New Monetary and Liquidity Aggregates*

Since the 1980s, financial liberalisation has spawned a wide proliferation of financial innovations, and has caused a progressive blurring of the boundaries between banks and non-banks in the process of financial intermediation. Portfolio choices have expanded significantly on account of the enhanced substitutability of financial assets; moreover, financial deregulation has made portfolios sensitive to movements in financial asset prices. This has been reflected in a downgrading of the conventional monetary aggregates as instruments or intermediate variables for monetary policy, and even as indicators of underlying monetary developments. Several countries have undertaken the design and monitoring of relatively broad measures in order to obtain more comprehensive information on financial conditions and aggregate demand. These measures generally include financial assets that are considered to be good substitutes for money in a functional sense, or at least, are related to underlying conditions of aggregate demand.

In India, policies for financial liberalisation and restructuring undertaken since the late 1980s have led to a gradual withdrawal of external constraints on the financial system, the freeing of interest rates and other financial prices as well as improved access to a greater variety of financial assets and liabilities, both internal and external. There has also occurred a fading of the distinction between various participants in the financial system *i.e.*, commercial and cooperative banks, development financial institutions and non-banking financial companies. In recent years, the importance of financial institutions other than banks in financial intermediation has increased considerably. These developments have affected the efficacy of the existing monetary aggregates in explaining the impact of monetary conditions on aggregate spending and more generally, in providing insights into the state of liquidity in the economy.

Against this background, the Working Group on Money Supply:Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy) (RBI 1998) sought to differentiate monetary aggregates from other financial aggregates. As regards monetary aggregates, the Working Group recommended their compilation on a residency basis *i.e*., excluding non-resident repatriable foreign currency fixed liabilities {Foreign Currency Non-Resident (Banks) [FCNRB] and Resurgent India Bonds [RIBs] type deposits, at present}. Furthermore, it was of the view that it is necessary to take explicit cognisance of the importance of non-depository financial corporations in a set of liquidity aggregates, incorporating but distinct from, new measures of monetary aggregates proposed by it. Drawing from cross-country experience and the provisions of the benchmark Manual on Monetary and Financial Statistics (MFS) of the International Monetary Fund (IMF), it recommended the compilation and monitoring of three liquidity aggregates *i.e* and ., L_1, L_2 L_3, consistent with two new measures of monetary aggregates and a comprehensive financial sector survey.

This article constitutes a major step forward in implementing the recommendations of the Working Group. It draws heavily upon the ground work laid by the interdepartmental Core Group (Convenor: Dr. R.Kannan) which was set up to oversee the implementation of the Working Group's recommendations. Series on the new monetary aggregates and the liquidity aggregates from April 1993 to September 2000 are presented with a view to establishing a fortnightly/ monthly/quarterly calendar for publishing these aggregates in the future. It is expected that as experience with the reporting environment is accumulated, the information content and explanatory power of these aggregates would improve on an on-going basis.

New Monetary Aggregates

Given the new ground being covered in terms of conceptual and information issues, tentative data on new monetary aggregates *i.e* were presented for the first ., NM_2 and NM_3 time in the

October 1999 issue of this Bulletin, along with a note on conceptual and definitional issues. Their release was, however, suspended from January 2000 due to data discrepancies. This article restores the publication of the new monetary aggregates. On-going refinements in data collection and processing have enabled updating of the series up to September 2000.

Credit Aggregates

The principal refinements under the new monetary aggregates relate to a more comprehensive and disaggregated survey of the sources of money supply *i.e.*, credit aggregates. As recommended by the Working Group, credit to the commercial sector by the banking system now includes banks' investments in non-SLR securities and net lending to primary dealers (PDs) besides the banking system's conventional credit to the commercial sector and investment in other approved securities. This makes it possible for a detailed analysis of the behaviour of bank credit to the commercial sector, including flows in terms of investments in commercial paper, units of the Unit Trust of India, shares/debentures/ bonds of the non-bank sector including public financial institutions, revaluation thereof, and subscription to primary issues and private placements. Forthcoming analyses of the commercial bank survey would contain the disaggregation of scheduled commercial banks' credit to the commercial sector in the representative format presented in Exhibit I.

