

EXCHANGE, COINAGE AND CURRENCY

This section presents data on exchange and money rates, price of bullion and government securities, coinage and currency. The sources of data regarding coinage are India Government Mint Mumbai & Kolkata and for the other tables the Reserve Bank of India and for table 30.1-Bombay Bullion Association.

Table 27.1

This table provides data regarding Money Rates in India which are defined as the rates at which the various classes of banks in the country are prepared to discount or rediscount bills of exchange, to give loans and advances, or to accept deposits. Various money rates mentioned in this table are described below:

Reserve Bank of India

Bank Rate - The standard rate at which the Reserve Bank of India is prepared to buy or rediscount bills of exchange or other commercial paper eligible for purchase under the Reserve Bank of India 'Act, 1934.

State Bank of India

Discount Rate - The rate at which the State Bank of India discounts commercial bills for first three months.

Advance Rate - Effective October 18, 1994, the lending rates were deregulated except those for the credit limit upto Rs.0.2 million. For credit limits of over Rs.0.2 million, the prescription of minimum lending rates was abolished and the banks were given freedom to fix a lending rate for such limits. The banks were required to obtain the approval of their respective Boards for the prime lending rate which would be the minimum rate charged by the banks for credit limits over Rs.0.2 million. Effective April 29, 1988, it has been stipulated that the lending rates for credit limits of Rs.0.2 million and below should not exceed the prime lending rate. Effective April 19, 2001, PLR has been converted to a benchmark rate for banks rather than treating it as the minimum rate chargeable to the borrowers. Banks are now allowed to offer loans above Rs. 0.2 million at or below PLR rates to exporters and other creditworthy borrowers on the lines of a transparent and objective policy approved by their Board. Following the announcement in the Monetary and Credit Policy in April 2003 and operational guidelines issued by Indian Banks' Association in November 2003, most of the banks switched to the new system of benchmark PLR (BPLR) by April 2004.

Demand Loan Rate - Basic advance rate at which the State Bank of India grants demand loans to scheduled commercial banks against Government securities. Call loans to co-operative banks against Government securities are granted at a rate lower than call loan rate to other commercial banks.

Other selected major Scheduled Commercial banks

Call Money Rate - Relates to inter-bank advances repayable on call at the option of the lender. Deposits requiring prior notice of any type for repayment are not included while over-night deposits are included. Weighted average of borrowing rates reported by selected banks, weights being proportional to amounts borrowed.

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Table 27.2

Spot prices of Silver - relate to spot quotations showing highest, lowest, average prices of silver in London, New York and Mumbai. Average prices are the average of closing quotations for working days.

Table 27.3

Number and value of coins minted- Figures relate to coins minted by India Government Mints, Mumbai and Kolkata. Indian mints have also minted coins for foreign countries like East Africa, Sri Lanka, Bhutan, Malaysia, Straits Settlements, Iraq and Egypt. Coins have been classified according to their metal content.

Table 27.4

Notes in Circulation - Comprise the notes held outside the Reserve Bank, i.e. by the public, banks, treasuries, etc. One rupee notes and coins issued by the Government of India are excluded.

Gold coins & bullion and foreign securities - As required in Section 33(2) of the Reserve Bank of India Act, the aggregate value of the gold coin, gold bullion and foreign securities held in the Issue Department at any time should not be less than Rs.2.0 Billion. Of this, the aggregate value of the gold coin and gold bullion should not be less than Rs.1.15 Billion.

Foreign Security - Represents securities payable in the currency of any foreign country which is a member of the International Monetary Fund.

Rupee Coin - Represents the face value of the whole rupees held at the offices of the Issue Department of the Reserve Bank of India and in currency chests at offices and branches of the Bank and its agencies and sub-agencies including Treasury agencies. Since July 1940, Rupee coin holdings include one Rupee notes issued by the Government of India under the Currency Ordinance, 1940. Mahatma Gandhi Birth Centenary ten Rupee silver coins and World Food and Agriculture Organisation commemorative ten Rupee silver coins and Independence Day Silver Jubilee ten Rupee coins issued by the Government of India in October, 1969, October, 1970 and August, 1972 and two Rupee coins issued since November 1982 are also included.

Government of India Rupee Securities - These are securities of any maturity issued by the Central Government in respect of public loans and also include rediscounted treasury bills and Government of India adhoc treasury bills issued to the Reserve Bank. The securities are valued monthly at the market rates on the last working day of the month.

Table 27.5

Money Stock Measures (M1) consist of currency with the public (notes and coins in circulation less cash in hand with banks) and deposit money of the public.

