

30. 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 30.1

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.

Table 30.2

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 30.3

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 30.4

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 30.5

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.

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 30.6

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

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Table 30.1-MONEY RATES IN INDIA

(percent per annum)

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

Source: Reserve Bank of India

@ As on March 31

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Table 30.2-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 fine 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 30.3-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	-	-	421075	130693	346827	392132	767902	522825
2004-05	-	-	124465	415160	138510	138510	262975	553670
(Mumbai mint)								
1990-91	72711	7271	28887	4461	277726	251627	379324	263359
1996-97	-	-	241183	186003	160018	552080	401201	738083
1997-98	-	-	223955	162944	177031	595395	400986	758339
1998-99	-	-	251560	178201	260040	877057	511600	1055258
1999-00	-	-	377818	238009	253758	845237	631575	1083246
2000-01	-	-	431070	255774	225680	781263	656750	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	115746	479163	276494	639911

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

Table 30.4-STATISTICS OF NOTES IN CIRCULATION IN INDIA

Last Friday of March	(Rs.Ten Million)						
	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 Securities
1	2	3	4	5	6	7	8
1990-91	53807	23	53784	6654	29	46924	200
1996-97	134907	18	134889	11922	144	97640	25200
1997-98	148550	31	148520	9877	27	92946	45700
1998-99	172573	32	172541	10310	71	111492	50700
1999-00	196192	34	196157	11059	111	112322	72700
2000-01	212936	85	212851	10384	77	110775	91700
2001-02	244655	47	244608	12146	159	88649	143700
2002-03	275444	42	275402	13712	67	46664	215000
2003-04	319761	29	319732	14881	87	3467	301326
2004-05	361229	16	361213	16083	145	1517	343484

Source: Reserve Bank of India

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

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Table 30.5-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

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.

TABLE NUMBER 30.5
MONEY SUPPLY

(RS. TEN MILLION)

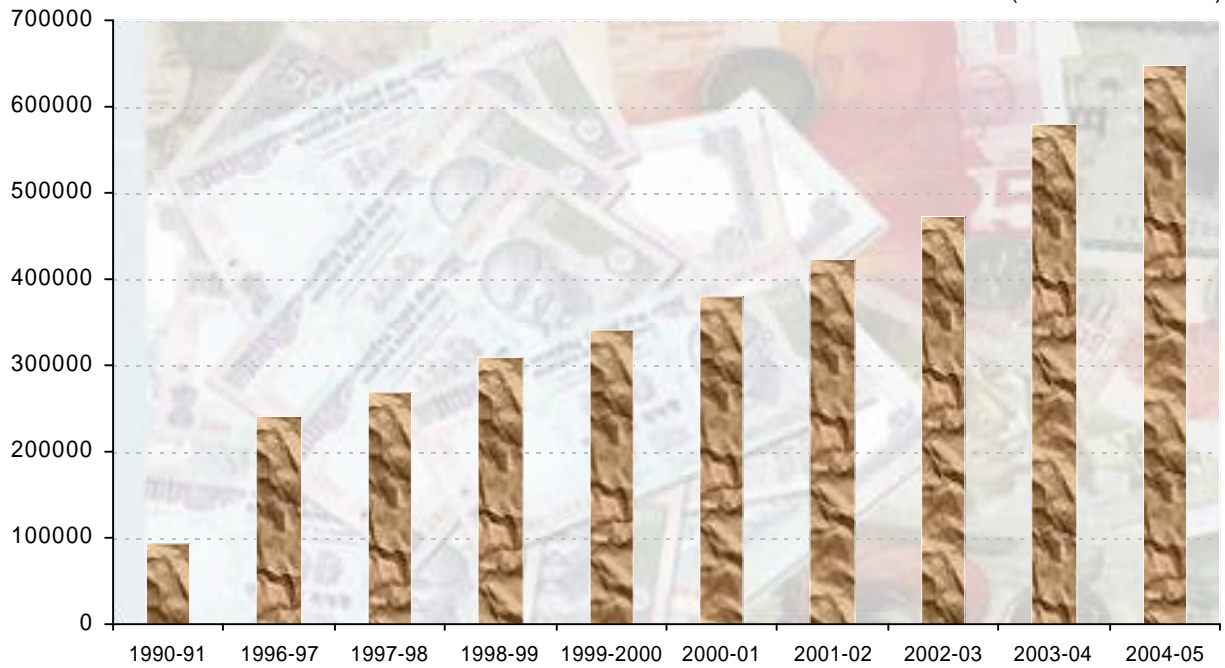


TABLE NUMBER 30.5
CURRENCY WITH THE PUBLIC

(RS. TEN MILLION)