Exhibit I: Scheduled Commercial Banks' Credit to the Commercial Sector

(Rs. crore)

	Instrument	**Outstanding as on**
	1	2
S.I.2	Credit to the Commercial Sector (1+2+3+4+5)	
S.I.2.1	Bank Credit	
S.I.2.1.1	Food Credit	
S.I.2.1.2	Non-Food Credit (1+2)	
S.I.2.1.2.1	Credit in India in Rupees	
S.I.2.1.2.2	Credit in India in Foreign Currency	
S.I.2.2.	Net Credit to Primary Dealers	
S.I.2.3	Investments in Other Approved Securities	
S.I.2.4	Other Investments (1+2+3+4+5)	
S.I.2.4.1	Commercial Paper	
S.I.2.4.2	Units of Unit Trust of India and Mutual Funds	
S.I.2.4.3	Shares issued by (1+2+3)	
S.I.2.4.3.1	Public Sector Undertakings	
S.I.2.4.3.2	Private Corporate Sector	
S.I.2.4.3.3	Public Financial Institutions	
S.I.2.4.4	Bonds/debentures issued by (1+2+3)	
S.I.2.4.4.1	Public Sector Undertakings	
S.I.2.4.4.2	Private Corporate Sector	
S.I.2.4.4.3	Public Financial Institutions	
S.I.2.4.5	Other Investments	
Memo Item: Flows		
1. Subscriptions to shares/debentures/bonds in the Primary markets		
2. Subscription through private placements		

3. Revaluation

As regards credit to Government from the banking sector, the most important change in the recent period has been the growing market orientation of monetary policy and the management of the public debt issue. This has entailed day-to-day management of liquidity conditions and interest rates involving (i) primary operations in the form of loans and advances, subscription to new issues including devolvement and private placements, and the management of government deposit balances, and (ii) secondary operations in the form of open market operations and repos. The high-powered monetisation of the fiscal deficit is measured in (i) whereas (ii) represents off-setting operations conducted by the Reserve Bank to neutralize/modulate the monetary impact of (i). Accordingly, the variations in the Reserve Bank's credit to the Government does not provide the true picture of the monetisation of the fiscal deficit, since open market operations are essentially changes in the ownership of the underlying securities without any effect on the primary financing of the fiscal deficit. Thus, for instance, a reversal of a repo transaction results in an increase in the Reserve Bank's ownership of government securities and therefore, in the Reserve Bank's credit to the Central Government without any increase whatsoever in the money financing of the fiscal deficit. Therefore, forthcoming analyses of the credit to government will incorporate a disaggregated presentation of the variations in the Reserve Bank's credit to the Central Government in the format given in Exhibit II.

Exhibit II: Net Reserve Bank Credit to the Central Government

(Rs. crore)

	Instrument	**Outstanding as on**
	1	2
S.I.1.1	Net RBI credit to the Centre (1+2+3+4-5)	
S.I.1.1.1	Loans and Advances*	
S.I.1.1.2	Investments in Treasury Bills	
S.I.1.1.2.1	Net Subscriptions to primary issues	
S.I.1.1.2.2	Net Open Market Sales	
S.I.1.1.3.	Investments in dated Government Securities	
S.I.1.1.3.2	Central Government Securities	
S.I.1.1.3.2.1	Net Subscriptions to primary issues	
S.I.1.1.3.2.2	Net Open Market Sales	
S.I.1.1.4	Rupee Coins	
S.I.1.1.5	Deposits of the Central Government	
Memo Item: Flows		
1. Net Central Government Borrowing		
2. Net Repos (1-2)		
2.1 Repos		
2.2 Reverse Repos		
3. Net Primary Financing of the Government Fiscal Deficit [d{S.I.1.1.1 – S.I.1.1.5} + S.I.1.1.2.1 + S.I.1.1.3.2.1]		

* Adjusted for Government surplus invested in dated securities.

Net foreign assets of the banking sector *i.e.*, net claims of the banking system to the foreign sector have hitherto consisted of gross foreign currency assets of the banking system and gross foreign assets of the Reserve Bank net of the gross foreign liabilities of the Reserve Bank (essentially liabilities to the IMF adjusted for the minimum quota subscription in rupees). This is an anomalous situation in which the net foreign assets of the banking system are overstated since they are not adjusted for foreign liabilities. In line with the recommendation of the Working Group, net foreign currency assets of the banking system now comprise their holdings of foreign currency assets ***net*** of (i) their holdings of non-resident repatriable foreign currency fixed deposits which is defined to include FCNR(B) deposits at present, and (ii) overseas foreign currency borrowings.

Net non-monetary liabilities of the banking system, which has hitherto been calculated as the residual derived from balancing the components of money supply against the identified sources thereof, is now disaggregated into an identified capital account, comprising capital and reserves, and an unidentified residual *i.e.*, other items (net) which is a balancing entry. The size of the entry under other items (net) provides an indication of the exhaustiveness of compilation. In the monetary aggregates presented in this article, other items (net) works out to barely five per cent of the money stock, which is reasonable by international standards.

Liquidity Aggregates

For the first time, this article presents a monthly series on the liquidity aggregates recommended by the Working Group over the period April 1993 to September 2000. It needs to be noted that the movements in the liquidity aggregates have to be evaluated in conjunction with those of the new monetary aggregates, presented separately in this issue of the Bulletin, for an appropriate assessment of the liquidity conditions in the Indian economy. In terms of the norm of progressivity, the liquidity aggregates represent the extension of the monetary aggregates to encompass financial claims which compete with monetary claims in measuring overall liquidity, without the special characteristics conventionally attributable to monetary aggregates. The liquidity aggregates are classified into three categories. and would henceforth be L_1 L_2 published as a monthly series in this Bulletin, would be published on a quarterly while L_3 is set basis. The definition of L_1, L_2 and L_3 out below.