Notes - Comprise the notes issued by the Government of India upto April 1935 and the Reserve Bank since then, less the notes held in the Banking Department of the Reserve Bank. These comprise therefore, the notes, held outside the Reserve Bank i.e., by the public, banks, treasuries, etc., and are net of return of about Rs.0.43 Billion of Indian notes from Pakistan upto April 1985.

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Rupee coin- As in the case of notes, holdings in the Banking Department of the Reserve Bank of India are excluded, but Rupee coin held by Government Treasuries as part of Treasury balances and those held by banks have been included. Ten Rupee commemorative coins issued since October 1969, two Rupee coins issued since November 1982 and five Rupee coins issued since November 1985 are also included under Rupee coins. Figures are also net of an estimated amount of Rs.0.15 Billion of Indian Rupee coin in circulation in Pakistan.

Small coins- The circulation of small coins as presented in table 30.4 includes also small coins held by the Government, Treasuries and banks. As in the case of Rupee coins, holdings of small coins in the Banking Department of the Reserve Bank of India are excluded. Figures relate to the last day of the period.

Cash in hand with banks- Relates to such holdings of commercial and co-operative banks coming under the purview of the Banking Regulation Act, 1949.

Table 27.6

Absorption of small coins- Figures relate to the Indian Union.

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Table 27.1-MONEY RATES IN INDIA

| Year | Reserve Bank | State Bank of India | | | Major commercial banks call money rate (Mumbai) |
|---------|--------------|---------------------|--------------|---|---|
| | Bank rate@ | Discount rate | Advance rate | Demand loan scheduled commercial banks rate | |
| 1 | 2 | 3 | 4 | 5 | 6 |
| 1990-91 | 10.00 | 15.50 | 16.50 | 16.50 | 15.85 |
| 1992-93 | 12.00 | 16.00-18.00 | 19.00 | 19.50-21.50 | 14.42 |
| 1993-94 | 12.00 | 14.00-16.00 | 19.00 | 17.50-19.50 | 6.99 |
| 1994-95 | 12.00 | 13.00-14.00 | 15.00 | 16.50-17.50 | 9.40 |
| 1995-96 | 12.00 | 14.00-14.50 | 16.50 | 17.50-18.00 | 17.73 |
| 1996-97 | 12.00 | .. | 14.50 | 14.50-18.00 | 7.84 |
| 1997-98 | 10.50 | .. | 14.00 | .. | 8.69 |
| 1998-99 | 8.00 | .. | 12.00 | .. | 7.83 |
| 1999-00 | 8.00 | .. | 12.00 | .. | 8.87 |
| 2000-01 | 7.00 | .. | 11.50 | .. | 9.15 |
| 2001-02 | 6.50 | .. | 11.50 | .. | 7.16 |
| 2002-03 | 6.25 | .. | 10.75 | .. | 5.89 |
| 2003-04 | 6.00 | .. | 10.25 | .. | 4.62 |
| 2004-05 | 6.00 | .. | 10.25 | .. | 4.66 |
| 2005-06 | 6.00 | .. | 10.25 | .. | 5.60 |
| 2006-07 | 6.00 | .. | 11.50 | .. | 7.22 |

Source: Reserve Bank of India

@ As on March 31

Table 27.2-SPOT PRICES OF SILVER IN LONDON, NEW YORK AND BOMBAY (1)

| Year | London (per Pence gram) | | | New York (per Cents gram) | | | Mumbai (Rs.per kg.) (2) | | |
|------|-------------------------|--------|---------|---------------------------|--------|---------|-------------------------|--------|---------|
| | Highest | Lowest | Average | Highest | Lowest | Average | Highest | Lowest | Average |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1991 | 9.08 | 5.89 | 7.37 | 14.57 | 11.52 | 12.99 | 7051.0 | 6260.0 | 6760.79 |
| 1993 | 11.75 | 7.38 | 9.26 | 17.2 | 11.4 | 13.81 | 8750.0 | 5471.0 | 7078.39 |
| 1994 | 12.43 | 10.26 | 10.27 | 18.5 | 14.87 | 16.99 | 6993.0 | 5546.0 | 6348.12 |
| 1995 | 12.09 | 8.61 | 10.55 | 19.32 | 14.02 | 16.70 | 7272.0 | 6023.0 | 6692.31 |
| 1996 | 12.34 | 9.03 | 10.83 | 18.62 | 15.01 | 16.66 | 8486.0 | 6400.0 | 7220.5 |
| 1997 | 12.07 | 8.14 | 9.43 | 19.95 | 13.54 | 15.76 | 7711.0 | 6710.0 | 7165.07 |
| 1998 | 15.20 | 9.04 | 10.77 | 23.50 | 13.46 | 17.79 | 9350.0 | 6130.0 | 7352.27 |
| 1999 | 11.34 | 9.54 | 10.38 | 18.54 | 15.79 | 16.88 | 8975.0 | 7160.0 | 7855.44 |
| 2000 | 11.22 | 9.89 | 10.51 | 20.27 | 14.77 | 16.13 | 8600.0 | 7610.0 | 8066.94 |
| 2001 | .. | .. | .. | .. | .. | .. | 8150.0 | 7215.0 | 7868.75 |

