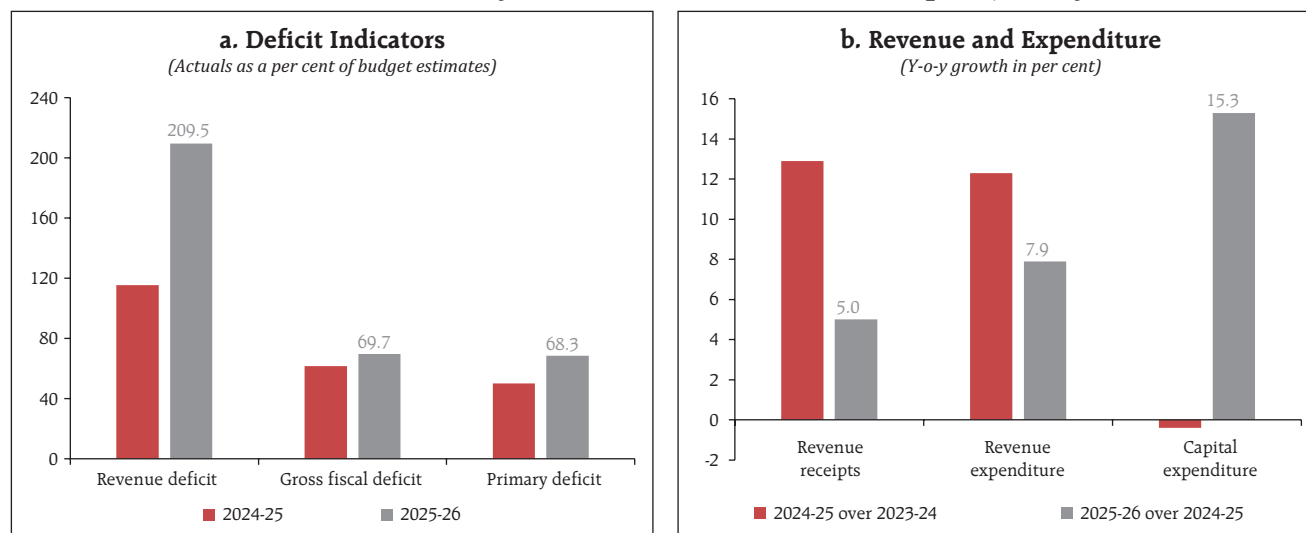


Chart III.9: States' Key Fiscal Performance Indicators (April - January)

Note: Data pertain to 25 States/UTs.

Sources: Budget Documents of States/UTs; and CAG of India.

III.1.4 External Demand

Global demand conditions weakened amid elevated trade tensions and policy uncertainty in H2:2025-26.⁷ The outbreak of West Asia conflict since end-February further dented global demand. Despite the challenging global environment, merchandise exports held ground, increasing marginally by 0.8 per cent in H2 (October-February). Continued resilience in services exports supported India's external demand. With merchandise imports growing at a higher pace than exports, the trade deficit expanded to US\$ 155.7 billion in H2:2025-26 (October-February) from US\$ 115.9 billion in H2:2024-25 (October-February) [Chart III.10].

Export performance varied across sectors. The growth in merchandise exports during September-February 2025-26 was primarily led by electronic goods, engineering goods, meat, dairy and poultry products, drugs and pharmaceuticals, and marine products. The impact of higher US tariffs was evident in lower shipments to the US, particularly from the impacted sectors, viz., gems and jewellery, automobiles and certain automobile parts, textiles and readymade garments, although diversification to other markets partly offset the impact. Major sectors that dragged down overall exports included petroleum products, rice, gems and jewellery, textiles, and plastic and linoleum (Chart III.11).

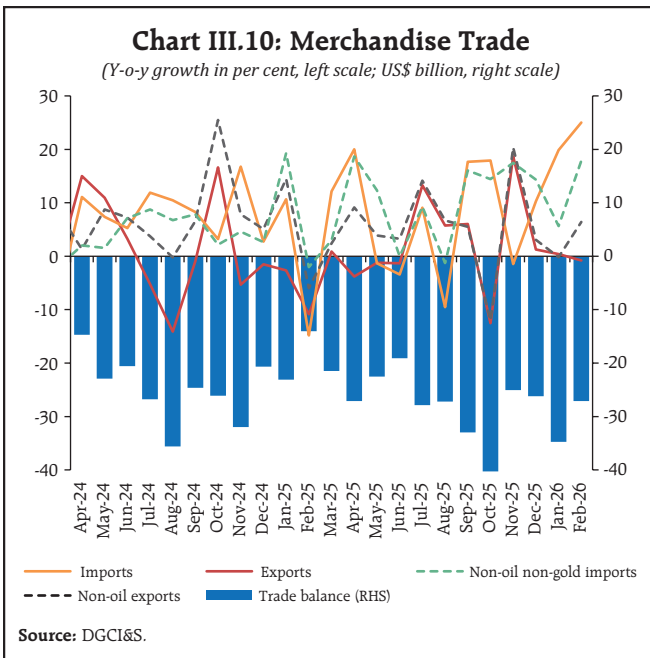
Table III.7: Government Market Borrowings

(₹ crore)

	2024-25			2025-26		
	Centre	States	Total	Centre	States	Total
Net borrowings	11,62,879	7,53,345	19,16,224	11,32,834	9,03,887	20,36,721
Gross borrowings	14,00,697	10,73,310	24,74,007	14,61,000	12,76,430	27,37,430

Sources: Government of India (GoI); and RBI staff estimates.

⁷ The USA imposed additional tariffs of 25 per cent in August 2025, taking total tariffs to 50 per cent on Indian goods.



The growth in merchandise imports during September-February 2025-26 was driven by higher imports of gold, electronic goods, silver, fertilisers, and machinery, electrical and non-electrical. In contrast, petroleum, crude and products, iron and steel, pulses, coal, coke and briquettes, and chemical material and products contributed negatively (Chart III.12). Gold imports at US\$ 52 billion grew sharply

by 78.5 per cent (y-o-y) during this period reflecting a steep rise in prices, while petroleum, crude and products contracted by 5.6 per cent.

Services exports expanded by a healthy 8.9 per cent during 2025-26 (April-February), although it moderated from 13.1 per cent in the same period of last year. Driven by software and business services on sustained global demand, India remained one of the top five service-exporting countries worldwide in terms of export growth in 2025-26 (April-January). In H2:2025-26 (October-February), services exports increased by 8.4 per cent, as compared to 15.5 per cent during the corresponding period of last year (Chart III.13). Services imports grew by 3.4 per cent during 2025-26 (April-February), with a moderate increase of 4.5 per cent in H2 (October-February).

On a balance of payments basis, India's current account deficit (CAD) widened to 1.3 per cent of GDP during Q3:2025-26 from 1.1 per cent in the corresponding period a year ago on account of higher merchandise trade deficit, while services and remittances receipts remained robust. In the

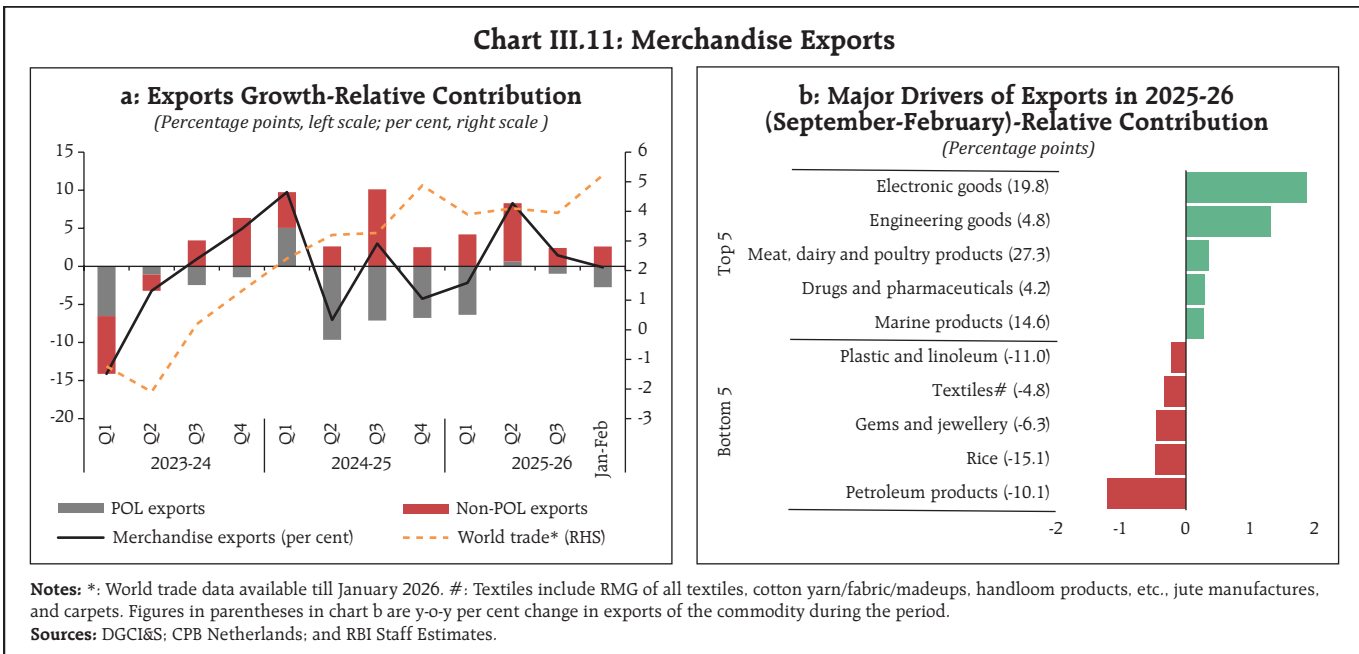
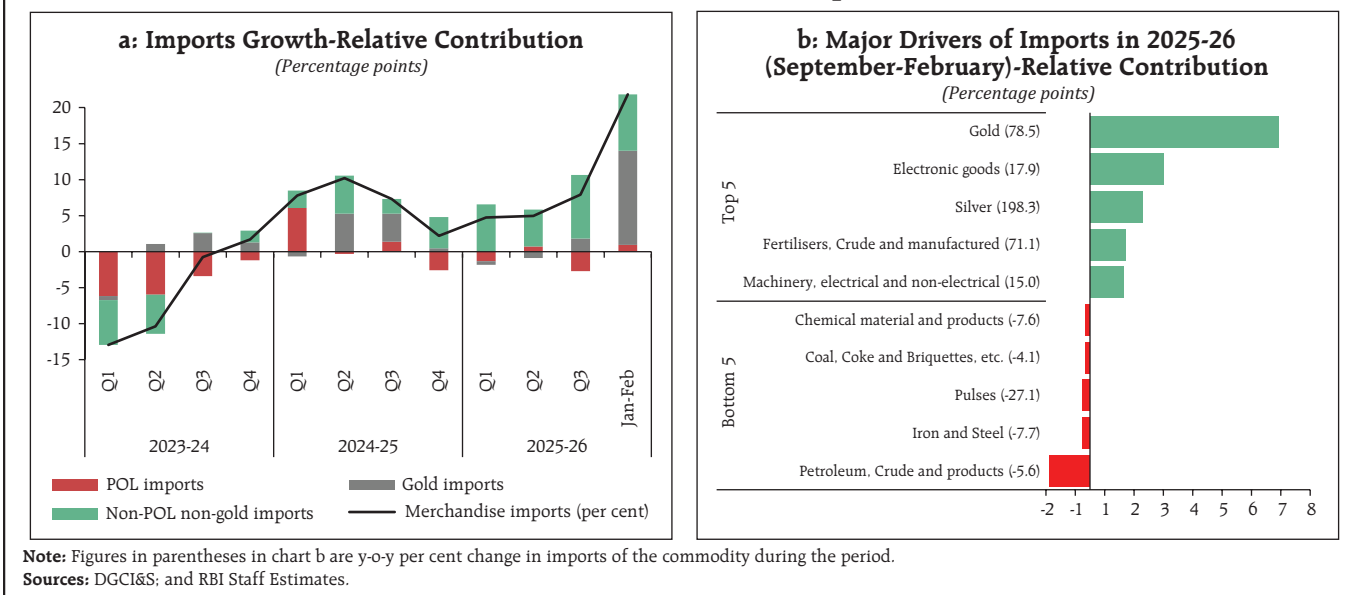


Chart III.12: Merchandise Imports



financial account, net capital inflows fell short of CAD and resulting in depletion of forex reserves. During April-December 2025, CAD was at 1.0 per cent of GDP compared with 1.3 per cent during the same period a year ago.

India's gross inward foreign direct investment (FDI) flows increased robustly by 18.1 per cent to

US\$ 88.3 billion during 2025-26 [April - February (provisional)]. Subsequently, net FDI increased to US\$ 6.3 billion during 2025-26 (April-February) from US\$ 1.5 billion a year ago, despite elevated FDI repatriation and outward FDI. Manufacturing, computer services, financial services, business services, and communication services accounted for more than two-thirds of total equity inflows during 2025-26 so far (up to February). Furthermore, Singapore, the US, Mauritius, Japan, and the Netherlands were the major source countries of inward FDI to India, accounting for around three-fourth of the total inflows (Table III.8).

Foreign portfolio investment (FPI) registered net outflows of US\$ 16.5 billion during 2025-26, mainly due to outflows in the equity segment. FPI flows in the equity segment remained negative amidst cautious investor sentiment driven by global trade tensions, uncertainty surrounding India-US trade deal, and the outbreak of West Asia conflict. Foreign investor sentiment turned positive following the India-EU free trade agreement and the announcement of the interim India-US trade deal framework. However, global risk

Chart III.13: Services Trade

(Y-o-y growth in per cent)

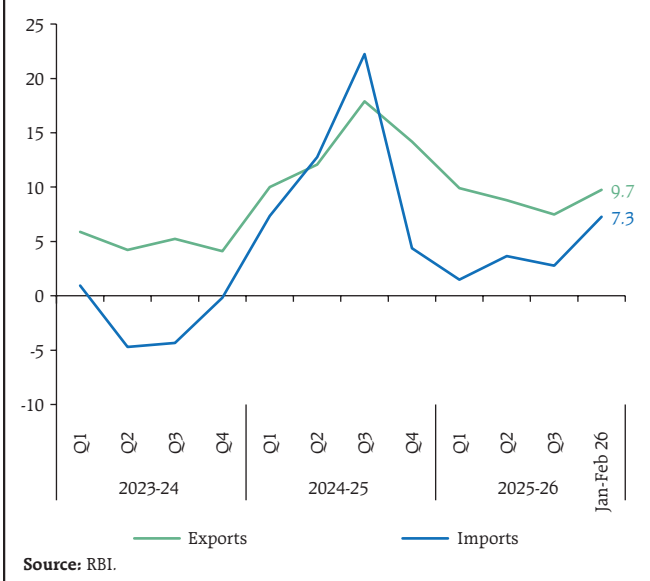


Table III.8: Net Foreign Direct and Portfolio Investment*(US\$ billion)*

	2023-24				2024-25				2025-26			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net FDI	4.7	-0.8	4.0	2.3	6.2	-2.8	-2.8	0.4	4.8	1.9	-3.7	3.2@
Net FPI*	16.1	5.3	11.7	11.6	0.9	19.8	-11.4	-6.0	1.6	-5.8	0.1	-12.4

Notes: @: Data pertains to January-February 2026 and is provisional. *:Net FPI data for 2025-26 is sourced from daily data, published by NSDL.

Sources: National Securities Depository Limited (NSDL); and RBI.

sentiments deteriorated following conflict in West Asia, leading to significant net outflows of US\$ 13.1 billion in March 2026. During 2025-26 (April-February), there have been net inflows of US\$ 3.1 billion under the debt segment, reflecting a preference for safer assets amidst an uncertain global environment. However, in March 2026, FPI in debt segment has also registered net outflows of US\$ 1.0 billion in the wake of West Asia conflict.

Net external commercial borrowing (ECB) inflows to India moderated to US\$ 11.9 billion during 2025-26 (April-February), from US\$ 16.0 billion a year ago. The moderation in ECB reflects both favourable domestic interest rates following monetary policy easing and higher hedging costs making ECB loans costly. Besides on-lending /sub-lending, ECBs were used for refinancing of earlier ECBs, import of capital goods and new projects. About 69.4 per cent of new ECBs⁸ were hedged during 2025-26 (April-January). Net inflows under non-resident deposits moderated to US\$ 11.0 billion during 2025-26 [April - February (provisional)] from US\$ 14.6 billion a year ago, due to a decline in net inflows under FCNR(B) deposits. As on March 27, 2026, India's foreign exchange reserves stood at US\$ 688.1 billion, equivalent to 10.9 months of annualised merchandise imports as per BoP basis or 89.9 per cent of outstanding external debt position of end-December 2025.

III.2 Aggregate Supply

Aggregate supply, measured by real gross value added (GVA) at basic prices, expanded by 7.7 per cent in 2025-26, higher than 7.3 per cent in 2024-25. Robust services activity and sustained expansion in industry drove the growth in GVA (Table III.9 and Chart III.14). GVA expanded by 7.8 per cent in Q3:2025-26 (7.0 per cent in Q1 and 8.6 per cent in Q2), with an implicit estimate of 7.4 per cent for Q4. The SAAR followed a similar trend, reaching 7.7 per cent in Q4.

III.2.1 Agriculture

Real GVA in agriculture and allied activities grew by 2.4 per cent in 2025-26 (SAE), as against 4.2 per cent in 2024-25, with a moderating pace of 1.4 per cent in Q3. The moderation partly reflects weather-related disruptions to *kharif* harvest in parts of western and eastern India. In Q4, favourable *rabi* conditions and sufficient reservoir levels are expected to provide support to the agricultural sector.

As on April 2, 2026, water storage levels in major reservoirs stood at 46.7 per cent of the full capacity, 16.4 per cent above the previous year and 26.7 per cent above the normal (decadal) average. Storage exceeded the normal average in all regions except the Eastern region.

The Government increased the Minimum Support Prices (MSPs) for major *rabi* crops on October

⁸ ECBs include foreign exchange loans and Rupee-denominated loans and bonds.

Table III.9: Real GVA Growth

(Y-o-y growth, per cent)

Sector	2024-25	2025-26	Weighted Contribution		2024-25				2025-26			
	(FRE)	(SAE)	2024-25	2025-26	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 [#]
Agriculture, forestry and fishing	4.2	2.4	0.8	0.5	2.6	4.1	5.8	3.8	4.2	2.3	1.4	2.1
Industry	8.7	9.5	1.7	1.9	9.6	4.6	9.7	10.8	8.0	11.4	11.1	7.8
Mining and quarrying	11.7	4.1	0.2	0.1	11.9	8.3	13.1	12.9	4.5	6.1	4.7	1.7
Manufacturing	9.3	11.5	1.4	1.8	9.4	4.9	10.8	11.8	10.6	13.2	13.3	9.3
Electricity, gas, water supply and other utilities	2.9	1.5	0.1	0.0	9.2	-0.2	0.6	2.1	-1.9	3.9	1.5	2.7
Services	7.8	8.7	4.7	5.3	8.5	7.8	7.9	7.0	7.5	9.2	9.1	8.9
Construction	7.3	7.1	0.7	0.6	8.7	6.1	6.4	8.0	5.4	8.7	6.6	7.6
Trade, hotels, transport, communication	6.6	10.1	0.9	1.4	6.9	6.6	6.7	6.3	9.4	10.4	11.0	9.7
Financial, real estate and professional services	10.0	9.9	2.5	2.5	10.3	10.0	11.1	8.8	8.8	9.9	11.2	9.6
Public administration, defence and other services	5.0	5.8	0.6	0.7	6.9	6.0	4.4	3.2	4.3	6.9	4.5	7.5
GVA at basic prices	7.3	7.7	7.3	7.7	7.6	6.5	7.8	7.1	7.0	8.6	7.8	7.4

Notes: FRE: First revised estimates; SAE: Second advance estimates; #: Implicit.

Sources: NSO, MoSPI; and RBI staff estimates.

1, 2025, in the range of 4.0-10.1 per cent, marking the highest average hike in seven years. Following this, overall *rabi* sowing for 2025-26 was placed at 6.1 per cent above the full season normal area and 2.4 per cent higher than the previous year. Area under

all major crop groups exceeded previous year levels. Wheat, accounting for almost half the full-season area, surpassed last year's acreage by 1.9 per cent; pulses by 3.7 per cent and oilseeds by 3.8 per cent.

The SAE for 2025-26 placed foodgrains production at a record 3,487 lakh tonnes, marking an increase of 3 per cent over the previous year (Table III.10). Among major crops, rice production increased by 1.3 per cent with a significant increase in *rabi* output. Wheat production rose by 1.9 per cent to a record level of 1,202 lakh tonnes. Pulses production has been higher by 3.9 per cent, driven by higher production of *rabi* pulses as *kharif* pulses registered decline due to excess monsoon. Among commercial crops, production of oilseeds and cotton declined, while that of sugarcane registered an increase *vis-à-vis* last year.

The production of horticultural crops in 2025-26 reached 3,708 lakh tonnes as per the First Advance Estimates, marginally higher than the Final Estimates for 2024-25, driven primarily by higher output of banana, tomato, and plantation crops.

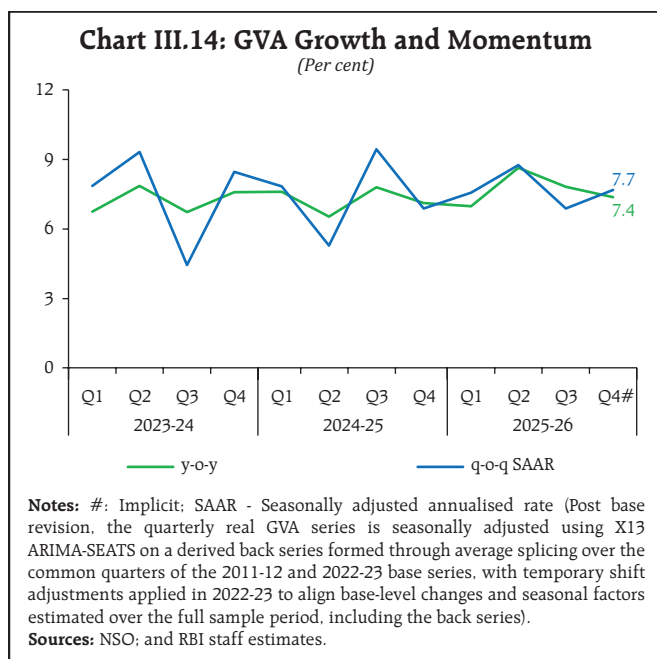


Table III.10: Agricultural Production in 2025-26

(Lakh tonnes)

Crop	2024-25		2025-26	Variation in 2025-26 (Per cent)	
	SAE	Final Estimates	SAE	Over SAE 2024-25	Over Final 2024-25
1. Foodgrains	3309	3386	3487	5.4	3.0
<i>Kharif</i>	1664	1695	1741	4.7	2.8
<i>Rabi</i>	1645	1692	1745	6.1	3.2
a. Rice	1364	1389	1406	3.1	1.3
b. Wheat	1154	1179	1202	4.1	1.9
c. Pulses	230	230	239	3.7	3.9
2. Oilseeds	417	417	410	-1.6	-1.6
3. Sugarcane	4351	4546	5002	15.0	10.0
4. Cotton #	294	297	291	-1.1	-2.1
5. Jute & Mesta ##	86	88	83	-3.3	-5.2

Notes: #: Lakh bales of 170 kgs each; ##: Lakh bales of 180 kgs each.

SAE: Second Advance Estimates.

The data covers only *Kharif* and *Rabi* seasons.

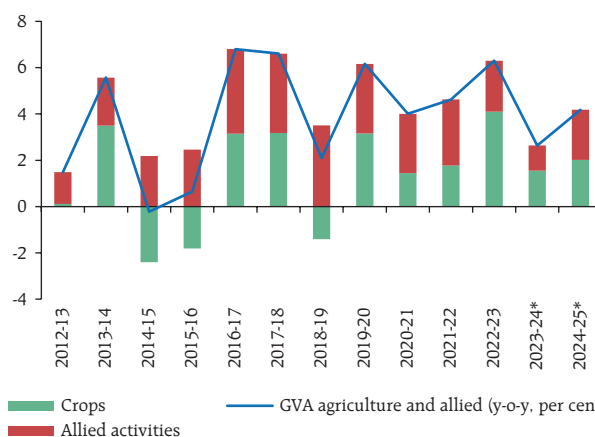
Sources: Ministry of Agriculture and Farmers' Welfare (MoAFW); and GoI.

Allied activities – livestock, forestry and fishing – contributed almost 52 per cent of agricultural GVA growth in 2024-25 (Chart III.15).

As of February 28, 2026, rice procurement for the 2025-26 *kharif* marketing season reached 462.8 lakh tonnes, an increase of 1.9 per cent over the previous year. Rice stocks stood at 739.4 lakh tonnes,

Chart III.15: Contribution of Crops and Allied Activities

(Percentage points)



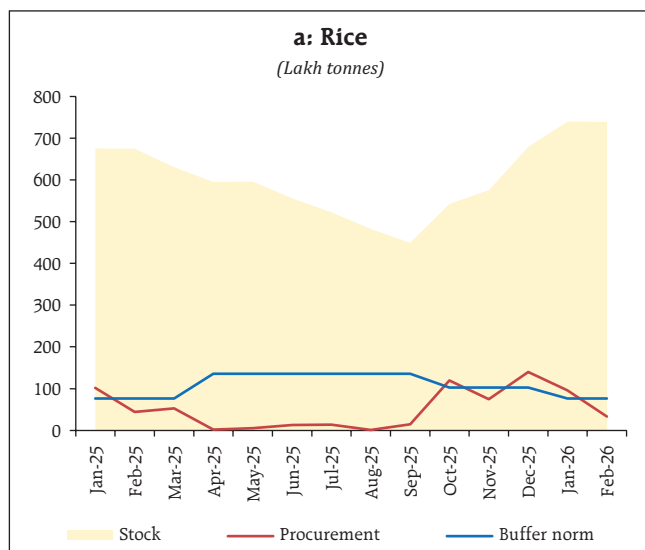
Note: *: Data for 2023-24 and 2024-25 use the new GVA base (2022-23); earlier figures use the 2011-12 base.

Sources: NSO; and RBI staff estimates.

9.7 times the buffer requirement, while wheat stocks at 236.2 lakh tonnes were 1.7 times the buffer norm (Chart III.16). Given comfortable public stocks and improved prospects for the upcoming *rabi* produce, the Government announced open market sales of wheat, partially reopened wheat exports and removed stock limits on all wheat-holding entities. Additionally, 52 lakh tonnes of surplus rice of Food

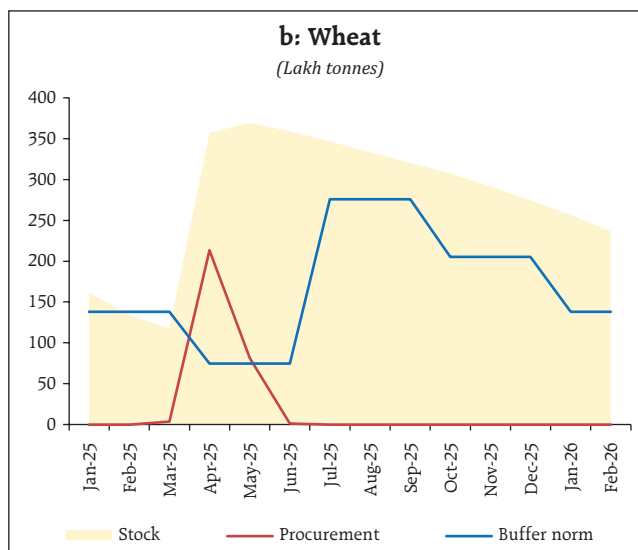
Chart III.16: Stock and Procurement – Rice and Wheat

a: Rice
(Lakh tonnes)



Source: Food Corporation of India (FCI), GoI.

b: Wheat
(Lakh tonnes)



Corporation of India (FCI) were allocated for ethanol production.

High-frequency indicators suggest a comfortable position for the agriculture sector in H2:2025-26. Tractor sales (wholesale) increased by 28.0 per cent (y-o-y) during H2 (October–February), while fertiliser sales remained high at 123.3 lakh tonnes. Agriculture and allied sector exports at US\$ 22.6 billion in H2 (October–February) remained broadly stable. Demand for employment under MGNREGA moderated sharply in H2:2025-26, in line with improving rural labour market conditions (Table III.11).

Overall, the combination of record *kharif* output, above normal *rabi* sowing, comfortable reservoir levels, robust foodgrain stocks, and calibrated government interventions on procurement and exports augur well for agricultural activity in the near term. The West Asia conflict may pose risks to fertiliser availability, especially urea, for the *kharif* season. However, government efforts to build stocks through higher production, supported by increased gas allocation and diversified imports, are expected to provide support.

III.2.2 Industry

As per the SAE, the industrial sector recorded a growth of 9.5 per cent in 2025-26 as against 8.7

per cent in the previous year. The acceleration in industrial activity was primarily driven by a strong growth in the manufacturing sector, supported by easing input cost pressures, improved profitability of listed manufacturing firms and robust domestic demand. Industrial GVA growth rose to 11.1 per cent in Q3:2025-26, with manufacturing expanding sharply by 13.3 per cent, the strongest growth in about two years. Mining and quarrying activity registered a growth of 4.7 per cent in Q3, a deceleration from the double-digit expansion in the previous year. GVA of electricity, gas, water supply, and other utility services increased modestly by 1.5 per cent in Q3 as electricity demand remained subdued due to extended monsoon conditions, which reduced cooling requirements and overall electricity consumption (Chart III.17).

The index of industrial production (IIP) grew by 5.3 per cent in Q3:2025-26 and 5.2 per cent in Q4 (up to February) [Chart III.18 and Table III.12]. After contracting in H1:2025-26, the mining sector recorded a turnaround with a growth of 3.8 per cent in Q3 and 3.7 per cent in Q4 (up to February). The rebound was, however, tempered by subdued production of coal, crude oil and natural gas. Manufacturing

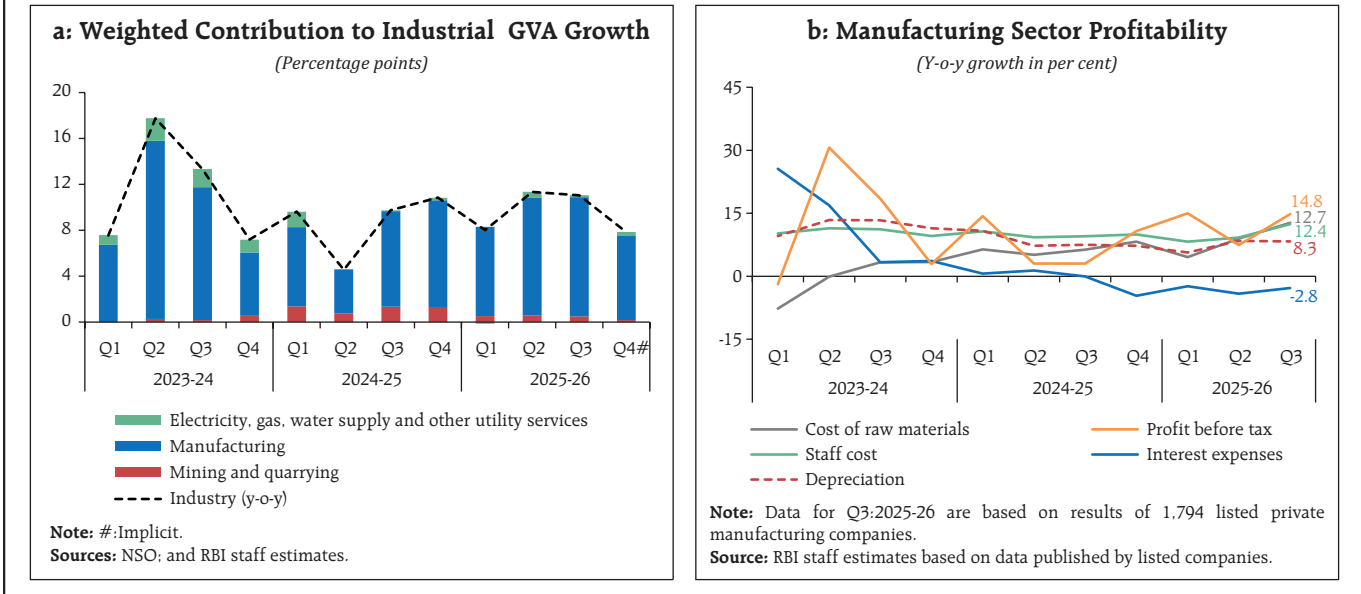
Table III.11: Rural Economy - High Frequency Indicators

Item	Unit	H1 (Apr-Sep)			H2 (Oct-Mar)		
		2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Tractor Sales	Number (In lakh)	4.7	4.7	5.6	3.4	3.9	5.0
Two-wheeler sales	Number (in lakh)	87.4	101.6	102.4	77.5	77.9	94.9
Fertiliser Sales \$	Lakh Tonnes	312.9	303.5	332.0	120.2	114.7	123.3
Demand for employment (MGNREGA) #	Crore households	15.1	12.6	11.6	11.5	12.0	8.9
Agriculture and allied sector exports	USD billion	23.3	23.4	25.5	20.0	22.7	22.6
Agriculture credit growth	y-o-y	16.7	16.4	9.0	20.0	11.4	12.3
Rice stock to buffer norm*	Ratio	3.1	3.8	4.4	7.6	8.9	9.7
Wheat stock to buffer norm*	Ratio	1.2	1.2	1.6	0.7	1.0	1.7

Notes: Data for 2023–24 and 2024–25 are presented up to the corresponding months available for 2025–26, mostly up to February. \$: up to November; # up to March; * as on February 28. All sales pertain to the domestic market only.

Sources: TMA; SIAM; MoC&F; Ministry of Rural Development (MoRD); CMIE; RBI; and Food Corporation of India (FCI).

Chart III.17: Industrial GVA Growth



sector sustained the momentum and recorded an expansion of 6.3 per cent in Q3 and 5.6 per cent in January-February 2026. Within manufacturing, production of basic metals, motor vehicles, trailers and semi-trailers, other transport equipment, computers and electronic goods, and pharmaceutical products registered an upsurge in H2 (up to February

2026), while production of wearing apparel, leather, printing and other manufactured products acted as a drag on growth. In terms of the use-based classification, all categories exhibited expansion during H2 (up to February 2026), with capital goods, intermediate, infrastructure and construction goods leading the momentum.

Chart III.18: Index of Industrial Production

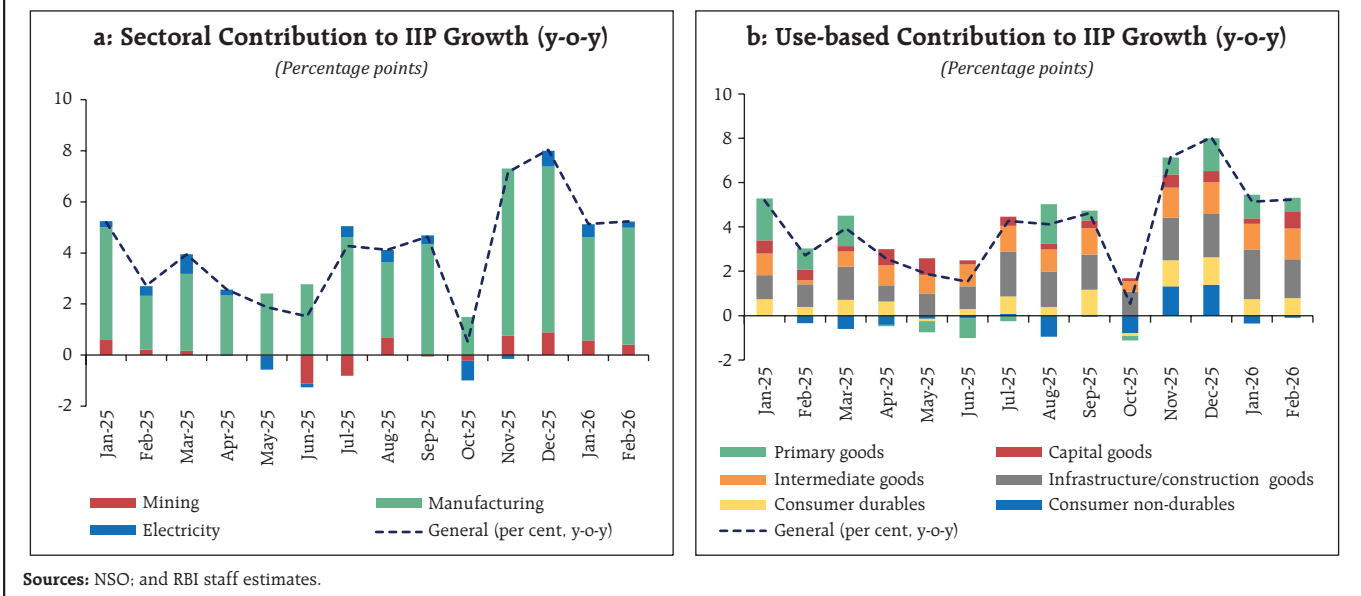


Table III.12: Industrial Sector Indicators*(Y-o-y growth, per cent)*

Indicator	2025-26					
	Q1	Q2	Q3	Jan	Feb	Mar
1. PMI: Manufacturing (>50 indicates growth over previous month)	58.1	58.7	56.9	55.4	56.9	53.9
2. Index of Industrial Production (IIP)	2.0	4.3	5.3	5.1	5.2	
3. IIP: Manufacturing	3.3	5.1	6.3	5.3	6.0	
4. IIP: Primary goods	-1.4	1.9	2.0	3.1	1.8	
5. IIP: Capital goods	9.8	5.6	6.8	4.1	12.5	
6. IIP: Intermediate goods	5.0	5.9	5.9	6.3	7.7	
7. IIP: Infrastructure and construction goods	6.0	11.6	11.0	14.6	11.2	
8. IIP: Consumer durables	2.6	6.9	7.3	7.2	7.3	
9. IIP: Consumer non-durables	-1.5	-2.0	4.1	-2.3	-0.6	
10. Eight Core Industries (ECI)	1.5	4.5	2.3	4.7	2.3	
11. ECI: Steel	7.2	14.8	7.6	11.5	7.2	
12. ECI: Cement	8.0	7.3	11.2	11.3	9.3	
13. Electricity demand	-1.5	3.3	-0.3	3.8	1.0	
Production of Automobiles						
14. Passenger vehicles	4.9	4.2	19.1	5.6#	9.8#	
15. Two-wheelers	0.7	10.6	15.0	16.1	24.4	
16. Three wheelers	9.8	18.3	34.7	33.2	29.9	
17. Tractors	12.7	14.6	31.5	14.6	80.0	

Note: #: Does not include Tata Motors.**Sources:** CMIE; CEIC; HSBC, S&P Global; Office of the Economic Adviser; NSO; SIAM; and RBI staff estimates.

Electricity, gas, water supply and other utility services registered a modest growth of 2.2 per cent in H2. Electricity generation increased by 3.7 per cent in Q4 (up to February), reflecting strong growth in power generation through renewables, hydro and nuclear sources. The renewable energy sources, which have a share of 15.5 per cent in total generation, increased sharply by 20.6 per cent in Q3 and 24.1 per cent in Q4 (up to February). Region-wise, electricity demand showed divergence in Q3, contracting in the northern and western regions while expanding modestly in the southern and eastern regions. With the onset of winter, electricity demand firmed up across regions in Q4 (up to February) [Table III.13].

The manufacturing purchasing managers' index (PMI) moderated from 56.9 in Q3 to 55.4 in

Q4, though it remained in expansion zone. The new orders remained strong with robust demand conditions. Business expectations in manufacturing remained upbeat, as reflected in the future output index staying comfortably above the neutral mark (Chart III.19a). However, supply-chain disruptions due to the West Asia conflict could tighten the availability of key inputs for downstream sectors, including, refining, plastics, fertilisers, aluminium, textiles, tyres, automotive, rubber, chemicals and synthetic fibres.

III.2.3 Services

The services sector recorded a robust growth of 8.7 per cent in 2025-26, accelerating from 7.8 per cent in 2024-25. It remained the mainstay of the Indian

Table III.13: Electricity Generation and Consumption

(Y-o-y growth, per cent)

Indicator	2024-25				2025-26					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Jan	Feb	Mar
Electricity generation										
Thermal	12.0	-1.4	0.0	0.3	-8.1	-1.5	-5.4	1.9	-2.9	-2.2
Nuclear	28.3	18.4	11.4	16.9	11.3	-16.6	-12.3	5.2	17.7	8.0
Hydro	1.3	6.2	28.3	19.8	13.4	13.1	13.6	6.3	9.9	8.0
Renewables	7.0	7.3	17.2	22.8	24.8	22.1	20.6	22.9	25.3	
Total	10.9	1.4	4.0	4.4	-1.7	3.5	-0.9	5.2	2.3	-1.2*
Electricity consumption										
Northern region	22.0	3.1	9.5	1.6	-3.0	-0.5	-3.2	5.5	0.8	
Western region	5.5	-6.7	0.4	4.4	-0.3	7.0	-1.3	2.3	0.6	
Southern region	3.3	0.8	-2.3	3.1	-1.3	2.9	2.9	3.2	-0.2	
Eastern region	9.8	0.6	3.9	3.9	-1.7	5.9	1.8	5.6	6.2	
All-India	10.2	-0.7	2.6	3.2	-1.5	3.3	-0.3	3.8	1.0	

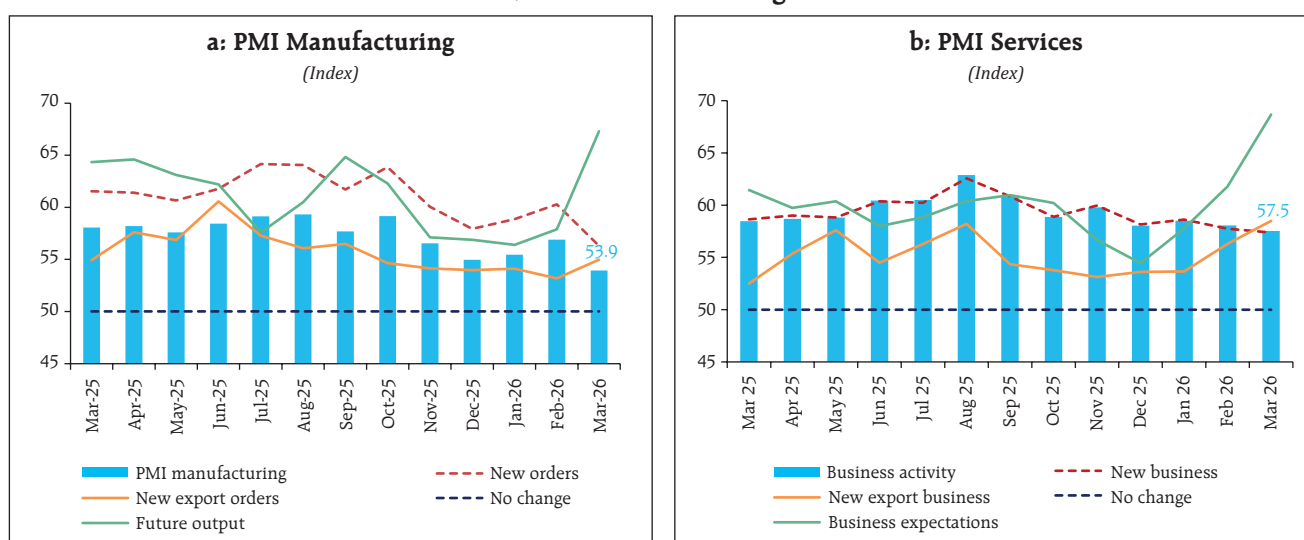
Note: *: Excluding renewable electricity generation.

Sources: Central Electricity Authority (CEA); and Power System Operation Corporation Limited (POSOCO).

economy, with contribution of around 70 per cent to GVA growth in 2025-26. In Q3:2025-26, services GVA recorded a growth of 9.1 per cent (9.2 per cent in Q2), as against 7.9 per cent in last year. Within the services sector, strong growth in segments such as 'trade, hotels, transport, communication and broadcasting'; and 'financial, real estate and professional services' indicates rising contribution of relatively high-value

service activities (Chart III.20a). Proximate indicators show that construction activity held its momentum in Q3 and January-February 2026. Cement production strengthened in Q3 in the wake of higher demand after the retreat of monsoon, while finished steel consumption expanded at a relatively moderate pace. In January-February 2026, both indicators registered strong growth (Chart III.20b).

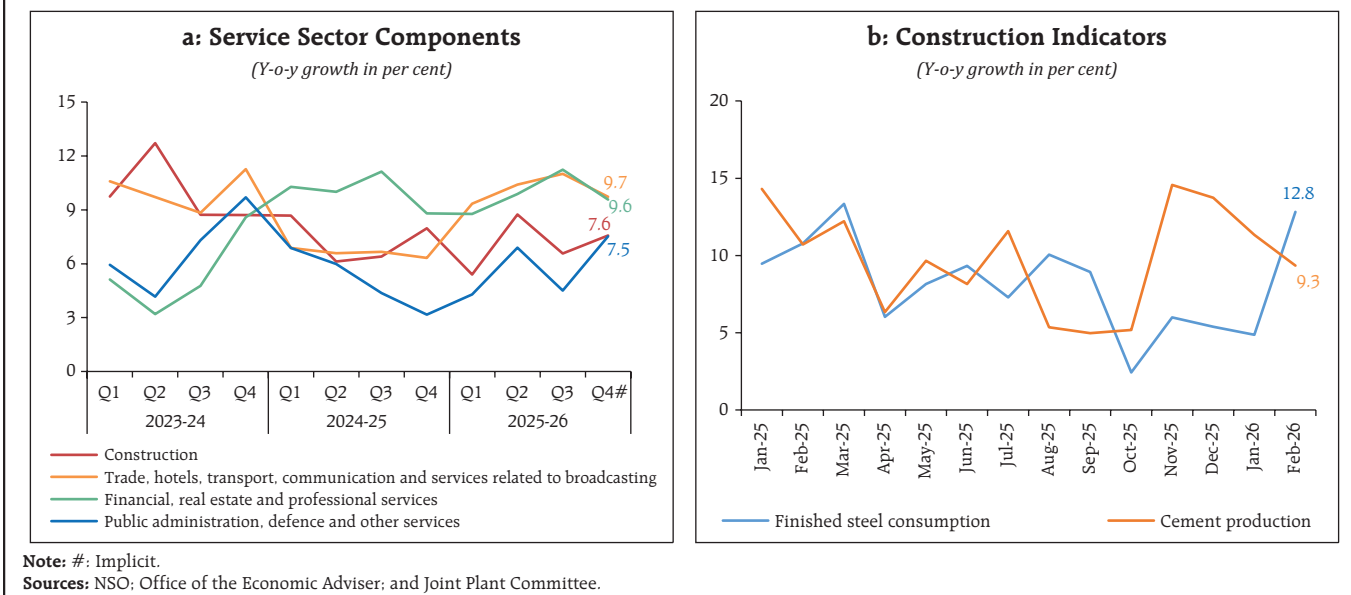
Chart III.19: PMI Manufacturing and Services



Note: PMI > 50: Expansion, PMI < 50: Contraction.

Source: HSBC, S&P Global.

Chart III.20: Services Sector



The GVA growth of 'trade, hotels, transport, and communication' accelerated to 11.0 per cent in Q3:2025-26 (10.4 per cent in Q2). Growth in GST collections moderated in Q3, following the GST rate rationalisation, but improved in Q4, indicating healthy domestic trading activity. GST E-way bill, port and air cargo traffic also recorded strong gains during H2:2025-26, reflecting higher freight movement and trade activity. Domestic air passenger traffic rebounded in Q3 and January-February 2026, supported by tourism and business travel. Indicators of transportation services registered a healthy growth – commercial vehicles and passenger vehicles sales growth accelerated sharply in Q3. Available data for January–February (Q4 so far) show continued strength in passenger vehicle sales, suggesting sustained demand momentum, supported by GST rate cuts and interest rate easing.

Financial, real estate and professional services rose strongly by 11.2 per cent in Q3:2025-26 – the highest growth recorded in the new GDP series

(base year 2022–23) – and remained the largest contributor to services sector GVA growth (51.2 per cent) as well as to aggregate GVA growth (35.3 per cent). The momentum was supported by sustained expansion in financial intermediation, with bank credit and deposits growing by 13.8 per cent and 10.8 per cent, respectively, in March 2026, alongside healthy growth in life and non-life insurance premia during H2 (October–February) [Table III.14].

Nominal sales of non-IT services remained buoyant, sustaining a stable double-digit growth in Q3:2025-26 that was broadly unchanged from the previous quarter. The performance of IT sector strengthened further in Q3, despite global headwinds (Chart III.21).

Real estate activity in Q3:2025-26 remained healthy, as reflected by the pick-up in new housing project launches on the back of lower costs following GST reductions on key inputs,⁹ while sales remained

⁹ GST Reforms for a New Generation. The details are available at: <https://www.pib.gov.in/FactsheetDetails.aspx?Id=150302®=3&lang=2>

Table III.14: Services Sector Indicators

(Y-o-y growth, per cent)

Indicator	2025-26					
	Q1	Q2	Q3	Jan	Feb	Mar
1. PMI: Services (>50 indicates growth over previous month)	59.3	61.4	58.9	58.5	58.1	57.5
Construction						
2. Steel consumption	7.9	8.8	4.6	4.9	12.8	
3. Cement production	8.0	7.3	11.2	11.3	9.3	
Trade, Hotels, Transport, Communication and Services related to Broadcasting						
4. Commercial vehicle sales	-0.6	8.3	21.5			
5. Domestic air passenger traffic	5.3	-1.9	1.7	3.1	-0.1	
6. Domestic air cargo	6.6	4.9	6.8	8.7	18.5	
7. International air cargo	4.7	3.6	7.3	8.4	17.5	
8. Freight traffic	2.4	4.0	3.2			
9. Port cargo	5.6	5.9	13.1	7.6	3.8	0.7
10. Toll collection: volume ^	16.2	14.9	16.9	15.5	7.8	14.1
11. Petroleum consumption	0.6	2.2	1.2	0.7	5.5	2.2
12. GST E-way bill	20.5	23.1	19.4	15.8	18.8	
13. GST revenue*	11.8	7.7	4.7	6.2	8.1	8.8
Financial, Real Estate and Professional Services						
14. Credit outstanding	9.5	10.4	14.5	14.6	14.5	13.8@
15. Bank deposits	10.1	9.5	12.7	12.5	11.9	10.8@
16. Life insurance premium	4.3	10.7	24.9	21.6	18.1	
17. Non-life insurance premium	8.8	5.8	11.4	15.0	9.7	

Note: @: Data as on March 15, 2026. ^: Estimates includes data on trips of electric vehicles (EVs) in Maharashtra and Annual Passes trips since August 2025; and *: These figures include compensation cess.

Sources: CEIC; NSO; HSBC, S&P Global; MOSPI; IRDAI; and RBI staff estimates.

steady. As launches outpaced sales, the unsold inventory level increased in Q3 relative to Q2 (Chart III.22a). All-India housing price index further edged up in Q3, with an increase recorded across all major cities except Mumbai (Chart III.22b). Public administration, defence, and other services (PADO) grew at 4.5 per cent in Q3, compared with 4.4 per cent a year ago, on the back of buoyant activity in other services like education and health.

Services PMI remained in the expansionary zone at 58.9 in Q3:2025-26 and 58.0 in Q4, supported by strong demand and new business activity, although it moderated from 60.4 in H1:2025-26 (Table III.14). The composite PMI index eased from 60.9 in H1:2025-26 to 59.3 in Q3 and further to 58.1 in Q4. However, it remained comfortably above the

50-mark, signalling sustained expansion (Chart III.19b).

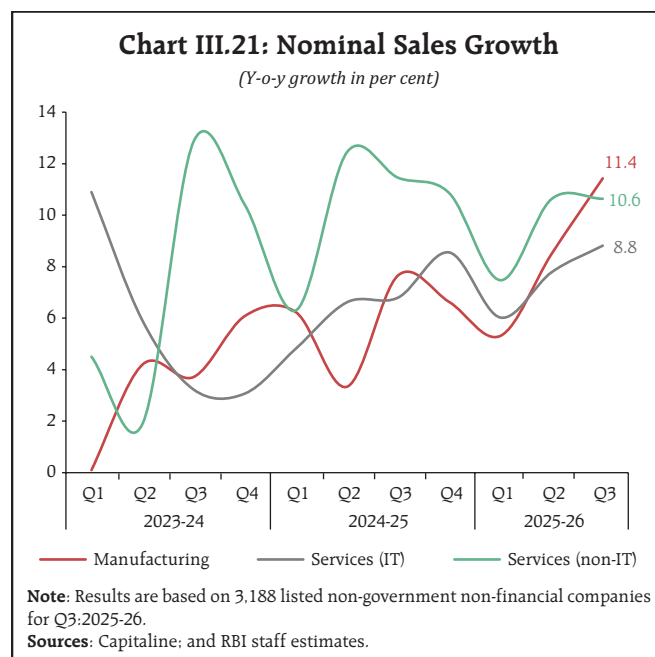
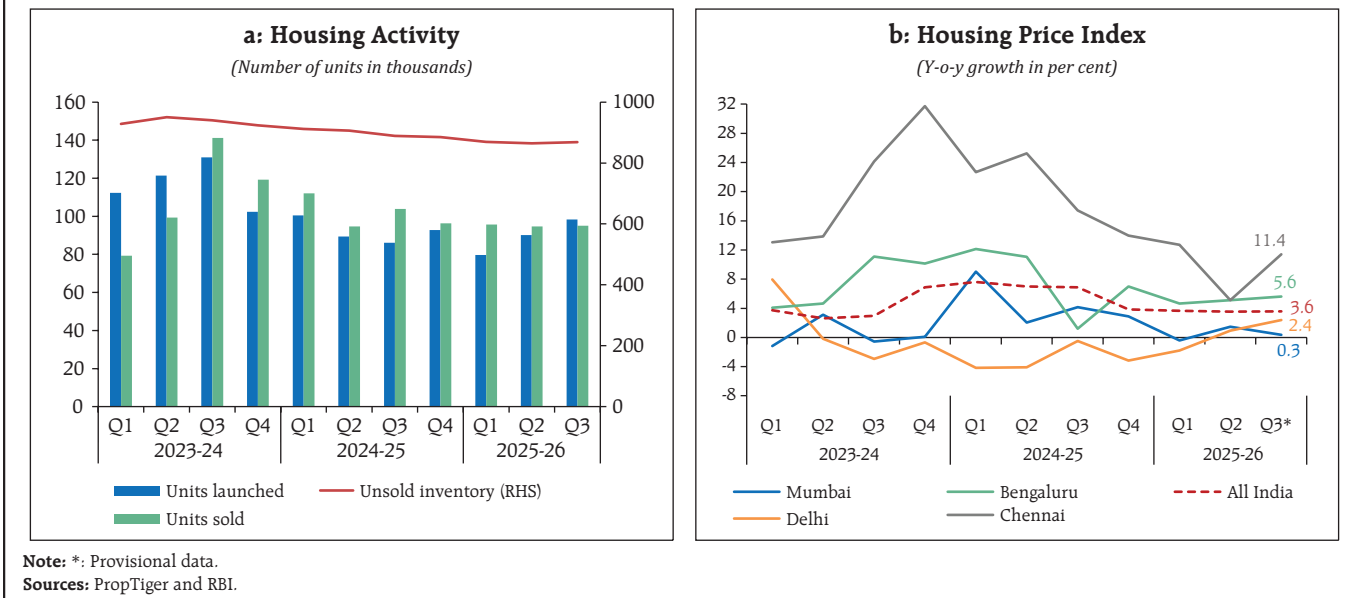


Chart III.22: Housing Sector – Launches, Sales and Prices



III.3 Conclusion

Recent revisions to the national accounts with an updated base year confirm that economic activity remained resilient in H2:2025-26, supported by robust domestic demand. GST rate rationalisation, monetary easing, benign inflationary conditions, ongoing structural reforms and improving employment conditions supported domestic demand. Net external demand remained a drag on growth amidst an uncertain global environment. On the supply

side, the buoyant services sector coupled with strengthening industrial activity drove the growth in value addition. The progress on trade deals with major economies bodes well for India’s growth outlook. Global headwinds stemming from geopolitical tensions, elevated commodity prices and supply-chain disruptions, however, pose downside risks. Proactive policy measures undertaken to procure adequate supplies of critical inputs from alternative sources are expected to mitigate the impact of headwinds from the West Asia conflict.

IV. Prices and Costs

Headline CPI inflation recorded a sequential uptick from the historical low observed in October 2025 but remained below the target. Data from the new CPI series (2024=100), available since January 2026, indicate that food prices have come out of deflation. Core inflation has remained contained despite pressures from spikes in precious metal prices. In terms of underlying drivers, wage pressures remained muted while input cost pressures have resurfaced in March. Energy price spikes driven by the war in West Asia pose risks to the domestic inflation outlook going forward.

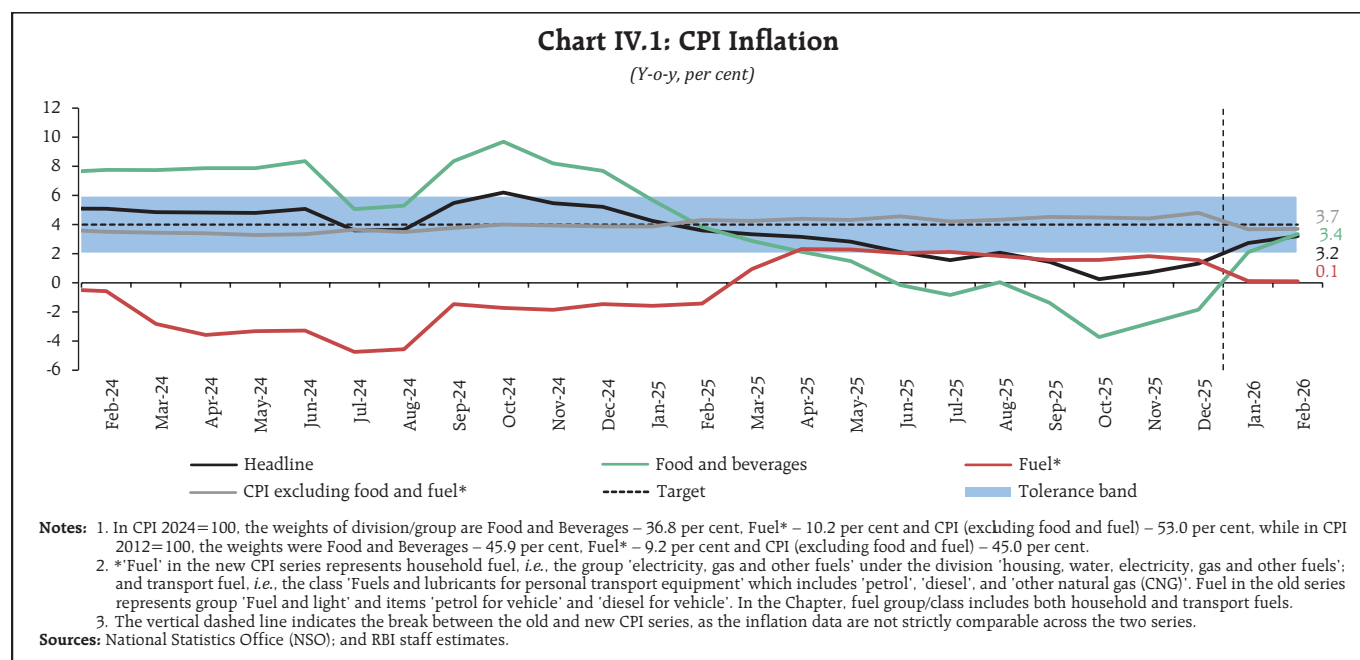
IV.1 Introduction

Since the release of the previous MPR, headline consumer price index (CPI) inflation¹ has remained

below the target, despite a sequential uptick. Inflation declined to 0.3 per cent in October 2025 — its lowest level in the earlier series (2012=100) — before rising to 1.3 per cent in December, the latest available reading under this series. Under the new CPI series (2024=100)², inflation increased to 2.7 per cent in January and 3.2 per cent in February 2026 (Chart IV.1). The new CPI series marks a significant improvement in measurement of inflation in India, enriching the information set for policy (Box IV.1).

The pick-up in inflation since October 2025 was primarily driven by adverse base effects even as the momentum³ remained subdued (Chart IV.2).

Both the decline in inflation up to October 2025 and the subsequent increase were driven by the 'food and beverages' group. The contribution of



¹ Headline inflation is measured by year-on-year (y-o-y) changes in the all-India consumer price index (CPI) published by the National Statistics Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), Government of India.

² MoSPI released the new CPI (2024=100) on February 12, 2026, which provides inflation data based on the new series from January 2026 onwards.

³ A change in CPI year-on-year (y-o-y) inflation between any two months is approximately the difference between the current month-on-month (m-o-m) change in the price index (momentum) and the m-o-m change in the price index 12 months earlier (base effect). For more details, see Box I.1 of the MPR, September 2014.

Box IV.1. New CPI Series: Major Changes and Implications for Inflation

NSO released inflation data based on the Consumer Price Index (CPI) with base year 2024 for the month of January 2026 on February 12, 2026. The weights in the new series reflect a more recent consumption pattern, based on the Household Consumption Expenditure Survey (HCES) 2023-24 (replacing HCES 2011-12 used in the CPI 2012 series).

The major highlights of the revised CPI series are:

Enhanced Coverage

- **Geographical coverage:** There has been a 25 per cent increase in the number of markets covered and 40 per cent increase in the number of towns.
- **Items:** The number of weighted items has increased from 299 to 358 in CPI 2024 (goods items increased from 259 to 308 and services items have increased from 40 to 50).
- **Expanded rural coverage:** Inclusion of rural house rent to capture housing inflation in rural areas.
- **New Items in the consumption basket:** Enhanced representation of contemporary items, including online media services, health supplements and cleaner fuels such as Compressed Natural Gas (CNG)/Piped-Natural Gas (PNG).
- **Use of alternative data sources:** Incorporation of digital and administrative data (e.g., telecom tariffs, rail and air fares, fuel prices, postal charges, and over-the-top (OTT) subscriptions) and inclusion of 12 online markets.

Changes in weighting structure

The CPI 2024 series adopts the IMF's Classification of Individual Consumption According to Purpose (COICOP) 2018 standards, replacing the earlier six-group structure used in the 2012 series with a more detailed hierarchy of 12 divisions, 43 groups, 92 classes, 162 subclasses. The weighting structure of the 2024 series at the Division level is set out in Table IV.1.1, which is contrasted against the Group/sub-group level

weighting in the 2012 series in Table IV.1.2.

**Table IV.1.1: Weighting Structure for All-India
CPI Combined: 2024=100**

Divisions	Weight (Per cent)
Food and beverages	36.75
Pan. tobacco and intoxicants	2.99
Clothing and footwear	6.38
Housing, water, electricity, gas and other fuels	17.66
Furnishings, household equipment and routine household maintenance	4.47
Health	6.10
Transport	8.80
Information and communication	3.61
Recreation, sport and culture	1.52
Education Services	3.33
Restaurants and accommodation services	3.35
Personal care, social protection and miscellaneous goods and services	5.04

**Table IV.1.2: Weighting Structure for All-India
CPI Combined: 2012=100**

Group/Subgroup	Weight (Per cent)
Food and beverages	45.86
Pan. Tobacco and Intoxicants	2.38
Clothing and Footwear	6.53
Housing	10.07
CPI Fuel and light	6.84
Miscellaneous	28.32
<i>Of which</i>	
Household goods and services	3.80
Health	5.89
Transport and communication	8.59
Recreation and amusement	1.68
Education	4.46
Personal care and effects	3.89

While a direct comparison of weighting structure is not possible on account of changes in the classification, the revised weighting diagram highlights declining food share in household expenditure and an increase in housing, services, and transport-related items.

(Contd...)

Impact of the changes in the new CPI series for inflation measurement and their implications for policy are set out in Table IV.1.3:

Table IV.1.3: Implications of Changes in New CPI

Major Changes	Revision in CPI Inflation under New Base	Effect on Inflation/Implications for Monetary Policy
Changes in Weighting Structure	Lower weight for food. Sub-groups with higher inflation volatility like 'Vegetables', 'Pulses' and 'Oils and Fats' have lower weights.	Lower volatility in headline inflation expected.
Reclassification of Items	A portion of 'Prepared meals, snacks, sweets etc.' which was part of 'Food and Beverages' of the earlier series, has now been shifted to a separate new division 'Restaurant and Accommodation Services'. A separate class named 'Fuels and lubricants for personal transport equipment' is part of the Transport Division.	Part of the food group in earlier series will now be part of core. Core ⁴ inflation can be computed excluding the transport fuel items as well.
Exclusion of Free Public Distribution System (PDS) Items⁵	Weights of PDS items reduced from 1.0 per cent to 0.1 per cent.	Exclusion of free PDS items would make index reflect market prices.
Changes in House Rent Coverage	Employer-provided housing rents are excluded in the new series. Rural house rent is included.	Rent index movements are expected to better reflect market prices. Problems related to lumpy revisions during pay commissions are addressed.
Aggregation	Imputation ⁶ will be done for all items for which data is missing (including seasonal items). There would be no weight redistribution in case of missing items.	New CPI being vertically and horizontally aggregable; No aggregation bias ⁷ . Exclusion and inclusion-based methods for core inflation to be identical; ease of communication.
Housing Rent Index Compilation	Devised a statistical methodology for covering all houses in the sample every month.	Lower volatility in house rent inflation expected.
Elementary Chain-based Index	Jevons' Short Index Formula ⁸ will be used at the elementary level which makes it easy to adapt to quality/specification changes.	New CPI will be more representative of actual price movements.

References:

NSO (2026a). Expert Group Report on Comprehensive Updation of Consumer Price Index. National Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.

NSO (2026b). First Press Release of Consumer Price Index on Base 2024=100, National Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.

food and beverages component to overall inflation turned from a large negative in October to positive during January-February 2026 (Chart IV.3). Fuel

group's contribution was negligible whereas the contribution of core (CPI excluding food and fuel) remained somewhat steady.

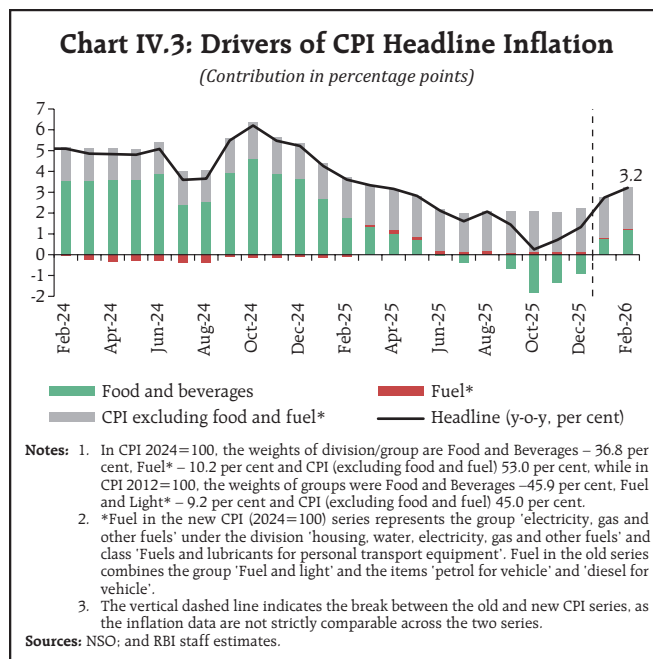
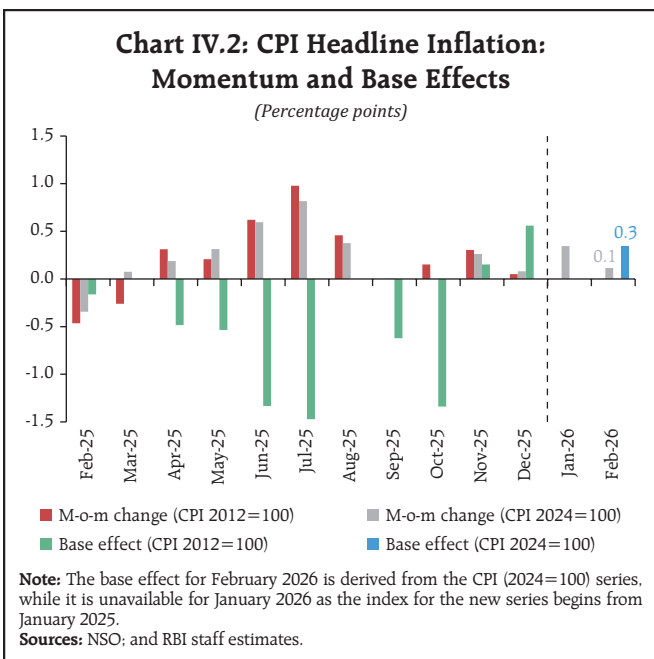
⁴ In the new CPI (2024=100) series, core CPI, *i.e.*, CPI excluding food and fuel is calculated by eliminating the division 'Food and Beverages', the group 'Electricity, gas, other fuels' (Wt. 5.4), and the class 'Fuels and lubricants for personal transport equipment' (Wt. 4.8) [which includes 'petrol', 'diesel', and 'other natural gas (CNG)']. In the old CPI (2012=100) series, core CPI, *i.e.*, CPI excluding food and fuel is worked out by eliminating the groups 'food and beverages' and 'fuel and light', and the items 'petrol for vehicle' and 'diesel for vehicle' from headline CPI for making it comparable.

⁵ Free PDS items such as rice, wheat and pulses are not part of the new CPI (2024=100) series.

⁶ Missing prices are imputed using the price movements of comparable items within the same elementary aggregate or higher-level aggregate.

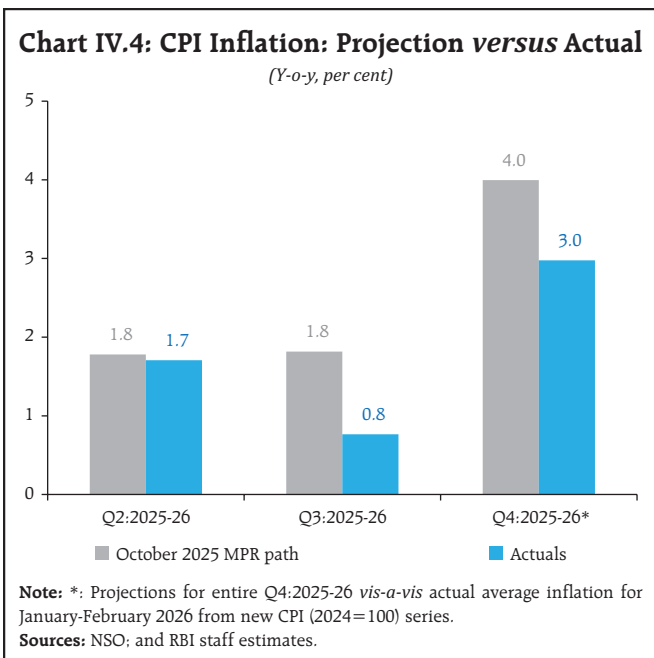
⁷ Aggregation bias in CPI compilation reflects potential distortion that occurs when cross-sectional item level indices are combined to obtain higher-level indices, especially in the presence of missing prices, change in quality or specifications.