Conceptual and Definitional Issues

Consistent with the UN's System of National Accounts (UN, 1993) and the IMF's MFS, the domestic economy can be divided into four sectors as proposed by the Working Group *i.e.*, households, non-financial corporations, general government and financial corporations. For the purpose of the compilation of monetary/liquidity aggregates, the financial corporations sector can be subdivided into (i) depository corporations, comprising the Reserve Bank and the banking system, which have the 'franchise' to issue monetary liabilities, and (ii) other financial corporations, comprising the development (term-lending and refinancing) financial institutions, insurance corporations, mutual funds and non-banking financial companies accepting deposits from the public, which have deposit liabilities or close substitutes that compete with liabilities of the depository corporations in the process of financial intermediation. While the liabilities of (i) are considered for the compilation of monetary aggregates, liabilities of (ii) are considered along with those of (i) for measures of liquidity (Tables I and II and Current Statistics Tables 11A, 11B and 11C).

L_1 is the sum of the broadest monetary aggregate NM_3 and all postal deposits. Postal deposits include savings deposits, time deposits and recurring deposits with the Post Office Savings Banks. L_1 excludes deposits under the National Savings Scheme 1992, Post Office Monthly Income Schemes and National Savings Certificates. Postal deposits are excluded from the monetary aggregates since post offices form part of general government in the national accounts and moreover, postal deposits have lost their relevance with the spread of banking. They are, however, included under the liquidity aggregates due to their chequability.

L_2 is the sum of L_1 and term deposits, term borrowings and certificates of deposit of financial institutions (FIs) (term-lending and refinancing institutions). Term deposits include public and corporate deposits with financial institutions as well as home loan accounts. They exclude priority sector shortfalls deposited with the Small Industrial Development Bank of India (SIDBI) and the National Bank for Agriculture and Rural Development (NABARD) including those under the Rural Infrastructure Development Fund (RIDF) and other special deposits which do not compete with bank deposits. Borrowings by financial institutions are generally in the maturity range of 3-6 months, while the maturity spread of term deposits and certificates of deposits is 1 to 5 years and 1 to 3 years, respectively.

L_3 is the sum of L_2 and public deposits with non-bank financial companies (NBFCs), and is the broadest measure of liquidity. Deposits with non-bank financial companies are tentative estimates based on information reported by such companies with a public deposit base of Rs.20 crore and above and accounting for about 90 per cent of total public deposits held with non-bank financial companies. It is expected that the coverage of these deposits under L_3 will improve with time and experience.

The relationship between the monetary and liquidity aggregates is summarised in Exhibit III.

Exhibit III: Relationship between Liquidity and Monetary Aggregates

NM_3 = Currency with the Public + Demand Deposits with Banks + Time Deposits with Banks - FCNR(B) and RIB deposits + “Other” Deposits with RBI + Other borrowings by Banks

$L_1 = NM_3$ + Post Office Deposits

$L_2 = L_1$ + Term Deposits with FIs + Term Borrowings by FIs + CDs issued by FIs

$L_3 = L_2$+ Public Deposits with NBFCs

It may be noted that the liquidity aggregates, unlike the monetary aggregates, are compiled by the principle of aggregation on a gross basis *i.e*., by summing up information reported for all instruments within a group. Transactions and claims between members of a group or between groups are not netted out because of lack of information mainly on re-intermediation *i.e.,* the flow of funds/instruments from other financial corporations to the depository corporations. To this extent, the liquidity aggregates may be marginally overstated *vis-à-vis* the monetary aggregates. Nevertheless, many countries of the world are now monitoring broader measures of money and liquidity. The USA, for instance, introduced a liquidity aggregate in 1980; the experience has been that the liquidity aggregate has tended to grow more rapidly than the monetary aggregate, reflecting an increasing proportion of financial instruments issued outside the depository corporations. In a cross-country survey, the Working Group found that Japan, Italy and Spain have introduced liquidity aggregates, while other countries have chosen to broaden their monetary aggregates. With improvements in data coverage, it is expected that the broader measures of liquidity will more appropriately relate to overall economic and market activity in India.

