

## 7. Money Stock : Components and Sources

(Rs. crore)

| Item   | Outstanding as on        |           |          |      | Variation over         |                |           |      |                        |                |          |      |      |  |
|--|--------------------------|-----------|----------|------|------------------------|----------------|-----------|------|------------------------|----------------|----------|------|------|--|
|  | 2005                     |           | 2006     |      | Financial year         |                |           |      | Year-on-year           |                |          |      |      |  |
|  | Mar. 31#                 |           | Mar. 31# |      | Fortnight              |                | 2004-2005 |      | 2005-2006              |                | 2005     |      | 2006 |  |
|  | 2                        | 3         | 4        | 5    | 6                      | 7              | 8         | 9    | 10                     | 11             | 12       | 13   |      |  |
| <b>M<sub>3</sub></b>   | 22,51,449<br>(22,47,936) | 27,09,905 | 80,907   | 3.1  | 2,45,773<br>(2,42,260) | 12.3<br>(12.1) | 4,58,456  | 20.4 | 2,87,797<br>(2,84,284) | 14.1<br>(13.9) | 3,77,238 | 16.2 |      |  |
| <b>Components (i+ii+iii+iv)</b>  |                          |           |          |      |                        |                |           |      |                        |                |          |      |      |  |
| (i) Currency with the Public   | 3,55,863                 | 4,14,404  | -4,466   | -1.1 | 40,892                 | 13.0           | 58,541    | 16.5 | 39,894                 | 12.7           | 59,533   | 16.8 |      |  |
| (ii) Demand deposits with banks  | 2,85,154                 | 3,87,877  | 25,583   | 7.1  | 26,528                 | 10.3           | 1,02,723  | 36.0 | 43,585                 | 15.7           | 66,514   | 20.7 |      |  |
| (iii) Time deposits with banks @   | 16,03,954<br>(16,00,441) | 19,00,710 | 58,635   | 3.2  | 1,76,994<br>(1,73,481) | 12.4<br>(12.2) | 2,96,757  | 18.5 | 2,02,370<br>(1,98,857) | 14.0<br>(13.7) | 2,50,597 | 15.2 |      |  |
| (iv) "Other" deposits with Reserve Bank                                    | 6,478                    | 6,914     | 1,155    | 20.1 | 1,359                  | 26.5           | 436       | 6.7  | 1,947                  | 44.5           | 595      | 9.4  |      |  |
| <b>Sources (i+ii+iii+iv+v)</b>   |                          |           |          |      |                        |                |           |      |                        |                |          |      |      |  |
| (i) Net Bank credit to Government (a+b)                                    | 7,56,766<br>(7,44,573)   | 7,77,526  | 6,696    | 0.9  | 13,863<br>(1,670)      | 1.9<br>(0.2)   | 20,760    | 2.7  | 18,969<br>(6,776)      | 2.6<br>(0.9)   | 28,819   | 3.8  |      |  |
| (a) Reserve Bank   | -17,975                  | 12,617    | -12,219  |      | -62,882                |                | 30,592    |      | -50,941                |                | 40,280   |      |      |  |
| (b) Other Banks  | 7,74,741                 | 7,64,909  | 18,915   | 2.5  | 76,745                 | 11.0           | -9,833    | -1.3 | 69,910                 | 9.9            | -11,460  | -1.5 |      |  |
| (ii) Bank credit to commercial sector (a+b)                                | 12,80,249<br>(12,47,367) | 16,86,509 | 54,035   | 3.3  | 2,64,098<br>(2,31,216) | 26.0<br>(22.8) | 4,06,260  | 31.7 | 2,86,917<br>(2,54,035) | 27.5<br>(24.3) | 3,55,251 | 26.7 |      |  |
| (a) Reserve Bank   | 1,390                    | 1,387     | -48      | -3.3 | -672                   | -32.6          | -3        | -0.2 | -684                   | -33.0          | -3       | -0.2 |      |  |
| (b) Other Banks  | 12,78,859                | 16,85,122 | 54,082   | 3.3  | 2,64,770               | 26.1           | 4,06,263  | 31.8 | 2,87,601               | 27.6           | 3,55,254 | 26.7 |      |  |
| (iii) Net foreign exchange assets of banking sector                        | 6,49,255                 | 7,13,865  | 27,120   | 3.9  | 1,22,669               | 23.3           | 64,610    | 10.0 | 1,18,428               | 22.4           | 65,962   | 10.2 |      |  |
| (iv) Government's currency liabilities to the public                       | 7,448                    | 8,695     | —        | —    | 152                    | 2.1            | 1,247     | 16.7 | 152                    | 2.1            | 1,247    | 16.7 |      |  |
| (v) Banking sector's net non-monetary liabilities other than time deposits | 4,42,269                 | 4,76,690  | 6,944    | 1.5  | 1,55,008               | 54.0           | 34,421    | 7.8  | 1,36,669               | 51.4           | 74,041   | 18.4 |      |  |
| of which : Net non-monetary liabilities of RBI                             | 1,19,776                 | 1,28,436  | -725     | -0.6 | 12,191                 | 11.3           | 8,660     | 7.2  | 13,044                 | 11.8           | 5,222    | 4.2  |      |  |

@ : Data reflect redemption of India Millennium Deposits (IMDs) on December 29, 2005.

**Notes:** 1. Figures in parentheses exclude the impact of conversion of a non-banking entity into banking entity from October 11, 2004.

2. Data on fiscal year variation for 2005-06 are not comparable with those of the previous years as the data for 2005-06 include 27 fortnights while usually the data for a year include 26 fortnights. Furthermore, the last reporting Friday of 2005-06 coincided with March 31, the closing day for banks' accounts.