

2. MONEY AND BANKING

Table 2.1
Source of Change in Money Stock

(Amount in Rupees crore)

Item	Outstand- ing as on March 31, 1998 P	Variations during the financial year*							
		1999-2000		1998-99		April - June			
		Absolute	Per cent	Absolute	Per cent	2000-2001		1999-2000	
						Absolute	Per cent	Absolute	Per cent
1	2	3	4	5	6	7	8	9	10
I. Broad Money (M₃)(A+B+C)	11,17,202	1,36,182	13.9	1,59,688	19.4	52,061	4.7	33,719	3.4
A. Currency with the Public	1,88,705	19,761	11.7	23,366	16.1	8,922	4.7	13,532	8.0
B. Aggregate Deposits with Banks (1+2)	9,25,387	1,17,108	14.5	1,36,068	20.2	41,749	4.5	18,862	2.3
1. Demand Deposits	1,48,806	12,418	9.1	17,663	14.9	-80	-0.1	-10,205	-7.5
2. Time Deposits	7,76,581	1,04,689	15.6	1,18,404	21.4	41,829	5.4	29,067	4.3
C. 'Other' Deposits with R.B.I.	3,109	-687	-18.1	255	7.2	1,389	44.7	1,334	35.2
II. Narrow Money M₁ [A+B(1)+C]	3,40,620	31,492	10.2	41,284	15.4	10,232	3.0	4,652	1.5
III. Source of Money stock (M₃) (1+2+3+4-5)									
1. Net Bank Credit to Govt. (A+B)	4,41,754	55,077	14.2	56,080	17.0	28,912	6.5	28,390	7.3
A. Net RBI credit to Government (a+b)	1,48,264	-4,275	-2.8	17,379	12.9	8,323	5.6	5,240	3.4
i) Net RBI credit to Central Government	1,39,829	-5,587	-3.8	11,800	8.8	14,412	10.3	11,279	7.8
ii) Net RBI credit to state Government	8,435	1,312	18.4	5,579	361.5	-6,089	-72.2	-6,039	-84.8
B. Other Banks' Credit to Govt.	2,93,490	59,532	25.3	38,701	19.8	20,589	7.0	23,150	9.9

Table 2.1 (Continued)

2. Bank Credit to Commercial Sector (A+B)	5,78,538	82,548	16.6	62,680	14.5	20,068	3.5	2,666	0.5	Statistics
A. R.B.I.'s credit to comm. sector	15,270	3,044	24.9	4,040	49.4	-3,199	-20.9	-1,240	-10.1	
B. Other banks' credit to commercial sector	5,63,268	79,504	16.4	58,640	13.8	23,267	4.1	3,906	0.8	
3. Net Foreign Exchange Assets of Banking Sector (A+B)	2,05,648	27,794	15.6	39,758	28.8	-1,824	-0.9	6,145	3.5	
A. RBI's net foreign exchange assets	1,65,880	27,927	20.2	22,063	19.0	-1824	-1.1	5,215	3.8	
B. Other banks' net foreign exchange assets	39,768	-132	-0.3	17,695	79.7	0	-1.1	5,215	3.8	
4. Government's Currency liabilities to the Public	4,262	416	10.8	494	14.7	7	0.2	174	4.5	
5. Banking Sector's Net Non-monetary Liabilities other than Time-Deposits (A+B)	1,13,000	29,653	35.6	-676	-0.8	-4,898	-4.3	3,657	4.4	
A. Net non-monetary liabilities of RBI	70,147	9,666	16.0	17,199	39.7	7,674	10.9	4,772	7.9	
B. Net non-monetary liabilities of other banks (residual)	42,852	19,987	87.4	-17,874	-43.9	-12,572	-29.3	-1,115	-4.9	

Memo Items : Select Monetary Ratios

1. M3 Multiplier	3.99
2. Bank Reserves to Aggregate Deposits Ratio (%)	9.6
3. Currency to Aggregate Deposits Ratio (%)	20.4

Data are provisional

§ Includes Resurgent India Bonds worth Rs. 17,945 crore since August 28,1998. # Pertains to July 2, 1999.

Note :1. Monetary aggregates as on end-March are based on data pertaining to end-March in respect of the Reserve Bank and the last reporting Friday of March in respect of scheduled commercial banks.

2. Revised in line with the new accounting standards and consistent with the methodology suggested by the Working Group on Money Supply : Analytics and Methodology of Compilation (June 1998). The revision is in respect of pension and provident funds with commercial banks which are classified as other demand and time liabilities and includes those banks which have reported such changes so far.

Source : RBI Annual Report 1999-2000.