

New Monetary Aggregates: an Introduction*

The Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), set up to examine the analytical aspects of the monetary survey, submitted its report in June 1998. The Working Group recommended the compilation of comprehensive analytical surveys of the Reserve Bank of India, commercial and co-operative banks and the organised financial sector at regular intervals. An inter-departmental Core Group was set up to implement the recommendations of the Working Group.

The Working Group had recommended that the fortnightly returns submitted by scheduled commercial banks under Section 42(2) of the Reserve Bank of India Act should incorporate data on i) capital accounts, ii) the maturity structure of select assets and liabilities, iii) the total resource flow to the commercial sector including investments in capital and money market instruments (non-approved securities) and iv) the net foreign currency assets of the banking sector. Scheduled commercial banks were issued a circular on August 24, 1998 instructing them to file the expanded Section 42(2) returns with effect from the reporting fortnight ended October 9, 1998. In view of the difficulties in obtaining data from major categories of co-operative banks and the time lags in their reporting, the Working Group recommended that data relating to items of liabilities and assets that have a direct bearing for the monetary survey could be collected through a representative sample of major cooperative banks at monthly frequency, followed by a population survey. Critical urban co-operative banks (with deposits of Rs.25 crore and above) and central co-operative banks (with deposits of Rs.50 crore and above) were instructed to file advance returns on selected assets and liabilities as proposed by the Working Group.

The Working Group recommended that the proposed monetary aggregates should be disseminated from fiscal 1999-2000. However, the monetary series presently in vogue would need to be continued for some time for the purpose of comparability. For convenience, the proposed monetary aggregates would be referred to as the new series and the present ones, the old series.

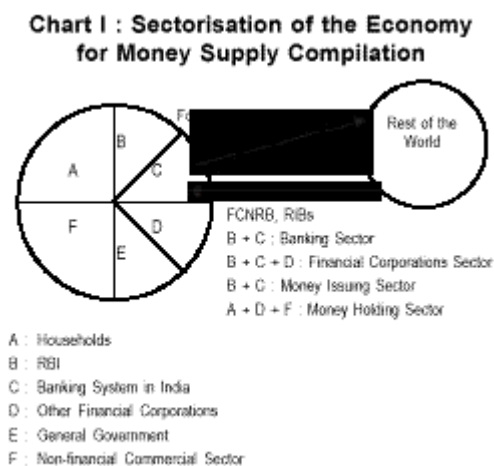
Sectorisation of the Economy for Money Supply Compilation

The present money supply compilation follows the sectorisation of the first Working Group on Money Supply (1961) which divided the economy into three sectors: i) the banking sector, ii) the government sector and iii) the money holding non-government commercial sector comprising a) the rest of the domestic sector (including public sector undertakings) and b) the foreign sector for the purpose compilation. The Working Group of M_3 proposed to divide the domestic economy into four exclusive sectors, viz., i) households, ii) non-financial commercial sector, iii) general government and iv) financial corporations and introduced the concept of residency by carving out a rest of the world (RoW) sector which can transact with any of the domestic sectors. The financial corporations sector would comprise i) the banking sector, consisting of the RBI and the banking system in India and ii) the other financial corporations sector ([Chart I](#)).

The Concept of Residency

The Working Group recommended the compilation of monetary aggregates on residency basis in line with the best international practices. Non-resident deposit flows related to balance of

payments considerations would not constitute domestic demand for money and are therefore, not to be included in money supply. Accordingly, capital flows in the form of non-resident repatriable foreign currency fixed liabilities with the banking system in India such as the balances under the Foreign Currency Non-Resident Repatriable (Banks) (FCNRB) Scheme and Resurgent India Bonds (RIBs) would not be directly reckoned in money supply.



New Monetary Aggregates

The Working Group recommended compilation of four monetary aggregates on the basis of the balance sheet of the banking sector in conformity with the norms of progressive liquidity: M_0 (monetary base), M_1 (narrow money), M_2 and M_3 (broad money) ([Box I](#)).

Reserve Money (M_0)

The definition of reserve money and its components would remain unaltered. On the sources side, however, the RBI's refinance to the National Bank for Agriculture and Rural Development (NABARD), which was hitherto part of RBI's claims on banks (as it represents on-lending to banks), would be classified as part of RBI credit to commercial sector (as it is an advance to the other financial corporations sector). Further, the Reserve Bank's net non-monetary liabilities would be decomposed into capital account, comprising capital and reserves, and other items (net).

Narrow Money (M_1)

There would be no change in the definition of M_1 .

Box I : New Monetary Aggregates

Weekly Compilation

$M_0 =$ Currency in Circulation + Bankers' Deposits with the RBI + 'Other' Deposits with the RBI

Fortnightly Compilation

$M_1 =$ Currency with the Public + Demand Deposits with the Banking System + 'Other' Deposits with the RBI

$=$ Currency with the Public + Current Deposits with the Banking System + Demand Liabilities Portion of Savings Deposits with the Banking System + 'Other' Deposits with the RBI

$M_2 =$ M_1 + Time Liabilities Portion of Savings Deposits with the Banking System + Certificates of Deposit issued by Banks + Term Deposits of residents with a contractual maturity of up to and including one year with the Banking System (excluding CDs)

$=$ Currency with the Public + Current Deposits with the Banking System + Savings Deposits with the Banking System + Certificates of Deposit issued by Banks + Term Deposits of residents with a contractual maturity up to and including one year with the Banking System (excluding CDs) + 'Other' Deposits with the RBI

$M_3 =$ M_2 + Term Deposits of residents with a contractual maturity of over one year with the Banking System + Call/Term borrowings from 'Non-depository' Financial Corporations by the Banking System

The proposed Intermediate Monetary Aggregate (NM₂)

The Working Group proposed a new intermediate monetary aggregate, to be referred to as NM₂, comprising currency and residents' short-term bank deposits which would stand in between narrow money (M₁) (which includes only the non-interest bearing monetary liabilities of the banking sector) and broad money (M₃) (an all encompassing measure that includes long-term time deposits). The recommendation implied the partition of the maturity structure of bank deposits into short-term and long-term time deposits at one year of contractual maturity in order to elicit information about depositors' preferences in holding money in various degrees of liquidity.