⁸ Usage of Jevons' Short Index formula for elementary CPI compilation leads to chain based index methodology which relies on month-on-month price changes instead of fixed base year, so prices for the current month and previous month refer to the same specifications. More details are available in Chapter 8 of Consumer Price Index Manual Concepts and Methods, 2020. <https://data.imf.org/-/media/iData/External-Storage/Documents/094CFD9697F645FBA6B4F720A062A35D/en/Consumer-Price-Index-Manual.pdf>



The October 2025 MPR projected CPI inflation to average at 1.8 per cent in Q3:2025-26 and 4.0 per cent in Q4:2025-26 (Chart IV.4).⁹ The actual

outcomes turned out to be lower than projections for Q3:2025-26 and Q4 (up to February) by around one percentage point each. Sharp correction in food prices during Q3:2025-26, much larger than the usual trend, contributed to most of this deviation. In Q4 so far, the deviation is also on account of lower core inflation in the new CPI series.



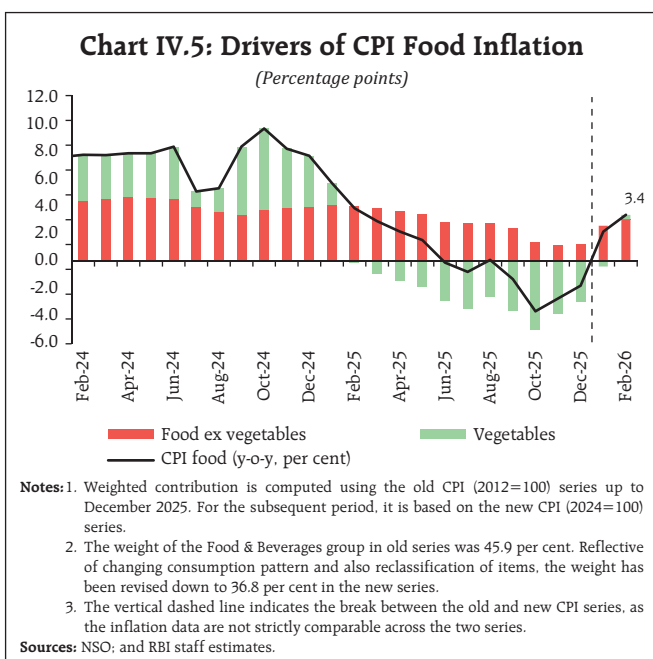
IV.2 Developments across Major Components of the CPI

CPI Food and Beverages

The 'food and beverages'¹⁰ group recorded y-o-y deflation during September-December 2025 as price momentum remained muted or negative. In the new series, the division 'food and beverages', however, recorded positive prints during January-February 2026 (Chart IV.5).

⁹ The Reserve Bank of India (RBI) Act, 1934 (amended in 2016) enjoins the RBI to set out deviations of actual inflation outcomes from projections, if any, and explain the underlying reasons thereof.

¹⁰ Inflation data are based on the CPI (2012=100) series until December 2025, while the data for January 2026 onwards are based on the CPI (2024=100) series. In the CPI (2012=100) series, the 'Food and Beverages' group included items 'cooked meals and cooked snacks purchased', however, in the CPI (2024=100) series, they are not part of the 'Food and Beverages' division.



Most food groups recorded low inflation or deflation during January-February 2026, with edible oils, meat and fish, and fruits being exceptions (Chart IV.6). The price build-up observed within the food group (both in the 2012 and 2024 series) has been much lower during 2025-26 compared to its historical average (Chart IV.7).

Among the major constituents of the food group, 'vegetables'¹¹ prices recorded a large deflation during April-December 2025 on the back of robust market arrivals (Chart IV.8). In the new CPI series, the 'vegetables, tubers, plantains, cooking bananas and pulses' class recorded a modest inflation of 0.1 per cent in February 2026, mainly due to large unfavourable base effects, while prices continued to decline on a month on month (m-o-m) basis.

Chart IV.6: Food Inflation at Subgroup/Class level

(Per cent)

Food Subgroups CPI 2012 series (45.9)	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Food Classes/Groups CPI 2024 series (36.8)
Vegetables (13.2)														Vegetables, tubers, plantains, cooking bananas and pulses (18.6)
Pulses and Products (5.2)														
Cereals and Products (21.1)		5.9	5.3	4.8										Cereals and cereal products (16.2)
Milk and Products (14.4)														Services for processing primary goods for food (0.6)
Eggs (0.9)												4.8		Milk, other dairy products and eggs (19.8)
Spices (5.5)														Ready-made food and other food products (9.1)
Prepared Meals (12.1)	4.2	4.3	4.4	4.4	4.3	4.4	4.2	4.2						Beverages (4.8)
Non-alcoholic Beverages (2.7)		4.1	4.4	4.6	4.3	4.6	4.3	4.0						Sugar, confectionery and desserts (3.9)
Sugar and Confectionery (3.0)			4.6	4.2					4.0	4.0	4.7			Meat, fresh, chilled or frozen (6.8)
Meat and fish (7.9)												5.1		Fish and other seafood (2.8)
Fruits (6.3)														Fruits and nuts (10.1)
Oils and Fats (7.8)														Oils and fats (7.5)

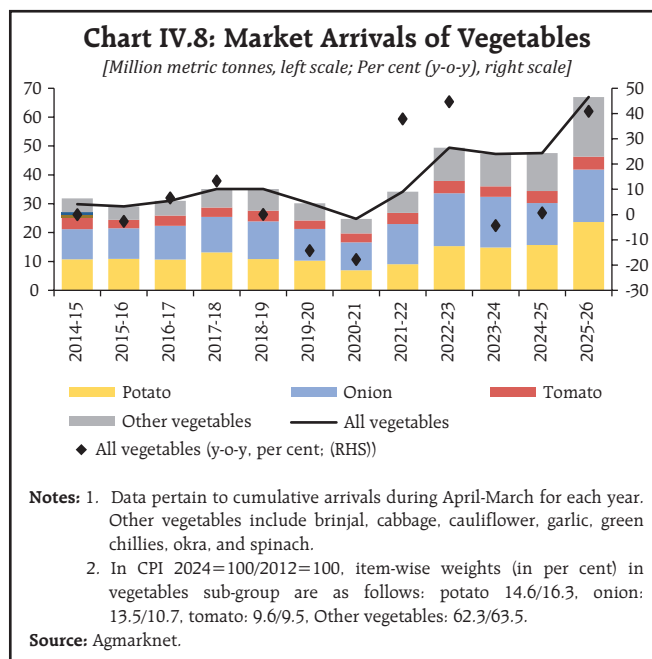
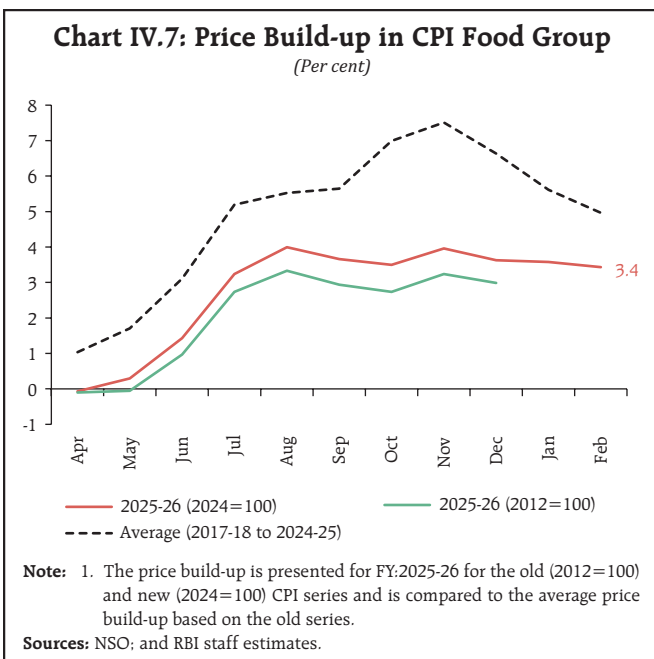
less than (-)10 per cent
 0 to 4 per cent
 6 to 10 per cent
(-)10 to 0 per cent
 4 to 6 per cent
 greater than 10 per cent

Notes:

1. Figures in parentheses indicate weights of individual subgroups in 'Food and Beverages' group for CPI (2012=100) series on the left and classes/groups in 'Food and Beverages' division in CPI (2024=100) series on the right.
2. In CPI (2024=100) series, the class 'Vegetables, tubers, plantains, cooking bananas and pulses' includes pulses and products, whereas in CPI (2012=100) series, 'Pulses and products' was a separate subgroup. Similarly, the class 'Milk, other dairy products and eggs' includes eggs, and the class 'ready-made food and other food products' includes 'Spices' in CPI (2024=100) series along with other items. The 'Meat and fish' subgroup present in CPI (2012=100) series has been split into two classes - 'Meat, fresh, chilled or frozen' and 'Fish and other seafood' - in CPI (2024=100) series. Another notable change is the reclassification of items 'cooked meals purchased, and cooked snacks purchased', which were part of 'Prepared meals, snacks, sweets' subgroup in CPI (2012=100) series, to a new division, 'Restaurant and accommodation services', in CPI (2024=100) series, contributing to a decline in the weight of 'Food and Beverages' division in the new series.

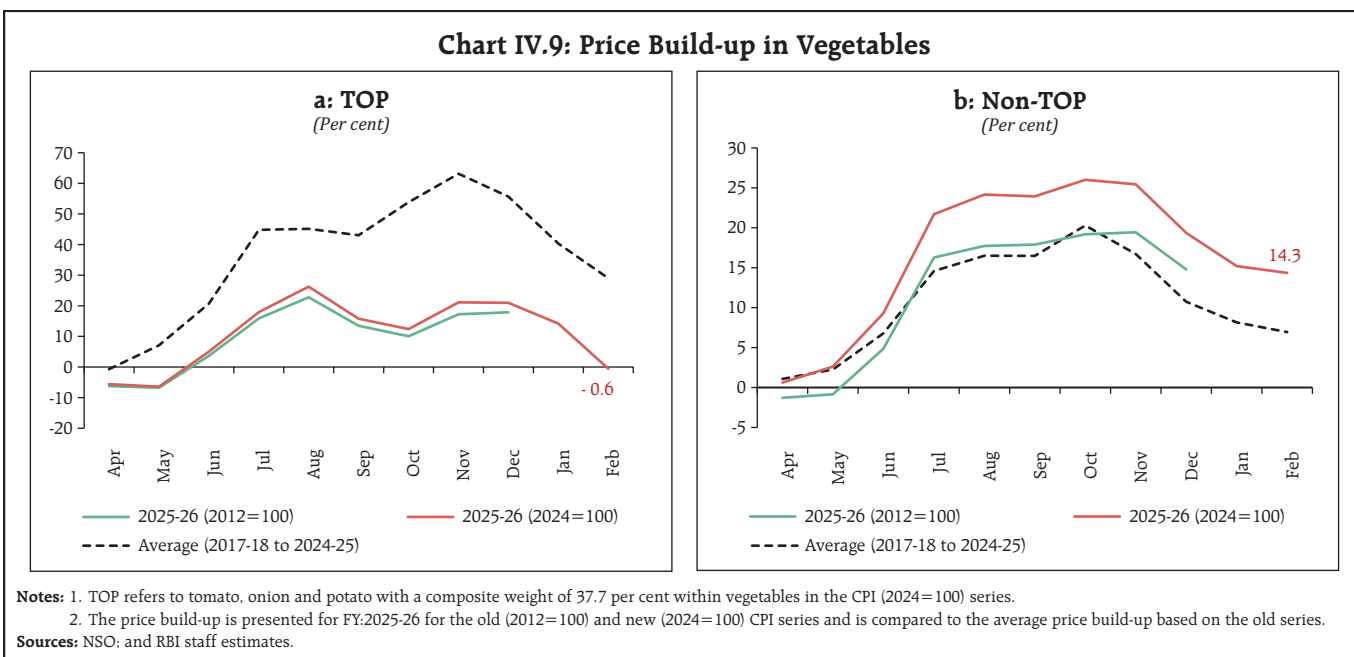
Sources: NSO; and RBI staff estimates.

¹¹ 'Vegetables' subgroup in the CPI (2012=100) series had a weight of 6.0 per cent in the CPI-Combined and 13.2 per cent in the 'Food and beverages' group. Comparable vegetable category, viz., 'Vegetables, tubers, plantains and cooking bananas' (excluding pulses) class in the CPI (2024=100) series has a weight of 5.2 per cent in the CPI-Combined and 14.1 per cent in the 'Food and beverages' division.



Within vegetables, a contrarian trend is observed between the prices of tomato, onion and potato (TOP) and non-TOP vegetables. The price buildup in the TOP category during 2025-26 so far was lower than historical average (Chart IV.9a). Potato prices remained in deep deflation during September-December 2025, as higher production in 2024-25 led to comfortable stocks. Onion prices were also lower

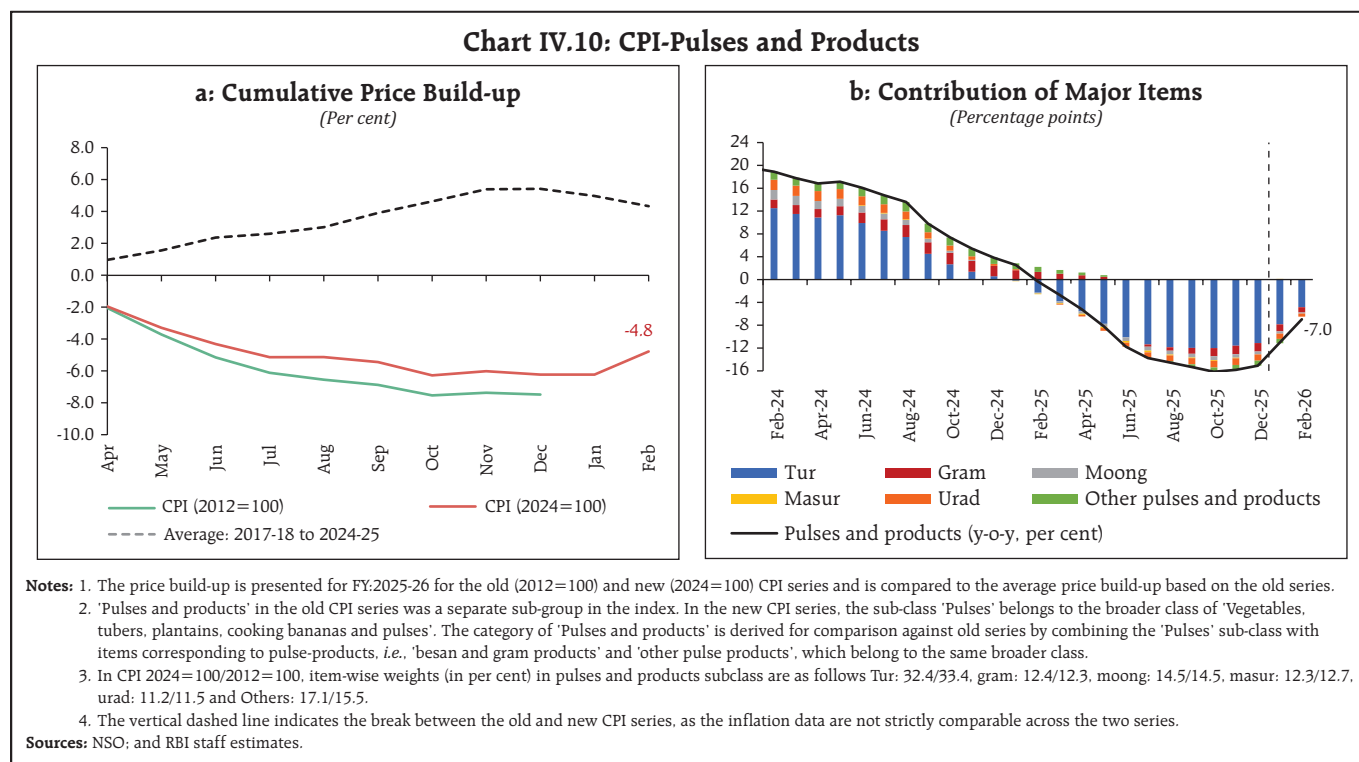
than last year on account of bumper *rabi* harvest and improved *kharif* market arrivals. Localised unseasonal rainfall in October 2025 in key producing regions, however, led to firming up of tomato prices, delaying the usual winter easing. In contrast to the TOP vegetables, the price build-up in non-TOP vegetables as captured by the CPI (2024=100) series was notably higher than the historical average (Chart IV.9b).



As against the historical pattern, pulses¹² prices have eased during 2025-26 so far, continuing its y-o-y deflation since February 2025 (Charts IV.10a & b). Higher domestic production in 2024-25 and 2025-26¹³, import of key pulses to augment domestic supply¹⁴ and targeted government interventions in the retail markets contributed to moderation in prices. Data available from the new CPI series indicate that pulses and products subclass recorded a y-o-y deflation of (-)9.7 per cent during January-February 2026.

Cereals and products inflation softened during September-December 2025 to 0.7 per cent as compared to 6.8 per cent during the corresponding period a year ago¹⁵. In the new CPI series, the 'cereals and cereal products' class recorded a deflation of (-) 0.3 per cent in February 2026, driven by a decline in rice and wheat prices (Chart IV.11).

The easing of cereal prices primarily came from favourable supply conditions, supported by robust production and comfortable stocks.¹⁶ In view of adequate availability, the government relaxed wheat



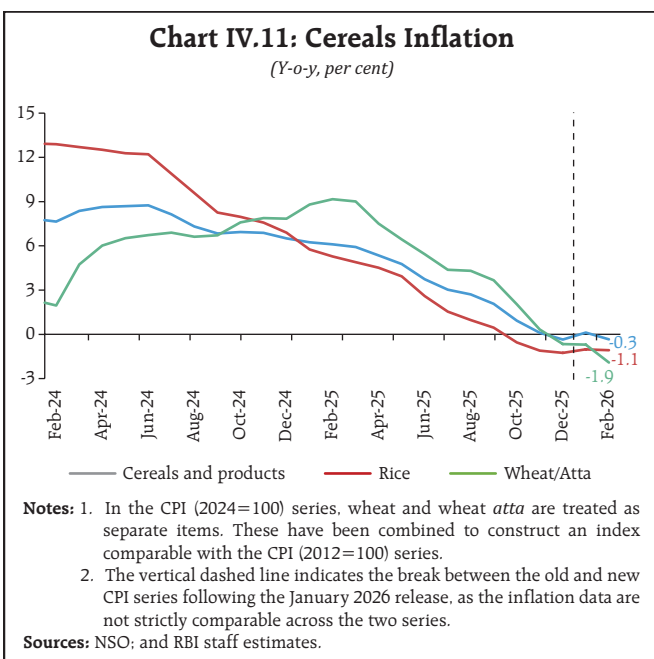
¹² The 'Pulses and products' subgroup in the CPI (2012=100) series has a weight of 2.4 per cent in the CPI and 5.2 per cent in the 'Food and beverages' group. In the CPI (2024=100) series, the sub-class 'Pulses' belongs to the broader class of 'Vegetables, tubers, plantains, cooking bananas and pulses' and has a weight of 1.5 per cent in the CPI and 4.0 per cent in the 'Food and beverages' division. Together with the items 'besan and gram products' and 'other pulse products', weights are 1.6 per cent in the CPI and 4.5 per cent in the division. In February 2026, the 'pulses' subclass recorded (-) 7.4 per cent deflation, and together with these pulse products, it recorded (-) 7.0 per cent in the CPI (2024=100) series.

¹³ Pulses production recorded a y-o-y increase of 3.9 per cent in 2025-26, following a 5.9 per cent increase in 2024-25 (as per the second advance estimates for 2025-26 and final estimates for 2024-25).

¹⁴ According to Directorate General of Commercial Intelligence and Statistics, pulses imports stood at 4.9 million metric tonnes during April 2025-January 2026, in addition to a record 7.3 million metric tonnes imported in 2024-25.

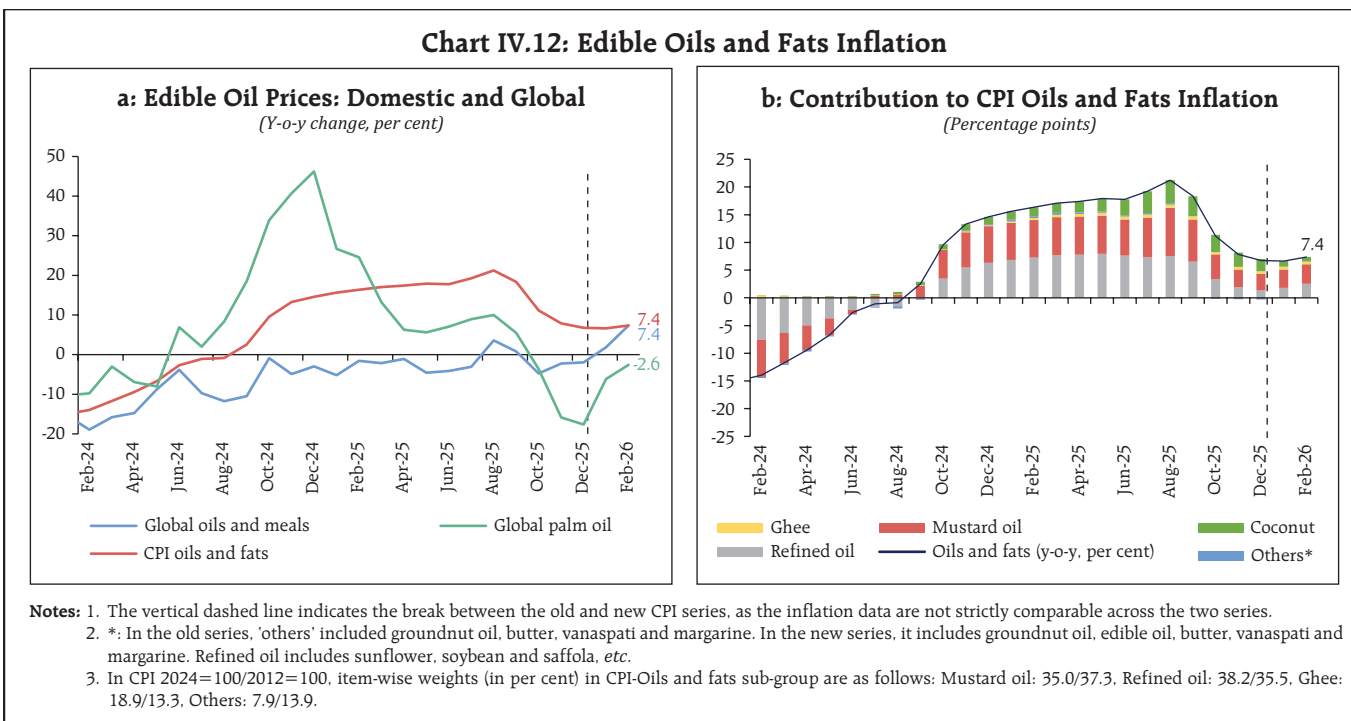
¹⁵ 'Cereals and products' subgroup in the CPI (2012=100) series had a weight of 9.7 per cent in the CPI and 21.1 per cent in the 'Food and beverages' group. 'Cereals and cereal products' class in the CPI (2024=100) series has a weight of 5.9 per cent in the CPI and 16.2 per cent in the 'Food and beverages' division.

¹⁶ Rice production increased by 1.3 per cent during 2025-26 (as per the second advance estimates for 2025-26) following a 9.0 per cent increase in 2024-25 (as per the final estimates of 2024-25). Stocks are ample, with rice buffer stocks at 9.7 times the norm as on March 16, 2026. Wheat production recorded a 1.9 per cent increase in 2025-26 (as per the second advance estimates for 2025-26) and buffer stocks also remain adequate at 1.7 times the norm as on March 16, 2026.



export restrictions in February 2026, allowing exports of 3 million metric tonnes of wheat and wheat products to facilitate effective supply management and prevent distress sales.

The inflation in oils and fats¹⁷ sub-group moderated to 6.8 per cent in December 2025 from a recent peak of 21.2 per cent in August, driven by the sharp decline in global palm oil prices (Chart IV.12a). Inflation in this category remained elevated over the last year driven by mustard oil and coconut oil (Chart IV.12b). With the reversal in global palm oil prices, 'oils and fats' class witnessed an uptick in inflation in February 2026. Global edible prices have come under pressure post the outbreak of the conflict in West Asia on account of increase in logistics costs, particularly freight and insurance charges. The situation is being compounded by the tightness in global palm and soybean oil markets due to the diversion of edible oils by key producers such as the US, Indonesia and Brazil to biodiesel production. However, the increase in domestic mustard production is likely to provide some cushion.¹⁸



¹⁷ 'Oils and fats' sub-group in the CPI (2012=100) series has a weight of 3.6 per cent in the CPI and 7.8 per cent in the 'Food and beverages' group. 'Oils and fats' class in the CPI (2024=100) series has a weight of 2.7 per cent in the CPI and 7.5 per cent in the 'Food and beverages' division.

¹⁸ Mustard and rapeseed registered a growth of 5.2 per cent in 2025-26 over 2024-25 (as per the second advance estimates for 2025-26).

Fruits¹⁹ sub-group registered a moderation in inflation from 13.9 per cent in April 2025 to 6.7 per cent in December 2025. As per the new series, inflation in 'Fruits and nuts' class was placed at 8.6 per cent in February 2026. Coconut, the major driver of fruits inflation over the last year recorded a moderation in inflation with the new plantation cycle (Chart IV.13).

Animal-based protein inflation, especially for meat, fish and egg, remained firm during September-December 2025. In the new CPI series, the classes 'meat, fresh, chilled or frozen' and 'fish and other seafood' continued to witness elevated inflation at an average of 9.1 per cent and 6.9 per cent in January and February, respectively.

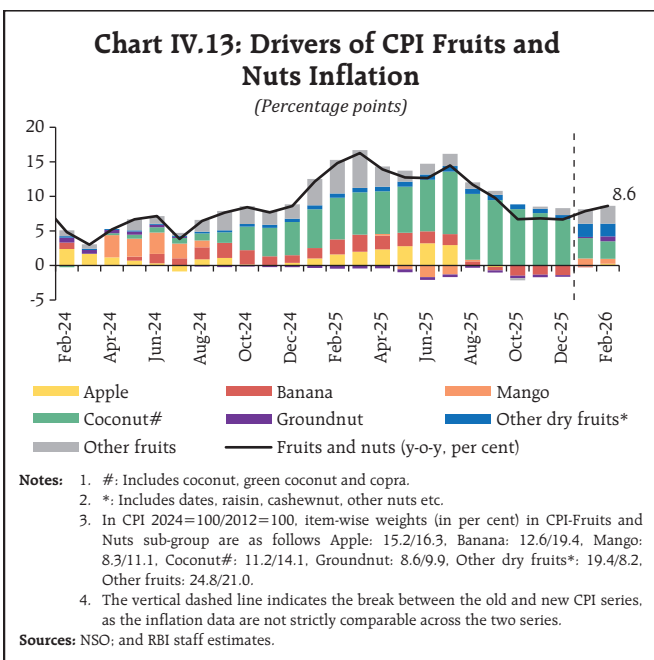
Overall, benign food prices during 2025-26 were driven by favourable supply conditions as reflected

in higher domestic production, robust market arrivals and comfortable stocks of key foodgrains. Absence of extreme weather events helped contain the volatility in food inflation. Policy interventions such as goods and services tax (GST) rationalisation and trade policy initiatives also contributed to the moderation in select food prices.

Recently, the conflict in West Asia has raised risks to farm input costs. Heightened uncertainties surrounding the availability of fertilisers and key feedstocks – such as liquified natural gas (LNG), ammonia and sulphur – are emerging as significant global concerns. These are pertinent for India as well, as India relies on West Asian countries for one-third of its finished fertiliser and over 60 per cent of its natural gas requirements.²⁰ The domestic fertiliser situation, however, remains comfortable in the near-term supported by adequate stocks. As on March 19, 2026, fertiliser stocks with the government for the ensuing *kharif* season stood at 180 lakh metric tonnes, 30 per cent higher than a year ago.²¹ This provides a cushion against immediate shortages, although a more prolonged disruption to the supply chain could have adverse implications for availability and cost.

CPI Fuel

As global oil prices trended down for much of 2025, fuel price pressures remained contained and 'CPI fuel and light' group inflation remained range-bound between 2.0-2.3 per cent during September-December 2025. Inflation on a y-o-y basis in the electricity index remained muted in the range of 1.1-1.6 per cent during this period in the absence of major tariff revisions (Chart IV.14a). Kerosene prices came out of deflation



¹⁹ 'Fruits' subgroup in the CPI (2012=100) series has a weight of 2.9 per cent in the CPI and 6.3 per cent in the 'Food and beverages' group. 'Fruits and nuts' class in the CPI (2024=100) series has a weight of 3.7 per cent in the CPI and 10.1 per cent in the 'Food and beverages' division.

²⁰ India is self-reliant in urea and complexes [nitrogen, phosphorus and potassium (NPK)], with imports accounting for less than 20 per cent. However, in the case of diammonium phosphate (DAP) and muriate of potash (MOP), India relies heavily on imports, for both finished fertilisers as well as feedstocks required for domestic production.

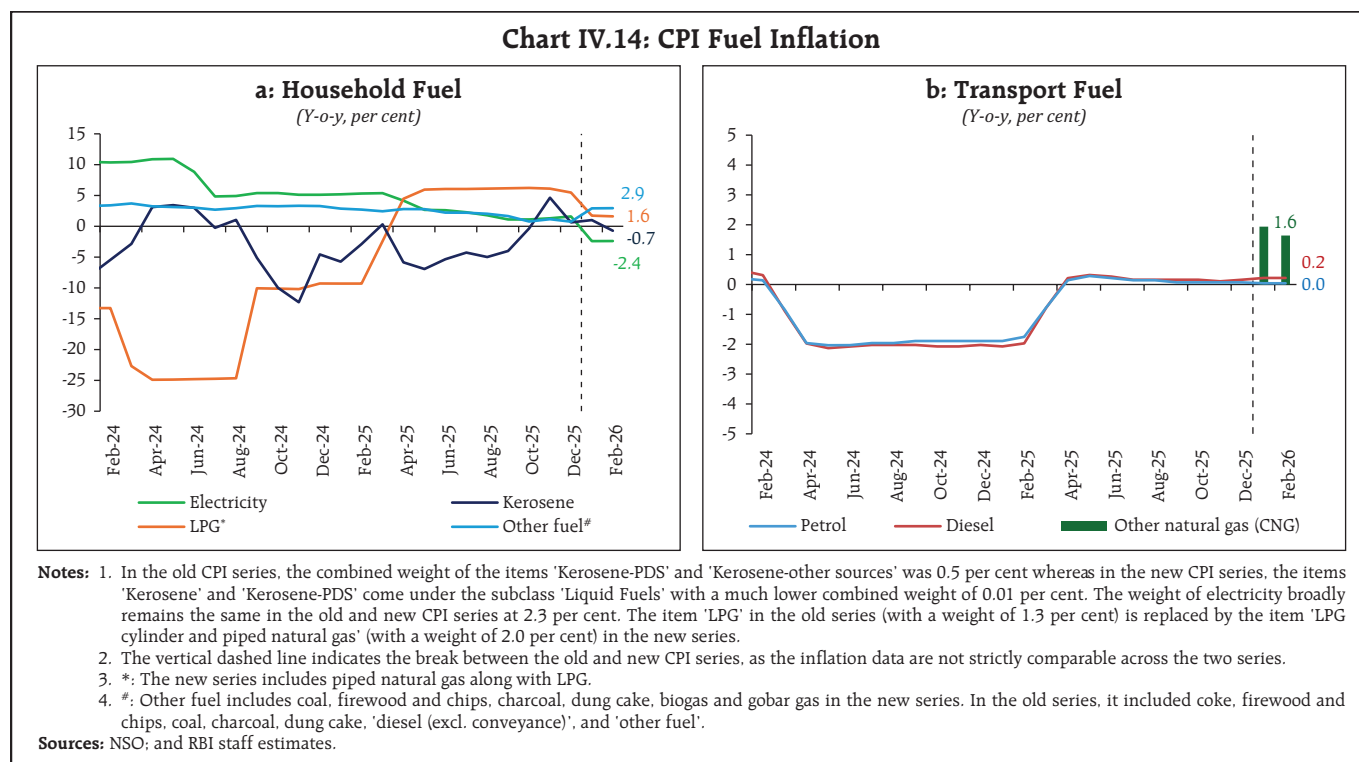
²¹ <https://www.pib.gov.in/PressReleaseframePage.aspx?PRID=2242656®=3&lang=2>

as subsidised kerosene prices in metro cities²² were revised upwards on three occasions during October-December 2025. Prices were reduced in January 2026 but were increased again in February.

Based on the new CPI series (2024=100), fuel items²³ registered a much lower inflation of 0.1 per cent during January-February 2026, mainly due to deflation of (-)2.4 per cent in the electricity subclass in both months. This reflects the provision of free electricity in certain states which had a moderating impact on the overall average prices. Under transport fuel, there was no change in the retail prices of petrol and diesel. The item 'other natural gas (CNG)' that was added in the new series recorded an inflation of 1.9 per cent and 1.6 per cent in January and February, respectively (Chart IV.14b).

As the West Asia conflict led to a sharp spike in global gas prices, domestic LPG prices were increased by ₹60 per cylinder in early March 2026, the impact of which would be visible in the CPI inflation prints of ensuing months.²⁴

Since the last revision in retail prices of petrol and diesel by the oil marketing companies (OMCs) in March 2024²⁵, international benchmark prices have trended down up to February 2026. However, they firmed up significantly in March leading to large under-recoveries for OMCs (Chart IV.15). In this context, the Government of India announced a cut in the Special Additional Excise Duty on petrol and diesel by ₹10 per litre each, aimed at partially offsetting the under-recoveries.



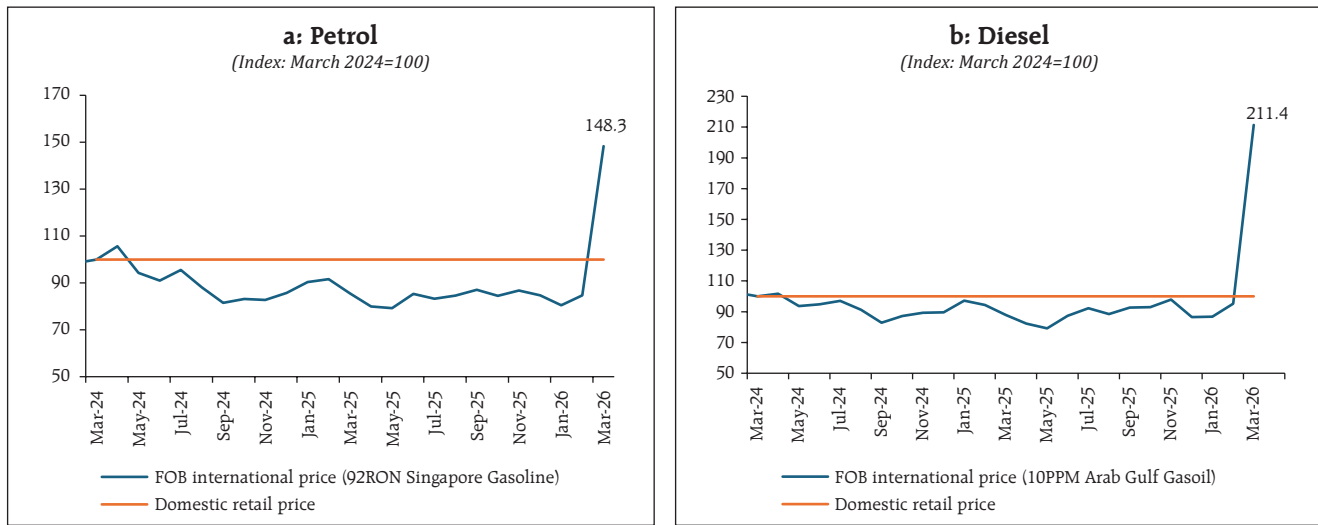
²² Data obtained from Indian Oil Corporation Ltd (IOCL).

²³ Fuel represents household fuel, i.e., the group 'Electricity, gas and other fuels'; and transport fuel, i.e., the class 'Fuels and lubricants for personal transport equipment' which includes 'petrol', 'diesel', and 'other natural gas (CNG)'.

²⁴ 'LPG cylinders and piped natural gas' is a combined item with a weight of 2.0 per cent in overall CPI (2024=100).

²⁵ In March 2024, OMCs reduced the retail prices of petrol and diesel by ₹2 per litre each.

Chart IV.15: Global and Domestic Fuel Prices



Note: The indices are worked out with base March 2024=100 to show relative movements since last retail price revision in India.
Sources: Petroleum Planning and Analysis Cell (PPAC); and RBI staff estimates.

Core CPI (CPI excluding Food and Fuel)

In the CPI 2012 series, CPI excluding food and fuel was estimated by excluding 'Food and Beverages' and 'Fuel and Light' groups. In the CPI 2024 series, there are two fuel components viz., household fuel - the group 'Electricity, gas and other fuels', and transport fuel - the class 'Fuels and lubricants for personal transport equipment', which includes 'petrol', 'diesel', and 'other natural gas (CNG)'. Hence the CPI excluding food and fuel is calculated by

excluding 'food and beverages group' and both the fuel components (Box IV.2).

Core inflation during September-December 2025 averaged 4.6 per cent in the CPI 2012 series, higher than the headline inflation, primarily on account of the sharp increase in precious metals prices. Between September-December 2025, gold prices rose by 20.7 per cent pushing its contribution to core inflation to 212 bps in December. Housing and health

Box IV.2: Core Inflation in the New CPI Series: A Relook

The Reserve Bank of India (RBI) has traditionally relied on an exclusion-based measure of core inflation to assess underlying inflationary pressures. In the CPI series with base 2012=100, core inflation was measured by excluding the 'Food and beverages' and 'Fuel and light' groups from headline CPI. In this approach, transport fuels such as petrol and diesel remained as individual items under the 'transport and communication' sub-group and continued to form a part of core inflation. As a result, the core inflation

measure did not fully exclude fuel-related price movements.

The new CPI series (with base 2024=100) is based on the IMF's COICOP 2018 standards, which separately identifies two fuel components: (a) 'Electricity, gas and other fuels' under the division 'Housing, water, electricity, gas and other fuels'; and (b) 'Fuels and lubricants for personal transport equipment' under the division 'Transport'. Accordingly, a measure of core inflation in the new series can be defined by

(Contd.)

excluding 'Food and beverages', 'Electricity, gas and other fuels', and 'Fuels and lubricants for personal transport equipment' from headline inflation.

Excluding both household and transport fuel from definition of core inflation offers several advantages. First, it improves the representativeness of the measure, as retail fuel prices are largely driven by global crude oil prices and are less reflective of demand-side pressures. Second, since retail fuel prices are revised infrequently, it would lead to large discrete changes in the measure of core if they are included, complicating the assessment of underlying inflation. In addition, the weight of transport fuels has increased substantially in the new CPI series. The weights of petrol and diesel have risen from 2.2 per cent and 0.1 per cent, respectively, in the CPI (2012=100) series to 4.5 per cent and 0.3 per cent, respectively, in the 2024 series. Additionally, a new item, 'other natural gas (CNG)', has been included under transport fuels in the new series with a weight of 0.04 per cent. Overall, the exclusion of transport fuel from core inflation measure would make it a more reliable measure of underlying demand conditions.

Table IV.2.1 compares the weights of fuel and core under the old and new series, using both classifications. The weight of core has increased in the new series under both classifications. At the same time, the weight of

Table IV.2.1: Weights of Fuel and Core Based on Alternate Classifications

(Per cent)

Measure	Classification	Old CPI (2012=100)	New CPI (2024=100)	Difference (new minus old)
Fuel	Old	6.8	5.4	-1.4
	New	9.2	10.2	1.0
Core (Excluding food and fuel)	Old	47.3	57.9	10.6
	New	45.0	53.0	8.0

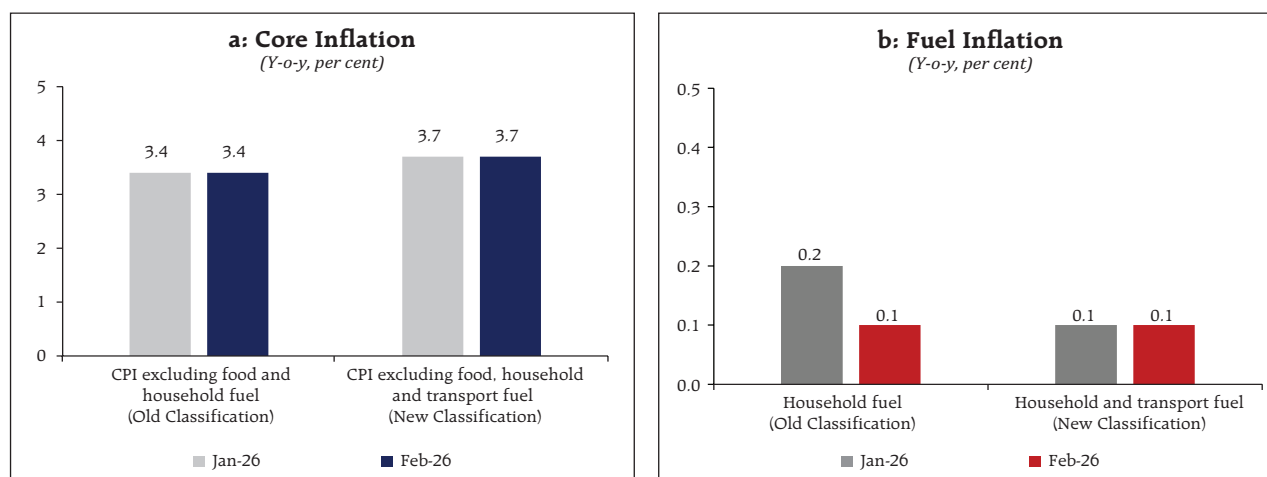
Note: Fuel in the old classification includes only household fuel whereas both household as well as transport fuel are included in the new classification.

Sources: NSO; and RBI staff estimates.

fuel is higher as per the new classification, reflecting the inclusion of transport fuel category. Core group excluding both household and transport fuel has a weight of 53.0 per cent in the CPI (2024=100) series.

Chart IV.2.1 compares inflation as recorded by both the measures in January and February 2026. Core inflation is higher by 30 basis points in both the months as per the revised classification (retail transport fuel prices have remained broadly unchanged over the last year; therefore, its exclusion led to higher y-o-y inflation). Fuel inflation, on the other hand, remained broadly similar.

Chart IV.2.1: Core and Fuel Inflation Based on Alternate Classifications



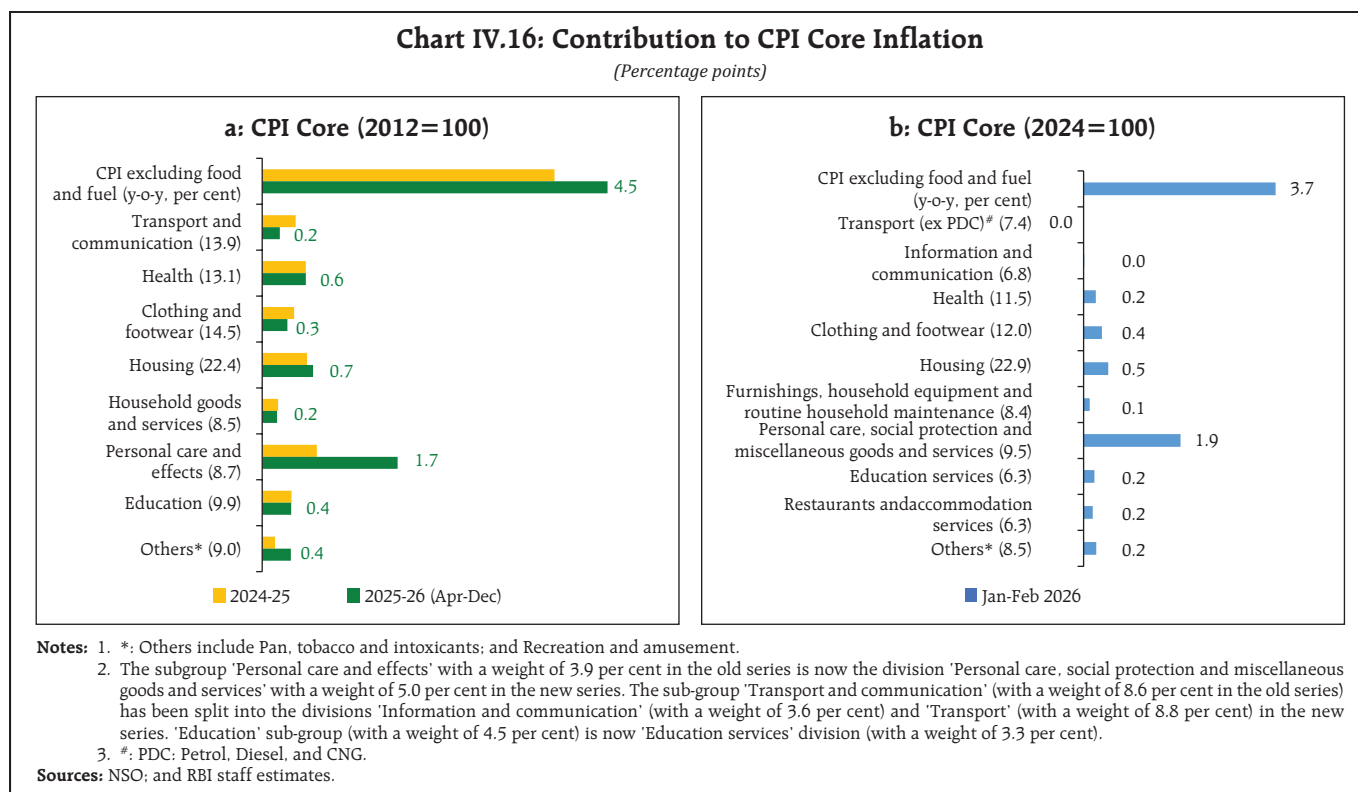
Notes: 1. CNG as an item is present only in the 2024=100 series.
 2. For the period up to December 2025, inflation is based on CPI 2012 series. January and February 2026 numbers are based on the CPI 2024 series.
Sources: NSO; and RBI staff estimates.

remained other major contributors to core inflation (Chart IV. 16a). In the new CPI series (2024=100), core inflation averaged lower at 3.7 per cent during January-February mainly due to lower housing inflation²⁶ and moderation in inflation of precious metals on account of a change in specification to include jewellery prices instead of bullion prices (Chart IV.16b).

The disproportionate impact of precious metals has led to a divergence between core and 'core excluding precious metals' inflation. Based on the earlier CPI series (2012=100), inflation in CPI excluding food, fuel, gold and silver²⁷ eased

to 2.4 per cent in December 2025, 240 bps below conventional core inflation (*i.e.*, excluding food and fuel). The trends remain broadly similar in the new CPI series (2024=100) as well with CPI excluding food, fuel, gold and silver easing to 2.1 per cent in February 2026, 160 bps below conventional core inflation (*i.e.*, excluding food and fuel) (Table IV.1).

Decomposing the trends in underlying inflation²⁸ into its goods and services components²⁹ shows that goods inflation moderated sharply during October-December 2025 to 1.9 per cent from 2.9 per cent in H1:2025-26, mainly due to a deflation in transport and



²⁶ In CPI (2012=100), the weight of the subgroup 'Housing' was 10.1 per cent and was restricted to the urban housing segment, with no corresponding rural component. In the new series CPI (2024=100), the weight of the division 'Housing, water, electricity, gas and other fuels' increased to 17.7 per cent, expanding coverage to include both urban and rural segments. The new division also includes household fuel with a weight of 5.4 per cent in the CPI (2024=100) series.

²⁷ Gold and silver in the new CPI series (2024=100) refers to 'Gold /diamond /platinum jewellery' and 'Silver jewellery', respectively.

²⁸ Proxied by CPI excluding food, fuel, CNG, gold, and silver.

²⁹ In the old CPI series (2012=100), the goods component in CPI excluding food, fuel, gold and silver has a weight of 20.7 per cent, while the corresponding weight of services component is 23.0 per cent. In the new CPI series (2024=100), the weights of these components increased to 26.7 per cent and 25.4 per cent, respectively.

Table IV.1: Exclusion Based Measures of Inflation*(y-o-y, per cent)*

Period	CPI Excluding Food and Fuel*	CPI Excluding Food, Fuel*, Gold and Silver
Jan-25	3.9	3.2
Feb-25	4.3	3.4
Mar-25	4.3	3.3
Apr-25	4.4	3.5
May-25	4.3	3.4
Jun-25	4.6	3.5
Jul-25	4.2	3.2
Aug-25	4.3	3.1
Sep-25	4.5	3.1
Oct-25	4.5	2.6
Nov-25	4.4	2.4
Dec-25	4.8	2.4
Jan-26	3.7	2.1
Feb-26	3.7	2.1

- Notes:** 1. Inflation numbers up to December 2025 are based on the old CPI (2012=100) series, while those for January and February 2026 are based on the new CPI (2024=100) series.
2. *'Fuel' in the new CPI (2024=100) series represents household fuel, *i.e.*, the group 'electricity, gas and other fuels'; and transport fuel, *i.e.*, the class 'Fuels and lubricants for personal transport equipment' which includes 'petrol', 'diesel', and 'other natural gas (CNG)'. In the old CPI (2012=100) series, 'Fuel' represents the group 'CPI fuel and light' and the items 'petrol for vehicle' and 'diesel for vehicle'.
3. CPI excluding food and fuel is calculated by eliminating the groups 'food and beverages' and 'fuel and light', and the items 'petrol for vehicle' and 'diesel for vehicle' from the headline CPI (2012=100) series. In the new CPI (2024=100) series, CPI excluding food and fuel is worked out by eliminating the division 'food and beverages', the group 'electricity, gas, other fuels', and the class 'Fuels and lubricants for personal transport equipment'.

Sources: NSO; and RBI staff estimates.

communication group. Services inflation moderated to 3.0 per cent from 3.7 per cent over the same period (Chart IV.17).

IV.3 Decoding the Inflation Dynamics

Statistical properties

The distribution of CPI (2012=100) inflation in 2025-26 (April-December 2025) *vis-à-vis* 2024-25

indicates a relatively milder positive skew, reflecting a broad-based easing of price pressures. The distribution also recorded a narrowing of width, suggesting reduced inflation variability among sub-groups (Chart IV.18). A similar pattern is observed in the new series during January-February 2026 as well.

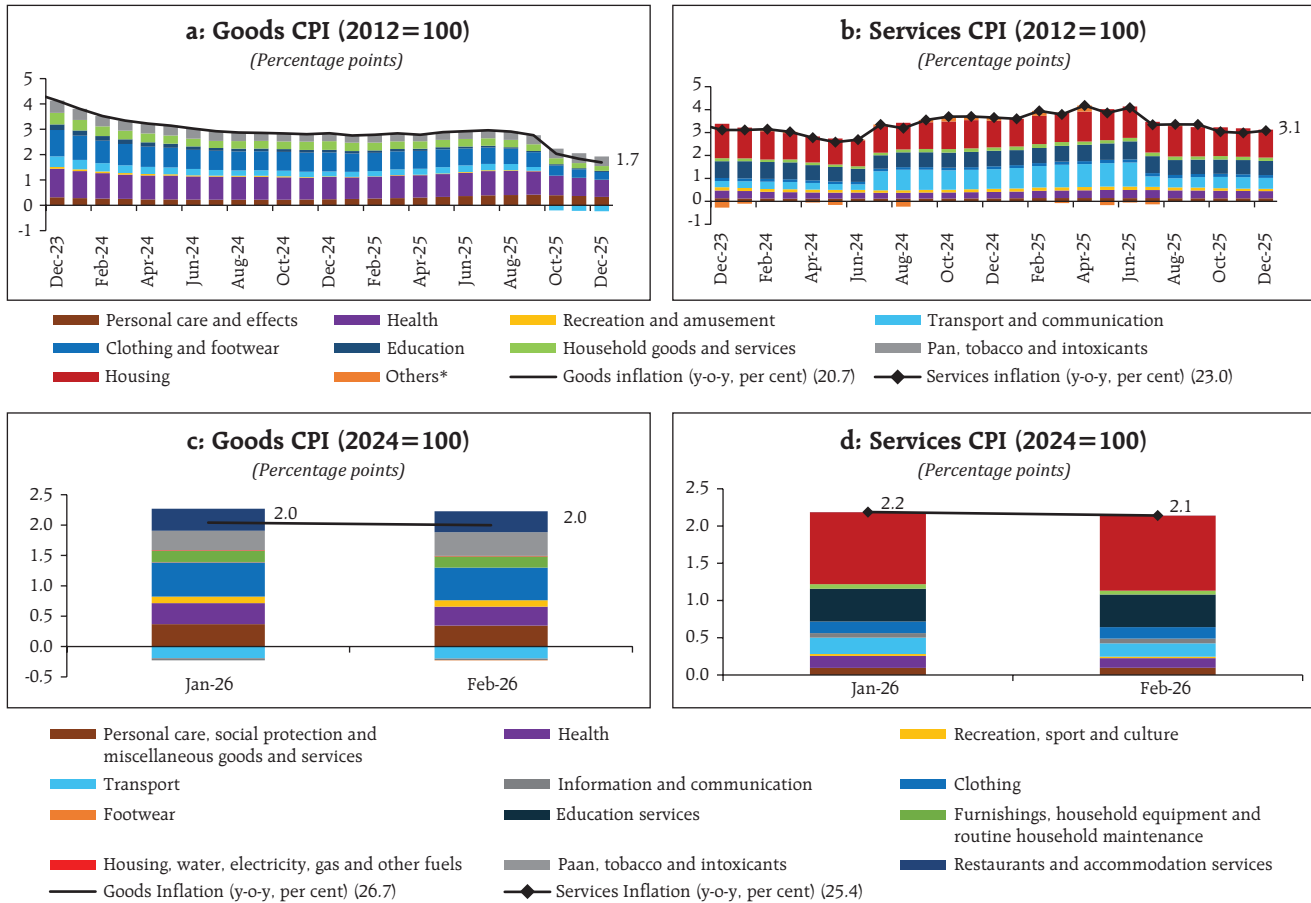
In terms of monthly trajectory, the decline in inflationary pressures during October-December 2025 (CPI 2012=100) has been accompanied by a widening of the inflation divergence across quantiles of a few items such as precious metals recording very high inflation (Chart IV.19). In the new CPI series (2024=100), increase in headline inflation has been driven by widening of upper quantiles of the inflation distribution led by the division 'personal care, social protection and miscellaneous goods and services', which includes precious metals.

Statistical measures of underlying inflation such as the trimmed mean measures and the weighted median³⁰ remained at a much lower level than CPI excluding food and fuel inflation (Table IV.2). In terms of trajectory, they remain largely aligned with the conventional core inflation.

Another measure to gauge the underlying inflation dynamics is to classify the products across goods and services. Goods [with a weight of 76.6 per cent in the old CPI (2012=100)] contributed negatively to headline inflation driving it to a series-low in October 2025. Meanwhile, services (with a weight of 23.4 per cent) contribution to overall inflation remained largely stable (Chart IV.20). In the new series (CPI 2024=100), goods inflation was higher led by meat and fish, fruits and nuts and

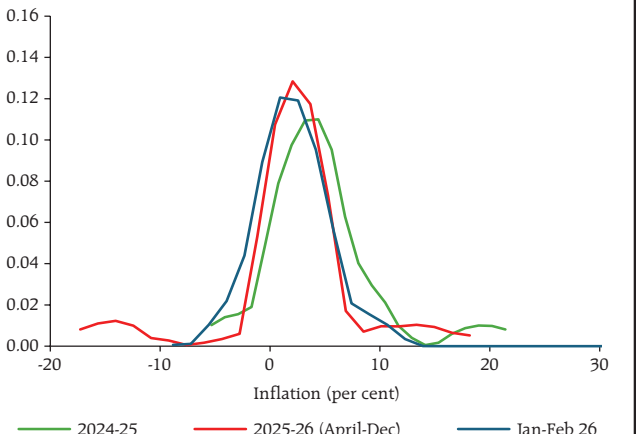
³⁰ While exclusion-based measures drop a fixed set of volatile items (for example, food and fuel) in each period, trimmed measures exclude items located in the tails of the inflation distribution - items displaying changes more than the specified threshold in prices each month are excluded, and the items dropped differ from month to month. The weighted median inflation rate is defined as the inflation rate corresponding to the item that lies at the 50th percentile in the distribution of price changes within the CPI basket, weighted using CPI weights.

Chart IV.17: Contributions to CPI Inflation Excluding Food, Fuel, Gold, and Silver



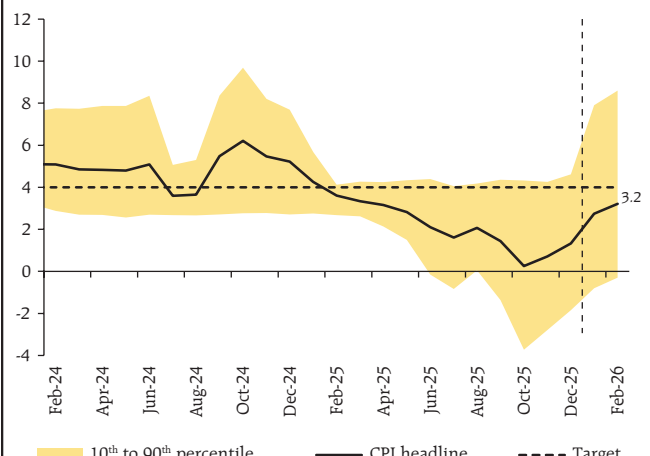
Notes: 1. Figures in parentheses indicate weights in CPI.
 2. *: Represents balancing item to reconcile divergence between CPI item-level indices aggregated vertically, and the published sub-group/group/overall CPI index.
Sources: NSO; and RBI staff estimates.

Chart IV.18: Average CPI Inflation (y-o-y)
(Kernel Density Estimates)



Note: Kernel density estimation (KDE) is a statistical technique that creates a smooth estimate of a probability density function (PDF) from a dataset by summing up localised kernel functions centered on each data point.
Sources: NSO; and RBI staff estimates.

Chart IV.19: CPI Sub-Group/Group Inflation Range
(Y-o-y, per cent)



Note: The vertical dashed line indicates the break between the old and new CPI series, as the inflation data are not strictly comparable across the two series.
Sources: NSO; and RBI staff estimates.

Table IV.2: Measures of Underlying Inflation: Trimmed Mean Measures and Weighted Median

(Y-o-y, per cent)

Month	5% trimmed	10% trimmed	25% trimmed	Weighted Median
Jan-25	4.1	3.7	3.4	2.9
Feb-25	3.7	3.5	3.3	2.9
Mar-25	3.6	3.4	3.2	2.9
Apr-25	3.3	3.4	3.3	3.0
May-25	3.1	3.3	3.3	3.2
Jun-25	2.8	3.1	3.1	3.1
Jul-25	2.7	3.0	3.1	3.0
Aug-25	2.9	2.9	2.9	3.0
Sep-25	2.5	2.6	2.7	2.7
Oct-25	1.9	2.2	2.4	2.4
Nov-25	2.0	2.2	2.4	2.5
Dec-25	1.8	1.9	2.1	2.1
Jan-26	2.3	2.2	2.1	2.0
Feb-26	2.5	2.4	2.1	2.0

Notes: Inflation numbers up to December 2025 are based on the old CPI (2012=100) series, while those for January and February 2026 are based on the new CPI (2024=100) series.

Sources: NSO; and RBI staff estimates.

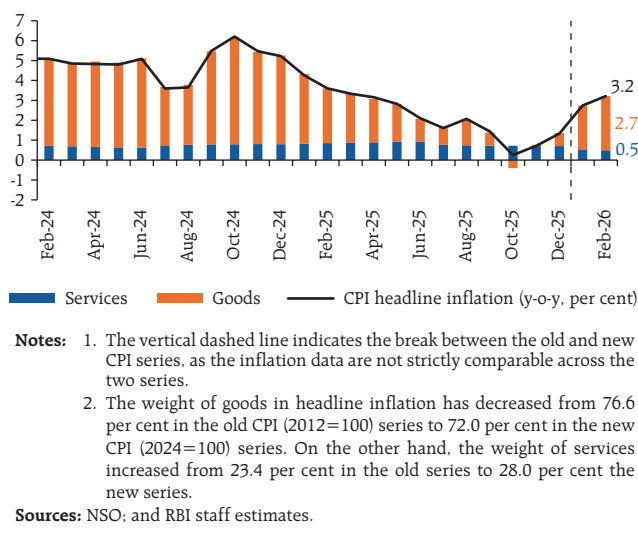
vegetables. Services inflation was benign mainly due to lower housing inflation.

Regional Trends in Inflation

Rural inflation remained lower than urban inflation since March 2025 in the CPI (2012=100) series, as the decline in food inflation had a larger impact on rural inflation on account of a higher share of its weight in rural consumption basket. The urban inflation was disproportionately impacted by rising precious metal prices. In contrast, rural-urban inflation gap narrowed significantly in the new CPI (2024=100) series as divergence between headline and food inflation narrowed. This also partly reflects

Chart IV.20: Contribution of Goods and Services to CPI Inflation

(Percentage points)



the higher weight of food in the rural consumption basket in the new CPI series (Chart IV.21).

During April-December 2025, most Indian states moved to lower inflation brackets – 18 in the 0-2 per cent range and 13 in 2-4 per cent³¹, pointing to a broad-based easing (Table IV.3). In the CPI (2024=100) series, headline inflation remained within the 2-4 per cent range across most states during January-February 2026.

IV.4 Drivers of Inflation Trajectory

Imported Inflation

The contribution of imported components to headline inflation remained low in 2025³² supported by moderate energy prices, even as global prices of precious metals stayed elevated (Chart IV.22). A rebound in global edible oil prices along with increased energy prices and continued higher gold and silver inflation led to a significantly higher contribution of

³¹ Two states, namely Bihar and Manipur, recorded mild deflation in this period.

³² Imported inflation for 2025 is estimated based on the CPI series (2012=100) with commodities, including petroleum products; coal; electronic goods; gold; silver; chemical products; metal products; textiles; cereals; milk products, and vegetables (adjusted weight based on passthrough from international prices is at 8.4 per cent in the CPI (2012=100) basket).

Table IV.3: Distribution of Headline Inflation across States/UTs: Number of states¹

Headline Inflation Range (Per cent)	2024-25 (Apr-Dec) ²	2025-26 (Apr-Dec) ²	2025-26 (Jan-Feb) ³
Less than 0 (Deflation)	0	2	0
Between 0 to 2.0	0	18	8
Between 2.0 to 4.0	7	13	26
Between 4.0 to 6.0	25	1	2
Greater than 6.0	4	2	0

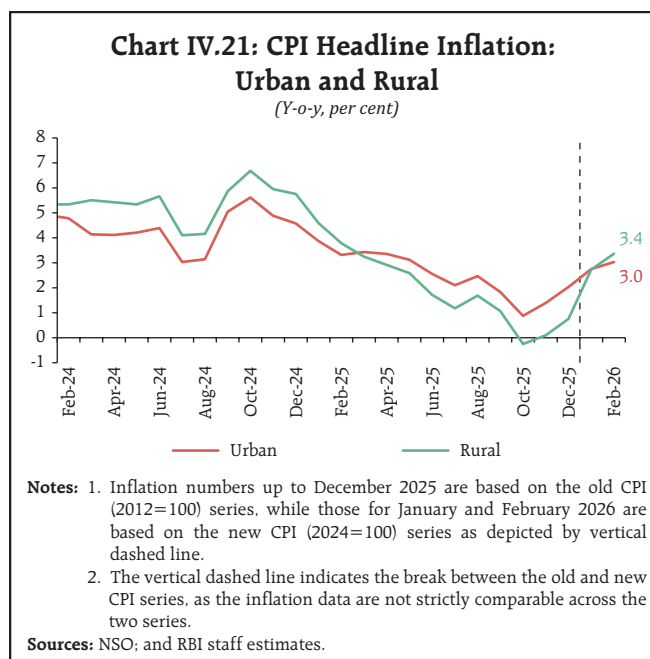
- Notes:** 1. Accounted for the unification of Daman and Diu with Dadra & Nagar Haveli and the formation of Ladakh as a Union Territory (UT) in the old CPI (2012=100) series.
 2. Average headline inflation figures for Apr-Dec 2025 are based on old CPI (2012=100) series.
 3. Average headline inflation figures for Jan-Feb 2026 are based on new CPI (2024=100) series.

Sources: NSO; and RBI staff estimates.

imported components in headline inflation during January-February 2026³³.

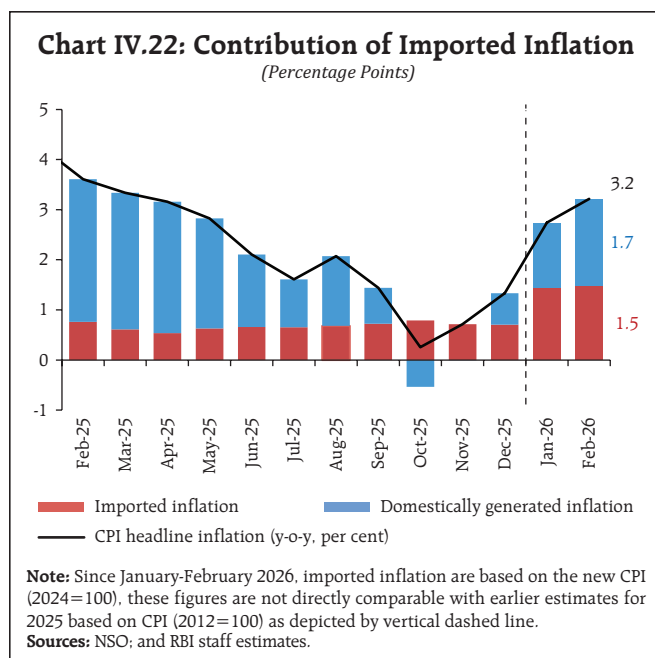
Costs

Input costs, as measured by wholesale price index (WPI) inflation in industrial raw materials and farm inputs, remained subdued since Q1:2025-26 up to February 2026, with both

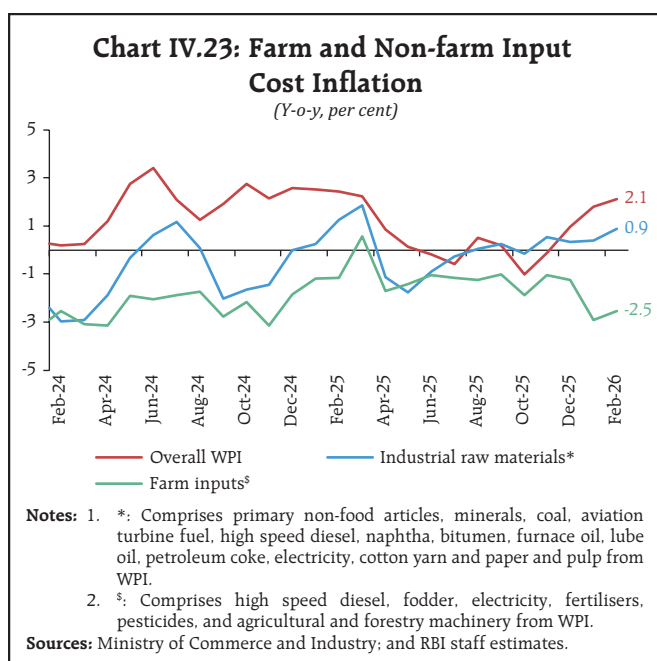


components in deflation. This was primarily on account of a moderation in international commodity prices. Industrial inputs entered into the inflationary zone in Q2:2025-26, led by minerals and non-food articles. In Q3:2025-26, farm inputs deflation deepened on account of price declines in High-Speed Diesel (HSD) and electricity whereas inflation in minerals, non-food article and Aviation Turbine Fuel (ATF) led industrial input prices to firm up (Chart IV.23).

The ongoing conflict in West Asia and resulting disruptions to supply chains have imparted heightened volatility to crude oil prices and has led to shortages of key feedstocks for fertiliser production, with spillovers to associated industrial output. OMCs have also raised prices of diesel for bulk buyers (industrial use) by about 25 per cent on March 20, 2026. Commercial LPG prices were increased in two tranches - first by ₹115 per cylinder and later by ₹195.5 per cylinder. Going forward, these could exert higher input cost pressures.



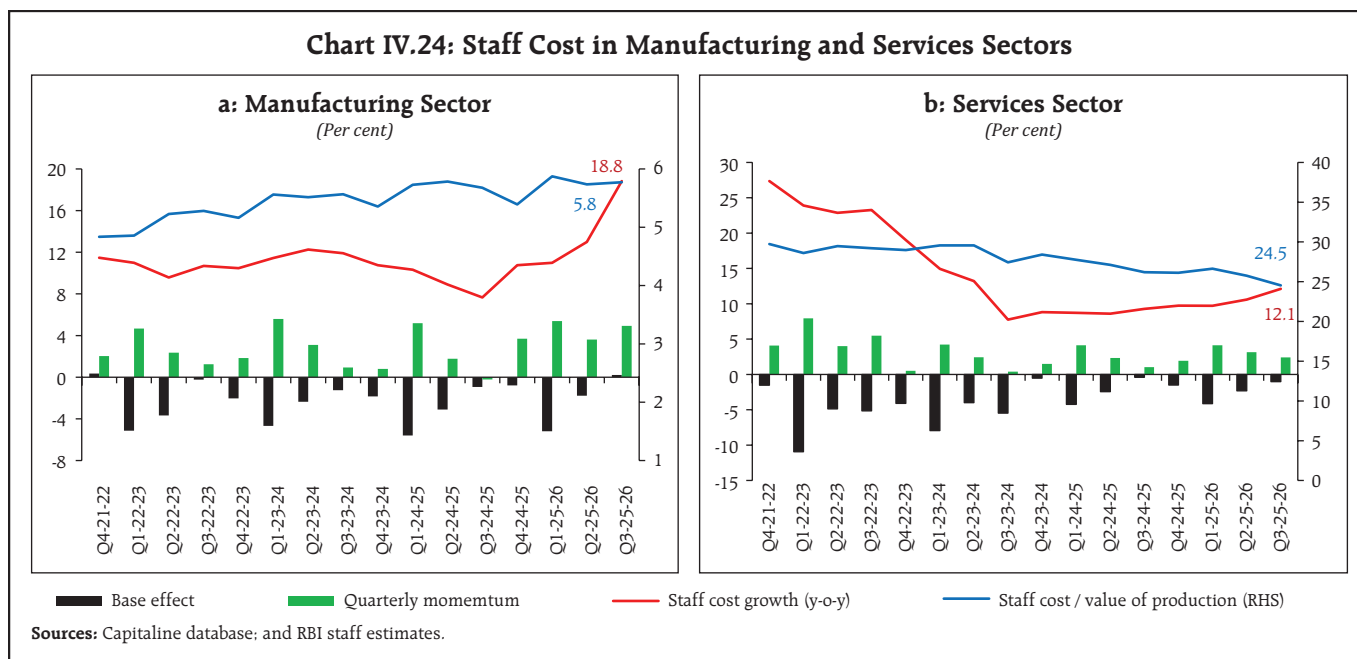
³³ Imported inflation for January-February 2026 is estimated based on the new CPI series (2024=100) with commodities including petroleum products; gold; silver; household goods and appliances; clothing; rubber products; toiletries, and vegetables oils [adjusted weight based on passthrough from international prices is at 9.9 per cent in the CPI (2024=100) series].