Source: Bombay Bullion Association

(1) The price of Silver in London and New York per gram are obtained, using the conversion factor which is: 1 fin ounce=31.10 grams. Spot quotations for Silver at Mumbai relate to 0.999 fineness

(2) Data for Mumbai relate to the year ending March of the year stated, while those for London and New York markets relate to calendar year

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Table 27.3-NUMBER AND VALUE OF COINS MINTED

| Year ending March | Aluminium-magnesium | | Stainless steel (1) | | Cupro-Nickel | | Total | |
|-----------------------|---------------------|-------|------------------------|---------|--------------|---------|---------------|----------------|
| | Number | Value | Number | Value | Number | Value | Number | Value |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| (Kolkata) | | | | | | | | |
| 1990-91 | 206542 | 32493 | 79250 | 31041 | 160127 | 205447 | 445919 | 268981 |
| 1996-97 | - | - | 263100 | 166114 | 205723 | 779006 | 468823 | 945120 |
| 1997-98 | - | - | 244783 | 168478 | 189400 | 721400 | 434183 | 889878 |
| 1998-99 | - | - | 309212 | 201732 | 215900 | 751900 | 525112 | 953632 |
| 1999-00 | - | - | 421631 | 262485 | 238465 | 818330 | 660096 | 1080815 |
| 2000-01 | - | - | 442792 | 301305 | 258337 | 856874 | 700529 | 1158179 |
| 2001-02 | - | - | 561702 | 452227 | 258300 | 900900 | 820002 | 1353127 |
| 2002-03 | - | - | 610965 | 473018 | 218609 | 758819 | 829574 | 1231837 |
| 2003-04 | - | - | 346827 | 1306939 | 421075 | 392131 | 767902 | 1699070 |
| 2004-05 | - | - | 138510 | 138510 | 124465 | 415160 | 262975 | 553670 |
| 2005-06 | - | - | 130650 | 149230 | 9958 | 49425 | 140608 | 198655 |
| 2006-07 | - | - | 144170 | 287485 | 107 | 533 | 144277 | 288018 |
| (Mumbai mint) | | | | | | | | |
| 1990-91 | 46552 | 4655 | 162986 | 35913 | 169786 | 222791 | 379324 | 263359 |
| 1996-97 | - | - | 241183 | 186004 | 160018 | 552080 | 401201 | 738084 |
| 1997-98 | - | - | 223955 | 162945 | 177032 | 595395 | 400987 | 758340 |
| 1998-99 | - | - | 251560 | 178201 | 260041 | 877057 | 511601 | 1055258 |
| 1999-00 | - | - | 377818 | 238009 | 253758 | 845237 | 631575 | 1083246 |
| 2000-01 | - | - | 431070 | 255774 | 225681 | 781263 | 656751 | 1037037 |
| 2001-02 | - | - | 612605 | 423045 | 241205 | 855625 | 853810 | 1278670 |
| 2002-03 | - | - | 647126 | 553271 | 309107 | 1059790 | 956233 | 1613061 |
| 2003-04 | - | - | 582770 | 576849 | 286316 | 1077105 | 869086 | 1653954 |
| 2004-05 | - | - | 160748 | 160748 | 115747 | 479164 | 276494 | 639911 |
| 2005-06 | - | - | 86258 | 140573 | 7526 | 37630 | 93784 | 178203 |
| 2006-07 | - | - | 259843 | 519685 | 2452 | 12260 | 262295 | 531945 |