Data on the maturity structure of time deposits partitioned at the contractual maturity of one year are not readily available with banks. Collection of such information has required the banks to set up a reporting system for the purpose at the branch-level. The data received are new and would have to be over time subjected to tests of robustness and stability. For the present, therefore, such data had to be estimated based on the reporting by a representative sample of large public sector banks. The proportion of short-term time deposits (with a contractual maturity of up to and including one year) in total time deposits for the sample banks worked out to about 45.0 per cent.

Pending the census data, this ratio has been applied to the aggregate time deposits of the banking system to obtain estimates of NM₂.

Broad Money (NM₃)

The new broad money aggregate (referred to here as NM₃ for purpose of clarity) in the Monetary Survey would comprise in addition to NM₂, long-term deposits of residents as well as call/ term borrowings from non-bank sources which have emerged as an important source of resource mobilisation for banks. The critical difference between M₃ and NM₃, essentially, lies in the treatment of non-resident repatriable fixed foreign currency liabilities of the banking system in the money supply compilation. The difference owing to banks' call/term borrowings from non-bank sources is, at present, negligible on reporting Fridays as such liabilities are fully subject to reserve requirements. The divergence between the estimates of M₃ and NM₃ would, therefore, essentially depend on the magnitude of the non-resident inflows to the banking system in India. [Table I](#) provides data on new monetary aggregates along with the present aggregates for comparison purposes for March-end of the last three years. The difference between the growth rates of M₃ and NM₃ vary within a range of 0.1 to 1.7 percentage points on a point-to-point financial year basis. The difference is more or less the same when monthly data are averaged for the same period, viz., 0.3 to 1.6 percentage points ([Table II](#)).

The Working Group classified the liabilities of the banking system in India to others broadly in terms of i) demand liabilities, ii) time liabilities and iii) other demand and time liabilities (ODTL) in line with the existing practice. Of these liabilities, demand and time deposits are included in money supply as the monetary liabilities of the banking sector. The balances under ODTL are essentially non-deposit liabilities, which together with balances under such liabilities as paid-up capital and reserves constitute the net non-monetary liabilities (NNML) of the banking sector. One of the important items appearing under ODTL is the Pension and Provident Funds of the banking system, wherever such funds are not managed by separate entities and, as a result, reflected in the balance sheet of the banks. Pension and Provident Funds are essentially a portfolio of assets created to provide old age and retirement benefits and are, therefore, treated as different from deposits, in line with international practices.

TABLE I : PRESENT AND NEW MONETARY AGGREGATES

| | | (Rupees crore) | | | | | |
|----------|-----------------------|----------------|------------------|--------------------|---------------------------------|--------------------|-----------------|
| March 31 | Old Series | | | New Series | | | |
| | Reserve Money (RM) | M ₁ | M ₃ * | M ₀ =RM | NM ₁ =M ₁ | NM ₂ \$ | NM ₃ |
| 1997 | 1,99,985 | 2,40,615 | 7,01,848 | 1,99,985 | 2,40,615 | 4,51,564 | 6,70,043 |
| 1998 | 2,26,402 | 2,67,844 | 8,28,257 | 2,26,402 | 2,67,844 | 4,77,993 | 7,89,166 |
| 1999 | 2,59,371 | 3,08,315 | 9,80,382 | 2,59,371 | 3,09,328 | 5,50,807 | 9,25,530 |

Data are provisional. * Includes banks' pension and provident funds.

\$ NM₂ data have been estimated for end-March 1998 and 1999 by working out the share of

short-term time deposits in total residents' time deposits for select nationalised banks which stood at about 45.0 per cent as at end-March 1999. In case of March 1997, the estimate of the Working Group report has been retained.

The difference is owing to different co-operative estimation methods as recommended by the Working Group.

TABLE II: M₃ AND NM₃ GROWTH RATES

| Year | NM ₃ (New Series) | | M ₃ * (Old Series) | |
|---------------------|---------------------------------|----------|----------------------------------|----------|
| | Variation | | | |
| | Absolute | Per cent | Absolute | Per cent |
| 1 | 2 | 3 | 4 | 5 |
| 1993-94 : March-end | 64,629 | 17.7 | 67,562 | 18.4 |
| : Monthly Average | | 15.6 | | 15.9 |
| 1994-95 : March-end | 90,532 | 21.2 | 97,019 | 22.3 |
| : Monthly Average | | 18.4 | | 19.8 |
| 1995-96 : March-end | 61,980 | 12.0 | 72,581 | 13.7 |
| : Monthly Average | | 14.4 | | 15.7 |
| 1996-97 : March-end | 89,914 | 15.5 | 97,841 | 16.2 |
| : Monthly Average | | 15.0 | | 16.3 |
| 1997-98 : March-end | 1,19,123 | 17.8 | 1,26,409 | 18.0 |
| : Monthly Average | | 16.6 | | 17.0 |
| 1998-99 : March-end | 1,36,364 | 17.3 | 1,52,125 | 18.4 |
| : Monthly Average | | 18.0 | | 19.1 |
| Average : March-end | | 16.9 | | 17.8 |
| : Monthly Average | | 16.3 | | 17.3 |

Data are provisional.