In the organised sector, staff cost growth accelerated for manufacturing as well as services sector on a y-o-y basis during Q2 and Q3 of 2025-26 (Chart IV.24). The enactment of the new labour laws has significantly impacted corporate

employee costs and profitability. Majority of top 500 non-government non-financial (NGNF)³⁴ listed companies made provisions³⁵ towards gratuity and other social obligations mandated by these laws as an exceptional item in their financial results for Q3:2025-26. Consequently, employee cost growth (including provisions reported under exceptional items) surged significantly on a y-o-y basis while net profit contracted. Sector-wise, manufacturing companies have made the highest provisioning led by automobiles, pharmaceuticals, chemicals, and electrical machinery. In the services sector, excluding the labour code's impact, IT firms' Q3 net profit would have grown substantially, whereas non-IT services would have seen a notable improvement in margins.

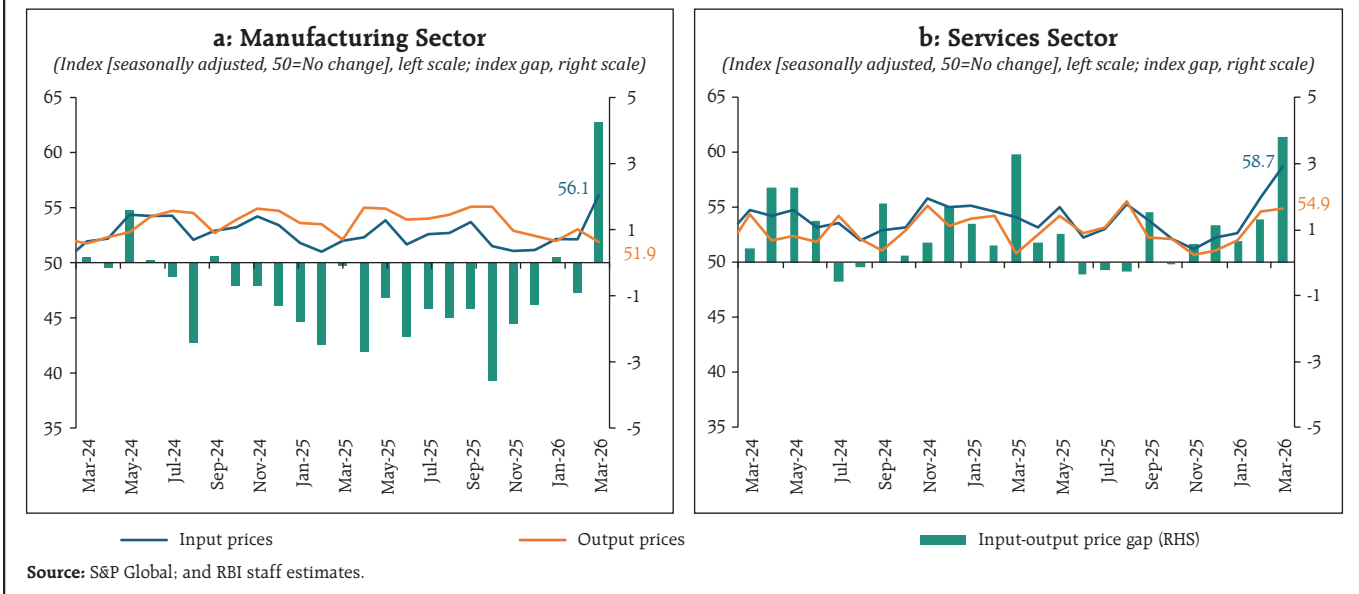
In terms of assessment of cost conditions, manufacturing firms polled for the purchasing managers' index (PMI) reported a sharp increase in input prices in March 2026 (fastest rate of expansion since August 2022) owing to greater outlays on fuel,



³⁴ Top 500 NGNF listed companies account for 89 per cent share in the total employee expenses and 80 per cent share in the total sales of 3,188 listed NGNF companies during Q3:2025-26.

³⁵ Important provisions of these labour codes include expanding social security net to all workers including gig and contractual workers; raising basic pay to at least 50 per cent of total remuneration; and reducing gratuity eligibility to one year, etc.

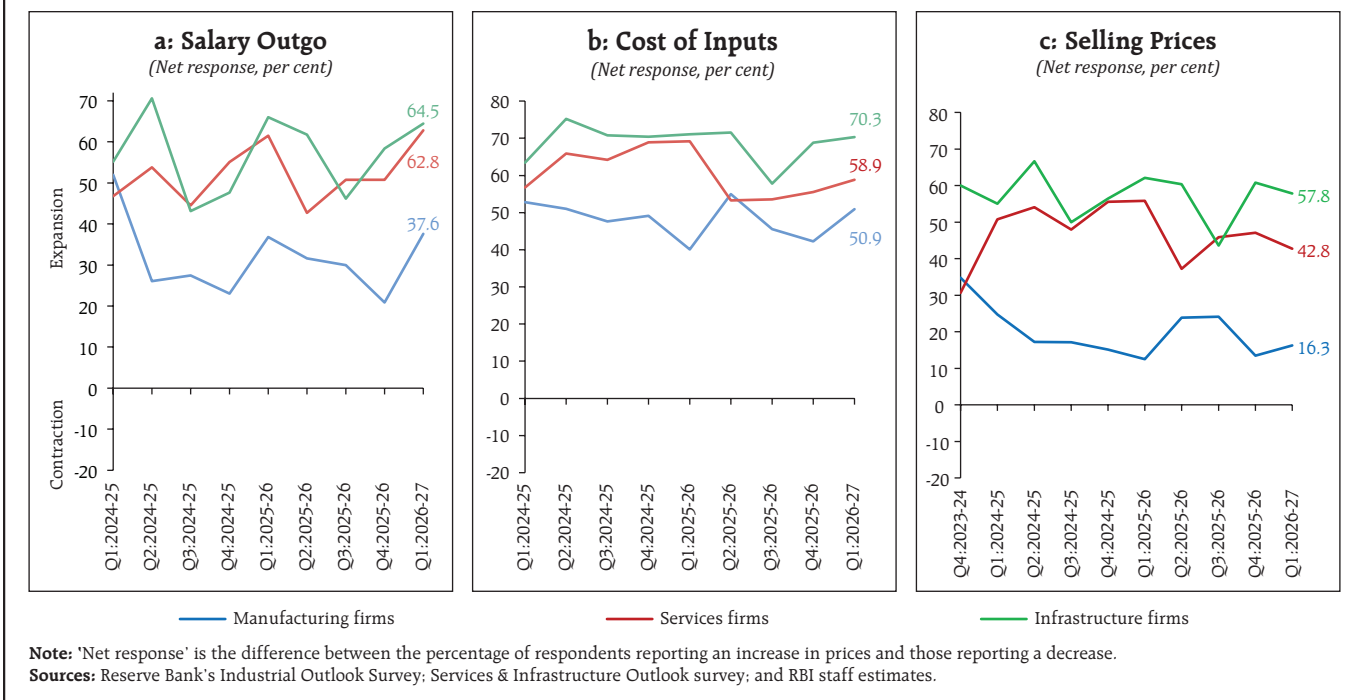
Chart IV.25. PMI Input-output Price Gap



materials, and transportation. Output prices increased only modestly during March 2026 for manufacturing firms. This is in contrast with the earlier trend till February when output prices charged by firms

outpaced input prices. For the services sector as well, input prices increased at its fastest pace in close to four years in March. Till February, prices charged by firms moved in tandem with input prices (Chart IV.25).

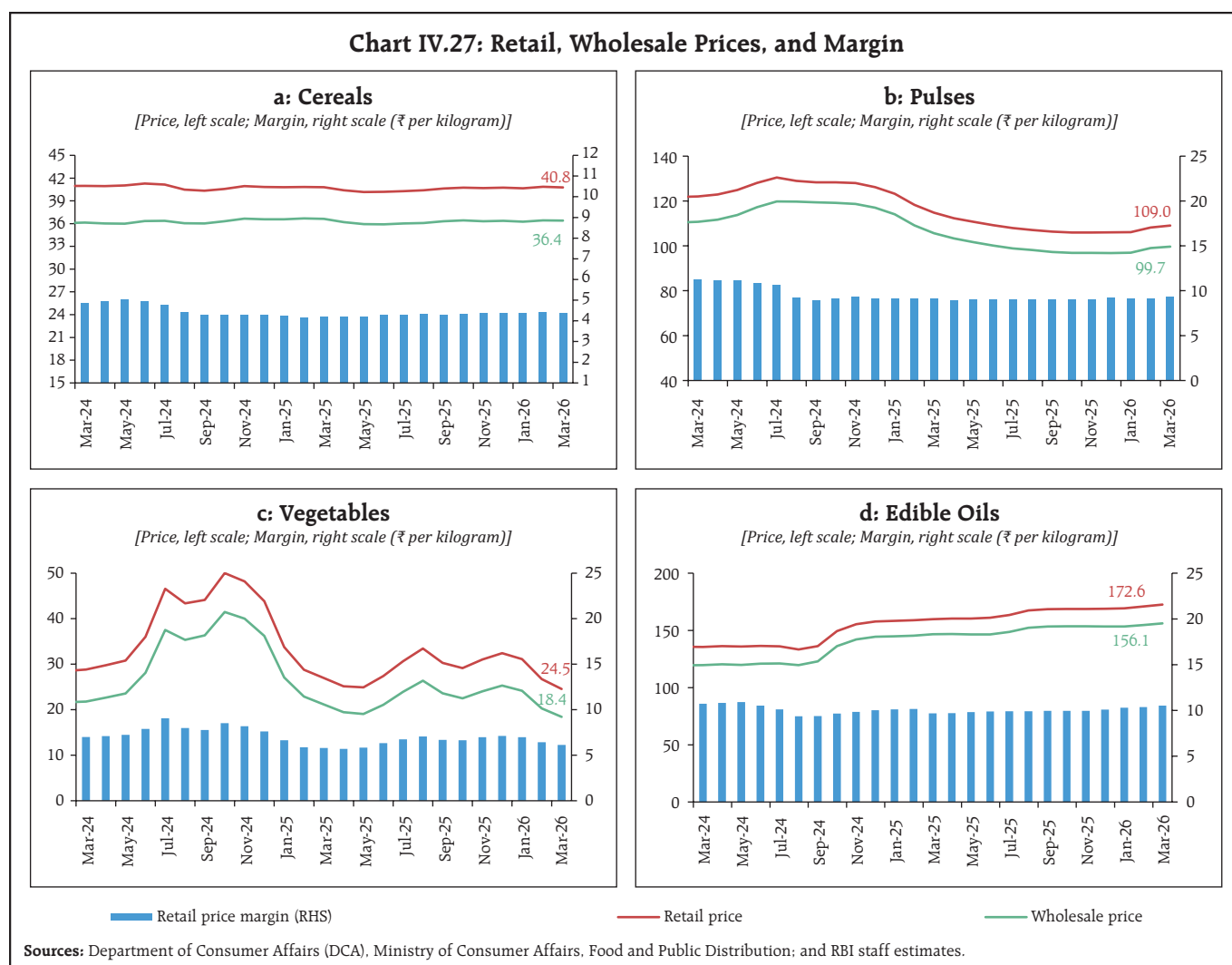
Chart IV.26: Expectations of Cost and Price Conditions



On the assessment and outlook of cost conditions, as per the firms polled in the Reserve Bank's enterprise surveys³⁶, both salary outgo and input cost pressures are expected to harden across sectors during Q1:2026-27. During Q1:2026-27, selling price pressures are expected to pick-up in the manufacturing sector, whereas they are expected to ease in both infrastructure and services firms (Chart IV.26).

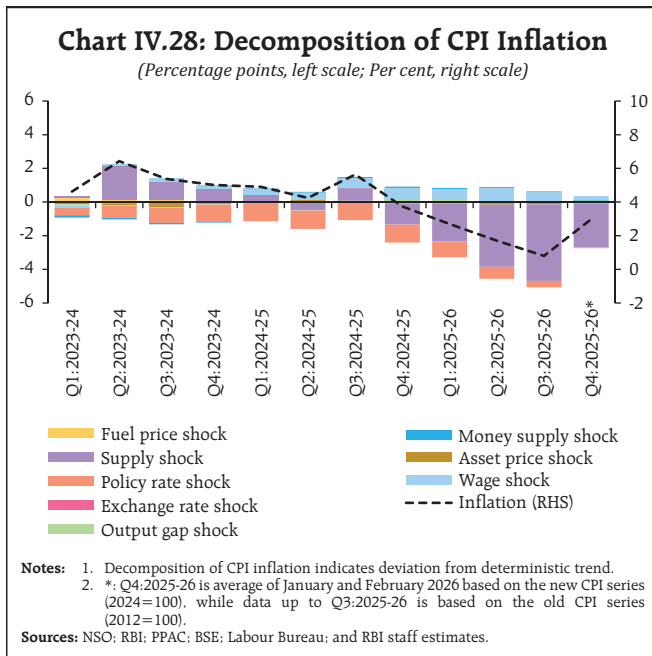
Margins

Overall, food price margins remained rangebound with marginal increases witnessed in select items. Retail price margins³⁷ for cereals witnessed a gradual pick-up during October 2025 to February 2026, and then witnessed a moderation in March 2026. In case of pulses, price margins edged up during October 2025-March 2026. Retail price margins of TOP vegetables also witnessed some hardening during



³⁶ Industrial Outlook Survey; and Services and Infrastructure Outlook Survey.

³⁷ Analysis of absolute retail price margin, defined as the difference between retail and wholesale prices sourced from the DCA, was carried out for four major subgroups. Item level retail and wholesale prices are aggregated to the respective subgroup using item level CPI weights.



October-December 2025 and thereafter declined till March 2026. In case of edible oils, retail price margins witnessed a gradual uptick since October 2025 due to the firming up of margins in soyabean, sunflower, mustard, and refined oils (Chart IV.27).

The historical decomposition of inflation using a vector autoregression (VAR)³⁸ model indicates that the moderation in inflation witnessed during 2025-26 was primarily on account of favourable supply shocks (Chart II.28).

IV.5 Conclusion

Headline inflation has remained below the target during 2025-26 up to February 2026, driven by low food prices and benign underlying inflation. Despite pressure exerted by sharp increases in gold prices, core inflation remained largely contained. Going forward, higher crop production supported by record reservoir levels could keep food inflation under check. The risks, however, emanate from possible above-normal temperatures in summer as well as the probability of *El Niño* conditions negatively impacting the southwest monsoon. Recent spikes in international commodity prices on account of the ongoing conflict in West Asia pose a major upside risk to the inflation trajectory.

³⁸ Historical decomposition estimates the contribution of each shock to the movements in inflation over the sample period (Q4:2010-11 to Q4:2025-26) based on a VAR with the following variables (represented as the vector Y_t) – crude oil prices (US\$ per barrel); exchange rate (INR per US\$), asset price (BSE Sensex), CPI; the output gap; rural wages; the policy repo rate; and money supply (M3). All variables other than policy repo rate are y-o-y growth rates. The VAR can be written in reduced form as: $Y_t = c + A Y_{t-1} + e_t$; where e_t represents a vector of shocks. Using Wold decomposition, Y_t can be represented as a function of its deterministic trend and sum of all the shocks e_t .

V. Macroeconomic Outlook

Amidst ongoing geopolitical tensions, trade frictions, and volatile global financial conditions, India's economic activity continues to be resilient. Domestic demand remains strong, supported by steady private consumption, sustained investment, and sound macroeconomic fundamentals, though the ongoing conflict in West Asia poses downside risks. Inflation is projected to firm up gradually as base effects dissipate, and supply chain disruptions elevate the path in the near term, while remaining within the tolerance band over the medium term. As monetary policy navigates through elevated uncertainties, it continues to focus on maintaining price stability while remaining supportive of growth.

V.1 Key Developments since the October 2025 MPR

Since the release of the Monetary Policy Report (MPR) in October 2025, the global macroeconomic environment has become increasingly vulnerable to a significant escalation in geopolitical tensions in West Asia. Without the recent West Asia conflict, global growth prospects would likely have been better, supported by continued disinflation dynamics, steady demand conditions, easing trade frictions, and efficiency gains from digitisation and Artificial Intelligence (AI) adoption. However, spillovers from the ongoing conflict, including disruptions to shipping through the Strait of Hormuz and damage to regional energy infrastructure, have tightened global energy supply and exerted upward pressure on energy prices. As a result, near-term outlook is clouded by heightened uncertainty, posing upside risks to inflation and downside risks to growth. The OECD, in its March 2026 Economic Outlook, projects global growth to moderate to 2.9 per cent in 2026 from 3.3 per cent in 2025.

Since October 2025, monetary policy stances have diverged across economies, with some central banks cutting rates amid easing inflation while others have paused or hiked based on domestic conditions. Global equity markets were largely resilient, driven by technology stocks despite prevailing macroeconomic uncertainty, even as bond yields remained elevated. Commodity markets moved in different directions: industrial metals stayed range-bound, agricultural prices softened, while crude oil prices remained volatile due to new decisions taken by Organization of the Petroleum Exporting Countries Plus (OPEC+) and shifting geopolitical perceptions.

The West Asia conflict triggered an initial flight to safety, with gold and advanced economy sovereign bonds rallying before partially correcting amidst rising inflation expectations and a strengthening US dollar. Equity markets erased much of their earlier gains, to incur losses in Q1 of 2026, while exchange rate pressures intensified across major advanced and emerging market economies, driven by capital outflows. Monetary policy expectations indicated a policy pivot with investors factoring in the possibility of rate hikes by systemically important central banks sooner than previously anticipated; consequently, global financial markets have remained highly volatile.

Overall, the global outlook has shifted from the steady growth seen at the start of 2026 to a more cautious and circumspect one. Moving forward, the duration, intensity and the geographical breadth of the conflict in West Asia will be an important factor in shaping global growth, inflation trends, and financial stability.

Against this backdrop, India's macroeconomic outlook remains resilient, supported by robust domestic demand and continued fiscal consolidation. Recent updations to the base period

of key macroeconomic indicators have strengthened the statistical framework thereby improving macroeconomic assessment. The new Consumer Price Index (CPI) series with base year 2024=100 was released on February 12, 2026, incorporating updated consumption patterns and revised expenditure weights that is better reflective of current price dynamics. Subsequently, the National Statistics Office (NSO) brought out the revised national accounts series with base year 2022–23 on February 27, 2026, integrating improved data sources, expanded sectoral coverage and methodological refinements in line with evolving economic structures. These changes have enhanced representativeness, comparability and analytical coherence of inflation and growth prints used for policy purposes.

According to the Second Advance Estimates (SAE) released by the National Statistics Office (NSO), real GDP growth for 2025–26 is estimated at 7.6 per cent, compared with 7.1 per cent in the previous year. Growth was supported by strong private final consumption expenditure (PFCE) and sustained expansion in gross fixed capital formation (GFCF). On the supply side, real gross value added (GVA) expanded by 7.7 per cent, driven by robust growth in services and manufacturing, even as agriculture and allied activities recorded moderate growth.

Headline CPI inflation, which had remained low for much of 2025–26, increased to 3.2 per cent in February 2026 from 2.7 per cent in January 2026, reflecting a combination of unfavourable base effects and some positive price momentum. Food inflation, which had remained subdued and had even turned negative under the previous series in late 2025, firmed up to 3.4 per cent in February from 2.1 per cent in January, contributing to the rise in headline inflation. Core inflation, which excludes food, household and transport fuel (for details, see Box IV.2), remained steady at 3.7 per cent, indicating

that underlying price pressures were contained, notwithstanding some hardening in precious metal prices, with core inflation excluding gold and silver remaining subdued at 2.1 per cent in February 2026. Fuel inflation continued to remain muted.

Against this broadly resilient backdrop, spillovers from the ongoing West Asia conflict are likely to impact the Indian economy through several channels. Elevated and volatile energy prices, through higher import bill, may impact the current account deficit and exert imported inflation pressure, including potential second-round effects. Heightened uncertainty, increasing risk aversion and safe-haven demand may lead to capital outflows thereby exerting sustained depreciation pressure on the exchange rate. Given India's high import intensity of exports, higher input prices along with a depreciating currency may raise the cost of production of exports which, if passed on to output prices, may act as terms of trade shock. Weaker global growth prospects may dampen external demand and reduce remittance flows. In addition, disruptions in energy markets and fertilisers may impact output of industry and agriculture, in turn depressing domestic demand. Finally, adverse spillovers from global financial markets could tighten domestic financial conditions and raise the cost of borrowing. Overall, what begins as a supply shock through energy and logistics disruptions has the potential to transform into a demand slowdown over the medium term if the conflict gets prolonged and restoration of supply chains is delayed.

During H2:2025-26, the Monetary Policy Committee (MPC) reduced the policy repo rate by 25 basis points in December 2025 on top of a cumulative 100 basis points cut during Q4:2024–25 and H1:2025–26, in view of the evolving inflation and growth outlook. The phased reduction in the cash reserve ratio (CRR) of 100 basis points by the Reserve Bank during September-November 2025 had

supported systemic liquidity. The MPC reaffirmed its commitment to remain data-dependent and vigilant to evolving macroeconomic conditions while calibrating future policy actions.

Monetary Policy Committee Meetings: October 2025-March 2026

October 2025

When the MPC met in October 2025, the global economy appeared more resilient than expected, though policy uncertainties continued to cloud the outlook. Inflation had stayed above target in some advanced economies, posing challenges for central banks in managing the evolving growth–inflation trade-offs. Domestically, real GDP growth stood at 7.8 per cent in Q1:2025-26¹, mainly driven by private consumption and investment. An above-normal monsoon, steady *kharif* sowing, and adequate reservoir levels brightened prospects for agriculture and rural demand. Strong services activity and stable employment supported demand, with further impetus anticipated from GST rationalisation. The ongoing geopolitical tensions and volatility in global financial markets however posed downside risks to growth. Accordingly, real GDP growth for 2025-26 was projected at 6.8 per cent. CPI headline inflation remained benign mainly due to sharp fall in food prices and was expected to be softer for the full year than projected earlier, owing to GST rate rationalisation and benign food prices. Considering these factors, CPI inflation for 2025-26 was projected at 2.6 per cent. The MPC noted that while macroeconomic conditions and the outlook opened policy space for remaining growth supportive, it would be prudent to wait for the impact of the front-loaded monetary policy actions and the GST rate adjustments to play out as well as to get greater clarity on the unfolding of trade related uncertainties before adjusting the policy rate. Consequently, the

MPC voted unanimously to keep the policy repo rate unchanged at 5.50 per cent. The MPC also decided to retain the neutral stance, although two members preferred shifting to being accommodative.

December 2025

In December 2025, global growth remained relatively strong, though evolving geopolitical and trade dynamics continued to cloud the outlook. Domestic real GDP growth, exceeding earlier expectations, reached a six-quarter high of 8.2 per cent in Q2:2025-26 (base year: 2011-12), driven by resilient domestic demand. Going forward, favourable domestic conditions including healthy agricultural prospects, the continued impetus from GST rationalisation and benign inflation were expected to sustain economic activity. Accordingly, real GDP growth forecast for 2025-26 was revised upwards to 7.3 per cent. Headline CPI inflation fell to an all-time low in October 2025, declining faster than anticipated mainly due to further softening of food prices. Improved food supply prospects, supported by higher *kharif* output and healthy *rabi* sowing, were likely to keep inflation softer than previously projected. In view of all these factors, the projections for CPI headline inflation for 2025-26 were pared to 2.0 per cent. Even core inflation, which had been rising steadily since Q1:2024-25, eased at the margin in Q2:2025-26 and was expected to remain anchored in the period ahead. With the inflation outlook providing greater policy space, the MPC unanimously decided to reduce the policy repo rate by 25 basis points to 5.25 per cent. It also decided to continue with the neutral stance, barring one member who preferred shifting to accommodative.

February 2026

In the run up to the February meeting, global growth was expected to strengthen in 2026 buoyed

¹ As per NSO estimates of real GDP growth of the earlier series (base year: 2011-12), which was available then.

by tech investments and accommodative financial conditions. Inflation remained uneven across jurisdictions and above the target in most major advanced economies (AEs). Domestically, real GDP growth was estimated at 7.4 per cent in 2025-26 supported by private consumption and fixed investment. Improved agricultural conditions and stronger rural labour market conditions were expected to support growth. Moreover, progress made on trade deals with major economies improved the external sector outlook considerably. Accordingly, real GDP growth for Q1 and Q2 of 2026-27 was projected at 6.9 and 7.0 per cent, respectively. Headline CPI inflation rose marginally in November and December from the historic low of 0.3 per cent in October but remained below the lower tolerance band. CPI inflation for 2025-26 was revised slightly upwards to 2.1 per cent reflecting increase in prices of precious metals. The MPC noted that the successful conclusion of trade deals/agreements (with European Union, New Zealand, Oman, and announcement of trade deal with the United States) bodes well for the overall outlook. In view of this, the MPC considered the policy rate to be appropriate and unanimously voted to keep it unchanged at 5.25 per cent. It also continued with the neutral stance although one member was in favour of turning accommodative.

On March 25, 2026, the Government of India, in consultation with the Reserve Bank of India (RBI), notified to retain the inflation target at 4 per cent, with a tolerance band of +/-2 per cent, for the period of five years beginning April 1, 2026, to March 31, 2031. This decision, which is also in line with the feedback received on the discussion paper on the monetary policy framework released by RBI on August 21, 2025, reflects continuity amidst a volatile global environment and reaffirms the commitment to price stability while keeping in mind the objective of

growth. The 4 per cent target continues to represent an appropriate level consistent with macroeconomic stability, while the tolerance band provides flexibility to accommodate temporary shocks without necessitating frequent policy adjustments.

Globally, with the inflation outcomes diverging across jurisdictions and remaining above target in major Advanced Economies (AEs), central banks faced difficult trade-offs. Some economies slowed or paused their easing cycles, and a few raised rates in response to higher inflation projections. Among AEs, Japan increased its policy rate after a series of pause while, among the EMEs, Colombia hiked policy rate from the beginning of this calendar year (Table V.1). This diversity in policy responses reflects an underlying shift in monetary policy reaction functions amidst heightened uncertainty in the current easing cycle (Box V.1).

Table V.1 Monetary Policy Committees and Policy Rate Voting Patterns

Country	Policy Meetings: October 2025 - March 2026			
	Total meetings	Meetings with full consensus	Meetings without full consensus	Variation in policy rate (basis points)
Brazil	4	4	0	-25
Chile	4	4	0	-25
Colombia	4	0	4	200
Czech Republic	4	4	0	0
Hungary*	6	5	0	-25
India	3	3	0	-25
Japan	4	1	3	25
South Africa	3	2	1	-25
Sweden	4	4	0	0
Thailand	3	1	2	-50
UK	4	1	3	-25
US	4	0	4	-50

Note: 1. Minus sign indicates a reduction in policy rate.

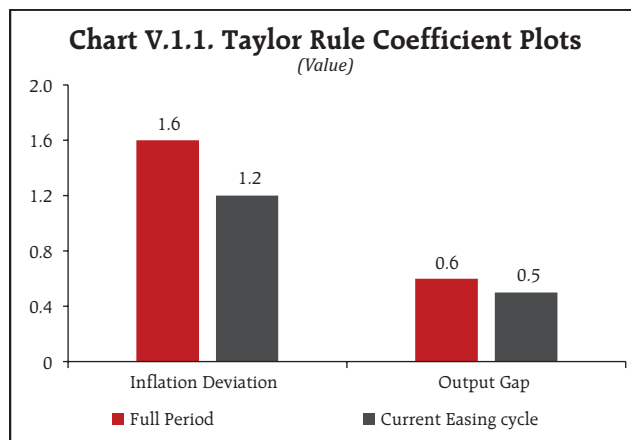
2. *: Total number of meetings happened is six. However, the minutes of last meeting (March 24, 2026) are not published to date

Sources: Central bank websites.

Box V.1: Is Monetary Policy Behaviour Different in the Current Easing Cycle? A Cross-Country Analysis

The current global monetary easing cycle, which began in 2024, is distinct from the post-2013 era due to a shift in monetary policy reaction functions amidst heightened global uncertainty and persistent supply shocks. In the current period, inflation, though moderating, remains above target in several economies; however, policy easing commenced in anticipation of projected convergence of inflation to target over the medium term. This forward-looking risk-management approach prioritises economic growth and employment by reacting less punitively to current inflation deviations (above target) so as to avoid output losses.

With the objective to explore the sensitivity of policy rates to inflation deviation from its target levels and following the methodology of Clarida *et al.* (2000)², the 2024-25 easing cycle is pitched against a longer period since 2013 to examine whether the Taylor Rule for inflation targeting countries has changed in the face of current economic shocks. Estimates of the forward-looking Taylor rule over the full sample period (2013–2025) reveal a robust inflation response (1.6) and a meaningful output stabilisation coefficient (0.6). These results closely mimic the original Taylor Rule, which prescribed that the nominal interest rate should respond to inflation with a coefficient of 1.5 to ensure that the real rate rises when inflation exceeds its target, while maintaining sensitivity to growth conditions with an output coefficient of 0.5. However, re-estimation over the 2024–25 easing phase brings to light a different policy behaviour whereby the inflation sensitivity falls to 1.2, and the output coefficient also decreases marginally (Chart V.1.1). While both coefficients remain broadly consistent with the Taylor rule estimates available in the literature, the magnitude of response has softened indicating that during the current easing cycle, central banks are placing relatively less weight on key macro variables. The interest rate smoothing parameter across both specifications remains high ($\rho = 0.8$ to 0.9), which underscores the cautious but gradual approach central



banks adopt in adjusting policy rates to ensure policy predictability.

This shift signals that amidst heightened uncertainty along with post pandemic legacy of large debt levels for major economies, monetary authorities are considering a broader set of indicators beyond the traditional inflation-output gap trade-off. They are safeguarding the room for policy manoeuvrability in these uncertain times by being more cautious and less reactive in this cycle, thereby 'travelling the last mile of disinflation with a steady hand' (BIS, 2024). This measured approach is consistent with flexible inflation targeting frameworks that prioritise medium-term stability when expectations remain anchored (Hofmann *et al.*, 2024).

Reference:

BIS (2024). Annual Economic Report.

Clarida, R., Galí, J., & Gertler, M. (2000). Monetary policy rules and macroeconomic stability: Evidence and some theory. *The Quarterly Journal of Economics*, 115(1), 147–180.

Hofmann, B., Manea, C., & Mojon, B. (2024). Targeted Taylor rules: monetary policy responses to demand- and supply-driven inflation. *BIS Quarterly Review*, December.

² For a cross-country panel of 16 inflation-targeting countries for the period Q1:2013 to Q3: 2025, the following forward-looking Taylor-rule equation is estimated:

$$i_{it} = \alpha + \rho i_{it-1} + \beta_{\pi} \text{InfDev}_{it+1} + \beta_y \text{Output Gap}_{it} + u_{it}$$

Where i_{it} is the nominal policy interest rate, α is the constant, ρ is the policy inertia, β_{π} is the inflation response coefficient, InfDev_{it+1} is the forward-looking inflation deviation, β_y is the output stabilisation coefficient, Output Gap_{it} is the output gap, and u_{it} is the error term.

Since expected future inflation and output gap are unobservable, two-stage GMM estimation is used with instrumental variables, which include lags of the policy rate, one quarter ahead inflation deviation from target, output gap, commodity price inflation, and yield spreads, while controlling for uncertainty in both regression specifications. The long-run coefficients of inflation deviation and output gap are constructed from the estimated short-run coefficients by dividing the respective coefficients with $(1 - \rho)$, where ρ is the smoothing parameter.

Reflecting India's favourable growth-inflation dynamics, the MPC's voting pattern exhibited unanimity across the last three policies, which is in sharp contrast to some of the major AEs where the voting pattern essentially reflected the diversity in individual members' assessments, expectations, and policy preferences based on mixed signals from various economic indicators.

Factors conditioning the Macroeconomic Outlook

The outbreak of the conflict in West Asia towards the end of Q4:2025-26 has triggered major supply disruptions and spikes in international energy prices. The gradually enlarging geographical reach of the conflict, if persistent in terms of its intensity and duration, poses downside risks to growth and upside risks to inflation, not only to India but to the wider global economy at large. In this *milieu*, the policy trade-off between reining in inflation pressures and remaining growth supportive becomes far more challenging as it hinges on an assessment of whether the shock is permanent or transitory. While the near-term impact of the supply chain disruption can be managed by domestic buffers that have been built over time, prolonged disruption would have adverse implications for the economy.

Chapters III and IV have analysed domestic macroeconomic developments relating to economic activity and inflation during H2:2025-26 (October 2025- March 2026). Going forward, the outlook is premised on a set of baseline assumptions.

First, the baseline assumption for crude oil price has been taken at US\$ 85 per barrel for 2026-27 and US\$ 75 per barrel for 2027-28, in line with average brent future prices (Table V.2 and Chart V.1a). International crude oil prices exhibited a declining trend during October 2025-December 2025, easing to around US\$ 63 per barrel, owing to OPEC+ announcements which increased supply in the global oil market. This

Table V.2: Baseline Assumptions for Projections

Indicator	MPR October 2025	MPR April 2026
Crude Oil	US\$ 70 per barrel during H2: 2025-26	US\$ 85 per barrel during 2026-27 and US\$ 75 per barrel during 2027-28
Exchange rate	₹88/US\$ during H2: 2025-26	₹94/US\$ during 2026-27
Monsoon	Normal for 2026-27	Normal for 2026-27 and 2027-28
Global growth	3.0 per cent in 2025 3.1 per cent in 2026	2.9 per cent in 2026 3.0 per cent in 2027
Fiscal deficit (per cent of GDP)	To remain within BE 2025-26 Centre: 4.4 Combined: 7.4	To remain within BE 2026-27 Centre: 4.3 Combined: 6.8
Domestic macroeconomic/ structural policies during the forecast period	GST rationalisation	No major change

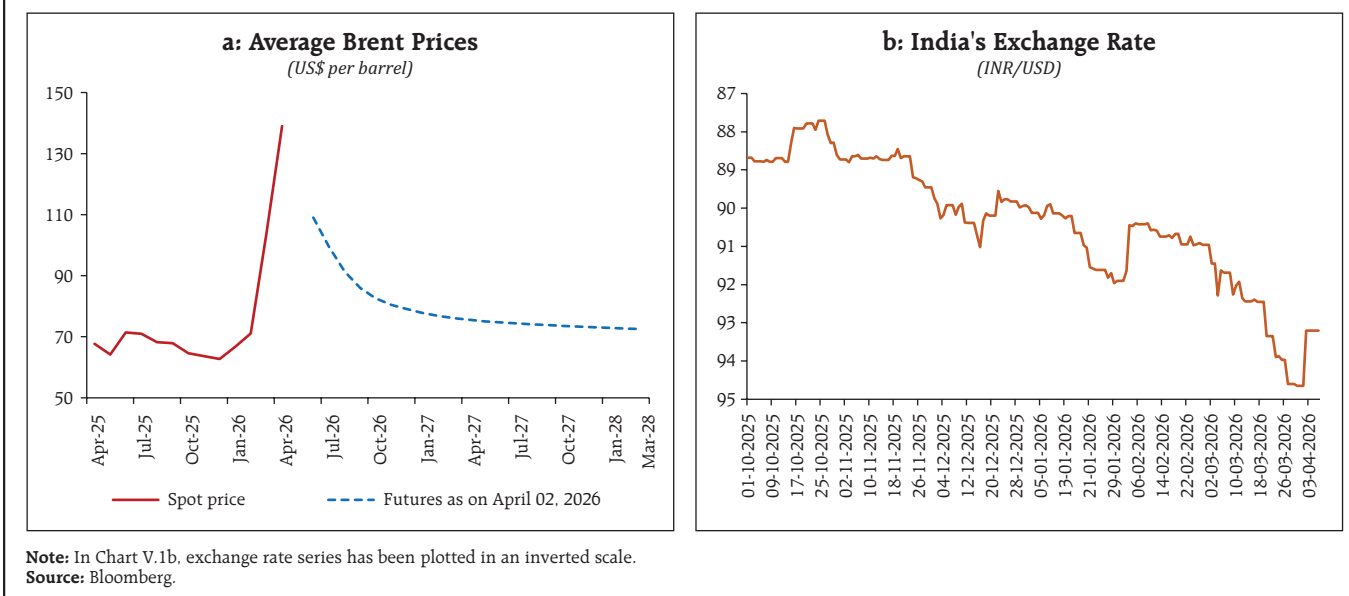
Notes: 1. The assumption on oil is based on Brent crude.

2. The exchange rate path assumed here is for the purpose of generating the baseline projections and does not indicate any 'view' on the level of the exchange rate. The Reserve Bank is guided by the objective of containing excess volatility in the foreign exchange market and not by any specific level of and/or band around the exchange rate.
3. BE: Budget estimates.
4. Combined fiscal deficit refers to that of the Centre and States taken together.

Sources: RBI estimates; Budget documents; International Monetary Fund (IMF) and Organisation for Economic Co-operation and Development (OECD).

trend reversed sharply in March 2026, with prices surging past US\$ 100 per barrel for the first time since November 2022, driven by escalating geopolitical tensions. The crude oil inventory build-up since Q2:2025-26 reflecting favourable supply conditions has since reversed. Production has faced significant disruptions due to operational and shipping constraints, leading to tightening supply conditions, while inventory buffers have also come under severe strain due to record drawdowns, and are expected to remain under pressure through 2026.

Second, the nominal exchange rate of the Indian rupee (₹) was in the range of ₹87-92 per US dollar during October 2025 to January 2026. Since October 2025 and up to the first half of November, the rupee

Chart V.1: Crude Oil Prices and Exchange Rate Dynamics

remained stable, trading around ₹88 per US dollar (Chart V.1b). Towards the end of November, the INR exhibited depreciating bias and reached an all-time low, almost touching ₹92 per US dollar in the second fortnight of January 2026. This was essentially driven by portfolio outflows, steady dollar demand and tight global financial conditions. Post the announcement of the EU and US trade deal, however, the rupee recovered somewhat and remained range bound around ₹90 per US dollar. In March, however depreciation pressures accentuated with the INR breaching ₹95 per US dollar intraday, surpassing its previous record lows amid concerns over West Asia conflict. A primary driver has been the sustained portfolio outflows, reflecting a risk-off sentiment towards emerging markets amid heightened global uncertainty. Taking into account the volatility of the US dollar and fluctuations in global capital flows, the baseline assumption for the exchange rate has been revised to ₹94 per US dollar as against ₹88 in the October 2025 MPR.

Third, while the global economy showed resilience in responding to the tariff related uncertainty in 2025, the outlook for 2026 is mired by the ongoing

West Asia conflict. In its Economic Outlook (March 2026), the Organisation for Economic Cooperation and Development (OECD) projects global growth to ease to 2.9 per cent in 2026 from 3.3 per cent in 2025 as the energy price surge and the unpredictable nature of the evolving conflict will raise costs and lower demand, offsetting the tailwinds from strong technology-related investment and production, lower effective tariff rates and the momentum carried over from 2025. After the West Asia conflict, global growth is subject to downside risks and global inflation to upside risks emanating from heightened uncertainty, volatile markets, protracted supply chain disruptions and inflationary spikes leading to earlier than expected monetary policy tightening. The virtual shutdown in shipments through the Strait of Hormuz and the damage of critical energy infrastructure has disrupted the global supply chains and related commodities, such as fertilisers, with enhanced volatility in financial markets, particularly in some energy dependent Asian economies. To what extent these headwinds are offset by tailwinds from productivity gains and surging investment in technology including AI is highly uncertain at this juncture which is testing the

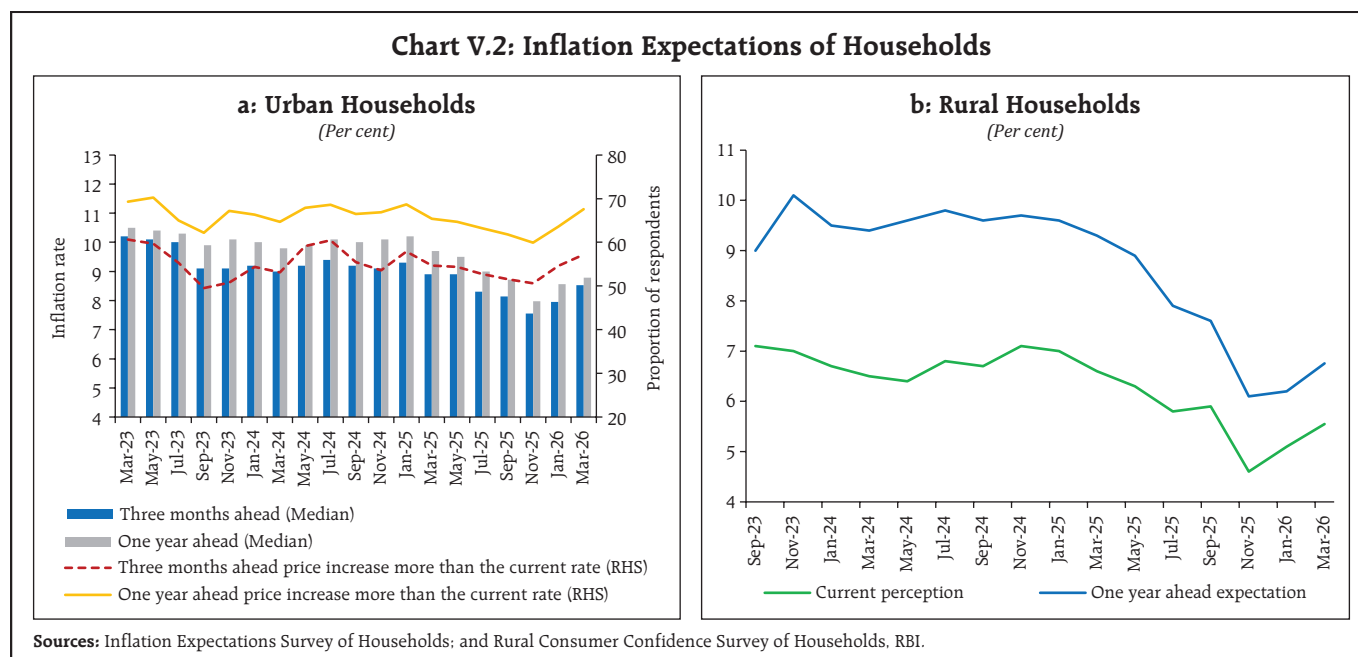
resilience of the global economy. World merchandise trade volume growth, as projected in March 2026 by the World Trade Organisation (WTO), is expected to decline to 1.9 per cent in 2026 from 4.6 per cent in 2025 and then increase to 2.6 per cent in 2027; while services trade volume is expected to moderate to 4.8 per cent in 2026 from 5.3 per cent in 2025 but improve to 5.1 per cent in 2027.

V.2 Inflation Outlook

Domestic headline inflation picked up to 3.2 per cent in February 2026 on account of food and beverages. Core (excluding food and fuel) inflation was steady at 3.7 per cent. However, the impact of the conflict on the cost and availability of key commodities has emerged as the primary risk to inflation at the current juncture. Energy prices have risen to levels that were last seen during the 2022 Russia-Ukraine war, and the costs of many other commodities have gone up on account of increased freight and insurance costs. Apart from exerting significant upward pressure on

domestic retail prices, they also feed into input costs for a number of products, which risks the emergence of cost-push inflation. Supply shortages in critical inputs such as fertilisers, which, if prolonged, could lead to a further increase in the cost of production, exacerbating the inflation outlook.

Urban households' inflation expectations for the next three months ahead rose by 60 bps to 8.5 per cent whereas one year ahead witnessed a modest rise of 20 bps to 8.8 per cent in the latest survey round (March 2026) of the Reserve Bank's bi-monthly households survey³. For the second consecutive round, the shares of respondents anticipating rise in inflation has increased for both the near term and the year ahead (Chart V.2a). Additionally, according to the Reserve Bank's recent bi-monthly Rural Consumer Confidence Survey (RCCS)⁴, the current perception of annual inflation of rural and semi-urban households increased by 50 basis points (bps) to 5.6 per cent in March 2026 as compared with the previous round.



³ The Reserve Bank's inflation expectations survey of households is being conducted in 19 cities since March 2021 (18 cities in the previous rounds) and the results of the March 2026 round are based on responses from 6,075 households.

⁴ The Reserve Bank's rural consumer confidence survey is being conducted across all Indian states and three major UTs since September 2023 and the results of the March 2026 round are based on responses from 8,928 respondents.

Moreover, their one-year ahead expectations also rose by 60 bps to 6.8 per cent (Chart V.2b).

Manufacturing firms surveyed in the January-March 2026 round of the Reserve Bank’s quarterly Industrial Outlook Survey expect rising pressures from cost of raw materials in Q1:2026-27. Growth in selling prices is also expected to rise relative to the previous quarter (Chart V.3a).⁵ Services and infrastructure firms anticipate rising input cost pressures but lower growth in selling prices in Q1:2026-27 *vis-a-vis* previous quarter (Chart V.3b and V.3c).⁶

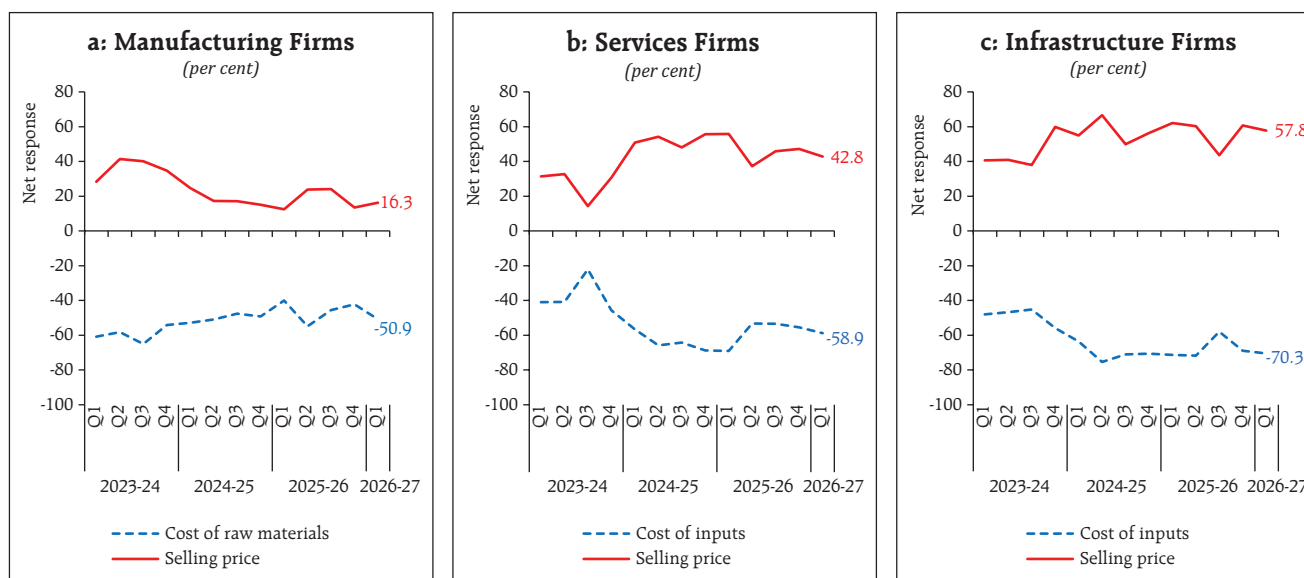
Professional forecasters surveyed by the Reserve Bank in March 2026 projected CPI inflation to be at 3.1 per cent in Q4:2025-26. It is expected to increase gradually to 4.1 per cent in Q1:2026-27, to 4.4 per cent in Q2 and further to 4.7 per cent in Q3 before moderating to 4.2 per cent in Q4:2026-27 (Chart V.4a and Table V.3).⁷ CPI inflation, excluding food and beverages, pan,

tobacco and intoxicants, and fuel and light, is expected at 3.5 per cent in Q4:2025-26 and thereafter, remain around 4.0-4.3 per cent till Q4:2026-27.

Long-run inflation expectations of professional forecasters – measured by their five- and ten-year horizons – is at 4.0 per cent and 4.2 per cent, respectively, in the current round (Chart V.4 b).

Considering the initial conditions, signals from forward-looking surveys and estimates from time-series and structural models⁸, CPI inflation is projected to average 4.6 per cent in 2026-27 - with 4.0 per cent in Q1; 4.4 per cent in Q2; 5.2 per cent in Q3 and 4.7 per cent in Q4, with risks tilted towards the upside. The 50 per cent and the 70 per cent confidence intervals for headline inflation in Q4:2026-27 are 3.6-7.9 per cent and 3.0-9.6 per cent, respectively (Chart V.5 and Table V.3). Assuming a normal monsoon and no further exogenous or policy shocks, structural

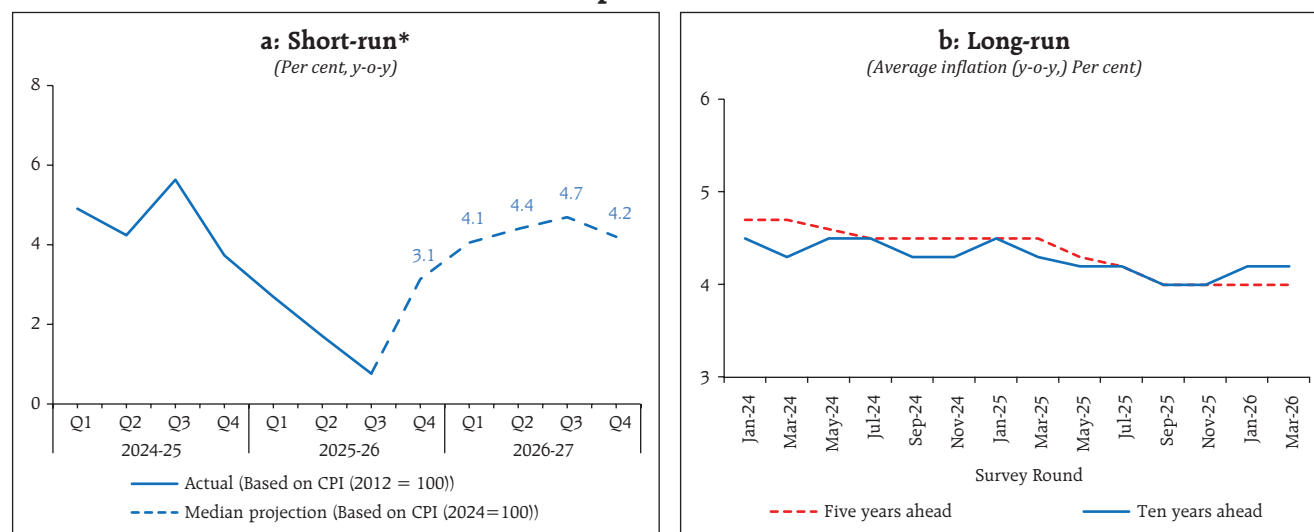
Chart V.3: Expectations about Cost of Raw Materials/Inputs and Selling Prices



Note: Net Response (NR) is the difference between the percentage of respondents reporting optimism and those reporting pessimism. It ranges between -100 to 100.
Sources: Industrial Outlook Survey; and Services and Infrastructure Outlook Survey, RBI.

⁵ The results of the January-March 2026 round of the Industrial Outlook Survey are based on responses from 1,256 companies.
⁶ Based on 712 services companies and 123 infrastructure firms polled in the January-March 2026 round of the services and infrastructure outlook survey.
⁷ Forty-six panellists participated in the March 2026 round of the Reserve Bank’s Survey of Professional Forecasters.
⁸ Joice John, Deepak Kumar, Asish Thomas George, Pratik Mitra, Muneesh Kapur and Michael Debabrata Patra (2023), "A Recalibrated Quarterly Projection Model (QPM 2.0) for India", Reserve Bank of India Bulletin, February, Volume LXXVII(2), pp.59-77.

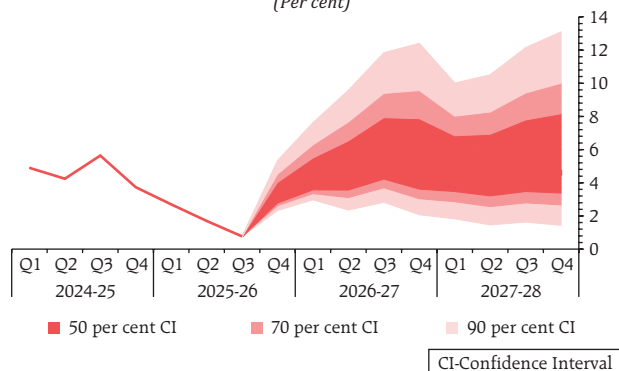
Chart V.4: CPI Inflation Expectations of Professional Forecasters



*: Five quarters ahead expectations in March 2026.
Sources: Survey of Professional Forecasters, RBI, and National Statistics Office.

model estimates indicate that inflation will average 4.6 per cent in 2027-28. The 50 per cent and the 70 per cent confidence intervals for headline inflation in Q4:2027-28 are 3.4-8.2 per cent and 2.7-10.0 per cent, respectively. Taking into account uncertainty in global macroeconomic conditions, headline inflation is projected to average 5.0 per cent in 2026-27 and 5.1 per cent in 2027-28, based on the assumption of higher crude oil prices than the baseline (Table V.3).

Chart V.5: Projection of CPI Inflation (y-o-y)
(Per cent)



Note: The fan chart depicts uncertainty around the baseline projection path. The baseline projections are conditioned upon the assumptions set out in Table V.2. The thick red shaded area represents 50 per cent confidence interval, implying that there is 50 per cent probability that the actual outcome will be within the range given by the thick red shaded area. Likewise, for 70 per cent and 90 per cent confidence intervals, there is 70 per cent and 90 per cent probability, respectively, that the actual outcomes will be in the range represented by the respective shaded areas.
Source: RBI staff estimates.

Table V.3: Projections - Reserve Bank and Professional Forecasters

	(Per cent)		
	2025-26	2026-27	2027-28
Reserve Bank's Baseline Projections			
Inflation	1.9#	4.6	4.6
Real GDP growth	7.6@	6.9	6.6
Reserve Bank's Scenario Projections*			
Inflation	1.9#	5.0	5.1
Real GDP growth	7.6@	6.7	6.4
Median Projections of Professional Forecasters			
Inflation, Q4 (y-o-y)	3.1	4.2	-
Real GDP growth	7.6	6.9	7.0
Gross domestic saving (per cent of GNDI)	33.4	32.9	32.8
Gross capital formation (per cent of GDP)	34.6	34.5	34.7
Credit growth of scheduled commercial banks	13.5	13.0	12.0
Combined gross fiscal deficit (per cent of GDP)	7.6	7.5	7.2
Central government gross fiscal deficit (per cent of GDP)	4.4	4.4	4.4
Repo rate (end-period)	-	5.25	-
Yield on 91-days treasury bills (end-period)	5.4	5.8	6.2
Yield on 10-year central government securities (end-period)	6.8	7.0	6.9
Merchandise exports growth	1.5	4.0	5.0
Merchandise imports growth	7.9	8.3	5.4
Current account balance (per cent of GDP)	-1.0	-1.5	-1.2

*: Scenario based on crude oil assumption at US\$ 95 per barrel during 2026-27 and US\$ 85 per barrel during 2027-28.

#: Average CPI inflation in 2025-26 (up to February). CPI inflation for April-December 2025 is based on the 2012 series. Inflation for January-February 2026 is based on the CPI new base series (2024=100).

@: NSO Second Advance Estimates (as per the new base year 2022-23)

Note: GNDI: Gross National Disposable Income.

Sources: RBI staff estimates; and Survey of Professional Forecasters (March 2026).

The baseline forecasts are subject to several upside and downside risks. The upside risks emanate from supply disruptions caused by weather-related shocks and elevated energy prices due to prolonged geopolitical conflicts. The downside risk could emanate from an early resolution of geopolitical conflicts.

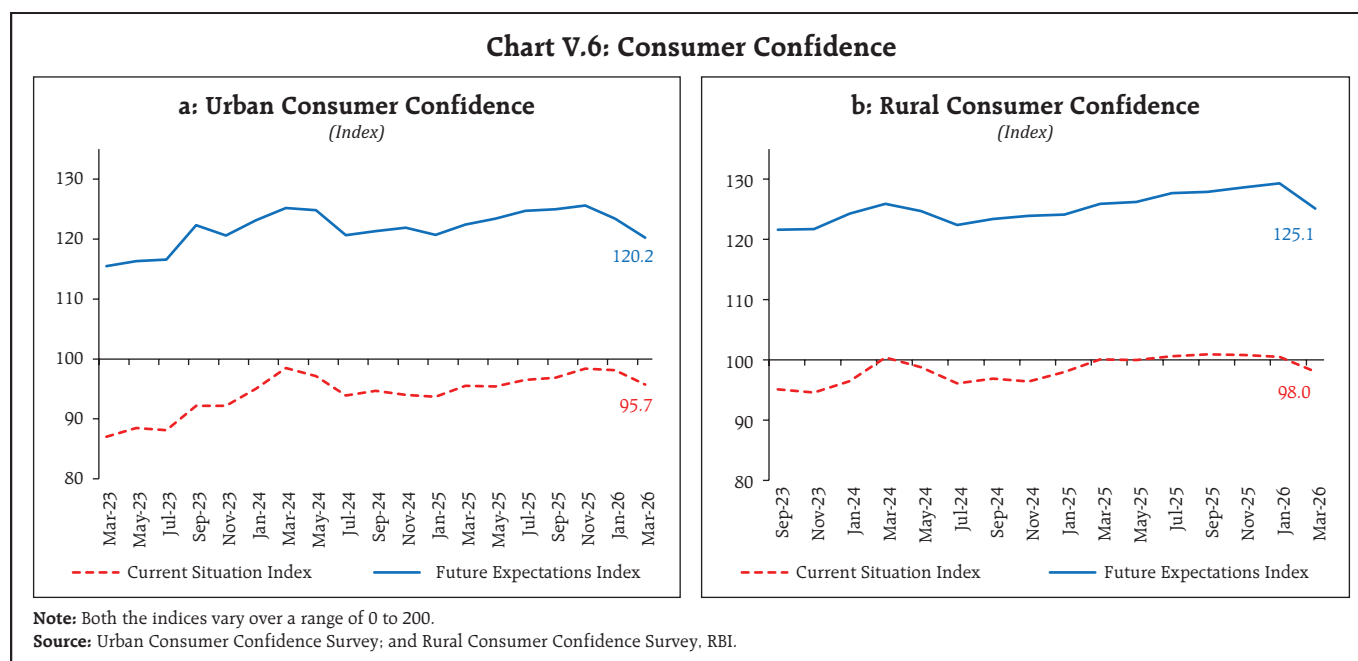
V.3 Growth Outlook

Domestic economic activity remains resilient supported by private consumption and fixed investment. High-capacity utilisation, robust bank credit growth, conducive financial conditions, and the government's continued emphasis on infrastructure are expected to stimulate investment activity. Moreover, several measures announced in the Union Budget 2026-27 are also growth supportive. However, spillovers from the ongoing West Asia conflict along with volatility in international financial markets and trade dynamics, pose downside risks to the growth outlook.

Forward-looking surveys offer additional insights. The bi-monthly consumer confidence (current situation index) for urban households deteriorated further into the pessimistic zone in March 2026 *vis-à-vis* the previous round. Consumer confidence of rural households also declined in March 2026 survey round, moving into pessimistic zone following six consecutive rounds of relative stability around the neutral level (Chart V.6).

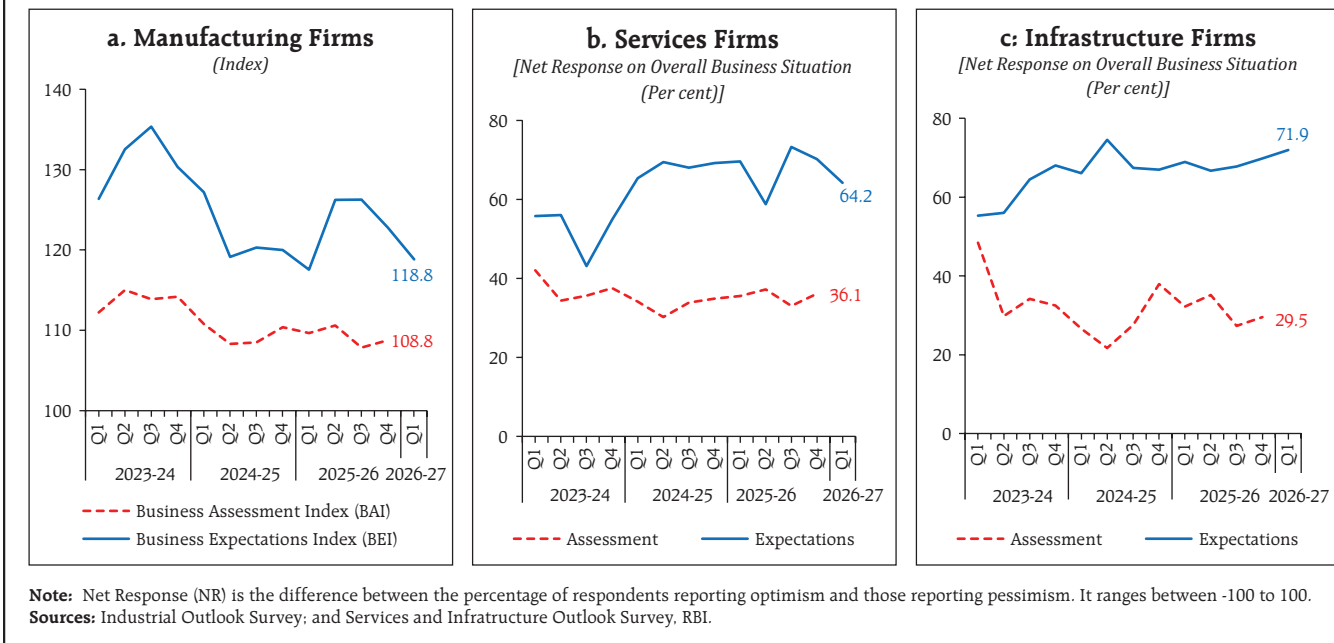
Consumers' optimism for the year ahead, measured by the future expectations index, remained in optimistic territory; however, it declined for both urban and rural households in the recent survey round, driven mainly by lower expectations across most survey parameters (Chart V.6).

In the Reserve Bank's quarterly industrial outlook survey of January-March 2026, manufacturing firms continued to stay optimistic about their business conditions (BAI/BEI)⁹ *albeit* with some moderation



⁹ Business Assessment Index (BAI)/Business Expectations Index (BEI) (over a range of 0 to 200) gives a snapshot of demand conditions in the manufacturing sector by combining nine parameters – (i) overall business situation, (ii) production, (iii) order books, (iv) inventory of raw material, (v) inventory of finished goods, (vi) profit margin, (vii) employment, (viii) exports and (ix) capacity utilisation. A value above 100 indicates an expansion of the overall business activity and value below 100 indicates contraction.

Chart V.7: Business Assessment and Expectations



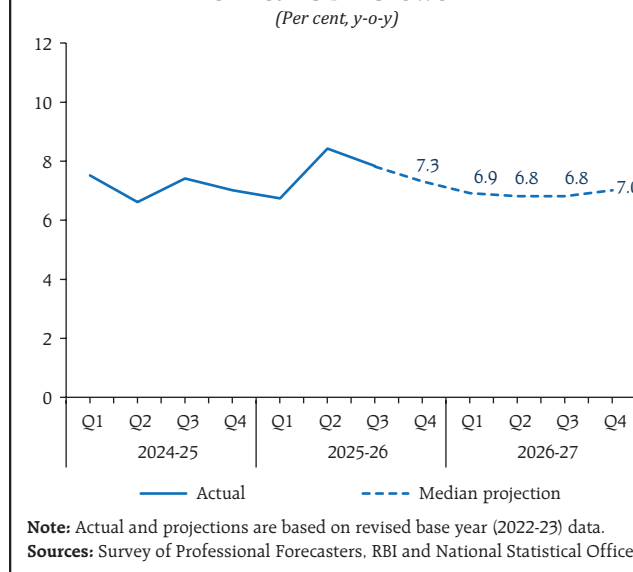
(Chart V.7a). The services and infrastructure companies also continue to remain optimistic on overall business situation in Q1:2026-27 (Charts V.7b and V.7c).

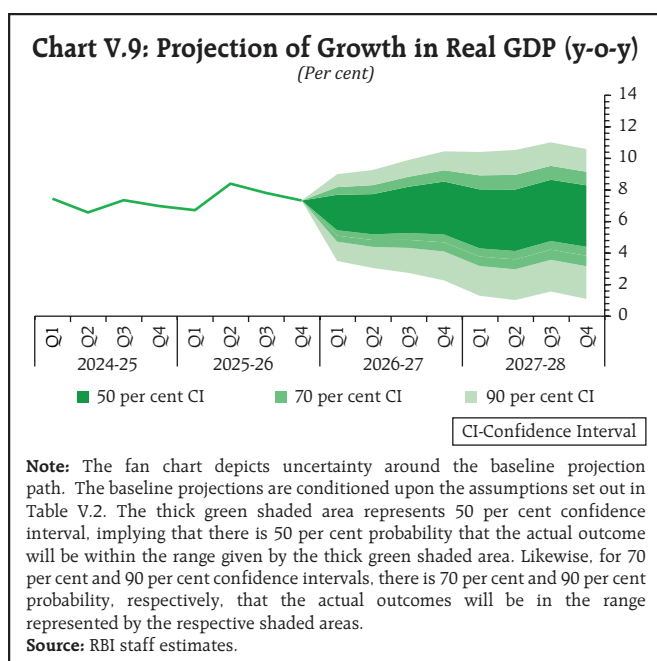
Professional forecasters polled in March 2026 round of the Reserve Bank’s survey projected real GDP growth at 7.3 per cent during Q4:2025-26. Growth is expected to be in the range of 6.8-7.0 per cent during the subsequent four quarters (Chart V.8).

As per the new GDP series (base year 2022–23), real GDP growth stood at 7.8 per cent in Q3:2025–26 as against 8.4 per cent in Q2:2025–26, reflecting sustained resilience in domestic economic activity supported by private consumption and robust fixed investment. Considering the baseline assumptions, survey indicators and model forecasts, real GDP growth is projected at 6.9 per cent in 2026-27 with 6.8 per cent in Q1; 6.7 per cent in Q2; 7.0 per cent in Q3 and 7.2 per cent in Q4 – with risks tilted towards the downside around this baseline path (Chart V.9

and Table V.3). Assuming a normal monsoon and no major exogenous or policy shocks, structural model forecast for 2027-28 indicate real GDP growth at 6.6 per cent. Under the scenario of higher crude oil prices than the baseline, real GDP growth is projected at 6.7

Chart V.8: Professional Forecasters' Projection of Real GDP Growth





per cent and 6.4 per cent for 2026-27 and 2027-28 respectively (Table V.3).

There are upside and downside risks to the baseline growth trajectory. Upside risks emanate from improving corporate performance, an accelerated revival in private investment, and quick resolution of the West Asia conflict. On the downside, spillovers from prolonged geopolitical conflict, volatility in global financial markets, shifting trade patterns, and climate-related shocks pose risks to the baseline growth path.

V.4 Balance of Risks

The baseline projections of growth and inflation are conditional on assumptions relating to key domestic and global macroeconomic variables that are set out in Table V.2. These baseline assumptions are subject to uncertainties emanating from the evolving global trade landscape, heightened tensions in West Asia, volatility in global financial markets, and domestic weather-related risks. Against this backdrop, this section explores the balance of risks

around the baseline projections of inflation and growth under plausible alternative scenarios.

(i) Global Growth Uncertainties

Global economic activity has remained broadly resilient through H2:2025 and into early 2026, prompting the IMF to revise the global growth forecast marginally upward to 3.3 per cent for 2026 in its January 2026 update of the World Economic Outlook. However, this resilience is in specific sectors and regions, driven predominantly by technology-related investment, particularly in artificial intelligence infrastructure, and concentrated mainly in North America and parts of Asia, rather than reflecting broad-based demand recovery. OECD in its Economic Outlook Interim Report, released in March 2026, has projected global growth at 2.9 per cent and 3.0 per cent during 2026 and 2027, respectively.

Against this backdrop, downside risks to the global outlook remain significant. Persistent geopolitical tensions continue to cloud the outlook. The current West Asia conflict has intensified with attacks on energy infrastructure across the gulf, disrupting global energy supply. The selective closure of the strait of Hormuz has severely impacted the trade in the Gulf region. Overall, the conflict has significantly deteriorated the near-term outlook on global trade and growth.

Wider fiscal imbalances in major economies could push up long-term interest rates and tighten global financial conditions, with adverse spillovers for EMEs through capital outflows. A newer source of downside risk stems from the possibility of a sharp correction in AI-related asset valuations if corporate earnings fail to justify elevated technology stock valuations. Such a correction could trigger a tightening of financial conditions, concentrated

in tech-heavy regions but with potential broader contagion effects.

On the upside, a more constructive and durable resolution of trade tensions and West Asia conflict, along with AI-driven productivity gains, could raise global growth above the baseline.

If global growth turns out to be 100 bps below the baseline, domestic growth and inflation could be lower by around 30 bps and 15 bps¹⁰, respectively. Conversely, if global growth is higher by 50 bps relative to the baseline, domestic growth and inflation could turn out to be higher by around 15 bps and 7 bps, respectively (Charts V.10a and V.11a).