TABLE I: LIQUIDITY AGGREGATES: OUTSTANDINGS, VARIATIONS AND SHARES

Month	Outstandings (Rs. crore)					Year-on-Year change (Per cent)			Shares of Components in L_2 (Per cent)		
	NM_3	**L_1**	Liabilities of Financial Institutions	**L_2**	**L_3**	NM_3	L_1	L_2	NM_3	Postal Deposits	Liabilites of Financial Institutions

1	2	3	4	5	6	7	8	9	10	11	12
1993-94											
April	3,79,014	3,89,867	1,640	3,91,507	..	..	..	..	96.8	2.8	0.4
May	3,81,713	3,92,526	1,893	3,94,419	..	..	..	..	96.8	2.7	0.5
June	3,82,201	3,93,130	2,419	3,95,549	..	..	..	..	96.6	2.8	0.6
July	3,84,999	3,96,086	2,399	3,98,485	..	..	..	..	96.6	2.8	0.6
August	3,87,656	3,98,818	2,618	4,01,436	..	..	..	..	96.6	2.8	0.7
September	3,91,284	4,02,532	2,692	4,05,224	..	..	..	..	96.6	2.8	0.7
October	3,95,817	4,07,160	2,799	4,09,959	..	..	..	..	96.6	2.8	0.7
November	4,01,772	4,13,321	2,848	4,16,169	..	..	..	..	96.5	2.8	0.7
December	4,06,978	4,18,714	2,746	4,21,460	..	..	..	..	96.6	2.8	0.7
January	4,14,743	4,26,511	2,889	4,29,400	..	..	..	..	96.6	2.7	0.7
February	4,21,217	4,33,000	2,879	4,35,879	..	..	..	..	96.6	2.7	0.7
March	4,27,617	4,39,864	2,964	4,42,828	..	..	..	..	96.6	2.8	0.7
1994-95											
April	4,42,976	4,55,200	2,843	4,58,043	..	16.9	16.8	17.0	96.7	2.7	0.6
May	4,47,389	4,59,704	2,943	4,62,647	..	17.2	17.1	17.3	96.7	2.7	0.6
June	4,49,476	4,61,930	2,736	4,64,666	..	17.6	17.5	17.5	96.7	2.7	0.6
July	4,55,578	4,68,253	2,949	4,71,202	..	18.3	18.2	18.2	96.7	2.7	0.6
August	4,55,912	4,68,789	3,516	4,72,305	..	17.6	17.5	17.7	96.5	2.7	0.7
September	4,68,301	4,81,272	3,484	4,84,756	..	19.7	19.6	19.6	96.6	2.7	0.7
October	4,76,941	4,90,020	3,536	4,93,556	..	20.5	20.4	20.4	96.6	2.6	0.7
November	4,80,354	4,93,623	3,583	4,97,206	..	19.6	19.4	19.5	96.6	2.7	0.7
December	4,83,421	4,96,908	4,095	5,01,003	..	18.8	18.7	18.9	96.5	2.7	0.8
January	4,85,753	4,99,298	3,878	5,03,176	..	17.1	17.1	17.2	96.5	2.7	0.8
February	4,91,536	5,05,170	3,926	5,09,096	..	16.7	16.7	16.8	96.6	2.7	0.8
March	5,18,149	5,32,497	4,070	5,36,567	..	21.2	21.1	21.2	96.6	2.7	0.8
1995-96											
April	5,14,951	5,29,175	3,867	5,33,042	..	16.2	16.3	16.4	96.6	2.7	0.7
May	5,19,745	5,34,032	3,519	5,37,551	..	16.2	16.2	16.2	96.7	2.7	0.7
June	5,20,485	5,34,974	3,815	5,38,789	..	15.8	15.8	16.0	96.6	2.7	0.7
July	5,21,956	5,36,598	3,947	5,40,545	..	14.6	14.6	14.7	96.6	2.7	0.7
August	5,26,199	5,40,991	4,468	5,45,459	..	15.4	15.4	15.5	96.5	2.7	0.8
September	5,37,091	5,52,028	5,354	5,57,382	..	14.7	14.7	15.0	96.4	2.7	1.0
October	5,43,254	5,58,373	5,347	5,63,720	..	13.9	13.9	14.2	96.4	2.7	0.9
November	5,42,912	5,58,156	4,804	5,62,960	..	13.0	13.1	13.2	96.4	2.7	0.9
December	5,46,442	5,61,920	4,708	5,66,628	..	13.0	13.1	13.1	96.4	2.7	0.8
January	5,53,929	5,69,454	4,763	5,74,217	..	14.0	14.1	14.1	96.5	2.7	0.8
February	5,58,448	5,73,986	4,877	5,78,863	..	13.6	13.6	13.7	96.5	2.7	0.8
March	5,80,129	5,96,572	5,166	6,01,738	..	12.0	12.0	12.1	96.4	2.7	0.9
1996-97											
April	5,90,046	6,06,179	5,354	6,11,533	..	14.6	14.6	14.7	96.5	2.6	0.9
May	5,91,147	6,07,405	5,625	6,13,030	..	13.7	13.7	14.0	96.4	2.7	0.9
June	5,98,107	6,14,486	5,927	6,20,413	..	14.9	14.9	15.1	96.4	2.6	1.0
July	6,00,582	6,17,179	6,165	6,23,344	..	15.1	15.0	15.3	96.3	2.7	1.0
August	6,03,151	6,19,889	5,456	6,25,345	..	14.6	14.6	14.6	96.5	2.7	0.9
September	6,15,788	6,32,639	5,312	6,37,951	..	14.7	14.6	14.5	96.5	2.6	0.8
October	6,18,182	6,34,969	6,098	6,41,067	..	13.8	13.7	13.7	96.4	2.6	1.0
November	6,25,287	6,42,085	5,964	6,48,049	..	15.2	15.0	15.1	96.5	2.6	0.9
December	6,29,679	6,46,584	5,729	6,52,313	..	15.2	15.1	15.1	96.5	2.6	0.9
January	6,45,110	6,61,903	5,693	6,67,596	..	16.5	16.2	16.3	96.6	2.5	0.9
February	6,51,012	6,67,809	5,322	6,73,131	..	16.6	16.3	16.3	96.7	2.5	0.8
March	6,70,043	6,87,522	5,350	6,92,872	..	15.5	15.2	15.1	96.7	2.5	0.8
1997-98											
April	6,81,658	6,99,105	4,917	7,04,022	..	15.5	15.3	15.1	96.8	2.5	0.7
May	6,88,600	7,06,132	4,689	7,10,820	..	16.5	16.3	16.0	96.9	2.5	0.7
June	6,96,519	7,14,197	5,189	7,19,386	..	16.5	16.2	16.0	96.8	2.5	0.7
July	6,98,028	7,15,888	5,137	7,21,025	..	16.2	16.0	15.7	96.8	2.5	0.7
August	7,00,602	7,18,867	5,861	7,24,728	..	16.2	16.0	15.9	96.7	2.5	0.8
September	7,14,941	7,33,394	6,521	7,39,915	..	16.1	15.9	16.0	96.6	2.5	0.9
October	7,24,551	7,43,071	6,518	7,49,589	..	17.2	17.0	16.9	96.7	2.5	0.9
November	7,34,888	7,53,628	6,528	7,60,156	..	17.5	17.4	17.3	96.7	2.5	0.9
December	7,39,300	7,58,393	6,415	7,64,809	..	17.4	17.3	17.2	96.7	2.5	0.8
January	7,48,017	7,67,202	6,049	7,73,250	..	16.0	15.9	15.8	96.7	2.5	0.8
February	7,61,210	7,80,721	5,944	7,86,664	..	16.9	16.9	16.9	96.8	2.5	0.8
March	7,89,166	8,09,892	6,066	8,15,957	..	17.8	17.8	17.8	96.7	2.5	0.7