* Includes Pension and Provident Funds (PF) with banks.

Credit Aggregates

Bank credit to the commercial sector comprises the RBI credit to the commercial sector and the credit from the banking system to the commercial sector. As far as the RBI credit to the commercial sector is concerned, the only change proposed by the Working Group is the inclusion of RBI's loans and advances to NABARD. The banking system's credit to the commercial sector would comprise accommodation in the form of i) loans, cash credit and overdrafts in both rupees as well as in foreign currency, ii) inland and foreign bills purchased and discounted (which together constitute what is commonly known as bank credit), iii) investment in all securities other than government securities and iv) net lending to primary dealers (PDs).

In recent years, banks have been increasingly investing in non-SLR securities with the liberalisation of restrictions on their portfolio management. The Reserve Bank has been publishing data on banks' investments in Commercial Paper (CP), shares, bonds and debentures issued by the public and the private corporate sectors (excluding public financial institutions and mutual funds). The Working Group recommended that banks' 'other investments in securities', *i.e.*, securities not reckoned for the maintenance of statutory liquidity ratio (SLR), such as CP, units of UTI and other mutual funds, and shares/ debentures/bonds of the public and private non-bank sector (including public financial institutions and mutual funds) should be included in bank credit to the commercial sector. Investments in equity and debt paper issued by public financial institutions and mutual funds represent flows to the non-bank other financial corporations sector, (*i.e.*, area D in [Chart I](#)), while the investments in similar instruments issued by the public and the private corporate sector (excluding public financial institutions and mutual funds) essentially represent flows to the non-financial commercial sector (*i.e.*, area F in [Chart I](#)) ([Table III](#)).

Banks' net lending to PDs is presently classified as part of net inter-bank assets as PDs are notified as part of the banking system in India. However, as the Working Group has treated PDs as part of the other financial corporations sector, banks' net lendings to PDs would be part of bank credit to commercial sector.

TABLE III: SCHEDULED COMMERCIAL BANKS' OTHER INVESTMENTS

| | | (Rs. crore) |
|--|--|-------------------------------------|
| Instrument | | Outstanding as on March 26, 1999 |
| 1 | | 2 |
| I. | Commercial Paper | 4,832 |
| II. | Units of Unit Trust of India and Mutual Funds | 3,235 |
| III. | Shares issued by | 5,463 |
| III.1 | Public Sector Undertakings | 1,298 |
| III.2 | Private Corporate Sector | 3,093 |
| III.3 | Public Financial Institutions | 1,074 |
| IV. | Bonds/Debentures issued by | 57,473 |
| I V .1 | Public Sector Undertakings | 22,454 |
| I V .2 | Private Corporate Sector | 15,541 |
| I V .3 | Public Financial Institutions | 19,477 |
| Total Other Investments | | 71,004 |
| Memo Item: | | |
| Investments in Shares/Bonds/Debentures of the Public and Private Corporate Sector | | 42,386 |

Net Foreign Assets of the Banking Sector

Net Foreign Assets (NFA) of the banking sector comprise the net foreign exchange assets of the Reserve Bank of India and the net foreign currency assets of the banking system in India. The Working Group recommended that the net foreign currency assets of the banking system in India

should be computed as the banks' gross foreign currency assets net of their i) overseas foreign currency borrowings and ii) nonresident repatriable foreign currency fixed liabilities with the banking system in India such as, the balances under the Foreign Currency Non-Resident Repatriable (Banks) (FCNRB) Scheme and Resurgent India Bonds (RIBs). The data received from the commercial banks in this regard show that their foreign currency assets are more or less matched by their foreign currency liabilities (adjusted for RIBs which are foreign currency liabilities of the State Bank of India and to the extent of the swapped portion, foreign currency assets of the RBI).

Capital Account

Net non-monetary liabilities (NNML) of the banking sector presently include i) capital and reserves, ii) revaluation on account of price and exchange rate changes, iii) net inter-bank liabilities, iv) other non-deposit sources including call money borrowings from non-bank parties and v) other net liabilities such as, net branch adjustments and other sundry items. The Working Group's proposal to replace the current concept of NNML in the monetary survey, with i) capital accounts comprising capital and reserves and (ii) the balancing item of other items (net) is essentially to be in conformity with the international practices. The sources (assets) side can be functionally depicted by i) domestic credit comprising a) net credit to the government and b) credit to commercial sector, ii) net foreign assets (NFA), iii) government's currency liabilities to the public, iv) capital account and v) other items (net).

The net non-monetary liabilities of other banks (excluding the RBI) have thus far been computed as a residual balancing the sources and components of money stock. Since the Working Group has recommended the inclusion of data on banks' capital and reserves, which comprise the capital account, the only balancing item in the NM₃ compilation would be "other items (net)". The link between the old residual item of net non-monetary liabilities of other banks and other items (net) of the banking system in India is shown in [Box II](#).

Based on the above methodology and availability of data from banks, the estimates of the new monetary aggregates - both from the components and sources sides - are presented in [Statements I, III and IV](#). [Statement II](#) presents a link series in respect of the NM₃ aggregate.

This article is prepared essentially to introduce the new monetary aggregates and to provide the methodology and analytical basis for the new monetary aggregates. Any comments on this article and suggestions for improving the presentational and methodological issues relating to the new monetary aggregates would be welcome.