Sources: 1. India Government Mint, Kolkata
2. India Government Mint, Mumbai

Table 27.4-STATISTICS OF NOTES IN CIRCULATION IN INDIA

| Last Friday of March | Notes issued | Notes held in the banking deptt. | Notes in circulation | Reserve against note issue | | | |
|-------------------------|-----------------|---|-------------------------|----------------------------|----------------------|---|----------------------------|
| | | | | Gold coin & bullion | Rupee coin (1) | Government of India Rupee securities | Foreign Secur- ities |
| | | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1990-91 | 53807 | 23 | 53784 | 6654 | 29 | 46924 | 200 |
| 1997-98 | 148550 | 31 | 148520 | 9877 | 27 | 92946 | 45700 |
| 1998-99 | 172573 | 32 | 172541 | 10310 | 71 | 111492 | 50700 |
| 1999-00 | 196192 | 34 | 196157 | 11059 | | 112322 | 72700 |
| 2000-01 | 212937 | 79 | 212858 | 10324 | 78 | 110835 | 91700 |
| 2001-02 | 245201 | 48 | 245153 | 12170 | 161 | 89169 | 143700 |
| 2002-03 | 276318 | 42 | 276276 | 14508 | 70 | 46740 | 215000 |
| 2003-04 | 320012 | 24 | 319987 | 15494 | 86 | 3467 | 300965 |
| 2004-05 | 362505 | 18 | 362487 | 15601 | 143 | 1517 | 343484 |
| 2005-06 | 421940 | 18 | 421922 | 20974 | 150 | 1046 | 399769 |
| 2006-07 | 496786 | 11 | 496775 | 24160 | 12 | 1046 | 471567 |

Source : Reserve Bank of India.

(1) Includes G.O.I. one rupee notes issued from July, 1940.

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Table 27.5-MONEY STOCK MEASURES

(Rs.Ten Million)

| Currency with the Public | | | | | | Deposit Money of the public | Total money supply(M1) (col.6+7) |
|--------------------------|-------------------------|--------------------------------------|-------------------------------------|----------------------------------|----------------------------|-----------------------------------|---|
| As on March 31 (3) | Notes in circulation | Circulation of Rupee coins (1) | Circulation of small coin (1) | Cash on hand with bank (2) | Total (Col.2+3+ 4-5) | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1990-91 | 53661 | 936 | 685 | 2234 | 53048 | 39844 | 92892 |
| 1995-96 | 120066 | 1563 | 940 | 4311 | 118258 | 96577 | 214835 |
| 1996-97 | 134299 | 1927 | 991 | 5130 | 132087 | 108528 | 240615 |
| 1997-98 | 147704 | 2297 | 1055 | 5477 | 145579 | 122265 | 267844 |
| 1998-99 | 172000 | 2730 | 1116 | 6902 | 168944 | 140124 | 309068 |
| 1999-00 | 192483 | 3390 | 1188 | 7979 | 189082 | 152714 | 341796 |
| 2000-01 | 212851 | 4053 | 1300 | 8654 | 209550 | 169899 | 379449 |
| 2001-02 | 244608 | 4926 | 1440 | 10179 | 240795 | 182049 | 422844 |
| 2002-03 | 275402 | 5613 | 1458 | 10892 | 271581 | 202000 | 473581 |
| 2003-04 | 319732 | 5832 | 1464 | 12057 | 314971 | 263745 | 578716 |
| 2004-05 | 361213 | 5984 | 1464 | 12798 | 355863 | 291632 | 647495 |
| 2005-06 | 421922 | 6190 | 2564 | 17557 | 413119 | 413256 | 826375 |
| 2006-07 | 495938 | 6684 | 1603 | 20754 | 483471 | 481724 | 965195 |

Source: Reserve Bank of India

- (1) Estimated: Ten-rupee commemorative coins issued since October 1969, two-rupee coins issued since November 1982 and five-rupee coins issued since November 1985 are included under rupee coins.
- (2) Banks include commercial and co-operative banks.
- (3) The data in respect of Reserve Bank, Co-operative Banks and other items pertain to March 31, however, the data in respect of Scheduled Commercial Banks relate to the last reporting Friday of March.

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Table 27.6-MOVEMENTS IN CIRCULATION OF DECIMAL COINS
(Denomination-wise)
[Absorption (+) or Return (-)]

| | | | | | | | | | (Rs.million) |
|---------|-------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|----------------|
| Year | 50 paise | 25 paise | 20 paise | 10 paise | 5 paise | 3 paise* | 2 paise* | 1 paise* | Total paise |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1990-91 | 169.3 | 137.7 | 56.9 | 87.1 | 5.7 | - | -0.5 | - | 456.2 |
| 1995-96 | 415.1 | 125.9 | 24.0 | 23.1 | 2.5 | - | -0.2 | - | 590.4 |
| 1996-97 | 262.6 | 198.7 | 22.6 | 27.2 | 2.6 | - | -0.2 | - | 513.5 |
| 1997-98 | 455.4 | 132.5 | 15.3 | 36.0 | 0.3 | - | - | - | 639.5 |
| 1998-99 | 405.7 | 159.5 | 8.4 | 31.2 | 0.4 | - | - | - | 605.2 |
| 1999-00 | 472.7 | 214.4 | 7.3 | 30.1 | 0.5 | - | - | - | 725.0 |
| 2000-01 | 774.6 | 310.7 | 7.6 | 27.2 | 0.5 | - | - | - | 1120.6 |
| 2001-02 | 969.4 | 394.4 | 5.0 | 26.5 | 0.5 | - | - | - | 1395.8 |
| 2002-03 | 153.9 | 32.9 | -1.6 | 1.4 | 0.2 | - | - | - | 186.8 |
| 2003-04 | 52.1 | 21.9 | -4.3 | -0.3 | 0.1 | - | - | - | 69.5 |
| 2004-05 | 29.3 | -30.0 | -0.6 | 1.1 | 0.1 | - | - | - | -0.2 |
| 2005-06 | 53.8 | -15.6 | 3.7 | -0.1 | 0.1 | - | - | - | 41.9 |

