

**MONEY, CREDIT AND PRICES**

**APPENDIX TABLE III.3 : VARIATIONS IN MONEY STOCK**

(Amount in Rupees crore)

Item	Outstanding as on March 31, 2004	Variations							
		2003-04		2002-03		April-June			
		Absolute	Per cent	Absolute	Per cent	2004-05		2003-04	
						Absolute	Per cent	Absolute	Per cent
1	2	3	4	5	6	7	8	9	10
<b>Broad Money (M<sub>3</sub>)</b> <b>(C.1+C.2+C.3 = S.1+S.2+S.3+S.4-S.5)</b>	<b>20,03,102</b>	<b>2,85,143</b>	<b>16.6</b>	<b>2,19,605</b> (1,89,934)	<b>14.7</b> (12.7)	<b>73,913</b>	<b>3.7</b>	<b>88,939</b>	<b>5.2</b>
<b>Components</b>									
C.1. Currency with the Public	3,15,493	43,912	16.2	30,787	12.8	13,545	4.3	15,354	5.7
C.2. Aggregate Deposits with Banks (a+b)	16,82,491	2,39,355	16.6	1,88,425 (1,58,754)	15.0 (12.7)	61,831	3.7	73,519	5.1
a) Demand Deposits	2,56,039	57,282	28.8	19,558	10.9	-11,421	-4.5	11,353	5.7
b) Time Deposits	14,26,451	1,82,073	14.6	1,68,867 (1,39,196)	15.7 (12.9)	73,252	5.1	62,166	5.0
C.3. 'Other' Deposits with the RBI	5,119	1,877	57.9	393	13.8	-1,463	-28.6	65	2.0
<b>Narrow Money (M<sub>1</sub>)[C.1+C.2(a)+C.3]</b>	<b>5,76,651</b>	<b>1,03,070</b>	<b>21.8</b>	<b>50,738</b>	<b>12.0</b>	<b>661</b>	<b>0.1</b>	<b>26,773</b>	<b>5.7</b>
<b>Sources</b>									
S.1. Net Bank Credit to Government (A+B)	7,45,499	68,976	10.2	86,958	14.7	9,349	1.3	36,894	5.5
A. Net RBI Credit to Government (a+b)	44,907	-75,772	-62.8	-31,499	-20.7	-34,143	-76.0	-4,451	-3.7
a. Net RBI Credit to Central Government	36,920	-76,065	-67.3	-28,399	-20.1	-30,029	-81.3	434	0.4
b. Net RBI Credit to State Governments	7,988	293	3.8	-3,100	-28.7	-4,114	-51.5	-4,885	-63.5
B. Other Banks' Credit to Government	7,00,591	1,44,748	26.0	1,18,457	27.1	43,492	6.2	41,345	7.4
S.2. Bank Credit to Commercial Sector (a+b)	10,17,902	1,18,922	13.2	1,39,334	18.3	40,595	4.0	11,327	1.3
a) RBI's Credit to Commercial Sector	2,061	-987	-32.4	-2,880	-48.6	-172	-8.3	-73	-2.4
b) Other Banks' Credit to Commercial Sector	10,15,841	1,19,908	13.4	1,42,214	18.9	40,767	4.0	11,400	1.3
S.3. Net Foreign Exchange Assets of Banking Sector (a+b)	5,26,586	1,32,872	33.7	82,680	26.6	57,525	10.9	23,876	6.1
a) RBI's Net Foreign Exchange Assets	4,84,413	1,26,169	35.2	94,275	35.7	57,525	11.9	22,710	6.3
b) Other Banks' Net Foreign Exchange Assets	42,173	6,702	18.9	-11,595	-24.6	0	0.0	1,166	3.3
S.4. Government's Currency Liabilities to the Public	7,296	225	3.2	705	11.1	17	0.2	84	1.2
S.5. Banking Sector's Net Non-Monetary Liabilities (a+b)	2,94,181	35,851	13.9	90,072	53.5	33,572	11.4	-16,758	-6.5
a) Net Non-Monetary Liabilities of RBI	1,07,585	-19,557	-15.4	25,922	25.6	27,245	25.3	437	0.3
b) Net Non-Monetary Liabilities of Other Banks (residual)	1,86,596	55,408	42.2	64,150	95.7	6,327	3.4	-17,195	-13.1
<b>Memo Items : Select Monetary Ratios</b>									
1. M <sub>3</sub> Multiplier	4.6								
2. Bank Reserves to Aggregate Deposits Ratio	6.9								
3. Currency to Aggregate Deposits Ratio	18.8								

**Note** : 1. Data are provisional.

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).

3. Time deposits and broad money include India Millennium Deposits (IMDs) worth Rs.25,662 crore since November 17, 2000 and the impact of redemption of Resurgent India Bonds (RIBs) of Rs. 22,693 crore since October 1, 2003.

4. Figures in parentheses exclude the impact of mergers since May 3, 2002.