1998-99											
April	**8,05,020**	**8,24,905**	6,290	**8,31,195**	**..**	18.1	18.0	18.1	96.9	2.4	0.8
May	**8,10,151**	**8,30,138**	5,999	**8,36,137**	**..**	17.7	17.6	17.6	96.9	2.4	0.7
June	**8,21,574**	**8,42,017**	5,133	**8,47,150**	**..**	18.0	17.9	17.8	97.0	2.4	0.6
July	**8,24,371**	**8,45,022**	5,096	**8,50,118**	**..**	18.1	18.0	17.9	97.0	2.4	0.6
August	**8,29,520**	**8,50,426**	4,577	**8,55,003**	**..**	18.4	18.3	18.0	97.0	2.4	0.5
September	**8,44,701**	**8,65,716**	4,696	**8,70,412**	**8,90,976**	18.1	18.0	17.6	97.0	2.4	0.5
October	**8,57,843**	**8,79,057**	4,283	**8,83,340**		18.4	18.3	17.8	97.1	2.4	0.5
November	**8,65,178**	**8,86,682**	4,536	**8,91,218**		17.7	17.7	17.2	97.1	2.4	0.5
December	**8,73,523**	**8,95,390**	4,834	**9,00,224**	**9,20,636**	18.2	18.1	17.7	97.0	2.4	0.5
January	**8,83,750**	**9,05,523**	3,555	**9,09,078**		18.1	18.0	17.6	97.2	2.4	0.4
February	**8,90,717**	**9,12,521**	3,746	**9,16,267**		17.0	16.9	16.5	97.2	2.4	0.4
March	**9,30,993**	**9,54,363**	3,378	**9,57,741**	**9,77,334**	18.0	17.8	17.4	97.2	2.4	0.4
1999-2000*											
April	**9,44,754**	**9,67,333**	7,471	**9,74,804**		17.4	17.3	17.3	96.9	2.3	0.8
May	**9,54,246**	**9,77,143**	6,907	**9,84,050**		17.8	17.7	17.7	97.0	2.3	0.7
June	**9,59,655**	**9,82,928**	7,075	**9,90,003**	**10,09,307**	16.8	16.7	16.9	96.9	2.4	0.7
July	**9,75,221**	**9,98,859**	7,399	**10,06,258**		18.3	18.2	18.4	96.9	2.3	0.7
August	**9,84,896**	**10,08,892**	8,285	**10,17,177**		18.7	18.6	19.0	96.8	2.4	0.8
September	**10,00,853**	**10,25,250**	8,631	**10,33,881**	**10,52,564**	18.5	18.4	18.8	96.8	2.4	0.8
October	**10,12,851**	**10,37,636**	8,388	**10,46,023**		18.1	18.0	18.4	96.8	2.4	0.8
November	**10,20,223**	**10,45,396**	9,336	**10,54,732**		17.9	17.9	18.3	96.7	2.4	0.9
December	**10,43,181**	**10,68,966**	9,123	**10,78,089**	**10,97,040**	19.4	19.4	19.8	96.8	2.4	0.8
January	**10,43,479**	**10,69,417**	9,030	**10,78,447**		18.1	18.1	18.6	96.8	2.4	0.8
February	**10,59,858**	**10,86,098**	9,033	**10,95,131**		19.0	19.0	19.5	96.8	2.4	0.8
March	**10,68,791**	**10,96,347**	9,395	**11,05,742**	**11,24,069**	14.8	14.9	15.5	96.7	2.5	0.8
2000-01*											
April	**10,96,659**	**11,24,215**	9,164	**11,33,379**		16.1	16.2	16.3	96.8	2.4	0.8
May	**11,05,049**	**11,32,605**	11,341	**11,43,946**		15.8	15.9	16.2	96.6	2.4	1.0
June	**11,17,466**	**11,45,022**	11,925	**11,56,947**	**11,74,812**	16.4	16.5	16.9	96.6	2.4	1.0
July	**11,17,749**	**11,45,305**	12,402	**11,57,707**		14.6	14.7	15.1	96.5	2.4	1.1
August	**11,24,713**	**11,52,269**	11,710	**11,63,979**		14.2	14.2	14.4	96.6	2.4	1.0
September	**11,36,222**	**11,63,778**	11,710	**11,75,488**	**11,93,354**	13.5	13.5	13.7	96.7	2.3	1.0