Box II : Link between the NNML of Other Banks and Other Items (net) of the Banking System

| | |
|---|---|
| NNML of Other Banks (residual as per present practice) | = Net Bank Credit to Government + Bank Credit to Commercial Sector + NFA of the Banking Sector (=RBI's NFA + Authorised Dealers' Balances) + Government's Currency Liabilities with the |
|---|---|

Public - RBI's NNML - M3

Other Items (net) of the Banking System (residual as recommended) = Net Bank Credit to Government + Bank Credit to Commercial Sector (New) (= Bank Credit to the Commercial Sector (old) + RBI's Loans and Advances to NABARD + Other Investments (in non-SLR securities) + Net Credit to Primary Dealers) + NFA of the Banking Sector (= RBI's NFA + Foreign Currency Assets of the Banking System - FCNRB Deposits - RIBs - Overseas Borrowings by the Banking System) + Government's Currency Liabilities with the Public - Capital Account {= RBI's Capital Account + Capital Account of the banking System - RBI's Other Items (net)} - NM3 (=M3 - FCNRB Deposits- RIBs + Other Borrowings from non-bank sources - Banks' Pension and Provident Fund accounts)

= NNML of Other Banks + RBI's Loans and Advances to NABARD + 'Other' Investments + Net Credit to Primary Dealers + Foreign Currency Assets of the Banking System - Authorised Dealers' balances - Overseas Borrowings by the Banking System - Capital Account of the Banking System - Other Borrowings from non-bank sources + Banks' Pension and Provident Fund accounts (since, RBI's Capital Account + RBI's Other Items (net) = RBI's NNML).

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

Statement I : Monetary Survey

(Rupees crore)

| Item | Outstanding as on | | | | | | |
|--|-------------------|------------------|-------------------|-----------------|-----------------|-----------------|------------------|
| | March 31, 1999 | April 9, 1999 | April 23, 1999 | May 7, 1999 | May 21, 1999 | June 4, 1999 | June 18, 1999 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Monetary Aggregates | | | | | | | |
| M ₁ (C.I + C.II.1 + C.III) | 3,09,328 | 3,13,816 | 3,13,913 | 3,15,905 | 3,10,787 | 3,09,975 | 3,11,242 |
| NM ₂ (M ₁ +C.II.2.1) | 5,80,851 | 5,90,165 | 5,91,476 | 5,95,327 | 5,92,027 | 5,92,647 | 5,96,413 |
| NM ₃ (M ₂ +C.II.2.2+C.IV= S.I+S.II+S.III-S.IV-S.V) | 9,25,530 | 9,35,886 | 9,39,408 | 9,46,082 | 9,41,219 | 9,45,800 | 9,51,770 |
| Components | | | | | | | |
| C.I Currency with the Public | 1,69,203 | 1,75,091 | 1,79,041 | 1,85,241 | 1,84,917 | 1,85,352 | 1,85,021 |
| C.II Aggregate Deposits of Residents (C.II.1+C.II.2) | 7,51,366 | 7,55,516 | 7,55,151 | 7,55,562 | 7,51,751 | 7,55,706 | 7,60,239 |
| C.II.1 Demand Deposits | 1,36,304 | 1,34,764 | 1,31,664 | 1,27,590 | 1,22,839 | 1,21,779 | 1,21,098 |
| C.II.2 Time Deposits of Residents (C.II.2.1+C.II.2.2) | 6,15,062 | 6,20,752 | 6,23,487 | 6,27,972 | 6,28,912 | 6,33,927 | 6,39,141 |
| C.II.2.1 Short-term Time Deposits | 2,71,523 | 2,76,349 | 2,77,563 | 2,79,422 | 2,81,240 | 2,82,672 | 2,85,171 |
| C.II.2.1.1 Certificates of Deposit (CDs) | 5,255 | 2,989 | 3,006 | 3,165 | 1,770 | 2,595 | 2,442 |
| C.II.2.2 Long-term Time Deposits | 3,43,539 | 3,44,403 | 3,45,924 | 3,48,550 | 3,47,672 | 3,51,255 | 3,53,970 |
| C.III 'Other' Deposits with the RBI | 3,821 | 3,961 | 3,208 | 3,074 | 3,031 | 2,844 | 5,123 |
| C.IV Call/Term Funding from Financial Institutions | 1,140 | 1,318 | 2,008 | 2,205 | 1,520 | 1,898 | 1,387 |
| Sources | | | | | | | |

| | | | | | | | | |
|--------------|--|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| S.I | Domestic Credit (S.I.1+S.I.2) | 9,74,742 | 9,67,407 | 9,95,253 | 10,11,096 | 10,05,868 | 10,09,971 | 10,13,446 |
| S.I.1 | Net Bank Credit to the Government (S.I.1.1+S.I.1.2) | 3,88,404 | 3,96,861 | 4,01,912 | 4,08,574 | 4,07,688 | 4,10,308 | 4,14,683 |
| S.I.1.1 | Net RBI credit to the Government | 1,52,539 | 1,53,513 | 1,55,963 | 1,58,103 | 1,55,178 | 1,54,952 | 1,55,968 |
| S.I.1.2 | Credit to the Government by the Banking System | 2,35,865 | 2,43,348 | 2,45,949 | 2,50,471 | 2,52,510 | 2,55,356 | 2,58,715 |
| S.I.2 | Bank Credit to the Commercial Sector (S.I.2.1+S.I.2.2) | 5,86,338 | 5,70,546 | 5,93,341 | 6,02,522 | 5,98,180 | 5,99,663 | 5,98,763 |
| S.I.2.1 | RBI Credit to the Commercial Sector | 17,875 | 13,724 | 15,354 | 17,250 | 14,633 | 15,225 | 13,760 |
| S.I.2.2 | Credit to the Commercial Sector by the Banking System | 5,68,463 | 5,56,822 | 5,77,987 | 5,85,272 | 5,83,547 | 5,84,438 | 5,85,003 |
| S.I.2.2.1 | Other Investments (non-SLR Securities) | 79,783 | 65,716 | 80,908 | 87,165 | 86,792 | 88,590 | 88,920 |
| S.II | Government's Currency Liabilities to the Public | 3,846 | 3,846 | 3,846 | 3,846 | 3,846 | 3,846 | 3,846 |
| S.III | Net Foreign Exchange Assets of the Banking Sector (S.III.1+S.III.2) | 1,15,750 | 1,13,945 | 1,17,318 | 1,18,667 | 1,16,291 | 1,27,558 | 1,24,556 |
| S.III.1 | Net Foreign Exchange Assets of the RBI | 1,37,954 | 1,39,213 | 1,39,157 | 1,40,819 | 1,42,973 | 1,43,515 | 1,43,537 |
| S.III.2 | Net Foreign Currency Assets of the Banking System | - 22,204 | - 25,268 | - 21,839 | - 22,152 | - 26,682 | - 15,957 | - 18,981 |
| S.IV | Capital Account | 1,20,620 | 1,21,002 | 1,20,959 | 1,21,381 | 1,12,996 | 1,13,167 | 1,14,835 |
| S.V | Other items (net) | 48,188 | 28,310 | 56,050 | 66,146 | 71,790 | 82,408 | 75,243 |