(ii) International Crude Oil Prices

Global crude oil prices firmed up to around US\$ 103 per barrel in March 2026, driven by the intensifying West Asia conflict. The global oil market has faced major supply disruption due to the intensity of the conflict, with movement of oil and oil products through the Strait of Hormuz getting severely impacted. The International Energy Agency (IEA), in its Oil Market Report, released in March 2026, has projected global oil supply to increase by 1.1 million barrels per day (mb/d) in 2026, on average, due to higher production by non-OPEC+ producers. The IEA member countries have agreed to release 400 million barrels of oil from their emergency reserves on March 11, 2026. Looking ahead, the structural outlook for oil prices remains tilted to the upside, with global oil production likely to be impacted by the damage to oil infrastructure in the Gulf countries. The U.S. Energy Information Administration (EIA), in its forecast released in March 2026, projects Brent

crude to average about US\$ 79 per barrel over the full year 2026, revised up significantly from US\$ 58 per barrel projected in the previous month. Against this baseline, significant supply disruption due to prolonged West Asia conflict, broader sanctions on major oil producers, or a faster-than-expected recovery in global demand could exert upward pressure on prices. If crude oil prices are higher by 10 per cent than the baseline, assuming full pass-through to domestic product prices, inflation could turn out to be higher by around 50 bps and growth may be lower by around 15 bps. Conversely, weaker global demand, an orderly unwinding of OPEC+ supply cuts, and early resolution of the West Asia conflict could dampen prices. If crude oil prices are lower by 10 per cent relative to the baseline, inflation could be lower by around 50 bps and GDP growth could be higher by 15 bps (Charts V.10a and V.11a).

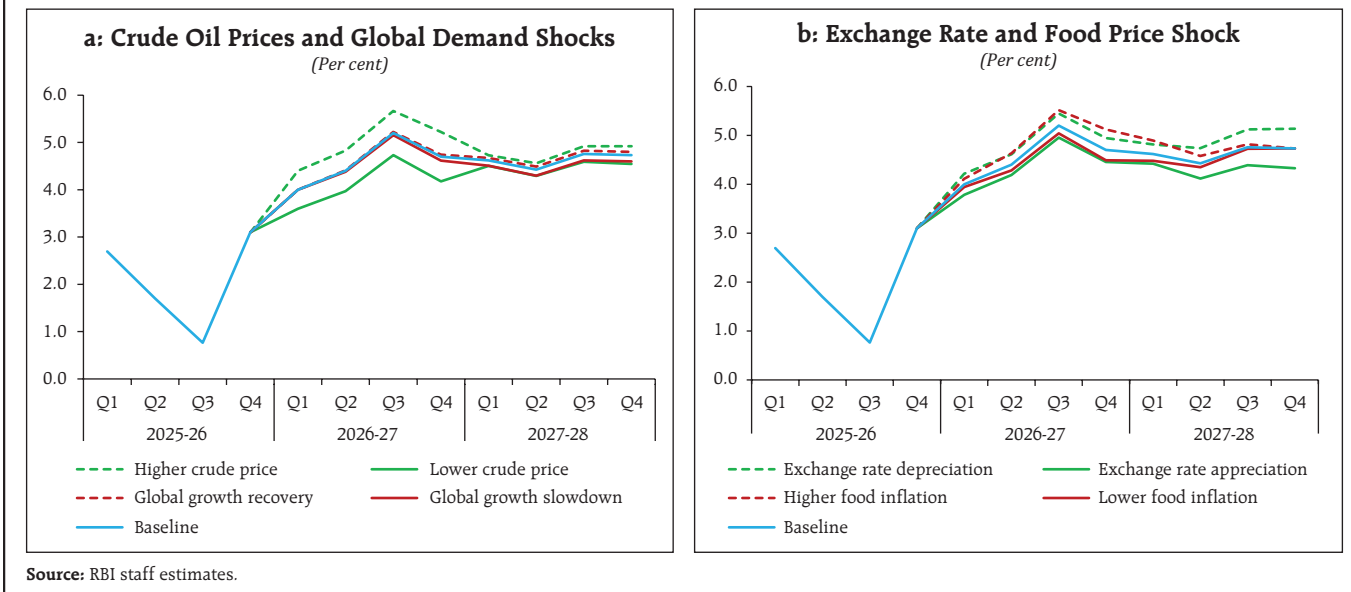
(iii) Exchange Rate

The Indian Rupee (INR) continued to depreciate against the U.S. dollar through the latter part of 2025 and moved in the range of ₹91.5–₹94.7 per U.S. dollar in March 2026. The depreciation was driven by global risk-off sentiment, and significant portfolio equity outflows.

The ongoing West Asia conflict can impact global economic growth and inflation not only through physical supply disruptions but also through the financial channels. Rising financial uncertainty may prompt investors to move towards safe-haven assets resulting in tightening of overall financial conditions. This could lead to higher borrowing costs, hinder private investment and lower overall economic growth. Further widening of the current account deficit and capital outflows may lead to currency

¹⁰ The impulse response functions have been generated using the constructed back series for both CPI (2024=100) and GDP (2022-23), using the weighting diagram as per the new CPI series. The parameters of the model are calibrated using data up to 2019-20:Q3.

Chart V.10: Impact of Risk Scenarios on the Baseline Inflation Path

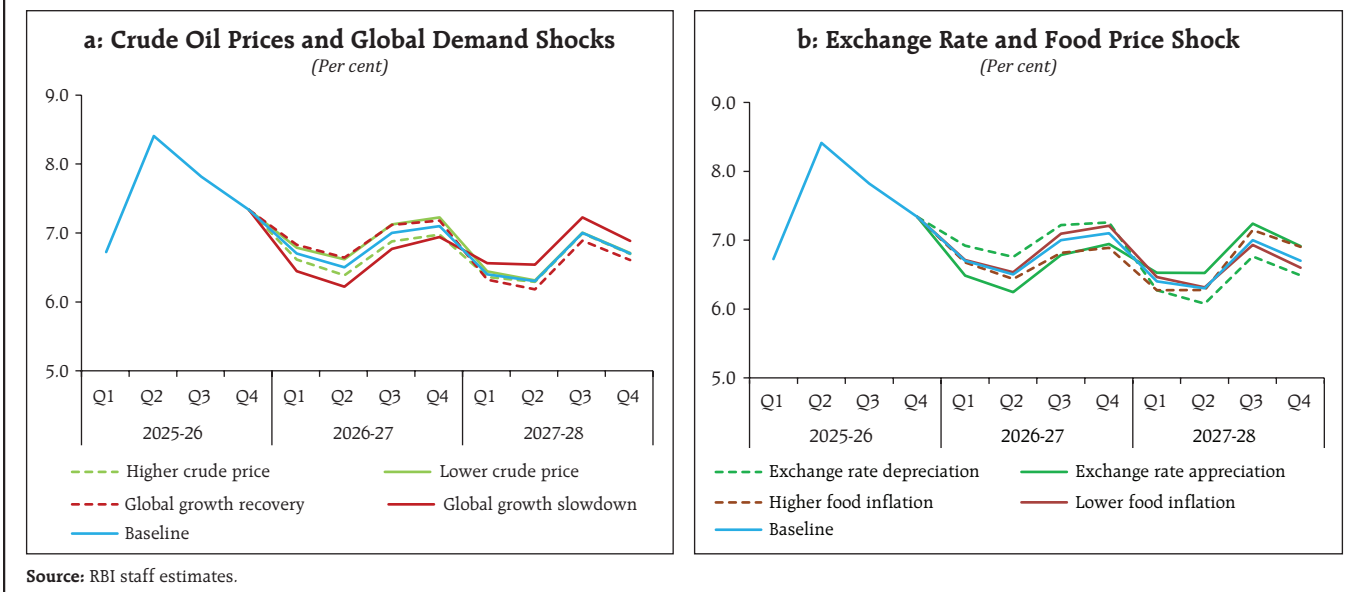


depreciation in the emerging markets, adding to inflationary pressures through higher import prices. Heightened uncertainty may also exert upward pressure on risk premia across financial assets.

Looking ahead, the rupee faces continued headwinds from a relatively strong dollar, uncertainty about the quantum and composition of

capital inflows, and rising import costs. Escalation of geopolitical tensions triggering broader risk aversion in EME asset markets, or a more aggressive tightening by major central banks than currently anticipated, could exert renewed depreciation pressure. On the other hand, finalisation of the India-U.S. bilateral trade framework could reduce reciprocal tariffs on

Chart V.11: Impact of Risk Scenarios on the Baseline Growth Path



Indian goods which, along with resilience in services exports, could impart stability to the INR. In a scenario where the INR depreciates by 5 per cent over the baseline, inflation could be higher by around 40 bps, while GDP growth may benefit by around 25 bps through the export channel in the short term, under normal macroeconomic conditions. In contrast, an appreciation of INR by 5 per cent relative to the baseline would moderate both inflation and GDP growth by around 40 bps and 25 bps, respectively (Charts V.10b and V.11b).

(iv) Food Inflation

Food prices turned sharply deflationary during H2:2025, contributing significantly to headline CPI (2012=100) reaching a historic low inflation of 0.25 per cent in October 2025, well below the lower bound of the RBI's tolerance band. The deflation in food was broad-based, spanning vegetables, pulses, spices and rice, supported by a strong *kharif* and *rabi* harvest, effective government supply-side management, and a favourable base effect. Food inflation has since begun to normalise, reflecting a moderation of the sharp vegetable price correction and a waning of the favourable base effect, rather than any broad demand-driven upside pressures.

Going forward, higher estimated crop production and adequate food stocks have improved supply prospects, although food inflation risks remain due to weather-related uncertainties. International weather agencies have also indicated a higher likelihood of the onset of *El Niño* during the second half of the southwest monsoon, which could negatively impact rainfall. Additionally, food prices could also come under pressure if the availability and cost of critical inputs such as fertilisers and pesticides are impacted by supply shortages on account of the conflict in West Asia.

All of these could push food inflation higher, resulting in headline inflation being higher by 40 bps *vis-à-vis* the baseline. On the other hand, a benign food price outcome, in conjunction with base effects, could moderate headline inflation by around 20 bps relative to the baseline (Charts V.10b and V.11b).

V.5 Conclusion

Domestic economic activity remains resilient, supported by robust private consumption and continued expansion in fixed investment, even as the external environment remains uncertain. Favourable agricultural prospects, steady services activity, elevated capacity utilisation and healthy balance sheets of corporates and banks are likely to underpin growth going forward. Continued public investment in infrastructure and recently concluded trade agreements are also expected to be conducive for medium-term growth prospects.

Headline inflation, which had declined sharply during the second half of 2025 on account of food price deflation, has begun to normalise under the revised CPI series. Core inflation remains moderate, indicating that underlying price pressures are contained. Inflation is projected to firm up gradually during 2026-27 as base effects wane and food prices normalise, while remaining within the tolerance band over the medium term. Longer-term inflation expectations of professional forecasters remain anchored at around 4 per cent.

At the same time, risks to the outlook persist. Movements in crude oil prices and exchange rate developments warrant continued vigilance. Geopolitical tensions, volatility in global financial markets, uncertainty surrounding global trade policies and weather-related disruptions could pose headwinds to growth and inflation. The adverse

impact of the conflict in West Asia is reflected in the forecasts on growth and inflation – while inflation is projected to increase *albeit* remaining within the tolerance band, growth is expected to moderate. Over the medium-term, the growth-inflation dynamics would be conditional on when the supply chain is fully restored as well as where energy prices settle after the

end of the West Asia conflict. At the current juncture, the situation is highly uncertain and would require continuous assessment of the developments to frame the appropriate policy response. Overall, India's strong macroeconomic fundamentals and existing buffers provide resilience in the face of destabilising geopolitical developments and rising uncertainties.

SPEECHES

RBI's role in India's growth and navigating global challenges
Shri Sanjay Malhotra

AI in Finance: What can change, what must never change
Shri Swaminathan J.

*RBI's Role in India's Growth and Navigating Global Challenges**

Shri Sanjay Malhotra

Good Morning.

Let me begin by thanking you for giving me this opportunity to share my thoughts with you. It is indeed a pleasure to be present here amongst some of the brightest minds.

I fondly remember the 11 months spent here in 2008-09: from the basics of economics with courses by Bob Willig on anti-trust economics (God bless his soul), Angus Deaton, Alan Blinder (who had thought his lessons on monetary policy and communication would be of so much use going forward!) and the Grossmans, to the lively camaraderie of the small and cohesive MPP batch, the family outings to the beautiful country side in Fall and Spring, and the Princeton-Harvard football rivalry, are all vividly etched in memory.

You are all aware of the huge growth story of India in the last decade. We have grown, on an average, by 6.1% per year¹, whereas the global economy grew by 3.2% and our nearest peers like China grew by 5.6% and Indonesia by 4.2%². I will not discuss the core drivers of growth – consumption, investment, services, etc. I will talk about the enablers which work in the background creating a facilitating environment for the core factors to play out.

I will talk about RBI's role in providing this facilitative ecosystem. I may mention here that the RBI, unlike many central banks, is a full-fledged, full-service central bank, with multifarious responsibilities

* Address by Shri Sanjay Malhotra, Governor, Reserve Bank of India, at Princeton University, USA on April 18, 2026

¹ Pertain to the period 2015-16 to 2024-25 based on National Statistical Office (NSO) data.

² Pertain to the period 2016-2025 based on IMF data.

ranging from monetary policy, currency management, forex management and regulation and supervision of banks, non-banking financial companies and payments systems. Apart from being the Banker's bank, it is the banker and debt manager of the central and state governments. Besides, RBI also has a developmental role. I will, however, be touching upon the core functions of the Reserve Bank, which provide the enabling conducive environment for households, businesses and governments.

I. Price Stability

First is price stability. It is a goal all central banks follow - not only because inflation is a regressive tax, which hits the poorest hardest, but also because price stability is important for businesses and households to plan and invest confidently. Unlike some countries like the USA which have an explicit dual mandate and others like New Zealand, which have an explicit single mandate, we have price stability as the primary mandate to be pursued, keeping in mind the objective of growth.

We formally adopted this mandate in 2016. We have a Flexible Inflation Targeting (FIT) framework. It is flexible because, while we have a point target (4%), there is a band of 2% on either side. The relatively wide tolerance band around the target allows us to navigate the supply shocks – internal as well as external, given the large weight of food and fuel (supply side factors) in the CPI basket.

How do we conduct monetary policy, especially in navigating the global challenges creating high uncertainty like this? I am reminded of what Alan Greenspan once said that uncertainty is not just an important feature of the monetary policy landscape; it is the defining characteristic. In other words, in central banking, the only certainty you have is uncertainty.

This is so because even in times of low uncertainty and volatility, the economy and monetary

policy transmission are complex and ever-changing. Economists over the years have tried to understand the relationships between various macroeconomic variables and built models. However, every model, no matter how detailed or how well designed conceptually and empirically, is a vastly simplified representation of the world that we experience with all its intricacies on a day-to-day basis. For example, the slope of the Phillips curve or the the natural rate of interest are uncertain. This itself introduces uncertainty in policy making. There is also uncertainty about data. Along with uncertainty, where we are unable to predict the probability of an outcome, we also have unpredictability now, where outcomes cannot even be predicted. This makes monetary policy making even more difficult.

Since, uncertainty is central to monetary policy, the broader guiding principles of our policy-making do not change. It is only their application, which changes.

The first principle is to **prioritise robustness over optimality**. It involves risk management. We try to understand the risks arising out of the uncertainties, assess their probabilities, quantify their impact and then devise a policy that maximises best policy outcomes of price stability and growth.

Another principle that we keep in mind is the **Brainard's principle of attenuation**. If the central bank is unsure of the magnitude of the effect of a change in its instrument, it should change that instrument less than it would, were if it was sure. In other words, this is the policy of gradualism. There are, however, exceptions to this rule as in the case of inflation persistence.

There is a corollary to the Brainard's principle. If central banks do not react under uncertainty or react gradually, as the Brainard principle would suggest, it could be difficult to manage inflation expectations. Therefore, **anchoring inflation expectations** becomes

crucial, which is another important objective that we pursue through various tools including providing forward guidance.

Our fourth guiding principle is **transparency**, which provides predictability and credibility, and thereby enhances effectiveness. It also removes uncertainty from the minds of economic agents.

Lastly, **clear communication** of a central bank's strategy and policy decisions, is a very potent underlay to achieve the objectives of monetary policy. It brings clarity of the approach and thus helps in both improving the transparency and anchoring inflation expectations.

Coming to the present crisis, it particularly impacts us as West Asia contributes about one-sixth of our exports, one-fifth of our imports, half of our crude oil imports, two-fifths of our fertilisers imports and almost two-fifths of our inward remittances. The appropriate monetary policy response to such a supply shock is to look through the first-round effect to the extent that it does not feed into second-round dynamics. Second-round effects are the real concern. They can materialise if the supply chain disruptions continue for long. Then, what began as a supply shock can become embedded in the general price level. Preventing this entrenchment is where monetary policy has a primary role to play — through its influence on inflation expectations rather than through blunt demand compression.

Moreover, in uncertain times such as this, it is important to be **agile and nimble, maintaining a broad policy stance**, and avoid making firm commitments of the future path of policy. In such circumstances, our broad approach has been to be even more data dependent and to continuously reassess the balance of risks. We are therefore in wait and watch mode now. Moreover, we have been maintaining a neutral stance for the last few policy cycles. It preserves the flexibility to respond as the

inflation-growth dynamics evolve.

Our decade-long experience with the FIT, in navigating through persisting shocks from the pandemic to the Ukraine war, suggests that it has served us well.

Since we adopted FIT, our average headline inflation has dropped to 4.7% (September 2016 to December 2025), down from 7.4% in the years prior (April 2012 to August 2016).

Moreover, headline inflation volatility came down to 1.7% from 2.4% over the same period.

Inflation expectations are better anchored and less volatile.

Even in terms of global perspective, the FIT framework has been a success. From the highest average inflation among both AEs and EMDEs during 2006-2015, inflation in India has moderated to below the average of EMDEs during the last decade.

It is also pertinent to mention that post supply chain disruptions due to COVID and the Ukraine war, inflation in India converged to target faster than many advanced countries.

Role of fiscal-monetary coordination in ensuring price stability

While we do give credit to monetary policy and flexible inflation targeting for the improvement in price stability, I may mention that fiscal policy has an equally important role to play in this regard. This is specially so in a country like ours, where supply side factors play a large role in inflation.

The government has over the years complemented monetary policy actions with supply-side measures to check price pressures. First, the government has prioritised building resilience in agriculture and reducing its vulnerabilities arising from the vagaries of monsoons and crop diseases. This has been achieved by getting more land under irrigation;

better seeds; crop management and post harvesting practices. Second, the government has strengthened the storage and supply chain infrastructure, besides building a retail distribution network for essential commodities to be used in times of price pressures. Third, it has used excise duty on oil as an instrument to reduce the volatility of fuel prices.

During the current crisis, domestic production of oil and gas is being ramped up. Sources of imports are being diversified. While there is no shortage of oil, given the reserves maintained by us, there is some rationing of gas for industrial purposes. The oil marketing companies and government have absorbed the price pressures in oil, while passing on some of the price pressures on gas to the consumers.

Moreover, fiscal consolidation has progressed steadily in recent years, with enhanced efficiency in tax collections and improvement in the quality of expenditure.

On the revenue side, adoption of GST and sweeping reforms in income tax including digitalisation, simplification, rationalisation, and reducing human interface in tax assessment and collection have helped improve tax buoyancy³. Gross GST buoyancy (Centre plus State revenue) over the eight-year period post GST from 2018-19 to 2025-26 is 1.23. Buoyancy in corporate tax has generally been above one since corporate tax rate was reduced and personal income tax buoyancy has averaged 1.7 in the last five years.

On the expenditure side too, government spending is better targeted. The quality of expenditure has improved. Direct Benefit Transfer, which is estimated to have brought savings of about 50 billion USD (until March 2024)⁴; digitalisation of various government programmes like public

³ Tax buoyancy is measured as a ratio of % change in tax revenue to % change in GDP.

⁴ <https://dbtbharat.gov.in/static-page-content/spagecont?id=18>

⁵ IMF Fiscal Monitor, April 2026.

distribution scheme; and just-in-time flow of funds to state governments are some examples of enhancing expenditure efficiency. Its approach to the pandemic is a case in point. Rather than front-loading stimulus packages, as most countries did, India adopted a flexible and agile approach to support the vulnerable sections of society and small firms.

Revenue expenditure as a percentage of GDP decreased to 10.8% in 2025-26 (RE) from 13.6% in 2021-22. In contrast, there has been a robust increase in capital expenditure. The share of central government's capital expenditure as a percentage of GDP has surged from 1.7% in 2019-20 to 3.1% in 2025-26 (RE). Including the capital grants in aid to the states, it has increased to 3.9% (RE).

The central government's fiscal deficit to GDP ratio has declined from 9.2% in 2020-21 to 4.4% in 2025-26 (RE). India's general government debt to GDP ratio at 81.1% (in 2024-25) is reasonable, with the world's top 10 economies (in terms of nominal GDP in USD), other than Germany and Russia⁵, having higher debt ratios than India.

II. Financial Stability

I now come to financial stability. It is the bedrock on which an economy prospers and grows sustainably.

Our pursuit of financial stability is duly reflected in our broader regulatory framework. We have been willing to sacrifice some short term upside for long term growth. While some regard this as conservatism, we believe it is prudence. This is evident from our resilience over various crises. I will highlight this with a couple of examples.

When the Asian financial crisis swept through the region in 1997–98, it brought down currencies and economies that had been held, only months earlier, as models of export-led development. India watched from a position of comparative stability, and the reasons were not accidental.

RBI had maintained controls on the capital account, particularly for residents. Short-term external debt was maintained at levels well below what foreign exchange reserves could comfortably cover. It refused to permit the kind of short-term foreign currency borrowing that had left our regional neighbours exposed to sudden reversals in sentiment. When intervention in the foreign exchange market was warranted, the RBI acted — but it did not commit to an indefensible peg. India's current account deficit was manageable and foreign currency exposure reasonable. The lesson embedded is that for a country at India's stage of development, the sequencing of capital account liberalisation is not a technicality — it is a first-order question of macroeconomic sovereignty.

If the Asian crisis demonstrated the importance of external discipline, the subprime crisis of 2007-08 showed the importance of maintaining internal discipline. As the global financial system was developing ever more elaborate and complex financial architecture through the mid-2000s, the RBI was doing something that appeared unpopular by prevailing standards. When in 2002, interest rates were falling and banks had no reason to anticipate a reversal, the RBI required them to build a counter-cyclical buffer called the Investment Fluctuation Reserve, against precisely that eventuality. Subsequently, during 2005-07, risk weights and provisioning requirements were raised, *inter alia*, for commercial real estate. On securitisation, recognition of profits was required to be spread over the life of securities. Moreover, accounting standards at the time did not permit the recognition of unrealised gains.

None of these was particularly popular at the time. But when the global financial system came under stress, these measures gained significance. Indian banks came out of the crisis with relatively stronger balance sheets.

We continue to value financial stability. A number of measures have been taken in the last decade. Asset Quality Review launched in 2015, Insolvency and Bankruptcy Code (IBC), 2016; alignment of prudential norms to global standards, and governance reforms in PSBs are some of them.

On account of these, our financial system is very healthy and resilient today, thereby supporting economic development.

III. Developmental Role

Maintaining price and financial stability are the core mandates of most of the central banks. But the role of RBI traverses beyond these confines. We have a large developmental role.

RBI played a critical role in financial inclusion. It collaborated with the government for the Jan Dhan program which was launched in 2014 on a mission mode. Leveraging the digital identity called Aadhar and mobile penetration under this mission, India ran the largest financial inclusion drive in human history in the last decade. Over 570 million bank accounts were opened for people who never had one. Almost everyone has a bank account today. This enabled Direct Benefit Transfers from governments, which bypassed the middlemen. It eliminated leakages. This revolution silently empowered people.

RBI has played a pivotal role in the development of UPI. This is a success story without any parallel. Today, India accounts for nearly half of the world's real-time digital payments volume. UPI processed over 22 billion transactions in March this year. The developmental mandate of RBI, a robust digital

public infrastructure, widespread mobile ownership and low-cost data access along with a large presence of public sector in the banking space helped India leapfrog in digital payments. We have already taken UPI global with acceptance in 8 countries and are now working to connect it with many more including the European Central Bank's TARGET instant payment systems (TIPS).

We are currently building the Unified Lending Interface (ULI) to give lenders instant digital access to data, allowing them to assess credit worthiness within minutes for small farmers and business owners who previously had no documents to show or had to spend considerable time and effort at a bank.

We are also pushing the frontiers with our Central Bank Digital Currency (CBDC). It has the potential to make cross-border payments faster and cheaper. We are even testing programmability to direct payments for specific uses and purposes.

Our developmental mandate helps the national goal of inclusive growth.

V. Conclusion

Let me now conclude.

The resilience of the Indian economy is not by chance. It is because of the robust policy frameworks that have been successfully developed. It is due to the strong and credible institutions that have been assiduously built. It is on account of the various reforms undertaken steadily over the years. It rests on a foundation of stability and inclusion.

With these words, I thank you all for your patient audience. I will be happy to take questions, if any.

*AI in Finance: What can change, what must never change**

Shri Swaminathan J.

Dr. S. Vaidhyasubramaniam, Vice-Chancellor of SASTRA University, Shri G. Mahalingam, Chairman of the Board of City Union Bank, Dr. N. Kamakodi, MD & CEO, City Union Bank, distinguished guests, esteemed faculty members, staff and dear students, ladies, and gentlemen. A very good morning to all of you.

It is indeed an honour to deliver the Shri V. Narayanan Memorial Lecture at SASTRA University. This lecture series is special because it commemorates not merely an individual, but a rich tradition of banking exemplified by him.

Shri V. Narayanan is remembered as a transformational leader of City Union Bank, founded in 1904 in Kumbakonam, a town with which I, too, share a personal connection. Often described as a 'statesman banker', he combined institutional vision with personal warmth, prudence with progress, and ambition with rootedness.

Under his leadership, City Union Bank grew from a largely regional institution into one with a wider national presence. He invested in staff development, strengthened systems, strongly supported small and medium enterprises, and brought technology into banking, ahead of its time.

Yet, even while embracing change, he never allowed banking to become impersonal. That, to my mind, is what makes his legacy so relevant to our times.

We are living through another moment of profound change in finance. Artificial Intelligence is

* XX CUB Shri V. Narayanan Memorial Lecture, delivered by Shri Swaminathan J, Deputy Governor, Reserve Bank of India, on Saturday, April 11, 2026, at the SASTRA University, Thanjavur

beginning to reshape how financial institutions serve customers, process documents, assess credit, monitor risks, and strengthen oversight. The speed of that change is remarkable. The real question before us is not whether finance will become more intelligent but whether it will remain fair, accountable, inclusive, and humane.

That is why I felt it appropriate to speak today on the subject: **AI in Finance: What can change, what must never change**. It is a fitting theme for this occasion.

It is fitting, first, because SASTRA has been consciously building capabilities in this space through collaboration, research, and practical engagement. That is both timely and important. As a country, we will need our own talent, our own institutional capacity, and our own ethical judgment to design, test and govern AI systems suited to our economy and society.

It is fitting, second, because Shri V. Narayanan, in whose memory we gather today, believed in the responsible use of technology and in ensuring that progress remained anchored in sound judgment.

The responsibility of institutions such as SASTRA, therefore, is not merely to produce engineers and professionals, but to help shape responsible builders of the future.

Opportunities in AI

Let me begin with the promise that AI holds for finance. At the outset, however, let me clarify that this lecture is not intended to be a technical exposition, for which this University undoubtedly has ample talent. I propose instead to reflect on the broader questions that AI raises from the perspective of a financial sector practitioner.

Finance, at its best, reduces uncertainty and expands opportunity. It helps households save,

businesses grow, farmers invest, students pursue their aspirations, and entrepreneurs dream a little bigger.

Yet finance also has its barriers. It can be overwhelming, documentation-heavy, language-bound, and at times physically distant. In a country as large and diverse as India, technology can help reduce many of these frictions.

AI-enabled systems can make customer interaction simpler, more intuitive, and more responsive. Multilingual chatbots and voice-based interfaces can help customers who are not comfortable with formal paperwork or English-language interfaces. Routine queries can be answered faster. Complaints can be tracked better. Information can be delivered more clearly. For many people, that can make the difference between formal finance feeling accessible and alien.

AI can also help improve credit delivery. Traditional finance has relied on collateral, financial statements, and standardised credit templates. These remain important and will continue to matter. However, they do not always capture the full story of a borrower, especially for small businesses, informal enterprises, first-time borrowers, and others with thin formal credit histories.

Used responsibly, AI can supplement traditional methods by drawing insights from a wider set of patterns in transaction behaviour, repayment flows and business activity. This can help identify viable borrowers who might otherwise remain excluded. For a country committed to inclusive growth, this is a significant opportunity.

AI can contribute meaningfully to fraud detection and risk management as well. Modern financial systems generate vast quantities of data. AI can help identify unusual patterns, flag suspicious activity and support faster intervention. This is especially

important in payments, where public confidence depends on both convenience and safety. In this sense, AI can contribute not just to speed, but to safety.

There is also a role for AI in compliance and supervision. Financial supervision today cannot rely only on periodic reporting and backward-looking assessments. Intelligent tools can assist in analysing large volumes of information, identifying patterns, drawing attention to anomalies and supporting early warning. Used well, such tools can help institutions manage risk more effectively and enable supervisors to focus more on emerging issues.

Concerns

So, the promise is real. But, as history has proven, every powerful technology is a double-edged instrument.

If AI is adopted without adequate safeguards, it can amplify existing weaknesses and create entirely new forms of harm. Therefore, the conversation about AI in finance must be balanced. We should neither be taken in by technological hype nor retreat into being defensive.

Let me briefly highlight five major concerns.

(i) Bias and unfair outcomes

The first is bias and unfair outcomes. AI systems learn from data. But data does not emerge from a vacuum. It carries the imprint of past behaviour, existing inequalities and structural exclusions. If these distortions are embedded in the data, they can be reproduced by the model, sometimes with even greater efficiency and scale.

In credit assessment, this can create outcomes that are difficult to justify and harder to detect. What appears objective on the surface may, in fact, nurture unfairness beneath the surface. In finance, this is

not merely a technical concern. It is a question of consumer protection, inclusion, and equity.

(ii) Black box nature of some systems

The second is opacity. Many advanced systems operate like black boxes. They can produce an output, but not always in a way that is intelligible to a customer, a manager or even a regulator. But finance cannot become a black box. If a person is denied credit, an account is frozen, a transaction is wrongly flagged, or a product is incorrectly pushed to a customer, the institution must be able to explain the basis for that decision. A decision that materially impacts a citizen's economic life cannot be defended by saying, "the machine decided."

(iii) Data privacy and misuse

The third concern is data privacy and misuse. AI systems rely on large volumes of data, and financial data are among the most sensitive forms of personal information. Institutions must therefore think seriously about consent, storage, sharing, access controls and purpose limitation. Data governance cannot be treated as a side issue. In the age of AI, trust becomes central.

(iv) Model risk

The fourth concern is model risk and concentration risk. In an earlier era, a weak judgment in one office might affect a limited number of accounts. In the AI era, a flawed model can affect decisions across millions of customers. Further, if multiple institutions rely on similar models, common datasets, a small set of vendors or shared infrastructure, individual vulnerabilities can become correlated vulnerabilities. This is where even a local weakness can acquire broader systemic significance.

(v) Cyber risk

The fifth concern is cyber risk. AI can strengthen defences, but it can also equip attackers. Fraudsters

and bad actors can use AI to craft more convincing phishing attempts, create deepfakes, probe systems more effectively and automate malicious activity. As finance becomes more digital and more interconnected, resilience becomes even more critical.

Guiding principles

What then should guide us, as we set course on the path towards a full-scale AI adoption? In my view, five broad principles should shape the responsible use of AI in finance:

First, human responsibility must remain central. AI may support decision-making, but accountability must remain with humans and institutions. A bank or NBFC cannot outsource responsibility to an algorithm, a vendor or a platform. Technology may help process information at speed and scale, but judgment and responsibility must continue to reside where they belong.

Second, fairness and explainability must be built into the system from the beginning. They cannot be treated as optional extras. Different stakeholders need different kinds of explanations.

A customer deserves a clear and understandable reason for an important decision. Management needs to understand how the model behaves, where its limitations lie and what assumptions drive it. Supervisors need confidence that systems are robust, auditable, and well-governed. The point is not to make every model simplistic. The point is to ensure that it remains understandable at the appropriate level.

Third, strong data governance is essential. Institutions must think carefully about the full lifecycle of data: how it is collected, on what basis it is used, how long it is retained, who can access it and how it is protected. Privacy and innovation should not be seen as mutually opposed. The institutions that endure will be those that learn to reconcile both.

Fourth, institutional capacity must be strengthened. AI in finance is not only a technology challenge. It is also a governance, capability, and cultural challenge. Boards and senior management need to understand enough to ask the right questions. Risk managers need to know what to validate. Supervisors need the capacity to examine AI-enabled systems intelligently. And universities need to produce graduates who are not only technically competent, but also alive to questions of ethics, regulation and public purpose.

Fifth, inclusion must be a design objective, not an accidental by-product. Scale by itself does not mean inclusion. We must ask a harder question: who is still left out? The best innovation is not the one that dazzles those already well served. The best innovation is that which makes formal finance simpler, safer and more useful for those who are at the margins, because of geography, language, literacy, age or income. If AI helps bridge those gaps, it advances inclusion. If it quietly deepens exclusion, we would have failed in its design. As I have said before, inclusion should be innovation's highest purpose¹.

In India, the true value of AI in finance should be judged by three tests.

- i. Does it advance inclusion?
- ii. Does it improve efficiency?
- iii. Does it strengthen trust?

If it does these three things positively, then it serves a meaningful public purpose. If it does not, then its sophistication alone should not impress us.

Lesson from Shri Narayanan

At this point, let me come back to Shri V. Narayanan.

¹ Swaminathan J, "Inclusion is Innovation's Highest Purpose: Lessons from India." Reserve Bank of India, October 15, 2025, https://rbi.org.in/scripts/BS_SpeechesView.aspx?Id=1526

Those who knew him recall that he thought ahead of his time. He brought technology to banking earlier than many comparable institutions did. Yet he also retained a human touch, especially in lending relationships with small and medium enterprises. That combination is deeply instructive. He was not choosing between technology and relationships. He was showing how progress and human judgment must go together.

One line often associated with him captures this beautifully: *"Take care of the bank; the bank will take care of you."* It is a simple statement, but it contains a profound institutional ethic. It speaks of stewardship. It reminds us that institutions flourish when people treat them not merely as sites of transaction or employment, but as repositories of trust. That insight is just as relevant in the age of AI as it was in the age of ledgers and branch registers.

The lesson from Shri Narayanan's life is that technological change in finance must remain anchored in stewardship, trust and responsibility.

Banking, at its heart, is a business of trust. A financial institution can survive a difficult quarter, an operational mistake, or even a strategic setback. But it cannot easily survive the erosion of trust. That is why innovation in finance must always remain subordinate to integrity, fairness and accountability.

Role of Students

For the students in this hall, this is not a distant issue. By the time many of you are in mid-career, AI will be woven into almost every part of the financial world.

I would suggest you learn these tools deeply. Understand the technology seriously. Build technical competence with rigour and curiosity. But more importantly, also carry with you an equally deep commitment to ethics, transparency and public interest.

In a world shaped by AI, technical excellence without ethics can do great harm. The real test of your generation will not be whether you can build powerful systems. It will be whether you can build systems worthy of public trust.

If India can combine its digital strengths, entrepreneurial energy, scientific talent and institutional wisdom, then we can build a financial sector that is not only more efficient, but also more inclusive, more resilient and more trustworthy. That should be our aspiration. We should not pursue technology for its own sake, but rather use it in the service of people.

Intelligence without accountability does no good; it must be guided by sound and ethical judgment. Our endeavour, therefore, should be to foster innovation that strengthens institutions for the long term.

Conclusion

Let me conclude with this thought.

Every generation receives a few powerful tools. This generation has grown up with digital technology

and artificial intelligence. History does not judge societies by the sophistication of the tools they possessed, but by the values that guided their use.

If AI helps widen opportunity, improve access, strengthen prudence, protect customers and deepen trust, then it will have served a noble purpose. On the other hand, if it weakens accountability, obscures decisions, excludes the vulnerable or turns finance into an impersonal black box, then it will have taken us away from the ideals that bankers like Shri V. Narayanan stood for.

The enduring task, therefore, is to make finance more intelligent, without making it less human; to make it more digital, without making it less accountable; and to make it more inclusive, without making it less prudent. This, in a nutshell, is what can change and what must never change.

My heartfelt gratitude to the organisers for this opportunity. I wish SASTRA, its faculty, and its students the very best in all their endeavours. May God guide you and bless your efforts in all that you seek to achieve. Thank you. Jai Hind.

ARTICLES

State of the Economy

*State of the Economy**

The conflict in West Asia has intensified pressures on the global supply chains in March with some easing observed in the first half of April. Domestic economic activity displayed resilience in many segments with slowdown in a few others. CPI inflation, driven by fuel and food, marginally edged up in March. The money market and bond yields moderated after the temporary ceasefire in West Asia. A slowdown in imports and expansion in exports narrowed trade deficit to a nine-month low. Foreign portfolio investment (FPI) flows remained volatile, although net foreign direct investment (FDI) turned positive in February.

Introduction

The resilience of the global economy, already inflicted with trade tensions, is being tested by the conflict in West Asia. The near halt in tanker movements through the Strait of Hormuz has intensified pressures in the global supply chains. The durability and intensity of the conflict pose substantial uncertainty to the global growth prospects amidst broader supply chain disruptions and elevated energy prices.

Global economic activity moderated to an 11-month low as momentum weakened across manufacturing and services sectors. Global commodity prices, barring precious metals, surged sharply with the upturn becoming broad-based. Crude oil prices touched multi-year high of US\$ 118.4 per barrel on March 31 and remain high.¹ More recently,

[^] This article has been prepared by Rajib Das, Radheshyam Verma, Shashi Kant, Rajni Dahiya, Shreya Kansal, Oorja Yadav, Yamini Jhamb, Vikas Anand, Bhagyashree Chattopadhyay, Nilava Das, Gautam, Anupam Kumar, Amrita Basu, Ragini, Love Kumar Shandilya, Siddharth Arya, D. Suganthi, Shivam, Aman Tiwari, Amar Josh Dungdung, Vishal Maurya, Amit Pawar, Supriyo Mondal, Samridhi, Athira C A, Pallak Goyal and Saurabh Sharma. The guidance and comments provided by Dr. Poonam Gupta, Deputy Governor, are gratefully acknowledged. Peer review by Asish Thomas George, P. Brijesh and Subrat Kumar Seet is also acknowledged. Views expressed in this article are those of the authors and do not represent the views of the Reserve Bank of India.

a two-week ceasefire between the US and Iran in early April eased tensions to an extent and brought commodity prices down from their recent peaks, although they continue to be elevated. Consumer sentiments have plummeted due to concerns over higher prices eroding purchasing power and weaker asset valuations.² Business optimism too fell to a five-month low in March, one of its weakest levels since the pandemic in 2020.³ The International Monetary Fund (IMF) has projected a moderation in global growth in 2026 alongside an increase in inflation. The growth slowdown and inflationary pressures are expected to be more pronounced in emerging market and developing economies (EMDEs).⁴

Financial markets adequately priced in these turbulent developments. Global equity indices declined across major economies amidst heightened uncertainty. A partial recovery was seen in early April on a temporary ceasefire. Bond yields, especially in the US, hardened in March on persistent inflationary concerns, while emerging market bond yield spreads widened. Portfolio flows to emerging markets declined sharply in March, marking the biggest outflow since the pandemic. Inflation pressures firmed up across major advanced economies (AEs) in March and central banks predominantly held rates steady in the face of heightened uncertainty.

Domestic high-frequency indicators for March, in general, do not reflect much adverse impact of the global supply chain bottlenecks as some of the key risks have been contained by the Government, ensuring uninterrupted availability of petroleum products across the country. Overall demand conditions remained resilient with greater support from rural

¹ Based on Brent crude generic 1st futures daily closing prices till April 17, 2026.

² United States Michigan Consumer Sentiment, April 2026.

³ J.P. Morgan Global Composite Purchasing Managers' Index (PMI), March 2026.

⁴ IMF's World Economic Outlook, April 2026.

areas. Automobile sales and vehicle registrations remain strong with GST relief still playing out. Logistics indicators such as e-way bill generation, and petrol and diesel consumption, recorded robust growth during the month.

Early signs of deceleration are, however, evident in select indicators like port cargo, air passenger traffic and the outlook of purchasing managers. The manufacturing PMI, *albeit* in expansionary zone, declined to its lowest level in nearly four years. Cost pressures and uncertainty took a toll on new orders and output, which grew at the slowest rates since mid-2022. The services PMI showed resilience, although, its pace of expansion slowed to a 14-month low, reflecting softening in new business. The index of eight core industries also declined, marking its 19-month low, driven by a decline in production of fertilisers, crude oil, coal, and electricity.

As regards agriculture, favourable summer sowing for pulses, oilseeds and coarse cereals offset the decline in rice amidst concerns over input supplies following the war in West Asia. The reservoir storage levels remain sufficient for the ongoing summer season. The current public foodgrain stocks also remain well above the buffer norms to meet any contingency requirements. However, the likelihood of below-normal rainfall during the south-west monsoon due to possible *El Niño* conditions, poses downside risk to agricultural output.

Trade deficit narrowed in March falling to a nine-month low. On a sequential basis, exports expanded, while imports contracted in March 2026. The conflict in West Asia led to a decline in exports and imports from the region.

Despite the energy shock from West Asia, headline consumer price index (CPI) inflation for March showed a muted increase, accompanied by a rise in fuel inflation driven by an increase in domestic

LPG prices and a pick up in food inflation. Wholesale inflation too, driven by rising costs of fuel and power, climbed up in March for the fifth consecutive month. Swift supply management by the Government to tackle the supply side bottlenecks helped in containing inflationary pressures.⁵

In the fast evolving backdrop, the Monetary Policy Committee kept the policy rate unchanged in its April 2026 meeting and retained a "neutral" stance to retain flexibility to respond to incoming data.

System liquidity, after moderating in the second half of March amidst tax outflows, improved in April as pressure from tax outflows waned and government spending picked up. Reflecting the liquidity conditions, the weighted average call rate (WACR) moved below the repo rate in April. Yields on treasury bills, after inching up in the second half of March, softened in April. Yields on commercial papers and interest rate on certificates of deposit remained elevated in March, before easing significantly in April. The yields on dated government securities hardened in March and continued to remain elevated in April, partly mirroring global trends since the breakout of West Asia conflict. Growth in bank credit has been high with improved transmission to interest rates in the current easing cycle. During 2025-26, the total flow of financial resources to the commercial sector increased, with both bank and non-bank sources contributing to the credit pick-up in general.

Indian equity markets declined in March amidst persistent uncertainty and selling pressures by foreign portfolio investors (FPIs) before recovering moderately in April on the announcement of temporary ceasefire and moderation in crude oil

⁵ Some supply management measures by the Government include prioritising LPG distribution for domestic and essential needs, enhancing refinery production and facilitating new PNG connections for both domestic and commercial consumers. Retail pump prices of petrol and diesel remain unchanged. The government has also cut the excise duty by ₹10 per liter on both items since March 27, 2026.

prices. Net FPI outflows surged in March and the net selling continued into April. India's net international investment position (IIP) improved during Q3:2025-26 supported by an increase in Indian residents' overseas financial assets.

The Rupee depreciated in March, but the announcement of temporary ceasefire and RBI's measures aimed at curtailing speculative arbitrage positions between onshore and offshore markets provided some support to the currency in early April. India's key external sector vulnerability indicators remained contained at end-December 2025 and foreign exchange reserves continued to remain comfortable as at April 10, 2026.

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

II. Global Setting

Global growth prospects remained uncertain in a protracted conflict situation in West Asia marked by acute supply shortages. In its latest World Economic Outlook (April 2026), the IMF projected a moderation in global growth in 2026, reflecting the adverse impact of the conflict (Table II.1). Inflation projections were revised upwards, driven by elevated energy prices amidst supply disruptions following the closure of the Strait of Hormuz. The growth slowdown and rising inflationary pressures were projected to be more pronounced across EMDEs. At the same time, growth prospects could strengthen with faster materialisation of productivity gains from artificial intelligence (AI) and a sustained easing of trade tensions.

Table II.1: IMF's GDP Growth Projections – Select AEs and EMDEs

(Y-o-y, per cent)

Projection for	2026		2027	
	January 2026	April 2026	January 2026	April 2026
World	3.3	3.1	3.2	3.2
Advanced Economies	1.8	1.8	1.7	1.7
US	2.4	2.3	2.0	2.1
UK	1.3	0.8	1.5	1.3
Euro area	1.3	1.1	1.4	1.2
Japan	0.7	0.7	0.6	0.6
Emerging Market and Developing Economies	4.2	3.9	4.1	4.2
Russia	0.8	1.1	1.0	1.1
Emerging and Developing Asia	5.0	4.9	4.8	4.8
India [#]	6.4	6.5	6.4	6.5
China	4.5	4.4	4.0	4.0
Latin America and the Caribbean	2.2	2.3	2.7	2.7
Mexico	1.5	1.6	2.1	2.2
Brazil	1.6	1.9	2.3	2.0
Middle East and Central Asia	3.9	1.9	4.0	4.6
Sub-Saharan Africa	4.6	4.3	4.6	4.4
South Africa	1.4	1.0	1.5	1.3

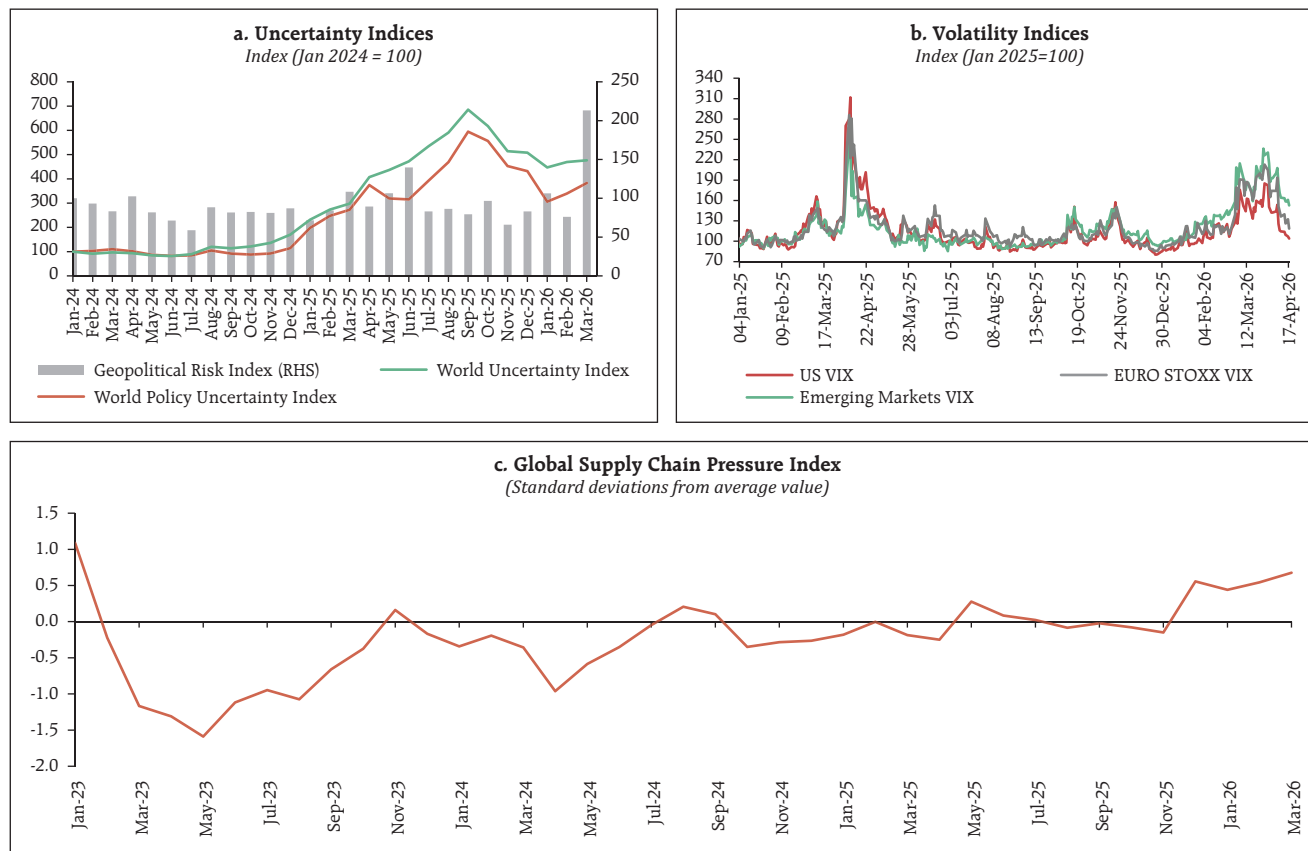
Note: #: India's data is on a fiscal year basis (April-March), while for all other countries it is for calendar years.

Source: IMF's World Economic Outlook, April 2026.

As the US-Iran war expanded into a wider regional conflict, the geopolitical risk increased sharply in March (Chart II.1a). Following the intensification of the conflict, financial market volatility surged to an 11-month high during March, before easing in April on reports of a temporary ceasefire (Chart II.1b). Concurrently, disruptions to freight and shipping routes, particularly around the Strait of Hormuz, led to a near standstill in maritime traffic, resulting in an intensification of global supply chain pressures to their highest level since January 2023 (Chart II.1c).

The global composite Purchasing Managers' Index (PMI) moderated to an 11-month low in March, reflecting weaker business optimism and supply chain disruptions. Pace of output expansion eased across both the manufacturing and service sectors.

Chart II.1: Geopolitical Risk and Supply Chain Pressures Surged in March



Sources: Chicago Board Options Exchange; Bloomberg; www.PolicyUncertainty.com; World Uncertainty Index database; and Federal Reserve Bank of New York.

New export orders returned to contraction in March, after expanding in February 2026 for the first time since April 2025 (Table II.2).

Business activity saw a broad-based moderation across major AEs and EMDEs (Chart II.2a). Trends in new export orders remained divergent across regions.

Table II.2: Global Composite PMI Moderated in March

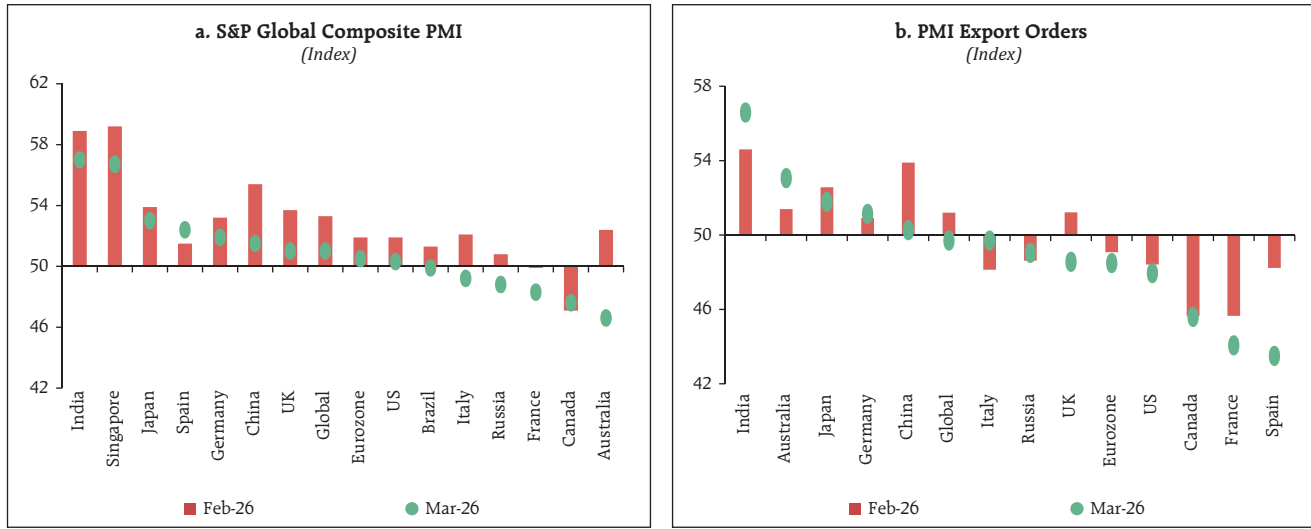
	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
PMI Composite	52.1	50.8	51.2	51.7	52.5	52.9	52.5	53	52.7	52.0	52.5	53.3	51.0
PMI Manufacturing	50.3	49.8	49.5	50.4	49.7	50.9	50.7	50.9	50.5	50.4	50.9	51.9	51.3
PMI Services	52.7	50.8	52	51.8	53.5	53.3	52.9	53.5	53.2	52.4	52.7	53.4	50.8
PMI Export Orders	50.1	47.5	48.0	49.1	48.5	48.9	49.7	48.6	50.0	49.2	49.7	51.2	49.7
PMI Export Orders: Manufacturing	50.1	47.3	48.0	49.2	48.2	48.7	49.5	48.3	49.9	49.1	49.9	51.4	50.1
PMI Export Orders: Services	50.1	48.2	47.9	48.7	49.4	49.3	50.2	49.4	50.2	49.6	49.0	50.6	48.3

<<<<<<Contraction-----50-----Expansion>>>>>>

Notes: 1. The PMI, a diffusion index, captures the change in each variable compared to the prior month, noting whether each has risen/improved, fallen/deteriorated or remained unchanged. A PMI value >50 denote expansion; <50 denote contraction; and =50 denote 'no change'.
2. Heat map is applied on data from April 2023 onwards. The map is colour coded—red denotes the lowest value, yellow denotes 50 (or the no change value), and green denotes the highest value in each of the PMI series.

Source: S&P Global.

Chart II.2: PMI: Comparison across Jurisdictions



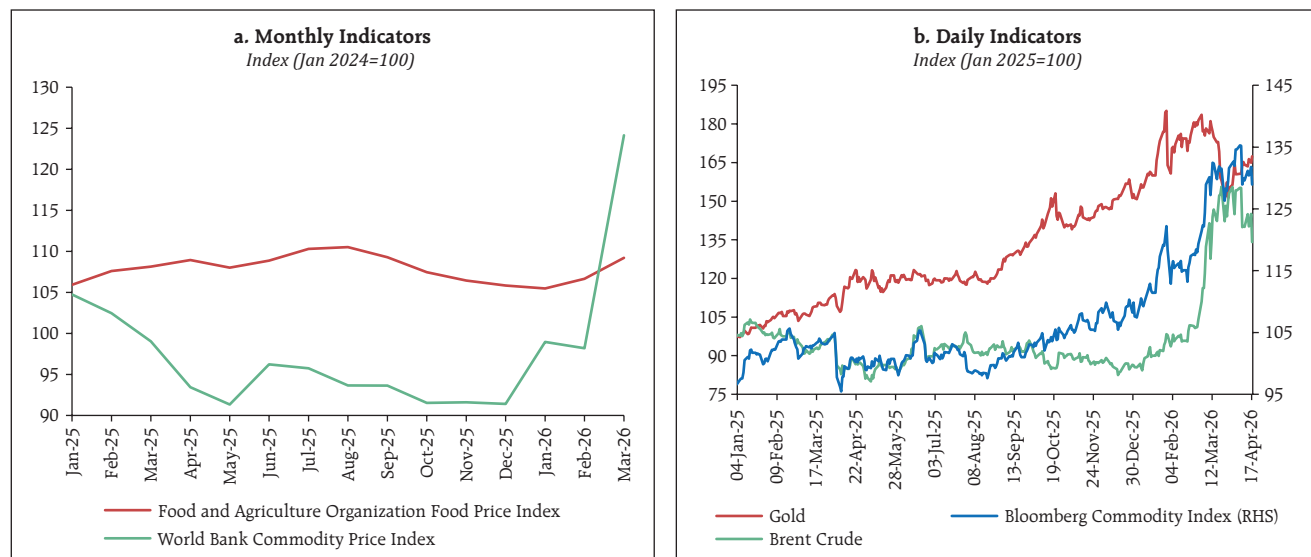
Note: A level of 50 indicates no change in activity, while a reading above 50 signals expansion and below 50 suggests contraction.
Source: S&P Global.

with orders contracting across most AEs, with the notable exceptions of Australia, Japan and Germany. Among major EMDEs, export orders expanded at a robust pace in India, while they contracted in Russia (Chart II.2b).

The standstill tanker traffic in the Strait of Hormuz caused a significant disruption in the global supply chains in March. The World Bank Commodity Price Index rose sharply, driven by higher energy and fertiliser

prices. The Food and Agriculture Organization’s Food Price Index reflected broad-based inflation across major commodity groups (Chart II.3a). Gold prices, however, softened in March as elevated inflation risks tempered expectations of monetary policy easing, alongside a shift in safe-haven demand towards the US dollar and fixed income assets. In April, gold prices remained volatile, reflecting shifting expectations on policy rates amidst developments in West Asia (Chart II.3b).

Chart II.3: Commodity/ Food Prices Generally Surged in March



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

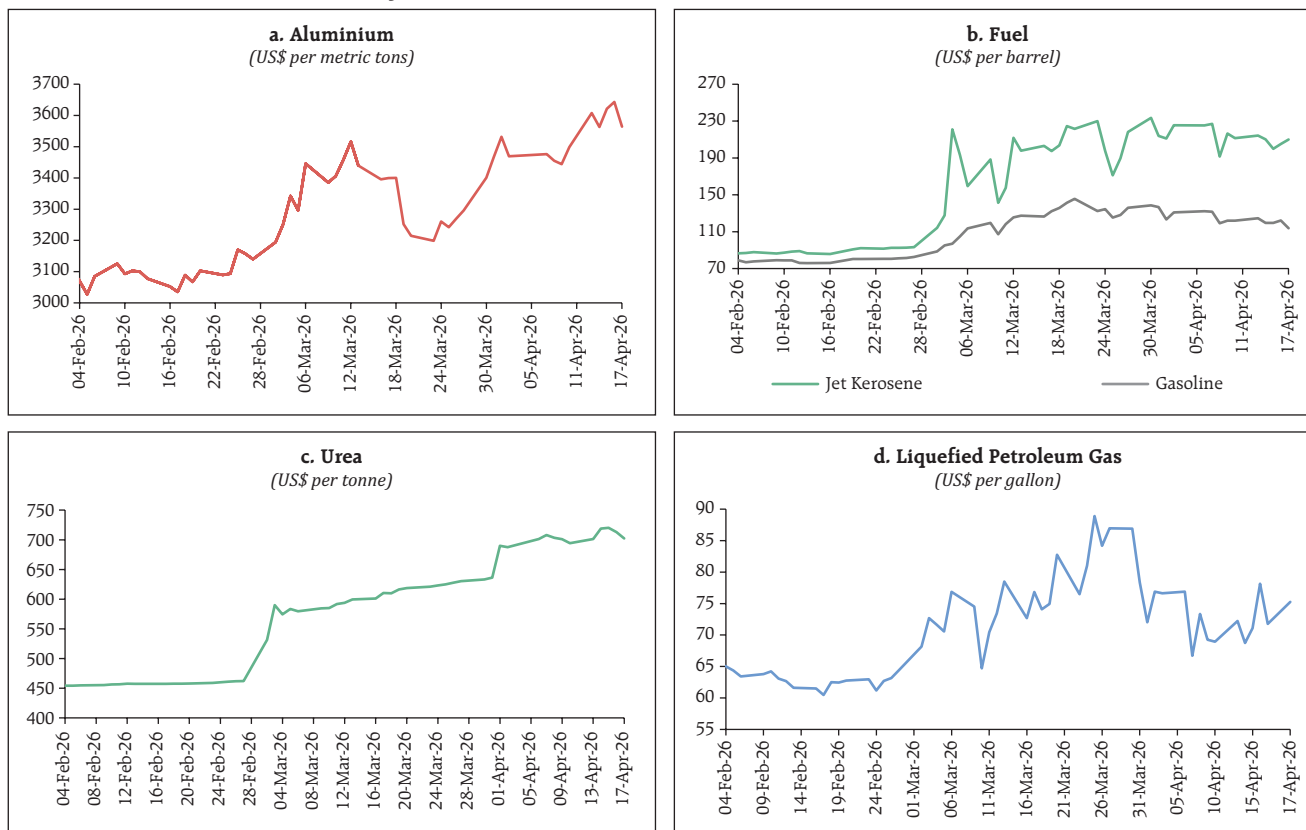
Barring precious metals, commodity prices soared amidst escalation in West Asia conflict, with the upturn becoming increasingly broad-based. The Bloomberg Commodity Index surged in March and remained elevated in early April, driven by sharp increase in energy prices, before witnessing a partial pullback on a temporary ceasefire. Brent crude oil prices rose to a four-year high of US\$ 118.4 per barrel on March 31 and remained elevated thereafter despite some decline on account of ceasefire (Chart II.3b). Aluminium prices surged, due to supply shortages triggered by attacks on aluminium smelters in the region. Aviation fuel prices spiked, alongside sharp increase in gasoline and LPG prices, partly reflecting refinery outages. In April, aviation fuel and gasoline prices remained elevated, though LPG

prices moderated from their peak. West Asia being the major producer of sulphur and urea, supply disruptions in the region led to a surge in fertiliser prices (Chart II.4).

In March, headline inflation increased across major AEs, as disruptions to key shipping routes and surging energy prices renewed supply-side pressures. Among major AEs, inflation in the US and the Euro area accelerated, largely driven by higher energy prices (Chart II.5a). Among major EMDEs, inflation trends remained mixed. Inflation eased in China, while it rose in Brazil due to higher fuel prices (Chart II.5b).

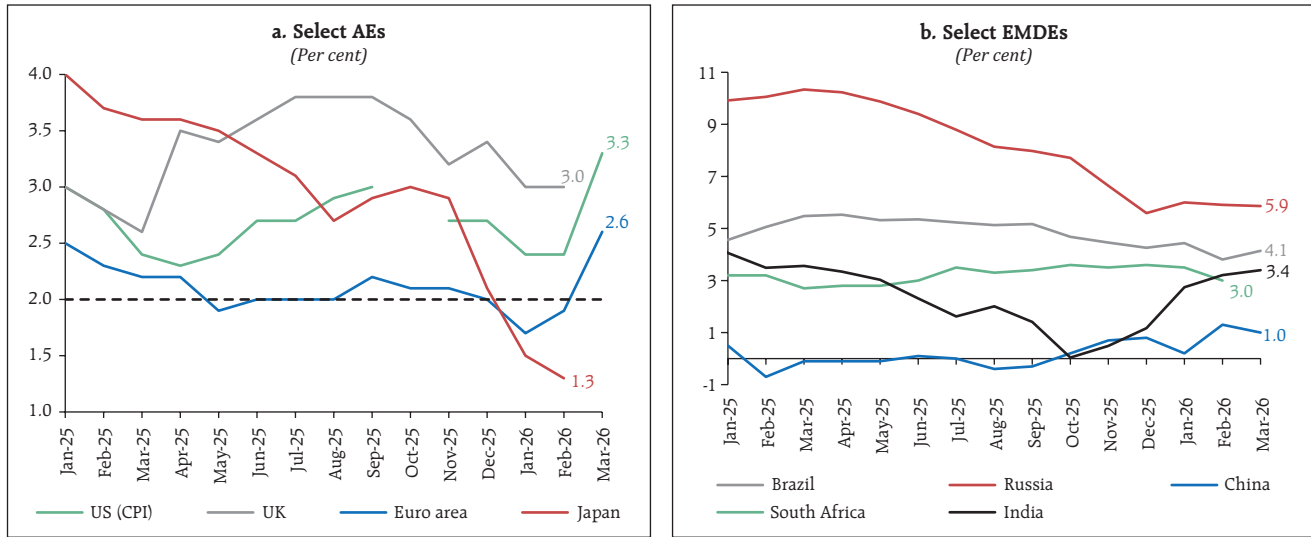
In March, global equity markets declined across major economies, amidst heightened uncertainty surrounding the conflict and reduced expectations of policy rate cuts. Notably, Japan recorded significant declines, with earlier gains driven by AI-related

Chart II.4: Commodity Prices Remained Elevated amidst Persistent West Asia Tensions



Note: The data refer to the following benchmark contracts and price indices: LME Aluminium 3-month futures; Singapore Jet Kerosene and Singapore Gasoline spot prices; Urea US Gulf futures; and Mont Belvieu Propane Fixed Price futures (LPG).
Source: Bloomberg.

Chart II.5: Headline Inflation across Major AEs and EMDEs

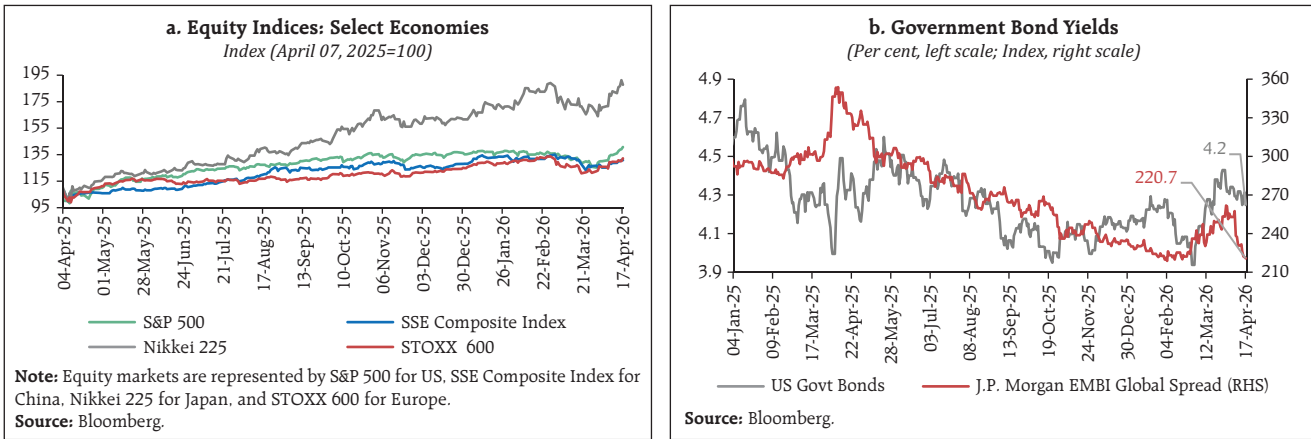


Note: US CPI data is not available for October 2025 due to the US Government shutdown.
Sources: Bloomberg; and OECD.

optimism which were partly reversed due to profit booking and rising global risk aversion. In April so far,

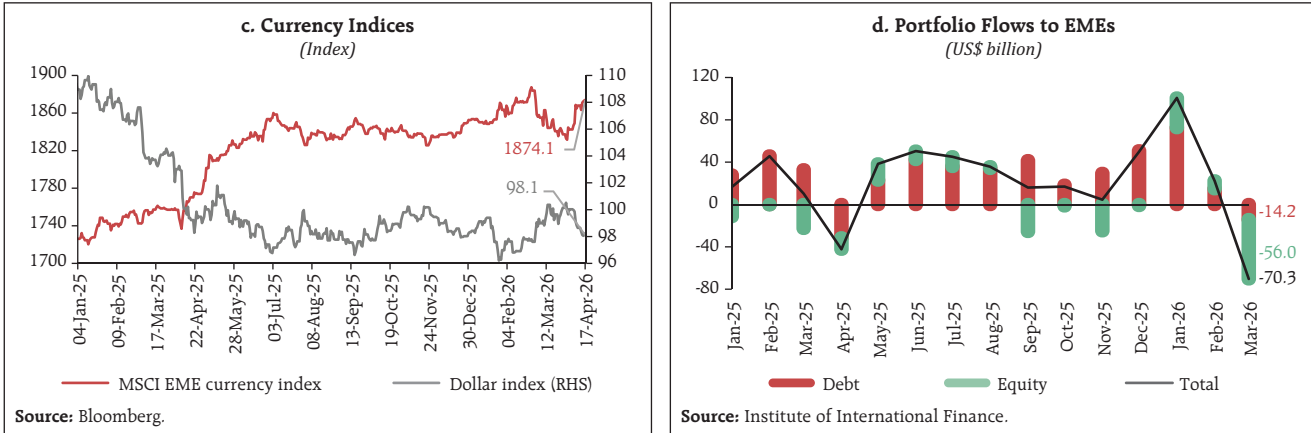
markets recouped part of their earlier losses on signs of de-escalation of the conflict (Chart II.6a).

Chart II.6: Global Financial Markets



Note: Equity markets are represented by S&P 500 for US, SSE Composite Index for China, Nikkei 225 for Japan, and STOXX 600 for Europe.
Source: Bloomberg.

Note: US Govt Bonds are shown on the left scale (Per cent), and J.P. Morgan EMBI Global Spread is shown on the right scale (Index).
Source: Bloomberg.



Note: MSCI EME currency index and Dollar index are shown on the left and right scales respectively.
Source: Bloomberg.

Note: Portfolio flows to EMDEs are shown in US\$ billion.
Source: Institute of International Finance.

The US 10-year Treasury yields hardened in March despite safe-haven demand, as rate cut expectations diminished amidst rising inflation concerns. Yields softened in April as easing geopolitical tensions and renewed hopes of US–Iran negotiations reduced inflation concerns. The emerging market bond yields spread widened as risk-off sentiment and a stronger US dollar led investors to demand higher compensation for risk. The spread narrowed in April amidst expectations of easing geopolitical tensions (Chart II.6b). The US dollar index strengthened in March on safe-haven demand and higher interest rate expectations, further supported by the lower exposure of the US to oil price shocks. In April, the index softened amidst improving global risk sentiment (Chart II.6c). Portfolio flows to emerging markets weakened in March as investor sentiment deteriorated amidst escalating tensions in West Asia (Chart II.6d).


In March, most systemic central banks kept policy rates unchanged, reflecting caution amidst upside risks to inflation and lingering geopolitical uncertainties (Chart II.7). Among AEs, the US, the UK, the Euro area, Japan, Sweden, Switzerland and Canada held rates steady as rising global energy costs clouded the inflation and growth outlook. In contrast, Australia raised its benchmark rate for the second consecutive meeting, as inflation remained above the target band. Among major EMDEs, China, Indonesia, Malaysia, Philippines and South Africa kept their policy rates unchanged, while Russia, Mexico and Brazil cut the rates. In April so far, China, New Zealand, and South Korea kept their policy rates unchanged.