* See footnote 4 of Table II for details. .. Not Available

TABLE II: LIQUIDITY AGGREGATES (OUTSTANDING AMOUNTS)

(Rs.crore)

Month	NM_3	Postal Deposits	L_1	Liabilities of Financial Institutions: Term Money Borrowings	CDs	Term Deposits	Total	L_2	Public Deposits with NBFCs	L_3
1	2	3	4=(2+3)	5	6	7	8=(5+6+7)	9=(4+8)	10	11=(9+10)
1993-94										
April	3,79,014	10,853	**3,89,867**	365	1,263	12	1,640	**3,91,507**	**..**	**..**
May	3,81,713	10,813	**3,92,526**	365	1,515	13	1,893	**3,94,419**	**..**	**..**
June	3,82,201	10,929	**3,93,130**	365	2,040	14	2,419	**3,95,549**	**..**	**..**
July	3,84,999	11,087	**3,96,086**	365	2,019	15	2,399	**3,98,485**	**..**	**..**
August	3,87,656	11,162	**3,98,818**	365	2,234	19	2,618	**4,01,436**	**..**	**..**
September	3,91,284	11,248	**4,02,532**	365	2,296	31	2,692	**4,05,224**	**..**	**..**
October	3,95,817	11,343	**4,07,160**	365	2,361	73	2,799	**4,09,959**	**..**	**..**
November	4,01,772	11,549	**4,13,321**	365	2,366	117	2,848	**4,16,169**	**..**	**..**
December	4,06,978	11,736	**4,18,714**	365	2,215	166	2,746	**4,21,460**	**..**	**..**
January	4,14,743	11,768	**4,26,511**	465	2,222	202	2,889	**4,29,400**	**..**	**..**
February	4,21,217	11,783	**4,33,000**	490	2,106	283	2,879	**4,35,879**	**..**	**..**
March	4,27,617	12,247	**4,39,864**	510	2,120	334	2,964	**4,42,828**	**..**	**..**
1994-95										
April	4,42,976	12,224	**4,55,200**	272	2,230	341	2,843	**4,58,043**	**..**	**..**
May	4,47,389	12,315	**4,59,704**	422	2,148	373	2,943	**4,62,647**	**..**	**..**
June	4,49,476	12,454	**4,61,930**	327	2,022	387	2,736	**4,64,666**	**..**	**..**
July	4,55,578	12,675	**4,68,253**	424	2,094	431	2,949	**4,71,202**	**..**	**..**
August	4,55,912	12,877	**4,68,789**	424	2,607	485	3,516	**4,72,305**	**..**	**..**
September	4,68,301	12,971	**4,81,272**	313	2,658	513	3,484	**4,84,756**	**..**	**..**