- Note : 1. Data are provisional.
2. Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on the last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.

Statement II : Link Between the New and Old Monetary Series

| Month | (Rupees crore) | | | | | (Per cent) | | |
|----------------|---------------------------------|----------------------------------|--------------------------------------|-----------------|-----------------------|--|--|------------------|
| | NM ₃ (New Series) | M ₃ * (Old Series) | Banks' Pension and Provident Funds @ | FCNRRB Deposits | Resurgent India Bonds | Call/Term Borrowings from Financial Institutions | Year-on-Year Growth NM ₃ | M ₃ * |
| 1 | 2=(3-4-5-6+7) | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1993-94 | | | | | | | | |
| April | 3,79,014 | 3,81,783 | 2,832 | 0 | | 63 | | |
| May | 3,81,713 | 3,84,721 | 3,021 | 0 | | 13 | | |
| June | 3,82,201 | 3,84,730 | 3,030 | 78 | | 579 | | |
| July | 3,84,999 | 3,88,167 | 3,032 | 169 | | 33 | | |
| August | 3,87,656 | 3,90,891 | 3,050 | 322 | | 137 | | |
| September | 3,91,284 | 3,94,766 | 3,056 | 492 | | 66 | | |
| October | 3,95,817 | 4,00,214 | 3,081 | 1,369 | | 53 | | |
| November | 4,01,772 | 4,06,518 | 3,093 | 1,811 | | 158 | | |
| December | 4,06,978 | 4,12,259 | 3,281 | 2,124 | | 124 | | |
| January | 4,14,743 | 4,20,390 | 3,287 | 2,361 | | 1 | | |
| February | 4,21,217 | 4,27,123 | 3,303 | 2,791 | | 188 | | |
| March | 4,27,617 | 4,34,407 | 3,323 | 3,475 | | 8 | | |
| 1994-95 | | | | | | | | |
| April | 4,42,976 | 4,50,176 | 3,341 | 3,909 | | 50 | 16.9 | 17.9 |
| May | 4,47,389 | 4,55,287 | 3,551 | 4,370 | | 24 | 17.2 | 18.3 |
| June | 4,49,476 | 4,57,672 | 3,555 | 4,646 | | 4 | 17.6 | 19.0 |
| July | 4,55,578 | 4,64,372 | 3,553 | 5,316 | | 75 | 18.3 | 19.6 |
| August | 4,55,912 | 4,64,435 | 3,567 | 5,747 | | 791 | 17.6 | 18.8 |
| September | 4,68,301 | 4,79,342 | 3,585 | 7,528 | | 72 | 19.7 | 21.4 |
| October | 4,76,941 | 4,88,580 | 3,605 | 8,137 | | 103 | 20.5 | 22.1 |
| November | 4,80,354 | 4,92,245 | 3,609 | 8,389 | | 107 | 19.6 | 21.1 |
| December | 4,83,421 | 4,95,191 | 3,620 | 8,690 | | 541 | 18.8 | 20.1 |
| January | 4,85,753 | 4,98,319 | 3,589 | 9,146 | | 170 | 17.1 | 18.5 |
| February | 4,91,536 | 5,04,522 | 3,810 | 9,430 | | 254 | 16.7 | 18.1 |
| March | 5,18,149 | 5,31,427 | 3,831 | 9,648 | | 201 | 21.2 | 22.3 |
| Average | | | | | | | 18.4 | 19.8 |
| 1995-96 | | | | | | | | |
| April | 5,14,951 | 5,28,701 | 3,837 | 10,013 | | 100 | 16.2 | 17.4 |
| May | 5,19,745 | 5,34,363 | 4,088 | 10,596 | | 67 | 16.2 | 17.4 |
| June | 5,20,485 | 5,36,087 | 4,094 | 11,573 | | 65 | 15.8 | 17.1 |
| July | 5,21,956 | 5,38,150 | 4,097 | 12,345 | | 248 | 14.6 | 15.9 |
| August | 5,26,199 | 5,42,665 | 4,119 | 12,776 | | 430 | 15.4 | 16.8 |