III. Domestic Developments

The Indian economy continues to hold its ground despite facing a major supply shock due to the conflict in West Asia. In March, available high-frequency indicators of economic activity

Chart II.7: Most Systemic Central Banks Kept Policy Rates Unchanged in March-April

Type	Countries	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	19.04.2026
Advanced Economies	Australia													
	Canada													
	Euro area													
	Japan													
	New Zealand													
	South Korea													
	Sweden													
	Switzerland													
	United Kingdom													
	United States													
Emerging Market Economies	Brazil													
	China													
	India													
	Indonesia													
	Malaysia													
	Mexico													
	Philippines													
	Russia													
	Saudi Arabia													
	South Africa													
	Thailand													

Rate change < -0.75 -0.75 to -0.50 -0.50 to -0.25 -0.25 to <0 0 (No change) >0 to 0.25 0.25 to 0.50 0.50 to 0.75 > 0.75
Colour 
Note: White-coloured blocks indicate an off-policy month.
Source: Bloomberg.

displayed divergent trends: demand conditions remained resilient, despite some pockets of slowdown in economic momentum. RBI's forward-looking surveys pointed towards softening consumer confidence on the current situation and moderation in business optimism along with buildup of cost pressures.⁶

The Monetary Policy Committee (MPC), in its bi-monthly review of April 2026, unanimously voted to keep the policy repo rate unchanged at 5.25 per cent. The MPC also decided to continue with the neutral stance, retaining the flexibility to respond judiciously to incoming information. The decision was guided by the strong fundamentals of the Indian economy, which provided it with a greater resilience to withstand external shocks.

Aggregate Demand

High-frequency indicators of economic activity exhibited mixed performance in March. E-way bills

continued to show double-digit growth supported by GST rate rationalisation reflecting strong goods movement. GST revenue surged, reflecting sustained consumption and improved compliance.⁷ Petrol and diesel consumption saw an uptick, partly driven by buying amidst fears of supply disruptions. However, overall petroleum consumption moderated, largely on account of a sharp decline in aviation turbine fuel demand due to widespread flight suspensions following the West Asia conflict. Digital payments continued to record robust growth in terms of both transaction value and volume. However, electricity demand remained moderate, primarily due to above-normal rainfall in the first 25 days of March, which reduced cooling requirements. Toll collections continued with the declining trend reflecting the introduction of the FASTag Annual Pass scheme in August 2025⁸ (Table III.1).

Table III.1: Economic Activity Showed Mixed Performance in March

Indicator	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
GST E-way bills	20.2	23.4	18.9	19.3	25.8	22.4	21.0	8.2	27.6	23.5	15.8	18.8	12.9
GST revenue	10.6	13.3	17.3	6.5	8.2	6.9	10.0	7.6	0.7	6.1	6.2	8.1	8.8
Toll collection	11.9	16.6	16.4	15.5	14.8	12.7	4.5	4.6	2.9	0.4	-1.8	-8.7	-4.0
Electricity demand	5.7	2.8	-4.8	-2.3	2.6	3.8	3.5	-5.8	-0.6	5.8	3.8	1.0	1.7
Petroleum consumption	-3.1	0.2	1.1	0.5	-4.4	4.8	7.0	-1.5	0.6	4.5	0.7	5.5	2.2
Of which													
Petrol	5.7	5.0	9.2	6.8	5.9	5.5	8.0	7.4	2.6	7.1	6.1	6.1	7.6
Diesel	0.9	4.2	2.1	1.5	2.4	1.2	6.5	-0.3	4.8	5.2	3.3	4.3	8.0
Aviation turbine fuel	5.7	3.9	4.4	3.3	-2.3	-2.9	-0.8	2.1	5.4	0.3	5.5	4.0	0.7
Digital Payments – Volume*	30.8	30.0	29.2	28.3	30.9	31.1	28.1	21.5	30.2	26.8	22.3	23.5	18.5
Digital Payments – Value*	17.3	18.4	12.6	17.4	16.6	5.3	13.4	8.8	14.7	15.2	11.5	17.9	12.8

<<Contraction ----- Expansion>>

Notes: 1. The y-o-y growth (in per cent) has been calculated for all indicators.

2. The heatmap is applied on data from April 2023 to the latest month for which data is available.

3. For digital payments, heatmap is applied on data from April 2024 to the latest month for which data is available.

4. *Digital payments data for March 2026 are provisional as data for card payments is subject to revision.

5. The heatmap translates the data range for each indicator into a colour gradient scheme with red denoting the lowest values and green corresponding to the highest values of the respective data series.

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

⁶ Results from RBI's forward-looking surveys, April 2026

⁷ Gross GST revenue includes three components - IGST, CGST, and SGST. India's GST collections rose year-on-year to over ₹2 lakh crore in March up from the same month last year.

⁸ The annual pass allows users to make up to 200 trips or travel for a year at a fixed fee, reducing per-trip toll revenue across plazas.

Table III.2: Demand Conditions Remained Resilient

	Indicator	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Urban demand	Domestic air passenger traffic	9.9	9.7	2.6	3.7	-2.5	-0.5	-2.5	3.5	7.0	-4.9	3.1	-0.1	-1.5
	Retail passenger vehicle sales	6.3	1.6	-3.1	2.5	-0.8	0.9	5.8	10.7	20.4	26.6	7.2	26.1	21.5
Rural demand	Retail automobile sales	-0.7	2.9	5.4	4.8	-4.3	2.8	5.2	40.5	2.1	14.6	17.6	25.6	25.3
	Retail tractor sales	-5.7	7.6	2.8	8.7	11.0	30.1	3.6	14.2	56.5	15.8	22.9	36.4	10.9
	Retail two-wheeler sales	-1.8	2.3	7.3	4.7	-6.5	2.2	6.5	51.8	-3.1	9.5	20.8	25.0	28.7

<< Contraction ----- Expansion >>

- Notes:** 1. The y-o-y growth (in per cent) has been calculated for all indicators.
 2. The heatmap is applied on data from April 2023 to the latest month for which data is available.
 3. The heatmap translates the data range for each indicator into a colour gradient scheme with red denoting the lowest values and green corresponding to the highest values of the respective data series.
 4. Data for retail automobile sales consists of sales of two wheelers, three wheelers, passenger vehicles, tractors, and commercial vehicles.
 5. The data on domestic air passenger traffic for March 2026 growth rate is calculated by aggregating daily data.

Sources: Airports Authority of India; Federation of Automobile Dealers Associations (FADA); and Ministry of Rural Development, GoI.

Rural economy played an important role in sustaining the resilience in demand in March. Automobile sales growth was driven by strong retail demand supported by post-GST momentum. Increased electric vehicle (EV) demand, particularly in the two-wheeler segment, also contributed to the overall momentum (Table III.2).

Labour market conditions improved during 2025, as compared to 2024.⁹ The all-India unemployment rate (based on usual status) declined to 3.1 per cent in 2025 from 3.2 per cent in 2024, with reductions observed in both rural and urban areas. Furthermore, urban areas witnessed steady labour force participation rate along with rising worker population ratio, while rural areas experienced a decline in both the parameters. Quality of employment saw improvement, with the proportion of regular wage/salaried workers increasing; reflecting a shift towards formal employment. Sectoral decomposition reveals that the share of agriculture in total employment continued to decline, while manufacturing and other services – comprising business and financial services, IT, education, health, and administration – gained ground.

⁹ Periodic Labour Force Survey Annual Report 2025

In March, the all-India unemployment rate measured by current weekly status, witnessed an increase in both rural and urban areas.¹⁰ The labour force participation rate and worker population ratio declined in rural areas, while they remained broadly stable in urban areas. The PMI employment for manufacturing and services rose to a seven-month and nine-month peak, respectively, in March 2026. The Naukri JobSpeak Index also showed robust growth in white-collar hiring, led by hospitality, BPO/ITES, and education. The demand for work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) continued to decline for the ninth consecutive month, indicating the availability of alternate job opportunities in rural areas (Table III.3).

During April-February 2025-26, all the key deficit indicators of the Centre as per cent of revised estimates (RE) were lower than the previous financial year (Chart III.1a). The lower fiscal deficit was on account of a rise in net tax revenue and muted growth in revenue expenditure.¹¹ Growth in net tax

¹⁰ PLFS Monthly Bulletin March 2026

¹¹ During April-February 2025-26, the net tax revenue and revenue expenditure increased by 6.4 per cent and 1.1 per cent, respectively, as compared to a growth of 9.0 per cent and 4.7 per cent, respectively, in the same period of the last financial year.

Table III.3: High Frequency Indicators for Employment Remained Steady

Indicator	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Unemployment rate (PLFS: All-India)		5.1	5.6	5.6	5.2	5.1	5.2	5.2	4.7	4.8	5.0	4.9	5.1
Unemployment rate (PLFS: Rural)		4.5	5.1	4.9	4.4	4.3	4.6	4.4	3.9	3.9	4.2	4.2	4.3
Unemployment rate (PLFS: Urban)		6.5	6.9	7.1	7.2	6.7	6.8	7.0	6.5	6.7	7.0	6.6	6.8
Naukri JobSpeak Index	-1.5	8.9	0.3	10.5	6.8	3.4	10.1	-9.3	23.5	13.2	3.4	11.9	9.2
PMI Employment: Manufacturing	53.4	54.2	54.9	55.1	53.3	53.1	52.1	52.4	50.9	50.5	51.1	51.5	52.6
PMI Employment: Services	52.5	53.9	57.1	55.1	51.4	52.2	51.9	51.4	51.6	49.8	50.8	51.6	52.7
MGNREGS: Work demand	2.2	-6.5	4.4	4.4	-12.3	-26.2	-27.1	-35.1	-32.0	-28.9	-25.7	-14.1	-23.2



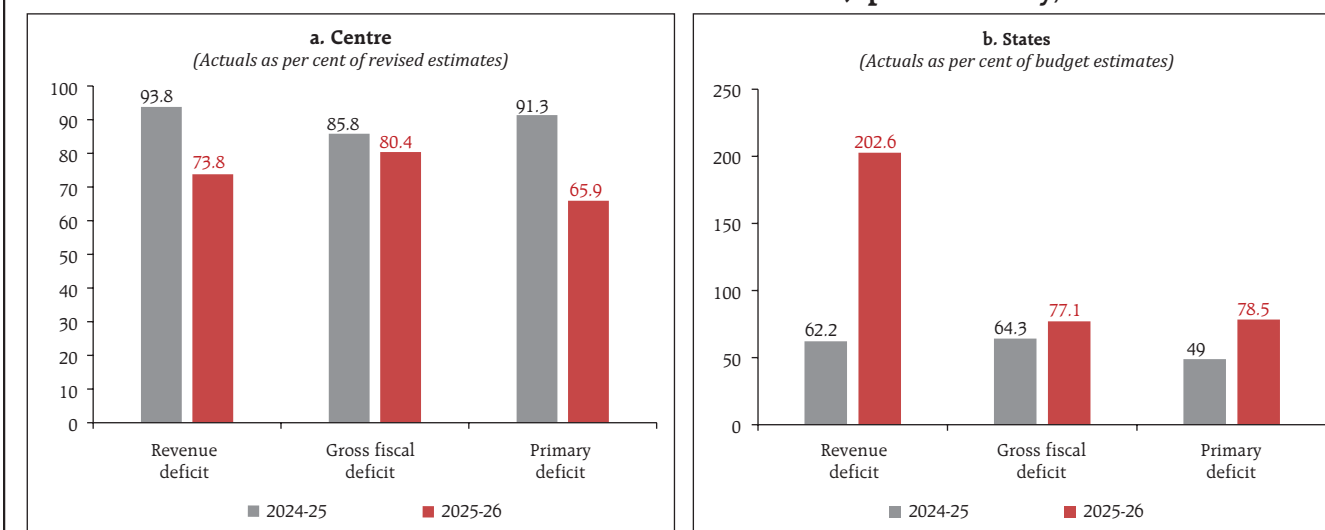
- Notes:**
1. All PLFS indicators are in the current weekly status and for people aged 15 years and above.
 2. The y-o-y growth (in per cent) has been calculated for the Naukri index and MGNREGS work demand.
 3. The heatmap is applied to data from April 2023 to March 2026.
 4. The heatmap translates the data range for each indicator into a colour gradient scheme with red denoting the lowest values and green corresponding to the highest values of the respective data series.
 5. All PMI values are reported in index form. A PMI value >50 denotes expansion, <50 denotes contraction and =50 denotes 'no change'. In the PMI heatmaps, red denotes the lowest value, yellow denotes 50 (or the no change value), and green denotes the highest value in each of the PMI series.
 6. MGNREGS is encoded in inverse scale- lowest is marked in green, highest is marked in red.

Sources: Ministry of Statistics and Program Implementation (MoSPI), Ministry of Rural Development, GoI; Info Edge; and S&P Global.

revenue was primarily driven by double digit growth in corporation tax, customs and union excise duties.¹² Capital expenditure continued to record strong growth, reflecting Government's thrust on improving the quality of spending.¹³

The deficit indicators of states during April-February 2025-26, as a proportion of budget estimates for the financial year, were higher than the same period last year (Chart III.1b). The higher deficit was primarily driven by a moderation in revenue receipts

Chart III.1: Government Deficit Indicators (April – February)



Note: Data pertain to 22 States/UTs.

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

¹² During April-February 2025-26, corporation tax, union excise duty, and customs collections expanded by 12.4, 11.3 and 18.0 per cent, respectively, as compared to a growth of 1.9, (-)1.4 and 4.2 per cent, respectively, in the same period of the last financial year.

¹³ During April-February 2025-26, capital expenditure grew at 14.5 per cent as compared to 0.8 per cent in the same period of the last financial year.

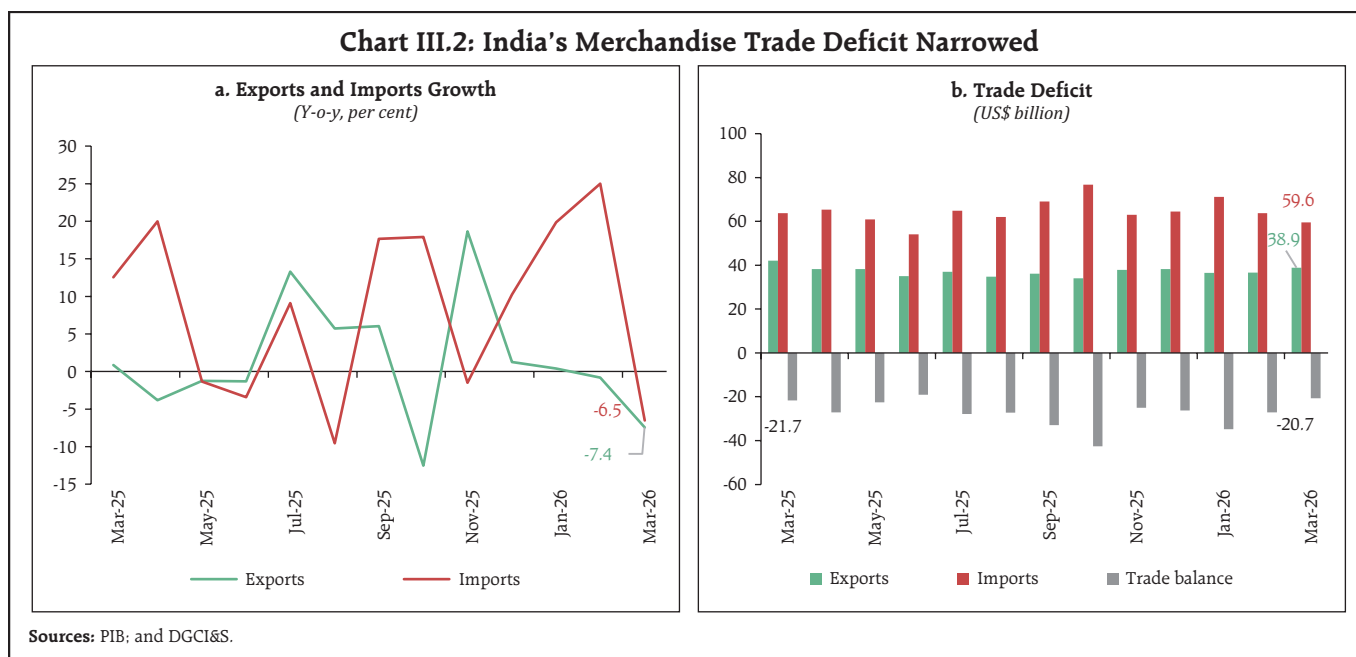
relative to their budget estimates. Within revenue receipts, states' goods and service tax (GST) growth decelerated, while state excise and stamp duties remained robust. On the expenditure side, growth in states' revenue expenditure moderated, while capital expenditure recorded strong growth.

Trade

During 2025-26, merchandise trade deficit stood higher than last year, primarily driven by petroleum products, gold, and electronic goods.¹⁴ Both merchandise exports and imports experienced growth during the year.¹⁵ Despite the lingering tariff uncertainties, exports to the US expanded in

2025-26.¹⁶ In a major trade reconfiguration, China became the largest trading partner of India overtaking the US.¹⁷

In March 2026, merchandise trade deficit narrowed on both sequential and year on year (y-o-y) basis (Chart III.2). Month-over-month, exports expanded while imports contracted. However, on y-o-y basis, both exports and import fell with the contraction in former being higher than the latter. While the contraction in exports (y-o-y) was relatively broad-based, contraction in imports (y-o-y) was primarily driven by double-digit decline in petroleum imports.¹⁸ Gold imports also contracted attributable



¹⁴ The merchandise trade deficit in 2025-26 was at US\$ 333.2 billion up from US\$ 283.5 billion in 2024-25.

¹⁵ 14 out of 30 major commodities (accounting for 54.0 per cent of exports basket in 2025-26) and 20 out of 30 major commodities (accounting for 60.9 per cent of imports basket in 2025-26) registered expansion in 2025-26.

¹⁶ Exports to the US expanded by 0.9 per cent in 2025-26 down from 11.6 per cent in 2024-25.

¹⁷ India's total merchandise trade with China and the US stood at US\$ 151.1 billion, and US\$ 140.2 billion, respectively in 2025-26. The US was the largest trading partner during 2021-22 to 2024-25. The merchandise trade deficit with China increased from US\$ 99.2 billion in 2024-25 to US\$ 112.2 billion in 2025-26.

¹⁸ The merchandise trade deficit narrowed to US\$ 20.7 billion in March 2026 from US\$ 21.7 billion in March 2025 and US\$ 27.1 billion in February 2026. Merchandise exports stood at US\$ 38.9 billion in March 2026 [decrease of 7.4 per cent (y-o-y)], however, higher than US\$ 36.6 billion in February 2026. Key segments such as drugs and pharmaceuticals, gems and jewellery, readymade garments, rice, and plastic and linoleum dragged the exports down, while petroleum products, engineering goods, mica, coal, other ores and minerals; other cereals, and handicrafts excluding handmade carpet supported exports. Exports to 10 out of top 20 major destinations contracted, including the US, the UAE and the Netherlands, while growing to China, Singapore, and Germany. Merchandise imports stood at US\$ 59.6 billion in March 2026 [contraction of 6.5 per cent on both y-o-y and sequential basis]. Crude oil and petroleum products; gold; transport equipment; pearls, precious and semi-precious stones; and iron and steel dragged the imports down, while electronic goods, machinery- electrical and non-electrical; silver, coal, coke and briquettes; and vegetable oil contributed positively to import during the month. Imports from 8 out of 20 major destinations contracted, including the UAE, Russia, and Saudi Arabia, while expanding from China, the US, and Hong Kong.

to fall in gold prices amidst ongoing geopolitical tensions.¹⁹

The ongoing conflict in West Asia impacted the trade negatively as India relies heavily on the Gulf shipping routes. The conflict led to an average 54 per cent decline in exports and imports from West Asia in March.²⁰ Imports from Russia saw a sequential uptick.²¹

Net services exports growth moderated in February, with imports growing faster than exports (Chart III.3).²² Both exports and imports of business, software, and travel services witnessed an increase.

Aggregate Supply

Agriculture

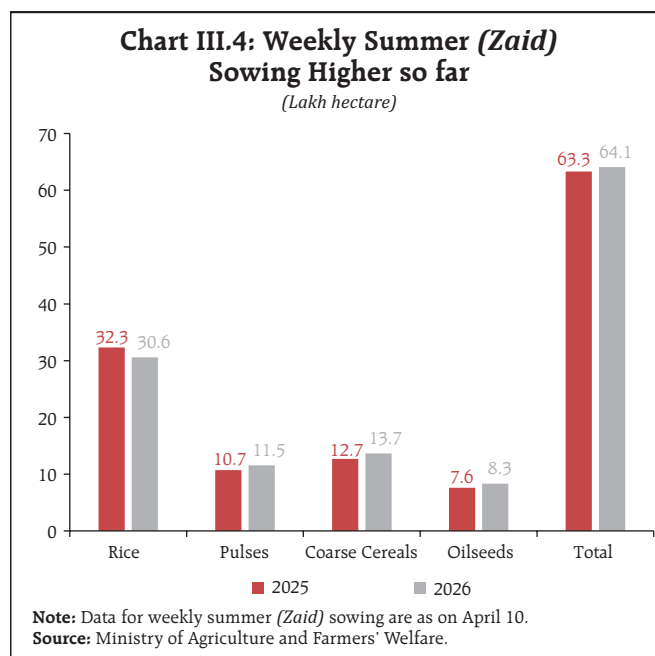
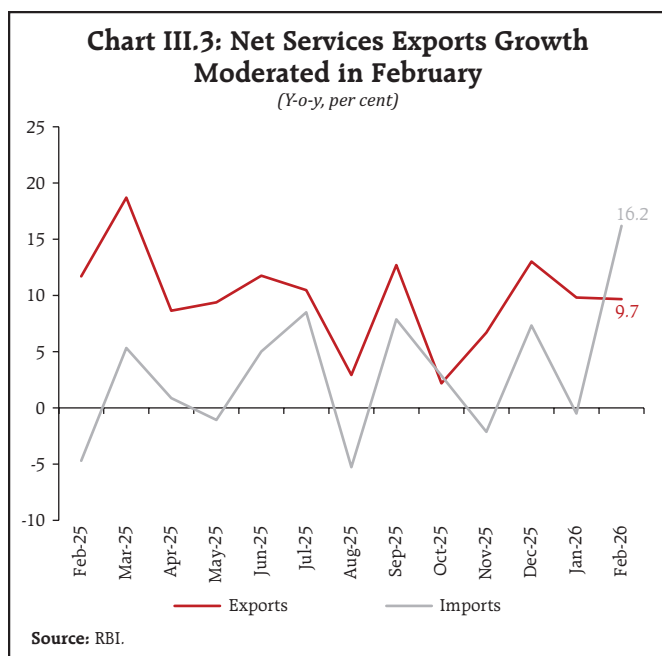
The sowing in the summer (*zaid*) season has been marginally higher than last year. Higher acreage under

pulses, coarse cereals and oilseeds offset a sharp decline in rice, amidst concerns over input supplies following the war in West Asia (Chart III.4).²³

Monthly Indicators of Industrial Activity

In February, growth in industrial activity, as measured by the year-on-year change in the Index of Industrial Production (IIP), inched up, driven by strengthening in manufacturing and capital goods. Continued strength was observed in investment-linked segments, with infrastructure and construction goods remaining the strongest contributors. The index of eight core industries contracted in March, marking a 19-month low, driven by a decline in production of fertilisers, crude oil, coal, and electricity.

High-frequency indicators of industrial activity for March pointed towards moderation due to the West Asia conflict. The manufacturing PMI declined



¹⁹ Gold imports in March 2026 contracted by 31.6 per cent (y-o-y).

²⁰ Out of top 20 export destinations, data on export growth are available for two West Asian countries for March 2026; the UAE (-61.9 per cent y-o-y), and Saudi Arabia (-45.7 per cent y-o-y). Among top 20 import partners, data on import growth are available for four West Asian countries for March 2026; the UAE (-66.3 per cent y-o-y), Saudi Arabia (-37.3 per cent y-o-y), Iraq (-64.3 per cent y-o-y), and Qatar (-47.9 per cent y-o-y).

²¹ Imports from Russia increased sequentially in March 2026 by 25.9 per cent.

²² Net services exports rose to US\$ 17.8 billion in February 2026 from US\$ 17.1 billion in February 2025. During April 2025 - February 2026, cumulative net services exports increased to US\$ 195.6 billion from US\$ 170.7 billion during the corresponding period of the previous year.

²³ The area sown under summer crops (as on April 10, 2026) at 64.1 lakh hectares is 85.1 per cent of normal acreage for the full season. Furthermore, it is 1.2 per cent higher than the corresponding period of previous year. However, area under rice (the major summer crop) is 5.3 per cent lower than the last year.

to its lowest level since June 2022, as new orders and output growth slowed. Automobile production continued to record strong growth across major segments (Table III.4).

India is making progress towards climate resilience. In March, the Government has updated the Nationally Determined Contributions (NDCs) aimed at combating climate change *via* reduced emissions, increased electric power capacity from non-fossil fuel sources and enhancing carbon sinks.²⁴ India has seen notable progress in renewable energy adoption validating the feasibility of updated NDC targets. It

ranks third globally in terms of total renewable energy capacity and has reached more than 53 per cent of non-fossil fuel capacity (Chart III.5).²⁵ Sustaining this momentum through continued expansion of renewable energy capacity, grid integration and complementary climate actions is important for translating updated commitments into credible outcomes.

Monthly Indicators of Services Activity

India's services sector showed some deceleration in March, while displaying continued expansion in services PMI. While the demand remained resilient,

Table III.4: High Frequency Indicators for Industry Moderated

Indicator	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
IIP-Headline	3.9	2.6	1.9	1.5	4.3	4.1	4.6	0.5	7.2	8.0	5.1	5.2	
IIP Manufacturing	4.0	3.1	3.2	3.7	6.0	3.8	5.6	2.0	8.5	8.4	5.3	6.0	
IIP capital goods	3.6	14.0	13.3	3.0	6.8	4.5	5.4	2.1	10.1	8.3	4.1	12.5	
PMI Manufacturing	58.1	58.2	57.6	58.4	59.1	59.3	57.7	59.2	56.6	55.0	55.4	56.9	53.9
PMI Export order	54.9	57.6	56.9	60.6	57.3	56.1	56.5	54.7	54.1	54.0	54.1	53.2	55
PMI Manufacturing: Future output	64.4	64.6	63.1	62.2	57.6	60.5	64.8	62.3	57.1	56.9	56.4	57.9	67.3
Index of Eight Core Industries	4.5	1.0	1.2	2.2	3.7	6.5	3.3	-0.1	2.1	4.7	4.7	2.8	-0.4
Electricity generation: Conventional	4.8	-1.8	-8.2	-6.1	-0.8	1.0	0.8	-10.6	-5.0	4.4	2.2	-1.6	-1.2
Electricity generation: Renewable	25.2	28.0	18.2	28.7	26.4	22.7	16.4	21.4	22.9	18.0	22.9	25.3	
Automobile production	6.5	-1.7	5.2	1.2	10.7	8.1	10.8	-2.8	22.3	37.1	15.0	22.1	20.2
Passenger vehicle production	11.2	10.8	5.4	-1.8	0.1	-4.1	16.1	9.8	22.8	23.1	5.6	9.8	9.0
Tractor production	18.5	20.5	9.1	9.8	11.5	9.4	23.0	13.0	37.5	57.9	14.6	80.0	28.6
Two-wheelers production	5.6	-4.1	4.7	1.4	12.3	10.0	9.8	-5.6	20.9	39.9	16.1	24.4	22.0
Three-wheelers production	6.0	4.1	16.9	8.6	24.0	15.8	15.9	15.9	55.4	39.6	33.2	29.9	34.0
Crude steel production	8.5	9.3	11.0	12.6	13.8	12.8	13.7	8.9	11.1	10.8	10.5	10.2	3.8
Finished steel production	10.0	6.6	7.0	10.9	13.8	13.8	14.0	7.2	12.4	10.9	11.0	8.0	1.2
Import of capital goods	8.6	24.5	15.7	3.4	13.3	0.2	12.7	8.5	12.8	13.0	7.1	19.7	11.7

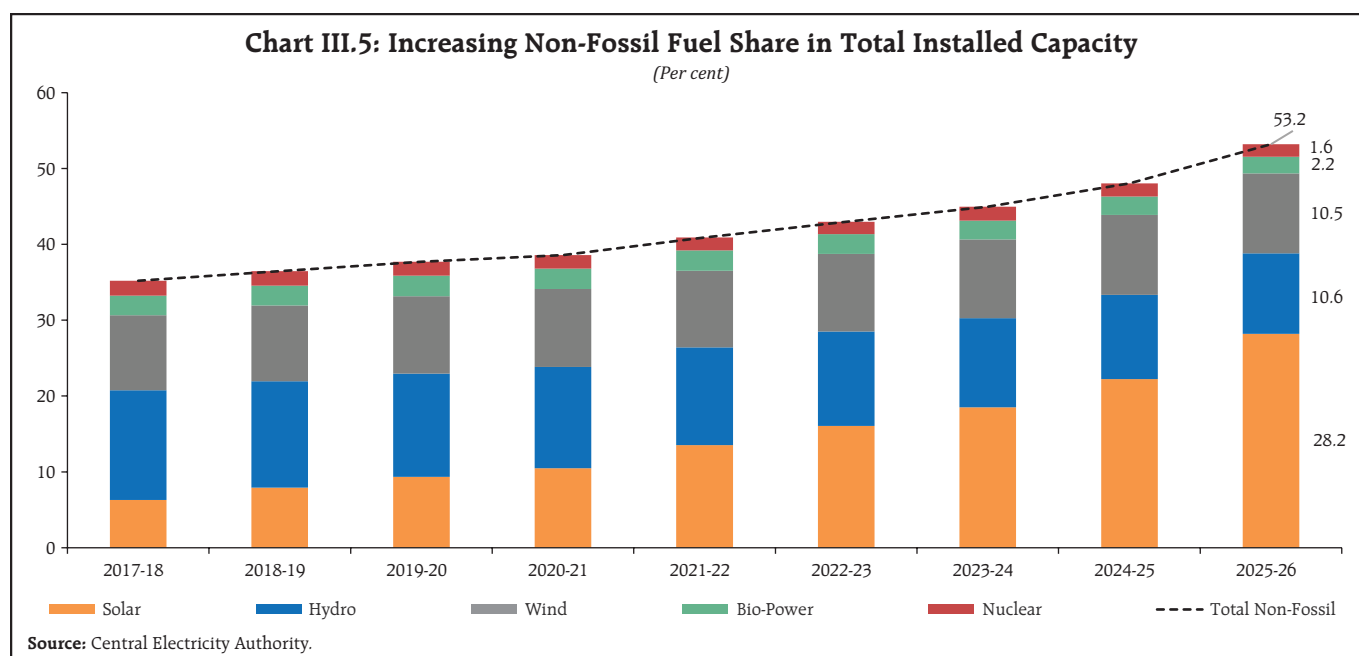
<<Contraction ----- Expansion>>

- Notes:**
1. The y-o-y growth (in per cent) has been calculated for all indicators (except for PMI).
 2. The heatmap translates the data range for each indicator into a colour gradient scheme with red denoting the lowest values and green corresponding to the highest values of the respective data series.
 3. The heatmap is applied on data from April 2023 to the latest month for which data is available.
 4. All PMI values are reported in index form. A PMI value >50 denotes expansion, <50 denotes contraction and =50 denotes 'no change'. In the PMI heatmaps, red denotes the lowest value, yellow denotes 50 (or the no change value), and green denotes the highest value in each of the PMI series.

Sources: Ministry of Statistics and Programme Implementation (MoSPI); S&P Global; Central Electricity Authority (CEA); Ministry of Power; Society of Indian Automobile Manufacturers (SIAM); Office of Economic Adviser, GoI; Joint Plant Committee; Directorate General of Commercial Intelligence & Statistics; and Tractor and Mechanisation Association.

²⁴ Three major revisions made to NDCs include reduction in the emissions intensity of GDP by 47 per cent by 2035 from 2005 level, achieving 60 per cent electric power installed capacity from non-fossil fuel sources by 2035 and enhancing the forest carbon sinks to 3.5-4.0 billion tonnes of CO₂ equivalent through forest and tree cover by 2035 from 2005 level.

²⁵ IRENA (2026). Renewable capacity statistics 2026. International Renewable Energy Agency.



led by new export orders, the output was constrained by the impact of West Asia conflict. Retail commercial vehicle sales continued to record double digit growth supported by infrastructure related goods movement, and higher adoption of EVs. Port cargo, however,

was moderate in view of disruptions in trade due to the ongoing West Asia conflict. A sharp decline in international air passenger traffic was noted due to widespread cancellations and disruptions of international flights (Table III.5).

Table III.5: High Frequency Indicators for Services Moderated

Indicator	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
PMI Services	58.5	58.7	58.8	60.4	60.5	62.9	60.9	58.9	59.8	58.0	58.5	58.1	57.5
International air passenger traffic	6.8	13.0	5.0	3.4	5.5	7.7	7.3	9.7	7.5	6.0	7.1	3.0	-17.8
Domestic air cargo	4.9	16.6	2.3	2.6	4.8	7.1	2.8	-2.3	20.5	4.3	8.7	18.5	
International air cargo	3.3	8.6	6.8	-1.2	4.2	4.5	2.3	-2.3	12.7	12.6	8.4	17.5	
Port cargo traffic	13.3	7.0	4.3	5.6	4.0	2.5	11.5	11.9	14.5	12.8	7.6	5.1	0.7
Retail commercial vehicle sales	2.7	-1.0	-3.7	6.6	0.2	8.6	2.7	21.1	17.0	24.6	15.1	28.9	15.1
Steel consumption	13.3	6.0	8.1	9.3	7.3	10.0	8.9	2.4	6.0	5.4	4.9	10.9	10.6
Cement production	12.2	6.3	9.7	8.2	11.6	5.4	5.0	5.2	14.6	13.7	11.3	9.3	

<<Contraction ----- Expansion>>

- Notes: 1. The y-o-y growth (in per cent) has been calculated for all indicators (except for PMI).
- 2. The heatmap translates the data range for each indicator into a colour gradient scheme with red denoting the lowest values and green corresponding to the highest values of the respective data series.
- 3. The heatmap is applied to data from April 2023 to the latest month for which data is available.
- 4. All PMI values are reported in index form. A PMI value >50 denotes expansion, <50 denotes contraction and =50 denotes 'no change'. In the PMI heatmaps, red denotes the lowest value, yellow denotes 50 (or the no change value), and green denotes the highest value in each of the PMI series.
- 5. The data on international air passenger traffic for March 2026 growth rate is calculated by aggregating daily data.

Sources: Federation of Automobile Dealers Associations (FADA); Indian Ports Association; Airports Authority of India; Joint Plant Committee; Office of Economic Adviser; and S&P Global.

Inflation

CPI headline inflation²⁶ increased to 3.4 per cent in March from 3.2 per cent in February, mainly on account of higher food and fuel inflation.²⁷ Core (CPI excluding food and fuel²⁸) inflation remained stable, indicating broad containment of underlying inflation pressures. Precious metals continued to remain a major driver of core inflation. Core inflation excluding precious metals was also steady at a moderate level. CPI fuel inflation increased due to the hike in LPG prices partly reflecting the shoot up of international prices (Chart III.6).

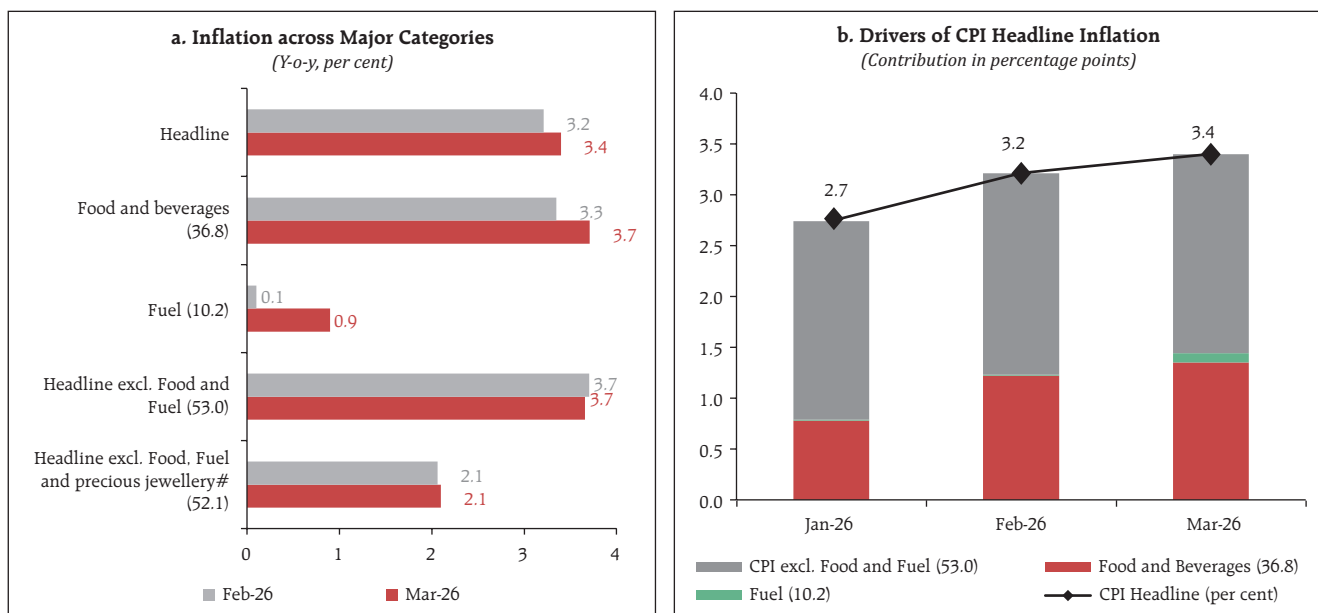
Seven out of the twelve divisions saw a sequential increase in inflation rates (Chart III.7). The 'paan, tobacco and intoxicants' division recorded increase for the second consecutive month following

the implementation of additional excise duty on tobacco products and the revised GST rate structure with effect from February 01, 2026. Inflation in the 'personal care, social protection and miscellaneous goods and services' division remained the highest, despite softening in precious metal prices.

Food inflation in March 2026 was driven by both positive momentum and unfavourable base effect. Meat and fish, fruits and nuts, and oils and fats contributed to higher prices.

In terms of spatial distribution, inflation edged up both in urban and rural areas in March. Overall, inflation ranging from 0.7 per cent to 5.8 per cent was observed across states/UTs. Majority of the states, however, continued to experience inflation below 4 per cent (Chart III.8).

Chart III.6: CPI-Combined Inflation Inched up in March



Notes: 1. Figures in parentheses indicate weights in CPI-Combined series (2024=100).

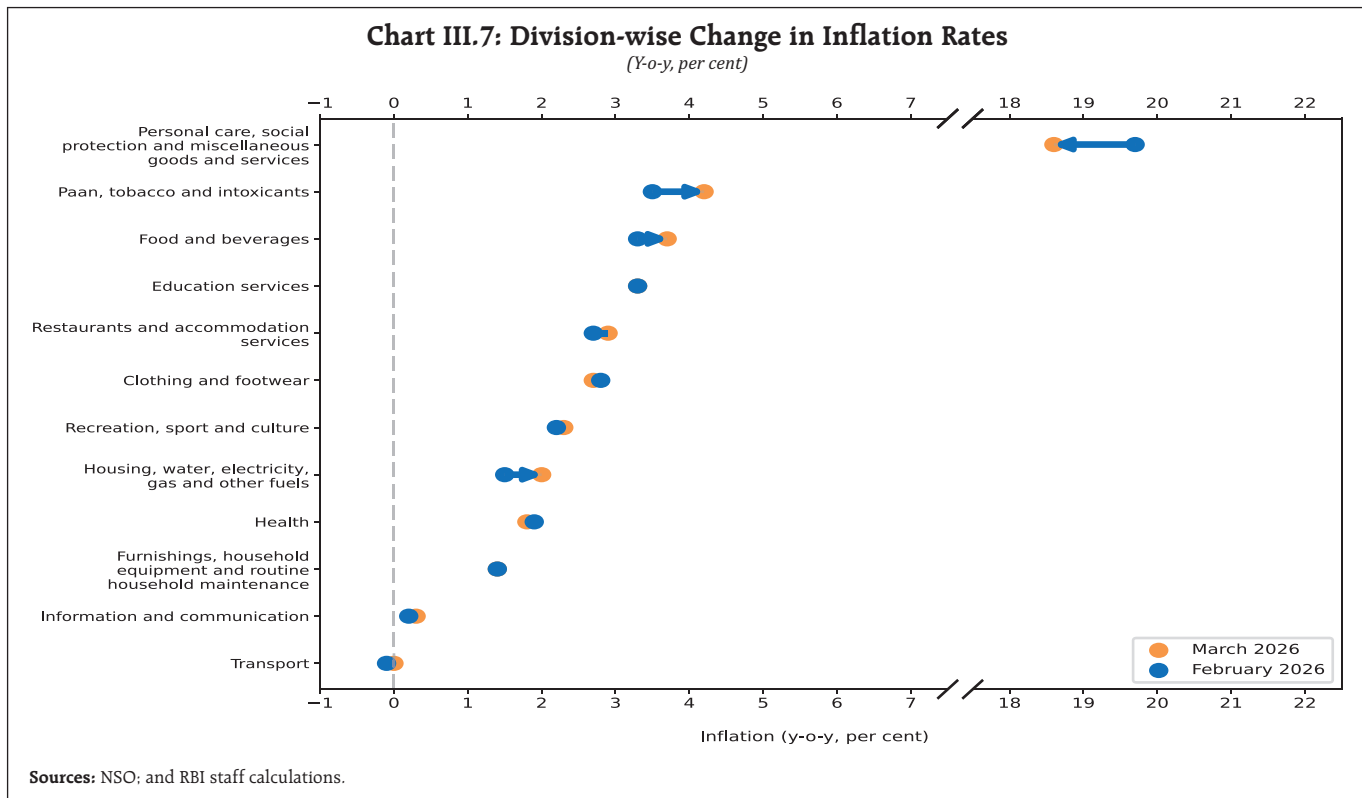
2. #: Precious jewellery includes the items 'gold/diamond/platinum jewellery' and 'silver jewellery'.

Source: National Statistics Office (NSO).

²⁶ As per the provisional data released by the National Statistics Office (NSO) on April 13, 2026.

²⁷ On a month-over-month basis, the overall index increased by 0.3 per cent in March with all the three components, viz., food and beverages, fuel and core (excluding food and fuel) recording an increase.

²⁸ Fuel represents the group 'Electricity, gas and other fuels' and a class, 'Fuels and lubricants for personal transport equipment' [which includes diesel, petrol and other natural gas (compressed natural gas (CNG))]. For more details refer to Box IV.2 in the Prices and Costs chapter of the Monetary Policy Report, April 2026.



High-frequency data up to 16th April point towards a softening in rice and wheat prices. Within pulses, *tur* prices registered a marginal uptick while *gram* prices saw a decline. Edible oils witnessed a broad-based rise in prices. Prices of all major vegetables viz., potato, onion and tomato have softened in April so far (Chart III.9).

Retail selling prices of LPG increased by 7 per cent in April (up to 16th) while it remained unchanged for petrol, diesel and kerosene (Table III.6).

The PMI data for March revealed an intensification of input cost pressures across both manufacturing and services firms. The increase in output prices, however, moderated for manufacturing firms, reflecting competition to retain customers and secure

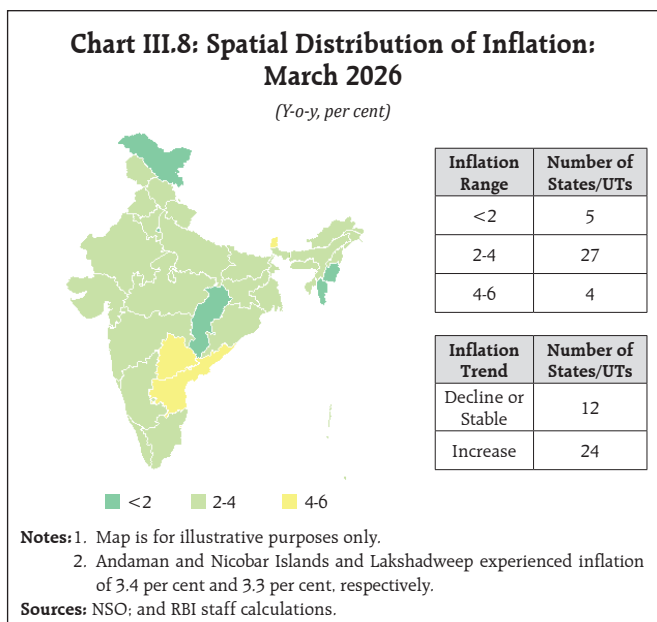


Table III.6: Petroleum Products Prices

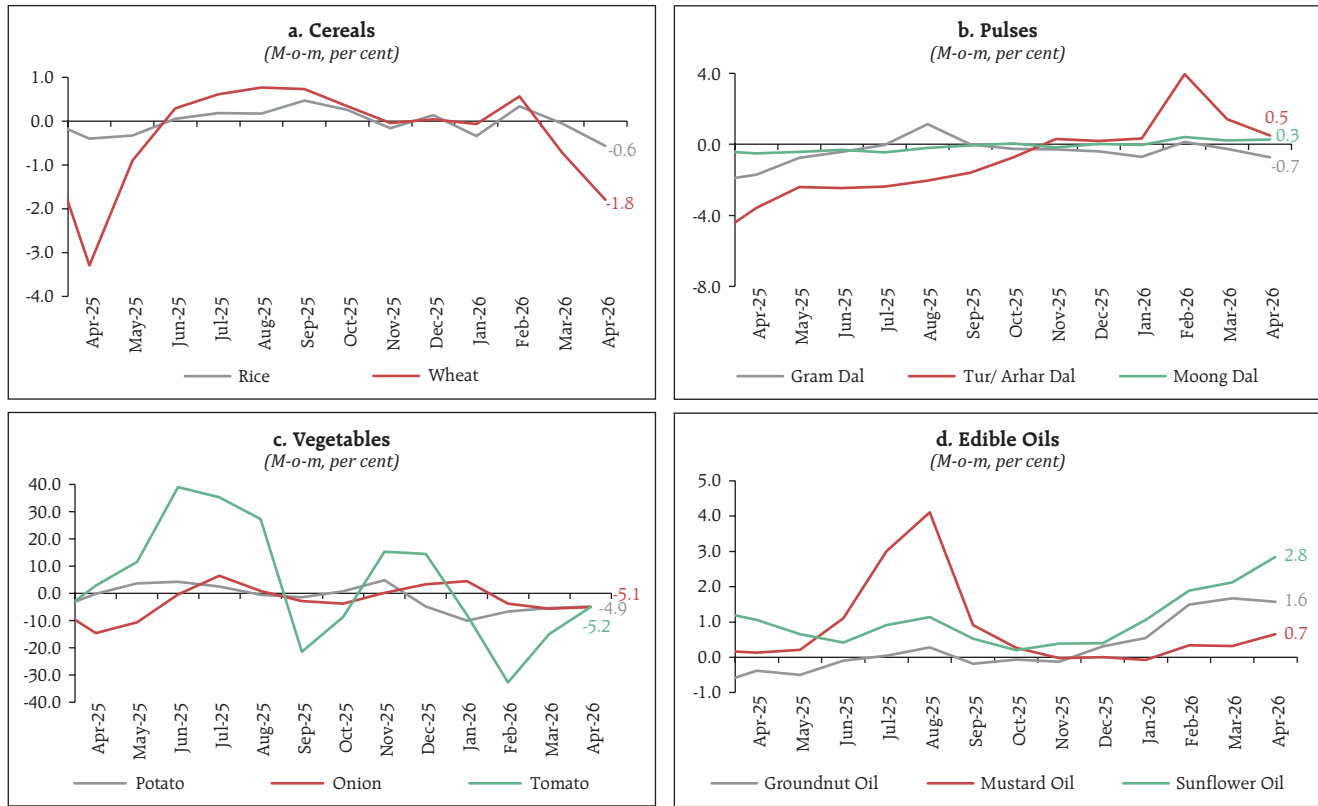
Item	Unit	Domestic Prices			Month-over-month (per cent)	
		Apr-25	Mar-26	Apr-26 ^	Mar-26	Apr-26 ^
Petrol	₹/litre	101.0	101.2	101.2	0.0	0.0
Diesel	₹/litre	90.5	90.5	90.5	0.0	0.0
Kerosene (subsidised)	₹/litre	43.5	46.8	46.8	6.2	0.0
LPG (non-subsidised)	₹/cylinder	863.3	911.6	923.3	5.6	7.0

^: For the period April 1-16, 2026.

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

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

Chart III.9: Food Prices except Edible Oils Eased in April

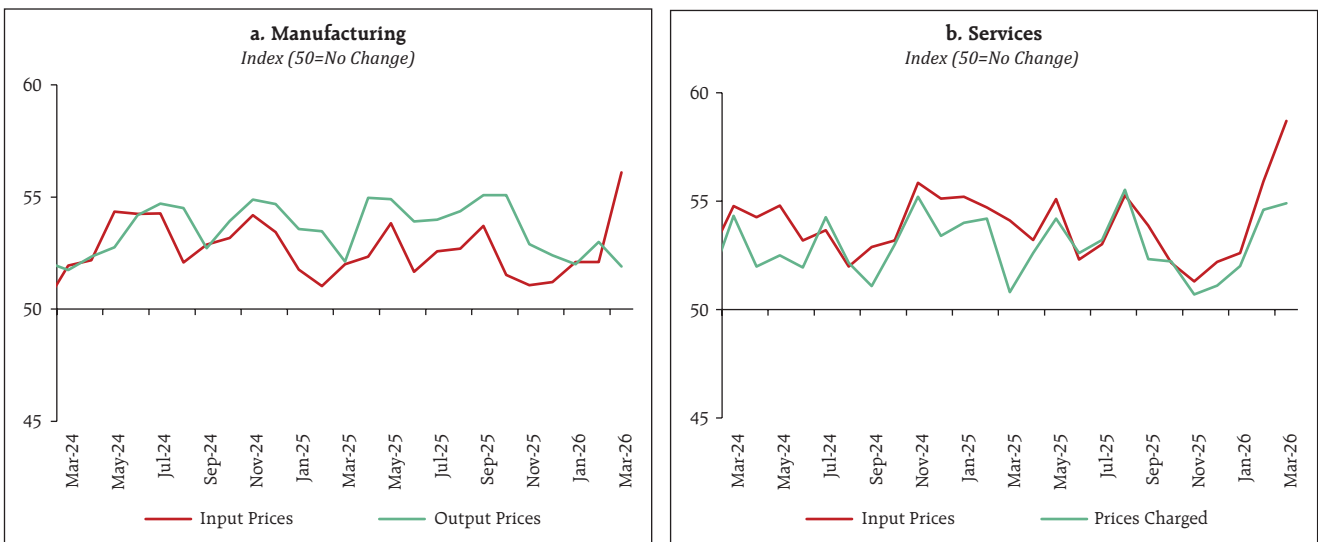


Note: Data pertains to April 1–16, 2026, and reflects the month-on-month changes in average prices compared to the corresponding period of the previous month.
Sources: Department of Consumer Affairs, GoI; and RBI staff calculations.

new clients, and a softer increase in new orders. In contrast, prices charged by services firms continued to increase, aided by a near record expansion in

international orders offsetting the domestic business slow down (Chart III.10).

Chart III.10: Input Prices Accelerated in March



Note: A level of 50 for the index corresponds to no change in prices, and a reading above 50 denotes increase and vice versa.
Source: S&P.

IV. Financial Conditions

Overall financial conditions eased in April, as compared to March, on account of relatively easy conditions in forex and corporate bond markets (Chart IV.1).

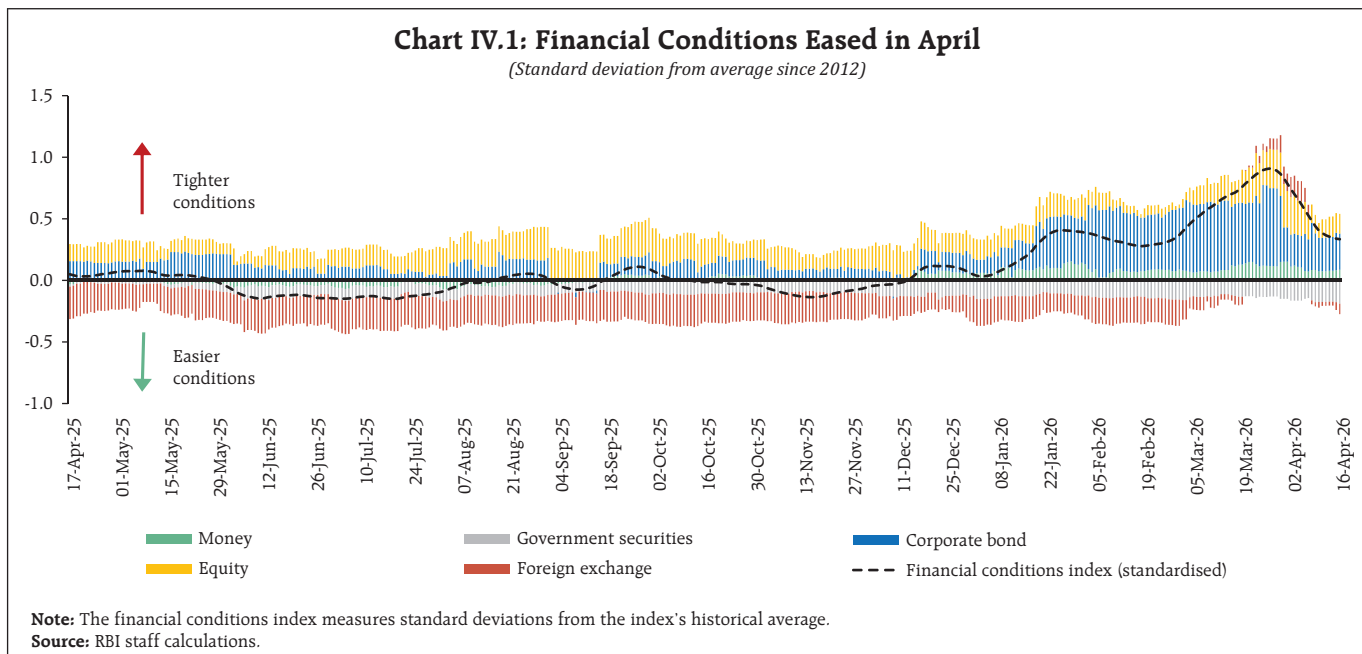
From a moderate surplus in March, system liquidity²⁹ improved significantly in April (up to 16th) (Chart IV.2).³⁰ During the first half of March, system liquidity remained comfortable, supported by RBI's open market operations (OMOs).³¹ However, in the second half of March, the liquidity surplus moderated on account of tax and GST related outflows.³² Liquidity conditions improved in April as pressures from

tax outflows waned along with faster government spending.

Reflecting the improving liquidity conditions, banks' use of standing deposit facility (SDF) increased significantly in April over March. Marginal standing facility (MSF) usage remained stable, suggesting that day-to-day liquidity mismatches were well-managed.³³

Money Market

The weighted average call rate (WACR) hovered in the lower half of the policy corridor during the first half of March but then it rose and traded above the repo rate during the second half, reflecting tax outflows.³⁴ Subsequent surplus liquidity conditions in



²⁹ As measured by the average net absorption under the liquidity adjustment facility (LAF).

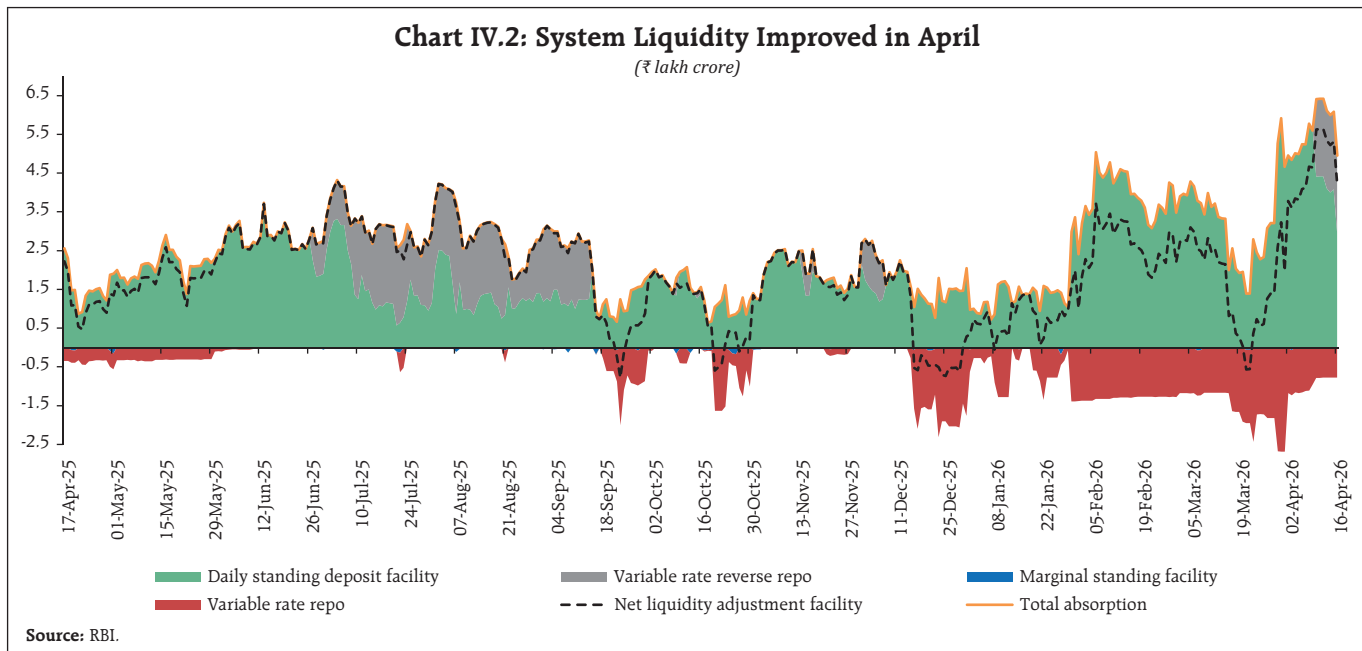
³⁰ Overall, daily average net absorption under the liquidity adjustment facility (LAF) increased to ₹4.47 lakh crore during April (up to 16th), from ₹1.66 lakh crore in March.

³¹ The Reserve Bank injected durable liquidity amounting to ₹1 lakh crore through OMO purchase auctions in two tranches of ₹0.5 lakh crore each on March 9 and March 13 to support system liquidity.

³² To address the transient liquidity tightness during second half of March, the Reserve Bank conducted seven variable-rate repo (VRR) auctions with maturities ranging from overnight to 7 days. The RBI also conducted two 7-day variable rate reverse repo (VRRR) auctions on April 10, 2026 and April 17, 2026 to align the WACR with the policy repo rate.

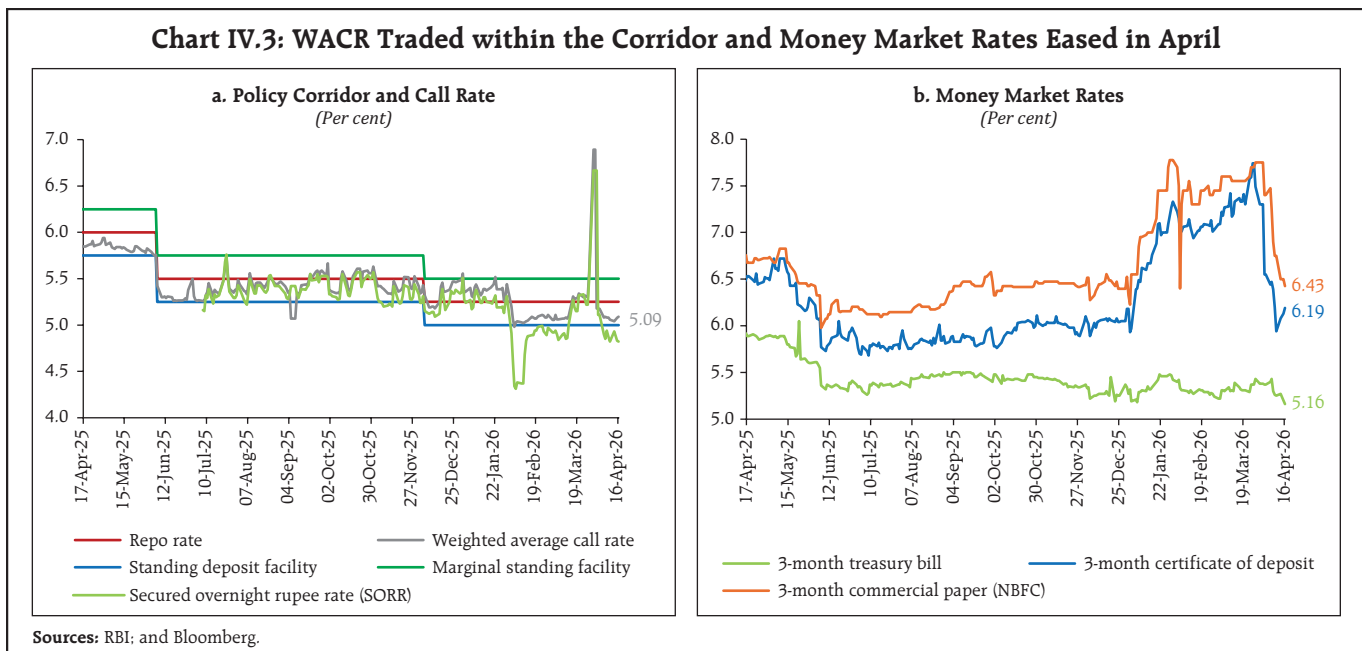
³³ Average balances under the standing deposit facility increased to ₹4.67 lakh crore during April (up to 16th), from ₹3.22 lakh crore in March. Borrowings from the marginal standing facility averaged ₹0.01 lakh crore during April (up to 16th), marginally lower than ₹0.02 lakh crore in March.

³⁴ The WACR shot up sharply on the last day of financial year, due to the usual year end drop in trading volumes in the uncollateralized segments but eased thereafter.



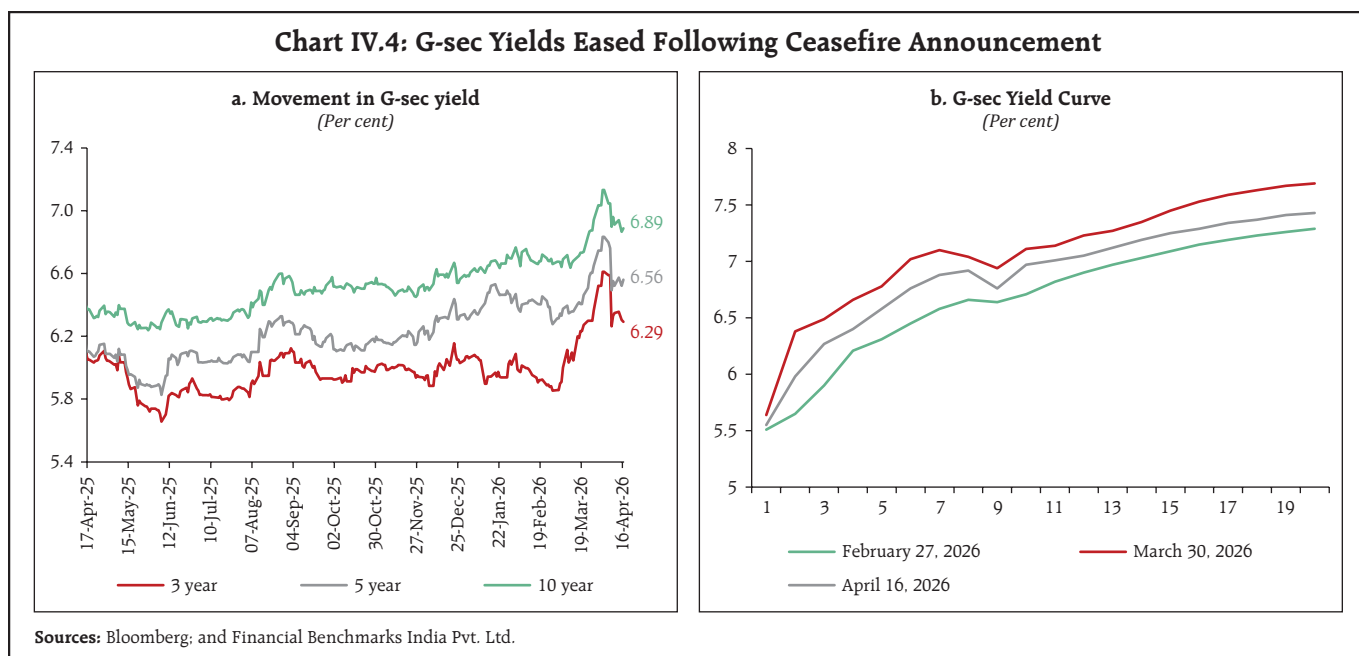
April (up to 16th) led to WACR falling below the repo rate (Chart IV.3a).³⁵ Overnight rates in the collateralised segments – as measured by the benchmark secured overnight rupee rate (SORR) – generally moved in tandem with the uncollateralised rate. The average

yields on treasury bills inched up during the second half of March before easing in April (up to 16th). Yields on commercial papers (CPs) and interest rate on certificates of deposit (CDs) after remaining elevated in March, eased significantly in April (Chart IV.3b).³⁶



³⁵ On average, the WACR moderated to 5.10 per cent during April (up to 16th), from 5.28 per cent during March.

³⁶ The average yields on 3-month treasury bills decreased by 2 basis points (bps) while the yields on the 3-month commercial papers issued by NBFCs and the interest rate on 3-month certificate of deposit softened by 59 bps and 97 bps respectively during April (up to 16th), as compared to March.



The average risk premium in the money market (the spread between the yields on 3-month commercial paper and 91-day treasury bill) moderated.³⁷

Government Securities (G-Sec) Market

Dated government security (G-sec) yields hardened across maturities during March amidst the breakout of West Asia conflict (Chart IV.4a).³⁸ Yields continued to remain elevated in early April but moderated significantly following the announcement

of temporary ceasefire. Yields, however, traded higher than their end-February levels, reflecting prevailing uncertainty (Chart IV.4b).

Corporate Bond Market

Corporate bond yields hardened across most tenors and rating spectrums in April over March (up to 15th), while their spreads eased (Table IV.1). New corporate bond issuances increased in March 2026 as compared with February 2026. On a cumulative basis,

Table IV.1: Corporate Bond Yields Hardened

Instrument	Interest Rates (Per cent)			Spread (bps)		
	March 2026	April 2026 (up to April 15 th)	Variation (bps)	(Over Corresponding Risk-free Rate)		
				March 2026	April 2026 (up to April 15 th)	Variation
1	2	3	(4 = 3-2)	5	6	(7 = 6-5)
(i) AAA (1-year)	7.40	7.31	-9	171	161	-10
(ii) AAA (3-year)	7.36	7.61	25	112	110	-2
(iii) AAA (5-year)	7.52	7.68	16	92	88	-4
(iv) AA (3-year)	8.22	8.44	22	198	193	-5
(v) BBB minus (3-year)	11.92	12.14	22	567	563	-4

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

Source: FIMMDA.

³⁷ Eased from an average of 228 bps in March to 170 bps in April (up to 16th).

³⁸ The generic yield on the 10-year G-sec eased to 6.89 per cent as on April 16th from 7.04 per cent as on March 30. The yield stood at 6.66 per cent as on February 27.

however, total issuances have remained lower in the current financial year as compared to last year.³⁹

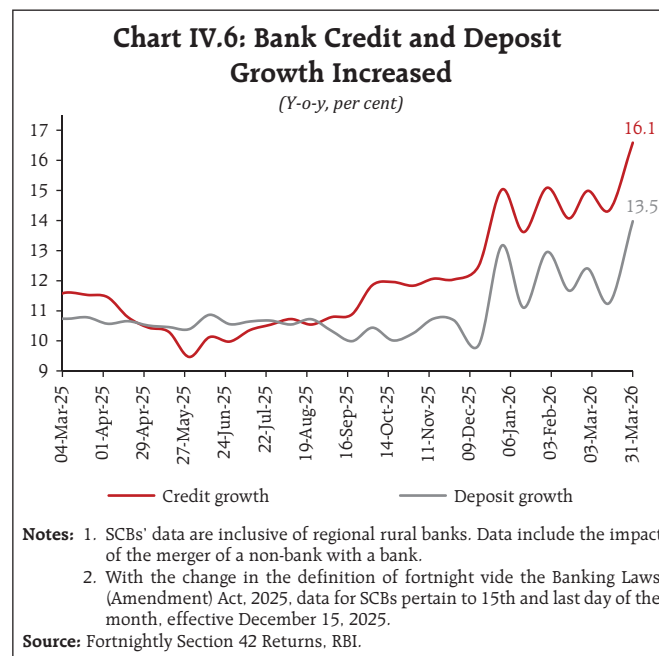
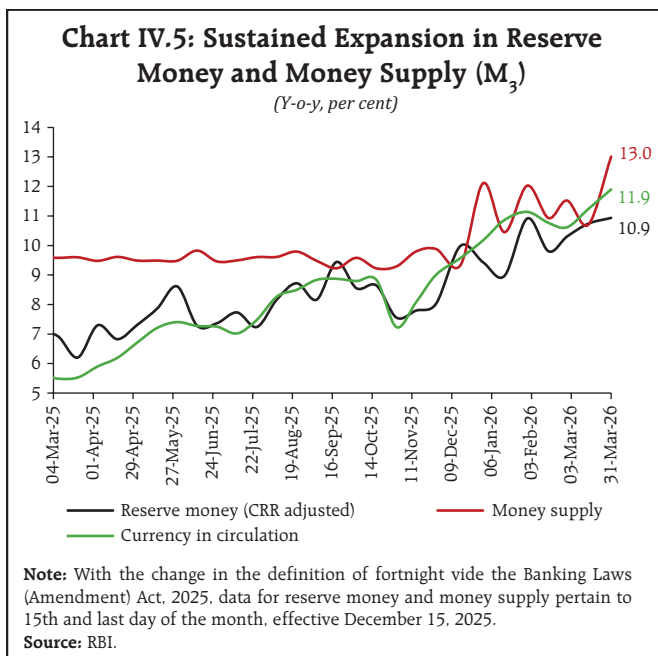
Money and Credit

During March 2026, reserve money (adjusted for CRR) maintained its high growth trajectory with currency in circulation expanding at a robust pace.⁴⁰ The growth in money supply also remained high (Chart IV.5).⁴¹

Scheduled commercial banks' (SCBs') credit and deposit growth soared during March, with the former outpacing the latter since the second half of 2025-26 (Chart IV.6).⁴²

Along with bank credit, the finance from non-bank sources also expanded in 2025-26 (up to March 31). The total flow of financial resources to the commercial sector increased to ₹44.7 lakh crore from ₹32.3 lakh crore a year ago (Table IV.2a). Non-bank sources – corporate bond issuances, and foreign direct investment to India⁴³ – showed a marked increase during the year.⁴⁴ As on March 31, the total outstanding credit to the commercial sector rose by 15.8 per cent, with non-bank sources registering a growth of 15.6 per cent (Table IV.2b).