Source: Reserve Bank of India

(*) Figure is inclusive of uncurrent and withdrawn coins in all denominations.

Note: Return is shown with (-) sign, other figures relate to absorption.

TABLE NUMBER 27.5
MONEY SUPPLY

(RS. TEN MILLION)

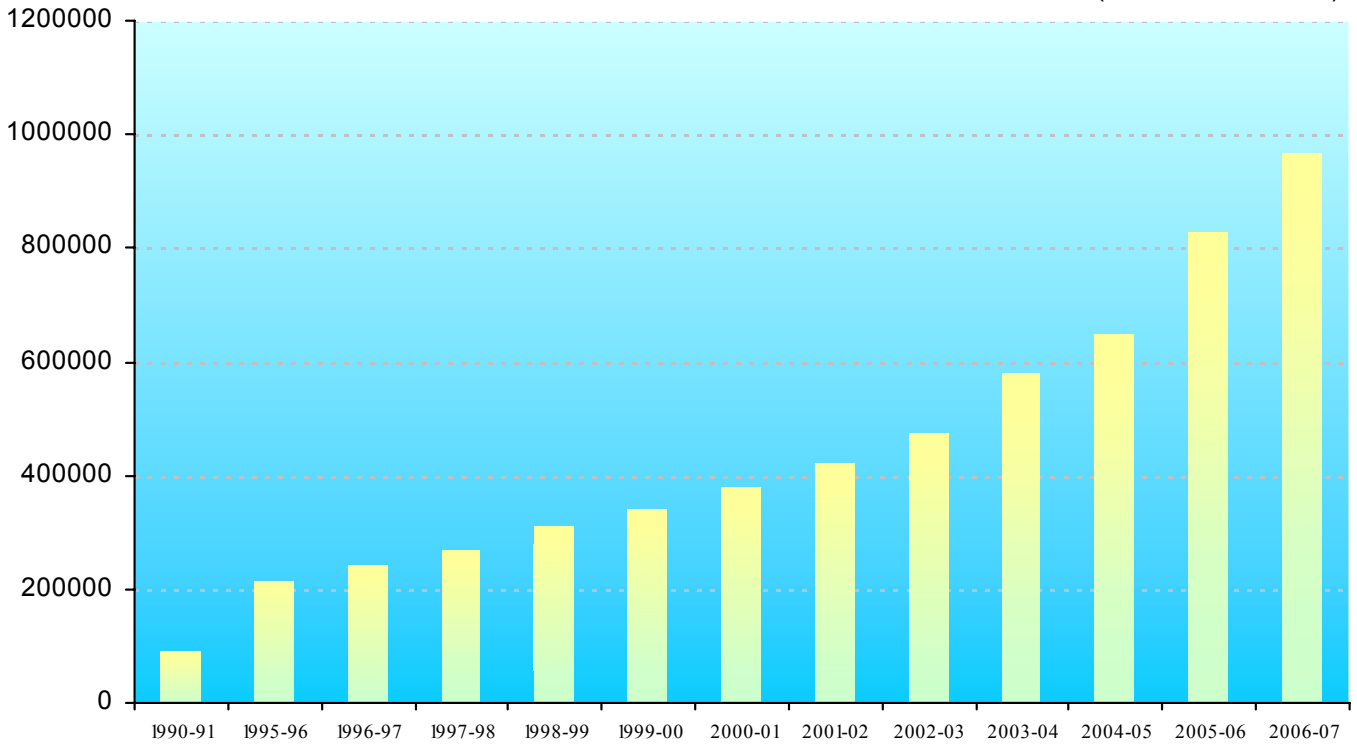


TABLE NUMBER 27.5
CURRENCY WITH THE PUBLIC

(RS. TEN MILLION)