| | | | | | | | |
|-----------|-----------------|----------|-------|--------|-----|-------------|------|
| September | 5,37,091 | 5,54,753 | 4,195 | 14,028 | 561 | 14.7 | 15.7 |
| October | 5,43,254 | 5,61,988 | 4,273 | 14,930 | 468 | 13.9 | 15.0 |
| November | 5,42,912 | 5,63,036 | 4,602 | 15,926 | 404 | 13.0 | 14.4 |
| December | 5,46,442 | 5,67,182 | 4,696 | 16,448 | 404 | 13.0 | 14.5 |
| January | 5,53,929 | 5,75,615 | 4,751 | 17,505 | 569 | 14.0 | 15.5 |
| February | 5,58,448 | 5,81,231 | 4,776 | 18,940 | 933 | 13.6 | 15.2 |
| March | 5,80,129 | 6,04,007 | 4,816 | 19,648 | 587 | 12.0 | 13.7 |
| Average | | | | | | 14.4 | 15.7 |

| Month | (Rupees crore) | | | | | | (Per cent) | | |
|----------------|---------------------------------|----------------------------------|--------------------------------------|-----------------|-----------------------|--|---------------------|------------------|-----------------------|
| | NM ₃ (New Series) | M ₃ * (Old Series) | Banks' Pension and Provident Funds @ | FCNRRB Deposits | Resurgent India Bonds | Call/Term Borrowings from Financial Institutions | Year-on-Year Growth | | |
| | | | | | | | NM ₃ | M ₃ * | M ₃ *-RIBs |
| 1 | 2=(3-4-5-6+7) | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1996-97 | | | | | | | | | |
| April | 5,90,046 | 6,14,115 | 4,856 | 20,280 | | 1,067 | 14.6 | 16.2 | |
| May | 5,91,147 | 6,16,171 | 4,920 | 20,836 | | 732 | 13.7 | 15.3 | |
| June | 5,98,107 | 6,24,777 | 5,247 | 22,024 | | 601 | 14.9 | 16.5 | |
| July | 6,00,582 | 6,27,424 | 5,259 | 22,426 | | 843 | 15.1 | 16.6 | |
| August | 6,03,151 | 6,31,080 | 5,302 | 23,097 | | 470 | 14.6 | 16.3 | |
| September | 6,15,788 | 6,43,686 | 5,328 | 23,259 | | 689 | 14.7 | 16.0 | |
| October | 6,18,182 | 6,46,599 | 5,356 | 23,803 | | 741 | 13.8 | 15.1 | |
| November | 6,25,287 | 6,54,376 | 5,724 | 24,162 | | 796 | 15.2 | 16.2 | |
| December | 6,29,679 | 6,59,292 | 5,744 | 24,616 | | 747 | 15.2 | 16.2 | |
| January | 6,45,110 | 6,75,182 | 5,771 | 25,074 | | 773 | 16.5 | 17.3 | |
| February | 6,51,012 | 6,82,171 | 5,804 | 26,125 | | 770 | 16.6 | 17.4 | |
| March | 6,70,043 | 7,01,848 | 5,836 | 26,906 | | 937 | 15.5 | 16.2 | |
| Average | | | | | | | 15.0 | 16.3 | |
| 1997-98 | | | | | | | | | |
| April | 6,81,658 | 7,14,376 | 5,867 | 27,703 | | 852 | 15.5 | 16.3 | |
| May | 6,88,600 | 7,22,350 | 6,298 | 28,268 | | 815 | 16.5 | 17.2 | |
| June | 6,96,519 | 7,30,651 | 6,304 | 28,665 | | 837 | 16.5 | 16.9 | |
| July | 6,98,028 | 7,32,534 | 6,329 | 29,325 | | 1,147 | 16.2 | 16.8 | |
| August | 7,00,602 | 7,35,310 | 6,381 | 29,674 | | 1,348 | 16.2 | 16.5 | |
| September | 7,14,941 | 7,50,652 | 6,400 | 30,362 | | 1,051 | 16.1 | 16.6 | |
| October | 7,24,551 | 7,59,258 | 6,436 | 29,809 | | 1,538 | 17.2 | 17.4 | |
| November | 7,34,888 | 7,70,438 | 6,854 | 29,783 | | 1,087 | 17.5 | 17.7 | |
| December | 7,39,300 | 7,75,154 | 6,850 | 30,603 | | 1,599 | 17.4 | 17.6 | |
| January | 7,48,017 | 7,85,467 | 6,880 | 31,761 | | 1,191 | 16.0 | 16.3 | |
| February | 7,61,210 | 7,98,306 | 6,898 | 31,619 | | 1,421 | 16.9 | 17.0 | |
| March | 7,89,166 | 8,28,257 | 6,925 | 33,445 | | 1,279 | 17.8 | 18.0 | |
| Average | | | | | | | 16.6 | 17.0 | |
| 1998-99 | | | | | | | | | |
| April | 8,05,020 | 8,43,835 | 6,940 | 33,176 | | 1,301 | 18.1 | 18.1 | |
| May | 8,10,151 | 8,49,227 | 6,970 | 33,461 | | 1,355 | 17.7 | 17.6 | |
| June | 8,21,574 | 8,61,866 | 7,400 | 34,498 | | 1,606 | 18.0 | 18.0 | |
| July | 8,24,371 | 8,65,512 | 7,392 | 35,193 | | 1,444 | 18.1 | 18.2 | |
| August | 8,29,520 | 8,85,835 | 7,398 | 32,610 | 17,945 | 1,638 | 18.4 | 20.5 | 18.0 |
| September | 8,44,701 | 9,01,332 | 7,408 | 32,753 | 17,945 | 1,475 | 18.1 | 20.1 | 17.7 |
| October | 8,57,843 | 9,15,945 | 7,890 | 33,391 | 17,945 | 1,124 | 18.4 | 20.6 | 18.3 |
| November | 8,65,178 | 9,20,510 | 7,901 | 30,685 | 17,945 | 1,199 | 17.7 | 19.5 | 17.1 |
| December | 8,73,523 | 9,28,923 | 7,910 | 30,710 | 17,945 | 1,165 | 18.2 | 19.8 | 17.5 |
| January | 8,83,750 | 9,40,659 | 8,144 | 32,711 | 17,945 | 1,891 | 18.1 | 19.8 | 17.5 |
| February | 8,90,717 | 9,48,732 | 8,173 | 33,722 | 17,945 | 1,825 | 17.0 | 18.8 | 16.6 |
| March | 9,25,530 | 9,80,382 | 8,178 | 33,222 | 17,945 | 1,140 | 17.3 | 18.4 | 16.2 |
| Average | | | | | | | 18.0 | 19.1 | 17.6 |

@ Includes those banks which have reported such data so far.