October	4,76,941	13,079	**4,90,020**	412	2,604	520	3,536	**4,93,556**	..	..
November	4,80,354	13,269	**4,93,623**	413	2,653	517	3,583	**4,97,206**	..	..
December	4,83,421	13,487	**4,96,908**	413	3,135	547	4,095	**5,01,003**	..	..
January	4,85,753	13,545	**4,99,298**	285	3,039	554	3,878	**5,03,176**	..	..
February	4,91,536	13,634	**5,05,170**	412	2,959	555	3,926	**5,09,096**	..	..
March	5,18,149	14,348	**5,32,497**	549	2,964	557	4,070	**5,36,567**	..	..
1995-96										
April	5,14,951	14,224	**5,29,175**	510	2,798	559	3,867	**5,33,042**	..	..
May	5,19,745	14,287	**5,34,032**	310	2,649	560	3,519	**5,37,551**	..	..
June	5,20,485	14,489	**5,34,974**	400	2,853	562	3,815	**5,38,789**	..	..
July	5,21,956	14,642	**5,36,598**	469	2,916	562	3,947	**5,40,545**	..	..
August	5,26,199	14,792	**5,40,991**	535	3,369	564	4,468	**5,45,459**	..	..
September	5,37,091	14,937	**5,52,028**	561	4,228	565	5,354	**5,57,382**	..	..
October	5,43,254	15,119	**5,58,373**	496	4,286	565	5,347	**5,63,720**	..	..
November	5,42,912	15,244	**5,58,156**	317	3,922	565	4,804	**5,62,960**	..	..
December	5,46,442	15,478	**5,61,920**	303	3,839	566	4,708	**5,66,628**	..	..
January	5,53,929	15,525	**5,69,454**	223	3,971	569	4,763	**5,74,217**	..	..
February	5,58,448	15,538	**5,73,986**	277	4,030	570	4,877	**5,78,863**	..	..
March	5,80,129	16,443	**5,96,572**	184	4,411	571	5,166	**6,01,738**	..	..
1996-97										
April	5,90,046	16,133	**6,06,179**	215	4,567	572	5,354	**6,11,533**	..	..
May	5,91,147	16,258	**6,07,405**	215	4,864	546	5,625	**6,13,030**	..	..
June	5,98,107	16,379	**6,14,486**	393	4,988	546	5,927	**6,20,413**	..	..
July	6,00,582	16,597	**6,17,179**	607	5,013	545	6,165	**6,23,344**	..	..
August	6,03,151	16,738	**6,19,889**	1,000	3,911	545	5,456	**6,25,345**	..	..
September	6,15,788	16,851	**6,32,639**	836	3,939	537	5,312	**6,37,951**	..	..
October	6,18,182	16,787	**6,34,969**	863	4,728	507	6,098	**6,41,067**	..	..
November	6,25,287	16,798	**6,42,085**	763	4,713	488	5,964	**6,48,049**	..	..
December	6,29,679	16,905	**6,46,584**	532	4,750	447	5,729	**6,52,313**	..	..
January	6,45,110	16,793	**6,61,903**	579	4,668	446	5,693	**6,67,596**	..	..
February	6,51,012	16,797	**6,67,809**	535	4,348	439	5,322	**6,73,131**	..	..
March	6,70,043	17,479	**6,87,522**	645	4,299	406	5,350	**6,92,872**	..	..
1997-98										
April	6,81,658	17,447	**6,99,105**	560	3,955	402	4,917	**7,04,022**	..	..
May	6,88,600	17,532	**7,06,132**	545	3,757	386	4,689	**7,10,820**	..	..
June	6,96,519	17,678	**7,14,197**	651	4,166	371	5,189	**7,19,386**	..	..
July	6,98,028	17,860	**7,15,888**	451	4,281	405	5,137	**7,21,025**	..	..
August	7,00,602	18,265	**7,18,867**	264	4,871	726	5,861	**7,24,728**	..	..
September	7,14,941	18,453	**7,33,394**	757	5,003	761	6,521	**7,39,915**	..	..
October	7,24,551	18,520	**7,43,071**	778	4,783	957	6,518	**7,49,589**	..	..
November	7,34,888	18,740	**7,53,628**	802	4,824	902	6,528	**7,60,156**	..	..
December	7,39,300	19,093	**7,58,393**	369	5,130	917	6,415	**7,64,809**	..	..
January	7,48,017	19,185	**7,67,202**	276	4,864	909	6,049	**7,73,250**	..	..
February	7,61,210	19,511	**7,80,721**	207	4,830	908	5,944	**7,86,664**	..	..
March	7,89,166	20,726	**8,09,892**	273	4,885	908	6,066	**8,15,957**	..	..
1998-99										
April	8,05,020	19,885	**8,24,905**	494	4,889	908	6,290	**8,31,195**	..	..
May	8,10,151	19,987	**8,30,138**	337	4,754	908	5,999	**8,36,137**	..	..
June	8,21,574	20,443	**8,42,017**	387	3,838	909	5,133	**8,47,150**	..	..
July	8,24,371	20,651	**8,45,022**	751	3,519	826	5,096	**8,50,118**	..	..
August	8,29,520	20,906	**8,50,426**	851	3,127	599	4,577	**8,55,003**	..	..
September	8,44,701	21,015	**8,65,716**	1,459	2,654	584	4,696	**8,70,412**	20,563	**8,90,976**
October	8,57,843	21,214	**8,79,057**	1,705	2,136	441	4,283	**8,83,340**		
November	8,65,178	21,504	**8,86,682**	1,710	2,108	717	4,536	**8,91,218**		
December	8,73,523	21,867	**8,95,390**	1,888	2,265	681	4,834	**9,00,224**	20,412	**9,20,636**
January	8,83,750	21,773	**9,05,523**	971	1,923	661	3,555	**9,09,078**		
February	8,90,717	21,804	**9,12,521**	1,178	1,923	645	3,746	**9,16,267**		
March	9,30,993	23,370	**9,54,363**	943	1,863	573	3,378	**9,57,741**	19,592	**9,77,334**
1999-2000*										
April	9,44,754	22,579	**9,67,333**	957	1,803	4,711	7,471	**9,74,804**		
May	9,54,246	22,897	**9,77,143**	528	1,428	4,951	6,907	**9,84,050**		
June	9,59,655	23,273	**9,82,928**	637	1,427	5,011	7,075	**9,90,003**	19,304	**10,09,307**
July	9,75,221	23,638	**9,98,859**	533	1,517	5,349	7,399	**10,06,258**		
August	9,84,896	23,996	**10,08,892**	557	1,577	6,151	8,285	**10,17,177**		
September	10,00,853	24,397	**10,25,250**	372	1,579	6,680	8,631	**10,33,881**	18,683	**10,52,564**