In February 2026, non-food bank credit⁴⁵ registered a broad-based expansion across key sectors



³⁹ As per SEBI data, issuances increased to ₹1.05 lakh crore in March from ₹0.66 lakh crore in February. On a cumulative basis (April 2025–March 2026), it stood at ₹9.11 lakh crore in 2025–26, lower than ₹9.95 lakh crore in the previous year.

⁴⁰ Reserve money growth (adjusted for the first-round impact of changes in the cash reserve ratio) increased to 10.9 per cent as on March 30, 2026 from 10.3 per cent as on February 28, 2026. The growth in currency in circulation accelerated to 11.9 per cent from 10.6 per cent during the same period.

⁴¹ Money supply growth increased to 13.0 per cent as on March 31, 2026 from 11.5 per cent as on February 28, 2026.

⁴² SCBs' credit and deposit growth (y-o-y) increased to 16.1 per cent and 13.5 per cent, respectively, as on March 31, 2026, from 14.5 per cent and 11.9 per cent, respectively, as on February 28, 2026.

⁴³ Foreign direct investment to India on a net basis (i.e., gross inflows adjusted for repatriation/disinvestment).

⁴⁴ Corporate bond issuances by non-financial entities and foreign direct investment to India increased to ₹3.01 lakh crore and ₹3.24 lakh crore, respectively, during 2025-26 (up to February 2026), from ₹1.35 lakh crore and ₹2.17 lakh crore during the corresponding period of 2024-25.

⁴⁵ Provisional data. Data on sectoral deployment of bank credit is based on sector-wise and industry-wise bank credit (SIBC) return, which covers 41 select banks accounting for about 95 per cent of total non-food credit extended by all scheduled commercial banks (SCBs). With effect from December 31, 2025, the definition of last reporting fortnight has been changed to the last day of the month under the Banking Laws (Amendment) Act, 2025. Accordingly, the y-o-y growth rates from December 2025 onwards are based on end-of-month data for the current year and data for the last reporting fortnight (as per old definition) for the corresponding month of the previous year. Non-food credit growth is calculated based on fortnightly Section-42 return, which covers all SCBs.

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

(₹ lakh crore)

Source	April-March		Up to March 31	
	2023-24	2024-25	2024-25	2025-26 P
A. Non-Food Bank Credit	22.95	18.08	18.08	29.19
B. Non-Bank Sources (B1+B2)	12.64	17.10	14.25	15.48
B1. Domestic Sources	10.20	13.86	10.98	10.56
B2. Foreign Sources	2.43	3.25	3.27	4.92
C. Total Flow of Resources (A+B)	35.59	35.18	32.33	44.67

P: Provisional.

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

2. For detailed notes and data, please refer to Current Statistics Table No: 18(a).

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

(Chart IV.7). Agriculture and industrial credit growth witnessed an uptick. Credit to both large industries and MSMEs continued to grow at a strong pace. Credit flow to the services sector remained buoyant, underpinned by a steady double-digit growth in bank lending to NBFCs and commercial real estate. Within personal loans, housing and vehicle segments remained steady, while gold loans recorded higher growth.

Deposit and Lending Rates

In response to the cumulative 125 basis points (bps) reduction in the policy repo rate, scheduled commercial banks have adjusted both repo-linked external benchmark-based lending rates and marginal cost of funds-based lending rates downward during February 2025 to February 2026 (Table IV.3). The pass-through to weighted average lending rates (WALRs) has been strong during the ongoing easing cycle across sectors (Chart IV.8). On the deposit side, the softening in weighted average domestic term

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

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

Source	At End-March		As on March 31	
	2024	2025	2025	2026 P
A. Non-Food Bank Credit	165.64 (21.3)	183.72 (10.9)	183.72 (10.9)	212.91 (15.9)
B. Non-Bank Sources (B1+B2)	77.57 (4.2)	88.86 (14.6)	85.57 (13.4)	98.91 (15.6)
B1. Domestic Sources	56.59 (4.9)	66.37 (17.3)	62.65 (14.8)	73.27 (17.0)
B2. Foreign Sources	20.98 (2.4)	22.49 (7.2)	22.92 (9.8)	25.64 (11.9)
C. Total Credit (A+B)	243.21 (15.3)	272.58 (12.1)	269.29 (11.7)	311.82 (15.8)

P: Provisional.

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

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

3. Flows based on outstanding data may not tally with the flows provided in Table IV.2a due to:

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

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

(c) Valuation effect in case of foreign sources.

4. For detailed notes and data, please refer to Current Statistics Table No: 18(b).

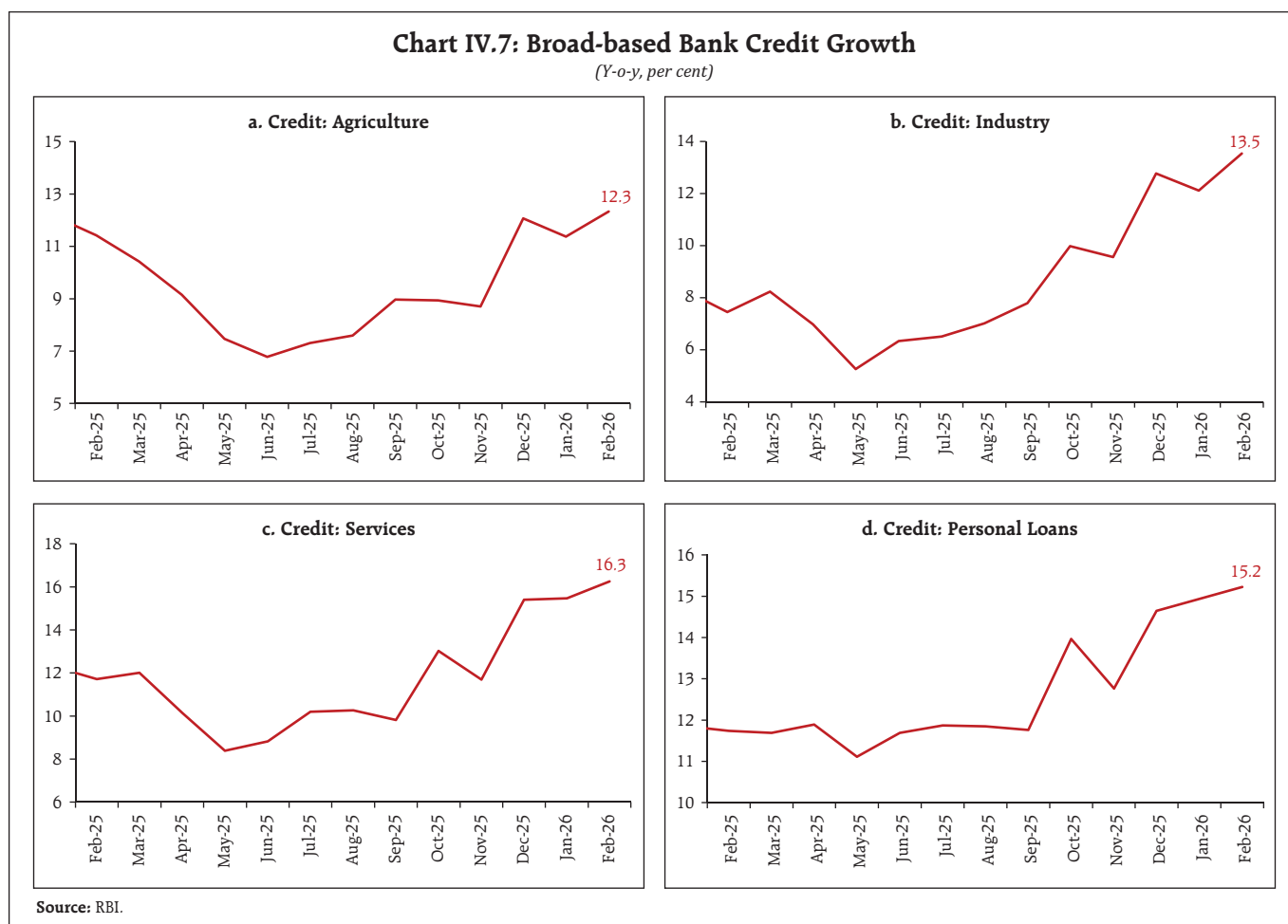
Sources: RBI; SEBI; AIFIs; and RBI staff calculations.

deposit rate on fresh deposits was driven primarily by bulk deposits.

During February 2025 – February 2026, pass-through to WALR was higher for private banks as compared to public sector banks. On the deposit side, the extent of transmission was broadly similar across both groups. The reduction in both deposit and lending rates has been higher for foreign banks (Chart IV.9).

Equity Markets

Indian equity markets declined in March amidst persistent geopolitical uncertainty. A broad-based decline was observed across sectors leading to a



sharp rise in volatility.⁴⁶ In April (up to 16th), however, markets recovered amidst resumption of US-Iran

peace talks and moderation in crude oil prices (Chart IV.10).

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

(Basis points)

Period	Repo Rate	Term Deposit Rates		Lending Rates				
		WADTDR-Fresh Deposits	WADTDR-Outstanding Deposits	EBLR	1-Year MCLR (Median)	WALR - Fresh Rupee Loans		WALR-Outstanding Rupee Loans
						Overall	Interest Rate Effect [#]	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Tightening Cycle May 2022 to Jan 2025	250	259	206	250	175	182	191	115
Easing Cycle Feb 2025 to Feb 2026	-125	-97	-47	-125	-55	-89	-92	-87

[#]: Calculated at January 2025 weights.

WALR: Weighted average lending rate; WADTDR: Weighted average domestic term deposit rate;

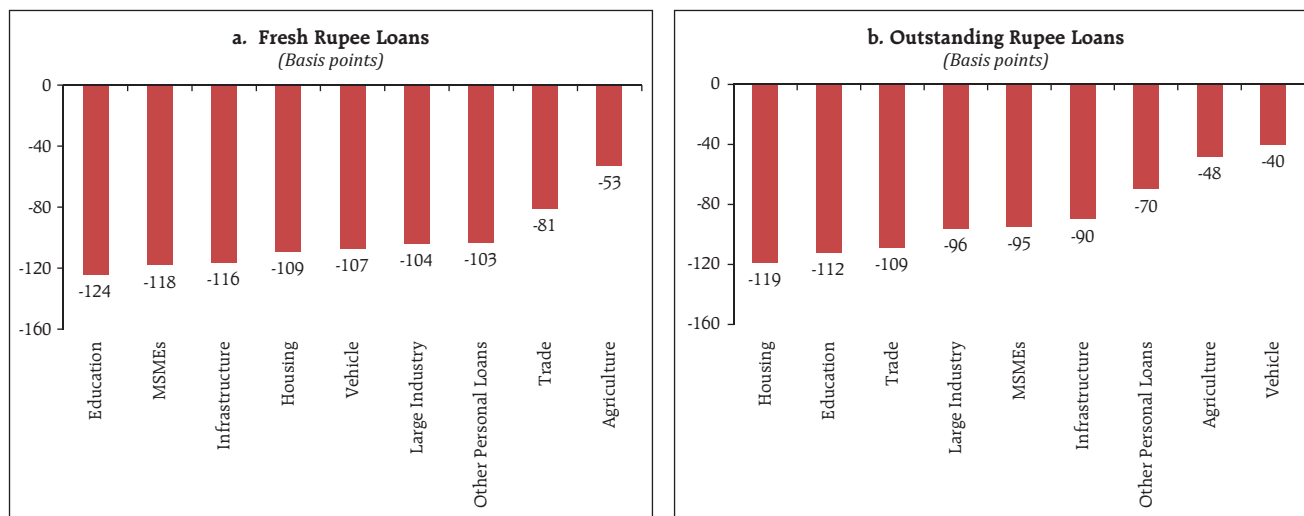
MCLR: Marginal cost of funds-based lending rate; EBLR: External benchmark-based lending rate.

Note: Data on EBLR pertain to 32 domestic banks.

Source: RBI.

⁴⁶ The India VIX more than doubled to a level of 27.9 at end-March from 13.7 at end-February. It decreased to a level of 18.1 on April 16, 2026.

Chart IV.8: Broad-based Transmission across Sectors (February 2025 – February 2026)



Note: Transmission during February 2025 to February 2026 is calculated by subtracting the weighted average lending rates of January 2025 from those of February 2026.
Source: RBI.

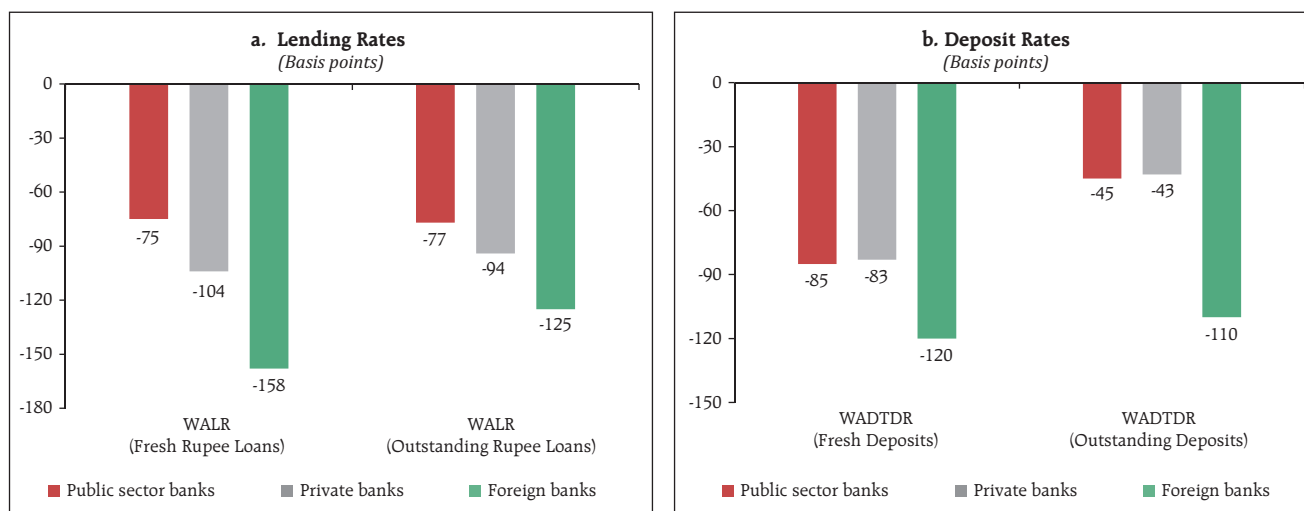
External Sources of Finance

During April 2025 - February 2026, foreign direct investment (FDI) inflows remained higher than last year both in gross and net terms.⁴⁷ In February, net FDI turned positive after remaining negative for six consecutive months, on account of higher

gross inflows and lower repatriations. Around 75 per cent of the outward FDI flows in February were directed to Singapore, the UAE, and the UK (Chart IV.11).

During 2025–26, net FPI registered outflows driven largely by the equity segment.⁴⁸ In March, net

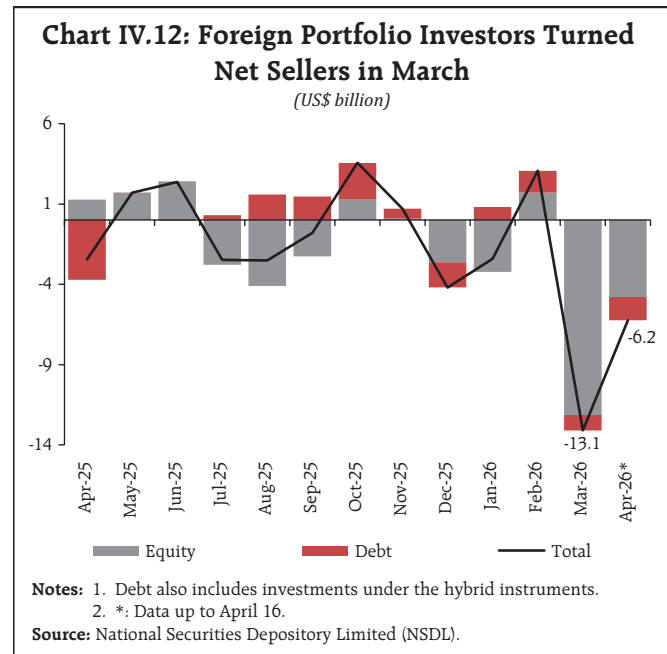
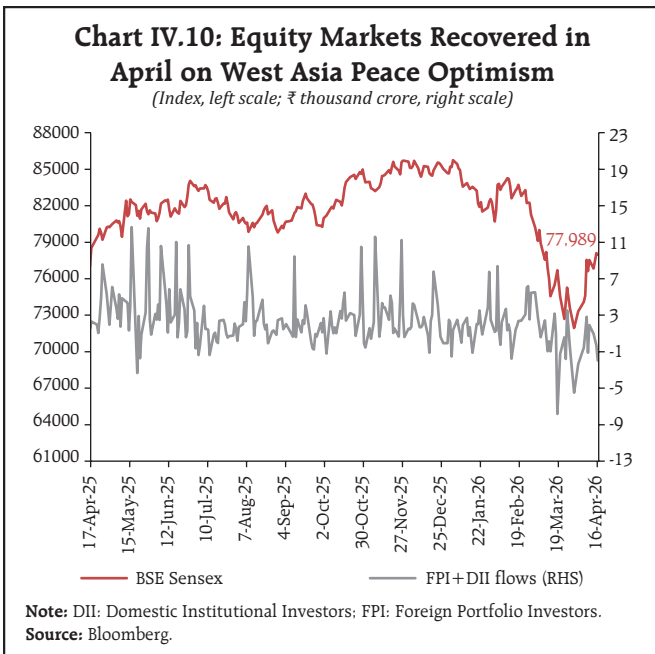
Chart IV.9: Monetary Transmission across Bank Groups (February 2025 – February 2026)



Note: Transmission during February 2025 to January 2026 is calculated by subtracting the weighted average lending and deposit rates of January 2025 from those of January 2026.
Source: RBI.

⁴⁷ Gross FDI inflows increased to US\$ 88.3 billion during April 2025 - February 2026, from US\$ 74.7 billion during the corresponding period a year ago. Similarly, net FDI inflows rose to US\$ 6.3 billion from US\$ 1.5 billion during the same period.

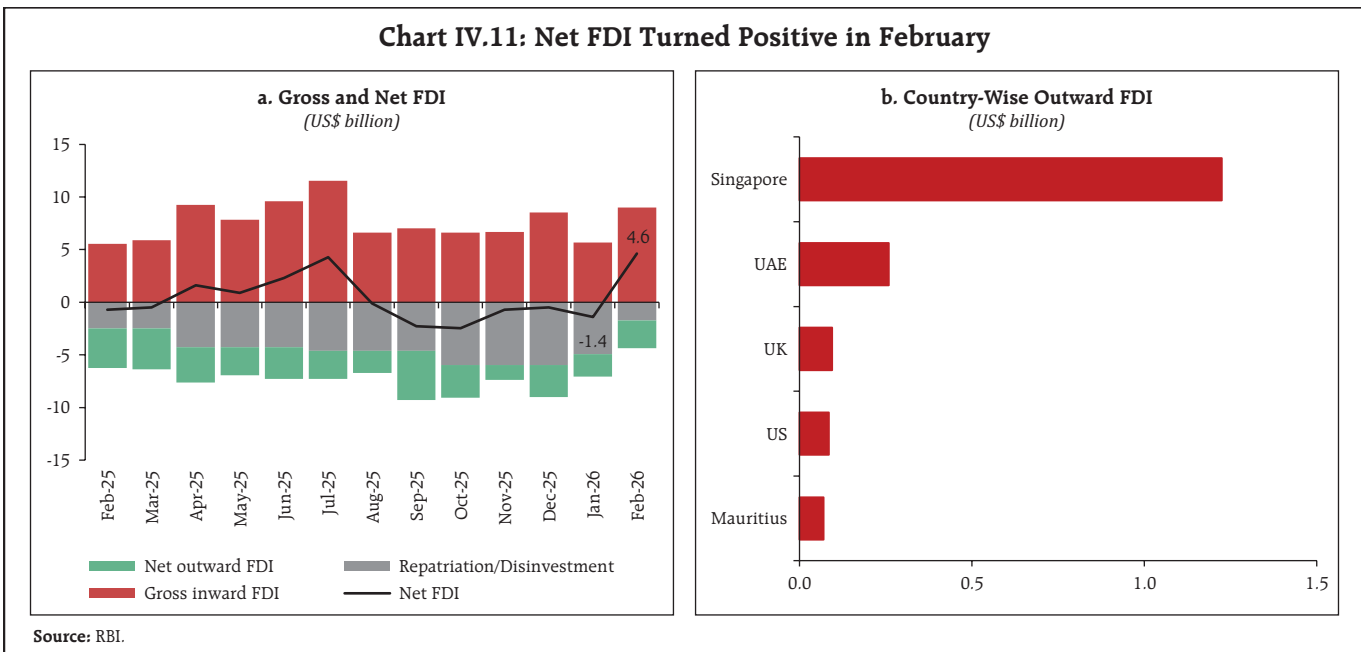
⁴⁸ Net FPI outflows amounted to US\$ 16.5 billion during the financial year 2025–26. In March 2026, net FPI recorded an outflow of US\$ 13.1 billion.



FPI outflows accentuated on account of deteriorating global investor sentiments following the West Asia conflict (Chart IV.12).

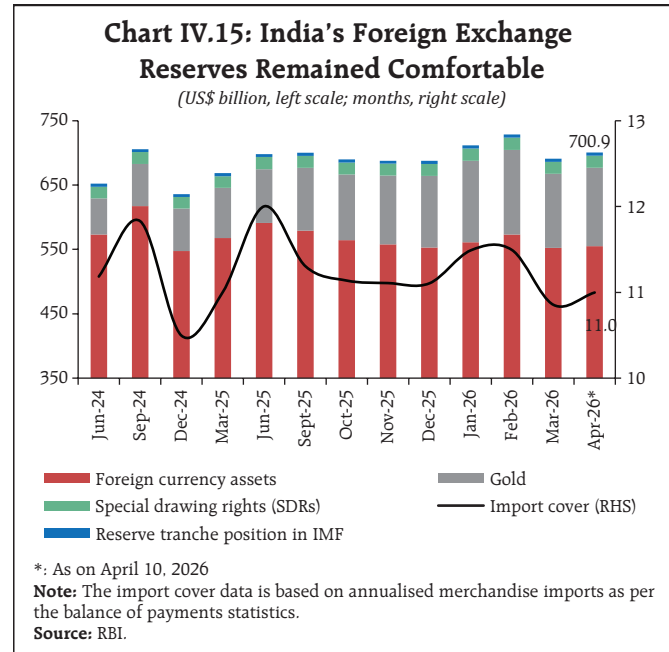
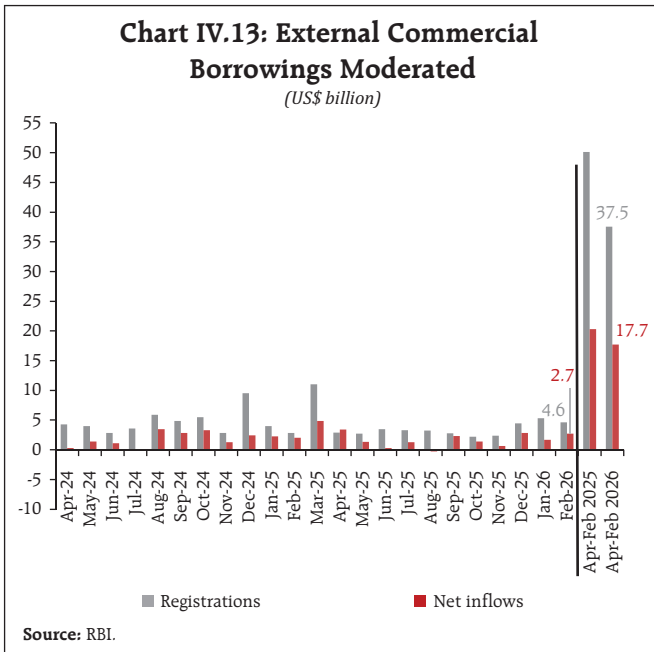
The registrations and net inflows of external commercial borrowings moderated during April

2025 - February 2026 compared to the last year, reflecting a slowdown in offshore fundraising activity (Chart IV.13).⁴⁹ A significant share of the borrowings was mobilised for capital expenditure by corporates.⁵⁰



⁴⁹ Total ECB registrations declined to US\$ 37.5 billion during April 2025-February 2026, from US\$ 50.1 billion in the corresponding period a year ago.

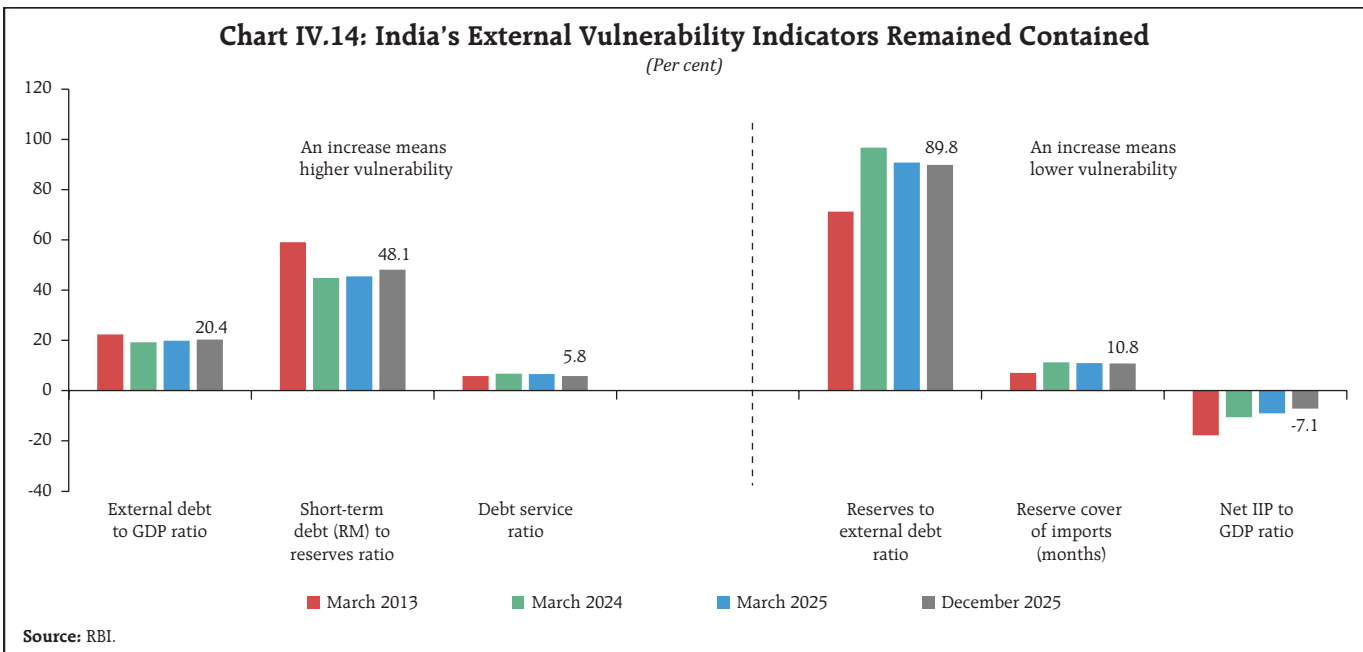
⁵⁰ The share of the borrowings mobilised for capital expenditure purpose was slightly lower at 42.8 per cent during April 2025-February 2026 against 43.9 per cent during the corresponding period of the previous financial year.



The key external sector vulnerability indicators, viz., external debt-to-GDP ratio, net international investment position (IIP) to GDP ratio, and debt service ratio, remained contained at end-December 2025. India's external debt was placed at US\$ 765.5 billion at end-December 2025, recording an increase

of US\$ 18.3 billion over its level at end-September 2025 (Chart IV.14).

India's foreign exchange reserves remain comfortable, providing cover for goods imports of around 11 months⁵¹ and around 92 per cent⁵² of the external debt outstanding as at end-December 2025 (Chart IV.15).



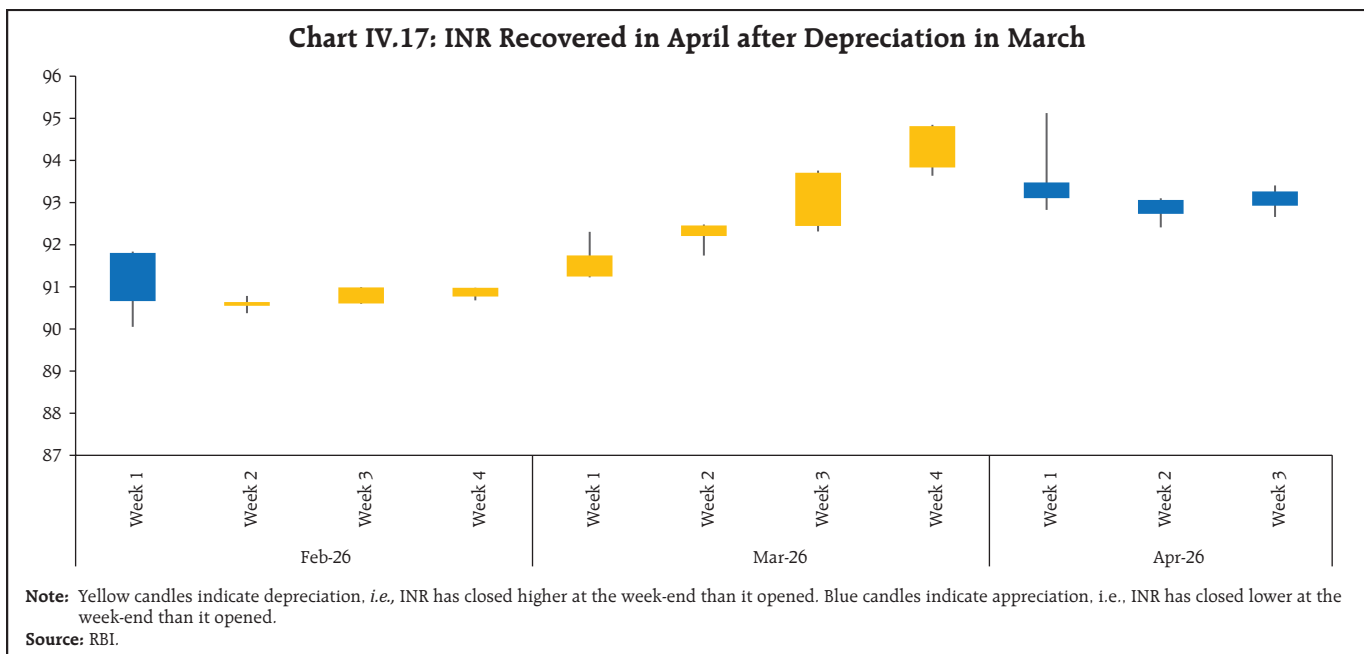
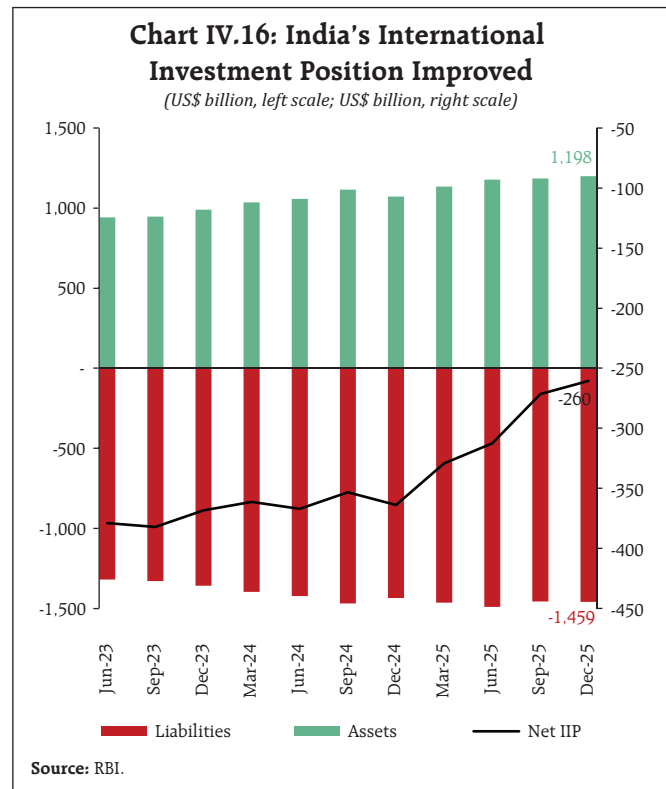
⁵¹ As on April 10, 2026, the import cover for goods and services was around 8.7 months.

⁵² The calculation uses the reserves as at April 10, 2026.

India's net international investment position (IIP) improved during Q3:2025-26 (Chart IV.16).⁵³ This improvement was driven by a higher increase in Indian residents' overseas financial assets relative to foreign-owned assets in India.⁵⁴

Foreign Exchange Market

Amidst financial market volatility due to the West Asia conflict, the Indian rupee (INR) witnessed depreciation against the US dollar in March (Chart IV.17).⁵⁵ The depreciation pressures were, however, arrested in April following the measures taken by the Reserve Bank⁵⁶ and the announcement of a ceasefire between the US and Iran. In real effective terms, the Indian rupee depreciated in March due to depreciation of INR in nominal effective terms and relatively lower inflation in India vis-à-vis its major trading partners (Chart IV.18).



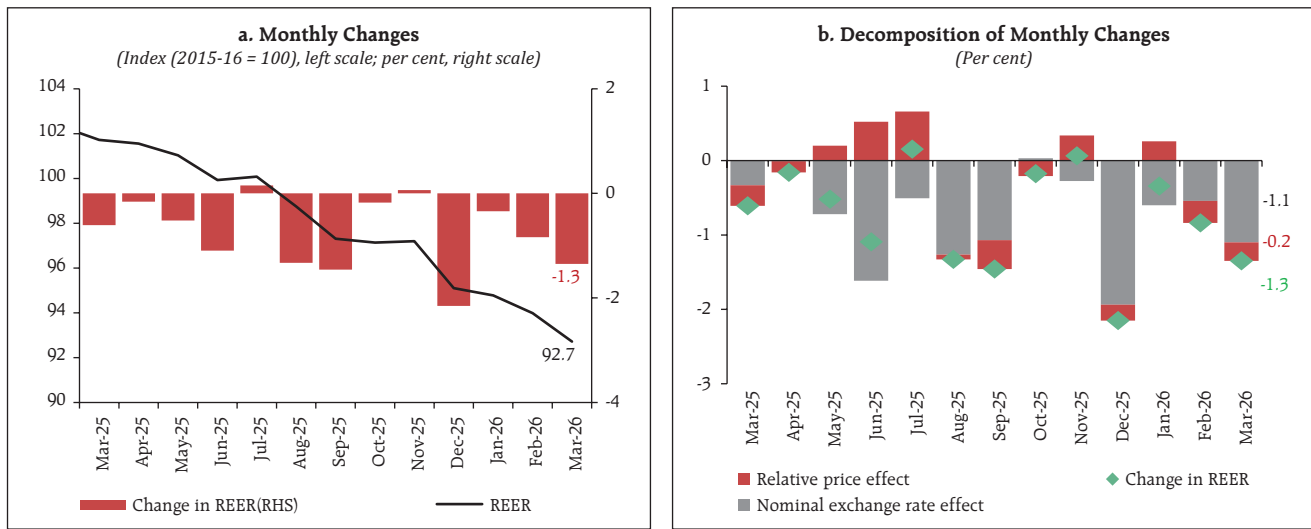
⁵³ Improved by US\$ 10.9 billion and stood at US\$ (-) 260.5 billion.

⁵⁴ The ratio of India's international assets to international liabilities improved marginally to 82.1 per cent in December 2025, from 81.4 per cent in September 2025.

⁵⁵ In March, the INR fell further by 3.9 per cent over end-February value.

⁵⁶ The measures include capping the Authorised Dealers' net open positions in the onshore deliverable market and limiting their activities in the non-deliverable forward market.

Chart IV.18: Movements in the 40-Currency Real Effective Exchange Rate



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

V. Conclusion

The global macroeconomic milieu has undergone a significant shift with supply chain disruptions and rising energy costs due to the West Asia conflict. Heightened volatility in commodity prices and financial markets has added to the uncertainty. Further intensification of the conflict, its prolongation and widening geographical spread remain the key downside risks to the global outlook. The intensity and the duration of the conflict and the resultant damage to the energy and other infrastructure add risk to the inflation and growth outlook.⁵⁷ If the conflict persists and supply chains are not restored early, it may create challenges to

the domestic economy in the form of higher energy costs, input cost pressures, disruption in trade flows and financial market spillovers. Though inflation remains contained within the tolerance band, upside risks have increased, driven by supply-side disruptions, including weather-related uncertainties. Possible second round effects with the supply shock transforming itself into demand shock also warrant careful and continuous assessment. The temporary two-week ceasefire between the US and Iran has, however, provided some breather to the global economy. The strong macroeconomic fundamentals should support the Indian economy to maintain its resilience to withstand such shocks.

⁵⁷ Monetary Policy Statement, 2026-27 Resolution of the Monetary Policy Committee, April, 2026.

CURRENT STATISTICS

Select Economic Indicators

Reserve Bank of India

Money and Banking

Prices and Production

Government Accounts and Treasury Bills

Financial Markets

External Sector

Payment and Settlement Systems

Occasional Series

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Notes: .. = Not available.

– = Nil/Negligible.

P = Preliminary/Provisional.

PR = Partially Revised.

No. 1: Select Economic Indicators

Item	2025-26	2024-25		2025-26	
		Q2	Q3	Q2	Q3
	1	2	3	4	5
1. Real Sector (% Change)					
1.1 GVA at Basic Prices	7.8	6.5	7.8	8.6	7.8
1.1.1 Agriculture	2.5	4.1	5.8	2.3	1.4
1.1.2 Industry	10.2	4.6	9.7	11.4	11.1
1.1.3 Services	8.6	7.8	7.9	9.2	9.1
1.1a Final Consumption Expenditure	8.2	5.8	6.2	7.8	8.1
1.1b Gross Fixed Capital Formation	7.1	6.6	6.3	8.4	7.8
	2024-25	2025		2026	
		Jan.	Feb.	Jan.	Feb.
	1	2	3	4	5
1.2 Index of Industrial Production	4.0	5.2	2.7	5.1	5.2
2. Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	10.3	11.4	10.8	10.6	11.9
2.1.2 Credit #	11.0	11.8	11.6	13.4	14.5
2.1.2.1 Non-food Credit #	11.0	11.8	11.5	13.3	14.3
2.1.3 Investment in Govt. Securities	9.7	9.6	9.4	2.8	3.2
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	4.3	4.4	5.3	5.0	5.0
2.2.2 Broad Money (M3)	9.4	9.3	9.4	12.0	12.6
3. Ratios (%)					
3.1 Cash Reserve Ratio	4.00	4.00	4.00	3.00	3.00
3.2 Statutory Liquidity Ratio	18.00	18.00	18.00	18.00	18.00
3.3 Cash-Deposit Ratio	4.3	4.5	4.5	3.4	3.3
3.4 Credit-Deposit Ratio	80.8	80.3	80.4	82.3	82.4
3.5 Incremental Credit-Deposit Ratio #	86.1	80.5	82.1	97.0	96.1
3.6 Investment-Deposit Ratio	29.7	29.5	29.5	27.4	27.6
3.7 Incremental Investment-Deposit Ratio	28.1	26.2	26.5	5.2	9.9
4. Interest Rates (%)					
4.1 Policy Repo Rate	6.25	6.50	6.25	5.25	5.25
4.2 Fixed Reverse Repo Rate	3.35	3.35	3.35	3.35	3.35
4.3 Standing Deposit Facility (SDF) Rate *	6.00	6.25	6.00	5.00	5.00
4.4 Marginal Standing Facility (MSF) Rate	6.50	6.75	6.50	5.50	5.50
4.5 Bank Rate	6.50	6.75	6.50	5.50	5.50
4.6 Base Rate	9.10/10.40	9.10/10.40	9.10/10.40	8.35/10.00	8.35/10.00
4.7 MCLR (Overnight)	8.15/8.45	8.15/8.45	8.15/8.45	7.70/7.95	7.70/7.95
4.8 Term Deposit Rate > 1 Year	6.00/7.25	6.00/7.25	6.00/7.25	6.00/6.50	6.00/6.60
4.9 Savings Deposit Rate	2.70/3.00	2.70/3.00	2.70/3.00	2.50/2.50	2.50/2.50
4.10 Call Money Rate (Weighted Average)	6.35	6.57	6.33	5.34	5.09
4.11 91-Day Treasury Bill (Primary) Yield	6.52	6.56	6.45	5.50	5.30
4.12 182-Day Treasury Bill (Primary) Yield	6.52	6.67	6.60	5.68	5.51
4.13 364-Day Treasury Bill (Primary) Yield	6.47	6.63	6.54	5.74	5.59
4.14 10-Year G-Sec Par Yield (FBIL)	6.62	6.71	6.73	6.77	6.71
5. Reference Rate and Forward Premia					
5.1 INR-US\$ Spot Rate (Rs. Per Foreign Currency)	85.58	86.64	87.40	91.90	90.95
5.2 INR-Euro Spot Rate (Rs. Per Foreign Currency)	92.32	90.01	90.78	109.57	107.37
5.3 Forward Premia of US\$					
1-month (%)	3.12	2.80	3.21	2.36	3.09
3-month (%)	2.56	2.69	2.46	2.83	2.64
6-month (%)	2.28	2.30	2.20	2.65	2.59
6. Inflation (%)					
6.1 All India Consumer Price Index	4.6	4.1	3.5	2.7	3.2
6.2 Consumer Price Index for Industrial Workers	3.39	3.1	2.6	3.8	4.0
6.3 Wholesale Price Index	2.3	2.5	2.4	1.7	2.1
6.3.1 Primary Articles	5.2	4.6	2.9	2.3	3.3
6.3.2 Fuel and Power	-1.3	-1.9	-1.0	-4.0	-3.8
6.3.3 Manufactured Products	1.7	2.6	3.0	2.6	2.9
7. Foreign Trade (% Change)					
7.1 Imports	6.9	10.7	-14.8	19.8	25.0
7.2 Exports	0.1	-2.6	-10.9	0.4	-0.8

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.

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

Data include the impact of merger of a non-bank with a bank w.e.f. July 1, 2023.

As per the Banking Laws (Amendment) Act, 2025, the definition of fortnight has been revised from alternate Fridays to 15th and last calendar day of a month, w.e.f. December 15, 2025.

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

Reserve Bank of India

No. 2: RBI - Liabilities and Assets*

(₹ Crore)

Item	As on the Last Friday/ Friday						
	2025-26	2025	2026				
			Mar.	Feb. 27	Mar. 06	Mar. 13	
	1	2	3	4	5	6	7
1. Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	4091324	3683836	4034832	4057771	4091324	4113616	4126019
1.1.2 Notes held in Banking Department	13	11	11	16	13	10	12
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	4091338	3683847	4034843	4057787	4091338	4113626	4126031
1.2 Assets							
1.2.1 Gold	428379	235379	424601	422898	428378	389324	381463
1.2.2 Foreign Securities	-	3448129	3609893	3634589	3662761	3723771	3744091
1.2.3 Rupee Coin	-	340	349	300	198	532	477
1.2.4 Government of India Rupee Securities	-	-	-	-	-	-	-
2. Banking Department							
2.1 Liabilities							
2.1.1 Deposits	-	1709285	1759898	1752791	1743719	1855470	1822486
2.1.1.1 Central Government	101	100	100	100	101	100	100
2.1.1.2 Market Stabilisation Scheme	-	-	-	-	-	-	-
2.1.1.3 State Governments	43	42	43	43	43	43	43
2.1.1.4 Scheduled Commercial Banks	736422	943060	739420	762554	736422	776296	786905
2.1.1.5 Scheduled State Co-operative Banks	6473	7776	7119	6625	6473	6549	6727
2.1.1.6 Non-Scheduled State Co-operative Banks	4586	5963	4444	4702	4586	4695	5379
2.1.1.7 Other Banks	38570	46963	38323	38029	38570	38440	38899
2.1.1.8 Others	786640	593085	779645	774398	786640	853873	812295
2.1.1.9 Financial Institution Outside India	170885	112296	190804	166340	170885	175473	172137
2.1.2 Other Liabilities	3140647	2150508	3150150	3125513	3140647	3110305	3074277
2.1/2.2 Total Liabilities or Assets	4884366	3859793	4910048	4878305	4884366	4965775	4896763
2.2 Assets							
2.2.1 Notes and Coins	-	11	11	16	13	10	13
2.2.2 Balances Held Abroad	-	1413591	1632329	1559901	1501318	1529814	1509375
2.2.3 Loans and Advances							
2.2.3.1 Central Government	-	-	-	-	-	-	-
2.2.3.2 State Governments	21412	26284	9787	36708	21412	21213	22268
2.2.3.3 Scheduled Commercial Banks	114593	251984	125410	115878	114593	186057	173636
2.2.3.4 Scheduled State Co-op.Banks	-	-	-	-	-	-	-
2.2.3.5 Industrial Dev. Bank of India	-	-	-	-	-	-	-
2.2.3.6 NABARD	-	-	-	-	-	-	-
2.2.3.7 EXIM Bank	-	-	-	-	-	-	-
2.2.3.8 Others	9041	36426	9530	9530	9041	15102	20327
2.2.3.9 Financial Institution Outside India	169878	111768	190967	166210	169878	173563	169987
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	-	-	-	-	-	-	-
2.2.4.2 Government Treasury Bills	-	-	-	-	-	-	-
2.2.5 Investments	-	1560630	2136074	2187938	2255307	2297232	2270517
2.2.6 Other Assets	-	459101	805941	802124	812803	742784	730640
2.2.6.1 Gold	779790	429510	772915	769814	779790	708698	694389

* Data are provisional.

No. 3: Liquidity Operations by RBI

(₹ Crore)

Date	Liquidity Adjustment Facility						Standing Liquidity Facilities	OMO (Outright)		Net Injection (+)/ Absorption (-) (1+3+5+7+ 9-2-4-6-8)
	Repo	Reverse Repo	Variable Rate Repo	Variable Rate Reverse Repo	MSF	SDF		Sale	Purchase	
	1	2	3	4	5	6		7	8	
Feb. 1, 2026	-	-	-	-	614	198361	-	-	-	-197747
Feb. 2, 2026	-	-	-	-	618	320805	-160	-	-	-320347
Feb. 3, 2026	-	-	-	-	636	364627	-2167	-	-	-366158
Feb. 4, 2026	-	-	-	-	786	342323	-1881	-	-	-343418
Feb. 5, 2026	-	-	-	-	1018	357731	-482	-	-	-357195
Feb. 6, 2026	-	-	-	-	732	503743	468	-	50000	-452543
Feb. 7, 2026	-	-	-	-	75	394150	-	-	-	-394075
Feb. 8, 2026	-	-	-	-	32	365647	-	-	-	-365615
Feb. 9, 2026	-	-	-	-	712	451983	-270	-	-	-451541
Feb. 10, 2026	-	-	-	-	754	477450	-345	-	-	-477041
Feb. 11, 2026	-	-	-	-	716	424012	-932	-	-	-424228
Feb. 12, 2026	-	-	-	-	729	440116	-146	-	-	-439533
Feb. 13, 2026	-	-	-	-	726	459633	-345	-	-	-459252
Feb. 14, 2026	-	-	-	-	20	370372	-	-	-	-370352
Feb. 15, 2026	-	-	-	-	15	370924	-	-	-	-370909
Feb. 16, 2026	-	-	-	-	908	395533	-	-	-	-394625
Feb. 17, 2026	-	-	-	-	787	396525	-306	-	-	-396044
Feb. 18, 2026	-	-	-	-	806	385884	-	-	2815	-382263
Feb. 19, 2026	-	-	-	-	74	323427	-	-	-	-323353
Feb. 20, 2026	-	-	-	-	773	361050	-	-	-	-360277
Feb. 21, 2026	-	-	-	-	159	297305	-	-	-	-297146
Feb. 22, 2026	-	-	-	-	90	251663	-	-	-	-251573
Feb. 23, 2026	-	-	-	-	984	326598	-769	-	3680	-322703
Feb. 24, 2026	-	-	-	-	842	368828	1275	-	-	-366711
Feb. 25, 2026	-	-	-	-	868	360176	225	-	6220	-352863
Feb. 26, 2026	-	-	-	-	762	345621	-	-	-	-344859
Feb. 27, 2026	-	-	-	-	944	425596	-	-	-	-424652
Feb. 28, 2026	-	-	-	-	358	373419	-	-	-	-373061

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

Item	2024-25	2025	2026	
		Feb.	Jan.	Feb.
	1	2	3	4
1. Net Purchase/ Sale of Foreign Currency (US \$ Million) (1.1-1.2)	-34511	-1621	2526	7409
1.1 Purchase (+)	364200	45030	27999	21403
1.2 Sale (-)	398711	46651	25473	13994
2. ₹ equivalent at contract rate (₹ Crores)	-291233	-14024	23706	66881
3. Cumulative (over end-March) (US \$ Million)	-34511	-48866	-50783	-43374
(₹ Crore)	-291233	-415819	-446550	-379669
4. Outstanding Net Forward Sales (-)/ Purchase (+) at the end of month (US \$ Million)	-84345	-88753	-67772	-77666

ii) Operations in currency futures segment

Item	2024-25	2025	2026	
		Feb.	Jan.	Feb.
	1	2	3	4
1. Net Purchase/ Sale of Foreign Currency (US \$ Million) (1.1-1.2)	0	0	0	0
1.1 Purchase (+)	31415	4071	2593	1405
1.2 Sale (-)	31415	4071	2593	1405
2. Outstanding Net Currency Futures Sales (-)/ Purchase (+) at the end of month (US \$ Million)	0	-1002	-610	-522

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

Item	As on February 28 , 2026		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	0	10950	-10950
2. More than 1 month and upto 3 months	0	5910	-5910
3. More than 3 months and upto 1 year	0	11701	-11701
4. More than 1 year	0	49105	-49105
Total (1+2+3+4)	0	77666	-77666

No. 5: RBI's Standing Facilities

(₹ Crore)

Item	As on the Last Reporting Fortnights							
	2024-25	2025				2026		
		Mar. 21	Oct. 31	Nov. 28	Dec. 31	Jan. 31	Feb. 28	Mar. 31
	1	2	3	4	5	6	7	8
1. MSF	9961	9961	5489	2144	1936	2260	450	3250
2. Export Credit Refinance for Scheduled Banks								
2.1 Limit	-	-	-	-	-	-	-	-
2.2 Outstanding	-	-	-	-	-	-	-	-
3. Liquidity Facility for PDs								
3.1 Limit	9900	9900	14900	14900	14900	14900	14900	14900
3.2 Outstanding	9517	9517	11518	9637	10788	13252	7418	13219
4. Others								
4.1 Limit	76000	76000	76000	76000	76000	76000	76000	76000
4.2 Outstanding	-	-	-	-	-	-	-	-
5. Total Outstanding (1+2.2+3.2+4.2)	19478	19478	17007	11781	12724	15512	7868	16469

Money and Banking

No. 6: Money Stock Measures

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fortnights of the month/reporting Fortnights				
	2024-25	2025	2026		
		Feb. 21	Jan. 31	Feb. 15	Feb. 28
	1	2	3	4	5
1. Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	3630751	3557833	3906775	3959179	3986334
1.1 Notes in Circulation	3687816	3615412	3960724	4004152	4034832
1.2 Circulation of Rupee Coin	35889	35274	39479	39629	39794
1.3 Circulation of Small Coins	743	743	743	743	743
1.4 Cash on Hand with Banks	93696	93596	94172	85345	89035
2. Deposit Money of the Public	2953329	2778287	3406068	3288693	3488496
2.1 Demand Deposits with Banks	2840023	2664975	3288801	3169171	3370574
2.2 'Other' Deposits with Reserve Bank	113307	113312	117267	119522	117922
3. M1 (1 + 2)	6584081	6336120	7312843	7247872	7474830
4. Post Office Saving Bank Deposits	213981	212332	224085	224085	224085
5. M2 (3 + 4)	6798062	6548452	7536928	7471957	7698915
6. Time Deposits with Banks	20702508	20577221	22590697	22606868	22823514
7. M3 (3 + 6)	27286589	26913341	29903539	29854740	30298344
8. Total Post Office Deposits	1458844	1443556	1575869	1575869	1575869
9. M4 (7 + 8)	28745433	28356897	31479408	31430609	31874213

No. 7 : Sources of Money Stock (M₃)

(₹ Crore)

Sources	Outstanding as on March 31/last reporting Fortnights of the month/reporting Fortnights				
	2024-25	2025	2026		
		Feb. 21	Jan. 31	Feb. 15	Feb. 28
	1	2	3	4	5
1. Net Bank Credit to Government	8510825	8150550	8944038	9046265	9190938
1.1 RBI's net credit to Government (1.1.1-1.1.2)	1508105	1193390	1806724	1872294	1913185
1.1.1 Claims on Government	1591591	1421675	2078313	2139032	2144130
1.1.1.1 Central Government	1558903	1399564	2063818	2117456	2134344
1.1.1.2 State Governments	32688	22112	14495	21576	9787
1.1.2 Government deposits with RBI	83485	228285	271588	266739	230945
1.1.2.1 Central Government	83443	228243	271545	266695	230901
1.1.2.2 State Governments	42	42	43	43	43
1.2 Other Banks' Credit to Government	7002720	6957160	7137313	7173971	7277752
2. Bank Credit to Commercial Sector	19068129	18801586	21312579	21262658	21585702
2.1 RBI's credit to commercial sector	38246	28593	17876	11543	11593
2.2 Other banks' credit to commercial sector	19029883	18772993	21294703	21251115	21574109
2.2.1 Bank credit by commercial banks	18243972	17989979	20475237	20431530	20751207
2.2.2 Bank credit by co-operative banks	766659	764165	794464	796039	799148
2.2.3 Investments by commercial and co-operative banks in other securities	19252	18849	25003	23545	23753
3. Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	6148527	5873487	7056518	7091979	7140338
3.1 RBI's net foreign exchange assets (3.1.1 - 3.1.2)	5550947	5396630	6356081	6391542	6439901
3.1.1 Gross foreign assets	5550956	5396628	6356068	6391535	6439901
3.1.2 Foreign liabilities	9	-2	-14	-7	0
3.2 Other banks' net foreign exchange assets	597580	476857	700437	700437	700437
4. Government's Currency Liabilities to the Public	36632	36017	40222	40372	40537
5. Banking Sector's Net Non-monetary Liabilities	6477524	5948300	7449818	7586535	7659171
5.1 Net non-monetary liabilities of RBI	2147427	2108450	3097683	3053152	3122568
5.2 Net non-monetary liabilities of other banks (residual)	4330098	3839850	4352134	4533382	4536604
M₃(1+2+3+4-5)	27286589	26913341	29903539	29854740	30298344

No. 8: Monetary Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fortnights of the month/reporting Fortnights				
	2024-25	2025	2026		
		Feb. 21	Jan. 31	Feb. 15	Feb. 28
	1	2	3	4	5
Monetary Aggregates					
NM ₁ (1.1+1.2.1+1.3)	6584081	6336120	7312843	7247872	7474830
NM ₂ (NM ₁ + 1.2.2.1)	15768688	15464806	17336563	17280499	17604996
NM ₃ (NM ₂ + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 - 2.4 - 2.5)	27909568	27523064	30503867	30447762	30869324
1. Components					
1.1 Currency with the Public	3630751	3557833	3906775	3959179	3986334
1.2 Aggregate Deposits of Residents	23250261	22950944	25563735	25463898	25882053
1.2.1 Demand Deposits	2840023	2664975	3288801	3169171	3370574
1.2.2 Time Deposits of Residents	20410239	20285969	22274935	22294727	22511480
1.2.2.1 Short-term Time Deposits	9184607	9128686	10023721	10032627	10130166
1.2.2.1.1 Certificates of Deposits (CDs)	527375	515732	587099	659713	661504
1.2.2.2 Long-term Time Deposits	11225631	11157283	12251214	12262100	12381314
1.3 'Other' Deposits with RBI	113307	113312	117267	119522	117922
1.4 Call/Term Funding from Financial Institutions	915248	900975	916090	905164	883014
2. Sources					
2.1 Domestic Credit	28800727	28171386	31524326	31616457	32066106
2.1.1 Net Bank Credit to the Government	8510825	8150550	8944038	9046265	9190938
2.1.1.1 Net RBI credit to the Government	1508105	1193390	1806724	1872294	1913185
2.1.1.2 Credit to the Government by the Banking System	7002720	6957160	7137313	7173971	7277752
2.1.2 Bank Credit to the Commercial Sector	20289901	20020836	22580288	22570192	22875168
2.1.2.1 RBI Credit to the Commercial Sector	38246	28593	17876	11543	11593
2.1.2.2 Credit to the Commercial Sector by the Banking System	20251656	19992243	22562413	22558649	22863575
2.1.2.2.1 Other Investments (Non-SLR Securities)	1208294	1206485	1252927	1279361	1258181
2.2 Government's Currency Liabilities to the Public	36632	36017	40222	40372	40537
2.3 Net Foreign Exchange Assets of the Banking Sector	5605462	5428386	6489772	6455116	6531321
2.3.1 Net Foreign Exchange Assets of the RBI	5550947	5396630	6356081	6391542	6439901
2.3.2 Net Foreign Currency Assets of the Banking System	54514	31756	133691	63574	91420
2.4 Capital Account	4481184	4551049	5805144	5733325	5770294
2.5 Other items (net)	2052068	1561676	1745309	1930858	1998347

No. 9: Liquidity Aggregates

(₹ Crore)

Aggregates	2024-25	2025		2026	
		Feb.	Dec.	Jan.	Feb.
	1	2	3	4	5
1. NM₃	27896780	27523064	30303667	30503867	30869324
2. Postal Deposits	756787	746346	826918	826918	826918
3. L₁ (1 + 2)	28653567	28269410	31130585	31330785	31696242
4. Liabilities of Financial Institutions	95148	80416	133272	160291	180091
4.1 Term Money Borrowings	10	16	5	5	5
4.2 Certificates of Deposit	80810	66365	117150	143700	162615
4.3 Term Deposits	14328	14035	16117	16587	17471
5. L₂ (3 + 4)	28748715	28349826	31263857	31491077	31876333
6. Public Deposits with Non-Banking Financial Companies	121178	..	133871
7. L₃ (5 + 6)	28869893	..	31397729

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

No. 10: Reserve Bank of India Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fortnights of the month/reporting Fortnights				
	2024-25	2025	2026		
		Feb. 21	Jan. 31	Feb. 15	Feb. 28
	1	2	3	4	5
1. Components					
1.1 Currency in Circulation	3724448	3651428	4000947	4044524	4075369
1.2 Bankers' Deposits with the RBI	991488	947488	804977	771521	796087
1.2.1 Scheduled Commercial Banks	926001	888462	756290	722585	745804
1.3 'Other' Deposits with the RBI	113307	113312	117267	119522	117922
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 - 2.4 - 2.5)	4829243	4712228	4923190	4935567	4989378
2. Sources					
2.1 RBI's Domestic Credit	1389090	1388031	1624570	1556805	1631508
2.1.1 Net RBI credit to the Government	1508105	1193390	1806724	1872294	1913185
2.1.1.1 Net RBI credit to the Central Government (2.1.1.1.1 + 2.1.1.1.2 + 2.1.1.1.3 + 2.1.1.1.4 - 2.1.1.1.5)	1475460	1171321	1792273	1850761	1903442
2.1.1.1.1 Loans and Advances to the Central Government	-	-	-	-	-
2.1.1.1.2 Investments in Treasury Bills	-	-	-	-	-
2.1.1.1.3 Investments in dated Government Securities	1558574	1399251	2063554	2116943	2133994
2.1.1.1.3.1 Central Government Securities	1558574	1399251	2063554	2116943	2133994
2.1.1.1.4 Rupee Coins	329	313	264	514	349
2.1.1.1.5 Deposits of the Central Government	83443	228243	271545	266695	230901
2.1.1.2 Net RBI credit to State Governments	32646	22069	14452	21532	9743
2.1.2 RBI's Claims on Banks	-157261	166048	-200030	-327032	-293271
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	-157261	166048	-200030	-327032	-293271
2.1.3 RBI's Credit to Commercial Sector	38246	28593	17876	11543	11593
2.1.3.1 Loans and Advances to Primary Dealers	9182	9096	13252	6994	7418
2.1.3.2 Loans and Advances to NABARD	-	-	-	-	-
2.2 Government's Currency Liabilities to the Public	36632	36017	40222	40372	40537
2.3 Net Foreign Exchange Assets of the RBI	5550947	5396630	6356081	6391542	6439901
2.3.1 Gold	668162	646668	1167319	1164484	1197517
2.3.2 Foreign Currency Assets	4882794	4749960	5188748	5227051	5242384
2.4 Capital Account	1875114	1950057	2841813	2768851	2804341
2.5 Other Items (net)	272313	158394	255871	284301	318227

No. 11: Reserve Money - Components and Sources

(₹ Crore)

Item	2024-25	Outstanding as on March 31/last reporting Fortnights of the month/reporting Fortnights			
		2025		2026	
	Feb. 21	Jan. 31	Feb. 15	Feb. 28	
	1	2	3	4	5
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 + 2.4 + 2.5 - 2.6)	4829243	4712229	4923190	4935567	4989378
1. Components					
1.1 Currency in Circulation	3724448	3651428	4000947	4044524	4075369
1.2 Bankers' Deposits with RBI	991488	947488	804977	771521	796087
1.3 'Other' Deposits with RBI	113307	113312	117267	119522	117922
2. Sources					
2.1 Net Reserve Bank Credit to Government	1508105	1193390	1806724	1872294	1913185
2.2 Reserve Bank Credit to Banks	-157261	166048	-200030	-327032	-293271
2.3 Reserve Bank Credit to Commercial Sector	38246	28593	17876	11543	11593
2.4 Net Foreign Exchange Assets of RBI	5550947	5396630	6356081	6391542	6439901
2.5 Government's Currency Liabilities to the Public	36632	36017	40222	40372	40537
2.6 Net Non- Monetary Liabilities of RBI	2147427	2108450	3097683	3053152	3122568

No. 12: Commercial Bank Survey

(₹ Crore)

Item	Outstanding as on last reporting Fortnights of the month/ reporting Fortnights of the month				
	2024-25	2025	2026		
		Feb. 21	Jan. 31	Feb. 15	Feb. 28
	1	2	3	4	5
1. Components					
1.1 Aggregate Deposits of Residents	22288331	21993052	24566193	24461619	24878111
1.1.1 Demand Deposits	2698049	2524095	3141415	3020105	3221327
1.1.2 Time Deposits of Residents	19590283	19468957	21424778	21441514	21656784
1.1.2.1 Short-term Time Deposits	8815627	8761031	9641150	9648681	9745553
1.1.2.1.1 Certificates of Deposits (CDs)	527375	515732	587099	659713	661504
1.1.2.2 Long-term Time Deposits	10774655	10707926	11783628	11792832	11911231
1.2 Call/Term Funding from Financial Institutions	915248	900975	916090	905164	883014
2. Sources					
2.1 Domestic Credit	26154974	25851561	28550801	28583003	28988027
2.1.1 Credit to the Government	6697298	6650508	6816054	6852135	6955551
2.1.2 Credit to the Commercial Sector	19457676	19201054	21734747	21730868	22032476
2.1.2.1 Bank Credit	18243972	17989979	20475237	20431530	20751207
2.1.2.1.1 Non-food Credit	18207441	17942532	20385941	20346225	20668564
2.1.2.2 Net Credit to Primary Dealers	13742	13028	15046	28437	31549
2.1.2.3 Investments in Other Approved Securities	630	524	500	502	502
2.1.2.4 Other Investments (in non-SLR Securities)	1199332	1197522	1243964	1270398	1249218
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1-2.2.2-2.2.3)	54514	31756	133691	63574	91420
2.2.1 Foreign Currency Assets	529621	501065	611886	539134	563978
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	292270	291252	315762	312141	312034
2.2.3 Overseas Foreign Currency Borrowings	182837	178057	162433	163420	160525
2.3 Net Bank Reserves (2.3.1+2.3.2-2.3.3)	791777	804174	1038671	1122708	1115730
2.3.1 Balances with the RBI	882415	888462	756290	722585	745804
2.3.2 Cash in Hand	81874	81760	82350	73091	76655
2.3.3 Loans and Advances from the RBI	172512	166048	-200030	-327032	-293271
2.4 Capital Account	2581900	2576822	2939161	2940303	2941782
2.5 Other items (net) (2.1+2.2+2.3-2.4-1.1-1.2)	1215785	1216642	1301719	1462199	1492270
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	878795	843551	953784	965940	961593
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	116551	115810	49979	66449	76948

No. 13: Scheduled Commercial Banks' Investments

(₹ Crore)

Item	As on March 21, 2025	2025	2026		
		Feb. 21	Jan. 31	Feb. 15	Feb. 28
	1				
1. SLR Securities	6697928	6651031	6816555	6852637	6956053
2. Other Government Securities (Non-SLR)	165500	163938	169071	168992	168597
3. Commercial Paper	63163	56570	49208	52135	54460
4. Shares issued by					
4.1 PSUs	13874	12782	14239	14361	14168
4.2 Private Corporate Sector	95984	96188	103935	104215	103913
4.3 Others	7664	7518	7422	7409	7424
5. Bonds/Debentures issued by					
5.1 PSUs	130308	125744	129457	134066	135325
5.2 Private Corporate Sector	248138	237306	262889	266335	270637
5.3 Others	150000	156217	184501	189877	179911
6. Instruments issued by					
6.1 Mutual funds	119867	145589	120274	133712	115369
6.2 Financial institutions	204865	195618	202968	199297	199415

Note: Data include the impact of merger of a non-bank with a bank w.e.f. July 1, 2023.

As per the Banking Laws (Amendment) Act, 2025, the definition of fortnight has been revised from alternate Fridays to 15th and last calendar day of a month, w.e.f. December 15, 2025.

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/Last Day							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2024-25	2025	2026		2024-25	2025	2026	
		Feb.	Jan.	Feb.		Feb.	Jan.	Feb.
	1	2	3	4	5	6	7	8
Number of Reporting Banks	208	208	197	197	135	135	121	121
1. Liabilities to the Banking System	458011	443848	468420	484747	451305	438922	459585	476551
1.1 Demand and Time Deposits from Banks	315675	287294	344451	369371	309414	282773	336474	361684
1.2 Borrowings from Banks	112027	118234	81308	78565	111976	118149	81053	78512
1.3 Other Demand and Time Liabilities	30310	38320	42661	36811	29916	38000	42057	36355
2. Liabilities to Others	25053097	25090360	27450892	27741954	24557481	24603094	26914261	27195276
2.1 Aggregate Deposits	23055487	23098180	25398756	25715492	22580601	22630598	24881954	25190145
2.1.1 Demand	2748263	2753855	3194033	3276458	2698049	2705279	3141415	3221327
2.1.2 Time	20307224	20344326	22204723	22439035	19882552	19925320	21740540	21968818
2.2 Borrowings	920568	889316	920813	887695	915248	884179	916090	883014
2.3 Other Demand and Time Liabilities	1077042	1102863	1131324	1138766	1061632	1088317	1116217	1122118
3. Borrowings from Reserve Bank	311466	229480	136073	124916	311466	229480	136073	124916
3.1 Against Usance Bills /Promissory Notes	-	-	-	-	-	-	-	-
3.2 Others	311466	229480	136073	124916	311466	229480	136073	124916
4. Cash in Hand and Balances with Reserve Bank	985044	1031337	856579	841456	964289	1010913	838641	822459
4.1 Cash in Hand	84399	86176	84875	79738	81874	83724	82350	76655
4.2 Balances with Reserve Bank	900645	945160	771704	761718	882415	927189	756290	745804
5. Assets with the Banking System	432645	414933	515936	533202	348496	335873	424652	431152
5.1 Balances with Other Banks	273720	261237	343322	349656	215801	206970	278787	281681
5.1.1 In Current Account	13239	13523	12231	13080	10619	10912	9588	10221
5.1.2 In Other Accounts	260481	247714	331091	336575	205182	196058	269199	271460
5.2 Money at Call and Short Notice	44772	42526	52274	46980	25838	25496	35468	23925
5.3 Advances to Banks	43856	44597	38975	45888	39504	39833	35428	41912
5.4 Other Assets	70296	66574	81365	90678	67353	63574	74968	83634
6. Investment	6850574	6830178	6990918	7130107	6697928	6676664	6816555	6956053
6.1 Government Securities	6842024	6821889	6976618	7117057	6697298	6676060	6816054	6955551
6.2 Other Approved Securities	8550	8289	14301	13051	630	604	500	502
7. Bank Credit	18708286	18667299	20969154	21252041	18243972	18202174	20475236	20751207
7a Food Credit	87145	96468	141269	134617	36531	45854	89295	82643
7.1 Loans, Cash-credits and Overdrafts	18370704	18334125	20557184	20833450	17909851	17872448	20065187	20334593
7.2 Inland Bills-Purchased	76523	75858	98715	101240	74963	74221	98704	101212
7.3 Inland Bills-Discounted	222320	218916	276782	280333	221059	217743	275480	279023
7.4 Foreign Bills-Purchased	15357	15279	13197	13408	15122	15032	13002	13190
7.5 Foreign Bills-Discounted	23382	23120	23275	23611	22977	22730	22865	23190

Note: Data include the impact of merger of a non-bank with a bank w.e.f. July 1, 2023.

As per the Banking Laws (Amendment) Act, 2025, the definition of fortnight has been revised from alternate Fridays to 15th and last calendar day of a month, w.e.f. December 15, 2025.