* Includes banks' provident and pension funds.

figure as reported and that (Rs.9,22,177 crore) derived from the linking formula is on account of the difference in the NM₃ changes in co-operative estimation procedures as recommended by the Working Group.

Note: 1. Data are provisional.

2. Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks relating to the last reporting Friday and ii) the Reserve Bank relating to the last working day of the fiscal year.

Statement III : Reserve Bank of India Survey

(Rupees crore)

| Item | Outstanding as on | | | | | | | |
|-------------------|--|------------------|-------------------|-----------------|-----------------|-----------------|------------------|-----------------|
| | March 31, 1999 | April 9, 1999 | April 23, 1999 | May 7, 1999 | May 21, 1999 | June 4, 1999 | June 18, 1999 | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
| Components | | | | | | | | |
| C.I | Currency in Circulation | 1,75,846 | 1,81,499 | 1,85,328 | 1,91,545 | 1,91,281 | 1,91,823 | 1,91,446 |
| C.II | Bankers' Deposits with the RBI | 79,703 | 65,838 | 71,371 | 73,128 | 67,119 | 66,639 | 62,650 |
| C.II.1 | Scheduled Commercial Banks | 77,706 | 64,000 | 69,678 | 71,287 | 65,248 | 64,670 | 60,653 |
| C.III | 'Other' Deposits with the RBI | 3,821 | 3,961 | 3,208 | 3,074 | 3,031 | 2,844 | 5,123 |
| C.IV | Reserve Money (C.I+C.II+C.III = S.I + S.II + S.III - S.IV - S.V) | 2,59,371 | 2,51,298 | 2,59,907 | 2,67,747 | 2,61,431 | 2,61,306 | 2,59,219 |
| Sources | | | | | | | | |
| S.I | RBI's Domestic Credit (S.I.1+S.I.2+S.I.3) | 1,78,027 | 1,69,375 | 1,77,856 | 1,84,717 | 1,76,071 | 1,75,903 | 1,74,886 |
| S.I.1 | Net RBI credit to the Government (S.I.1.1+S.I.1.2) | 1,52,539 | 1,53,513 | 1,55,963 | 1,58,103 | 1,55,178 | 1,54,952 | 1,55,968 |
| S.I.1.1 | Net RBI credit to the Central Government (S.I.1.1.1+S.I.1.1.2+S.I.1.1.3+S.I.1.1.4-S.I.1.1.5) | 1,45,416 | 1,48,264 | 1,55,031 | 1,57,780 | 1,53,262 | 1,54,636 | 1,53,621 |
| S.I.1.1.1 | Loans and Advances to the Central Government | 3,042 | 12,969 | 4,505 | 11,721 | 3,525 | 5,953 | 5,233 |
| S.I.1.1.2 | Investments in Treasury Bills | 763 | 713 | 596 | 605 | 800 | 776 | 975 |
| S.I.1.1.3 | Investments in dated Government Securities | 1,44,473 | 1,34,630 | 1,49,903 | 1,45,452 | 1,48,962 | 1,47,958 | 1,47,388 |
| S.I.1.1.3.1 | Central Government Securities | 41,591 | 31,748 | 47,020 | 42,569 | 46,080 | 45,075 | 44,505 |
| S.I.1.1.4 | Rupee Coins | 65 | 52 | 128 | 102 | 76 | 50 | 126 |
| S.I.1.1.5 | Deposits of the Central Government | 2,927 | 100 | 101 | 100 | 101 | 101 | 101 |
| S.I.1.2 | Net RBI credit to State Governments | 7,123 | 5,249 | 932 | 323 | 1,916 | 316 | 2,347 |
| S.I.2 | RBI's Claims on Banks | 7,613 | 2,138 | 6,539 | 9,364 | 6,260 | 5,726 | 5,158 |
| S.I.2.1 | Loans and Advances to Scheduled Commercial Banks | 6,257 | 912 | 5,221 | 8,029 | 4,960 | 4,412 | 3,863 |
| S.I.3 | RBI's Credit to Commercial Sector | 17,875 | 13,724 | 15,354 | 17,250 | 14,633 | 15,225 | 13,760 |
| S.I.3.1 | Loans and Advances to Primary Dealers | 3,767 | 0 | 1,815 | 3,954 | 1,751 | 2,358 | 856 |
| S.I.3.2 | Loans and Advances to NABARD | 5,649 | 5,267 | 5,085 | 4,753 | 4,433 | 4,407 | 4,428 |
| S.II | Government's Currency Liabilities to the Public | 3,846 | 3,846 | 3,846 | 3,846 | 3,846 | 3,846 | 3,846 |
| S.III | Net Foreign Exchange Assets of the RBI | 1,37,954 | 1,39,213 | 1,39,157 | 1,40,819 | 1,42,973 | 1,43,515 | 1,43,537 |
| S.III.1 | Gold | 12,559 | 12,559 | 12,559 | 12,500 | 12,500 | 12,251 | 12,251 |
| S.III.2 | Foreign Currency Assets | 1,25,412 | 1,26,672 | 1,26,615 | 1,28,377 | 1,30,490 | 1,31,280 | 1,31,303 |
| S.IV | Capital Account | 52,961 | 53,340 | 53,168 | 53,562 | 52,719 | 52,642 | 53,267 |
| S.V | Other Items (net) | 7,494 | 7,795 | 7,783 | 8,073 | 8,741 | 9,316 | 9,784 |

Note: Data are provisional.