October	10,12,851	24,785	**10,37,636**	422	1,618	6,348	8,388	**10,46,023**		
November	10,20,223	25,173	**10,45,396**	436	1,635	7,265	9,336	**10,54,732**		
December	10,43,181	25,785	**10,68,966**	481	1,646	6,996	9,123	**10,78,089**	18,951	**10,97,040**
January	10,43,479	25,938	**10,69,417**	287	1,718	7,025	9,030	**10,78,447**		
February	10,59,858	26,240	**10,86,098**	245	1,738	7,050	9,033	**10,95,131**		
March	10,68,791	27,556	**10,96,347**	540	1,738	7,117	9,395	**11,05,742**	18,327	**11,24,069**
2000-01*										
April	10,96,659	27,556	**11,24,215**	202	1,827	7,135	9,164	**11,33,379**		
May	11,05,049	27,556	**11,32,605**	802	3,109	7,430	11,341	**11,43,946**		
June	11,17,466	27,556	**11,45,022**	981	3,154	7,790	11,925	**11,56,947**	17,866	**11,74,812**
July	11,17,749	27,556	**11,45,305**	1,218	2,967	8,217	12,402	**11,57,707**		
August	11,24,713	27,556	**11,52,269**	937	2,769	8,004	11,710	**11,63,979**		
September	11,36,222	27,556	**11,63,778**	937	2,769	8,004	11,710	**11,75,488**	17,866	**11,93,354**

.. Not Available

CDs: Certificates of Deposit;

* Based on broad concept of term deposits (see note: 4 below)

L_1, L_2 and L_3: Liquidity Aggregates; NBFCs: Non-Banking Financial Companies

Notes:

1. Figures are provisional.
2. The acronym $^{NM}3$ is used to distinguish the new monetary aggregate as proposed by the Working Group on Money Supply: Analytics and Methodology of Compilation (1998), from the existing monetary aggregates.
3. Postal Deposits comprise post office savings bank deposits, post office time deposits, post office recurring deposits, other deposits and post office cumulative time deposits.
4. The data base from April 1993 to March 1999 includes liabilities of financial institutions which were subject to the extant umbrella limits on net owned funds. From April 1999 onwards liabilities of financial institutions have a broader coverage including, *inter alia*, public deposits with these financial institutions (FIs). FIs, here, comprise IDBI, IFCI, ICICI, EXIM Bank, IIBI, SIDBI, NABARD, NHB, TFCI and IDFC.
5. Estimates of public deposits are generated on the basis of returns received from all non-banking financial companies (NBFCs) with public deposits of Rs. 20 crore and more as had been recommended by the Working Group.

*** Prepared in the Division of Money and Banking of the Department of Economic Analysis and Policy.**