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

(₹ Crore)

Sector	Outstanding as on				Growth (%)	
	Mar. 21, 2025	2025	2026		Financial year so far	Y-o-Y
			Feb. 21	Jan. 31		
	1	2	3	4	2025-26	2026
				%	%	
I. Bank Credit (II + III)	18243972	18125413	20475382	20754078	13.8	14.5
II. Food Credit	36531	42552	89295	82643	126.2	94.2
III. Non-food Credit	18207441	18082860	20386087	20671435	13.5	14.3
1. Agriculture & Allied Activities	2287060	2264305	2509789	2543477	11.2	12.3
2. Industry (Micro and Small, Medium and Large)	3985660	3916783	4388308	4447192	11.6	13.5
2.1 Micro and Small	798473	791321	1031291	1031799	29.2	30.4
2.2 Medium	363245	355603	426211	430263	18.4	21.0
2.3 Large	2823942	2769858	2930806	2985130	5.7	7.8
3. Services	5093565	4995649	5722969	5807798	14.0	16.3
3.1 Transport Operators	261575	260651	267665	280409	7.2	7.6
3.2 Computer Software	32915	33063	40695	46183	40.3	39.7
3.3 Tourism, Hotels & Restaurants	83366	82298	97418	98895	18.6	20.2
3.4 Shipping	7304	7411	10373	10502	43.8	41.7
3.5 Aviation	46072	45982	49613	49830	8.2	8.4
3.6 Professional Services	195957	192799	209054	210543	7.4	9.2
3.7 Trade	1184550	1154669	1309115	1320670	11.5	14.4
3.7.1 Wholesale Trade ¹	646099	629036	723122	737574	14.2	17.3
3.7.2 Retail Trade	538451	525633	585993	583096	8.3	10.9
3.8 Commercial Real Estate	523264	516850	597880	606612	15.9	17.4
3.9 Non-Banking Financial Companies (NBFCs) ² of which,	1635102	1610744	1905207	1947584	19.1	20.9
3.9.1 Housing Finance Companies (HFCs)	323182	324611	353406	359226	11.2	10.7
3.9.2 Public Financial Institutions (PFIs)	228678	217593	305670	316124	38.2	45.3
3.10 Other Services ³	1123459	1091183	1235949	1236570	10.1	13.3
4. Personal Loans	5971696	5898808	6723042	6796850	13.8	15.2
4.1 Consumer Durables	23201	24301	22360	21925	-5.5	-9.8
4.2 Housing	3010477	2978759	3278420	3305691	9.8	11.0
4.3 Advances against Fixed Deposits	141842	135169	154360	154183	8.7	14.1
4.4 Advances to Individuals against share & bonds	10080	9808	10264	10085	0.1	2.8
4.5 Credit Card Outstanding	284366	287047	296417	292067	2.7	1.7
4.6 Education	137456	136821	154899	155590	13.2	13.7
4.7 Vehicle Loans	622793	619797	720567	726037	16.6	17.1
4.8 Loan against gold jewellery ⁴	206284	188051	400517	428578	107.8	127.9
4.9 Other Personal Loans	1535197	1519054	1685238	1702695	10.9	12.1
5. Priority Sector (Memo)						
(i) Agriculture & Allied Activities ⁵	2287794	2257407	2565250	2600490	13.7	15.2
(ii) Micro & Small Enterprises ⁶	2239409	2223184	2735314	2841889	26.9	27.8
(iii) Medium Enterprises ⁷	601451	584615	682981	692153	15.1	18.4
(iv) Housing	746651	747503	1030805	1033416	38.4	38.2
(v) Education Loans	62826	62874	77853	77935	24.1	24.0
(vi) Renewable Energy	10325	8490	12243	13955	35.2	64.4
(vii) Social Infrastructure	1316	1233	1255	1221	-7.3	-1.0
(viii) Export Credit	11805	11954	10663	10270	-13.0	-14.1
(ix) Others	49552	51733	40417	41690	-15.9	-19.4
(x) Weaker Sections including net PSLC- SF/MF	1864606	1789945	2007819	2032409	9.0	13.5

Notes: (1) Data are provisional. Bank credit, Food credit and Non-food credit data are based on fortnightly Section-42 return, which covers all scheduled commercial banks (SCBs), while sectoral non-food credit data are based on sector-wise and industry-wise bank credit (SIBC) return, which covers select banks accounting for about 95 per cent of total non-food credit extended by all SCBs. "Bank credit, Food credit and Non-food credit given for the period February 21, 2025 pertains to March 7, 2025.

(2) With effect from December 31, 2025, definition of last reporting fortnight has been changed to the last day of the month under the Banking Laws (Amendment) Act 2025. Accordingly, the y-o-y growth rates from December 2025 onwards are based on end-of-month data for the current year and data for the last reporting fortnight (as per old definition) for the corresponding month of the previous year.

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

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

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

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

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

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

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

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

(₹ Crore)

Industry	Outstanding as on				Growth (%)	
	Mar. 21, 2025	2025	2026		Financial year so far	Y-o-Y
		Feb. 21	Jan. 31	Feb. 28	2025-26	2026
	1	2	3	4	%	%
2. Industries (2.1 to 2.19)	3985660	3916783	4388308	4447192	11.6	13.5
2.1 Mining & Quarrying (incl. Coal)	56818	53077	64669	64501	13.5	21.5
2.2 Food Processing	219525	219091	238126	241445	10.0	10.2
2.2.1 Sugar	28522	26872	24554	28560	0.1	6.3
2.2.2 Edible Oils & Vanaspati	20927	21082	23812	23424	11.9	11.1
2.2.3 Tea	5084	6069	5077	4880	-4.0	-19.6
2.2.4 Others	164992	165067	184683	184581	11.9	11.8
2.3 Beverage & Tobacco	35515	31297	37884	39190	10.3	25.2
2.4 Textiles	277267	273763	294365	296136	6.8	8.2
2.4.1 Cotton Textiles	107495	106389	107782	108696	1.1	2.2
2.4.2 Jute Textiles	4288	4330	4899	4980	16.1	15.0
2.4.3 Man-Made Textiles	49186	49158	51493	51246	4.2	4.2
2.4.4 Other Textiles	116298	113886	130190	131214	12.8	15.2
2.5 Leather & Leather Products	12980	12982	13792	13835	6.6	6.6
2.6 Wood & Wood Products	27826	27293	30571	30676	10.2	12.4
2.7 Paper & Paper Products	52848	51944	58104	57993	9.7	11.6
2.8 Petroleum, Coal Products & Nuclear Fuels	154179	154425	176716	185431	20.3	20.1
2.9 Chemicals & Chemical Products	267815	263173	305421	313413	17.0	19.1
2.9.1 Fertiliser	32011	30529	34976	39432	23.2	29.2
2.9.2 Drugs & Pharmaceuticals	88524	88727	96762	98753	11.6	11.3
2.9.3 Petro Chemicals	28797	27615	38231	37301	29.5	35.1
2.9.4 Others	118482	116302	135453	137927	16.4	18.6
2.10 Rubber, Plastic & their Products	103465	101710	110156	110982	7.3	9.1
2.11 Glass & Glassware	13443	13199	13826	13702	1.9	3.8
2.12 Cement & Cement Products	59753	60327	64549	64332	7.7	6.6
2.13 Basic Metal & Metal Product	433501	431340	494119	496720	14.6	15.2
2.13.1 Iron & Steel	300156	301746	333268	334966	11.6	11.0
2.13.2 Other Metal & Metal Product	133345	129593	160851	161754	21.3	24.8
2.14 All Engineering	240136	232477	311363	316185	31.7	36.0
2.14.1 Electronics	52863	49652	64380	63623	20.4	28.1
2.14.2 Others	187273	182826	246983	252562	34.9	38.1
2.15 Vehicles, Vehicle Parts & Transport Equipment	119450	117457	135522	137108	14.8	16.7
2.16 Gems & Jewellery	85814	83119	117215	116543	35.8	40.2
2.17 Construction	160037	158884	167086	170519	6.5	7.3
2.18 Infrastructure	1364369	1337436	1426796	1443544	5.8	7.9
2.18.1 Power	692160	668584	789193	811927	17.3	21.4
2.18.2 Telecommunications	123850	120294	105860	104935	-15.3	-12.8
2.18.3 Roads	334147	334566	331485	326875	-2.2	-2.3
2.18.4 Airports	9156	8799	6419	6577	-28.2	-25.3
2.18.5 Ports	5916	5879	8156	9124	54.2	55.2
2.18.6 Railways	13415	13132	9964	7107	-47.0	-45.9
2.18.7 Other Infrastructure	185726	186182	175719	176998	-4.7	-4.9
2.19 Other Industries	300921	293789	328027	334937	11.3	14.0

Note: With effect from December 31, 2025, definition of last reporting fortnight has been changed to the last day of the month under the Banking Laws (Amendment) Act 2025. Accordingly, the y-o-y growth rates from December 2025 onwards are based on end-of-month data for the current year and data for the last reporting fortnight (as per old definition) for the corresponding month of the previous year.

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

(₹ Crore)

Item	As on Reporting Day								
	2024-25	2025						2026	
		Jan. 24	Oct. 31	Nov. 14	Nov. 28	Dec. 15	Dec. 31	Jan. 15	Jan. 31
	1	2	3	4	5	6	7	8	9
Number of Reporting Banks	34	34	34	34	34	34	34	34	34
1. Aggregate Deposits (2.1.1.2+2.2.1.2)	146871.0	140580.6	151855.9	150082.8	153247.4	155555.7	158419.1	157312.0	156325.4
2. Demand and Time Liabilities									
2.1 Demand Liabilities	29215.6	24519.2	26385.0	27891.5	27456.8	28841.6	29874.2	31640.0	28699.1
2.1.1 Deposits									
2.1.1.1 Inter-Bank	9022.9	6903.9	6223.1	6758.9	6058.8	6630.5	5675.4	6994.5	6057.4
2.1.1.2 Others	14063.9	12582.5	13407.9	14723.0	14397.7	14992.1	16407.0	16286.3	15070.7
2.1.2 Borrowings from Banks	700.0	12.0	521.9	874.7	810.7	959.4	1059.6	470.9	916.2
2.1.3 Other Demand Liabilities	5428.9	5020.9	6232.2	5534.9	6189.6	6259.6	6732.1	7888.4	6654.8
2.2 Time Liabilities	201100.7	182418.4	203386.8	203565.6	204259.5	206280.9	212765.8	208153.0	214248.4
2.2.1 Deposits									
2.2.1.1 Inter-Bank	66874.3	52718.8	63251.3	66600.1	63747.4	64062.5	64975.2	65400.4	71241.9
2.2.1.2 Others	132807.1	127998.0	138448.0	135359.8	138849.7	140563.6	142012.1	141025.8	141254.7
2.2.2 Borrowings from Banks	643.9	650.8	610.4	610.4	610.4	610.2	609.4	610.4	610.4
2.2.3 Other Time Liabilities	775.4	1050.8	1077.1	995.3	1052.1	1044.5	5169.2	1116.5	1141.4
3. Borrowing from Reserve Bank	699.5						200.0	200.0	
4. Borrowings from a notified bank / Government	126928.5	114464.9	118368.0	116858.6	114537.1	110012.2	108704.4	101728.2	114287.5
4.1 Demand	53459.8	44280.0	51539.0	51639.4	51408.3	49688.8	51075.8	50411.7	51777.9
4.2 Time	73468.7	70184.9	66829.0	65219.2	63128.8	60323.4	57628.5	51316.5	62509.6
5. Cash in Hand and Balances with Reserve Bank	13390.9	10837.2	10267.4	10556.4	9537.0	10331.1	8890.6	9212.9	9849.4
5.1 Cash in Hand	1052.1	699.7	856.3	840.0	847.3	931.7	853.9	928.0	797.5
5.2 Balance with Reserve Bank	12338.8	10137.5	9411.1	9716.4	8689.7	9399.4	8036.8	8284.9	9051.9
6. Balances with Other Banks in Current Account	1656.3	1262.1	2667.8	1000.7	1220.1	935.0	1151.2	1036.2	1004.1
7. Investments in Government Securities	77220.1	75514.9	85525.4	84883.9	84862.8	85173.2	84894.1	85064.6	85444.3
8. Money at Call and Short Notice	26531.1	15819.4	21181.3	23692.4	23910.4	20517.2	21836.6	20595.4	23358.5
9. Bank Credit (10.1+11)	174828.8	170580.3	174327.4	175598.5	174894.0	176043.0	175694.4	180678.8	184566.8
10. Advances									
10.1 Loans, Cash-Credits and Overdrafts	174590.4	170385.3	174150.0	175411.9	174724.0	175856.8	175487.4	180470.0	184363.9
10.2 Due from Banks	124607.6	112689.7	123042.1	123039.7	123414.0	123501.3	126937.8	122407.5	124590.5
11. Bills Purchased and Discounted	238.4	195.0	177.4	186.5	170.0	186.2	207.0	208.9	202.9

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

(₹ Crore)

Source	April-March		Up to March 31	
	2023-24	2024-25	2024-25	2025-26 P
	1	2	3	4
1. Non-Food Bank Credit	22,95,121	18,08,036	18,08,036	29,19,166
2. Non-Bank Sources (2.1+2.2)	12,63,721	17,10,346	14,24,965	15,47,794
2.1 Domestic Sources	10,20,302	13,85,609	10,97,953	10,56,130
2.1.1 Equity Issuances by Non-Financial Entities	1,35,008	3,81,161	3,69,462	3,45,296
2.1.2 Corporate Bond Issuances by Non-Financial Entities	1,67,374	1,97,795	1,35,172	3,01,491
2.1.3 Hybrid Instruments (REITs/ InvITs) by Non-Financial Entities	39,024	31,442	22,702	20,989
2.1.4 Commercial Paper Issuances by Non-Financial Entities	19,712	18,819	18,819	7,948
2.1.5 Credit by Housing Finance Companies (Net of Bank Borrowings)	1,41,816	1,34,852	1,22,439	1,109
2.1.6 Credit by RBI-regulated All India Financial Institutions	73,386	99,501	56,759	16,561
2.1.7 Credit by Non-Banking Financial Companies (Net of Bank Borrowings)	4,43,982	5,22,037	3,72,600	3,62,734
2.2 Foreign Sources	2,43,419	3,24,737	3,27,012	4,91,664
2.2.1 External Commercial Borrowings by Non-Financial Entities	27,916	19,090	12,484	31,720
2.2.2 ADR/GDR by Non-Financial Entities	0	0	0	0
2.2.3 Short-term Credit from Abroad	-6,741	58,859	97,039	1,35,813
2.2.4 Foreign Direct Investment to India	2,22,244	2,46,788	2,17,489	3,24,131
3. Total Flow of Resources (1+2)	35,58,842	35,18,382	32,33,001	44,66,960

P: Provisional.

The coverage of data for columns 3 and 4 from Sources No.:

2.1.1-2.1.3, 2.1.5, 2.1.6, 2.2.1, 2.2.2 and 2.2.4: Up to February.

2.1.7 and 2.2.3: Up to December.

- Notes:**
- Non-food bank credit pertains to scheduled commercial banks (SCBs) and excludes credit extended by co-operative banks.
 - Credit extended by banks, Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) is inclusive of personal loans.
 - Data on all items are presented on net basis, except equity and hybrid instruments which are on gross basis.
 - All India Financial Institutions (AIFIs) include National Bank for Agriculture and Rural Development (NABARD), National Housing Bank (NHB), Small Industries Development Bank of India (SIDBI), Export-Import Bank of India (EXIM Bank), and National Bank for Financing Infrastructure and Development (NaBFID). Credit extended by AIFIs excludes refinancing to SCBs, NBFCs, and HFCs, and direct loans to domestic and foreign governments/institutions.
 - Data pertaining to HDFC Limited, which merged with HDFC Bank effective from July 1, 2023, is included under credit by Housing Finance Companies prior to its merger while it is included under bank credit post-merger.
 - Data on credit by Housing Finance Companies (HFCs) and Non-Banking Financial Companies (NBFCs) has been adjusted for the conversion of some HFCs into NBFCs.

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

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

Source	₹ Crore						Percentage Variation			
	At End-March			As on March 31			At End-March		As on March 31	
	2023	2024	2025	2024	2025	2026 P	2024 over 2023	2025 over 2024	2025 over 2024	2026 over 2025 P
	1	2	3	4	5	6	7	8	9	10
1. Non-Food Bank Credit	1,36,55,330	1,65,63,961	1,83,71,998	1,65,63,961	1,83,71,998	2,12,91,163	21.3	10.9	10.9	15.9
2. Non-Bank Sources (2.1+2.2)	74,43,091	77,57,256	88,86,394	75,43,371	85,56,774	98,91,297	4.2	14.6	13.4	15.6
2.1 Domestic Sources	53,95,038	56,59,037	66,37,411	54,56,577	62,65,122	73,27,255	4.9	17.3	14.8	17.0
2.1.1 Corporate Bond Issuances by Non-Financial Entities	16,58,140	18,25,514	20,23,310	17,95,126	19,60,686	23,24,801	10.1	10.8	9.2	18.6
2.1.2 Commercial Paper Issuances by Non-Financial Entities	89,816	1,09,528	1,28,347	1,09,528	1,28,347	1,36,295	21.9	17.2	17.2	6.2
2.1.3 Credit by Housing Finance Companies (Net of Bank Borrowings)	10,39,420	5,98,965	6,27,125	6,01,440	6,21,700	6,28,234	-42.4	4.7	3.4	1.1
2.1.4 Credit by RBI-regulated All India Financial Institutions	3,51,224	4,24,610	5,24,111	3,78,690	4,81,369	5,40,672	20.9	23.4	27.1	12.3
2.1.5 Credit by Non-Banking Financial Companies (Net of Bank Borrowings)	22,56,439	27,00,421	33,34,518	25,71,794	30,73,021	36,97,252	19.7	23.5	19.5	20.3
2.2 Foreign Sources	20,48,053	20,98,219	22,48,983	20,86,795	22,91,652	25,64,043	2.4	7.2	9.8	11.9
2.2.1 External Commercial Borrowings by Non-Financial Entities	10,29,403	10,72,181	11,34,552	10,65,704	11,38,950	12,55,381	4.2	5.8	6.9	10.2
2.2.2 Short-term Credit from Abroad	10,18,650	10,26,037	11,14,432	10,21,091	11,52,702	13,08,662	0.7	8.6	12.9	13.5
3. Total Credit (1+2)	2,10,98,421	2,43,21,217	2,72,58,392	2,41,07,332	2,69,28,772	3,11,82,460	15.3	12.1	11.7	15.8

P: Provisional.

The coverage of data for columns 4, 5 and 6 from Sources No.:

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

2.1.5 and 2.2.2: As at end-December.

- Notes:**
- Non-food bank credit pertains to scheduled commercial banks (SCBs) and excludes credit extended by co-operative banks. Including credit extended by co-operative banks (*viz.*, urban co-operative banks, state co-operative banks, and district central co-operative banks), non-food bank credit at end-March 2023, 2024 and 2025 stood at ₹1,46,22,252 crore, ₹1,76,18,552 crore and ₹1,95,07,975 crore, respectively. Accordingly, total outstanding credit at end-March 2023, 2024 and 2025 stood at ₹2,20,65,343 crore, ₹2,53,75,808 crore and ₹2,83,94,369 crore, respectively.
 - Data on non-bank sources excludes issuances of equities and hybrid instruments under domestic sources and foreign direct investment in equities under foreign sources.
 - In case of corporate bonds, the outstanding data for end-March 2024 and 2025 are based on SEBI's new series of data on bonds issued by financial and non-financial corporations. The outstanding data for end-March 2023 is worked out by adjusting the flow of 2023-24 from outstanding data for end-March 2024.
 - Flows based on outstanding data may not tally with the flows provided in Table 18 (a) due to:
 - Merger of HDFC Limited with HDFC Bank on July 1, 2023;
 - Conversion of some Housing Finance Companies (HFCs) into Non-Banking Financial Companies (NBFCs); and
 - Valuation effect in case of foreign sources.
 - Data is exclusive of current and non-current trade payables representing domestic liabilities in case of non-financial non-government public and private limited companies as data are not available.

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

Prices and Production

No. 19 (a): Consumer Price Index (Base: 2024=100): Rural

Division	Weight	Index					Inflation (y-o-y, per cent)	
		2025*	Feb-25	Mar-25	Feb-26	Mar-26 (P)	Feb-26	Mar-26 (P)
		1	2	3	4	5	6	7
1. Food and beverages	41.98	102.31	100.42	100.19	103.80	104.00	3.36	3.81
2. Paan, tobacco and intoxicants	3.73	103.10	101.90	102.07	105.44	106.30	3.47	4.15
3. Clothing and footwear	7.12	104.97	103.46	103.83	106.80	107.12	3.23	3.17
4. Housing, water, electricity, gas and other fuels	11.76	101.55	100.84	100.92	102.19	103.07	1.34	2.14
5. Furnishings, household equipment and routine household maintenance	4.61	102.45	101.67	101.90	103.25	103.53	1.55	1.60
6. Health	6.76	102.79	101.83	102.06	103.63	103.75	1.77	1.65
7. Transport	8.64	100.86	100.75	100.75	100.70	100.76	-0.05	0.01
8. Information and communication	3.65	103.54	103.31	103.29	103.65	103.74	0.32	0.44
9. Recreation, sport and culture	1.36	102.70	102.04	101.95	104.08	104.06	2.00	2.08
10. Education services	2.38	103.39	101.73	101.79	104.79	104.79	3.00	2.95
11. Restaurants and accommodation services	2.84	103.81	102.99	103.09	105.07	105.52	2.02	2.36
13. Personal care, social protection and miscellaneous goods and services	5.15	108.20	103.85	104.48	125.24	124.91	20.60	19.55
All India General CPI	100.00	102.78	101.33	101.34	104.74	105.01	3.37	3.63
<i>Memo Item</i>								
CPI excluding Food and Fuel#	47.45	103.66	102.36	102.58	106.52	106.73	4.07	4.05

P: Provisional

*: Arithmetic mean of all monthly indices of calendar year 2025.

#: 'Fuel' in this table represents two categories, viz., 'electricity, gas and other fuels'; and 'Fuels and lubricants for personal transport equipment' which includes 'petrol', 'diesel', and 'other natural gas (CNG)'. For details, refer to Box Item IV.2 in Monetary Policy Report April 2026.

Sources: National Statistics Office, Ministry of Statistics and Programme Implementation, Government of India and RBI staff calculations.

No. 19 (b): Consumer Price Index (Base: 2024=100): Urban

Division	Weight	Index					Inflation (y-o-y, per cent)	
		2025*	Feb-25	Mar-25	Feb-26	Mar-26 (P)	Feb-26	Mar-26 (P)
		1	2	3	4	5	6	7
1. Food and beverages	30.25	102.89	100.64	100.76	103.99	104.31	3.33	3.53
2. Paan, tobacco and intoxicants	2.06	102.78	101.75	101.91	105.37	106.41	3.56	4.42
3. Clothing and footwear	5.46	103.89	102.81	103.07	104.98	105.19	2.11	2.06
4. Housing, water, electricity, gas and other fuels	25.00	101.19	100.39	100.58	102.02	102.46	1.62	1.87
5. Furnishings, household equipment and routine household maintenance	4.30	102.35	101.68	101.90	102.82	103.03	1.12	1.11
6. Health	5.28	103.32	102.17	102.47	104.33	104.43	2.11	1.92
7. Transport	8.98	100.79	100.73	100.70	100.67	100.69	-0.06	-0.01
8. Information and communication	3.56	103.11	102.91	102.94	103.07	103.13	0.15	0.19
9. Recreation, sport and culture	1.71	102.64	101.81	101.66	104.28	104.19	2.43	2.49
10. Education services	4.52	104.11	102.12	102.22	105.74	105.83	3.54	3.53
11. Restaurants and accommodation services	3.98	104.71	103.28	103.60	106.75	107.06	3.36	3.35
13. Personal care, social protection and miscellaneous goods and services	4.90	108.40	104.23	104.81	123.42	123.11	18.41	17.46
All India General CPI	100.00	102.73	101.30	101.47	104.36	104.62	3.02	3.11
<i>Memo Item</i>								
CPI excluding Food and Fuel#	59.99	103.08	101.89	102.11	105.29	105.44	3.34	3.27

P: Provisional

*: Arithmetic mean of all monthly indices of calendar year 2025.

#: 'Fuel' in this table represents two categories, viz., 'electricity, gas and other fuels'; and 'Fuels and lubricants for personal transport equipment' which includes 'petrol', 'diesel', and 'other natural gas (CNG)'. For details, refer to Box Item IV.2 in Monetary Policy Report April 2026.

Sources: National Statistics Office, Ministry of Statistics and Programme Implementation, Government of India and RBI staff calculations.

No. 19 (c): Consumer Price Index (Base: 2024=100): Combined

Division	Weight	Index					Inflation (y-o-y, per cent)	
		2025*	Feb-25	Mar-25	Feb-26	Mar-26 (P)	Feb-26	Mar-26 (P)
		1	2	3	4	5	6	7
1. Food and beverages	36.75	102.52	100.50	100.40	103.87	104.12	3.35	3.71
2. Paan, tobacco and intoxicants	2.99	103.00	101.85	102.02	105.42	106.33	3.50	4.23
3. Clothing and footwear	6.38	104.55	103.21	103.54	106.11	106.39	2.81	2.75
4. Housing, water, electricity, gas and other fuels	17.66	101.33	100.56	100.71	102.08	102.69	1.52	1.97
5. Furnishings, household equipment and routine household maintenance	4.47	102.41	101.68	101.90	103.06	103.32	1.37	1.39
6. Health	6.10	102.99	101.96	102.22	103.90	104.01	1.90	1.75
7. Transport	8.80	100.83	100.74	100.73	100.69	100.73	-0.05	0.00
8. Information and communication	3.61	103.35	103.14	103.14	103.39	103.47	0.25	0.33
9. Recreation, sport and culture	1.52	102.67	101.92	101.80	104.18	104.13	2.21	2.28
10. Education services	3.33	103.83	101.97	102.05	105.36	105.42	3.33	3.30
11. Restaurants and accommodation services	3.35	104.29	103.15	103.36	105.96	106.34	2.73	2.88
13. Personal care, social protection and miscellaneous goods and services	5.04	108.28	104.01	104.62	124.45	124.13	19.65	18.65
All India General CPI	100.00	102.75	101.32	101.39	104.57	104.84	3.21	3.40
<i>Memo Item</i>								
Core: CPI excluding Food and Fuel#	53.04	103.37	102.12	102.34	105.90	106.08	3.70	3.65

P: Provisional

*: Arithmetic mean of all monthly indices of calendar year 2025.

#: 'Fuel' in this table represents two categories, viz., 'electricity, gas and other fuels'; and 'Fuels and lubricants for personal transport equipment' which includes 'petrol', 'diesel', and 'other natural gas (CNG)'. For details, refer to Box Item IV.2 in Monetary Policy Report April 2026.

Sources: National Statistics Office, Ministry of Statistics and Programme Implementation, Government of India and RBI staff calculations.

No. 20: Other Consumer Price Indices

Item	Base Year	Linking Factor	2024-25	2025	2026	
				Feb.	Jan.	Feb.
				1	2	3
1. Consumer Price Index for Industrial Workers	2016	2.88	142.6	142.8	148.6	148.5
2. Consumer Price Index for Agricultural Labourers	2019	9.69	-	133.2	137.1	136.6
3. Consumer Price Index for Rural Labourers	2019	9.78	-	133.4	136.9	136.5

CPI-AL and RL indices for Feb-2025 (Base Year 2019) are calculated using the published inflation rates.

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

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

Item	2024-25	2025	2026	
		Feb.	Jan.	Feb.
		1	2	3
1. Standard Gold (₹ per 10 grams)	75842	84995	145947	154039
2. Silver (₹ per kilogram)	89131	95524	285593	256061

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

No. 22: Wholesale Price Index

(Base: 2011-12 = 100)

Commodities	Weight	2024-25	2026		
			Jan.	Feb.(P)	Mar.(P)
		1	2	3	4
1. ALL COMMODITIES	100.000	154.9	157.6	158.2	160.8
1.1 PRIMARY ARTICLES	22.618	192.5	194.0	192.9	197.3
1.1.1 FOOD ARTICLES	15.256	205.3	203.1	200.2	198.5
1.1.1.1 Food Grains (Cereals+Pulses)	3.462	210.1	206.6	205.8	203.7
1.1.1.2 Fruits & Vegetables	3.475	241.4	221.0	206.4	200.9
1.1.1.3 Milk	4.440	185.8	191.7	192.1	192.1
1.1.1.4 Eggs, Meat & Fish	2.402	173.4	181.1	180.7	181.7
1.1.1.5 Condiments & Spices	0.529	232.7	223.3	231.5	230.6
1.1.1.6 Other Food Articles	0.948	213.6	223.3	226.2	224.8
1.1.2 NON-FOOD ARTICLES	4.119	161.7	180.4	181.7	181.3
1.1.2.1 Fibres	0.839	161.4	175.1	176.8	184.3
1.1.2.2 Oil Seeds	1.115	181.5	218.7	224.3	220.2
1.1.2.3 Other non-food Articles	1.960	138.7	141.0	142.0	143.7
1.1.2.4 Floriculture	0.204	277.4	371.2	350.9	318.6
1.1.3 MINERALS	0.833	229.0	253.1	253.1	253.4
1.1.3.1 Metallic Minerals	0.648	219.2	246.6	246.6	247.0
1.1.3.2 Other Minerals	0.185	263.4	276.1	276.2	275.7
1.1.4 CRUDE PETROLEUM & NATURAL GAS	2.410	151.3	139.1	144.9	197.3
1.2 FUEL & POWER	13.152	150.0	145.9	147.6	153.7
1.2.1 COAL	2.138	135.6	138.0	138.0	138.0
1.2.1.1 Coking Coal	0.647	143.4	152.6	152.6	152.6
1.2.1.2 Non-Coking Coal	1.401	125.8	126.6	126.6	126.6
1.2.1.3 Lignite	0.090	232.4	209.4	209.4	209.4
1.2.2 MINERAL OILS	7.950	156.2	146.3	149.3	162.4
1.2.3 ELECTRICITY	3.064	144.1	150.2	149.8	142.2
1.3 MANUFACTURED PRODUCTS	64.231	142.6	147.1	148.2	149.5
1.3.1 MANUFACTURE OF FOOD PRODUCTS	9.122	172.0	179.8	180.7	183.4
1.3.1.1 Processing and Preserving of meat	0.134	155.7	159.9	161.7	164.1
1.3.1.2 Processing and Preserving of fish, Crustaceans, Molluscs and products thereof	0.204	144.9	156.1	157.3	152.9
1.3.1.3 Processing and Preserving of fruit and Vegetables	0.138	132.6	134.2	133.9	133.8
1.3.1.4 Vegetable and Animal oils and Fats	2.643	168.5	188.7	190.3	194.6
1.3.1.5 Dairy products	1.165	180.8	190.5	191.4	192.8
1.3.1.6 Grain mill products	2.010	186.9	185.4	185.4	186.0
1.3.1.7 Starches and Starch products	0.110	167.0	144.3	145.3	144.2
1.3.1.8 Bakery products	0.215	170.5	180.2	180.7	182.0
1.3.1.9 Sugar, Molasses & honey	1.163	139.1	143.9	145.1	145.7
1.3.1.10 Cocoa, Chocolate and Sugar confectionery	0.175	160.6	176.6	175.5	175.3
1.3.1.11 Macaroni, Noodles, Couscous and Similar farinaceous products	0.026	156.7	154.0	153.4	158.1
1.3.1.12 Tea & Coffee products	0.371	190.7	178.5	178.2	200.4
1.3.1.13 Processed condiments & salt	0.163	192.6	194.0	195.5	198.7
1.3.1.14 Processed ready to eat food	0.024	152.7	154.6	154.8	155.7
1.3.1.15 Health supplements	0.225	185.1	192.2	192.7	192.8
1.3.1.16 Prepared animal feeds	0.356	204.1	206.5	208.9	211.1
1.3.2 MANUFACTURE OF BEVERAGES	0.909	134.1	135.7	135.8	135.3
1.3.2.1 Wines & spirits	0.408	136.0	138.4	138.5	138.0
1.3.2.2 Malt liquors and Malt	0.225	138.7	140.6	140.5	140.8
1.3.2.3 Soft drinks; Production of mineral waters and Other bottled waters	0.275	127.5	127.5	127.9	126.9
1.3.3 MANUFACTURE OF TOBACCO PRODUCTS	0.514	177.8	183.3	191.1	191.7
1.3.3.1 Tobacco products	0.514	177.8	183.3	191.1	191.7

No. 22: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2024-25	2026		
			Jan.	Feb.(P)	Mar.(P)
			1	2	3
1.3.4 MANUFACTURE OF TEXTILES	4.881	136.3	140.2	141.4	143.2
1.3.4.1 Preparation and Spinning of textile fibres	2.582	121.4	120.3	121.4	122.8
1.3.4.2 Weaving & Finishing of textiles	1.509	158.3	170.6	172.6	176.0
1.3.4.3 Knitted and Crocheted fabrics	0.193	124.0	127.0	123.4	124.0
1.3.4.4 Made-up textile articles, Except apparel	0.299	160.4	161.1	160.9	161.4
1.3.4.5 Cordage, Rope, Twine and Netting	0.098	142.7	171.7	172.7	175.7
1.3.4.6 Other textiles	0.201	134.9	134.5	135.5	136.0
1.3.5 MANUFACTURE OF WEARING APPAREL	0.814	153.4	157.3	157.6	157.3
1.3.5.1 Manufacture of Wearing Apparel (woven), Except fur Apparel	0.593	150.9	155.4	155.9	155.7
1.3.5.2 Knitted and Crocheted apparel	0.221	160.1	162.3	162.0	161.6
1.3.6 MANUFACTURE OF LEATHER AND RELATED PRODUCTS	0.535	125.3	128.7	128.4	129.2
1.3.6.1 Tanning and Dressing of leather; Dressing and Dyeing of fur	0.142	106.1	110.7	110.5	111.8
1.3.6.2 Luggage, Handbags, Saddlery and Harness	0.075	142.5	144.1	144.9	145.2
1.3.6.3 Footwear	0.318	129.7	133.0	132.5	133.2
1.3.7 MANUFACTURE OF WOOD AND PRODUCTS OF WOOD AND CORK	0.772	149.2	151.2	151.2	151.7
1.3.7.1 Saw milling and Planing of wood	0.124	141.1	145.2	144.9	145.9
1.3.7.2 Veneer sheets; Manufacture of plywood, Laminboard, Particle board and Other panels and Boards	0.493	148.6	150.0	149.9	150.3
1.3.7.3 Builder's carpentry and Joinery	0.036	215.3	213.9	213.9	214.0
1.3.7.4 Wooden containers	0.119	140.6	143.7	144.2	145.3
1.3.8 MANUFACTURE OF PAPER AND PAPER PRODUCTS	1.113	139.2	140.6	140.7	142.2
1.3.8.1 Pulp, Paper and Paperboard	0.493	144.6	145.2	145.3	146.9
1.3.8.2 Corrugated paper and Paperboard and Containers of paper and Paperboard	0.314	147.3	150.7	151.2	152.3
1.3.8.3 Other articles of paper and Paperboard	0.306	122.4	122.7	122.6	124.2
1.3.9 PRINTING AND REPRODUCTION OF RECORDED MEDIA	0.676	187.3	191.1	191.3	191.0
1.3.9.1 Printing	0.676	187.3	191.1	191.3	191.0
1.3.10 MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS	6.465	136.5	137.5	137.9	139.9
1.3.10.1 Basic chemicals	1.433	138.6	143.6	145.1	147.2
1.3.10.2 Fertilizers and Nitrogen compounds	1.485	143.1	144.1	144.3	146.0
1.3.10.3 Plastic and Synthetic rubber in primary form	1.001	133.6	132.1	133.3	136.5
1.3.10.4 Pesticides and Other agrochemical products	0.454	128.8	130.8	130.5	130.9
1.3.10.5 Paints, Varnishes and Similar coatings, Printing ink and Mastics	0.491	139.5	138.3	137.0	138.4
1.3.10.6 Soap and Detergents, Cleaning and Polishing preparations, Perfumes and Toilet preparations	0.612	139.7	142.8	142.0	142.6
1.3.10.7 Other chemical products	0.692	135.4	132.8	132.7	134.7
1.3.10.8 Man-made fibres	0.296	104.9	101.8	102.4	107.7
1.3.11 MANUFACTURE OF PHARMACEUTICALS, MEDICINAL CHEMICAL AND BOTANICAL PRODUCTS	1.993	144.3	145.4	145.9	146.7
1.3.11.1 Pharmaceuticals, Medicinal chemical and Botanical products	1.993	144.3	145.4	145.9	146.7
1.3.12 MANUFACTURE OF RUBBER AND PLASTICS PRODUCTS	2.299	129.0	128.5	129.2	131.2
1.3.12.1 Rubber Tyres and Tubes; Retreading and Rebuilding of Rubber Tyres	0.609	115.6	114.0	114.6	114.4
1.3.12.2 Other Rubber Products	0.272	112.1	112.1	112.7	113.9
1.3.12.3 Plastics products	1.418	138.1	137.9	138.6	141.7
1.3.13 MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS	3.202	131.5	133.3	133.7	134.1
1.3.13.1 Glass and Glass products	0.295	163.2	162.8	163.3	163.3
1.3.13.2 Refractory products	0.223	121.6	124.3	124.1	128.0
1.3.13.3 Clay Building Materials	0.121	124.4	143.1	143.1	143.1
1.3.13.4 Other Porcelain and Ceramic Products	0.222	124.6	126.3	126.2	126.2
1.3.13.5 Cement, Lime and Plaster	1.645	130.4	131.8	132.4	132.4

No. 22: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2024-25	2026		
			Jan.	Feb.(P)	Mar.(P)
			1	2	3
1.3.13.6 Articles of Concrete, Cement and Plaster	0.292	139.2	138.4	138.5	139.2
1.3.13.7 Cutting, Shaping and Finishing of Stone	0.234	134.4	141.4	141.4	141.8
1.3.13.8 Other Non-Metallic Mineral Products	0.169	95.2	91.2	91.1	91.2
1.3.14 MANUFACTURE OF BASIC METALS	9.646	139.7	141.6	143.9	145.1
1.3.14.1 Inputs into steel making	1.411	133.6	131.1	133.7	134.8
1.3.14.2 Metallic Iron	0.653	141.8	134.2	139.5	138.8
1.3.14.3 Mild Steel - Semi Finished Steel	1.274	117.9	117.6	118.0	118.7
1.3.14.4 Mild Steel -Long Products	1.081	140.4	137.6	141.0	141.8
1.3.14.5 Mild Steel - Flat products	1.144	134.2	131.9	136.4	139.0
1.3.14.6 Alloy steel other than Stainless Steel- Shapes	0.067	135.4	133.2	135.0	136.6
1.3.14.7 Stainless Steel - Semi Finished	0.924	131.1	128.6	128.7	129.7
1.3.14.8 Pipes & tubes	0.205	164.7	161.2	162.5	162.2
1.3.14.9 Non-ferrous metals incl. precious metals	1.693	157.4	179.0	182.2	185.0
1.3.14.10 Castings	0.925	144.9	143.9	144.0	144.6
1.3.14.11 Forgings of steel	0.271	172.2	171.9	171.8	171.0
1.3.15 MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT	3.155	136.0	136.7	136.3	136.2
1.3.15.1 Structural Metal Products	1.031	130.8	132.0	130.5	131.9
1.3.15.2 Tanks, Reservoirs and Containers of Metal	0.660	149.5	150.1	151.9	152.1
1.3.15.3 Steam generators, Except Central Heating Hot Water Boilers	0.145	109.8	113.2	113.7	113.7
1.3.15.4 Forging, Pressing, Stamping and Roll-Forming of Metal; Powder Metallurgy	0.383	138.0	130.6	129.2	123.6
1.3.15.5 Cutlery, Hand Tools and General Hardware	0.208	102.0	104.4	104.1	104.2
1.3.15.6 Other Fabricated Metal Products	0.728	144.9	148.2	147.9	148.1
1.3.16 MANUFACTURE OF COMPUTER, ELECTRONIC AND OPTICAL PRODUCTS	2.009	121.5	121.8	121.3	121.2
1.3.16.1 Electronic Components	0.402	117.9	121.2	121.1	121.1
1.3.16.2 Computers and Peripheral Equipment	0.336	134.2	129.7	129.7	129.7
1.3.16.3 Communication Equipment	0.310	146.0	146.9	146.1	146.5
1.3.16.4 Consumer Electronics	0.641	101.1	98.1	96.8	96.4
1.3.16.5 Measuring, Testing, Navigating and Control equipment	0.181	119.9	127.8	127.8	127.8
1.3.16.6 Watches and Clocks	0.076	167.9	178.1	179.7	179.7
1.3.16.7 Irradiation, Electromedical and Electrotherapeutic equipment	0.055	114.4	116.8	117.2	116.9
1.3.16.8 Optical instruments and Photographic equipment	0.008	107.4	119.0	119.0	119.5
1.3.17 MANUFACTURE OF ELECTRICAL EQUIPMENT	2.930	133.7	138.4	139.2	139.5
1.3.17.1 Electric motors, Generators, Transformers and Electricity distribution and Control apparatus	1.298	132.3	133.9	134.9	135.3
1.3.17.2 Batteries and Accumulators	0.236	141.3	144.3	144.2	144.3
1.3.17.3 Fibre optic cables for data transmission or live transmission of images	0.133	118.6	120.6	121.8	119.2
1.3.17.4 Other electronic and Electric wires and Cables	0.428	154.4	174.0	175.3	176.3
1.3.17.5 Wiring devices, Electric lighting & display equipment	0.263	118.4	124.6	125.4	125.5
1.3.17.6 Domestic appliances	0.366	131.8	131.3	131.4	131.3
1.3.17.7 Other electrical equipment	0.206	123.4	128.3	128.8	129.2
1.3.18 MANUFACTURE OF MACHINERY AND EQUIPMENT	4.789	130.8	132.8	133.1	132.9
1.3.18.1 Engines and Turbines, Except aircraft, Vehicle and Two wheeler engines	0.638	132.8	136.5	136.4	136.5
1.3.18.2 Fluid power equipment	0.162	134.5	134.9	135.7	135.7
1.3.18.3 Other pumps, Compressors, Taps and Valves	0.552	118.5	122.9	123.2	123.2
1.3.18.4 Bearings, Gears, Gearing and Driving elements	0.340	128.5	133.5	131.8	132.0
1.3.18.5 Ovens, Furnaces and Furnace burners	0.008	86.6	92.6	92.6	92.6
1.3.18.6 Lifting and Handling equipment	0.285	130.0	131.8	132.3	132.3

No. 22: Wholesale Price Index (Concl.)

(Base: 2011-12 = 100)

Commodities	Weight	2024-25	2026		
			Jan.	Feb.(P)	Mar.(P)
	1	2	3	4	5
1.3.18.7 Office machinery and Equipment	0.006	130.2	130.2	130.2	130.2
1.3.18.8 Other general-purpose machinery	0.437	145.3	141.1	142.5	142.4
1.3.18.9 Agricultural and Forestry machinery	0.833	145.5	145.0	145.7	145.7
1.3.18.10 Metal-forming machinery and Machine tools	0.224	123.2	127.6	128.0	128.0
1.3.18.11 Machinery for mining, Quarrying and Construction	0.371	89.8	93.5	93.6	93.4
1.3.18.12 Machinery for food, Beverage and Tobacco processing	0.228	126.1	125.9	125.9	126.2
1.3.18.13 Machinery for textile, Apparel and Leather production	0.192	141.4	146.4	146.5	145.2
1.3.18.14 Other special-purpose machinery	0.468	144.9	148.0	148.2	146.8
1.3.18.15 Renewable electricity generating equipment	0.046	69.2	68.7	68.7	68.9
1.3.19 MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	4.969	129.9	130.4	130.6	130.8
1.3.19.1 Motor vehicles	2.600	130.6	130.3	130.5	130.6
1.3.19.2 Parts and Accessories for motor vehicles	2.368	129.1	130.5	130.7	131.0
1.3.20 MANUFACTURE OF OTHER TRANSPORT EQUIPMENT	1.648	145.2	153.0	153.2	154.7
1.3.20.1 Building of ships and Floating structures	0.117	180.5	190.8	190.8	205.8
1.3.20.2 Railway locomotives and Rolling stock	0.110	108.9	110.7	110.7	110.7
1.3.20.3 Motor cycles	1.302	146.0	154.5	154.8	155.2
1.3.20.4 Bicycles and Invalid carriages	0.117	134.9	137.9	137.8	139.5
1.3.20.5 Other transport equipment	0.002	163.2	167.3	170.8	170.8
1.3.21 MANUFACTURE OF FURNITURE	0.727	160.3	164.2	164.6	165.1
1.3.21.1 Furniture	0.727	160.3	164.2	164.6	165.1
1.3.22 OTHER MANUFACTURING	1.064	183.8	286.8	304.7	316.2
1.3.22.1 Jewellery and Related articles	0.996	185.4	294.9	314.0	326.3
1.3.22.2 Musical instruments	0.001	201.9	208.1	209.4	209.4
1.3.22.3 Sports goods	0.012	164.9	173.3	174.1	174.3
1.3.22.4 Games and Toys	0.005	163.1	169.9	166.2	169.3
1.3.22.5 Medical and Dental instruments and Supplies	0.049	158.6	164.2	164.7	164.7
2. FOOD INDEX	24.378	192.9	194.4	192.9	192.8

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

No. 23: Index of Industrial Production

(Base:2011-12=100)

Industry	Weight	2023-24	2024-25	April-February		February	
				2024-25	2025-26	2025	2026
	1	2	3	4	5	6	7
General Index	100.00	146.7	152.6	151.4	157.6	151.1	159.0
1. Sectoral Classification							
1.1 Mining	14.37	128.9	132.8	130.5	131.6	141.9	146.3
1.2 Manufacturing	77.63	144.7	150.6	149.5	157.0	148.4	157.3
1.3 Electricity	7.99	198.3	208.6	207.6	209.8	194.0	198.4
2. Use-Based Classification							
2.1 Primary Goods	34.05	147.7	153.5	152.0	153.8	152.3	155.0
2.2 Capital Goods	8.22	106.6	112.6	110.4	118.7	115.4	129.8
2.3 Intermediate Goods	17.22	157.3	164.0	162.9	172.4	159.1	171.3
2.4 Infrastructure/ Construction Goods	12.34	176.3	188.2	185.8	204.7	191.7	213.2
2.5 Consumer Durables	12.84	118.6	128.0	127.1	134.6	126.4	135.6
2.6 Consumer Non-Durables	15.33	153.7	151.4	151.6	151.5	146.7	145.8

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

Government Accounts and Treasury Bills**No. 24: Union Government Accounts at a Glance**

(₹ Crore)

Item	Financial Year	April – February			
	2025-26 (Revised Estimates)	2025-26 (Actuals)	2024-25 (Actuals)	Percentage to Revised Estimates	
				2025-26	2024-25
	1	2	3	4	5
1. Revenue Receipts	3342323	2726396	2508953	81.6	81.2
1.1 Tax Revenue (Net)	2674661	2145223	2015634	80.2	78.8
1.2 Non-Tax Revenue	667662	581173	493319	87.0	92.9
2. Non Debt Capital Receipt	64027	65547	37364	102.4	63.3
2.1 Recovery of Loans	30190	21596	21655	71.5	83.3
2.2 Other Receipts	33837	43951	15709	129.9	47.6
3. Total Receipts (excluding borrowings) (1+2)	3406350	2791943	2546317	82.0	80.9
4. Revenue Expenditure of which :	3869087	3115270	3081282	80.5	83.3
4.1 Interest Payments	1274338	1065305	952844	83.6	83.7
5. Capital Expenditure	1095755	929322	811887	84.8	79.7
6. Total Expenditure (4+5)	4964842	4044592	3893169	81.5	82.5
7. Revenue Deficit (4-1)	526764	388874	572329	73.8	93.8
8. Fiscal Deficit (6-3)	1558492	1252649	1346852	80.4	85.8
9. Gross Primary Deficit (8-4.1)	284154	187344	394008	65.9	91.3

Sources: Controller General of Accounts (CGA), Ministry of Finance, Government of India and Union Budget 2026-27.

No. 25: Treasury Bills – Ownership Pattern

(₹ Crore)

Item	2024-25	2025		2026				
		Feb. 28	Jan. 23	Jan. 30	Feb. 6	Feb. 13	Feb. 20	Feb. 27
	1	2	3	4	5	6	7	8
1. 91-day								
1.1 Banks	26554	7786	9423	11852	11495	13123	17961	16216
1.2 Primary Dealers	25258	14025	13956	12338	9936	10057	11678	12437
1.3 State Governments	40315	73415	92335	81335	79586	75086	68427	62941
1.4 Others	115688	116990	79421	80610	83868	89120	89661	97647
2. 182-day								
2.1 Banks	44887	37126	41116	39614	39116	35988	36090	38079
2.2 Primary Dealers	62218	54510	60364	64620	69016	75616	82592	86843
2.3 State Governments	11078	7528	7264	7264	7264	7264	5264	4964
2.4 Others	104994	85164	85820	89066	91168	94296	93218	92978
3. 364-day								
3.1 Banks	72304	66240	62136	63543	60373	57493	56059	54829
3.2 Primary Dealers	86939	112173	96615	98996	103049	99433	103825	107032
3.3 State Governments	37389	36713	41257	38336	40946	42359	42623	42395
3.4 Others	162757	151587	151548	148760	147878	154374	152416	151439
4. 14-day Intermediate								
4.1 Banks								
4.2 Primary Dealers								
4.3 State Governments	188072	291002	229929	215805	152931	243069	270170	264716
4.4 Others	572	38	2228	548	1010	480	1192	853
Total Treasury Bills (Excluding 14 day Intermediate T Bills) #	790381	763256	741256	736334	743696	754209	759814	767799

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

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

No. 26: Auctions of Treasury Bills

(Amount in ₹ Crore)

Date of Auction	Notified Amount	Bids Received		Bids Accepted		Total Issue (6+7)	Cut-off Price (₹)	Implicit Yield at Cut-off Price (per cent)		
		Number	Total Face Value		Number				Total Face Value	
			Competitive	Non-Competitive					Competitive	Non-Competitive
1	2	3	4	5	6	7	8	9	10	
91-day Treasury Bills										
2025-26										
Jan. 28	9000	111	23280	8013	66	8987	8013	17000	98.65	5.4997
Feb. 4	9000	127	30828	2807	40	8633	2807	11440	98.69	5.3447
Feb. 11	14000	137	39804	1026	71	13974	1026	15000	98.69	5.3200
Feb. 18	14000	148	44580	2028	67	13977	2028	16006	98.69	5.3176
Feb. 25	14000	147	46399	1538	69	13981	1538	15519	98.70	5.2998
182-day Treasury Bills										
2025-26										
Jan. 28	12000	82	35407	1008	32	11992	1008	13000	97.25	5.6793
Feb. 4	12000	114	51285	2311	17	11400	2300	13700	97.28	5.5973
Feb. 11	12000	131	56962	610	19	11990	610	12600	97.30	5.5581
Feb. 18	12000	165	51327	29	28	11971	29	12000	97.31	5.5361
Feb. 25	12000	149	52283	1511	29	11989	1511	13500	97.33	5.5096
364-day Treasury Bills										
2025-26										
Jan. 28	8000	105	24003	1009	61	7991	1009	9000	94.59	5.7391
Feb. 4	8000	145	36735	3204	18	7600	3170	10770	94.67	5.6475
Feb. 11	8000	136	40566	1881	24	7819	1881	9700	94.70	5.6100
Feb. 18	8000	142	29355	694	61	7606	694	8300	94.71	5.5997
Feb. 25	8000	148	31215	64	50	7936	64	8000	94.72	5.5863

Financial Markets

No. 27: Daily Call Money Rates

(Per cent per annum)

As on	Range of Rates	Weighted Average Rates
	Borrowings/ Lendings	Borrowings/ Lendings
	1	2
February 02, 2026	4.25-5.30	5.20
February 03, 2026	4.40-5.26	5.06
February 04, 2026	4.40-5.65	4.99
February 05, 2026	4.40-5.15	5.03
February 06, 2026	4.40-5.10	5.03
February 07, 2026	4.00-5.10	4.55
February 09, 2026	4.10-5.10	5.03
February 10, 2026	4.35-5.10	5.02
February 11, 2026	4.40-5.10	5.03
February 12, 2026	4.40-5.10	5.04
February 13, 2026	4.50-5.75	5.05
February 16, 2026	4.50-5.20	5.09
February 17, 2026	4.50-5.20	5.08
February 18, 2026	4.50-5.20	5.07
February 20, 2026	4.50-5.78	5.09
February 21, 2026	4.50-5.15	4.72
February 23, 2026	4.50-5.50	5.11
February 24, 2026	4.50-5.50	5.10
February 25, 2026	4.50-5.20	5.09
February 26, 2026	4.50-5.20	5.08
February 27, 2026	4.50-5.22	5.11
March 02, 2026	4.50-5.20	5.06
March 04, 2026	4.50-5.20	5.11
March 05, 2026	4.50-5.15	5.06
March 06, 2026	4.20-5.25	5.06
March 07, 2026	4.60-5.15	4.76
March 09, 2026	4.20-5.22	5.07
March 10, 2026	4.50-5.20	5.07
March 11, 2026	4.50-5.15	5.08
March 12, 2026	4.50-5.15	5.07
March 13, 2026	4.60-5.20	5.10

Note: Includes Notice Money.

No. 28 : Certificates of Deposit

Item	2025	2026			
	Mar. 21	Feb. 15	Feb. 28	Mar. 15	Mar. 31
	1	2	3	4	5
1. Amount Outstanding (₹ Crore)	532971.66	662414.76	663845.18	679391.41	692680.56
1.1 Issued during the fortnight (₹ Crore)	117053.02	134618.68	73093.24	107613.36	107211.64
2. Rate of Interest (per cent)	6.08-8.05	5.25-7.37	5.24-7.64	5.25-7.56	5.25-8.15

No. 29: Commercial Paper

Item	2025	2026			
	Mar. 31	Feb. 15	Feb. 28	Mar. 15	Mar. 31
	1	2	3	4	5
1. Amount Outstanding (₹ Crore)	442892.70	481234.60	478434.45	476150.85	460151.55
1.1 Reported during the fortnight (₹ Crore)	77133.85	110283.75	79734.20	100794.60	77688.35
2. Rate of Interest (per cent)	7.00-14.46	6.06-13.56	5.96-11.18	6.27-12.00	5.92-14.40

No. 30: Average Daily Turnover in Select Financial Markets

(₹ Crore)

Item	2024-25	2025	2026					
		Feb. 28	Jan. 23	Jan. 30	Feb. 6	Feb. 13	Feb. 20	Feb. 27
	1	2	3	4	5	6	7	8
1. Call Money	18990	25329	27303	28120	19656	21624	21864	23035
2. Notice Money	2506	8886	713	7851	4921	652	6771	587
3. Term Money	941	1425	1342	1521	1387	1419	2486	1488
4. Triparty Repo	692068	802167	825908	1038585	805550	808798	985652	798950
5. Market Repo	578912	627685	631318	771848	581184	570489	685917	619354
6. Repo in Corporate Bond	5212	7237	18256	17852	20688	22847	20938	21222
7. Forex (US \$ million)	131877	155172	147647	182645	157068	130093	108328	137674
8. Govt. of India Dated Securities	56065	86173	109698	97876	140333	126041	103912	95979
9. State Govt. Securities	3971	16088	4220	6460	8020	9331	9442	10626
10. Treasury Bills								
10.1 91-Day	2514	5438	2715	2592	3764	3128	2923	3587
10.2 182-Day	2218	4596	3928	2519	3793	8930	5195	4999
10.3 364-Day	1854	4148	3734	6353	5603	5534	5487	4537
10.4 Cash Management Bills	-	-	-	-	-	-	-	-
11. Total Govt. Securities (8+9+10)	66622	116444	124295	115800	161513	152964	126960	119728
11.1 RBI	1715	704	13597	14335	11567	2449	1836	2537

No. 31: New Capital Issues by Non-Government Public Limited Companies

(Amount in ₹ Crore)

Security & Type of Issue	2024-25		2024-25 (Apr.-Feb.)		2025-26 (Apr.-Feb.) *		Feb. 2025		Feb. 2026 *	
	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount
	1	2	3	4	5	6	7	8	9	10
1. Equity Shares	464	210190	443	208151	467	224949	31	15513	24	4949
1.1 Public	322	190478	310	189947	347	180198	21	14745	17	4650
1.2 Rights	142	19712	133	18204	120	44751	10	768	7	299
2. Public Issue of Bonds/ Debentures	43	8149	39	7694	38	9580	1	297	3	896
3. Total (1+2)	507	218339	482	215845	505	234529	32	15810	27	5845
3.1 Public	365	198627	349	197641	385	189778	22	15042	20	5546
3.2 Rights	142	19712	133	18204	120	44751	10	768	7	299

* : Data is Provisional

Note : 1. Since April 2020, monthly data on equity issues is compiled on the basis of their listing date.

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

3. The table covers only public and rights issuances of equity and debt. It does not include data on private placement of debt, qualified institutional placements and preferential allotments.

Source : Securities and Exchange Board of India.

External Sector

No. 32: Foreign Trade

Item	Unit	2024-25	2025				2026	
			Feb.	Oct.	Nov.	Dec.	Jan.	Feb.
		1	2	3	4	5	6	7
1. Exports	₹ Crore	3703412	321327	301546	336681	344846	331263	332159
	US \$ Million	437705	36911	34105	37904	38277	36483	36609
1.1 Oil	₹ Crore	535157	49785	32727	32924	37546	33459	31088
	US \$ Million	63383	5719	3701	3707	4168	3685	3426
1.2 Non-oil	₹ Crore	3168255	271542	268820	303757	307300	297804	301071
	US \$ Million	374321	31192	30404	34197	34110	32798	33183
2. Imports	₹ Crore	6089909	443663	678398	559434	580879	646715	578078
	US \$ Million	720241	50964	76728	62981	64477	71225	63713
2.1 Oil	₹ Crore	1570226	103528	130752	125315	129693	121689	117692
	US \$ Million	185779	11892	14788	14108	14396	13402	12972
2.2 Non-oil	₹ Crore	4519683	340135	547646	434120	451186	525026	460386
	US \$ Million	534462	39071	61939	48873	50081	57823	50742
3. Trade Balance	₹ Crore	-2386497	-122336	-376852	-222753	-236033	-315452	-245919
	US \$ Million	-282537	-14053	-42622	-25078	-26199	-34742	-27104
3.1 Oil	₹ Crore	-1035069	-53743	-98026	-92391	-92147	-88230	-86604
	US \$ Million	-122396	-6173	-11087	-10401	-10228	-9717	-9545
3.2 Non-oil	₹ Crore	-1351428	-68593	-278826	-130363	-143886	-227222	-159314
	US \$ Million	-160141	-7879	-31536	-14676	-15971	-25025	-17559

Note: Data in the table are provisional.

Source: Directorate General of Commercial Intelligence and Statistics.

No. 33: Foreign Exchange Reserves

Item	Unit	2025		2026					
		Apr. 04	Feb. 20	Feb. 27	Mar. 06	Mar. 13	Mar. 20	Mar. 27	
		1	2	3	4	5	6	7	
1. Total Reserves	₹ Crore	5764903	6583899	6627548	6575627	6561849	6543246	6520745	
	US \$ Million	676268	723608	728494	716810	709759	698346	688058	
1.1 Foreign Currency Assets	₹ Crore	4893864	5209603	5214072	5166923	5136326	5225529	5222593	
	US \$ Million	574088	572564	573125	563245	555568	557695	551072	
1.2 Gold	₹ Crore	676510	1159988	1197517	1192711	1208169	1098021	1075852	
	US \$ Million	79360	127489	131630	130017	130681	117186	113521	
1.3 SDRs	Volume (Metric Tonnes)	879.58	880.34	880.34	880.34	880.34	880.34	880.34	
	SDRs Million	13706	13714	13714	13714	13714	13714	13714	
	₹ Crore	156526	171419	171635	171725	172857	174583	176739	
1.4 Reserve Tranche Position in IMF	US \$ Million	18362	18840	18866	18720	18697	18632	18649	
	₹ Crore	38003	42889	44324	44267	44497	45113	45561	
	US \$ Million	4459	4716	4873	4828	4814	4833	4816	

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

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

No. 34: Non-Resident Deposits

(US \$ Million)

Scheme	Outstanding				Flows	
	2024-25	2025	2026		2024-25	2025-26
		Feb.	Jan.	Feb. (P)	Apr.-Feb.	Apr.-Feb. (P)
	1	2	3	4	5	6
1. NRI Deposits	164677	160339	165876	167579	14558	11039
1.1 FCNR(B)	32809	32492	33754	33720	6759	911
1.2 NR(E)RA	100733	97938	98930	99766	4010	5188
1.3 NRO	31135	29908	33193	34092	3790	4940

P: Provisional

No. 35: Foreign Investment Inflows

(US \$ Million)

Item	2024-25	2024-25	2025-26 (P)	2025 (P)	2026 (P)	
		Apr.-Feb.	Apr.-Feb.	Feb.	Jan.	Feb.
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1-1.1.2)	959	1461	6268	-703	-1393	4620
1.1.1 Direct Investment to India (1.1.1.1-1.1.1.2)	29130	25742	37041	3066	750	7245
1.1.1.1 Gross Inflows/Gross Investments	80615	74736	88297	5558	5665	8981
1.1.1.1.1 Equity	50993	47753	58706	2919	2659	5667
1.1.1.1.1.1 Government	2208	1901	1805	37	74	51
1.1.1.1.1.2 RBI	34686	32246	40717	2291	1720	4391
1.1.1.1.1.3 Acquisition of shares	13124	12719	13059	502	556	916
1.1.1.1.1.4 Equity capital of unincorporated bodies	975	887	3126	88	310	310
1.1.1.1.2 Reinvested earnings	22759	20704	23256	2055	2308	2308
1.1.1.1.3 Other capital	6863	6280	6335	584	698	1006
1.1.1.2 Repatriation/Disinvestment	51486	48994	51256	2491	4916	1735
1.1.1.2.1 Equity	49525	47126	48987	2400	4868	1504
1.1.1.2.2 Other capital	1960	1869	2269	92	48	231
1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3-1.1.2.4)	28171	24281	30773	3770	2143	2625
1.1.2.1 Equity capital	16945	14537	18935	2701	1620	1527
1.1.2.2 Reinvested Earnings	6846	6276	7074	571	643	643
1.1.2.3 Other Capital	7955	6722	7584	821	414	688
1.1.2.4 Repatriation/Disinvestment	3575	3253	2819	322	534	232
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3-1.2.4)	3564	-478	-3327	-3972	-1924	2913
1.2.1 GDRs/ADRs	-	-	-	-	-	-
1.2.2 FPIs	3283	-714	-2404	-4017	-2407	3074
1.2.3 Offshore funds and others	-	-	-	-	-	-
1.2.4 Portfolio investment by India	-281	-236	922	-45	-482	161
1. Foreign Investment Inflows	4523	982	2941	-4675	-3318	7534

P: Provisional

No. 36: Outward Remittances under the Liberalised Remittance Scheme (LRS) for Resident Individuals

(US \$ Million)

Item	2024-25	2025		2026	
		Feb.	Dec.	Jan.	Feb.
	1	2	3	4	5
1. Outward Remittances under the LRS	29563.12	1964.21	2263.67	2680.43	2338.60
1.1 Deposit	705.26	51.62	54.60	48.60	56.90
1.2 Purchase of immovable property	322.82	28.76	47.90	57.33	51.36
1.3 Investment in equity/debt	1698.94	173.84	218.14	178.86	265.99
1.4 Gift	2938.69	190.82	201.30	185.82	202.09
1.5 Donations	11.81	0.59	0.89	0.55	0.86
1.6 Travel	16964.57	1090.61	1300.17	1658.33	1307.03
1.7 Maintenance of close relatives	3722.03	234.99	262.70	270.97	266.18
1.8 Medical Treatment	81.19	3.43	4.20	4.68	4.21
1.9 Studies Abroad	2918.91	182.17	165.88	267.42	175.68
1.10 Others	198.90	7.38	7.89	7.87	8.30

**No. 37: Indices of Nominal Effective Exchange Rate (NEER) and
Real Effective Exchange Rate (REER) of the Indian Rupee**

Item	2023-24	2024-25	2025	2026	
			Mar.	Feb.	Mar.
	1	2	3	4	5
40-Currency Basket (Base: 2015-16=100)					
1. Trade-Weighted					
1.1 NEER	91.01	84.72	89.00	81.70	80.80
1.2 REER	105.41	97.47	101.72	93.99	92.72
2. Export-Weighted					
2.1 NEER	93.52	86.84	91.71	84.27	83.33
2.2 REER	102.50	94.90	98.95	92.12	90.62
6-Currency Basket (Trade-weighted)					
1. Base : 2015-16 =100					
1.1 NEER	82.38	76.73	80.24	73.76	72.71
1.2 REER	102.72	95.85	99.20	92.45	91.23
2. Base : 2022-23 =100					
2.1 NEER	95.87	89.30	93.38	85.83	84.62
2.2 REER	100.90	94.16	97.44	90.82	89.61

Note: Data for 2024-25 and 2025-26 so far is provisional.

No. 38: External Commercial Borrowings (ECBs) – Registrations

(Amount in US \$ Million)

6Item	2024-25	2025	2026	
		Feb.	Jan.	Feb.
	1	2	3	4
1. Automatic Route				
1.1 Number	1328	107	113	121
1.2 Amount	47800	2627	4183	4231
2. Approval Route				
2.1 Number	51	1	3	2
2.2 Amount	13384	197	1152	400
3. Total (1+2)				
3.1 Number	1379	108	116	123
3.2 Amount	61184	2824	5335	4631
4. Weighted Average Maturity (in years)	5.05	5.40	7.60	5.50
5. Interest Rate (per cent)				
5.1 Weighted Average Margin over alternative reference rate (ARR) for Floating Rate Loans@	1.48	1.87	1.42	1.73
5.2 Interest rate range for Fixed Rate Loans	0.00-11.67	0.00-11.00	0.00-11.00	0.00-11.00

Borrower Category

I. Corporate Manufacturing	13900	1389	337	214
II. Corporate-Infrastructure	15462	527	1266	2258
a) Transport	614	371	0	43
b) Energy	6900	49	608	2173
c) Water and Sanitation	28	0	0	0
d) Communication	13	0	0	0
e) Social and Commercial Infrastructure	184	0	0	1
f) Exploration.Mining and Refinery	5356	100	600	0
g) Other Sub-Sectors	2367	7	58	41
III. Corporate Service-Sector	3226	211	778	230
IV. Other Entities	1026	0	1000	0
a) Units in SEZ	26	0	0	0
b) SIDBI	0	0	0	0
c) Exim Bank	1000	0	1000	0
V. Banks	0	0	0	0
VI. Financial Institution (Other than NBFC)	0	0	0	0
VII. NBFCs	26318	623	1884	1879
a) NBFC- IFC/AFC	12389	472	596	161
b) NBFC-MFI	459	0	0	150
c) NBFC-Others	13470	151	1288	1568
VIII. Non-Government Organization (NGO)	0	0	0	0
IX. Micro Finance Institution (MFI)	0	0	0	0
X. Others	1252	74	70	50

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

Note: 1. Based on applications for ECB/Foreign Currency Convertible Bonds (FCCBs) which have been allotted loan registration number during the period.
2. 'Automatic Route' and 'Approval Route' for February 2026 includes ECB loans availed under 'General Permission' and 'Special Permission' respectively as introduced in 'Form ECB 1.

No. 39a: Invoicing in INR of Exports of Goods and Software and Imports of Goods from/to India

(INR billion)

Item	Apr-Feb 2025-26	Apr-Feb 2024-25	Apr-Mar 2024-25	Apr-Mar 2023-24
	1	2	3	4
Exports	2959.15 (6.14%)	2752.43 (5.89%)	3070.45 (5.90%)	2866.38 (5.87%)
Imports	2660.16 (4.65%)	2284.79 (4.37%)	2599.11 (4.54%)	1941.58 (3.70%)

Notes: 1. Figures in parentheses indicate percentage share of INR compared to all currencies.

2. All figures are based on AD bank reporting on EDPMS/IDPMS portal and hence are subject to updates/corrections from time to time.

Source: EDPMS/IDPMS portal.

No. 39b: Settlement in INR of Exports of Goods and Software and Imports of Goods from/to India

(INR billion)

Item	Apr-Feb 2025-26	Apr-Feb 2024-25	Apr-Mar 2024-25	Apr-Mar 2023-24
	1	2	3	4
Exports	1458.98 (2.82%)	1514.50 (3.20%)	1663.39 (3.16%)	1743.40 (3.55%)
Imports	1390.74 (2.35%)	961.54 (1.80%)	1128.54 (1.94%)	995.96 (1.85%)

Notes: 1. Figures in parentheses indicate percentage share of INR compared to all currencies.

2. All figures are based on AD bank reporting on EDPMS/IDPMS portal and hence are subject to updates/corrections from time to time.

Source: EDPMS/IDPMS portal.

No. 40: India's Overall Balance of Payments

(US\$ Million)

Item	Oct-Dec 2024			Oct-Dec 2025 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance Of Payments (1+2+3)	544481	582141	-37660	734969	759378	-24409
1. Current Account (1.1+ 1.2)	261726	273065	-11338	274865	288062	-13198
1.1 Merchandise	109817	189126	-79309	111694	205324	-93629
1.2 Invisibles (1.2.1+1.2.2+1.2.3)	151909	83939	67970	163170	82739	80432
1.2.1 Services	103487	52277	51210	111227	53726	57502
1.2.1.1 Travel	10068	8371	1698	9924	9052	872
1.2.1.2 Transportation	8278	8847	-569	8278	8481	-203
1.2.1.3 Insurance	870	894	-24	888	832	56
1.2.1.4 G.n.i.e.	167	307	-139	166	335	-170
1.2.1.5 Miscellaneous	84104	33859	50245	91972	35026	56947
1.2.1.5.1 Software Services	47619	6561	41057	53502	6437	47065
1.2.1.5.2 Business Services	29603	18252	11352	32121	19261	12859
1.2.1.5.3 Financial Services	2086	741	1346	1935	875	1060
1.2.1.5.4 Communication Services	580	616	-37	706	614	93
1.2.2 Transfers	36081	2898	33182	37949	2821	35128
1.2.2.1 Official	89	334	-244	105	344	-239
1.2.2.2 Private	35992	2565	33427	37844	2477	35367
1.2.3 Income	12341	28763	-16422	13994	26192	-12198
1.2.3.1 Investment Income	10161	27718	-17557	11742	25046	-13305
1.2.3.2 Compensation of Employees	2180	1046	1135	2253	1146	1107
2. Capital Account (2.1+2.2+2.3+2.4+2.5)	282456	309077	-26620	460105	470109	-10005
2.1 Foreign Investment (2.1.1+2.1.2)	192047	206229	-14182	208007	211843	-3836
2.1.1 Foreign Direct Investment	20635	23445	-2810	22457	26116	-3659
2.1.1.1 In India	19722	16218	3505	21804	17926	3879
2.1.1.1.1 Equity	11136	15637	-4501	13589	17273	-3684
2.1.1.1.2 Reinvested Earnings	5934		5934	6659		6659
2.1.1.1.3 Other Capital	2653	581	2072	1556	652	904
2.1.1.2 Abroad	913	7228	-6315	652	8190	-7538
2.1.1.2.1 Equity	913	3313	-2400	652	4613	-3960
2.1.1.2.2 Reinvested Earnings	0	1712	-1712	0	1929	-1929
2.1.1.2.3 Other Capital	0	2203	-2203	0	1648	-1648
2.1.2 Portfolio Investment	171412	182784	-11372	185550	185727	-177
2.1.2.1 In India	170667	182102	-11435	184185	184270	-85
2.1.2.1.1 FIIs	170667	182102	-11435	184185	184270	-85
2.1.2.1.1.1 Equity	144811	156671	-11860	157600	158838	-1238
2.1.2.1.1.2 Debt	25856	25431	425	26585	25431	1154
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.2.2 Abroad	745	682	63	1365	1458	-93
2.2 Loans (2.2.1+2.2.2+2.2.3)	43114	34052	9062	211981	198665	13317
2.2.1 External Assistance	2955	2289	666	3029	3229	-200
2.2.1.1 By India	6	26	-20	6	10	-4
2.2.1.2 To India	2949	2263	686	3023	3219	-196
2.2.2 Commercial Borrowings	20906	16522	4384	184501	182401	2100
2.2.2.1 By India	9621	9593	28	176565	177759	-1194
2.2.2.2 To India	11285	6929	4356	7936	4642	3294
2.2.3 Short Term to India	19253	15241	4012	24451	13034	11417
2.2.3.1 Buyers' credit & Suppliers' Credit > 180 days	14260	15241	-980	20106	13034	7072
2.2.3.2 Suppliers' Credit up to 180 days	4993	0	4993	4345	0	4345
2.3 Banking Capital (2.3.1+2.3.2)	39538	49311	-9774	35825	35133	692
2.3.1 Commercial Banks	39530	49306	-9776	35825	35016	810
2.3.1.1 Assets	11853	25923	-14070	6142	13305	-7162
2.3.1.2 Liabilities	27677	23383	4294	29683	21711	7972
2.3.1.2.1 Non-Resident Deposits	25912	22771	3141	25932	20877	5054
2.3.2 Others	8	5	2	0	118	-118
2.4 Rupee Debt Service		0	0		0	0
2.5 Other Capital	7757	19484	-11727	4291	24468	-20177
3. Errors & Omissions	298	0	298	0	1206	-1206
4. Monetary Movements (4.1+ 4.2)	37660	0	37660	24409	0	24409
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	37660		37660	24409		24409

Note: P: Preliminary.