Statement IV : Commercial Bank Survey

(Rupees crore)

| Item | Outstanding as on | | | | | | | |
|-------------------|--|------------------|-------------------|-----------------|-----------------|-----------------|------------------|-----------------|
| | March 26, 1999 | April 9, 1999 | April 23, 1999 | May 7, 1999 | May 21, 1999 | June 4, 1999 | June 18, 1999 | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
| Components | | | | | | | | |
| C.I | Aggregate Deposits of Residents (C.I.1+C.I.2) | 6,62,859 | 6,66,601 | 6,66,045 | 6,66,262 | 6,67,729 | 6,70,900 | 6,74,011 |
| C.I.1 | Demand Deposits | 1,17,423 | 1,15,822 | 1,12,744 | 1,08,463 | 1,08,569 | 1,07,392 | 1,06,499 |
| C.I.2 | Time Deposits of Residents (C.I.2.1+C.I.2.2) | 5,45,436 | 5,50,779 | 5,53,301 | 5,57,799 | 5,59,160 | 5,63,508 | 5,67,512 |
| C.I.2.1 | Short-term Time Deposits | 2,45,446 | 2,47,851 | 2,48,985 | 2,51,010 | 2,51,622 | 2,53,579 | 2,55,380 |
| C.I.2.1.2 | Certificates of Deposit (CDs) | 5,255 | 2,989 | 3,006 | 3,165 | 1,770 | 2,595 | 2,442 |
| C.I.2.2 | Long-term Time Deposits | 2,99,990 | 3,02,928 | 3,04,316 | 3,06,789 | 3,07,538 | 3,09,929 | 3,12,132 |
| C.II | Call/Term Funding from Financial | | | | | | | |

| | Institutions | 1,140 | 1,318 | 2,008 | 2,205 | 1,520 | 1,898 | 1,387 |
|----------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sources | | | | | | | | |
| S.I | Domestic Credit (S.I.1+S.I.2) | 6,95,189 | 6,90,460 | 7,03,846 | 7,15,729 | 7,16,787 | 7,20,055 | 7,22,964 |
| S.I.1 | Credit to the Government | 2,23,217 | 2,30,696 | 2,31,430 | 2,36,045 | 2,38,033 | 2,40,772 | 2,43,886 |
| S.I.2 | Credit to the Commercial Sector (S.I.2.1+S.I.2.2+S.I.2.3+S.I.2.4) | 4,71,972 | 4,59,764 | 4,72,416 | 4,79,684 | 4,78,754 | 4,79,283 | 4,79,078 |
| S.I.2.1 | Bank Credit | 3,68,837 | 3,69,921 | 3,68,293 | 3,69,051 | 3,68,443 | 3,65,715 | 3,66,120 |
| S.I.2.2 | Net Credit to Primary Dealers | 754 | 1,256 | 304 | 545 | 476 | 1,403 | 949 |
| S.I.2.3 | Investments in Other Approved Securities | 31,377 | 31,650 | 31,708 | 31,720 | 31,840 | 32,372 | 31,886 |
| S.I.2.4 | Other Investments (in non-SLR Securities) | 71,004 | 56,937 | 72,111 | 78,368 | 77,995 | 79,793 | 80,123 |
| S.II | Net Foreign Currency Assets of Commercial Banks (S.II.1-S.II.2-S.II.3) | - 22,204 | - 25,268 | - 21,839 | - 22,152 | - 26,682 | - 15,957 | - 18,981 |
| S.II.1 | Foreign Currency Assets | 30,453 | 26,455 | 31,001 | 30,686 | 26,954 | 37,558 | 34,705 |
| S.II.2 | Non-resident Foreign Currency Repatriable Fixed Deposits | 51,167 | 50,199 | 51,290 | 51,945 | 52,158 | 52,076 | 52,197 |
| S.II.3 | Overseas Foreign Currency Borrowings | 1,490 | 1,524 | 1,550 | 893 | 1,478 | 1,439 | 1,489 |
| S.III | Net Bank Reserves (S.III.1+S.III.2-S.III.3) | 65,016 | 67,312 | 68,569 | 67,399 | 64,472 | 64,543 | 60,988 |
| S.III.1 | Balances with the RBI | 63,548 | 64,000 | 69,678 | 71,287 | 65,248 | 64,670 | 60,653 |
| S.III.2 | Cash in Hand | 4,362 | 4,224 | 4,112 | 4,141 | 4,184 | 4,285 | 4,198 |
| S.III.3 | Loans and Advances from the RBI | 2,894 | 912 | 5,221 | 8,029 | 4,960 | 4,412 | 3,863 |
| S.IV | Capital Account | 53,892 | 53,895 | 53,681 | 53,709 | 52,679 | 52,927 | 53,970 |
| S.V. | Other items (net) (S.I+S.II +S.III-S.IV-C.I-C.II) | 20,110 | 10,690 | 28,842 | 38,800 | 32,649 | 42,916 | 35,603 |
| S.V.1 | Net Inter-Bank Liabilities | 10,417 | 10,193 | 11,623 | 13,202 | 12,632 | 11,957 | 10,486 |

Note : Data are provisional.