No. 41: India's Overall Balance of Payments

(₹ Crore)

Item	Oct-Dec 2024			Oct-Dec 2025 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance Of Payments (1+2+3)	4598686	4916766	-318081	6549391	6766900	-217509
1. Current Account (1.1+ 1.2)	2210541	2306305	-95764	2449348	2566955	-117607
1.1 Merchandise	927514	1597355	-669841	995321	1829663	-834342
1.2 Invisibles (1.2.1+1.2.2+1.2.3)	1283026	708950	574077	1454028	737293	716735
1.2.1 Services	874055	441535	432520	991157	478754	512403
1.2.1.1 Travel	85035	70697	14338	88432	80662	7771
1.2.1.2 Transportation	69916	74723	-4807	73762	75571	-1809
1.2.1.3 Insurance	7347	7553	-206	7910	7415	495
1.2.1.4 G.n.i.e.	1413	2590	-1177	1477	2989	-1512
1.2.1.5 Miscellaneous	710344	285972	424372	819575	312117	507458
1.2.1.5.1 Software Services	402186	55417	346769	476760	57362	419398
1.2.1.5.2 Business Services	250030	154153	95877	286231	171639	114591
1.2.1.5.3 Financial Services	17623	6256	11367	17241	7793	9448
1.2.1.5.4 Communication Services	4896	5207	-310	6292	5468	824
1.2.2 Transfers	304738	24479	280259	338167	25135	313032
1.2.2.1 Official	753	2817	-2064	932	3061	-2129
1.2.2.2 Private	303985	21662	282323	337235	22074	315160
1.2.3 Income	104233	242936	-138702	124704	233403	-108700
1.2.3.1 Investment Income	85820	234105	-148285	104630	223191	-118561
1.2.3.2 Compensation of Employees	18413	8831	9582	20074	10212	9861
2. Capital Account (2.1+2.2+2.3+2.4+2.5)	2385627	2610461	-224834	4100043	4189196	-89153
2.1 Foreign Investment (2.1.1+2.1.2)	1622029	1741812	-119783	1853572	1887758	-34186
2.1.1 Foreign Direct Investment	174285	198020	-23735	200114	232721	-32607
2.1.1.1 In India	166573	136974	29599	194301	159739	34562
2.1.1.1.1 Equity	94051	132068	-38017	121097	153925	-32828
2.1.1.1.1.1 Reinvested Earnings	50117	0	50117	59336	0	59336
2.1.1.1.1.2 Other Capital	22405	4905	17500	13868	5813	8055
2.1.1.1.2 Abroad	7712	61046	-53334	5814	72983	-67169
2.1.1.1.2.1 Equity	7712	27980	-20268	5814	41104	-35291
2.1.1.1.2.2 Reinvested Earnings	0	14456	-14456	0	17192	-17192
2.1.1.1.2.3 Other Capital	0	18610	-18610	0	14686	-14686
2.1.1.2 Portfolio Investment	1447744	1543792	-96048	1653457	1655037	-1580
2.1.1.2.1 In India	1441453	1538030	-96577	1641292	1642046	-754
2.1.1.2.1.1 FIIs	1441453	1538030	-96577	1641292	1642046	-754
2.1.1.2.1.1.1 Equity	1223076	1323243	-100167	1404393	1415426	-11033
2.1.1.2.1.1.2 Debt	218376	214787	3590	236899	226620	10279
2.1.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.1.2.2 Abroad	6291	5762	529	12165	12990	-825
2.1.2 Loans (2.2.1+2.2.2+2.2.3)	364145	287604	76541	1888990	1770325	118665
2.2.1 External Assistance	24961	19334	5626	26994	28775	-1781
2.2.1.1 By India	52	217	-166	52	86	-34
2.2.1.2 To India	24909	19117	5792	26942	28689	-1747
2.2.2 Commercial Borrowings	176574	139548	37025	1644108	1625398	18709
2.2.2.1 By India	81258	81026	232	1573392	1584033	-10641
2.2.2.2 To India	95315	58522	36793	70716	41365	29351
2.2.3 Short Term to India	162611	128721	33889	217889	116152	101737
2.2.3.1 Buyers' credit & Suppliers' Credit > 180 days	120442	128721	-8280	179169	116152	63017
2.2.3.2 Suppliers' Credit up to 180 days	42169	0	42169	38720	0	38720
2.3 Banking Capital (2.3.1+2.3.2)	333936	416483	-82547	319243	313076	6167
2.3.1 Commercial Banks	333872	416438	-82566	319243	312027	7215
2.3.1.1 Assets	100112	218949	-118837	54736	118561	-63825
2.3.1.2 Liabilities	233760	197489	36271	264506	193466	71041
2.3.1.2.1 Non-Resident Deposits	218851	192322	26530	231079	186041	45038
2.3.2 Others	64	45	19	0	1048	-1048
2.4 Rupee Debt Service	0	0	0	0	0	0
2.5 Other Capital	65518	164562	-99045	38239	218037	-179799
3. Errors & Omissions	2518	0	2518	0	10749	-10749
4. Monetary Movements (4.1+ 4.2)	318081	0	318081	217509	0	217509
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	318081	0	318081	217509	0	217509

Note: P: Preliminary.

No. 42: Standard Presentation of BoP in India as per BPM6

(US\$ Million)

Item	Oct-Dec 2024			Oct-Dec 2025 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1. Current Account (1.A+1.B+1.C)	261720	273035	-11315	274857	288029	-13172
1.A Goods and Services (1.A.a+1.A.b)	213304	241403	-28099	222921	259049	-36128
1.A.a Goods (1.A.a.1 to 1.A.a.3)	109817	189126	-79309	111694	205324	-93629
1.A.a.1 General merchandise on a BOP basis	109391	169659	-60268	111359	182444	-71085
1.A.a.2 Net exports of goods under merchanting	426	0	426	335	0	335
1.A.a.3 Nonmonetary gold		19467	-19467		22879	-22879
1.A.b Services (1.A.b.1 to 1.A.b.13)	103487	52277	51210	111227	53726	57502
1.A.b.1 Manufacturing services on physical inputs owned by others	244	31	213	369	65	304
1.A.b.2 Maintenance and repair services n.i.e.	82	305	-223	120	465	-345
1.A.b.3 Transport	8278	8847	-569	8278	8481	-203
1.A.b.4 Travel	10068	8371	1698	9924	9052	872
1.A.b.5 Construction	1047	834	213	1371	822	549
1.A.b.6 Insurance and pension services	870	894	-24	888	832	56
1.A.b.7 Financial services	2086	741	1346	1935	875	1060
1.A.b.8 Charges for the use of intellectual property n.i.e.	621	4573	-3952	491	4562	-4070
1.A.b.9 Telecommunications, computer, and information services	48296	7416	40880	54315	7275	47039
1.A.b.10 Other business services	29603	18252	11352	32121	19261	12859
1.A.b.11 Personal, cultural, and recreational services	1148	1242	-95	1193	1120	73
1.A.b.12 Government goods and services n.i.e.	167	307	-139	166	335	-170
1.A.b.13 Others n.i.e.	977	465	512	58	582	-524
1.B Primary Income (1.B.1 to 1.B.3)	12341	28763	-16422	13994	26192	-12198
1.B.1 Compensation of employees	2180	1046	1135	2253	1146	1107
1.B.2 Investment income	8094	26925	-18831	7909	23722	-15813
1.B.2.1 Direct investment	2631	17134	-14503	2793	15041	-12249
1.B.2.2 Portfolio investment	95	2596	-2502	80	1833	-1753
1.B.2.3 Other investment	690	6991	-6301	1075	6686	-5612
1.B.2.4 Reserve assets	4678	204	4474	3962	161	3801
1.B.3 Other primary income	2067	793	1274	3832	1324	2508
1.C Secondary Income (1.C.1+1.C.2)	36074	2868	33206	37942	2788	35154
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	35992	2565	33427	37844	2477	35367
1.C.1.1 Personal transfers (Current transfers between resident and/non-resident households)	35063	1871	33192	36888	1862	35026
1.C.1.2 Other current transfers	928	694	234	956	615	341
1.C.2 General government	83	303	-221	97	310	-213
2. Capital Account (2.1+2.2)	185	322	-137	228	211	17
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	16	151	-135	25	73	-48
2.2 Capital transfers	169	171	-2	203	138	65
3. Financial Account (3.1 to 3.5)	319938	308785	11154	484292	469931	14361
3.1 Direct Investment (3.1A+3.1B)	20635	23445	-2810	22457	26116	-3659
3.1.A Direct Investment in India	19722	16218	3505	21804	17926	3879
3.1.A.1 Equity and investment fund shares	17069	15637	1433	20248	17273	2975
3.1.A.1.1 Equity other than reinvestment of earnings	11136	15637	-4501	13589	17273	-3684
3.1.A.1.2 Reinvestment of earnings	5934		5934	6659		6659
3.1.A.2 Debt instruments	2653	581	2072	1556	652	904
3.1.A.2.1 Direct investor in direct investment enterprises	2653	581	2072	1556	652	904
3.1.B Direct Investment by India	913	7228	-6315	652	8190	-7538
3.1.B.1 Equity and investment fund shares	913	5024	-4111	652	6542	-5890
3.1.B.1.1 Equity other than reinvestment of earnings	913	3313	-2400	652	4613	-3960
3.1.B.1.2 Reinvestment of earnings		1712	-1712		1929	-1929
3.1.B.2 Debt instruments	0	2203	-2203	0	1648	-1648
3.1.B.2.1 Direct investor in direct investment enterprises		2203	-2203		1648	-1648
3.2 Portfolio Investment	171412	182784	-11372	185550	185727	-177
3.2.A Portfolio Investment in India	170667	182102	-11435	184185	184270	-85
3.2.1 Equity and investment fund shares	144811	156671	-11860	157600	158838	-1238
3.2.2 Debt securities	25856	25431	425	26585	25431	1154
3.2.B Portfolio Investment by India	745	682	63	1365	1458	-93
3.3 Financial derivatives (other than reserves) and employee stock options	6569	12105	-5536	6549	12194	-5646
3.4 Other investment	83662	90450	-6789	245328	245894	-565
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	25919	22776	3143	25932	20995	4936
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	8	5	2	0	118	-118
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	25912	22771	3141	25932	20877	5054
3.4.2.3 General government			0			0
3.4.2.4 Other sectors			0			0
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	37480	45347	-7867	197424	199769	-2345
3.4.3.A Loans to India	27853	35728	-7875	20853	22000	-1147
3.4.3.B Loans by India	9627	9619	8	176571	177769	-1198
3.4.4 Insurance, pension, and standardized guarantee schemes	52	59	-7	52	34	18
3.4.5 Trade credit and advances	19253	15241	4012	24451	13034	11417
3.4.6 Other accounts receivable/payable - other	958	7028	-6071	-2530	12061	-14592
3.4.7 Special drawing rights			0			0
3.5 Reserve assets	37660	0	37660	24409	0	24409
3.5.1 Monetary gold			0			0
3.5.2 Special drawing rights n.a.			0			0
3.5.3 Reserve position in the IMF n.a.			0			0
3.5.4 Other reserve assets (Foreign Currency Assets)	37660	0	37660	24409	0	24409
4. Total assets/liabilities	319938	308785	11154	484292	469931	14361
4.1 Equity and investment fund shares	170159	190178	-20019	186466	196340	-9874
4.2 Debt instruments	111161	111578	-418	275948	261530	14418
4.3 Other financial assets and liabilities	38618	7028	31590	21878	12061	9817
5. Net errors and omissions	298	0	298	0	1206	-1206

Note: P: Preliminary.

No. 43: Standard Presentation of BoP in India as per BPM6

(₹ Crore)

Item	Oct-Dec 2024			Oct-Dec 2025 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1. Current Account (1.A+1.B+1.C)	2210485	2306051	-95566	2449283	2566661	-117378
1.A Goods and Services (1.A.a+1.A.b)	1801569	2038890	-237321	1986477	2308416	-321939
1.A.a Goods (1.A.a.1 to 1.A.a.3)	927514	1597355	-669841	995321	1829663	-834342
1.A.a.1 General merchandise on a BOP basis	923917	1432939	-509021	992333	1625781	-633449
1.A.a.2 Net exports of goods under merchanting	3597	0	3597	2988	0	2988
1.A.a.3 Nonmonetary gold	0	164417	-164417	0	203881	-203881
1.A.b Services (1.A.b.1 to 1.A.b.13)	874055	441535	432520	991157	478754	512403
1.A.b.1 Manufacturing services on physical inputs owned by others	2061	262	1798	3288	575	2713
1.A.b.2 Maintenance and repair services n.i.e.	689	2574	-1886	1066	4143	-3078
1.A.b.3 Transport	69916	74723	-4807	73762	75571	-1809
1.A.b.4 Travel	85035	70697	14338	88432	80662	7771
1.A.b.5 Construction	8843	7044	1799	12218	7322	4896
1.A.b.6 Insurance and pension services	7347	7553	-206	7910	7415	495
1.A.b.7 Financial services	17623	6256	11367	17241	7793	9448
1.A.b.8 Charges for the use of intellectual property n.i.e.	5245	38627	-33383	4380	40651	-36272
1.A.b.9 Telecommunications, computer, and information services	407907	62636	345271	484003	64829	419174
1.A.b.10 Other business services	250030	154153	95877	286231	171639	114591
1.A.b.11 Personal, cultural, and recreational services	9693	10492	-799	10633	9979	654
1.A.b.12 Government goods and services n.i.e.	1413	2590	-1177	1477	2989	-1512
1.A.b.13 Others n.i.e.	8255	3926	4329	516	5185	-4669
1.B Primary Income (1.B.1 to 1.B.3)	104233	242936	-138702	124704	233403	-108700
1.B.1 Compensation of employees	18413	8831	9582	20074	10212	9861
1.B.2 Investment income	68363	227407	-159044	70480	211391	-140911
1.B.2.1 Direct investment	22221	144710	-122490	24884	134035	-109151
1.B.2.2 Portfolio investment	800	21930	-21130	713	16337	-15624
1.B.2.3 Other investment	5827	59043	-53216	9575	59580	-50005
1.B.2.4 Reserve assets	39515	1724	37791	35307	1438	33869
1.B.3 Other primary income	17457	6698	10760	34150	11801	22350
1.C Secondary Income (1.C.1+1.C.2)	304682	24225	280457	338102	24841	313261
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	303985	21662	282323	337235	22074	315160
1.C.1.1 Personal transfers (Current transfers between resident and/non-resident households)	296144	15800	280343	328712	16591	312121
1.C.1.2 Other current transfers	7842	5862	1980	8522	5483	3039
1.C.2 General government	697	2563	-1866	867	2767	-1900
2. Capital Account (2.1+2.2)	1564	2720	-1156	2034	1879	155
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	136	1275	-1139	223	650	-427
2.2 Capital transfers	1428	1445	-17	1811	1229	582
3. Financial Account (3.1 to 3.5)	2702200	2607995	94204	4315583	4187611	127972
3.1 Direct Investment (3.1A+3.1B)	174285	198020	-23735	200114	232721	-32607
3.1.A Direct Investment in India	166573	136974	29599	194301	159739	34562
3.1.A.1 Equity and investment fund shares	144168	132068	12100	180432	159925	26507
3.1.A.1.1 Equity other than reinvestment of earnings	94051	132068	-38017	121097	159925	-32828
3.1.A.1.2 Reinvestment of earnings	50117	0	50117	59336	0	59336
3.1.A.2 Debt instruments	22405	4905	17500	13868	5813	8055
3.1.A.2.1 Direct investor in direct investment enterprises	22405	4905	17500	13868	5813	8055
3.1.B Direct Investment by India	7712	61046	-53334	5814	72983	-67169
3.1.B.1 Equity and investment fund shares	7712	42436	-34724	5814	58297	-52483
3.1.B.1.1 Equity other than reinvestment of earnings	7712	27980	-20268	5814	41104	-35291
3.1.B.1.2 Reinvestment of earnings	0	14456	-14456	0	17192	-17192
3.1.B.2 Debt instruments	0	18610	-18610	0	14686	-14686
3.1.B.2.1 Direct investor in direct investment enterprises	0	18610	-18610	0	14686	-14686
3.2 Portfolio Investment	1447744	1543792	-96048	1653457	1655037	-1580
3.2.A Portfolio Investment in India	1441453	1538030	-96577	1641292	1642046	-754
3.2.1 Equity and investment fund shares	1223076	1323243	-100167	1404393	1415426	-11033
3.2.2 Debt securities	218376	214787	3590	236699	226620	10279
3.2.B Portfolio Investment by India	6291	5762	529	12165	12990	-825
3.3 Financial derivatives (other than reserves) and employee stock options	55483	102239	-46756	58355	108666	-50311
3.4 Other investment	706607	763945	-57338	2186148	2191187	-5039
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	218915	192367	26549	231079	187090	43989
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	64	45	19	0	1048	-1048
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	218851	192322	26530	231079	186041	45038
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)	316555	382999	-66444	1759265	1780159	-20894
3.4.3.A Loans to India	235245	301756	-66511	185821	196040	-10219
3.4.3.B Loans by India	81310	81243	67	1573443	1584119	-10675
3.4.4 Insurance, pension, and standardized guarantee schemes	437	497	-59	463	305	158
3.4.5 Trade credit and advances	162611	128721	33889	217889	116152	101737
3.4.6 Other accounts receivable/payable - other	8089	59361	-51272	-22548	107481	-130029
3.4.7 Special drawing rights	0	0	0	0	0	0
3.5 Reserve assets	318081	0	318081	217509	0	217509
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)	318081	0	318081	217509	0	217509
4. Total assets/liabilities	2702200	2607995	94204	4315583	4187611	127972
4.1 Equity and investment fund shares	1437168	1606245	-169077	1661622	1749610	-87988
4.2 Debt instruments	938862	942390	-3527	2459000	2330520	128480
4.3 Other financial assets and liabilities	326170	59361	266809	194960	107481	87480
5. Net errors and omissions	2518	0	2518	0	10749	-10749

Note: P: Preliminary.

No. 44: India's International Investment Position

(US\$ Million)

Item	As on Financial Year/Quarter End							
	2024-25		2024		2025			
			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	270441	556974	260755	547234	288909	562196	296446	558998
1.1 Equity Capital*	173559	521931	166493	512997	187193	525834	193082	522188
1.2 Other Capital	96882	35043	94262	34237	101716	36362	103364	36810
2. Portfolio investment	15396	272039	12039	276516	16649	258740	16532	255905
2.1 Equity	10339	141938	9197	155573	12559	133005	10126	130110
2.2 Debt	5057	130101	2843	120943	4091	125735	6407	125795
3. Other investment	179812	634065	162267	610964	179570	635651	197307	643603
3.1 Trade credit	33680	131163	33324	135571	31849	135032	34483	146442
3.2 Loan	27058	250520	23408	240572	25838	258489	26795	259928
3.3 Currency and Deposits	80425	167598	69581	165713	80770	168875	90192	173889
3.4 Other Assets/Liabilities	38649	62797	35954	47527	41113	50569	45836	40682
3.5 Special drawing rights (Net incurrence of liabilities)		21987		21581		22687		22662
4. Reserves	668326		635701		700089		687734	
5. Total Assets/ Liabilities	1133976	1463079	1070762	1434714	1185216	1456587	1198020	1458506
6. Net IIP (Assets - Liabilities)	-329103		-363951		-271371		-260486	

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

Payment and Settlement Systems

No. 45: Payment System Indicators

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

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2024-25	2025	2026		FY 2024-25	2025	2026	
		Feb.	Jan.	Feb.		Feb.	Jan.	Feb.
	1	2	3	4	4	5	6	7
A. Settlement Systems								
Financial Market Infrastructures (FMIs)								
1. CCIL Operated Systems (1.1 to 1.3)	47.40	3.72	4.35	4.37	296218030	25171733	32155354	29363078
1.1 Govt. Securities Clearing (1.1.1 to 1.1.3)	17.87	1.16	1.61	1.62	185733719	14137926	18709470	17227564
1.1.1 Outright	10.56	0.63	0.90	0.94	16056018	1088598	1235356	1339433
1.1.2 Repo	4.72	0.33	0.46	0.46	77286611	5916603	7775968	6696115
1.1.3 Tri-party Repo	2.58	0.20	0.25	0.22	92391091	7132725	9698147	9192017
1.2 Forex Clearing	28.06	2.45	2.64	2.62	100639565	9957432	12450917	11010746
1.3 Rupee Derivatives @	1.46	0.12	0.10	0.13	9844746	1076374	994967	1124767
B. Payment Systems								
I. Financial Market Infrastructures (FMIs)	-	-	-	-	-	-	-	-
1. Credit Transfers - RTGS (1.1 to 1.2)	3024.55	244.20	316.99	305.85	201387682	16099371	19176704	18859418
1.1 Customer Transactions	3010.32	243.05	315.76	304.72	181153129	14226027	17580604	17509377
1.2 Interbank Transactions	14.23	1.16	1.23	1.14	20234553	1873344	1596100	1350041
II. Retail								
2. Credit Transfers - Retail (2.1 to 2.6)	2061014.91	177394.61	233364.66	219247.40	79881976	6497660	8078680	7793908
2.1 AePS (Fund Transfers) @	3.64	0.28	0.24	0.23	190	16	14	14
2.2 APBS \$	32964.43	3103.12	2616.49	2119.52	554034	57097	81195	51081
2.3 IMPS	56249.68	4048.29	3740.33	3360.96	7139110	563082	672989	642474
2.4 NACH Cr \$	16938.86	1533.06	1248.95	1702.37	1670223	140881	161580	164970
2.5 NEFT	96198.05	7647.93	8724.20	8122.47	44461464	3540103	4329421	4251141
2.6 UPI @	1858660.25	161061.93	217034.45	203941.84	26056955	2196482	2833481	2684229
2.6.1 of which USSD @	17.24	1.15	1.14	2.32	185	13	12	25
3. Debit Transfers and Direct Debits (3.1 to 3.3)	21659.95	1862.80	2016.80	1989.09	2208583	193068	240345	235001
3.1 BHIM Aadhaar Pay @	230.08	15.67	17.87	16.45	6907	494	648	636
3.2 NACH Dr \$	19762.28	1701.10	1865.64	1849.39	2199327	192387	239514	234191
3.3 NETC (linked to bank account) @	1667.59	146.03	133.29	123.25	2349	186	184	174
4. Card Payments (4.1 to 4.2)	63861.15	5052.09	6415.41	5855.08	2605110	201522	237042	210427
4.1 Credit Cards (4.1.1 to 4.1.2)	47740.76	3969.59	5397.11	4937.96	2109197	167208	199085	177292
4.1.1 PoS based \$	24571.10	1999.96	2674.95	2434.00	795022	62125	75988	67435
4.1.2 Others \$	23169.66	1969.63	2722.16	2503.95	1314175	105083	123097	109857
4.2 Debit Cards (4.2.1 to 4.2.1)	16120.39	1082.50	1018.29	917.12	495914	34314	37957	33135
4.2.1 PoS based \$	11980.33	803.42	773.20	689.77	332556	23216	25513	21862
4.2.2 Others \$	4140.06	279.07	245.10	227.36	163358	11098	12444	11273
5. Prepaid Payment Instruments (5.1 to 5.2)	70254.08	6398.44	9537.91	8359.24	216751	19236	27626	25969
5.1 Wallets	52898.40	4850.75	7716.41	6652.06	154066	14404	20985	19829
5.2 Cards (5.2.1 to 5.2.2)	17355.68	1547.69	1821.50	1707.18	62686	4833	6641	6140
5.2.1 PoS based \$	8240.14	641.84	827.76	793.50	11512	969	1582	1427
5.2.2 Others \$	9115.54	905.86	993.74	913.68	51174	3863	5059	4713
6. Paper-based Instruments (6.1 to 6.2)	6095.38	462.02	458.71	430.51	7113350	540834	601415	579783
6.1 CTS (NPCI Managed)	6095.38	462.02	458.71	430.51	7113350	540834	601415	579783
6.2 Others	0.00	-	-	-	-	-	-	-
Total - Retail Payments (2+3+4+5+6)	2222885.46	191169.95	251793.49	235881.31	92025771	7452321	9185108	8845088
Total Payments (1+2+3+4+5+6)	2225910.01	191414.16	252110.48	236187.16	293413453	23551692	28361812	27704507
Total Digital Payments (1+2+3+4+5)	2219814.63	190952.14	251651.77	235756.65	286300103	23010857	27760397	27124723

PART II - Payment Modes and Channels

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2024-25	2025	2026		FY 2024-25	2025	2026	
		Feb.	Jan.	Feb.		Feb.	Jan.	Feb.
	1	2	3	4	4	5	6	7
A. Other Payment Channels								
1. Mobile Payments (mobile app based) (1.1 to 1.2)	1756976.91	150031.46	199030.19	186834.81	39206221	3215517	4120743	3914509
1.1 Intra-bank \$	110801.96	8703.42	10652.94	9717.48	7207439	558355	709083	685836
1.2 Inter-bank \$	1646174.95	141328.04	188377.24	177117.33	31998782	2657162	3411659	3228673
2. Internet Payments (Netbanking / Internet Browser Based) @ (2.1 to 2.2)	47478.09	3635.80	3722.95	3521.30	131858133	10339284	13897998	13824038
2.1 Intra-bank @	13056.37	1003.69	844.98	804.89	69086996	5354635	7378948	7438766
2.2 Inter-bank @	34421.72	2632.11	2877.97	2716.41	62771136	4984649	6519051	6385272
B. ATMs								
3. Cash Withdrawal at ATMs \$ (3.1 to 3.3)	60308.11	4497.97	4437.06	4168.36	3063077	235618	240472	231465
3.1 Using Credit Cards \$	97.25	6.84	6.97	6.35	5084	370	394	364
3.2 Using Debit Cards \$	59965.70	4473.77	4412.00	4145.12	3046987	234408	239172	230242
3.3 Using Pre-paid Cards \$	245.16	17.36	18.09	16.89	11005	840	906	859
4. Cash Withdrawal at PoS \$ (4.1 to 4.2)	3.58	0.22	0.15	0.14	37	2	2	2
4.1 Using Debit Cards \$	3.33	0.19	0.12	0.11	35	2	2	2
4.2 Using Pre-paid Cards \$	0.25	0.03	0.02	0.03	3	0	0	0
5. Cash Withdrawal at Micro ATMs @	11640.55	921.64	956.67	867.37	296622	23605	24737	24595
5.1 AePS @	11640.55	915.09	926.03	956.67	296622	23246	24737	24595

PART III - Payment Infrastructures (Lakh)

System	As on March 2025	2025	2026	
		Feb.	Jan.	Feb.
	1	2	3	4
Payment System Infrastructures				
1. Number of Cards (1.1 to 1.2)	11006.97	10949.92	11544.09	11594.71
1.1 Credit Cards	1098.85	1093.15	1166.52	1177.05
1.2 Debit Cards	9908.12	9856.77	10377.57	10417.67
2. Number of PPIs @ (2.1 to 2.2)	13401.46	13619.31	22053.38	22673.29
2.1 Wallets @	8678.44	9006.43	17268.45	17930.89
2.2 Cards @	4723.02	4612.88	4784.92	4742.40
3. Number of ATMs (3.1 to 3.2)	2.56	2.58	2.52	2.53
3.1 Bank owned ATMs \$	2.20	2.22	2.14	2.15
3.2 White Label ATMs \$	0.36	0.36	0.38	0.38
4. Number of Micro ATMs @	14.82	14.68	13.92	13.90
5. Number of PoS Terminals	110.98	107.18	115.45	116.65
6. Bharat QR @	67.18	65.48	58.44	58.97
7. UPI QR *	6579.30	6496.91	7383.80	7542.04

@ : New inclusion w.e.f. November 2019

: Data reported by Co-operative Banks, LABs and RRBs included with effect from December 2021.

\$: Inclusion separately initiated from November 2019 - would have been part of other items hitherto.

* : New inclusion w.e.f. September 2020; Includes only static UPI QR Code

Note : 1. Data is provisional.

2. ECS (Debit and Credit) has been merged with NACH with effect from January 31, 2020.

3. The data from November 2019 onwards for card payments (Debit/Credit cards) and Prepaid Payment Instruments (PPIs) may not be comparable with earlier months/ periods, as more granular data is being published along with revision in data definitions.

4. Only domestic financial transactions are considered. The new format captures e-commerce transactions; transactions using FASTags, digital bill payments and card-to-card transfer through ATMs, etc., Also, failed transactions, chargebacks, reversals, expired cards/ wallets, are excluded.

Part I-A. Settlement systems

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

Part I-B. Payments systems

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

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

5. Available from December 2010.

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

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

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

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

Part II-A. Other payment channels

1: Mobile Payments -

o Include transactions done through mobile apps of banks and UPI apps.

o The data from July 2017 includes only individual payments and corporate payments initiated, processed, and authorised using mobile device. Other corporate payments which are not initiated, processed, and authorised using mobile device are excluded.

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

Part II-B. ATMs

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

Part III. Payment systems infrastructure

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

Occasional Series

No. 46: Small Savings

(₹ Crore)

Scheme		2024-25	2024	2025		
			Nov.	Sep.	Oct.	Nov.
		1	2	3	4	5
1. Small Savings	Receipts	192292	12130	31653	17124	18664
	Outstanding	2052408	1940611	2160573	2177404	2195873
1.1 Total Deposits	Receipts	144769	9998	28654	14627	16185
	Outstanding	1443556	1361210	1545057	1559684	1575869
1.1.1 Post Office Saving Bank Deposits	Receipts	20641	-205	1780	-2367	374
	Outstanding	212332	199017	226078	223711	224085
1.1.2 Sukanya Samridhi Yojna	Receipts	41391	2005	3546	2762	2255
	Outstanding	199001	169154	213616	216378	218633
1.1.3 National Saving Scheme, 1987	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.1.4 National Saving Scheme, 1992	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.1.5 Monthly Income Scheme	Receipts	16620	1710	4019	2403	2207
	Outstanding	285630	278161	298250	300653	302860
1.1.6 Senior Citizen Scheme 2004	Receipts	24859	2436	6421	3760	3099
	Outstanding	200326	187824	218562	222322	225421
1.1.7 Post Office Time Deposits	Receipts	32755	3052	10752	7075	6502
	Outstanding	338531	322122	368264	375339	381841
1.1.7.1 1 year Time Deposits	Outstanding	165641	152099	185890	190552	194944
1.1.7.2 2 year Time Deposits	Outstanding	14819	13491	17741	18526	19228
1.1.7.3 3 year Time Deposits	Outstanding	10816	9773	12538	13020	13379
1.1.7.4 5 year Time Deposits	Outstanding	147255	146759	152095	153241	154290
1.1.8 Post Office Recurring Deposits	Receipts	9171	1005	2284	1073	1804
	Outstanding	206307	202963	219737	220810	222614
1.1.9 Post Office Cumulative Time Deposits	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.1.10 Other Deposits	Receipts	-676	-6	-147	-77	-56
	Outstanding	1071	1617	192	115	59
1.1.11 PM Care for children	Receipts	8	1	-1	-2	0
	Outstanding	358	352	358	356	356
1.2 Saving Certificates	Receipts	32992	1788	3097	2387	2328
	Outstanding	446106	431065	455242	457336	459469
1.2.1 National Savings Certificate VIII issue	Receipts	10891	1180	3914	2376	2269
	Outstanding	194798	190261	206112	208488	210757
1.2.2 Indira Vikas Patras	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.2.3 Kisan Vikas Patras	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.2.4 Kisan Vikas Patras - 2014	Receipts	12166	-174	1977	1582	1057
	Outstanding	232726	225184	241167	242749	243806
1.2.5 National Saving Certificate VI issue	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.2.6 National Saving Certificate VII issue	Receipts	0	0	0	0	0
	Outstanding	0	0	0	0	0
1.2.7 M.S. Certificates	Receipts	9935	782	-2794	-1571	-998
	Outstanding	28212	22543	19507	17936	16938
1.2.8 Other Certificates	Outstanding	-9630	-6923	-11544	-11837	-12032
1.3 Public Provident Fund	Receipts	14531	344	-98	110	151
	Outstanding	162746	148336	160274	160384	160535

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

Source: Accountant General, Post and Telegraphs.

No. 47 : Ownership Pattern of Central and State Governments Securities

(Per cent)

Central Government Dated Securities					
Category	2024	2025			
	Dec.	Mar.	Jun.	Sep.	Dec.
	1	2	3	4	5
(A) Total (in ₹. Crore)	11422728	11642652	11854200	12137000	12393606
1. Commercial Banks	37.98	36.18	35.28	35.43	34.31
2. Co-operative Banks	1.36	1.29	1.29	1.32	1.33
3. Non-Bank PDs	0.65	0.76	0.59	0.60	0.55
4. Insurance Companies	26.14	25.81	25.95	25.81	25.89
5. Mutual Funds	3.11	2.68	2.46	2.77	2.74
6. Provident Funds	4.25	4.24	4.35	4.45	4.58
7. Pension Funds	5.05	4.91	4.96	4.90	4.77
8. Financial Institutions	0.64	0.71	0.74	0.76	0.76
9. Corporates	1.45	1.49	1.26	1.25	1.23
10. Foreign Portfolio Investors	2.81	3.12	2.80	2.97	2.96
11. RBI	10.55	12.78	14.21	13.54	14.52
12. Others	6.01	6.01	6.13	6.22	6.35
12.1 State Governments	2.21	2.25	2.29	2.37	2.43

State Governments Securities					
Category	2024	2025			
	Dec.	Mar.	Jun.	Sep.	Dec.
	1	2	3	4	5
(B) Total (in ₹. Crore)	6055711	6399564	6524417	6721556	6905975
1. Commercial Banks	35.11	35.40	35.54	35.00	35.31
2. Co-operative Banks	3.22	3.08	3.02	3.06	3.07
3. Non-Bank PDs	0.53	0.61	0.60	0.65	0.64
4. Insurance Companies	25.16	24.07	24.12	24.12	23.97
5. Mutual Funds	1.89	1.93	1.84	2.16	2.04
6. Provident Funds	22.90	23.60	23.72	23.65	23.43
7. Pension Funds	4.82	5.07	4.96	5.10	5.16
8. Financial Institutions	1.58	1.48	1.59	1.61	1.62
9. Corporates	1.97	2.05	1.93	1.93	1.98
10. Foreign Portfolio Investors	0.03	0.05	0.02	0.02	0.01
11. RBI	0.58	0.55	0.54	0.53	0.51
12. Others	2.19	2.10	2.12	2.17	2.26
12.1 State Governments	0.26	0.25	0.25	0.27	0.28

Treasury Bills					
Category	2024	2025			
	Dec.	Mar.	Jun.	Sep.	Dec.
	1	2	3	4	5
(C) Total (in ₹. Crore)	760045	790381	784059	754280	765131
1. Commercial Banks	40.45	46.58	42.87	39.45	35.79
2. Co-operative Banks	1.22	2.17	1.80	1.58	1.21
3. Non-Bank PDs	1.41	2.09	1.10	2.03	1.46
4. Insurance Companies	4.73	4.23	4.07	4.26	4.45
5. Mutual Funds	15.41	16.15	15.72	17.60	17.98
6. Provident Funds	0.04	0.20	0.09	0.07	0.09
7. Pension Funds	0.00	0.02	0.00	0.00	0.00
8. Financial Institutions	6.77	7.73	6.31	6.34	5.57
9. Corporates	4.56	4.50	3.77	3.80	3.74
10. Foreign Portfolio Investors	0.12	0.09	0.02	0.01	0.02
11. RBI	0.00	0.00	0.00	0.00	0.00
12. Others	25.29	16.23	24.26	24.85	29.68
12.1 State Governments	20.11	11.23	18.34	18.53	21.91

- Notes:**
- The table format is revised since monthly Bulletin for the month of June 2023.
 - Central Government Dated Securities include special securities and Sovereign Gold Bonds.
 - State Government Securities include special bonds issued under Ujwal DISCOM Assurance Yojana (UDAY).
 - Bank PDs are clubbed under Commercial Banks.
 - The category 'Others' comprises State Governments, DICGC, PSUs, Trusts, Foreign Central Banks, HUF/ Individuals etc.
 - Data since September 2023 includes the impact of the merger of a non-bank with a bank.

No. 48: Combined Receipts and Disbursements of the Central and State Governments

(₹ Crore)

Item	2020-21	2021-22	2022-23	2023-24	2024-25 RE	2025-26 BE
	1	2	3	4	5	6
1. Total Disbursements	6353359	7098451	7880522	8579810	9780079	10552103
1.1 Developmental	3823423	4189146	4701611	5080834	5902870	6267297
1.1.1 Revenue	3150221	3255207	3574503	3662324	4242036	4460702
1.1.2 Capital	550358	861777	1042159	1330917	1516738	1641425
1.1.3 Loans	122844	72163	84949	87593	144096	165170
1.2 Non-Developmental	2442941	2810388	3069896	3379466	3740051	4132065
1.2.1 Revenue	2271637	2602750	2895864	3182576	3547080	3867191
1.2.1.1 Interest Payments	1060602	1226672	1377807	1557492	1685503	1883576
1.2.2 Capital	169155	175519	171131	192384	187711	259891
1.2.3 Loans	2148	32119	2902	4506	5259	4983
1.3 Others	86995	98916	109015	119510	137158	152741
2. Total Receipts	6397162	7156342	7855370	8637956	9518133	10451896
2.1 Revenue Receipts	3688030	4823821	5447913	6105757	7125956	7875214
2.1.1 Tax Receipts	3193390	4160414	4809044	5407849	6080098	6808169
2.1.1.1 Taxes on commodities and services	2076013	2626553	2865541	3170243	3545348	3937254
2.1.1.2 Taxes on Income and Property	1114805	1530636	1939559	2233860	2530235	2866137
2.1.1.3 Taxes of Union Territories (Without Legislature)	2572	3225	3943	3745	4516	4778
2.1.2 Non-Tax Receipts	494640	663407	638870	697908	1045858	1067045
2.1.2.1 Interest Receipts	33448	35250	42975	53199	56247	70403
2.2 Non-debt Capital Receipts	64994	44077	62716	62275	62562	104103
2.2.1 Recovery of Loans & Advances	16951	27665	15970	28918	26747	32172
2.2.2 Disinvestment proceeds	48044	16412	46746	33357	35815	71931
3. Gross Fiscal Deficit [1 - (2.1 + 2.2)]	2600335	2230553	2369892	2411778	2591561	2572787
3A Sources of Financing: Institution-wise						
3A.1 Domestic Financing	2530155	2194406	2332768	2356657	2559568	2549296
3A.1.1 Net Bank Credit to Government	890012	627255	687904	438038	907254	...
3A.1.1.1 Net RBI Credit to Government	107493	350911	529	-257913	314894	...
3A.1.2 Non-Bank Credit to Government	1640143	1567151	1644864	1918619	1652314	...
3A.2 External Financing	70180	36147	37124	55121	31992	23490
3B Sources of Financing: Instrument-wise						
3B.1 Domestic Financing	2530155	2194406	2332768	2356657	2559568	2549296
3B.1.1 Market Borrowings (net)	1696012	1213169	1651076	1921529	1996297	2050268
3B.1.2 Small Savings (net)	458801	526693	358764	415472	437189	304076
3B.1.3 State Provident Funds (net)	41273	28100	13880	19847	16957	17531
3B.1.4 Reserve Funds	4545	42153	68803	90431	76177	42662
3B.1.5 Deposits and Advances	25682	42203	51989	22555	7954	48430
3B.1.6 Cash Balances	-43802	-57891	25152	-58146	261946	100207
3B.1.7 Others	347643	399980	163104	-55032	-236951	-13878
3B.2 External Financing	70180	36147	37124	55121	31992	23490
4. Total Disbursements as per cent of GDP	32.0	30.1	29.3	28.5	29.6	29.6
5. Total Receipts as per cent of GDP	32.2	30.3	29.2	28.7	28.8	29.3
6. Revenue Receipts as per cent of GDP	18.6	20.4	20.3	20.3	21.5	22.1
7. Tax Receipts as per cent of GDP	16.1	17.6	17.9	18.0	18.4	19.1
8. Gross Fiscal Deficit as per cent of GDP	13.1	9.5	8.8	8.0	7.8	7.2

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

Note: GDP data is based on 2011-12 base. GDP for 2025-26 is from Union Budget 2025-26.

Data pertains to 28 States and 8 Union Territories.

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

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

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

2.2.2: From 2022-23 onwards, disinvestment receipts refer to miscellaneous capital receipts.

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.

Source: Budget Documents of Central and State Governments.

No. 49 : Financial Accommodation Availed by State Governments under various Facilities

(₹ Crore)

Sr. No	State/Union Territory	During February-2026					
		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	5110.16	28	2695.40	8	1948.16	3
2	Arunachal Pradesh	-	-	-	-	-	-
3	Assam	-	-	-	-	-	-
4	Bihar	-	-	-	-	-	-
5	Chhattisgarh	-	-	-	-	-	-
6	Delhi	-	-	-	-	-	-
7	Goa	-	-	-	-	-	-
8	Gujarat	-	-	-	-	-	-
9	Haryana	1074.07	6	-	-	-	-
10	Himachal Pradesh	-	-	596.87	7	-	-
11	Jammu & Kashmir UT	41.79	2	-	-	-	-
12	Jharkhand	-	-	-	-	-	-
13	Karnataka	-	-	-	-	-	-
14	Kerala	1891.08	27	1061.10	20	-	-
15	Madhya Pradesh	-	-	-	-	-	-
16	Maharashtra	-	-	-	-	-	-
17	Manipur	-	-	-	-	-	-
18	Meghalaya	463.78	14	-	-	-	-
19	Mizoram	58.65	3	-	-	-	-
20	Nagaland	-	-	-	-	-	-
21	Odisha	-	-	-	-	-	-
22	Puducherry	-	-	-	-	-	-
23	Punjab	5986.71	28	605.92	20	-	-
24	Rajasthan	3978.84	21	194.76	5	-	-
25	Tamil Nadu	-	-	-	-	-	-
26	Telangana	3360.29	22	1891.95	5	-	-
27	Tripura	-	-	-	-	-	-
28	Uttar Pradesh	-	-	-	-	-	-
29	Uttarakhand	-	-	-	-	-	-
30	West Bengal	-	-	-	-	-	-

- Notes:**
1. SDF is availed by State Governments against the collateral of Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF) & Auction Treasury Bills (ATBs) balances and other investments in government securities.
 2. WMA is advance by Reserve Bank of India to State Governments for meeting temporary cash mismatches.
 3. OD is advanced to State Governments beyond their WMA limits.
 4. Average amount availed is the total accommodation (SDF/WMA/OD) availed divided by number of days for which accommodation was extended during the month.
 5. - : Nil.

Source: Reserve Bank of India.

No. 50: Investments by State Governments

(₹ Crore)

Sr. No	State/Union Territory	As on end of February 2026			
		Consolidated Sinking Fund (CSF)	Guarantee Redemption Fund (GRF)	Budget Stabilisation Fund (BSF)	Auction Treasury Bills (ATBs)
1		2	3	4	5
1	Andhra Pradesh	8066	8099	0	0
2	Arunachal Pradesh	3171	9	0	5300
3	Assam	6734	97	0	0
4	Bihar	15471	1211	0	6000
5	Chhattisgarh	8882	1032	0	9596
6	Delhi	-	-	0	0
7	Goa	1265	441	0	0
8	Gujarat	16518	551	0	0
9	Haryana	2821	1842	0	0
10	Himachal Pradesh	-	-	0	0
11	Jammu & Kashmir UT	56	56	0	0
12	Jharkhand	3243	-	810	0
13	Karnataka	22809	2499	0	28378
14	Kerala	3603	1951	0	0
15	Madhya Pradesh	-	1376	0	1200
16	Maharashtra	67626	11388	0	0
17	Manipur	75	152	0	0
18	Meghalaya	1376	132	0	0
19	Mizoram	596	104	0	0
20	Nagaland	2046	50	0	0
21	Odisha	19717	2211	22262	15269
22	Puducherry	626	-	0	1350
23	Punjab	10820	991	0	0
24	Rajasthan	3015	2394	0	5750
25	Tamil Nadu	3719	-	0	11457
26	Telangana	7597	6253	0	0
27	Tripura	1425	32	0	0
28	Uttar Pradesh	29045	7359	0	20000
29	Uttarakhand	6104	328	0	0
30	West Bengal	15429	1166	0	6000
	Total	261854	51722	23072	110299

- Note:**
1. CSF, GRF and BSF are reserve funds maintained with RBI.
 2. ATBs include Treasury bills of 91 days, 182 days and 364 days purchased through non-competitive bidding in the primary market.
 3. '-': Not Applicable (not a member of the scheme).

No. 51: Market Borrowings of State Governments

(₹ Crore)

Sr. No.	State	2023-24		2024-25		2025-26						Total amount raised, so far in 2025-26	
		Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	December		January		February		Gross	Net
						Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised		
1		2	3	4	5	6	7	8	9	10	11	12	13
1	Andhra Pradesh	68400	55330	78205	57123	7000	5000	9000	6000	6900	5900	71972	54922
2	Arunachal Pradesh	902	672	1010	704	375	375	-	-	-	-	575	445
3	Assam	18500	16000	19000	13850	1900	1900	4000	2550	4000	1750	18204	12054
4	Bihar	47612	29910	47546	30890	5310	5310	6000	2000	6100	1100	51910	37332
5	Chhattisgarh	32000	26213	24500	16913	2000	500	4000	3300	6000	6000	21470	13770
6	Delhi	-	-	-	-	-	-	-	-	-	-	-	-
7	Goa	2550	1560	1050	250	100	-54	-	-100	100	-	1300	96
8	Gujarat	30500	11947	38200	16280	6000	3200	2000	-1500	7000	4700	41500	17240
9	Haryana	47500	28364	49500	31710	4000	2100	3000	1900	8000	5500	41500	25670
10	Himachal Pradesh	8072	5856	7359	4725	1350	1350	-	-	-	-289	8269	5830
11	Jammu & Kashmir UT	16337	13904	13170	11416	1070	920	1100	1100	1000	650	10725	8335
12	Jharkhand	1000	-2505	3500	-2005	-	-500	-	-500	-	-1850	2000	-3350
13	Karnataka	81000	63003	92025	71525	12000	7813	24000	21000	31000	29000	67000	47813
14	Kerala	42438	26638	53666	37966	3850	2800	2000	1250	3000	1250	41338	25038
15	Madhya Pradesh	38500	26264	63400	47206	6400	4900	4000	1500	15350	14150	68827	54127
16	Maharashtra	110000	79738	123000	90917	10000	6000	3000	500	20350	17350	122350	91850
17	Manipur	1426	1076	1500	1037	150	75	-	-	-	-100	1650	1050
18	Meghalaya	1364	912	1882	997	984	934	-	-80	-	-70	2634	1454
19	Mizoram	901	641	1169	939	105	105	115	50	115	115	1030	830
20	Nagaland	2551	2016	1550	950	500	500	-	-100	500	300	1400	650
21	Odisha	0	-4658	20780	17780	1000	500	3000	1500	-	-	11000	9000
22	Puducherry	1100	475	1600	880	350	350	-	-100	-	-150	900	200
23	Punjab	42386	29517	40828	32466	2000	1400	4000	3700	5000	4000	40750	29196
24	Rajasthan	73624	49718	75185	49479	6000	4500	4300	1300	4000	776	68600	42544
25	Sikkim	1916	1701	1951	1621	-	-	-	-225	250	250	1750	1300
26	Tamil Nadu	113001	75970	123625	89894	23000	20250	18700	15700	18000	13475	132000	94725
27	Telangana	49618	39385	56209	42199	9300	8300	3500	2500	9000	8000	81800	66450
28	Tripura	0	-550	0	-150	500	500	-	-	800	725	2100	1525
29	Uttar Pradesh	97650	85335	45000	23185	11015	9437	-	-4000	12000	7000	46515	15728
30	Uttarakhand	6300	3800	10400	8000	1500	1300	2500	2500	500	-300	10000	6600
31	West Bengal	69910	48910	76500	54600	11965	9665	10000	7500	12255	8755	61720	41220
	Grand Total	1007058	717140	1073310	753345	129724	99429	108215	69245	171220	127987	1032789	703644

- : Nil.

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

Source: Reserve Bank of India.

No. 52 (a): Flow of Financial Assets and Liabilities of Households - Instrument-wise

(Amount in ₹ Crore)

Item	2022-23				
	Q1	Q2	Q3	Q4	Annual
	1	2	3	4	5
Net Financial Assets (I-II)	287802.7	297217.6	293954.9	451660.3	1330635.4
<i>Per cent of GDP</i>	4.4	4.6	4.3	6.4	4.9
I. Financial Assets	577822.4	632335.6	748109.7	968986.1	2927253.7
<i>Per cent of GDP</i>	8.9	9.8	11.0	13.6	10.9
<i>of which:</i>					
1. Total Deposits (a+b)	185429.1	317361.2	280233.1	325852.7	1108876.2
(a) Bank Deposits	163172.4	299532.7	256399.7	307866.8	1026971.5
i. Commercial Banks	158613.3	300565.0	248459.8	284968.0	992606.2
ii. Co-operative Banks	4559.0	-1032.4	7939.8	22898.9	34365.3
(b) Non-Bank Deposits	22256.8	17828.6	23833.5	17985.9	81904.7
<i>of which:</i>					
Other Financial Institutions (i+ii)	6504.8	2076.7	8081.6	2234.0	18897.1
i. Non-Banking Financial Companies	4230.6	3267.2	3246.9	3945.8	14690.4
ii. Housing Finance Companies	2274.2	-1190.5	4834.7	-1711.8	4206.6
2. Life Insurance Funds	73357.5	151737.1	167581.7	156268.5	548944.9
3. Provident and Pension Funds (including PPF)	146719.1	118171.9	136388.4	216513.6	617793.1
4. Currency	66438.9	-54579.3	76760.1	148990.1	237609.7
5. Investments	51502.6	48530.1	49778.6	64150.6	213961.9
<i>of which:</i>					
(a) Mutual Funds	35443.5	44484.0	40205.9	58954.5	179087.8
(b) Equity	13560.9	1378.2	6434.1	1664.9	23038.1
6. Small Savings (excluding PPF)	54375.1	51114.5	37367.7	57210.6	200068.0
II. Financial Liabilities	290019.7	335118.0	454154.8	517325.8	1596618.3
<i>Per cent of GDP</i>	4.5	5.2	6.7	7.3	5.9
Loans/Borrowings					
1. Financial Corporations (a+b)	289781.5	334879.7	453916.6	517087.5	1595665.3
(a) Banking Sector	234235.0	263450.2	370782.9	383843.2	1252311.4
<i>of which:</i>					
i. Commercial Banks	230283.8	261265.3	368304.6	331291.0	1191144.8
(b) Other Financial Institutions	55546.4	71429.5	83133.7	133244.3	343353.9
i. Non-Banking Financial Companies	30531.7	36650.3	55791.7	94565.3	217539.1
ii. Housing Finance Companies	22336.7	33031.2	24903.3	36745.8	117017.0
iii. Insurance Corporations	2678.0	1747.9	2438.7	1933.2	8797.8
2. Non-Financial Corporations (Private Corporate Business)	33.7	33.7	33.7	33.7	135.0
3. General Government	204.5	204.5	204.5	204.5	818.0

No. 52 (a): Flow of Financial Assets and Liabilities of Households - Instrument-wise (Contd.)

(Amount in ₹ Crore)

Item	2023-24				
	Q1	Q2	Q3	Q4	Annual
	1	2	3	4	5
Net Financial Assets (I-II)	349607.1	283994.4	294431.6	666547.4	1594580.4
<i>Per cent of GDP</i>	4.8	3.9	3.8	8.4	5.3
I. Financial Assets	671244.1	810128.8	805066.2	1187279.1	3473718.2
<i>Per cent of GDP</i>	9.3	11.2	10.4	14.9	11.5
<i>of which:</i>					
1. Total Deposits (a+b)	266680.3	407948.0	296931.3	406706.9	1378266.4
(a) Bank Deposits	253004.1	501768.5	277432.0	390720.4	1422924.9
i. Commercial Banks	243833.9	502260.7	280096.7	383460.6	1409651.9
ii. Co-operative Banks	9170.2	-492.2	-2664.7	7259.8	13273.0
(b) Non-Bank Deposits	13676.2	-93820.5	19499.4	15986.5	-44658.5
<i>of which:</i>					
Other Financial Institutions (i+ii)	-485.4	-107982.1	5337.7	1824.9	-101304.9
i. Non-Banking Financial Companies	6119.3	4782.3	4895.8	1942.9	17740.3
ii. Housing Finance Companies	-6604.7	-112764.4	441.9	-118.0	-119045.2
2. Life Insurance Funds	157301.9	140356.8	160135.2	189267.6	647061.4
3. Provident and Pension Funds (including PPF)	163686.0	148356.1	153435.1	253882.9	719360.2
4. Currency	-48636.2	-36700.8	56719.0	146643.8	118025.7
5. Investments	41014.3	72664.6	79238.2	108336.6	301253.8
<i>of which:</i>					
(a) Mutual Funds	32085.6	55768.8	60134.6	90973.0	238962.1
(b) Equity	3756.7	7146.3	9941.1	8236.1	29080.1
6. Small Savings (excluding PPF)	91197.8	77504.1	58607.4	82441.4	309750.7
II. Financial Liabilities	321637.1	526134.4	510634.6	520731.7	1879137.8
<i>Per cent of GDP</i>	4.5	7.3	6.6	6.5	6.2
Loans/Borrowings					
1. Financial Corporations (a+b)	321519.8	526016.2	510516.4	520613.5	1878665.8
(a) Banking Sector	213606.3	868873.9	402647.1	392330.5	1877457.7
<i>of which:</i>					
i. Commercial Banks	208026.5	875654.0	389898.0	382557.9	1856136.4
(b) Other Financial Institutions	107913.6	-342857.7	107869.2	128283.0	1208.0
i. Non-Banking Financial Companies	81448.8	59683.7	85031.8	100836.5	327000.7
ii. Housing Finance Companies	23784.0	-404294.0	21233.4	25852.9	-333423.7
iii. Insurance Corporations	2680.7	1752.6	1604.0	1593.6	7631.0
2. Non-Financial Corporations (Private Corporate Business)	33.7	34.7	34.7	34.7	138.0
3. General Government	83.5	83.5	83.5	83.5	334.0

No. 52 (a): Flow of Financial Assets and Liabilities of Households - Instrument-wise (Concl'd.)

(Amount in ₹ Crore)

Item	2024-25				
	Q1	Q2	Q3	Q4	Annual
	1	2	3	4	5
Net Financial Assets (I-II)	551994.2	496676.1	271043.1	674489.0	1994202.4
<i>Per cent of GDP</i>	7.0	6.3	3.2	7.6	6.0
I. Financial Assets	840665.3	901135.4	689663.5	1129381.1	3560845.4
<i>Per cent of GDP</i>	10.6	11.5	8.1	12.8	10.8
<i>of which:</i>					
1. Total Deposits (a+b)	274567.9	403591.4	158320.8	418183.6	1254663.6
(a) Bank Deposits	254885.4	388328.6	141290.0	401577.5	1186081.4
i. Commercial Banks	251171.1	389734.0	147864.7	395337.4	1184107.2
ii. Co-operative Banks	3714.3	-1405.4	-6574.7	6240.0	1974.2
(b) Non-Bank Deposits	19682.4	15262.8	17030.8	16606.1	68582.2
<i>of which:</i>					
Other Financial Institutions (i+ii)	7461.4	3041.8	4809.8	4385.1	19698.2
i. Non-Banking Financial Companies	6289.7	3230.0	4444.5	4220.0	18184.2
ii. Housing Finance Companies	1171.7	-188.2	365.4	165.1	1514.0
2. Life Insurance Funds	175427.0	178835.2	90159.4	90393.0	534814.6
3. Provident and Pension Funds (including PPF)	170218.2	170219.6	170758.3	281332.6	792528.6
4. Currency	34212.5	-57615.2	70840.8	162236.1	209674.1
5. Investments	120638.2	152637.1	159255.2	103720.8	536251.4
<i>of which:</i>					
(a) Mutual Funds	106987.0	137618.0	124132.0	97193.0	465930.0
(b) Equity	14448.0	15645.0	36063.1	7410.3	73566.5
6. Small Savings (excluding PPF)	65601.6	53467.4	40329.0	73515.0	232913.0
II. Financial Liabilities	288671.1	404459.3	418620.4	454892.1	1566642.9
<i>Per cent of GDP</i>	3.7	5.2	4.9	5.2	4.7
Loans/Borrowings					
1. Financial Corporations (a+b)	288492.4	404280.6	418441.7	454713.3	1565928.0
(a) Banking Sector	205040.4	322147.7	319626.6	387045.6	1233860.3
<i>of which:</i>					
i. Commercial Banks	208525.3	321241.4	302569.3	379856.5	1212192.4
(b) Other Financial Institutions	83452.0	82132.9	98815.0	67667.7	332067.7
i. Non-Banking Financial Companies	65813.7	65488.7	75764.5	39833.9	246900.8
ii. Housing Finance Companies	15125.2	14233.6	20561.4	25756.8	75677.0
iii. Insurance Corporations	2513.1	2410.7	2489.1	2077.1	9489.9
2. Non-Financial Corporations (Private Corporate Business)	34.7	34.7	34.7	34.7	139.0
3. General Government	144.0	144.0	144.0	144.0	576.0

- Notes :**
1. Net Financial Savings of households refer to the net financial assets, which are measured as difference of financial asset and liabilities flows.
 2. Preliminary estimates for 2024-25 and revised estimates for 2022-23 and 2023-24.
 3. The preliminary estimates for 2024-25 will undergo revision with the release of first revised estimates of national income, consumption expenditure, savings, and capital formation, 2024-25 by the NSO.
 4. Non-bank deposits apart from other financial institutions, comprises state power utilities, co-operative non credit societies etc.
 5. Figures in the columns may not add up to the total due to rounding off.

No. 52 (b): Stocks of Financial Assets and Liabilities of Households- Select Indicators

(Amount in ₹ Crore)

Item	Jun-2022	Sep-2022	Dec-2022	Mar-2023
	1	2	3	4
Financial Assets (a+b+c+d+e+f+g+h)	25621348.1	26423992.1	27187715.6	27844981.1
<i>Per cent of GDP</i>	<i>102.8</i>	<i>102.6</i>	<i>103.3</i>	<i>103.5</i>
(a) Bank Deposits (i+ii)	11843527.1	12143059.7	12399459.4	12707326.2
i. Commercial Banks	10987692.1	11288257.2	11536717.0	11821685.0
ii. Co-operative Banks	855834.9	854802.6	862742.4	885641.2
(b) Non-Bank Deposits				
<i>of which:</i>				
Other Financial Institutions	216170.0	218246.7	226328.2	228562.2
i. Non-Banking Financial Companies	74794.2	78061.4	81308.3	85254.0
ii. Housing Finance Companies	141375.8	140185.3	145020.0	143308.2
(c) Life Insurance Funds	5325967.3	5559681.9	5786592.6	5795430.6
(d) Currency	2950343.2	2895763.9	2972524.0	3121514.1
(e) Mutual funds	2048097.3	2260209.7	2355315.8	2367792.5
(f) Public Provident Fund (PPF)	851913.4	858591.1	864730.6	939449.0
(g) Pension Funds	744459.2	796454.0	853412.0	898343.0
(h) Small Savings (excluding PPF)	1640870.6	1691985.1	1729352.9	1786563.5
Financial Liabilities (a + b)	8911860.9	9246740.6	9700657.2	10217744.7
<i>Per cent of GDP</i>	<i>35.8</i>	<i>35.9</i>	<i>36.9</i>	<i>38.0</i>
Loans/Borrowings				
(a) Banking Sector	7095467.7	7358918.0	7729700.9	8113544.1
<i>of which:</i>				
i. Commercial Banks	6620073.1	6881338.5	7249643.0	7580934.1
ii. Co-operative Banks	473897.0	476024.8	478486.9	530915.0
(b) Other Financial Institutions	1816393.1	1887822.6	1970956.3	2104200.7
<i>of which:</i>				
i. Non-Banking Financial Companies	869174.9	905825.3	961617.0	1056182.3
ii. Housing Finance Companies	835181.3	868212.5	893115.8	929861.7
iii. Insurance Corporations	112036.9	113784.8	116223.5	118156.7

No. 52 (b): Stocks of Financial Assets and Liabilities of Households- Select Indicators (Contd.)

(Amount in ₹ Crore)

Item	Jun-2023	Sep-2023	Dec-2023	Mar-2024
	1	2	3	4
Financial Assets (a+b+c+d+e+f+g+h)	28754605.9	29637615.0	30737884.8	32025210.0
<i>Per cent of GDP</i>	104.2	104.4	105.0	106.3
(a) Bank Deposits (i+ii)	12960330.3	13462098.8	13739530.7	14130251.1
i. Commercial Banks	12065518.9	12567779.6	12847876.2	13231336.9
ii. Co-operative Banks	894811.4	894319.2	891654.5	898914.3
(b) Non-Bank Deposits				
<i>of which:</i>				
Other Financial Institutions	228076.8	120094.7	125432.4	127257.3
i. Non-Banking Financial Companies	91373.3	96155.6	101051.4	102994.3
ii. Housing Finance Companies	136703.5	23939.1	24381.0	24263.0
(c) Life Insurance Funds	6064436.9	6255801.1	6553726.0	6820611.8
(d) Currency	3072877.9	3036177.0	3092896.0	3239539.8
(e) Mutual funds	2626046.1	2829859.3	3156299.3	3387208.3
(f) Public Provident Fund (PPF)	955060.6	960343.6	964851.5	1051376.5
(g) Pension Funds	970016.0	1017975.0	1091276.0	1172651.0
(h) Small Savings (excluding PPF)	1877761.2	1955265.4	2013872.8	2096314.2
Financial Liabilities (a + b)	10539264.5	11065280.7	11575797.1	12096410.5
<i>Per cent of GDP</i>	38.2	39.0	39.6	40.2
Loans/Borrowings				
(a) Banking Sector	8327150.3	9196024.2	9598671.3	9991001.8
<i>of which:</i>				
i. Commercial Banks	7788960.6	8664614.6	9054512.6	9437070.5
ii. Co-operative Banks	536409.2	529527.7	542240.6	551852.1
(b) Other Financial Institutions	2212114.2	1869256.5	1977125.7	2105408.7
<i>of which:</i>				
i. Non-Banking Financial Companies	1137631.1	1197314.8	1282346.6	1383183.0
ii. Housing Finance Companies	953645.7	549351.7	570585.1	596438.0
iii. Insurance Corporations	120837.4	122590.0	124194.0	125787.7

No. 52 (b): Stocks of Financial Assets and Liabilities of Households- Select Indicators (Concl.)

(Amount in ₹ Crore)

Item	Jun-2024	Sep-2024	Dec-2024	Mar-2025
	1	2	3	4
Financial Assets (a+b+c+d+e+f+g+h)	33253098.6	34421189.5	34532805.6	35264710.9
<i>Per cent of GDP</i>	107.9	109.6	107.2	106.6
(a) Bank Deposits (i+ii)	14385136.5	14773465.1	14914755.1	15316332.6
i. Commercial Banks	13482508.0	13872242.0	14020106.6	14415444.1
ii. Co-operative Banks	902628.6	901223.2	894648.5	900888.5
(b) Non-Bank Deposits				
<i>of which:</i>				
Other Financial Institutions	134718.7	137760.5	142570.3	146955.5
i. Non-Banking Financial Companies	109284.0	112514.0	116958.5	121178.5
ii. Housing Finance Companies	25434.7	25246.5	25611.9	25777.0
(c) Life Insurance Funds	7123527.6	7385938.1	7272871.3	7293099.1
(d) Currency	3273752.3	3216137.1	3286977.8	3449213.9
(e) Mutual funds	3866386.1	4291914.4	4224091.7	4128924.5
(f) Public Provident Fund (PPF)	1059829.5	1063056.1	1064212.0	1157449.2
(g) Pension Funds	1247832.0	1337535.0	1371615.0	1443509.0
(h) Small Savings (excluding PPF)	2161915.8	2215383.2	2255712.2	2329227.2
Financial Liabilities (a + b)	12384902.9	12789183.5	13207625.1	13662338.5
<i>Per cent of GDP</i>	40.2	40.7	41.0	41.3
Loans/Borrowings				
(a) Banking Sector	10196042.2	10518189.9	10837816.5	11224862.1
<i>of which:</i>				
i. Commercial Banks	9645595.7	9966837.1	10269406.4	10649262.8
ii. Co-operative Banks	548284.4	549069.4	566104.4	573131.8
(b) Other Financial Institutions	2188860.7	2270993.6	2369808.7	2437476.4
<i>of which:</i>				
i. Non-Banking Financial Companies	1448996.8	1514485.5	1590250.0	1630083.9
ii. Housing Finance Companies	611563.2	625796.8	646358.2	672115.0
iii. Insurance Corporations	128300.7	130711.4	133200.5	135277.5

- Notes : 1. Data as ratios to GDP have been calculated based on the Provisional Estimates of National Income 2024-25, released by NSO on May 30, 2025.
2. Pension funds comprises funds with the National Pension Scheme.
3. Outstanding deposits with Small Savings are sourced from the Controller General of Accounts, Government of India.
4. Non-bank deposits apart from other financial institutions, comprises state power utilities, co-operative non credit societies etc. Data for outstanding deposits are available only for other financial institutions.
5. Figures in the columns may not add up to the total due to rounding off.

Explanatory Notes to the Current Statistics

Table No. 1

1.2& 6: Annual data are average of months.

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

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

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

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

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

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

Table No. 2

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

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

Table No. 4

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

Table No. 5

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

Table No. 6

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

1.1: Notes in Circulation include CBDC-Retail (R) and CBDC-Wholesale (W).

1.4: Cash on Hand with Banks includes CBDC-W.

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

Table Nos. 7 & 11

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

Table No. 8

NM₂ and NM₃ do not include FCNR (B) deposits.

2.4: Consist of paid-up capital and reserves.

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

Table No. 9

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

L₁ and L₂ are compiled monthly and L₃ quarterly.

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

Table No. 13

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

Table No. 14

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

Table No. 17

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

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

4: Include borrowings from IDBI and NABARD.

Table No. 25

Primary Dealers (PDs) include banks undertaking PD business.

Table No. 31

Exclude private placement and offer for sale.

1: Exclude bonus shares.

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

Table No. 33

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

Table No. 35

1.1.1.1.2 & 1.1.1.1.4: Estimates.

1.1.1.2: Estimates for latest months.

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

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

Table No. 36

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

Table No. 37

Increase in indices indicates appreciation of rupee and *vice versa*. For 6-Currency index, base year 2022-23 is a moving one, which gets updated every year. REER figures are based on Consumer Price Index (combined). The details on methodology used for compilation of NEER/REER indices are available in December 2005, April 2014 and January 2021 issues of the RBI Bulletin.

Table No. 38

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

Table Nos. 40, 41, 42, 43 & 44

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

Table No. 45

Part I-A. Settlement systems

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

Part I-B. Payments systems

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

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

5: Available from December 2010.

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

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

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

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

Part II-A. Other payment channels

1: Mobile Payments –

- o Include transactions done through mobile apps of banks and UPI apps.

- o The data from July 2017 includes only individual payments and corporate payments initiated, processed, and authorised using mobile device. Other corporate payments which are not initiated, processed, and authorised using mobile device are excluded.

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

Part II-B. ATMs

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

Part III. Payment systems infrastructure

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

Table No. 47

The table format is revised since monthly Bulletin for the month of June 2023.

Central Government Dated Securities include special securities and Sovereign Gold Bonds.

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

Bank PDs are clubbed under Commercial Banks.

The category 'Others' comprises State Governments, DICGC, PSUs, Trusts, Foreign Central Banks, HUF/ Individuals etc.

Data since September 2023 includes the impact of the merger of a non-bank with a bank.

Table No. 48

GDP data is based on 2011-12 base. GDP for 2025-26 is from Union Budget 2025-26.

Data pertains to all States and Union Territories.

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

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

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

3A.1.1: Data as per RBI records.

3B.1.1: Borrowings through dated securities.

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

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

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

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

Table No. 49

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. 50

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

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

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

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

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

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

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8. Report on Trend and Progress of Banking in India 2024-25	Issued as Supplement to RBI Bulletin January, 2026	
9. Annual Report 2024-25	Issued as Supplement to RBI Bulletin June, 2025	
10. Financial Stability Report, December 2025	Issued as Supplement to RBI Bulletin January, 2026	
11. Monetary Policy Report - October 2025	Included in RBI Bulletin October 2025	
12. Report on Municipal Finances - November 2024	₹300 per copy (over the counter) ₹350 per copy (inclusive of postal charges)	US\$ 16 per copy (inclusive of air mail courier charges)
13. Banking Glossary (English-Hindi)	₹100 per copy (over the counter) ₹150 per copy (inclusive of postal charges)	

Notes

- Many of the above publications are available at the RBI website (www.rbi.org.in).
 - Time Series data are available at the Database on Indian Economy (<https://data.rbi.org.in>).
 - The Reserve Bank of India History 1935-2008 (5 Volumes) are available at leading book stores in India.
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